



November 15, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli,

RE: Kingston Hydro Corporation
EB-2010-0136 Cost of Service Rate Application
Responses to Energy Probe Research Foundation Interrogatories

Pursuant to the Board's Procedural Order No. 1, issued on October 12, 2010, please find attached Kingston Hydro Corporation responses to Energy Probe interrogatories (dated October 29, 2010) for this rate proceeding which have been filed electronically through the Board's RESS filing system and emailed to intervenors listed in Appendix "A" of the Order.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "J.A. Keech", written over a horizontal line.

J.A. Keech, President & CEO
Kingston Hydro Corporation

Copy: Andrew Taylor, Energy Law (by email)
Energy Probe Research Foundation, Randy Aiken (by email)
School Energy Coalition, Jay Shepherd (by email)
Vulnerable Energy Consumers Coalition, Michael Buonaguro (by email)

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, 2011.

**INTERROGATORIES
FROM
ENERGY PROBE RESEARCH FOUNDATION**

Interrogatory # 1

Ref: Exhibit 1, Tab 1, Schedule 4, page 7

At lines 11 through 12, Kingston indicates that it has increased the fixed rate component for residential customers to the maximum allowed by the cost allocation study in order to achieve revenue certainty.

Please comment on whether this increase in revenue certainty should be reflected in a lower return on equity to reflect the reduction in forecast risk to the company.

Kingston Hydro relies on the Board's methodology for establishing return on equity. Unless and until that methodology is amended by the Board, Kingston Hydro does not believe that it would be appropriate to depart from the Board's methodology.

Interrogatory # 2

Ref: Exhibit 1, Tab 4, Schedule 3, page 2

The evidence at lines 5 through 11 indicates that Kingston has adjusted its amortization expense for the years 2005 through 2009 to reflect the half year rule for assets in the year of acquisition.

a) Was the amortization expense for assets added in 2004 based on the half year or full year methodology?

Amortization expense for assets added in 2004 was based on full year methodology.

b) How was the amortization expense related to additions in the test year that was included in the 2006 revenue requirement calculated?

Amortization expense related to additions in the 2004 that was included in the 2006 revenue requirement was calculated based on the full year methodology.

Interrogatory # 3

Ref: Exhibit 1, Tab 4, Schedule 7

a) Have any of the loans to be secured in 2010 been obtained as of the current date? If yes, please provide details.

There have been no loans secured as of the current date.

b) How has Kingston financed the 2009 capital expenditures if the \$2,250,000 will only be borrowed in late 2010?

Kingston in fact financed the 2009 capital expenditures by way of an interest only, short term borrowing in late 2009.

c) Has Kingston investigated the opportunity to borrow funds from Infrastructure Ontario? If not, why not?

Kingston Hydro has had preliminary discussions with Infrastructure Ontario as it relates to financing capital projects, in particular the Smart Meter implementation. No monies have been borrowed from Infrastructure Ontario as of the current date.

d) Please provide the current interest rate applicable on a 20 year loan from Infrastructure Ontario.

The current interest rate applicable on a 20 year loan from Infrastructure Ontario is 4.29%.

Interrogatory # 4

Ref: Exhibit 1, Tab 4, Schedule 10, Attachment 1

a) Please explain the figures in the third through sixth columns of the Revenue Sufficiency/Deficiency sheet in the revenue requirement work book. In particular, why are some of the numbers different in these columns relative to the two columns shown under the Initial Application columns?

Columns one and two in sheet "5.Rev_Suff_Def" of the Revenue Requirement Work form (RRWF) relate to the Initial Application and these columns are dependent upon column one initial application inputs provided by Kingston Hydro in the "A.Data_Input_Sheet". Some of the numbers in columns three through six of the "5.Rev_Suff_Def" sheet are different relative to the two columns shown under the Initial Application columns in this sheet because three through six require additional future inputs from the "A. Data_Input_Sheet" that relate to end of discovery, or Argument-in-chief, or outcome of Settlement Process, or Board decision. More specifically, columns three and four "5.Rev_Suff_Def" sheet figures relate to end of discovery or Argument-in-chief or outcome of any Settlement Process. Columns five and six figures of the "5.Rev_Suff_Def" sheet relate to the Board Decision.

b) Please explain the figures in the second through third columns of the Revenue Requirement sheet in the revenue requirement work book. In particular, why are some of the numbers different in these columns relative to the first column shown under the Application columns?

Column one in sheet "6. Rev_Reqt" of the Revenue Requirement Work form (RRWF) relates to the Initial Application and this column is dependent upon column one initial application inputs provided by Kingston Hydro in the "A.Data_Input_Sheet". Some of the numbers in the second and third columns of the "6_Rev_Reqt" sheet are different relative to the first column shown under the Application column in this sheet because columns two and three require additional future inputs from the "A. Data_Input_Sheet" that relate to end of discovery, or Argument-in-chief, or outcome of Settlement Process, or Board decision. More specifically, column two "6.Rev_Reqt" sheet figures relate to end of discovery or Argument-in-chief or outcome of any Settlement Process. Column three figures of the "6.Rev_Reqt" sheet relate to the Board Decision.

Interrogatory # 5

Ref: Exhibit 2, Tab 1, Schedule 2, Attachment 1 & Exhibit 1, Tab 4, Schedule 3

a) Does the Rate Base Trend Table include net assets based on the half year rule for depreciation for assets added in the current year for 2005 through 2010 as indicated in Exhibit 1, Tab 4, Schedule 3, page 2?

The Rate Base Trend Table includes net assets based on the half year rule for depreciation.

b) How was the depreciation expense for 2006 calculated as part of the 2006 Approved EDR? If the depreciation expense for 2006 was based on the 2004 depreciation cost, please indicate if the 2004 expense used the half year, full year or some other methodology for assets added in 2004.

Amortization expense for 2006 that was included in the 2006 revenue requirement was calculated based on the full year methodology.

Amortization expense related to additions in the 2004 that was included in the 2006 revenue requirement was calculated based on the full year methodology.

c) If the 2004 depreciation expense did not use the half year rule for 2004, please provide a revised rate base trend table showing the net capital assets using the same method for calculating depreciation in the years 2005 through 2010 as used in 2010. Please use the half year rule for the 2011 test year.

