



MILTON HYDRO DISTRIBUTION INC.

200 Chisholm Drive, Milton, Ontario, L9T 3G9
Telephone (905) 876-4611 • Fax (905) 876-2044

January 19, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

**Re: Milton Hydro Distribution Inc. 2018 IRM Application EB-2017-0061
Objection to the School Energy Coalition (“SEC”) Request for Intervention**

Milton Hydro received a Notification of Intervention from SEC for the above proceeding at 10:49 pm January 17, 2018. In SEC’s Notice of Intervention, they state the following:

- additional charges that may affect the economics of those projects are a significant concern [to school boards], not just in Milton, but across the province.
- It is possible to keep the distributor whole, without restricting the ability of customers to implement renewable energy projects, but the specific design of standby and similar pricing is critical to achieving that balance.
- until the Board establishes a general rate policy dealing with this issue, it is essential that the proposals of individual LDCs be reviewed carefully by customers affected to make sure they don’t have unintended consequences.

Milton Hydro objects to the SEC request for Intervention for the following reasons:

1. The Standby Charge, while being applied for as a separate charge as required, is proposed to be the same as the OEB-Approved Variable Distribution kW charge based on Milton Hydro’s 2016 Cost of Service and Cost Allocation principles and applied to the coincident combined load based on the load meter and generation meter or contracted standby load.
2. The Variable Distribution kW charge, or equivalent with a Standby Charge, represents 6% or less of the total bill for schools in the Town of Milton which should not act a deterrent to the installation

of rooftop solar or other renewable energy projects as there remains approximately 94% or more of charges available for savings.

3. The OEB has been implementing initiatives since at least 2010 with respect to Standby Charges and in the 2016, 2017 and 2018 Chapter 2 Filing Guidelines, distributors have been permitted to apply for Standby Charges on a final basis. Milton Hydro submits that waiting for an OEB-Approved general rate policy on Standby Charges is not justification to disallow Milton Hydro's proposed Standby Charges. It would be Milton Hydro's expectation that its proposed Standby Charges, if approved, would be on an interim basis consistent with other distributors.
4. As of 2016, 15 distributors have Standby Charges with some of these distributors being the larger distributors serving the largest school boards in Ontario.
5. Milton Hydro's proposed Standby Charges, based on the Variable Distribution kW Charge for each customer class, are consistent with at least three distributors, which currently have OEB-Approved Standby Charges, as referenced in Milton Hydro's 2018 IR Application.
6. Milton Hydro's proposed Standby Charges provide the simplest and straight forward method of calculating the variable distribution revenues required to service the load customers.

Milton Hydro submits that:

1. The proposed Standby Charges are required to maintain the OEB-Approved revenue-to-cost ratios from Milton Hydro's 2016 Cost of Service, thereby eliminating the potential for cross subsidization across customer classes, including the Residential and General Service < 50 kW classes; and
2. The proposed Standby Charge is required to maintain distribution revenue neutrality within each customer class thereby upholding just and reasonable rates for all classes.

Milton Hydro's 2018 IR Application clearly sets out the basis for the proposed Standby Charges and as discussed above, Milton Hydro submits that there are no grounds for intervention and respectfully requests that the OEB deny SEC's request for intervenor status.

Yours truly,

Original signed by

Cameron McKenzie
Director, Regulatory Affairs