



EB-2012-0142

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 Kingston Hydro Corporation for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2013.

By Delegation, Before: Adrian Pye

DECISION AND ORDER
April 4, 2013

Introduction

Kingston Hydro Corporation (“Kingston Hydro”), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the “Board”) on August 31, 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 Kingston Hydro charges for electricity distribution, to be effective May 1, 2013.

Kingston Hydro is one of 77 electricity distributors in Ontario regulated by the Board. The *Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors* (the “IR Report”), issued on July 14, 2008, established a three year plan for 3rd generation incentive regulation mechanism (“IRM”) (i.e., rebasing plus three years). In its October 27, 2010 letter regarding the development of a Renewed Regulatory Framework for Electricity (“RRFE”), the Board announced that it was extending the IRM plan until such time as the RRFE policy initiatives have been substantially completed.

In a letter dated October 18, 2012, the Board stated its expectation that the three rate setting methods set out in the *Report of the Board – Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* would be available for the 2014 rate year.

As part of the plan, Kingston Hydro is one of the electricity distributors that will have its rates adjusted for 2013 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its IR Report, *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008 (the "Supplemental Report"), and *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (collectively the "Reports"). Among other things, the Reports provide the relevant guidelines for 2013 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On June 28, 2012, the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the application filing requirements for IRM applications based on the policies in the Reports.

Notice of Kingston Hydro's rate application was given through newspaper publication in Kingston Hydro's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment or intervention requests were received. Board staff participated in the proceeding. The Board proceeded by way of a written hearing.

While I have considered the entire record in this proceeding, I make reference only to such evidence as is necessary to provide context to my findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Wholesale Market Service Rate;
- Smart Metering Entity Charge;

- MicroFIT Service Charge;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates; and
- Review and Disposition of Group 1 Deferral and Variance Account Balances.

Price Cap Index Adjustment

As outlined in the Reports, distribution rates under the IRM are to be adjusted by a price escalator, less a productivity factor of 0.72% and a stretch factor.

On March 21, 2013, the Board announced a price escalator of 1.6% for those distributors under IRM that have a rate year commencing May 1, 2013.

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. In its letter to Licensed Electricity Distributors dated November 27, 2012 the Board assigned Kingston Hydro to efficiency cohort 2, being the middle group, and a resulting cohort specific stretch factor of 0.4%.

I have therefore determined, on that basis, that the resulting price cap index adjustment is 0.48% (i.e. $1.60\% - (0.72\% + 0.40\%)$). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across customer classes.

The price cap index adjustment does not apply to the following components of delivery rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFIT Service Charge; and

- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

On March 21, 2013, the Board issued a Decision with Reasons and Rate Order (EB-2013-0067) establishing that the Rural or Remote Electricity Rate Protection (“RRRP”) used by rate regulated distributors to bill their customers shall be \$0.0012 per kilowatt hour effective May 1, 2013. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this RRRP charge.

Wholesale Market Service Rate

On March 21, 2013, the Board issued a Decision with Reasons and Rate Order (EB-2013-0067) establishing that the Wholesale Market Service rate (“WMS rate”) used by rate regulated distributors to bill their customers shall be \$0.0044 per kilowatt hour effective May 1, 2013. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this WMS rate.

Smart Metering Entity Charge

On March 28, 2013, the Board issued a Decision and Order (EB-2012-0100/EB-2012-0211) establishing a Smart Metering Entity charge of \$0.79 per month for Residential and General Service < 50 kW customers for those distributors identified in the Board’s annual *Yearbook of Electricity Distributors*. This charge will be in effect from May 1, 2013 to October 31, 2018. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this Smart Metering Entity charge.

MicroFIT Service Charge

On September 20, 2012, the Board issued a letter advising that the default province-wide fixed monthly charge for all electricity distributors related to the microFIT Generator Service Classification was to be updated to \$5.40 per month effective with the implementation of electricity distributors’ 2013 rates applications. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects the new default microFIT service charge.

Shared Tax Savings Adjustments

In its Supplemental Report, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate.

The calculated annual tax reduction will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers over a 12-month period, through a volumetric rate rider using annualized consumption by customer class underlying the Board-approved base rates.

Kingston Hydro's application identified that the amount of tax to be shared in 2013, a credit of \$367, is not enough to trigger a valid rate rider. Kingston Hydro requested that this amount be transferred to Account 1595 in accordance with section 2.5 – Tax Changes of the Filing Requirements.

I approve Kingston Hydro's request to transfer its 2013 shared tax savings in the amount of a credit of \$367 to Account 1595 in accordance with the Filing Requirements.

Retail Transmission Service Rates (“RTSRs”)

Electricity distributors are charged for transmission costs at the wholesale level and subsequently pass these charges on to their distribution customers through the RTSRs. Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e. variance Accounts 1584 and 1586).

