



MILTON HYDRO DISTRIBUTION INC.

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November 24, 2021

Ms. Christine Long, Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, ON
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**Re: Milton Hydro Distribution Inc. ED-2003-0014
2022 IRM Rate Application, OEB File No. EB-2021-0042
Reply Submission**

Please find attached Milton Hydro Distribution Inc.'s reply submission in the above referenced proceeding, pursuant to Procedural Order No. 1.

Please contact me if you have any questions.

Dan Gopic CPA, CMA
Director, Regulatory Affairs
Milton Hydro Distribution Inc.

cc: All parties in EB-2021-0042

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O.
1998, c.15 (Sched. B (the Act)).

AND IN THE MATTER OF an Application by Milton Hydro
Distribution Inc. (Milton Hydro) for an Order or Orders approving or
fixing just and reasonable rates and other service charges for the
distribution of electricity as of January 1, 2022.

REPLY SUBMISSION

Milton Hydro Distribution Inc.

November 24, 2021

1 **A. INTRODUCTION**

2 Milton Hydro filed an incentive rate-setting mechanism (IRM) application with the Ontario Energy Board
3 (OEB) on August 12, 2021 under section 78 of the Act, seeking approval for changes to its electricity
4 distribution rates to be effective January 1, 2022 (the Application). Milton Hydro filed subsequent
5 amendments to the Application on August 23, 2021 and September 16, 2021. Milton Hydro has adhered to
6 the OEB's Chapter 3 Filing Requirements for Electricity Distribution Rate Applications (Filing
7 Requirements), issued on June 24, 2021.

8 In the Application, Milton Hydro requests the following relief from the OEB:

- 9 1. Annual price cap adjustment to set base rates for 2022;
10 2. Adjustment to retail transmission service rates (RTSRs);
11 3. Disposition of Group 1 deferral and variance accounts (DVAs);
12 4. Disposition of its Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) balances;
13 5. Adjustment to 2022 low voltage service rates (LVSRS);
14 6. Alignment of its rate year with its fiscal year.

While Milton Hydro acknowledges that its requests to adjust 2022 LVSRs and align its rate year with its fiscal year are typically included in utilities' rebasing applications, these requests are appropriate to be considered in the Application, as they are in the best interest of Milton Hydro's customers and the utility, and are mechanistic calculations, as further discussed in this submission.

On September 29, 2021, the OEB issued Procedural Order 1, where it set out the schedule for the proceeding and approved Vulnerable Energy Consumers Coalition ("VECC") as intervenor. The OEB further clarified that VECC would be eligible to apply for an award of costs under the OEB's Practice Direction on Cost Awards, and only in relation to Milton Hydro's request to update the LVSRs.

Milton Hydro received written submissions from OEB staff and VECC on November 11, 2021.

This is Milton Hydro's reply submission that deals with the following issues:

- Annual Adjustment Mechanism;
- RTSRs;
- Disposition of Group 1 DVAs and Adjustment to LVSRs;
- Disposition of LRAMVA Balance and Alignment of Rate Year with Fiscal Year.

B. ANNUAL ADJUSTMENT MECHANISM

Milton Hydro filed its 2022 IRM Rate Generator Model as part of the Application. Milton Hydro used the 2021 IRM price cap adjustment as a placeholder value in the model with the intent to update it once the OEB finalizes the inflation factor for 2022 IRM rate applications. The OEB initiated a proceeding on August 6, 2021 to consider the inflation factor to be used to set rates for electricity transmitters and electricity and natural gas distributors for the year 2022¹. On November 18, 2021, the OEB issued its Decision and Order, concluding the proceeding and setting the inflation factor to be used to set 2022 rates. It is Milton Hydro's understanding that OEB staff will update Milton Hydro's 2022 IRM Rate Generation Model to reflect the OEB approved 2022 inflation factor of 3.3%, and the resulting price cap adjustment.

OEB staff, in its submissions, supports Milton Hydro's request for a price cap adjustment as part of its annual adjustment mechanism.

¹ EB-2021-0212

Milton Hydro's Submission

Milton Hydro requests that the OEB approves its price cap adjustments as updated by OEB Staff to reflect the OEB approved 2022 inflation factor.

C. RTSRs

In the Application, Milton Hydro requests to update its RTSRs to recover the wholesale transmission costs from the Independent Electricity System Operator (IESO) and host distributors². Milton Hydro used the 2021 wholesale transmission rates from the IESO and its host distributors in the 2022 IRM Rate Generator Model.

