



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

DECISION AND RATE ORDER

EB-2017-0055

KINGSTON HYDRO CORPORATION

Application for rates and other charges to be effective January 1, 2018

By Delegation, Before: Theodore Antonopoulos

December 20, 2017

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INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the 2018 Custom Incentive Rate-setting (Custom IR) – Year 3 Update application filed by Kingston Hydro Corporation (Kingston Hydro) on August 25, 2017, as amended during the course of the proceeding.

Kingston Hydro owns and operates an electricity distribution system in Ontario, serving approximately 27,000 customers in the City of Kingston, Barriefield Village and the Canadian Forces Base Kingston. Kingston Hydro filed an application with the OEB to change the rates it charges to its customers for electricity distribution, to be effective January 1, 2018 (the Application). Under the OEB Act, electricity distributors must apply to the OEB to change the rates that they charge customers.

Kingston Hydro filed a Custom IR application¹ with the OEB in 2015. The OEB accepted the comprehensive settlement reached between Kingston Hydro and the intervenors in that proceeding and approved the distribution rates for 2016-2020. The OEB noted that the Tariff of Rates and Charges in the 2017-2020 rate years may need to be adjusted to reflect the requirement to dispose of certain generic variance account balances related to pass-through costs, and annual updates required by the settlement proposal.

The OEB ordered Kingston Hydro to file an application to update the proposed Tariff of Rates and Charges for each subsequent rate year during the Custom IR term. Per the terms of the settlement proposal key components of the Custom IR include:

- Rates for 2016 through 2020 are set on a final basis subject to confirmation of the need for an annual update for the working capital allowance for the change in cost of power and pass through charges, provided a minimum cumulative revenue requirement threshold of \$65,000 is met
- An asymmetrical capital variance account to track variances and associated revenue requirement impacts resulting from underspending in three distinct capital forecasts, to be reviewed and the balance if any to be disposed at the end of the term
- An asymmetrical Earnings Sharing Mechanism (ESM) to split earnings in excess of the approved ROE of 9.19%, with no deadband, with ratepayers on a 50/50 basis, to be reviewed and the balance if any to be disposed of at the end of the term
- An efficiency adjustment mechanism (EAM) taking into account changes in Kingston Hydro's efficiency cohort and the balance if any to be disposed at the end of the term

¹ EB-2015-0083

- Kingston Hydro will update its Low Voltage (LV) rates and Retail Transmission Service Rates (RTSRs) annually
- Group 1 Deferral and Variance Accounts to be disposed of as per the OEB's EDDVAR disposition mechanism
- Adjustment of the fixed/variable split for the residential customer class as per the OEB policy to transition to a fully fixed rate design over a four-year period beginning in 2016.²

As a result of the OEB's findings in this Decision, there will be a monthly bill decrease of \$0.51 for a residential customer consuming 750 kWh, effective January 1, 2018.

² Board Policy: A New Distribution Rate Design for Residential Electricity Customers, EB-2012-0410, April 2, 2015

1. THE PROCESS

The OEB follows a streamlined process for Custom IR update applications. Applications of this nature may be decided by either a panel of Board Members or it may be delegated to OEB staff, depending on the complexity of the application.

After an initial review of the application, the OEB determined that the application is largely mechanistic in nature with respect to the adjustments contemplated. Therefore, this Decision is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998* (the OEB Act).

Under this type of process, the application is reviewed by OEB staff to verify whether the requested adjustments are consistent with the approved Custom IR application. This includes but is not limited to updates or adjustments defined in the OEB's decision on the original Custom IR application.

Kingston Hydro filed its application on August 25, 2017, under section 78 of the OEB Act and in accordance with the Filing Requirements. Kingston Hydro supported its application with written evidence and completed rate models. Questions were asked of, and answers were provided by, Kingston Hydro through emails and phone calls with the OEB. Based on this information, a decision was drafted and provided to Kingston Hydro on December 14, 2017. Kingston Hydro was given opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

2. ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Kingston Hydro's proposals relating to each of them:

- Base Rate Adjustment
- Retail Transmission Service Rates
- Low Voltage Service Rates
- Deferral and Variance Accounts
- Specific Service Charges

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision.