Please find attached a revised rate base trend table showing the net capital assets using the same method for calculating depreciation in the years 2005 through 2010 as used in 2004. The half year rule was used for the 2011 test year.

X22 Rate Base Trend

EProbe - Page 7

	2006 <input type="checkbox"/> Actual	2007 <input type="checkbox"/> Actual	2008 <input type="checkbox"/> Actual	2009 <input type="checkbox"/> Actual	2010 <input type="checkbox"/> Projection
Net Capital Assets in Service:					
Opening Balance	20,786,739	22,082,158	25,040,288	25,907,752	28,719,436
Ending Balance	22,082,158	25,040,288	25,907,752	28,719,436	31,173,214
Average Balance	21,434,449	23,561,223	25,474,020	27,313,594	29,946,325
Working Capital Allowance (see below)	8,147,683	8,329,019	8,160,507	8,906,246	10,077,151
Total Rate Base	29,582,132	31,890,242	33,634,527	36,219,840	40,023,476

Expenses for Working Capital

Eligible Distribution Expenses:					
3500-Distribution Expenses - Operation	978,901	1,237,794	1,857,541	2,284,260	2,502,904
3550-Distribution Expenses - Maintenance	898,832	991,615	850,416	776,254	930,012
3650-Billing and Collecting	831,733	729,219	666,337	434,268	622,503
3700-Community Relations	159,120	261,138	156,184	200,686	240,014
3800-Administrative and General Expenses	1,750,166	1,576,034	1,669,824	1,579,504	1,716,984
3950-Taxes Other Than Income Taxes	177,138	163,365	162,083	151,661	135,045
Total Eligible Distribution Expenses	4,795,890	4,959,165	5,362,386	5,426,634	6,147,462
3350-Power Supply Expenses	49,521,999	50,567,631	49,040,997	53,948,337	61,033,542
Total Expenses for Working Capital	54,317,889	55,526,797	54,403,383	59,374,970	67,181,004
Working Capital factor	15.0%	15.0%	15.0%	15.0%	15.0%
Working Capital Allowance	8,147,683	8,329,019	8,160,507	8,906,246	10,077,151

X22 Rate Base Trend

EProbe - Page 8

	2011 <input type="checkbox"/> Projection
<i>Net Capital Assets in Service:</i>	
Opening Balance	31,173,214
Ending Balance	33,643,339
Average Balance	32,408,277
Working Capital Allowance (see below)	10,274,884
Total Rate Base	42,683,161

<i>Expenses for Working Capital</i>	
<u>Eligible Distribution Expenses:</u>	
3500-Distribution Expenses - Operation	2,627,053
3550-Distribution Expenses - Maintenance	1,093,763
3650-Billing and Collecting	643,543
3700-Community Relations	413,492
3800-Administrative and General Expenses	2,073,056
3950-Taxes Other Than Income Taxes	130,000
Total Eligible Distribution Expenses	6,980,907
3350-Power Supply Expenses	61,518,323
Total Expenses for Working Capital	68,499,230
Working Capital factor	15.0%
Working Capital Allowance	10,274,884

Interrogatory # 6

Ref: Exhibit 2, Tab 3, Schedule 1, Attachment 1

a) Please explain the wide fluctuation in contributions and grants between 2007 (\$124,494), 2008 (\$298,831) and 2009 (\$94,096).

Contributions and grants in USofA Account 1995 typically come from the following sources:

1. Capital contributions arising from an economic evaluation for additional upstream system capacity. For example, an economic evaluation for a new electrical connection or an upgrade to an existing electrical connection.
2. System modifications initiated by a third party that are not normally covered under existing rates. For example, a developer requesting existing overhead power lines to be relocated or buried would pay the incremental cost to undertake this work.

The Applicant's service territory is largely built out and as such there is little to no new "suburban development". The wide fluctuations in contributions and grants is attributed to unpredictable activity of third-parties due to the type of development occurring in a largely built out urban environment.

b) Please explain why no contributions and grants have been forecast for 2010 and 2011. If the contributions and grants have been reflected through the use of net figures in other accounts, please provide tables for 2010 and 2011 that show the gross asset additions separately from the contributions and grants.

No contributions and grants have been included in USofA Account 1995 because the contributions and grants have been reflected through the use of net figures in other accounts. If Kingston Hydro receives contributions and grants from 3rd parties, then it has the effect of increasing total gross asset additions with an offsetting capital contribution, thus keeping net fixed asset additions of \$4,513,000 and the resultant rate base for 2011 consistent to that which was filed in our application. Net Capital costs were provided in the description for the Princess Street Reconstruction project noted in the 2010 list of Capital Projects (refer to project description on pages 47 to 50 in Exhibit 2 Tab 4 Schedule 7).

The Gross Capital Costs and Cost Apportioning for Princess Street Reconstruction Project (2010) are as follows:

	City	Kingston Hydro (Net Total)	Gross Total
Labour and Vehicles	\$15,000	\$60,000	\$75,000
Materials	\$29,000	\$237,000	\$266,000
Contracts	\$256,000	\$858,000	\$1,114,000
Total	\$300,000	\$1,155,000	\$1,455,000

Filing Net Capital costs in this instance should have no net effect on the capital project forecasts. The USofA accounts will be reconciled prior to filing actual contributions and expenditures at year end.

c) Is the 2010 forecast for all accounts based on the most recent year-to-date actual data available? If not, please update the 2010 project to reflect the most recent information available and the forecast for the remainder of the year.