OEB staff also supports the proposed RTSR adjustments.

Milton Hydro's Submission

Milton Hydro respectfully requests that the OEB approves its RTSRs as updated using the 2022 wholesale transmission rates to be charged by the IESO and its host distributors. It is Milton Hydro's understanding that if the 2022 wholesale transmission rates are approved (i) prior to the OEB rendering its decision to dispose of the Application, OEB staff will update Milton Hydro's 2022 Rate Generator Model to reflect the new wholesale transmission rates; or (ii) after the OEB renders its decision in the current proceeding, Milton Hydro will record any difference in IESO and host distributor wholesale transmission rates in the USoA Account 1584 – Retail Transmission Network Charge and Account 1586 – Retail Transmission Connection Charge.

D. DISPOSITION OF GROUP 1 DVAs AND ADJUSTMENT TO LVSRs

Disposition of Group 1 DVAs

Milton Hydro last received approval to dispose of its 2016 and 2017 Group 1 balances on an interim basis in its 2019 IRM rate application. Further to the OEB's decision in 2021 rate proceeding, Milton Hydro

² Milton Hydro's host distributors are Hydro One Networks Inc. and Oakville Hydro Electricity Distribution Inc.

completed its review of Group 1 DVA balances in light of the OEB's Accounting Guidance.³ As a result , Milton Hydro amended the transactions recorded to the commodity pass-through accounts for the years 2016 to 2020. Milton Hydro corrected the errors pertaining to the data used in RPP settlement calculations, and allocation of global adjustment charges between Account 1588 – RSVA Power and Account 1589 – RSVA Global Adjustment, as well as mapping errors made when recording IESO and host distributor invoices. Following its review, Milton Hydro updated its business processes and improved the associated internal controls to ensure the accuracy of account balances.

In its submissions, OEB staff supports Milton Hydro's disposition request for Group 1 DVA balances on a final basis.

Adjustment to LVSRs

In the Application, Milton Hydro also requests to adjust its LVSRs to (i) smooth customer's anticipated bill impacts associated with its 2023 rebasing application, (ii) set its LVSRs at an appropriate level to reflect actual costs, (iii) minimize the variances accumulated in Account 1550 - LV Variance Account (Account 1550), by reducing the differential between the LV charges incurred and its LVSRs charged to customers, and (iv) mitigate intergenerational inequities to the extent possible.

LV charges relate to the cost of host distributors, Hydro One Networks Inc. (Hydro One) and Oakville Hydro Electricity Distribution Inc. (Oakville Hydro), to distribute electricity to an embedded distributor, Milton Hydro. Any variance between the LV charges paid to the host distributors and the amounts collected from customers via LVSRs are captured in Account 1550.

The table below provides the history of the wholesale LV charges paid to Hydro One and Oakville Hydro and the revenues collected through LVSRs from Milton Hydro's customers since the last rebasing period (i.e. 2016). On a cumulative basis, from 2016 to 2022 Milton Hydro's LVSRs are about 60% of the total LV payments made to its host distributors. In 2019 the total revenue from LVSRs was about 73% of the total LV payments made to host distributors and then in 2020, the revenue from LVSRs was about 55% of the total LV payments made to host distributors. For 2021 and 2022, the total revenue from LVSRs is expected to be under recovered at the same level as it was in 2020. The Account 1550 activity in 2020 is the largest it has been since 2016, and as a result, Milton Hydro determined that it is prudent to update the

³ Accounting Procedures Handbook Update, Accounting Guidance Related to Accounts 1588 RSVA Power and 1589 RSVA Global Adjustment, February 21, 2019.

- 1 LVSRs a year before its 2023 rebasing application. The table below demonstrates the magnitude of the
2 variance accumulated in Account 1550, assuming LVSRs are maintained at the current rate.

