

April 28, 2010

BY RESS & COURIER

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: EB Number: EB-2009-0267
Kitchener-Wilmot Hydro Inc. Response to Intervenor Comments on Draft Rate Order
2010 Electricity Distribution Rates, Licence No. ED-2002-0573**

Dear Ms. Walli:

On August 31, 2010, Kitchener-Wilmot Hydro Inc. ("KW Hydro") filed an application with the Ontario Energy Board ("the Board") under section 78 of the *Ontario Energy Board Act, S.O. 1998, c. 15, (Schedule B)*, seeking approval for changes to the rates that KW Hydro charges for electricity distribution to be effective May 1, 2010.

On April 7, 2010, the Board issued its Corrected Decision and Order in this Application. KW Hydro filed its Draft Rate Order ("DRO") with the Board on April 19, 2010. In response, Energy Probe Research Foundation filed its comments on KW Hydro's DRO on April 23, 2010. KW Hydro now responds to Energy Probe's comments.

KW Hydro has also included in this filing a revised Revenue Requirement Work Form (Appendix A) and a revised Tariff of Rates and Charges (Appendix B). The revisions to the Tariff of Rates and Charges correct typing errors from the Tariff of Rates and Charges filed with the DRO on April 19, 2010 and are not a result of any changes to the underlying data. The revisions are:

- GS > 50 kW Rate class – LRAM and SSM Rate Rider billing determinate is kW (changed from kWh)
- Unmetered Scattered Load – Deferral and Variance Rate Rider corrected to (\$0.0020)/kWh (changed from (\$0.0002)/kWh)
- Embedded Distributor – Network Service Rate corrected to \$2.0767/kW (changed from \$2.0761/kW)



Jerry Van Ooteghem
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A copy of this submission has been electronically filed through the Board's RESS system. The original has been couriered to the Board's offices.

Should you require any further information or clarification of any of the above, kindly contact the writer.

Respectfully submitted,

Original Signed By

J. Van Ooteghem, P.Eng.

President & CEO

Attachments

cc All Intervenors

EB-2009-0267

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Kitchener-Wilmot
Hydro Inc. to the Ontario Energy Board for an Order approving just
and reasonable rates and other charges, effective May 1, 2010.

RESPONSE TO INTERVENOR COMMENTS ON THE

DRAFT RATE ORDER

OF

KITCHENER-WILMOT HYDRO INC.

A. BACKGROUND

On August 31, 2009, Kitchener-Wilmot Hydro Inc. (“KW Hydro”) filed an application with the Ontario Energy Board (“the Board”) 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 KW Hydro charges for electricity distribution to be effective May 1, 2010. The Board has assigned the File Number EB-2009-0267 to this Application (the “Application”).

On April 7, 2010, the Board issued its Corrected Decision and Order in this Application. In that Decision, the Board directed KW Hydro to file with the Board, and also forward to all Intervenor, a Draft Rate Order (“DRO”), attaching a proposed Tariff of Rates and Charges reflecting the Board’s findings in its Decision, within 10 days of the date of the Decision. On April 19, 2010, KW Hydro submitted its DRO.

All registered Intervenor were given five (5) days within which to file comments with the Board regarding KW Hydro’s DRO. On April 23, 2010, KW Hydro received a Letter of Comment from Energy Probe Research Foundation (“Energy Probe”). The letter from Energy Probe was the only Letter of Comment received by KW Hydro.

B. REVENUE REQUIREMENT WORK FORM (“RRWF”)

Energy Probe Comments

“Energy Probe submits that Kitchener-Wilmot Hydro should revise the Revenue Requirement Work Forms to accurately reflect the figures from their Application, along with the appropriate figures to reflect the Adjustments needed to result in the figures from the Board Decision.”

Response

KW Hydro confirms that the RRWF was populated incorrectly following the Board’s Decision. KW Hydro has updated the figures to accurately reflect the revised numbers submitted through its Draft Rate Order. The revised RRWF is attached as Appendix A.

