



**EB-2012-0288**

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

**AND IN THE MATTER OF** an application by Kitchener-Wilmot Hydro Inc. for an order or orders approving or fixing just and reasonable distribution rates related to Smart Meter deployment, to be effective November 1, 2012 and May 1, 2013.

**BEFORE:** Ken Quesnelle  
Presiding Member

Marika Hare  
Member

**DECISION AND ORDER**  
**November 8, 2012**

**Introduction**

Kitchener-Wilmot Hydro Inc. (“KWHI”), a licensed distributor of electricity, filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on June 15, 2012 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that KWHI charges for electricity distribution, to be effective November 1, 2012 and May 1, 2013.

KWHI is seeking Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder (“SMFA”) revenues collected from May 1, 2006 to April 30, 2012. KWHI requested approval of proposed Smart Meter Disposition Riders (“SMDRs”) effective November 1, 2012 and Smart

Meter Incremental Revenue Requirement Rate Riders (“SMIRRs”) effective May 1, 2013. The Application is based on the Board’s policy and practice with respect to recovery of smart meter costs.<sup>1</sup>

The Board issued its Letter of Direction and Notice of Application and Hearing (the “Notice”) on July 5, 2012. The Vulnerable Energy Consumers’ Coalition (“VECC”) was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Costs incurred with respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Stranded Meter Costs; and
- Implementation.

### **Costs Incurred with Respect to Smart Meter Deployment and Operation**

In the Application, KWHI sought the following approvals:

- Smart Meter Disposition Rider – An SMDR of (\$0.0046) per Residential customer per month and \$8.6823 per General Service less than 50kW customer per month. KWHI proposed that these rate riders be effective from November 1, 2012 to April 30, 2014. These rate riders will collect the difference between the deferred 2006 to December 31, 2011 and forecasted 2012 revenue requirement related to smart meters deployed as of December 31, 2011, plus interest on operations, maintenance and administration and depreciation expenses, and the SMFA revenues collected from 2006 to October 31, 2012 and corresponding interest on the principal balance of SMFA revenues; and

---

<sup>1</sup> On December 15, 2011, the Board issued *Guideline G -2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition* (“Guideline G-2011-0001”).

- Smart Meter Incremental Revenue Requirement Rate Rider – A forecasted cost recovery rate rider of \$0.5930 per Residential customer per month and \$4.7369 per General Service less than 50kW customer per month beginning May 1, 2013 until its next cost of service rate application, scheduled for 2014 rates. This rate rider will recover the 2013 incremental revenue requirement related to smart meter costs to be incurred from January 1, 2013 to December 31, 2013, for installed smart meters.

KWHI's costs in aggregate and on a per meter basis are summarized in the following table:

Cost per installed Smart Meter

	<b>Total Cost</b>	<b>Cost per Meter</b>
Overall Capital Costs	\$13,382,870	\$153.84
Overall OM&A Costs (including 2012-2013 forecast)	\$1,429,463	\$16.43
<b>Total Cost Per Smart Meter</b>	<b>\$14,812,333</b>	<b>\$170.27</b>
Overall Capital Costs Beyond Minimum Functionality	\$335,322	\$3.85
Overall OM&A Costs Beyond Minimum Functionality (including 2012-2013 projected)	\$537,777	\$6.18
<b>Total Costs Beyond Minimum Functionality</b>	<b>\$873,099</b>	<b>\$10.04</b>
Total Number of Smart Meters	86,991	-
Forecast 2012 Smart Meter Installations	0	-
Incremental OM&A 2013 projected	\$345,000	-

**Sources:** Application, Tables 2, 3 and 4, as filed on June 15, 2012

In the Application, KWHI provided its average capital costs per meter for the Residential and GS < 50 kW classes. Those costs are summarized in the table below.

<b>Class</b>	<b>Number of Meters</b>	<b>Capital Cost per Meter</b>	<b>Total (Capital + OM&amp;A) Cost Per Meter</b>
Residential	79,384	\$117.04	\$127.29
GS < 50 kW	7,607	\$493.81	\$504.06

In its Application, KWHI documented \$335,322 for capital costs and \$537,777 for OM&A expenses beyond minimum functionality. KWHI identified the \$335,322 as capital costs for upgrading its CIS/billing system for Time of Use ("TOU") billing. The upgrades were performed internally by KWHI staff. In addition, KWHI documented ongoing OM&A

expenses of \$140,000 per year.

In response to Board staff interrogatory #5, KWHI noted that it had not completed a formal cost-benefit analysis, but that discussions with other Distribution Utilities led it to conclude that a full CIS/billing system replacement would have been much more costly than the completion of upgrades by internal staff.