Year	Low Voltage Payments to Hydro One	Low Voltage Payments to Oakville Hydro	Low Voltage Payments to Host Distributors	LV Revenues	Variance Cost vs Revenue
2016 Actual	\$ 336,090	\$ 529,523	\$ 865,613	\$ 286,930	\$ 578,683
2017 Actual	\$ 303,415	\$ 384,807	\$ 688,223	\$ 527,760	\$ 160,463
2018 Actual	\$ 268,791	\$ 397,651	\$ 666,443	\$ 555,252	\$ 111,191
2019 Actual	\$ 517,133	\$ 243,825	\$ 760,958	\$ 556,605	\$ 204,352
2020 Actual	\$ 681,679	\$ 342,414	\$ 1,024,093	\$ 562,853	\$ 461,241
2021 Projected	\$ 710,671	\$ 341,071	\$ 1,051,742	\$ 569,170	\$ 482,572
2022 Projected	\$ 710,671	\$ 341,071	\$ 1,051,742	\$ 575,559	\$ 476,183
	\$ 3,528,451	\$ 2,580,363	\$ 6,108,814	\$ 3,634,130	\$ 2,474,684

- 3
4 Milton Hydro proposed to set its LVSRs to a more appropriate level, by applying the previous year's actual
5 (i.e. 2020) LV charges paid to its host distributors as the numerator dollar amount and then allocate this
6 amount to its customer classes on the same basis as the Transmission Connection Charges⁴. Milton Hydro
7 then applied the previous year's transmission connection denominator volumes as billing determinants⁵ to
8 calculate the 2022 LVSRs⁶. Although Milton Hydro acknowledges that its methodology has an inherent
9 timing lag, the approach will match actual costs more closely and, therefore, will smooth bill impacts and
10 reduce the variances in Account 1550⁷. The difference between the proposed methodology and the
11 methodology used in its 2016 COS rate application is not material⁸.
- 12 OEB staff does not object to Milton Hydro's request to adjust its LVSRs. However, OEB staff recommends
13 that this be approved on an exception basis, as this is a departure from the standard IRM process. OEB
14 staff's support is largely rooted in the fact that Milton Hydro is expecting a substantive bill impact in 2023,
15 and that the existing LVSRs are significantly lower than what is necessary to recover its current LV charges.

⁴ LV costs are allocated to rate classes in proportion to transmission connection rate revenues. Transmission connection amounts for each customer class are based on the customer class current RTSR connection charge multiplied by loss adjusted billed kWh.

⁵ Billing determinants are based on 2020 metered kWh or kW by customer class.

⁶ EB-2021-0042 Manager's Summary, pp. 45-46

⁷ ibid

⁸ Response to VECC-4 a)

VECC submitted that the OEB should not make an exception and approve Milton Hydro's proposed adjustment to LVSRs in 2022, and, instead, Milton Hydro should request the adjustment as part of its 2023 cost of service rate application.

Milton Hydro Submission

While Milton Hydro's request to adjust LVSRs is typically made in rebasing applications, this request warrants consideration and approval as part of this Application as it is in the customers' and utility's best interest. Furthermore, the OEB has approved a similar request in a previous IRM proceeding.⁹

As discussed throughout the evidence, by requesting the adjustment to its LVSR in 2022, Milton Hydro is trying to achieve the following:

- i. Smooth customers bill impacts – the increase occurs in 2022, rather than in the 2023 rebasing year, where the same increase will be coupled with other bill impact increases, associated with Milton Hydro's rebasing application.
- ii. Set LVSRs at an appropriate level to reflect actual costs, and
- iii. Prevent further accumulation of a larger balance in the variance account, thereby mitigating any potential bill impacts that may result from the future disposition of the balance.

As stated in the Application, Milton Hydro's request to adjust LVSRs should be considered in tandem with the request to dispose of Group 1 DVA credit balances.¹⁰ Although the sum of the Group 1 DVA credit balances of \$745,755 being requested for disposition does not meet the \$0.001/kWh threshold test, it is Milton Hydro's intent to use the associated credit rate rider to help offset the increase in LVSRs. The expected increase in amounts recovered from LVSRs versus the status quo LVSRs for 2022 is approximately \$461,240^{11,12}. By disposing of the Group 1 DVA balances of \$745,755 in 2022, it effectively

⁹ Combined Proceeding: Whitby Hydro Electric Corporation EB-2017-0085/EB-2017-0292 (a) Application for rates and other charges to be effective January 1, 2018 and (b) Application related to stranded conventional meters, smarter meter incremental revenue requirement, Group 2 deferral and variance accounts, and low voltage service rates.

¹⁰ Managers Summary, p. 9.

¹¹ \$461,510 = \$1,024,093 to be recovered in 2022 (based on 2020 quantities) as per Table iv of response to VECC-4 a) minus \$562,853 recoveries for 2020 as per Table iv of response to OEB-9 b).