C. CALCULATION OF COST OF POWER FOR WORKING CAPITAL ALLOWANCE (“WCA”)

Energy Probe Comments

“Energy Probe submits that Kitchener-Wilmot Hydro should not be allowed to update the commodity cost of power to reflect the April, 2010 figures in place of the October, 2009 figures used in the response to Energy probe IR #40 (d) for the reasons provided below.”

“First, as of the date of the Corrected Decision and Order (April 7, 2010), the most recent information available was the October, 2009 RPP report. As such, in the absence of any direction in the Decision and Order from the Board to do other, the most recent information available at the time of the Decision should be used.”

“Second, a review of page 26 of the April 7, 2010 Corrected Decision and Order reveals that the Board did not direct Kitchener-Wilmot Hydro to update the commodity cost of power. In the absence of the finding, Energy Probe submits that the October, 2009 RPP report should be used to calculate the commodity cost of power.”

“Third, the Board found that it would not be appropriate to update the RPP/non-RPP volume split to reflect the November 1, 2009 RPP eligibility criteria changes. In a similar manner, Energy Probe

submits that it would not be appropriate to update the RPP and non-RPP prices to reflect information that was not available at the time of the Board Decision and Order in this proceeding.”

Response

KW Hydro disagrees with Energy Probe and submits that its use of the updated RPP/non-RPP figures released by the Board on April 15, 2010 is appropriate and should be accepted by the Board.

In the 2006 Electricity Distribution Rate Handbook Report of the Board (RP-2004-0188 dated May 11, 2005), pages 31 and 32, the Board states:

“The Working Capital Allowance (WCA) forms part of the rate base and represents the estimated cash required by a distributor to support operations in advance of recovery in rates.”

“Its most meaningful component is the cost of power, and cost items associated with the cost of power, which represent the distributor’s primary business liability.”

In the Board’s Decision on this Application (EB-2009-0267), the Board further states:

“The Board concludes that the most accurate data should be used in the calculation of working capital, and notes that all parties agree with this approach”.

KW Hydro submits that the accepted practice in the industry when finalizing a Cost of Service Application has been to update the cost of power components with the most recent rates as issued by the OEB. The new electricity prices were announced to the public on April 15, 2010 and were known to KW Hydro when its DRO was submitted to the Board on April 19, 2010. KW Hydro notes that while the Board did not specifically state which RPP/non-RPP prices KW Hydro should use, it did provide guidance in that *the most accurate data should be used*.

KW Hydro submits that the *most accurate* data, in this case, is the updated RPP/non-RPP prices issued by the Board on April 15, 2010. The April 15, 2010 prices reflect the ever-rising cost of power for all of KW Hydro’s customers. This increase in the cost of power results in increased demands to KW Hydro’s working capital resulting from the lag between its payment to the IESO for the electricity commodity and the final payment received from its customers. In some cases, this lag could be in excess of two (2) months given the cyclical nature of KW Hydro’s billing cycles.

KW Hydro notes that, through this Application, its rates (and WCA) are being set until it rebases in the year 2014 (outside of small changes resulting from 3rd Generation IRM). Additionally, it is expected that the cost of power will continue to rise for all residents of Ontario as increased costs resulting from the Global Adjustment and the *Green Energy and Green Economy Act* are passed on to customers. A disconnect therefore results if KW Hydro's WCA is not updated in a manner that matches the increased demand on its working capital due to increases in the cost of power resulting from updated RPP prices. This disconnect makes it even more important that KW Hydro use the most updated electricity prices available to it at the time that its final rates are approved by the Board.