In interrogatories, both Board staff and VECC noted KWHI's forecasted OM&A expense increases in 2012 and 2013. KWHI noted that its service agreement with Sensus for the operation of its AMI network has a monthly fee per collector and a monthly fee per meter. KWHI stated that the monthly fee per collector commenced in 2010, but the per meter fee only commenced in 2012 once contractual performance standards were met. KWHI also noted that Operational Data Store ("ODS") fees, beginning in 2011, and exceeding \$125,000 per year, also factored into the increases in ongoing OM&A expenses.

Board staff submitted that the explanations provided by KWHI in support of its increased OM&A expenses are reasonable. Board staff noted that KWHI has documented how its adherence to the London Hydro RFP process and its cooperation with other Ontario distributors has resulted in improved technology selection and deployment and resulted in cost benefits to KWHI and ratepayers.

In its submission, Board staff noted that KWHI's average cost per meter was well within the ranges that the Board has seen for most utilities serving urbanized areas, notwithstanding the fact that KWHI's service territory is both urban and rural in nature, and that the per meter costs were reasonable and supported by the documentation. Board staff submitted that KWHI has acted in accordance with the regulations in its processes for the procurement of smart meters and associated equipment and for services to install and operate the smart meters and associated equipment. Board staff considered that the documented costs are prudent.

VECC submitted that it is reasonable to conclude that KWHI experienced some efficiencies in its smart meter implementation program through collaboration with its neighbouring utilities. VECC observed that when costs beyond minimum functionality are included, KWHI's total average costs of \$170.27 are below the sector averages. VECC submitted that KWHI's installed smart meter costs are reasonable and took no issue with the quantum or nature of the costs.

On September 28, 2012, KWHI filed a letter stating that it supported the positions in both Board staff's and VECC's submissions and that KWHI would not be filing further submissions in the proceeding.

The Board notes that authorization to procure and deploy smart meters has been done in accordance with Government regulations, including successful participation in the London Hydro RFP process, overseen by the Fairness Commissioner, to select (a) vendor(s) for the procurement and/or installation of smart meters and related systems. There is thus a significant degree of cost control discipline that distributors, including KWHI, are subject to in the procurement and deployment of smart meters.

The Board finds that KWHI's documented costs, as revised in response to interrogatories, related to smart meter procurement, installation and operation, and including costs beyond minimum functionality, are reasonable. As such, the Board approves the recovery of the costs for smart meter deployment and operation as of December 31, 2011.

#### Treatment of 2012 and 2013 Costs

In the Application, KWHI provided \$697,490 in forecasted OM&A costs for 2012 and 2013 associated with the meters deployed as of December 31, 2011. KWHI did not include capital costs for smart meters forecasted to be deployed in 2012 and 2013 due to customer growth. KWHI noted that the forecasted costs for 2012 and 2013 that are included in the Application represented 4.7% of the total costs sought for recovery in the Application.

Board staff submitted that KWHI's approach is consistent with what the Board has approved for final smart meter disposition in recent applications.<sup>2</sup> Board staff noted that in prior applications, some distributors had included both forecasted capital and OM&A costs related to customer growth for recovery. Other applicants had only sought recovery for costs related to smart meters installed as of the date of disposition. Board staff submitted that both approaches are acceptable, so long as the costs and the demand (number of customers) are for the same period and the forecasted costs are less than 10% of the total costs for the program. Board staff submitted that KWHI would

---

<sup>2</sup> e.g. Decision and Order EB-2011-0128, regarding PowerStream's 2011 smart meter cost recovery application and Decision and Order EB-2011-0054, regarding Hydro Ottawa Limited's 2012 cost of service rates application.

be compensated through the SMIRR revenues collected from any new customers for smart meter costs associated with customer growth until its distribution rates are rebased through a cost of service application.

VECC submitted that KWHI's percentage of audited costs conforms to the Board's *Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*.

The Board is satisfied that the nature and quantum of KWHI's forecasted costs are reasonable and that the costs and number of customers are for the same period. As the unaudited forecasted costs account for less than 10% of the total costs sought for recovery, the Board approves these costs for recovery.

### **Cost Allocation**

In its Application, KWHI proposed class-specific SMDRs and SMIRRs. Initial smart meter funding was provided by a uniform SMFA collected from all metered customers, and there was no specific Board direction for recording of costs and revenues by class.