¹² Milton Hydro is expecting to recover an incremental amount somewhat more than the \$461,240 calculated as the 2022 actual billing determinants are expected to be somewhat greater than the historical actual billing determinants for 2020.

1 offsets the increase caused by the adjustment to the LVSRs, of which \$456,124 is being returned to all
2 customers at large, and \$289,631 is being returned only to Class B non-RPP customers¹³.

3 OEB staff notes that the Account 1550 variances that Milton Hydro seeks to minimize in this proceeding
4 are for the 2022 fiscal year, which will not be disposed of in Milton Hydro's 2023 rebasing proceeding, and
5 therefore, have no bill impact in 2023. Milton Hydro agrees with OEB staff and confirms that minimizing
6 the 2022 fiscal year variance will impact a future proceeding¹⁴. Milton Hydro submits that the OEB should
7 accommodate its request to adjust its LVSRs only in relation to mitigating the bill impacts associated with
8 the 2023 cost of service proceeding.

9 OEB staff questions Milton Hydro's request to adjust its LVSRs in the last year of an IRM and submits that
10 applicants filing cost-of-service applications have a number of other bill mitigation tools at their disposal,
11 which an OEB panel hearing the broader cost-based proceeding may consider. While Milton Hydro does
12 not dispute the fact that the OEB panel may consider bill impact mitigation tools during a cost-of-service
13 proceeding as needed, the utility submits that it is a prudent approach to use every opportunity to help
14 smooth customer bill impacts where and when possible. As stated above, given that the Account 1550
15 activity in 2020 has been the largest since 2016, it was prudent and in the best interest of customers to seek
16 the adjustment to LVSRs in 2022, as opposed to wait until the rebasing application. Considering the bill
17 impacts that may result from the rebasing, coupled with the large variances that are being accumulated in
18 Account 1550, adjusting LVSRs in 2022 should alleviate rate increase pressure and reduce additional
19 requirements to perform bill impact mitigation in the future.

20 OEB staff also states that Milton Hydro could have elected not to dispose of its Group 1 accounts, given
21 that the total did not exceed the threshold. OEB staff submit that postponing disposition of this credit
22 amount to 2023 would have been one way of mitigating the 2023 bill impacts without deviating from OEB
23 standard practice in IRM proceedings. Milton Hydro submits that the only purpose to dispose of the Group
24 1 DVA accounts in 2022 is to help smooth the bill impact that customers will experience in 2022 resulting
25 from the increase to LVSRs. Furthermore, given that Group 1 DVA account balances have been
26 accumulating since 2016, Milton Hydro's proposal helps to minimize additional variances, thereby
27 mitigating intergenerational inequity.

¹³ As per total claimed in the 2022 Rate Generator Model Tab 3 Continuity Schedule.

¹⁴ Milton Hydro acknowledges the 2022 USoA 1550 LV Cost Variance Account would not be eligible for disposition until 2024.

OEB staff submits that since Account 1550 is a Group 1 DVA, it is typically disposed on an annual basis and, accordingly, there are mechanisms in place to ensure that variances do not accumulate for a lengthy period, thereby minimizing intergenerational inequity. Milton Hydro notes that although the aggregate Group 1 DVA balances are evaluated for disposition on an annual basis, that disposition is not mandatory in an IRM proceeding if the materiality threshold of \$0.001/kWh is not met. In addition, Group 1 DVA balances are recovered from different groups of customers. USoA 1589 RSVA Global Adjustment is recovered from only Non-RPP Class B customers, while all other Group 1 DVA balances are recovered from all customers at large; however, materiality is assessed on an aggregated basis. Although the aggregate balance of the Group 1 DVA balances could be small, and less than materiality, the USoA account 1589 balance accumulated could be a large debit balance, and the remaining Group 1 DVA balances could be a large offsetting large credit balance. In light of the foregoing, intergenerational inequity could still exist once the balances are recovered or returned to or from customers.

Contrary to VECC's position, Milton Hydro submits, that its proposals to smooth customer bill impacts during the time of the COVID-19 pandemic is warranted and reasonable. Milton Hydro is mindful of the impacts arising due to the increased LVSRs and that is why it is proposing to offset the resulting increase by requesting to return the Group 1 DVA credit balances which currently do not meet the materiality threshold for disposition. The exceptional circumstance is to smooth customer bill impacts during the time of the unprecedented COVID-19 pandemic which still has not yet ended. Milton Hydro submits, that by offsetting the LVSR increase in 2022, there is no impact resulting therefrom; however, by increasing the LVSR in 2022, there will be a reduction to the overall bill impact that will occur in 2023. Milton Hydro submits that its proposals to smooth bill impacts are in the best interests of customers from a bill impact perspective and from an intergenerational inequity perspective, as further discussed above.