Finally, KW Hydro submits that the reason that the Board did not direct KW Hydro to update the RPP/non-RPP volume split to reflect the November 1, 2009 RPP eligibility criteria changes is because the actual impact could not be accurately estimated by KW Hydro during the Interrogatory phase of this Application. KW Hydro is still unable to reasonably estimate the actual impact resulting from the ineligibility of MUSH customers from the RPP (and their ultimate exit from the Plan). In its Decision, the Board recognized this "unknown" and advised KW Hydro to use historical numbers based on actual data. KW Hydro submits that the increases expected to the cost of power commodity are known as of this stage of the Application and were known as of April 15, 2010, prior to it submitting its DRO, making their use appropriate for the calculation of its working capital.



REVENUE REQUIREMENT WORK FORM

Name of LDC: **KITCHENER-WILMOT HYDRO INC.** (1)
 File Number: **EB-2009-0267**
 Rate Year: **2010** Version: 1.0

Table of Content

<u>Sheet</u>	<u>Name</u>
A	<u>Data Input Sheet</u>
1	<u>Rate Base</u>
2	<u>Utility Income</u>
3	<u>Taxes/PILS</u>
4	<u>Capitalization/Cost of Capital</u>
5	<u>Revenue Sufficiency/Deficiency</u>
6	<u>Revenue Requirement</u>
7	<u>Bill Impacts</u>

Notes:

- (1) Pale green cells represent inputs
 (2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

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This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.



REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Data Input (1)					
	Application		Adjustments		Per Board Decision
1 Rate Base					
Gross Fixed Assets (average)	\$269,440,297	(4)	(\$1,173,119)		\$268,267,178
Accumulated Depreciation (average)	(\$129,624,197)	(5)	(\$43,348)		(\$129,667,544)
Allowance for Working Capital:					
Controllable Expenses	\$14,487,000	(6)	(\$194,841)		\$14,292,159
Cost of Power	\$140,664,613		\$13,972,888		\$154,637,501
Working Capital Rate (%)	15.00%				15.00%
2 Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$32,748,623				\$32,748,623
Distribution Revenue at Proposed Rates	\$38,324,657				\$38,138,447
Other Revenue:					
Specific Service Charges	\$257,840				\$257,840
Late Payment Charges	\$215,220				\$215,220
Other Distribution Revenue	\$951,584				\$951,584
Other Income and Deductions	\$436,868				\$436,868
Operating Expenses:					
OM+A Expenses	\$13,936,500		(\$54,997)		\$13,881,503
Depreciation/Amortization	\$10,735,844		(\$418,817)		\$10,317,027
Property taxes	\$550,500		(\$139,844)		\$410,656
Capital taxes	\$111,067				\$111,704
Other expenses					
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	\$975,865	(3)			\$1,332,712
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$1,781,012				\$2,273,963
Income taxes (grossed up)	\$2,580,802				\$3,295,122
Capital Taxes	\$111,067				\$111,704
Federal tax (%)	18.00%				18.00%
Provincial tax (%)	12.99%				12.99%
Income Tax Credits	(\$140,750)				(\$140,750)
4 Capitalization/Cost of Capital					
Capital Structure:					
Long-term debt Capitalization Ratio (%)	56.0%				56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(2)			4.0%
Common Equity Capitalization Ratio (%)	40.0%				40.0%
Preferred Shares Capitalization Ratio (%)	0.0%				0.0%
Cost of Capital					
Long-term debt Cost Rate (%)	7.62%				5.87%
Short-term debt Cost Rate (%)	1.33%				2.07%
Common Equity Cost Rate (%)	8.01%				9.85%
Preferred Shares Cost Rate (%)					

Notes:

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
 - (2) 4.0% unless an Applicant has proposed or been approved for another amount.
 - (3) Net of addbacks and deductions to arrive at taxable income.
 - (4) Average of Gross Fixed Assets at beginning and end of the Test Year
 - (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- Application is per Submission-in-Chief January 2010



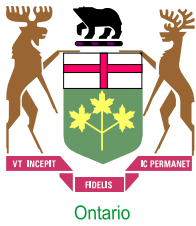
REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