3. BASE RATE ADJUSTMENTS

Kingston Hydro's OEB-approved settlement proposal established Kingston Hydro's revenue requirement for each rate year from 2016-2020.

As per the settlement proposal the only adjustments to be made to Kingston Hydro's base rates are in relation to the working capital allowance. An adjustment is applicable if the impact of the annual updates to the cost of power calculation would exceed a cumulative value of \$65,000 on revenue requirement.

Kingston Hydro provided the impacts for cost of power updates for 2017 (\$6,009) and 2018 (-\$15,084), based on the July 1 rates.³ The cumulative impact is -\$9,075 and therefore, Kingston Hydro did not request an adjustment to its working capital allowance for the 2018 rate year. As a result, there are no changes to the approved 2018 base rates.

The settlement proposal also confirmed Kingston Hydro will transition the residential rate class to fully fixed rates by 2019 as per the OEB's residential rate design policy.⁴ The implementation of the transition results in an increase to the fixed charge of \$2.69.

As part of the settlement proposal Kingston Hydro calculated the increases to its OM&A budget using an escalator factor of 1.84%, calculated on a compounded basis. This Custom IR update does not include any further base rate adjustments.

The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

Findings

The OEB approves Kingston Hydro's base rates as proposed.

4. RETAIL TRANSMISSION SERVICE RATES

Distributors charge retail transmission service rates (RTSRs) to their customers to recover the amounts they pay to a transmitter, a host distributor or both for transmission services. All transmitters charge Uniform Transmission Rates (UTRs) approved by the OEB to distributors connected to the transmission system. Host distributors charge

³ *Report on Regulated Price Plan Prices and the Global Adjustment Modifier for the Period July 1, 2017 to April 30, 2018*, issued on June 22, 2017.

⁴ *Ontario Energy Board Policy: A New Distribution Rate Design for Residential Electricity Customers*, EB-2012-0410, April 2, 2015

RTSRs to distributors embedded within the host’s distribution system.

Kingston Hydro is partially embedded within Hydro One’s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 5.1 and Table 5.2.

Table 5.1: UTRs⁵

Current Applicable UTRs (2017)	per kWh
Network Service Rate	\$3.52
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.88
Transformation Connection Service Rate	\$2.13

Table 5.2: Hydro One Networks Inc. Sub-Transmission RTSRs⁶

Current Applicable Sub-Transmission RTSRs (2017)	per kWh
Network Service Rate	\$3.19
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77
Transformation Connection Service Rate	\$1.75

Findings

Kingston Hydro’s proposed adjustments to its RTSRs are approved. The RTSRs were adjusted based on the current UTRs and host-RTSRs.

The differences resulting from the approval of new 2018 UTRs or RTSRs will be captured in Accounts 1584 and 1586 for future disposition.

⁵ Decision and Order, EB-2017-0280, November 23, 2017

⁶ Decision and Order, EB-2016-0081, December 21, 2016

5. LOW VOLTAGE CHARGES

As part of the approved settlement proposal, Kingston Hydro's Low Voltage (LV) rates are to be updated annually. Kingston Hydro estimated LV charges of \$1,226,804 based on historical actuals. Kingston Hydro has allocated the LV costs to each customer class based on each class proportion of the projected 2018 retail transmission-connection rate revenue of \$3,799,686. The resulting LV charges are shown in the table below.

