



EB-2014-0088

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 approving just and reasonable rates
and other charges for electricity distribution to be effective
May 1, 2015.

By Delegation, Before: Lynne Anderson

DECISION and RATE ORDER

March 19, 2015

Kingston Hydro Corporation (“Kingston Hydro”) filed an application with the Ontario Energy Board (the “Board”) on October 16, 2014 under section 78 of the *Ontario Energy Board Act*, seeking approval for changes to the rates that Kingston Hydro charges for electricity distribution, effective May 1, 2015 (the “Application”).

Kingston Hydro last appeared before the Board with a cost of service application for the 2011 rate year in the EB-2010-0136 proceeding. To adjust its 2015 rates, Kingston Hydro selected the Price Cap Incentive Rate-setting option (the “Price Cap IR”) which provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service proceedings. The Application met the Board’s filing requirements¹ for filings by rate-regulated electricity distributors (“distributors”) applying for annual rate adjustments under Price Cap IR.

¹ Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach (October 18, 2012); and Filing Requirements for Electricity Distribution Rate Applications (July 25, 2014)

While the entire record in this proceeding has been considered by me, this decision will make reference only to such information as is necessary to provide context to my conclusions. The following issues are addressed in this Decision and Rate Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection 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

The Price Cap IR option is a streamlined regulatory process designed to provide distributors with sufficient revenue to cover cost increases due to inflation while providing an incentive structure to drive productivity improvements.

Under the Price Cap IR option², distribution rates are adjusted by an inflation factor, less the sum of a productivity factor and a stretch factor. Based on its established method³, the Board has set the inflation factor for 2015 rates at 1.6% and the productivity factor remains zero percent. The Board also determined that the stretch factor can range from 0.0% to 0.6%, assigned based on a distributor's cost evaluation ranking. The Board assigned Kingston Hydro a stretch factor of 0.3% based on the updated benchmarking study for use for rates effective in 2015⁴.

As a result, the net price cap index adjustment for Kingston Hydro is 1.30% (i.e. 1.6% - (0% + 0.3%)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;

² Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)

³ As outlined in the Report cited at footnote 2 above.

⁴ Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2013 Benchmarking Update." Pacific Economics Group LLC. July, 2014.

- Wholesale Market Service Rate;
- Rural or Remote Electricity Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFit Charge; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

The Board has determined that the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2015 shall remain \$0.0013 per kWh⁵. The Tariff of Rates and Charges flowing from this Decision and Rate Order reflects this RRRP charge.

Shared Tax Savings Adjustments

The Board has determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate⁶.

The tax reduction will be allocated to customer rate classes on the basis of the Board-approved distribution revenue from Kingston Hydro’s last cost of service proceeding.

The Application identified a total tax savings of \$63,583 resulting in a shared amount of \$31,792 to be refunded to rate payers.

I approve the disposition of the shared tax savings of \$31,792 based on a volumetric rate rider using annualized consumption for all customer classes over a one-year period (i.e. May 1, 2015 to April 30, 2016).

⁵ Decision with Reasons and Rate Order, EB-2014-0347

⁶ Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors (September 17, 2008)

Retail Transmission Service Rates

Electricity distributors are charged for transmission costs at the wholesale level and then pass on these charges to their distribution customers through their Retail Transmission Service Rates (“RTSRs”). Variance accounts 1584 and 1586 are used to capture differences in the rate that a distributor pays for wholesale transmission service relative to the retail rate that the distributor is authorized to charge when billing its customers.

The Board has issued guidelines⁷ which outline the information that the Board requires electricity distributors to file in order to adjust their RTSRs for 2015. The RTSR guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Uniform Transmission Rates (“UTR”) and the revenues generated under existing RTSRs. Similarly, partially embedded distributors, such as Kingston Hydro, must adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributor, which in this case is Hydro One Networks Inc.