On June 22, 2012 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2013. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Ontario Uniform Transmission Rates (“UTRs”) levels and the revenues generated under existing RTSRs. Similarly, embedded distributors whose host is Hydro One Networks Inc. (“Hydro One”) should adjust their RTSRs to reflect any changes in Hydro One's Sub-Transmission class RTSRs. The objective of resetting the rates is to minimize the prospective balances in Accounts 1584 and 1586. In order to

assist electricity distributors in the calculation of the distributors' specific RTSRs, Board staff provided a filing module.

Kingston Hydro is a partially embedded distributor whose host is Hydro One.

On December 20, 2012 the Board issued its Rate Order for Hydro One Transmission (EB-2012-0031) which adjusted the UTRs effective January 1, 2013, as shown in the following table:

Table 1: 2013 Uniform Transmission Rates

| | |
|--|---------------|
| Network Service Rate | \$3.63 per kW |
| <u>Connection Service Rates</u> | |
| Line Connection Service Rate | \$0.75 per kW |
| Transformation Connection Service Rate | \$1.85 per kW |

The Board also approved new rates for Hydro One Sub-Transmission class RTSRs effective January 1, 2013 (EB-2012-0136), as shown in the following table.

Table 2: 2013 Sub-Transmission RTSRs

| | |
|--|---------------|
| Network Service Rate | \$3.18 per kW |
| <u>Connection Service Rates</u> | |
| Line Connection Service Rate | \$0.70 per kW |
| Transformation Connection Service Rate | \$1.63 per kW |

I find that these 2013 UTRs and Sub-Transmission class RTSRs are to be incorporated into the filing module.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report Initiative* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Kingston Hydro's 2011 actual year-end total balance for Group 1 Accounts including interest projected to April 30, 2013 is a debit of \$2,107,667. This amount results in a total debit claim of \$0.0030 per kWh, which exceeds the preset disposition threshold. Kingston Hydro proposed to dispose of this debit amount over a one-year period.

In its submission, Board staff noted that the principal amounts to be disposed as of December 31, 2011 reconcile with the amounts reported as part of the *Reporting and Record-keeping Requirements* ("RRR"). Board staff submitted that the amounts should be disposed on a final basis. Board staff further submitted that Kingston Hydro's proposal for a one-year disposition period is in accordance with the EDDVAR Report.

I approve, on a final basis, the disposition of a debit balance of \$2,107,667 as of December 31, 2011, including interest as of April 30, 2013 for Group 1 accounts. These balances are to be disposed over a one year period from May 1, 2013 to April 30, 2014.

The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

Table 3: Group 1 Account Balances

| Account Name | Account Number | Principal Balance A | Interest Balance B | Total Claim C = A + B |
|--|----------------|------------------------|-----------------------|--------------------------|
| LV Variance Account | 1550 | \$350,965 | \$11,134 | \$362,099 |
| RSVA - Wholesale Market Service Charge | 1580 | -\$1,483,873 | -\$50,339 | -\$1,534,212 |
| RSVA - Retail Transmission Network Charge | 1584 | \$405,592 | \$15,315 | \$420,907 |
| RSVA - Retail Transmission Connection Charge | 1586 | \$362,499 | \$14,782 | \$377,281 |
| RSVA - Power (excluding Global Adjustment) | 1588 | -\$314,526 | -\$4,912 | -\$319,438 |
| RSVA - Power – Global Adjustment Sub-Account | 1588 | \$2,735,979 | \$65,318 | \$2,801,297 |
| Recovery of Regulatory Asset Balances | 1590 | -\$256 | -\$11 | -\$267 |
| | | | | |
| Total Group 1 Excluding Global Adjustment Sub-Account | | | | -\$693,631 |
| Total Group 1 | | | | 2,107,667 |

For accounting and reporting purposes, the respective balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the

balances is effective in rates, which generally is the start of the rate year. This entry should be completed on a timely basis to ensure that these adjustments are included in the reporting period ending June 30, 2013 (Quarter 2).

Rate Model

With this Decision, the Board is providing Kingston Hydro with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board has reviewed the entries in the rate model to ensure that they were in accordance with the 2012 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Kingston Hydro's new distribution rates shall be effective May 1, 2013.
2. Kingston Hydro shall review the draft Tariff of Rates and Charges set out in Appendix A. Kingston Hydro 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 Kingston Hydro 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. Kingston Hydro 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 Kingston Hydro 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 Kingston Hydro and will issue a final Tariff of Rates and Charges.
5. Kingston Hydro 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-2012-0142**, 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. If the web portal is not available parties may email their document to 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, April 4, 2013

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-2012-0142
DATED: April 4, 2013

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0142

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 | \$ | 12.23 |
| Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until December 31, 2013 | \$ | 1.73 |
| Rate Rider for Recovery of Smart Meter Incremental Revenue Requirement - in effect until the effective date of the | \$ | 2.63 |
| Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018 | \$ | 0.79 |
| Distribution Volumetric Rate | \$/kWh | 0.0150 |
| Low Voltage Service Rate | \$/kWh | 0.0007 |
| Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2014 | \$/kWh | (0.0010) |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | 0.0076 |
| Rate Rider for Incremental Capital (2012) - effective until April 30, 2015 | \$/kWh | 0.0007 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0064 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0048 |