Table 6.1: Proposed LV Charges

Class	Per	2017 LV Charge	2018 LV Charge
Residential	kWh	\$0.0018	0.0018
General Service < 50 kW	kWh	\$0.0016	0.0016
General Service 50 to 1,499 kW	kW	\$0.6753	0.6875
Large Use (> 5,000 kW)	kW	\$0.8137	0.8284
Unmetered Scattered Load	kWh	\$0.0018	0.0018
Street Lighting	kW	\$0.4878	0.4966

Findings

The updated LV charges included in Kingston Hydro's 2018 application have been calculated and allocated in accordance with the approved methodology and are approved.

6. DEFERRAL AND VARIANCE ACCOUNTS

Group 1 Accounts

In each year of a Custom IR term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.⁷ OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.⁸ If the balance does not exceed the threshold, a distributor may elect to request disposition.

⁷ Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

⁸ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR), EB-2008-0046, July 31, 2009

Kingston Hydro exceeded this threshold and proposed the disposition of its Group 1 accounts as part of this proceeding. During the discovery process, Kingston Hydro became aware that the Global Adjustment Account 1589 was overstated by \$5,004,122. Kingston Hydro discovered that the information it submitted to the Independent Electricity System Operator (IESO) for Class A consumption was incorrect and did not include all meter points for one of its large use customers. This resulted in the Global Adjustment Class B charges from the IESO to Kingston Hydro being too high.

Kingston Hydro is currently working with the IESO on the Non-RPP Class B Global Adjustment discrepancy. Kingston Hydro informed the OEB that it has submitted revised Class A consumption to the IESO which will result in revised charges for the Class B Global Adjustment. As a result, Kingston Hydro withdrew its request for disposition of all Group 1 accounts.

Findings

The OEB accepts that Kingston Hydro is not in a position to defend its account balances and expects that the company will address this matter in sufficient detail so as to support any disposition in its next rates proceeding, including confirming the balances in all Group 1 accounts.

Group 2 Accounts

Capital Investment Variance Account

As part of the approved settlement proposal, the OEB approved a Capital Investment Variance Account to track the difference in the cumulative revenue requirement arising from variances in three distinct capital forecasts (System Renewal/System Service; System Access and General Plant). If Kingston Hydro adds to rate base less than its forecast cumulative amount in any of the three categories, the corresponding reduction in revenue requirement will be credited to the variance account and any cumulative reduction in revenue requirement in any of the three categories will be disposed at the end of the term of the Custom IR Plan. The capital investment variance for the 2016 rate year amounts to a credit balance of \$30,122.

Earning Sharing Mechanism

Kingston Hydro stated that it did not trigger the Earning Sharing Mechanism that was also established in its Custom IR proceeding.⁹ Kingston Hydro reported a ROE of 6.43%, which is 276 basis point below the deemed ROE of 9.19% based on the 2016

⁹ EB-2015-0083

revenue requirement approved as part of Kingston Hydro's Custom IR proceeding. Any balance reflected in this account will be reviewed at the end of the Custom IR term.

Efficiency Adjustment Mechanism

The Efficiency Adjustment Mechanism was established to credit ratepayers with the difference between the 2014 starting point and current year ending point stretch factor as multiplied by the rate year plan revenue requirement for the relevant rate year for the purpose of calculating rates for that year.

Kingston Hydro confirmed that the Efficiency Adjustment Mechanism was not triggered. Kingston Hydro noted that for the fifth consecutive year, in 2016, it maintained an efficiency assessment of Group 3.

7. SPECIFIC SERVICE CHARGES

Kingston Hydro requested the continuation of all other Specific Service Charges, Retail Service Charges and its Loss Factor. Kingston Hydro further requested the continuation of the microFit rate as a monthly service charge of \$5.40 as well as the continued rate rider for Smart Metering Entity charge of \$0.79.

Findings

The OEB approves these charges.

8. IMPLEMENTATION AND ORDER

This Decision is accompanied by applicable supporting models, and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with Kingston Hydro's original Custom IR decision, and to ensure that the 2017 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2016, are as reported by Kingston Hydro to the OEB.