However, it was recognized by the Board that, as there would be differing costs in different customer classes, in large part due to the costs of the meters themselves and, to the extent that accurate data was available from the utility's records, the principle of cost causality would support class-specific cost recovery. To this end, Guideline G-2011-0001 indicates that a utility is expected to address the allocation of costs in its application seeking the disposition of smart meter costs recorded in accounts 1555 and 1556. Further, in recent decisions, the Board has reviewed and approved the evolution of approaches for calculating class-specific rate riders.<sup>3</sup>

In responses to interrogatories, KWHI made corrections to various data in the Smart Meter Model and revised its proposed rate riders for smart meter cost recovery.

In response to Board staff interrogatory # 9, KWHI corrected the calculation of the SMIRRs to omit 2012 SMFA revenues inadvertently factored into calculations in the initial Application.

---

<sup>3</sup> The Board's decisions with respect to PowerStream Ltd.'s 2010 and 2011 smart meter applications (respectively, EB-2010-0209 and EB-2011-0128) confirmed approaches for allocating costs and calculating class-specific rate riders for recovery of smart meter costs. The approach approved in Decision EB-2011-0128, or an analogous or improved approach is expected where data of adequate quality at a class level is available.

In response to VECC interrogatories #13 and 16, KWHI provided a description of the cost allocation methodology used to calculate the SMDRs and the SMIRRs, respectively:

- Return (deemed interest plus return on equity) and Amortization were allocated based on the smart meter capital costs for each rate class;
- OM&A expenses were allocated based on the number of meters installed for each class;
- Payments in lieu of taxes (“PILs”) were allocated based on the revenue requirement allocated to each class before PILs; and
- Smart Meter Funding Adder revenues, including interest on the principal, were allocated based on the actual amounts collected from each class. Revenues collected from the GS > 50 kW and Large Use classes were allocated equally between the Residential and GS < 50 kW classes.

In the Application, KWHI noted that it had tracked installation costs for smart meters by rate class. In response to VECC interrogatory #14, KWHI completed separate smart meter models for each rate class and recalculated the SMDRs and SMIRRs for each class. The updated SMDRs and SMIRRs are summarized in the table below. The updated SMIRRs include a correction to remove 2012 SMFA revenues that were inadvertently factored in to the calculations.

	<b>Application</b> (June 15, 2012)	<b>KWHI Response to</b> <b>VECC IR #14 and 16</b>
<b>Residential</b>		
SMDR	\$(0.0046)	\$0.1345
SMIRR	\$0.5930	\$1.6171
<b>GS &lt; 50 kW</b>		
SMDR	\$0.5930	\$8.4176
SMIRR	\$4.7369	\$5.5530

In its submission, Board staff submitted that the class-specific SMDRs and SMIRRs, as provided in the responses to VECC interrogatories #14 and 16, had been calculated appropriately through the class-specific models. Board staff noted that the SMDR and SMIRR are, by design, monthly charges applied on a per customer basis and are invariant of consumption or demand, and should only be determined to two decimal places. Board staff submitted that the proposed rate riders should be rounded to two decimal places.

VECC submitted that it supported KWHI's updated proposed rate riders and agreed with Board staff that the rate riders should be rounded to two-decimal places.

The Board approves KWHI's revised cost allocation methodology as it is consistent with the approach approved by the Board in PowerStream's smart meter cost recovery application (EB-2011-0128). The Board agrees with Board staff and VECC that the proposed rate riders should be rounded to two decimal places. The Board will approve an effective date of November 1, 2012 for the SMDR and an effective date of May 1, 2013 for the SMIRR, as proposed by KWHI.

### **Stranded Meter Costs**

In its Application, KWHI proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2014 rates. In response to Board staff interrogatory #1, KWHI estimated the net book value of stranded meters as of December 31, 2013 will be \$3,770,000. KWHI also noted that it has left the stranded meters in its rate base for the purposes of its regulatory financial statements and has recorded amortization expense annually since the onset of the smart meter initiative.

Neither VECC nor Board staff took issue with KWHI's proposal, and Board staff submitted that KWHI's proposal is compliant with Guideline G-2011-0001. The Board agrees and therefore approves KWHI's proposal.

### **Implementation**

In granting its approval for the historically incurred costs and the OM&A costs projected for 2012 and 2013, the Board considers KWHI to have completed its smart meter deployment. Going forward, no capital and operating costs for new smart meters and the operations of smart meters shall be tracked in Accounts 1555 and 1556. Instead, costs shall be recorded in regular capital and operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

KWHI is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional

meters replaced by smart meters. The balance of this sub-account should be brought forward for disposition in KWHI's next cost of service application.