The forecast provided at Exhibit 2 Tab 3 Schedule 1 Attachment 1 is not based on 2010 actuals. The table below provides an update on capital expenditures for 2010:

	(A)	(B)	(C)	(D)	(A-D)
Project	Budget	Actuals As of Sep 30	4th Qtr Forecast	2010 End of Year Forecast	Variance from budget
Princess St. Reconstruction	\$1,155,000	\$752,330	\$0	\$752,330	(\$402,670)
Princess St. Condition Assessment	\$25,000	\$0	\$25,000	\$25,000	\$0
Hydro One Incremental Cost for Gardiner TS Expansion	\$609,000	\$0	\$609,000	\$609,000	\$0
Barrie St. Reconstruction	\$176,000	\$169,075	\$10,000	\$179,075	\$3,075
Transformer Vault 12 (TV12) & Circuit 103	\$430,000	\$36,996	\$393,000	\$429,996	(\$4)
Transformer Vault 10 (TV10)	\$63,000	\$7,164	\$56,000	\$63,164	\$164
Transformer Vault 13 (TV13)	\$30,000	\$0	\$30,000	\$30,000	\$0
Transformer Vault 5 (TV5)	\$22,000	\$0	\$22,000	\$22,000	\$0
Annual Substation Battery Replacement	\$60,000	\$0	\$60,000	\$60,000	\$0
Annual Overhead & Underground Services	\$60,000	\$49,798	\$15,000	\$64,798	\$4,798
Annual Underground Cable Rebuilds	\$100,000	\$0	\$0	\$0	(\$100,000)
Annual Overhead Line Rebuilds	\$1,015,000	\$933,937	\$320,000	\$1,253,937	\$238,937
Distribution System Modeling	\$80,000	\$0	\$80,000	\$80,000	\$0
Annual RFP for Structural Engineering Services	\$20,000	\$0	\$20,000	\$20,000	\$0
Enterprise Asset Management System Implementation	\$125,000	\$62,516	\$0	\$62,516	(\$62,484)
SCADA	\$98,000	\$12,027	\$86,000	\$98,027	\$27
Meters	\$263,000	\$217,302	\$70,000	\$287,302	\$24,302
Tools & Equipment	\$115,000	\$41,142	\$100,000	\$141,142	\$26,142
Fairway Hills – Poletrans Replacement (from 2011 Projects)			\$110,000	\$110,000	\$110,000
Transformer Vault 37 (TV37)			\$20,000	\$20,000	\$20,000
Transformer Vault 51 (TV51)			\$60,000	\$60,000	\$60,000
Benson St. Transformer and Cabling			\$40,000	\$40,000	\$40,000
Other	\$0	\$18,112	\$5,000	\$23,112	\$23,112
Total	\$4,446,000	\$2,300,399	\$2,131,000	\$4,431,399	(\$14,601)

***d) Has Kingston received any contributions and grants on actual year-to-date basis for 2010?
If yes, please provide the amount.***

Yes, the total amount of contributions and grants recorded in USofA Account 1995 from January 1st, 2010 to September 30th, 2010 is \$698,375.43. This total includes two significant contributions; a \$300,000 contribution from the City of Kingston for system modifications under the Princess Street Reconstruction project (refer to the response to part b above of this interrogatory for further details) and a \$333,188.92 supplementary capital contribution from a retail development triggered by a shortfall in revenue as a result of a delay in new commercial connections originally forecast by the developer.

Interrogatory # 7

Ref: Exhibit 2, Tab 4, Schedule 1, Attachment 1

a) Please confirm that the net book value figures shown in Attachment 1 of Exhibit 2, Tab 4, Schedule 1 were used to calculate the rate base figures shown in Exhibit 2, Tab 1, Schedule 2, Attachment 1.

Kingston Hydro confirms that the net book value figures shown in Attachment 1 of Exhibit 2, Tab 4, Schedule 1 were used to calculate the rate base figures shown in Exhibit 2, Tab 1, Schedule 2, Attachment 1.

b) Please confirm that the net book value figures shown in Attachment 1 of Exhibit 2, Tab 4, Schedule 1 only include assets that were used and useful and in service and that the figures do not include the value of any construction work in progress.

Kingston Hydro confirms that the net book value figures shown in Attachment 1 of Exhibit 2, Tab 4, Schedule 1 only include assets that were used and useful and in service and these figures do not include the value of any construction work in progress.

c) What are the current year-to-date expenditures in 2010 for meters?

The year to date expenditures for meters as of September 2010 is \$217,000.

d) Please explain the significant increase in services (OH & UG) additions from \$62,850 in 2009 to \$130,000 in 2010 and \$150,000 in 2011.

The increased amount is due to anticipated work in services triggered by deteriorated pole replacement projects, and the predominantly residential areas that are being targeted for inspection.

e) What are the current year-to-date expenditures in 2010 for services (OH & UG)?

Current expenditures as of September 30, 2010 are \$56,080.

f) Capital expenditures on Tools, Shop & Garage Equipment have ranged from \$15,000 to \$35,000 in 2007 through 2009. Please explain the jump to \$90,000 in 2010 and to \$133,000 in 2011.

The capitalization policy sets the threshold for capital at \$1,000, while for previous years, the threshold was \$10,000. Consequently, many more items that in previous years would have been charged as an operating expense will now be charged as a capital expenditure. Accounts 5025 and 5045 reflect the decrease on the operating expenditures in correlation to the increase on the capital expenditures. Also, the Applicant is planning on increasing the purchasing of tools and equipment for various purposes including improving on-site emergency lighting, addressing ergonomic issues, replacing worn and ineffective tools, improving confined space safety, improving arc-flash safety, etc.

Interrogatory # 8

Ref: Exhibit 2, Tab 4, Schedule 7, page 51

- a) Has Kingston received any further information confirming the additional costs of \$609,000 from Hydro One? If yes, please provide the details.***
- b) Has Kingston received any explanation from Hydro One for the increase from \$351,000 capital contribution to \$960,000?***

Response for (a) and (b):

Kingston Hydro has been recently advised by Hydro One that the following circumstances contributed to the increase in cost of the Gardner TS expansion:

- The transformers were sourced from an alternate factory resulting in a significant increase in the cost of the transformers.
- The assumptions and orientation for foundation and bus work used in the original estimate were determined to be inadequate. The required revisions contributed significantly to the cost increase.
- Grounding requirements were initially assumed without the benefit of a ground potential rise study. When the study was actually completed, it was revealed that the required grounding system was considerably more robust than originally assumed.

Kingston Hydro reminded Hydro One about the need for a final calculation of the capital contribution on November 2, 2010, and is awaiting a response.