			Rate Base		
Line No.	Particulars		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$269,440,297	(\$1,173,119)	\$268,267,178
2	Accumulated Depreciation (average)	(3)	(\$129,624,197)	(\$43,348)	(\$129,667,544)
3	Net Fixed Assets (average)	(3)	\$139,816,100	(\$1,216,466)	\$138,599,634
4	Allowance for Working Capital	(1)	\$23,272,742	\$2,066,707	\$25,339,449
5	Total Rate Base		\$163,088,842	\$850,241	\$163,939,083
(1) Allowance for Working Capital - Derivation					
6	Controllable Expenses		\$14,487,000	(\$194,841)	\$14,292,159
7	Cost of Power		\$140,664,613	\$13,972,888	\$154,637,501
8	Working Capital Base		\$155,151,613	\$13,778,048	\$168,929,661
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		\$23,272,742	\$2,066,707	\$25,339,449

Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.



REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
	<u>Operating Revenues:</u>			
1	Distribution Revenue (at Proposed Rates)	\$38,324,657	(\$186,210)	\$38,138,447
2	Other Revenue (1)	\$1,861,512	\$ -	\$1,861,512
3	Total Operating Revenues	\$40,186,169	(\$186,210)	\$39,999,959
	<u>Operating Expenses:</u>			
4	OM+A Expenses	\$13,936,500	(\$54,997)	\$13,881,503
5	Depreciation/Amortization	\$10,735,844	(\$418,817)	\$10,317,027
6	Property taxes	\$550,500	(\$139,844)	\$410,656
7	Capital taxes	\$111,067	\$637	\$111,704
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$25,333,910	(\$613,020)	\$24,720,890
10	Deemed Interest Expense	\$7,046,090	(\$1,521,343)	\$5,524,747
11	Total Expenses (lines 4 to 10)	\$32,380,001	(\$2,134,363)	\$30,245,637
12	Utility income before income taxes	\$7,806,169	\$1,948,153	\$9,754,322
13	Income taxes (grossed-up)	\$2,580,802	\$714,319	\$3,295,122
14	Utility net income	\$5,225,366	\$1,233,834	\$6,459,201

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$257,840	\$257,840
	Late Payment Charges	\$215,220	\$215,220
	Other Distribution Revenue	\$951,584	\$951,584
	Other Income and Deductions	\$436,868	\$436,868
	Total Revenue Offsets	\$1,861,512	\$1,861,512



REVENUE REQUIREMENT WORK FORM

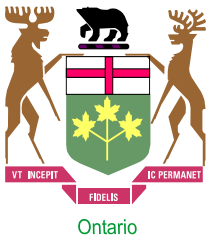
Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Ontario

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$5,225,366	\$6,459,200
2	Adjustments required to arrive at taxable utility income	\$975,865	\$1,332,712
3	Taxable income	\$6,201,231	\$7,791,912
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$1,781,012	\$2,273,963
5	Capital taxes	\$111,067	\$111,704
6	Total taxes	\$1,892,078	\$2,385,667
7	Gross-up of Income Taxes	\$799,791	\$1,021,158
8	Grossed-up Income Taxes	\$2,580,802	\$3,295,122
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$2,691,869	\$3,406,826
10	Other tax Credits	(\$140,750)	(\$140,750)
<u>Tax Rates</u>			
11	Federal tax (%)	18.00%	18.00%
12	Provincial tax (%)	12.99%	12.99%
13	Total tax rate (%)	30.99%	30.99%