The rate models were adjusted, where applicable, to correct any discrepancies. The Tariff Schedule and Bill Impacts Model incorporates the rates set out in the following table.

Table 9.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0003
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0032
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate generic order. The RRRP rate was set by the OEB on June 22, 2017.¹⁰ The WMS and CBR rates were set by the OEB on December 15, 2016.¹¹

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2018 for electricity consumed or estimated to have been consumed on and after such date. Kingston Hydro shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, December 20, 2017

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

¹⁰ Decision and Order, EB-2017-0234, June 22, 2017

¹¹ Decision and Order, EB-2016-0362, December 15, 2016

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2017-0055

DATED: December 20, 2017

Kingston Hydro Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2018
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2017-0055

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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	21.88
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0042
Low Voltage Service Rate	\$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0054

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2018
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EB-2017-0055

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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.94
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0155
Low Voltage Service Rate	\$/kWh	0.0016
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0049

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2018
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EB-2017-0055

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. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	109.29
Distribution Volumetric Rate	\$/kW	3.2130
Low Voltage Service Rate	\$/kW	0.6875
Retail Transmission Rate - Network Service Rate	\$/kW	2.4449
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1294

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation
TARIFF OF RATES AND CHARGES
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EB-2017-0055

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. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5,164.00
Distribution Volumetric Rate	\$/kW	1.2750
Low Voltage Service Rate	\$/kW	0.8284
Retail Transmission Rate - Network Service Rate	\$/kW	2.9458
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.5657

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation
TARIFF OF RATES AND CHARGES
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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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	6.10
Distribution Volumetric Rate	\$/kWh	0.0121
Low Voltage Service Rate	\$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0054

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation
TARIFF OF RATES AND CHARGES
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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. Standby Charges are to be applied to behind-the-meter generators that are not IESO market participants, FIT program participants, net-metered generators or retail generators, which have their own metering and settlement conventions as per regulation and legislation. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES

Standby Charges are based on applicable monthly General Service < 50kW, General Service > 50kW to 4,999 kW or Large Use Distribution Volumetric Charges, depending on the rate classification of the generator host facility.

In the case where utility grade metering is not installed on the generator, Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load as measured by the load account meter in kW by applicable variable charges for the rate class. Standby Charges are determined by multiplying the nameplate capacity of the behind the meter generator in KW by applicable Standby Power charges in each month.

This type of scenario is preferable for our customers if the generator is a "baseload" or "24-7-365" generator such as a fuel cell CHP unit or pressure-drop turbine unit. It may also be preferable to the customer where the cost of utility grade metering is high or the size of the generator is very small relative to the demand of the host load customer.

In the case where utility grade metering is installed on the generator, Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load as measured by the load account meter in kW by applicable variable charges for the rate class. Standby Charges will be determined by multiplying the peak coincident combined kW delivered by both the distribution system and the generator, less the peak hourly delivered load in kW of the host customer facility as measured by the generator host load account meter.

This type of scenario is preferable for customers who wish to use generators or electricity storage facilities to participate in provincial conservation initiatives such as the IESO's Demand Response or Industrial Conservation Initiatives, or reduce kWh consumption to contribute towards Kingston Hydro's 2020 Conservation Targets, but are not able to operate their generators "24-7-365".

Kingston Hydro Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2018
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2017-0055

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 Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per light)	\$	1.24
Distribution Volumetric Rate	\$/kW	14.0417
Low Voltage Service Rate	\$/kW	0.4966
Retail Transmission Rate - Network Service Rate	\$/kW	1.7660
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5380

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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microFIT SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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ALLOWANCES

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

SPECIFIC SERVICE CHARGES**APPLICATION**

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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	\$	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 (with the exception of wireless connections) - \$/pole/year	\$	22.35
Layout fees	\$	200.00

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RETAIL SERVICE CHARGES (if applicable)

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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	1.0393
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0188
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0289
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0086