Interrogatory # 9

Ref: Exhibit 2, Tab 4, Schedule 7, pages 45-75

For each 2010 project listed, please confirm that the project is already in service or is still forecast to be in service before the end of 2010. If one or more projects are now forecast to be in service after the end of 2010, please identify the project(s) and the associated cost(s).

Project	In-Service Status
Princess St. Reconstruction	In-Service
Princess St. Condition Assessment	Expected to be in-service in 2010
Hydro One Incremental Cost for Gardiner TS Expansion	In-Service (yet to receive invoice from Hydro One)
Barrie St. Reconstruction	Expected to be in-service in 2010
Transformer Vault 12 (TV12) & Circuit 103	Expected to be in-service in 2010
Transformer Vault 10 (TV10)	Expected to be in-service in 2010
Transformer Vault 13 (TV13)	Expected to be in-service in 2010
Transformer Vault 5 (TV5)	In-Service
Annual Substation Battery Replacement	Expected to be in-service in 2010
Annual Overhead & Underground Services	Expected to be in-service in 2010
Annual Underground Cable Rebuilds	Expected to be in-service in 2010
Annual Overhead Line Rebuilds	Expected to be in-service in 2010
Distribution System Modeling	Expected to be in-service in 2010
Annual RFP for Structural Engineering Services	Expected to be in-service in 2010
Enterprise Asset Management System Implementation	Not expected to be in-service in 2010. Amount \$125,000
SCADA	Expected to be in-service in 2010
Meters	Expected to be in-service in 2010
Tools & Equipment	Expected to be in-service in 2010

Interrogatory # 10

Ref: Exhibit 3, Tab 1, Schedule 1, page 1

At lines 4 and 5 it is stated that annual energy consumption has been weather normalized using the most recent 10-year average from 2000 to 2009.

a) Does this mean that Kingston has provided normalized actual energy consumption for each year over the period 2000 to 2009 based on the average of heating and cooling degree days over the 2000 through 2009 period or has Kingston simply used the average of the heating and cooling degree days over the 2000 through 2009 period to forecast the 2010 and 2011 annual energy consumption?

The reference at lines 4 and 5 at Exhibit 3, Tab 1, Schedule 1, page 1 should read that annual energy consumption has been weather normalized using the most recent 10 year average HDD and CDD from 2000 to 2009, consistent with the description on page 2 of Exhibit 3, Tab 1, Schedule 2, Attachment 1.

b) If Kingston has estimated the normalized actual energy consumption for 2000 through 2009, please provide a table that shows for each year the actual energy consumption, the normalized energy consumption, the actual heating degree days, the normal heating degree days, the actual cooling degree days and the normal cooling degree days.

Kingston Hydro has estimated the normalized historical energy consumption for 2003 through 2009 and this is displayed in Table 4 on page 10 of Exhibit 3, Tab 1, Schedule 2, Attachment 1.

Interrogatory # 11

Ref: Exhibit 3, Tab1, Schedule 1

a) Are the customer figures shown in Attachment 1, year end customer counts or the average number of customers for the year?

Other than the 2006 EDR Approved figures, the customer numbers reported in Attachment 1 of Exhibit 3, Tab 1, Schedule 1 are annual average numbers.

b) The figures in Attachment 1 show that the number of GS < 50 kW customers forecast for 2010 shows a decline of 17 customers, followed by a reduction of 7 more customers in 2011 despite a reduction of only 3 customers in 2009 as compared to 2008. Please explain.

The 2008 average customer numbers for this class reflect an increase due to a reclassification of GS>50 kW customers to this class in late 2007. Historically, this class has been losing customers. The referenced attachment shows a drop of 68 customers in 2006 compared to 2005, and a drop of 40 customers in 2007 compared to 2006, on an annual average basis. In 2009, there was a drop of 35 customers between March and December. This class has lost customers due to the fact that commercial activity has been relocating to higher growth areas outside of Kingston Hydro's service territory. This is confirmed by the 2010 year-to-date (Jan-Oct) average customer count in this class, which is 3,243.

Interrogatory # 12

Ref: Exhibit 3, Tab 1, Schedule 2, Attachment 1 & Exhibit 3, Tab 2, Schedule 1, Attachment 1

a) Please provide a live Excel spreadsheet with all the historical data for each of the equations shown on pages 4 and 5. Please also include the forecast of the explanatory variables used in the forecasts.

Attached, as requested.

b) Please provide a definition for the variable named "GSTltCust" and explain how it is forecast.

The variable named "GSTlt50Cust" is simply the number of customers in the GS<50 kW class. A discussion of how it is forecast is contained in section 2.4 of Exhibit 3, Tab 1, Schedule 2, Attachment 1, page 12.

c) Please include in the live Excel spreadsheet for the residential equation the number of residential customers.

Provided in response to part (a).

d) Please provide the regression statistics for the two customer equations shown on page 12 in the same level of detail as the equations shown on pages 4 and 5.

Statistics provided below, as requested. Please note that Durbin-Watson Statistic is unavailable as these results were computed in Microsoft Excel and this program does not report that result.

OLS, using observations 2007:10-2009:12 (T = 27)

Dependent variable: Monthly GS < 50 kW Customers

Variable	Coefficient	t-statistic	p-value
const	3029.181	81.94	6.73E-31
Time	-0.894	-4.84	6.15E-05
FTE(-7)	4.048	6.78	5.16E-07

Unadjusted $R^2 = 0.724824$

Adjusted $R^2 = 0.701892$

F-statistic (2,24) = 31.60843 (p-value = 1.89E-07)

OLS, using observations 2007:10-2009:12 (T = 27)

Dependent variable: Monthly GS > 50 kW Customers

Variable	Coefficient	t-statistic	p-value
const	230.0	7.42	1.17E-07
Time	-0.192	-1.31	0.204079
FTE(-2)	1.98	3.98	0.000561

Unadjusted $R^2 = 0.410717$

Adjusted $R^2 = 0.36161$

F-statistic (2,24) = 8.36 (p-value = 0.001753)

e) How does the GS>50 customer forecast factor into the revenue forecast since it is not included as an explanatory variable in the corresponding volumetric equation?