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0044 |
| Rural Rate Protection Charge | \$/kWh | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0142

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak 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 | \$ | 25.17 |
| Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until December 31, 2013 | \$ | 3.95 |
| Rate Rider for Recovery of Smart Meter Incremental Revenue Requirement - in effect until the effective date of the | \$ | 3.65 |
| Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018 | \$ | 0.79 |
| Distribution Volumetric Rate | \$/kWh | 0.0104 |
| Low Voltage Service Rate | \$/kWh | 0.0006 |
| Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2014 | \$/kWh | (0.0010) |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | 0.0076 |
| Rate Rider for Incremental Capital (2012) - effective until April 30, 2015 | \$/kWh | 0.0005 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0058 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0044 |

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0044 |
| Rural Rate Protection Charge | \$/kWh | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0142

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less 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 | \$ | 272.68 |
| Distribution Volumetric Rate | \$/kW | 1.9533 |
| Low Voltage Service Rate | \$/kW | 0.2520 |
| Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2014 | \$/kW | (0.3635) |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kW | 2.7988 |
| Rate Rider for Incremental Capital (2012) - effective until April 30, 2015 | \$/kW | 0.0776 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.5309 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.9102 |

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0044 |
| Rural Rate Protection Charge | \$/kWh | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0142

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand 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.

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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 | \$ | 5,027.35 |
| Distribution Volumetric Rate | \$/kW | 1.0256 |
| Low Voltage Service Rate | \$/kW | 0.3036 |
| Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2014 | \$/kW | (0.5017) |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kW | 3.8633 |
| Rate Rider for Incremental Capital (2012) - effective until April 30, 2015 | \$/kW | 0.0355 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 3.0495 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 2.3017 |

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0044 |
| Rural Rate Protection Charge | \$/kWh | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0142

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak 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 customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. 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.

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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 customer) | \$ | 11.24 |
| Distribution Volumetric Rate | \$/kWh | 0.0137 |
| Low Voltage Service Rate | \$/kWh | 0.0007 |
| Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2014 | \$/kWh | (0.0010) |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | 0.0076 |
| Rate Rider for Incremental Capital (2012) - effective until April 30, 2015 | \$/kWh | 0.0005 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0064 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0048 |

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0044 |
| Rural Rate Protection Charge | \$/kWh | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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EB-2012-0142

STANDBY POWER - APPROVED ON AN INTERIM BASIS SERVICE

This classification refers to an account that has Load Displacement Generation and requires Kingston Hydro Corporation to provide back-up service. 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

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).

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0044 |
| Rural Rate Protection Charge | \$/kWh | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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EB-2012-0142

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, 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) | \$ | 1.00 |
| Distribution Volumetric Rate | \$/kW | 4.5513 |
| Low Voltage Service Rate | \$/kW | 0.1820 |
| Rate Rider for Disposition of Deferral/Variance Account (2013) - effective until April 30, 2014 | \$/kW | (0.3488) |
| Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kW | 2.6860 |
| Rate Rider for Incremental Capital (2012) - effective until April 30, 2015 | \$/kW | 0.2178 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 1.8281 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.3797 |

MONTHLY RATES AND CHARGES - Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0044 |
| Rural Rate Protection Charge | \$/kWh | 0.0012 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0142

MICROFIT 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.

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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 | \$ | 5.40 |
|----------------|----|------|

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

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EB-2012-0142

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, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

| | | |
|---|----|-------|
| Arrears certificate | \$ | 15.00 |
| Statement of Account | \$ | 15.00 |
| Request for other billing information | \$ | 15.00 |
| Account History | \$ | 15.00 |
| Returned cheque (plus bank charges) | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 15.00 |
| Special meter reads | \$ | 30.00 |
| Meter dispute charge plus Measurement Canada fees (if meter found correct) | \$ | 30.00 |

Non-Payment of Account

| | | |
|--|----|--------|
| Late Payment – per month | % | 1.50 |
| Late Payment – per annum | % | 19.56 |
| Disconnect/Reconnect at meter – during regular hours | \$ | 65.00 |
| Disconnect/Reconnect at meter – after regular hours | \$ | 185.00 |
| Disconnect/Reconnect at pole – during regular hours | \$ | 185.00 |
| Disconnect/Reconnect at pole – after regular hours | \$ | 415.00 |
| Install/Remove load control device – during regular hours | \$ | 65.00 |
| Install/Remove load control device – after regular hours | \$ | 185.00 |
| Specific Charge for Access to the Power Poles - \$/pole/year | \$ | 22.35 |
| Layout fees | \$ | 200.00 |

Kingston Hydro Corporation

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EB-2012-0142

RETAIL SERVICE CHARGES (if applicable)

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.

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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, charges for the Ministry of Energy Conservation and Renewable Energy Program, 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 | 1.0344 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | 1.0180 |
| Total Loss Factor – Primary Metered Customer < 5,000 kW | 1.0241 |
| Total Loss Factor – Primary Metered Customer > 5,000 kW | 1.0078 |