

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27^e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL

February 15, 2018

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Kirsten.Walli@oeb.ca

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Milton Hydro Distribution Inc.
2018 IRM Distribution Rate Application
OEB Staff Submission
OEB File No. EB-2017-0061**

In accordance with Procedural Order No.1, please find attached the OEB staff submission in the above proceeding. This document is also being forwarded to Milton Hydro Distribution Inc.

Milton Hydro Distribution Inc. is reminded that its reply submission is due by February 26, 2017, should it choose to file one.

Yours truly,

Original Signed By

Katherine Wang
Advisor, Incentive Rate Setting & Accounting
Encl.

ONTARIO ENERGY BOARD

STAFF SUBMISSION

2018 ELECTRICITY DISTRIBUTION RATES

Milton Hydro Distribution Inc.

EB-2017-0061

February 15, 2018

**OEB Staff Submission
Milton Hydro Distribution Inc.
2018 IRM Rate Application
EB-2017-0061**

Introduction

Milton Hydro Distribution Inc. (Milton Hydro) filed an application with the Ontario Energy Board (OEB) on September 25, 2017 under section 78 of the *Ontario Energy Board Act, 1998*, for changes to the rates that it charges for electricity distribution, effective May 1, 2018.

In Procedural Order No. 1, the OEB stated that any written submission by OEB staff and intervenors shall be filed with the OEB and delivered to all other parties by February 15, 2018. These are the submissions of OEB staff, based on its review of the evidence submitted by Milton Hydro in this proceeding.

OEB staff has no concern with the data supporting the updated Retail Transmission Service Rates (RTSRs) proposed by Milton Hydro. Milton Hydro is transmission connected, partially embedded within Hydro One Networks Inc.'s and Oakville Hydro Electricity Distribution Inc.'s (Oakville Hydro) distribution system. OEB staff has updated the IRM Rate Generator Model to reflect the OEB-approved Uniform Transmission Rates (UTRs)¹ and Oakville Hydro's Sub-transmission RTSRs² for 2018.

In the light of the foregoing, the remainder of OEB staff's submission relates to only the issue of:

- Deferral and Variance Account Disposition

Deferral and Variance Account Disposition

Milton Hydro submitted a completed deferral and variance account continuity schedule included in the 2018 IRM Rate Generator Model at Tab 3 for its Group 1 deferral and variance accounts (DVA). Milton Hydro's total Group 1 DVA balances amounted to a credit of \$262,539 (as amended during the course of the proceeding). The balance of Account 1589 – Global Adjustment (GA) is a debit of \$222,524 and is applicable only to non-RPP Class B customers. The remaining DVAs, excluding GA, amount to a credit of \$485,062. These balances also include interest calculated to April 30, 2018.

Based on the threshold test calculation, the Group 1 DVA balances equate to a credit of \$0.0003 per kWh which does not exceed the pre-set disposition threshold. Therefore, Milton Hydro does not propose to dispose of its Group 1 DVA account in this application.

¹ Decision and Rate Order, EB-2017-0359

² Decision and Rate Order, EB-2017-0067

OEB staff agrees with Milton Hydro and finds that no Group 1 DVA disposition is required at this time as the disposition threshold has not been exceeded.

All of which is respectfully submitted