It is used to forecast the number of customers in the GS>50 kW class.

f) Please provide the data used to estimate the equations noted in part (d) above in a live Excel spreadsheet, including the forecast of the explanatory variables used to forecast the customer counts.

Provided in response to part (a).

g) Please update the employment forecast shown in Table 3 to reflect the most recent forecasts available from each of the four banks shown.

An update to Table 3 is provided below:

Employment Forecast – Ontario (figures in annual percentage change)					
	BMO	RBC	Scotia	TD	Avg
	(Oct 29, 2010)	(Sept 2010)	(Jun 16, 2010)	(Sept ,2010)	
2010	1.7	1.9	1.2	1.9	1.7
2011	1.2	2.4	1.5	1.3	1.6

h) Please update the forecasts for 2010 and 2011 shown in Table 4 and Table 7 to reflect the impact of the updated employment forecasts, including any change related to the forecast of the GS>50 and GS<50 customers using the equations shown on page 12.

Please find an updated version of Table 4 below incorporating the updated bank forecasts from part (g) as well as the updated GS<50 customers resulting from the updated employment forecasts.

<i>Revised Table 4 - Weather Corrected Consumption for Kingston Hydro Updated for Recent Employment Forecasts in EP#12, part (g).</i>				
			10-yr (1998-2007)	
Year	Actual residential kWh	%chg	Weather Normal	%chg
2003	210,236,683		208,832,279	
2004	202,169,320	-3.8%	204,847,151	-1.9%
2005	213,231,097	5.5%	203,968,986	-0.4%
2006	203,419,312	-4.6%	204,822,743	0.4%
2007	205,361,403	1.0%	203,314,789	-0.7%
2008	197,176,338	-4.0%	202,751,519	-0.3%
2009	196,461,750	-0.4%	197,832,202	-2.4%
2010F			196,229,778	-0.8%
2011F			194,606,362	-0.8%
Year	Actual GS<50 kWh	%chg	Weather Normal	%chg
2003	96,605,505		95,876,675	
2004	90,968,331	-5.8%	91,635,584	-4.4%
2005	92,393,785	1.6%	90,288,114	-1.5%
2006	87,257,190	-5.6%	89,635,450	-0.7%
2007	87,931,681	0.8%	88,489,938	-1.3%
2008	93,970,050	6.9%	94,299,138	6.6%
2009	93,350,687	-0.7%	92,095,753	-2.3%
2010F			92,321,498	0.2%
2011F			93,096,784	0.8%
Year	Actual GS>50 kWh	%chg	Weather Normal	%chg
2003	297,965,658		291,895,627	
2004	282,637,528	-5.1%	282,767,911	-3.1%
2005	280,428,685	-0.8%	280,809,108	-0.7%
2006	281,992,976	0.6%	282,846,489	0.7%
2007	275,557,420	-2.3%	279,434,528	-1.2%
2008	274,569,665	-0.4%	278,202,304	-0.4%
2009	270,117,290	-1.6%	266,919,070	-4.1%
2010F			263,289,135	-1.4%
2011F			259,610,762	-1.4%
Year	Actual LU kWh	%chg	Weather Normal	%chg
2003	128,577,309			
2004	143,975,782	12.0%		
2005	152,356,156	5.8%	148,984,951	

<i>Revised Table 4 - Weather Corrected Consumption for Kingston Hydro Updated for Recent Employment Forecasts in EP#12, part (g).</i>				
2006	152,420,284	0.0%	150,405,793	1.0%
2007	150,723,902	-1.1%	150,931,146	0.3%
2008	150,640,722	-0.1%	151,814,695	0.6%
2009	148,002,869	-1.8%	151,046,565	-0.5%
2010F			151,536,099†	0.3%
2011F			152,017,673†	0.3%

†**Note:** In answering this interrogatory, it has been discovered that the load forecast originally filed for the LU class contained an error. In forecasting the 2010 and 2011 volumes, values for explanatory variables DFEB, DAPR, and DDEC were not carried forward to 2010 and 2011 resulting in an overestimate of class consumption. The correct values for LU class kWh and kW that should have been filed using the information available at the time are displayed in the table below. The LU class kWh values for revised Table 4 displayed above are calculated correctly. Historical normalized values for the class are unaffected by this error.

Corrected LU Class Normalized Forecast				
Year	kWh	%chg	kW	%chg
2010F	151,333,121	0.2%	296,397	0.2%
2011F	151,922,154	0.4%	297,550	0.4%

i) Please update the 2011 revenue forecast using current distribution charges as found in Attachment 1 of Exhibit 3, Tab 2, Schedule 1 to reflect the revised forecast from part (h) above.

Please find an updated 2011 revenue forecast below using current distribution charges as found in Exhibit 3/Tab 2/Schedule 1/Attachment 1 to reflect the revised forecast from part (h) above.

Ex 3/Tab 2/Sch 1/Att 1 Updated to reflect the revised 2011 forecast from part 12(h) re: revised Table 4

Pro-forma Revenue from Current Distribution Charges

Customer Class Name	2011 PROJECTED REVENUE FROM EXISTING VARIABLE CHARGES							
	Variable Distribution Rate	per	Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0124	kWh	194,606,362	2,413,119	\$0.00		0	2,413,119
General Service Less Than 50 kW	\$0.0097	kWh	93,096,784	903,039	\$0.00		0	903,039
General Service 50 to 4,999 kW	\$1.6891	kW	700,287	1,182,855	(\$0.60)	237,769	(142,661)	1,040,193
Large Use	\$0.8371	kW	297,550	249,079	(\$0.60)	109,658	(65,795)	183,284
Unmetered Scattered Load	\$0.0118	kWh	2,275,040	26,845	\$0.00		0	26,845
Street Lighting	\$3.9127	kW	11,336	44,354	(\$0.60)	0	0	44,354
TOTAL VARIABLE REVENUE				4,819,291		347,427	(208,456)	4,610,835