Milton Hydro's request to increase LVSRs in 2022, coupled with the request to dispose of Group 1 DVA balances is reasonable and in the best interest of customers. The intent to request the approval of early disposition of Group 1 DVA accounts in tandem with the increase in LVSRs is to smooth bill impact between 2021 and 2022. However, if the OEB determines that the utility's proposal is not appropriate at this time, then in that case, Milton Hydro withdraws its request for early disposition of its Group 1 DVA balances on a final basis. Given that there would be no increase to customer bills as a result of the adjustment to LVSRs in 2022, there would be no need for bill impacts smoothing. Milton Hydro would seek the disposition of the balances in Group 1 DVAs as part of its 2023 rebasing application to help mitigate bill impacts at that time.

E. DISPOSITION OF LRAMVA BALANCE AND ALIGNMENT OF RATE YEAR WITH FISCAL YEAR

Disposition of LRAMVA Balance

In the Application, Milton Hydro requests the disposition of Account 1568 – LRAMVA to recover lost revenues in the amount of \$1,150,011 (including carrying charges), associated with differences between actual savings and forecast conservation savings included in the last OEB-approved load forecast. Milton Hydro requests the disposition of the net lost revenues from the following:

- 1) Persisting savings in 2015 of programs offered between 2011 to 2014,
- 2) Savings resulting from programs offered between 2015 to 2020, including in-year results and persistence of savings to December 31, 2020, and
- 3) Carrying charges on these amounts through December 31, 2021.

Milton Hydro proposes to recover the LRAMVA amount through class-specific volumetric rate riders that would be in effect for a period of twelve months, from January 1, 2022 to December 31, 2022 (2022 LRAMVA rate rider).

In its submissions, OEB staff supports Milton Hydro's request and the associated LRAMVA balance, requested for disposition.

Alignment of Rate Year with Fiscal Year

Milton Hydro also requests to change its rate year (currently effective May 1) to align it with its fiscal year effective January 1, 2022. To support its request, Milton Hydro presented evidence to demonstrate the benefits and efficiencies associated with having a fiscal period aligned with a rate-setting period, some of which include bill impacts smoothing resulting in greater regulatory certainty, greater efficiency of the rate application process, improved consistency in reporting fiscal year return on equity, and simplifying financial budgeting and forecasting processes¹⁵.

While changing the effective date of the rate year has financial implications for customers, Milton Hydro proposed a rate rider to return the difference between 2022 and 2021 distribution rates over four months (from January 1 to April 30, 2022). The difference, as presented in the evidence, has been calculated using a placeholder Price Cap Adjustment of 2.05%. Given the OEB has approved 2022 inflation parameters,

¹⁵ Manager's Summary, PP 40-41

1 Milton Hydro requests that OEB staff updates the rate rider calculation for the 2022 Price Cap Adjustment
2 and use the OEB approved 2022 inflation parameter of 3.3%. The proposed approach negates the rate
3 increase to base distribution rates in the first four months of 2022 and holds Milton Hydro's customers
4 harmless.

5 In its submissions, OEB staff notes that a change in the effective date of the rate year is typically part of a
6 cost-of-service application, however, OEB staff takes no issue with the request being made in this
7 proceeding, as there is no adverse rate impact for customers and is a mechanistic calculation. OEB staff
8 agrees that a rate year alignment provides benefits such as increased efficiency for the rate application
9 process, and improved consistency in reporting fiscal year return on equity.

10 Milton Hydro Submission

11 Milton Hydro requests the recovery of the LRAMVA amount through a rate rider over twelve months in
12 tandem with its request to change its rate year to align with its fiscal year. While this type of request is
13 typically made in rebasing applications, Milton Hydro submits that it is in the customers' and utility's best
14 interest to consider and approve it as part of this Application. Furthermore, the OEB has approved a similar
15 request in a previous IRM proceeding.¹⁶

16 The primary reason for requesting the rate year alignment in this Application, as opposed to waiting until
17 Milton Hydro submits its rebasing application for 2023 rates is to help smooth the bill impacts between
18 2023 and 2022 associated with the disposition of the large balance in LRAMVA. The requested alignment
19 would enable Milton Hydro to implement the 2022 LRAMVA rate rider on January 1, 2022, and with the
20 proposed sunset date of December 31, 2022, it would allow Milton Hydro to avoid the compounding effect
21 of the bill impacts associated with its 2023 rebasing application.

