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BY E-MAIL

March 16, 2018

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

Dear Ms. Walli:

**Re: Milton Hydro Distribution Inc. (Milton Hydro)
Motion to Review and Vary Decision and Order dated July 28, 2016 on Milton
Hydro Distribution Inc.'s electricity distribution rates and charges beginning
May 1, 2016 (EB-2015-0089)
Ontario Energy Board File Number: EB-2017-0225
Submission on Draft Rate Order**

In accordance with the Decision and Order issued on February 22, 2018, please find attached OEB staff's submission on the draft rate order filed by Milton Hydro.

Milton Hydro and all intervenors have been copied on this filing.

Yours truly,

Original Signed By

Harold Thiessen
Senior Advisor, Major Applications

Attach.

**Motion to Review and Vary Decision and
Order dated July 28, 2016 on Milton Hydro
Distribution Inc.'s electricity distribution rates
and charges beginning May 1, 2016 (EB-2015-
0089)**

Milton Hydro Distribution Inc.

EB-2016-0255

**OEB STAFF SUBMISSION ON DRAFT RATE
ORDER**

March 16, 2018

INTRODUCTION

On August 17, 2016, Milton Hydro Distribution Inc. (Milton Hydro) filed a Motion to Review and Vary certain aspects of the Ontario Energy Board's (OEB) Decision and Order dated July 28, 2016 on Milton Hydro's 2016 Cost of Service application¹ (the Motion). The OEB issued a Decision and Order on the Motion (the Decision) on February 22, 2018 which indicated that a revised rate order for 2016 and 2017 was required and ordered Milton Hydro to file a draft rate order by March 9, 2018.

SUBMISSION

OEB staff has reviewed the draft rate order submitted by Milton Hydro on March 9, 2018 and submits that:

- the increase to the 2016 rate base of \$506,000, adjusted for depreciation and accumulated amortization, has been correctly incorporated into Milton Hydro's 2016 tariff
- the updated 2016 tariff has been used as the basis to correctly update Milton Hydro's 2017 tariff

In addition, OEB staff submits that Milton Hydro has correctly calculated the forgone revenue for 2016 and 2017, taking into account the correction of the gain on the sale of 5th and Main and the 50/50 sharing of that gain. The rate rider to return the forgone revenue credit has been calculated correctly in order to be incorporated in the 2018 tariff which is currently being prepared under the 2018 Incentive Rate Mechanism (IRM) application².

OEB staff notes that, in accordance with the Decision on the Motion, the purposes of the revised 2016 and 2017 tariffs are to (1) determine the appropriate starting point for the IRM adjustment to be made for 2018 and (2) to calculate the forgone revenue for 2016 and 2017. The revised 2016 and 2017s tariff are 'notional' and for calculation purposes only. Milton Hydro will continue to charge the approved rates from the 2017 IRM proceeding,³ pending the outcome of the 2018 IRM proceeding (which will reflect the adjustments flowing from the Decision on the Motion).

¹ EB-2015-0089

² EB-2017-0061

³ EB-2016-0093

Despite the 2017 revised tariff being 'notional', OEB staff does have two minor comments by way of clarification:

- For all classes, the following rate riders should have said (2017) not (2018):
 - Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2018 Applicable only for Non-RPP Customers
 - Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2018
- The Ontario Electricity Support Program Credits are no longer required to be included in the tariff

As these changes do not affect the rates that Milton Hydro currently charges, OEB staff submits that no further action is required by Milton Hydro.

OEB staff notes that Energy Probe Research Foundation has submitted that it believes that the draft rate order reflects the Decision and Schools Energy Coalition had no comments on the draft rate order.

All of which is respectfully submitted