Customer Class Name	2011 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES							
	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$10.1200	23,386	2,839,996	2,413,119	5,253,115	54.06%	45.94%	55.04%
General Service Less Than 50 kW	\$23.3900	3,242	909,965	903,039	1,813,003	50.19%	49.81%	19.00%
General Service 50 to 4,999 kW	\$234.1000	346	971,983	1,040,193	2,012,177	48.31%	51.69%	21.08%
Large Use	\$3,864.2700	3	139,114	183,284	322,398	43.15%	56.85%	3.38%
Unmetered Scattered Load	\$9.7000	164	19,090	26,845	45,935	41.56%	58.44%	0.48%
Street Lighting	\$0.8600	5,155	53,200	44,354	97,554	54.53%	45.47%	1.02%
DISTRIBUTION REVENUE			4,933,347	4,610,835	9,544,182	51.69%	48.31%	100.00%

j) For each class shown in Table 4 in Attachment 1, where the normalized 2009 kWhs are different than the actual 2009 kWhs, please provide all the calculations that result in the normalized figures provided. Please also provide a written explanation of how the 2009 normalized figures were determined.

A detailed description of the process to calculate the normalized values has been provided in Attachment 1 including data and the equations used. An illustration of the calculations for 2009 are shown in the table below for each class, as requested.

Residential		1		2	3	4	5	6
			Month	Norm HDD	Norm CDD	Time	FTE	Norm kWh ¹
A	const	5915460	Jan-09	793.26	0	73	61.8	23,023,946
B	HDD	15239	Feb-09	695.25	0	74	61.1	21,436,802
C	CDD	20800.5	Mar-09	584.53	0	75	60.1	19,624,482
D	time	-20093.7	Apr-09	342.28	0.97	76	59.9	15,911,924
E	FTE	104965	May-09	169.18	5.77	77	60.8	13,448,270
			Jun-09	43.58	46.81	78	61.9	12,483,272
			Jul-09	8.39	82.37	79	63.2	12,803,038
			Aug-09	13.71	85.65	80	63.8	12,995,221
			Sep-09	81.21	22.48	81	63.3	12,637,309
			Oct-09	284.46	1.57	82	62.6	15,206,128
			Nov-09	439.45	0	83	60.7	17,315,837
			Dec-09	685.87	0	84	59.7	20,945,973
			2009					197,832,202

¹ A6=A1+B1*A2+C1*A3+D1*A4+E1*A5; B6=A1+B1*B2+C1*B3+D1*B4+E1*B5, etc..

<u>GS<50 kW</u>		1		2	3	4	5	6	7
			<u>Month</u>	Norm HDD	Norm CDD	Cust	FTE	Peak days	Norm kWh ²
A	const	-18960400	Jan-09	793.26	0	3,262	61.8	21	8,961,711
B	HDD	3328.19	Feb-09	695.25	0	3,265	61.1	19	8,462,535
C	CDD	10443.8	Mar-09	584.53	0	3,290	60.1	22	8,299,378
D	GS<50 Cust	5402.92	Apr-09	342.28	0.97	3,289	59.9	20	7,360,740
E	FTE	104154	May-09	169.18	5.77	3,284	60.8	20	6,901,484
F	Peak days	58140.4	Jun-09	43.58	46.81	3,268	61.9	22	7,056,481
			Jul-09	8.39	82.37	3,268	63.2	22	7,446,143
			Aug-09	13.71	85.65	3,261	63.8	20	7,406,496
			Sep-09	81.21	22.48	3,260	63.3	21	6,972,075
			Oct-09	284.46	1.57	3,248	62.6	21	7,292,407
			Nov-09	439.45	0	3,247	60.7	21	7,588,551
			Dec-09	685.87	0	3,255	59.7	21	8,347,752

2009

92,095,753

² A7=A1+B1*A2+C1*A3+D1*A4+E1*A5+F1*A6; B7=A1+B1*B2+C1*B3+D1*B4+E1*B5+F1*B6, etc..

<u>GS>50 kW</u>		1		2	3	4	5	6
			<u>Month</u>	Norm HDD	Norm CDD	Time	FTE	Norm kWh ³
A	const	6739720	Jan-09	793.26	0	73	61.8	26,400,158
B	HDD	10139.5	Feb-09	695.25	0	74	61.1	25,190,955
C	CDD	33913.8	Mar-09	584.53	0	75	60.1	23,780,221
D	time	-45895.2	Apr-09	342.28	0.97	76	59.9	21,262,490
E	FTE	242193	May-09	169.18	5.77	77	60.8	19,842,207
			Jun-09	43.58	46.81	78	61.9	20,181,025
			Jul-09	8.39	82.37	79	63.2	21,299,147
			Aug-09	13.71	85.65	80	63.8	21,563,747
			Sep-09	81.21	22.48	81	63.3	19,938,837
			Oct-09	284.46	1.57	82	62.6	21,075,122
			Nov-09	439.45	0	83	60.7	22,087,337
			Dec-09	685.87	0	84	59.7	24,297,824

2009

266,919,070

³ A6=A1+B1*A2+C1*A3+D1*A4+E1*A5; B6=A1+B1*B2+C1*B3+D1*B4+E1*B5, etc..

<u>Large User</u>		1		2	3	4	5	6	7
			<u>Month</u>	Norm CDD	FTE	DFEB	DAPR	DDEC	Norm kWh ⁴
A	const	9939530	Jan-09	0	61.8	0	0	0	12,399,139
B	CDD	18166.1	Feb-09	0	61.1	1	0	0	11,619,400
C	FTE	39799.5	Mar-09	0	60.1	0	0	0	12,331,480
D	DFEB	-751879	Apr-09	0.97	59.9	0	1	0	11,641,277
E	DAPR	-699864	May-09	5.77	60.8	0	0	0	12,464,158
F	DDEC	-645860	Jun-09	46.81	61.9	0	0	0	13,253,474
			Jul-09	82.37	63.2	0	0	0	13,951,200
			Aug-09	85.65	63.8	0	0	0	14,034,665
			Sep-09	22.48	63.3	0	0	0	12,867,212

Oct-09	1.57	62.6	0	0	0	12,459,499
Nov-09	0	60.7	0	0	0	12,355,360
Dec-09	0	59.7	0	0	1	11,669,700
2009						151,046,565

⁴ A7=A1+B1*A2+C1*A3+D1*A4+E1*A5+F1*A6; B7=A1+B1*B2+C1*B3+D1*B4+E1*B5+F1*B6, etc..

k) Please explain why some of the 2009 normalized figures are higher than the actual volumes while other normalized figures are lower than the actual volumes.

