



MILTON HYDRO DISTRIBUTION INC.

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December 13, 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
Comments on OEB Decision and Rate Order**

Pursuant to the OEB's Decision and Rate Order dated December 9, 2021 Milton Hydro Distribution Inc. (Milton Hydro) has reviewed the Tariff of Rates and Charges and is filing with the OEB its detailed comments regarding the outcome of its review.

Comments on Tariff of Rates and Charges:

1. Confirmation of Price Cap Adjustment Parameter used in the calculations of the rate year alignment rate rider

In its rate application, Milton Hydro requested the OEB to change its rate year (currently effective May 1) to align it with its fiscal year effective January 1, 2022. In calculating a rate year alignment rate rider ("Rate Rider"), Milton Hydro used the Price Cap Adjustment placeholder of 2.05% since the Price Cap Adjustments for 2022 Fillers had not been finalized at the time Milton Hydro filed its application. Milton Hydro also requested the OEB to update the Rate Rider calculation for the 2022 Price Cap Adjustment once it becomes known. On November 18, 2021, the OEB approved the inflation factor for 2022 IRM Rate Applications of 3.3%. This had the effect of establishing Milton Hydro's 2022 Price Cap Adjustment to be 3.15%¹ and the OEB approved this Price Cap Adjustment for Milton Hydro's 2022 Distribution Rates. It was Milton Hydro's expectation that the updated 2022 Price Cap Adjustment of 3.15% would be used to calculate the Rate Rider.

In the December 9, 2021 Decision and Order, the OEB approved Milton Hydro's proposed Rate Rider, including the methodology and resulting calculations. However, in the Rate Rider spreadsheet

¹ Tab 16 of Milton Hydro's 2022 IRM Rate Generator Model.

calculation, the OEB did not use the Price Cap Adjustment of 3.15% as was expected by Milton Hydro; rather, the OEB used the inflation factor of 3.3% in its calculations. Milton Hydro requests the OEB to confirm whether the use of the inflation factor instead of the requested price cap adjustment was unintentional. If confirmed, Milton Hydro requests that the calculations be updated to use the Price Cap Adjustment of 3.15% and to update the Rate Rider accordingly. If it was the OEB's intent to use the inflation factor in the calculations, Milton Hydro requests the OEB to provide the reasoning for this change and allow it to make further submissions on the issue.

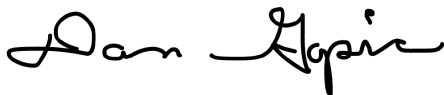
2. Typographical Error for LVSR Rate for the Residential Class

The Low Voltage Service Rate (LVSR) for the Residential Class as indicated in the Tariff of Rates and Charges is \$0.0011 per kWh. Milton Hydro requested an LVSR for this class of \$0.0012 per kWh². Milton Hydro requests to have typographical error corrected.

3. Minimum Distribution Charge not updated

As further explained in the application, Milton Hydro has a Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months.³ Milton Hydro stated that this rate needs to be updated manually and included in Milton Hydro's tariff for each of the three General Service classes from 50 kW up to its Large Use class. This rate has not been adjusted by the Price Cap Index in the Rate Generator Model, as there is no provision for such rate in the rate generator model and typically Milton Hydro adjusts this rate manually. This approach was approved by the OEB in previous proceedings. Milton Hydro initially applied the placeholder 2022 IRM Price Cap Index of 2.05% to the current charge of \$0.6422 and requested a rate of \$0.6554 per kW in its proposed Tariff of Rates and Charges for January 1, 2022. Now that the Price Cap Adjustment has been finalized, Milton Hydro's Minimum Distribution Charge should be updated to \$0.6624 using the final 2022 IRM Price Cap Adjustment of 3.15%. Milton Hydro requests to have the Minimum Distribution Charge Rate updated to \$0.6624 for each of the following classes, General Service 50 to 999 kW Class, General Service 1,000 to 4,999 kW, and the Large User Class.

Please contact me if you have any questions.



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

² IRR OEB Staff-10 c)

³ Managers Summary, p. 49