The Board has adjusted the UTRs effective January 1, 2015⁸, as shown in the following table:

2015 Uniform Transmission Rates

Network Service Rate	\$3.78 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.86 per kW
Transformation Connection Service Rate	\$2.00 per kW

The Board has not yet established Hydro One’s sub-transmission class rates for 2015, including the retail transmission service rates for this class. I will therefore approve the RTSRs as adjusted in this Application so that they reflect those which currently apply to this class, as shown in the following table. The differences arising from the new 2015 rates, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

⁷ Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates, revision 4.0 (June 28, 2012)

⁸ 2015 Uniform Electricity Transmission Rate Order, EB-2014-0357

2014 Sub-Transmission RTSRs

Network Service Rate	\$3.23 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.65 per kW
Transformation Connection Service Rate	\$1.62 per kW

I conclude that these 2015 UTRs and 2014 Sub-Transmission class RTSRs are to be incorporated into the filing module to adjust the RTSRs that Kingston Hydro will charge its customers accordingly.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The Board's policy on deferral and variance accounts⁹ 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, whether in the form of a 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. If the balances are below this threshold, the distributor may propose to dispose of balances.

Kingston Hydro's 2013 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2015 is a debit of \$3,450,954. This amount results in a total debit claim of \$0.0049 per kWh, which exceeds the preset disposition threshold. The account balance for Account 1589 – Global Adjustment is a debit of \$3,402,884. Without the inclusion of Account 1589, which is applicable only to customers who are not on the regulated price plan, the Group 1 Account balance is a debit of only \$48,070. In its Application, Kingston Hydro noted Appendix B of the *Filing Requirements for Electricity Distribution Rate Applications – 2014 Edition for 2015 Rate Applications*, dated July 25, 2014, which states that in the event where the calculation of any rate rider results in a volumetric rate rider that is negligible, the entire Board-approved amount for recovery or refund will typically be recorded in Account 1595 for future disposition. Kingston Hydro proposed that the Group 1 account balance (excluding Account 1589) of \$48,070 be recorded in Account 1595 for future disposition due to negligible rate riders, and that the balance of Account 1589 of \$3,402,884 be disposed of over a one-year period.

⁹ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

The balances proposed for disposition are the same as the amounts reported as part of the Board's *Reporting and Record-Keeping Requirements*. I agree with Kingston Hydro's request and direct Kingston Hydro to record the Group 1 balances excluding Account 1589 in the amount of \$48,070 in variance Account 1595 for disposition at a future date. I approve the disposition of a debit balance of \$3,402,884 as of December 31, 2013, including interest as of April 30, 2015 for Account 1589 – Global Adjustment. This balance is to be disposed over a one-year period from May 1, 2015 to April 30, 2016.

The table below identifies the principal and interest amounts which the Board approves for disposition.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C = A + B
LV Variance Account	1550	367,935	11,593	379,528
Smart Meter Entity Variance Charge	1551	44,232	598	44,831
RSVA - Wholesale Market Service Charge	1580	(443,319)	(16,021)	(459,341)
RSVA - Retail Transmission Network Charge	1584	216,076	6,037	222,114
RSVA - Retail Transmission Connection Charge	1586	109,015	2,437	111,452
RSVA - Power	1588	(196,803)	(18,112)	(214,915)
RSVA - Global Adjustment	1589	3,300,842	102,042	3,402,884
Recovery of Regulatory Asset Balances	1590	(256)	(21)	(277)
Disposition and Recovery of Regulatory Balances (2010)	1595	(4,430)	(1,409)	(5,839)
Disposition and Recovery of Regulatory Balances (2011)	1595	(71,294)	73,505	2,211
Disposition and Recovery of Regulatory Balances (2012)	1595	14,689	(46,382)	(31,694)
Total Group 1 Excluding Global Adjustment – Account 1589		35,844	12,226	48,070
Total Group 1		3,336,686	114,268	3,450,954

The 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. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*,

effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Kingston Hydro should ensure these adjustments are included in the reporting period ending June 30, 2015 (Quarter 2).