22 As further explained in the evidence, as part of its 2023 rebasing application, Milton Hydro anticipates to
23 request the disposition of a new LRAMVA rate rider, associated with persisting savings in 2021 and 2022
24 from the programs offered between 2016 and 2020 along with the associated carrying charges (2023
25 LRAMVA rate rider).¹⁷ Although Milton Hydro has not yet finalized the calculations associated with the
26 2023 LRAMVA rate rider, it is anticipated that the amount will be material, and would require recovery
27 through a rate rider. In light of the foregoing, if Milton Hydro's request to recover the 2022 LRAMVA rate
28 rider from January 1, 2022 to December 31, 2022 is not approved, but rather the OEB approves the 2022

¹⁶ EB-2020-0013, Decision and Order, Elexicon Energy Inc., issued December 29, 2020

¹⁷ Managers Summary, p. 24.

1 LRAMVA rate rider to be recovered from May 1, 2022 to April 30, 2023; then starting in January 2023,
2 the 2023 LRAMVA rate rider would be layered on top of the 2022 LRAMVA rate rider for four months
3 (from January to April 2023), thereby adding to bill impact increase.

4 OEB staff, in its submissions, stated that Milton Hydro's primary reason for requesting a rate change in this
5 proceeding could have been addressed through other methods that would not require a change to the rate
6 year, i.e. to dispose of the 2022 LRAMVA rate rider over eight (8) or twenty four (24) months period.
7 Milton Hydro has considered various alternatives of disposing of the large balance in LRAMVA and the
8 proposed approach, presented in the evidence, is the preferred alternative and in the best interest of its
9 customers and the utility. Disposing of the LRAMVA balance over an eight (8) month period, will have the
10 effect of increasing the rate rider by approximately 50% compared to the twelve-month disposition period.
11 Disposing of the LRAMVA balance over 24 months is a long recovery period. The LRAMVA amount
12 (including carrying charges) of \$1,150,011 is significant to Milton Hydro and the company needs the influx
13 of cash to be collected during its 2022 fiscal year to support its strategic objectives that are driven by the
14 customer growth experienced in recent years in the Town of Milton.

15 Milton Hydro submits that its proposal for the 2022 LRAMVA rate rider with a disposition period over
16 twelve (12) months commencing on January 1, 2022 and ceasing on December 31, 2022 in tandem with its
17 request to align its rate year with its fiscal year to enable bill impact smoothing, between 2021 and 2022,
18 and also between 2022 and 2023, is reasonable, in the best interest of its customers and the utility, and, as
19 such should be approved.

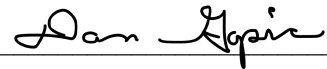
21 **F. CONCLUSIONS**

22 Milton Hydro submits that both of the requests to 1) to dispose of its credit balances in its Group 1 DVAs
23 although the materiality threshold was not met, in tandem with the update to the LVSRs; and, 2) align its
24 rate year with its fiscal year in 2022, in tandem with a 12-month LRAMVA rate rider; were requested as a
25 package, intended to help smooth customer bill impacts between 2022 vs 2021, and assist in smoothing bill
26 impacts between 2023 vs 2022. Milton Hydro submits these combined requests are in the best interests of
27 its customers and the utility. If the OEB determines that Milton Hydro's collective proposals do not
28 adequately achieve the intended results, or the extent of bill impact smoothing is not significant, and
29 therefore does not warrant approval in the Application, Milton Hydro withdraws its request to dispose of
30 the Group 1 DVA balances in this proceeding. Milton Hydro would bring forward its request to dispose of

its Group 1 DVA balances in 2023 to help mitigate the bill impacts resulting from the implementation of its 2023 Rate Order.

All of which is respectfully submitted this 24th day of November 2021.

MILTON HYDRO DISTRIBUTION INC.

A handwritten signature in black ink, appearing to read "Dan Gapic", is written over a horizontal line.

Dan Gapic, CPA, CMA