Notes



REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	56.00%	\$91,329,752	7.62%	\$6,959,327
2	Short-term Debt	4.00%	\$6,523,554	1.33%	\$86,763
3	Total Debt	60.00%	\$97,853,305	7.20%	\$7,046,090
Equity					
4	Common Equity	40.00%	\$65,235,537	8.01%	\$5,225,366
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$65,235,537	8.01%	\$5,225,366
7	Total	100%	\$163,088,842	7.52%	\$12,271,457
Per Board Decision					
Debt					
8	Long-term Debt	56.00%	\$91,805,886	5.87%	\$5,389,006
9	Short-term Debt	4.00%	\$6,557,563	2.07%	\$135,742
10	Total Debt	60.00%	\$98,363,450	5.62%	\$5,524,747
Equity					
11	Common Equity	40.0%	\$65,575,633	9.85%	\$6,459,200
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$65,575,633	9.85%	\$6,459,200
14	Total	100%	\$163,939,083	7.31%	\$11,983,947

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



Ontario

REVENUE REQUIREMENT WORK FORM

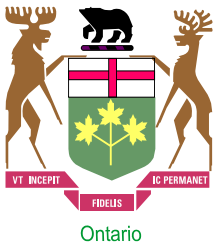
Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$5,576,034		\$5,389,823
2	Distribution Revenue	\$32,748,623	\$32,748,623	\$32,748,623	\$32,748,624
3	Other Operating Revenue Offsets - net	\$1,861,512	\$1,861,512	\$1,861,512	\$1,861,512
4	Total Revenue	\$34,610,135	\$40,186,169	\$34,610,135	\$39,999,959
5	Operating Expenses	\$25,333,910	\$25,333,910	\$24,720,890	\$24,720,890
6	Deemed Interest Expense	\$7,046,090	\$7,046,090	\$5,524,747	\$5,524,747
	Total Cost and Expenses	\$32,380,001	\$32,380,001	\$30,245,637	\$30,245,637
7	Utility Income Before Income Taxes	\$2,230,135	\$7,806,169	\$4,364,498	\$9,754,322
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$975,865	\$975,865	\$1,332,712	\$1,332,712
9	Taxable Income	\$3,206,000	\$8,782,034	\$5,697,210	\$11,087,034
10	Income Tax Rate	30.99%	30.99%	30.99%	30.99%
11	Income Tax on Taxable Income	\$993,539	\$2,721,552	\$1,765,565	\$3,435,872
12	Income Tax Credits	(\$140,750)	(\$140,750)	(\$140,750)	(\$140,750)
13	Utility Net Income	\$1,377,346	\$5,225,366	\$2,739,683	\$6,459,201
14	Utility Rate Base	\$163,088,842	\$163,088,842	\$163,939,083	\$163,939,083
	Deemed Equity Portion of Rate Base	\$65,235,537	\$65,235,537	\$65,575,633	\$65,575,633
15	Income/Equity Rate Base (%)	2.11%	8.01%	4.18%	9.85%
16	Target Return - Equity on Rate Base	8.01%	8.01%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-5.90%	0.00%	-5.67%	0.00%
17	Indicated Rate of Return	5.16%	7.52%	5.04%	7.31%
18	Requested Rate of Return on Rate Base	7.52%	7.52%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-2.36%	0.00%	-2.27%	0.00%
20	Target Return on Equity	\$5,225,366	\$5,225,366	\$6,459,200	\$6,459,200
21	Revenue Sufficiency/Deficiency	\$3,848,021	(\$0)	\$3,719,517	\$1
22	Gross Revenue Sufficiency/Deficiency	\$5,576,034 (1)		\$5,389,823 (1)	

Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

		Revenue Requirement	
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$13,936,500	\$13,881,503
2	Amortization/Depreciation	\$10,735,844	\$10,317,027
3	Property Taxes	\$550,500	\$410,656
4	Capital Taxes	\$111,067	\$111,704
5	Income Taxes (Grossed up)	\$2,580,802	\$3,295,122
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$7,046,090	\$5,524,747
	Return on Deemed Equity	\$5,225,366	\$6,459,200
8	Distribution Revenue Requirement before Revenues	\$40,186,169	\$39,999,959
9	Distribution revenue	\$38,324,657	\$38,138,447
10	Other revenue	\$1,861,512	\$1,861,512
11	Total revenue	\$40,186,169	\$39,999,959
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$0) (1)	\$1 (1)