This is the result of different sensitivity to heating and cooling in each of the classes.

l) Please explain how the actual 2009 kWh figures are used in the calculation of the normalized 2009 figures discussed in part (e) above.

Kingston Hydro was unsure which normalized kWh calculation is being referred to in part (e), since part (e) of this question refers to the GS>50 kW class customer forecast. Upon seeking further clarification from Energy Probe, the question was clarified as the following: *"Please show the calculation of the weather normal figures shown in Table 4 of Exhibit 3, Tab 1, Schedule 2, Attachment 1, and explain how the actual 2009 kWh figures are used in the calculation of the normalized 2009 figures."* The calculation of 2009 weather normal figures shown in Table 4 of Exhibit 3, Tab 1, Schedule 2, Attachment 1 is outlined in detail in response to part (j) of this question. The actual 2009 kWh figures are used to determine the regression coefficients of the multiple regression model used to determine normalized kWh, but are not utilized directly in the calculation, *per se*.

m) Please fill in the following table based on the formula and example for 2009 provided to calculate the normalization adjustment (the formula for the other weather sensitive rate classes would use the corresponding equation coefficients).

The table, as requested, is provided below.

Service Class	2009 Actual kWh	Normalization Adjustment (EP)	Normalized kWh per EP
Residential	196,461,750	1,029,777	197,491,527
GS<50	93,350,687	737,226	94,087,913
GS>50	270,117,290	2,427,991	272,545,281
Large Use	148,002,869	1,577,181	149,580,050

(1) (Normal heating degree days - Actual heating degree days) x 3,328.19 + (Normal cooling degree days - Actual cooling degree days) x 10,443.8

(2) (4,141.17 - 4,192.1) x 3,328.19 + (245.62 - 158.8) x 10,443.8 = -169,504.7 + 906,730.7 = 737,226

n) Based on the methodology illustrated above in part (l), please provide the weather normal figures for each rate class shown in Table 4 for each year from 2003 through 2009. Please also provide a revised Table 8 showing the normal average use per customer based on the revised normalized actual figures.

Kingston Hydro was unclear as to which methodology is being referred to in part (l). Upon seeking further clarification from Energy Probe, our understanding is that Energy Probe is requesting the calculation based on the methodology suggested in part (m). The results are provided in the tables below.

Residential

Year	Actual kWh	Normalization Adjustment (EP)	Normalized kWh per EP
2003	210,236,683	-4,678,235	205,558,448
2004	202,169,320	-1,271,302	200,898,018
2005	213,231,097	-4,457,591	208,773,507
2006	203,419,312	5,957,041	209,376,353
2007	205,361,403	458,214	205,819,617
2008	197,176,338	1,274,054	198,450,392
2009	196,461,750	1,029,777	197,491,527

GS<50

Year	Actual kWh	Normalization Adjustment (EP)	Normalized kWh per EP
2003	96,605,505	-1,050,521	95,554,984

2004	90,968,331	278,339	91,246,670
2005	92,393,785	-1,790,113	90,603,672
2006	87,257,190	1,265,727	88,522,917
2007	87,931,681	-110,473	87,821,207
2008	93,970,050	516,180	94,486,231
2009	93,350,687	737,226	94,087,913

GS>50

Year	Actual kWh	Normalization Adjustment (EP)	Normalized kWh per EP
2003	297,965,658	-3,210,695	294,754,963
2004	282,637,528	1,045,480	283,683,008
2005	280,428,685	-5,743,748	274,684,937
2006	281,992,976	3,843,566	285,836,541
2007	275,557,420	-411,356	275,146,064
2008	274,569,665	1,657,090	276,226,755
2009	270,117,290	2,427,991	272,545,281

LU

Year	Actual kWh	Normalization Adjustment (EP)	Normalized kWh per EP
2003			
2004			
2005	152,356,156	-2,513,825	149,842,331
2006	152,420,284	-108,633	152,311,651
2007	150,723,902	-648,166	150,075,736
2008	150,640,722	732,457	151,373,179
2009	148,002,869	1,577,181	149,580,050

Normal Use Per Customer (Per EP)

Year	Res kWh	GS<50 kWh	GS>50 kWh	LUkWh
2003	9,214	27,923	708,546	
2004	8,996	27,063	690,366	
2005	9,346	27,276	657,010	49,947,444
2006	9,314	27,202	668,363	50,770,550
2007	9,111	27,327	666,348	50,025,245
2008	8,652	28,908	780,118	50,457,726
2009	8,547	28,805	782,801	49,860,017

Interrogatory # 13

Ref: Exhibit 3, Tab 1, Schedule 3

a) Please provide the prices for RPP and non-RPP customers used in the calculation of the weighted average price of \$0.06679.

Please find below the prices for RPP and non-RPP customers used in the calculation of the weighted average price of \$0.06679.

Table 1: Commodity Price – Weighted Average Price Calculation
Forecast Prices based on RPP Report issued by OEB April 15, 2010

Customer Class Name	2009 ACTUAL kWh's		
	Total	non-RPP	RPP
Residential	196,461,750	20,046,075	176,415,675
General Service Less Than 50 kW	93,350,687	19,270,681	74,080,006
General Service 50 to 4,999 kW	270,117,290	177,820,062	92,297,228
Large Use	148,002,869	148,002,869	
Unmetered Scattered Load	2,256,949	1,092,553	1,164,396
Street Lighting	3,992,185	3,992,185	
TOTAL	714,181,730	370,224,425	343,957,305
%	100.00%	51.84%	48.16%
<u>Forecast Price</u>			
HOEP (\$/MWh)		\$36.66	
Global Adjustment (\$/MWh)		\$27.72	
TOTAL (\$/MWh)		\$64.38	\$69.38
\$/kWh		\$0.06438	\$0.06938
%		51.84%	48.16%
WEIGHTED AVERAGE PRICE	\$0.06679	\$0.0334	\$0.0334

Note: The above table was to have appeared in the Application as Exhibit 3/Tab 1/Schedule 3 Attachment 2 however was erroneously left out during publication.

b) Please provide the percentage of RPP and non-RPP volumes used to weight the price.