Disposition of Deferral and Variance Accounts for Class A customers and Wholesale Market Participants

As indicated in the Filing Requirements¹⁰, distributors must establish separate rate riders to recover the balances in the retail settlement variance accounts from market participants in order that they not be allocated any balances related to charges which they settle directly with the IESO (e.g. wholesale energy, wholesale market services).

The Board further determined that a distributor who serves Class A customers per Ontario Regulation 429/04 must propose an appropriate allocation for the recovery of the global adjustment variance balance based on its settlement process with the IESO.

In its Application, Kingston Hydro noted that it has a market participant customer within its General Service 50 to 4,999kW rate class and that all Kingston Hydro's Large Use customers are currently Class A for the global adjustment calculation methodology. With respect to its market participant customer, Kingston Hydro has calculated separate rate riders for its Deferral and Variance Account balances which exclude Accounts 1580, 1588 and 1589.

With respect to Kingston Hydro's entire Large Use rate class (Class A), Kingston Hydro noted that its settlement process with the IESO with respect to Class A customers in regard to the contribution to the balance of Account 1589 – Global Adjustment offsets to zero. Therefore, Kingston Hydro is not proposing to charge a rate rider for the disposition of this account to Class A customers.

I agree with the allocation methodology utilized by Kingston Hydro with respect to its market participant customer and also agree that no disposition of Account 1589 – Global Adjustment to Class A customers is required.

¹⁰ See footnote 1

Rate Model

With this Decision and Rate Order are a rate model, applicable supporting models and a Tariff of Rates and Charges (Appendix A). Entries in the rate model were reviewed to ensure that they were in accordance with the 2014 Board-approved Tariff of Rates and Charges. The rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order is approved effective May 1, 2015 for electricity consumed or estimated to have been consumed on and after such date. All rates will become final, except for standby rates which remain interim. Kingston Hydro Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, March 19, 2015

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Tariff of Rates and Charges

Board File No: EB-2014-0088

DATED: March 19, 2015

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0088

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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, 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	\$	12.56
Rate Rider for Recovery of Smart Meter Incremental Revenue Requirement - in effect until the effective date of the next cost of service-based rate order	\$	2.63
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0154
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0001)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	0.0156
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0088

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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	25.85
Rate Rider for Recovery of Smart Meter Incremental Revenue Requirement - in effect until the effective date of the next cost of service-based rate order	\$	3.65
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0106
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0001)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	0.0156
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, 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	\$	280.09
Distribution Volumetric Rate	\$/kW	2.0063
Low Voltage Service Rate	\$/kW	0.2520
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0099)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non-RPP Customers, excluding Wholesale Market Participants	\$/kW	5.7342
Retail Transmission Rate - Network Service Rate	\$/kW	2.6313
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0128

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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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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It should be noted that this schedule does not list any changes, 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	\$	5,164.00
Distribution Volumetric Rate	\$/kW	1.0535
Low Voltage Service Rate	\$/kW	0.3036
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0045)
Retail Transmission Rate - Network Service Rate	\$/kW	3.1704
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4253

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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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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It should be noted that this schedule does not list any changes, 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)	\$	11.55
Distribution Volumetric Rate	\$/kWh	0.0141
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0001)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kWh	0.0156
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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STANDBY POWER SERVICE CLASSIFICATION

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 distributors'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, 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 - APPROVED ON AN INTERIM BASIS

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 generating facility).

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0088

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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, 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)	\$	1.02
Distribution Volumetric Rate	\$/kW	4.6750
Low Voltage Service Rate	\$/kW	0.1820
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0278)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non-RPP Customers	\$/kW	5.5544
Retail Transmission Rate - Network Service Rate	\$/kW	1.9006
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4538

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0088

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.

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 changes, 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
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Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0088

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

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.

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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

Other

Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35
Layout fees	\$	200.00

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

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EB-2014-0088

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.

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	1.0344
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