#### **THE BOARD ORDERS THAT:**

1. KWHI's SMDRs shall be effective November 1, 2012 to April 30, 2014. KWHI's SMIRRs shall be effective May 1, 2013 until KWHI's next cost of service rebasing application.
2. KWHI shall review the draft Tariff of Rates and Charges set out in Appendix A. KWHI shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive a submission from KWHI to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Order will become final, except for the stand by rates which remain interim, effective November 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after November 1, 2012. KWHI shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives a submission from KWHI to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of KWHI and will issue a final Tariff of Rates and Charges.

#### **Cost Awards**

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.

2. KWHI shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to KWHI any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. KWHI shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2012-0288**, be made through the Board's web portal at, <https://www.pes.ontarioenergyboard.ca/eservice/> and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to [BoardSec@ontarioenergyboard.ca](mailto:BoardSec@ontarioenergyboard.ca). Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

**DATED** at Toronto, November 8, 2012

## **ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**Appendix A**

**To Decision and Order**

**Draft Tariff of Rates and Charges**

**Board File No. EB-2012-0288**

**DATED: November 8, 2012**

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	9.69
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2014	\$	0.13
Rate Rider for Smart Meter Incremental Revenue Requirement – effective May 1, 2013 until the effective date of the next cost of service-based rate order	\$	1.62
Distribution Volumetric Rate	\$/kWh	0.0172
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0021
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	(0.0004)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2011) – effective until April 30, 2014	\$/kWh	0.00030
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2012) – effective until April 30, 2013	\$/kWh	0.00003
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0004)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015

## MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	25.54
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2014	\$	8.42
Rate Rider for Smart Meter Incremental Revenue Requirement – effective May 1, 2013 until the effective date of the next cost of service-based rate order	\$	5.55
Distribution Volumetric Rate	\$/kWh	0.0123
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0021
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	(0.0004)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2011) – effective until April 30, 2014	\$/kWh	0.00010
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2012) – effective until April 30, 2013	\$/kWh	0.00013
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0003)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0014

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

- General Service 50 to 999 kW non-interval metered
- General Service 50 to 999 kW interval metered
- General Service 1,000 to 4,999 kW interval metered.

Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	236.11
Distribution Volumetric Rate	\$/kW	4.0319
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	0.8121
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	(0.1575)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2011) – effective until April 30, 2014	\$/kW	0.01720
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2012) – effective until April 30, 2013	\$/kW	0.02049
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0602)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.0475)
Retail Transmission Rate – Network Service Rate	\$/kW	3.0521
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.7287

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	14,403.67
Distribution Volumetric Rate	\$/kW	1.3727
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kW	1.0403
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	(0.2022)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0434)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.0322)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.8686
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	0.6849

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Kitchener-Wilmot Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date November 1, 2012**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## **STANDBY POWER SERVICE CLASSIFICATION**

This classification applies to an account with load displacement facilities that contracts with the distributor to provide emergency standby power when its load displacement facilities are not in operation. The level of the billing demand will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation such as name-plate rating of the load displacement facility. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### **MONTHLY RATES AND CHARGES – Delivery Component – INTERIM APPROVAL**

Standby Charge – for a month where standby power is not provided, the charge is based on the applicable General Service 50 to 4,999 kW or Large use Distribution Volumetric Charge applied to the contracted amount (e.g. nameplate rating of generation facility).

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	8.46
Distribution Volumetric Rate	\$/kWh	0.0165
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	(0.0004)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2011) – effective until April 30, 2014	\$/kWh	0.00450
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0014

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.79
Distribution Volumetric Rate	\$/kW	5.3025
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	0.7291
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	(0.1417)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.1136)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.0933)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8559
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4433

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Kitchener-Wilmot Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date November 1, 2012**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

**microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
----------------	----	------

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES

Monthly Distribution Wheeling Service Rate – Dedicated LV Line	\$/kW	1.4660
Monthly Distribution Wheeling Service Rate – Shared LV Line	\$/kW	0.1420
Rate Rider for Tax Change Dedicated LV Line – effective until April 30, 2013	\$/kW	(0.0130)
Rate Rider for Tax Change Shared LV Line – effective until April 30, 2013	\$/kW	(0.0016)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8776
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.6871

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

## SPECIFIC SERVICE CHARGES

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

#### Customer Administration

Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Collection of Account Charge – No Disconnection	\$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (if meter found correct)	\$	30.00
Meter Removal without Authorization	\$	60.00

#### Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter – during regular hours	\$	45.00
Disconnect/Reconnect at meter – after regular hours	\$	75.00
Disconnect/Reconnect at pole – during regular hours	\$	95.00

Service call – after regular hours	\$	105.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

# Kitchener-Wilmot Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date November 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2012-0288  
EB-2011-0179

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

## LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0320
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0154
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0226
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0053