Notes

(1) Line 11 - Line 8



REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate	Change			Current	Per Draft Rate	Change	
				\$	%				\$	%
Residential	1000 kWh/month	\$ 22.85	\$ 26.05	\$ 3.20	14.0%		\$ 120.48	\$ 123.54	\$ 3.06	2.5%
GS < 50kW	2000 kWh/month	\$ 44.17	\$ 46.97	\$ 2.80	6.3%		\$ 244.14	\$ 246.48	\$ 2.34	1.0%

Notes:

Kitchener-Wilmot Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2010 except for the microFIT Generator Class effective date of September 21, 2009

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

EB-2009-0267

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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	9.55
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0170
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kWh	0.0001
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2012	\$/kWh	(0.0019)
Rate Rider for LRAM/SSM - effective until April 30, 2014	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Kitchener-Wilmot Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2010

except for the microFIT Generator Class effective date of September 21, 2009

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EB-2009-0267

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	25.17
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0123
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0001
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2012	\$/kWh	(0.0021)
Rate Rider for LRAM/SSM - effective until April 30, 2014	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0014

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Kitchener-Wilmot Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2010

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EB-2009-0267

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

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

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

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

APPLICATION

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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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	232.71
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	4.0067
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.3360
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2012	\$/kW	(0.8566)
Rate Rider for LRAM/SSM - effective until April 30, 2014	\$/kW	0.0172
Retail Transmission Rate – Network Service Rate	\$/kW	2.2026
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.7539

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Kitchener-Wilmot Hydro Inc.

TARIFF OF RATES AND CHARGES

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LARGE USE SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	14,195.83
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	1.3786
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.1662
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(1.4963)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.0702
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	0.7086

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Kitchener-Wilmot Hydro Inc.
TARIFF OF RATES AND CHARGES
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STANDBY POWER SERVICE CLASSIFICATION

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

APPLICATION

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

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

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component – INTERIM APPROVAL

Monthly Rate - Applicable Customer Class Distribution Volumetric Rate – \$/kW of contracted amount \$/kW

Kitchener-Wilmot Hydro Inc.
TARIFF OF RATES AND CHARGES
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EB-2009-0267

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	8.34
Distribution Volumetric Rate	\$/kWh	0.0164
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2012	\$/kWh	(0.0020)
Rate Rider for LRAM/SSM - effective until April 30, 2014	\$/kWh	0.0045
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0014

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Kitchener-Wilmot Hydro Inc.
TARIFF OF RATES AND CHARGES
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EB-2009-0267

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.78
Distribution Volumetric Rate	\$/kW	5.2878
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.1558
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.8258)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3394
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4585

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Kitchener-Wilmot Hydro Inc.
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EB-2009-0267

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009

Service Charge	\$ 5.25
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Kitchener-Wilmot Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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EB-2009-0267

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES

Monthly Distribution Wheeling Service Rate – Dedicated LV Line	\$/kW	1.1300
Monthly Distribution Wheeling Service Rate – Shared LV Line	\$/kW	0.1400
Retail Transmission Rate – Network Service Rate	\$/kW	2.0767
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.7108

Kitchener-Wilmot Hydro Inc.
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EB-2009-0267

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Collection of Account Charge – No Disconnection	\$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (if meter found correct)	\$	30.00
Meter Removal Without Authorization	\$	60.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter – during regular hours	\$	45.00
Disconnect/Reconnect at meter – after regular hours	\$	75.00
Disconnect/Reconnect at pole – during regular hours	\$	95.00
Service call – after regular hours	\$	105.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Kitchener-Wilmot Hydro Inc.

TARIFF OF RATES AND CHARGES

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

LOSS FACTORS

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

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