See Interrogatory Response to #13 part a).

c) Please explain why the Adjustment to Address Bias Towards Unfavourable Variance and the Adjustment to Clear Existing Variance charges are not included in the non-RPP price.

The forecasts presented in the OEB Regulated Price Plan Price Reports are for RPP customers not non-RPP customers. The two variances - Adjustment to Address Bias Towards Unfavourable Variance and the Adjustment to Clear Existing Variance appear to be unique to the RPP pricing mechanism and therefore excluded from the calculation for non-RPP forecasted prices. The inclusion of these variables in the non-RPP price would confuse the results.

d) Please update the cost of power to reflect the figures in the Regulated Price Plan Report issued by the OEB October 18, 2010. Please show all calculations used to generate the weighted average price.

Please find in Table 2 below the weighted average price forecast based on RPP Report issued by OEB on October 18, 2010.

Table 2: Commodity Price – Weighted Average Price Calculation

Forecast Prices based on RPP Report issued by OEB October 18, 2010

Customer Class Name	2009 ACTUAL kWh's		
	Total	non-RPP	RPP
Residential	196,461,750	20,046,075	176,415,675
General Service Less Than 50 kW	93,350,687	19,270,681	74,080,006
General Service 50 to 4,999 kW	270,117,290	177,820,062	92,297,228
Large Use	148,002,869	148,002,869	
Unmetered Scattered Load	2,256,949	1,092,553	1,164,396
Street Lighting	3,992,185	3,992,185	
TOTAL	714,181,730	370,224,425	343,957,305
%	100.00%	51.84%	48.16%
Forecast Price			
HOEP (\$/MWh)		\$39.23	
Global Adjustment (\$/MWh)		\$26.38	
TOTAL (\$/MWh)		\$65.61	\$68.38
\$/kWh		\$0.06561	\$0.06838
%		51.84%	48.16%
WEIGHTED AVERAGE PRICE	\$0.06694	\$0.0340	\$0.0329

Please find below in Table 3 an updated 2011 cost of power (re: Ex 3/Tab 1/Sch 3 Att 1) that reflects the figures in the RPP Report issued by the OEB October 18, 2010.

Table 3: Projected Power Supply Expenses- 2011 Electricity (commodity) updated

Projected Power Supply Expenses									
<i>2011 Electricity (Commodity) Updated to reflect OEB's RPP Report issued October 18, 2010</i>									
Electricity (Commodity)	Customer Class Name	Revenue USA #	Expense USA #	2010 rate (\$/kWh): \$0.06679			2011 rate (\$/kWh): \$0.06694		
				Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	4006	4705	202,426,346		13,519,661	201,040,239		13,458,450
kWh	General Service Less Than 50 kW	4035	4705	94,902,657		6,338,364	95,947,998		6,423,149
kWh	General Service 50 to 4,999 kW	4035	4705	271,068,607		18,104,144	267,940,113		17,936,999
kWh	Large Use	4015	4705	156,192,477		10,431,791	156,792,113		10,496,301
kWh	Unmetered Scattered Load	4035	4705	2,343,927		156,546	2,353,301		157,540
kWh	Street Lighting	4025	4705	4,146,033		276,905	4,162,618		278,663
	TOTAL			731,080,048		48,827,412	728,236,382		48,751,100
Transmission - Network	Customer Class Name	Revenue USA #	Expense USA #	2010			2011		
				Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	4066	4714	202,426,346	\$0.0055	1,113,345	201,040,239	\$0.0057	1,145,929
kWh	General Service Less Than 50 kW	4066	4714	94,902,657	\$0.0050	474,513	95,947,998	\$0.0052	498,930
kW	General Service 50 to 4,999 kW	4066	4714	708,464	\$2.1925	1,553,307	700,287	\$2.2797	1,596,444
kW	Large Use	4066	4714	300,505	\$2.6418	793,874	301,658	\$2.7468	828,594
kWh	Unmetered Scattered Load	4066	4714	2,343,927	\$0.0055	12,892	2,353,301	\$0.0057	13,414
kW	Street Lighting	4066	4714	11,291	\$1.5837	17,882	11,336	\$1.6467	18,667
	TOTAL			300,693,190		3,965,813	300,354,819		4,101,978
Transmission - Connection	Customer Class Name	Revenue USA #	Expense USA #	2010			2011		
				Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	4068	4716	202,426,346	\$0.0046	931,161	201,040,239	\$0.0050	1,005,201
kWh	General Service Less Than 50 kW	4068	4716	94,902,657	\$0.0042	398,591	95,947,998	\$0.0046	441,361
kW	General Service 50 to 4,999 kW	4068	4716	708,464	\$1.8244	1,292,522	700,287	\$1.9813	1,387,479
kW	Large Use	4068	4716	300,505	\$2.1984	660,630	301,658	\$2.3874	720,178
kWh	Unmetered Scattered Load	4068	4716	2,343,927	\$0.0046	10,782	2,353,301	\$0.0050	11,767
kW	Street Lighting	4068	4716	11,291	\$1.3178	14,879	11,336	\$1.4311	16,223
	TOTAL			300,693,190		3,308,566	300,354,819		3,582,208
Wholesale Market Service	Customer Class Name	Revenue USA #	Expense USA #	2010 rate (\$/kWh): \$0.00520			2011 rate (\$/kWh): \$0.00520		
				Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	4062	4708	202,426,346		1,052,617	201,040,239		1,045,409
kWh	General Service Less Than 50 kW	4062	4708	94,902,657		493,494	95,947,998		498,930
kWh	General Service 50 to 4,999 kW	4062	4708	271,068,607		1,409,557	267,940,113		1,393,289
kWh	Large Use	4062	4708	156,192,477		812,201	156,792,113		815,319
kWh	Unmetered Scattered Load	4062	4708	2,343,927		12,188	2,353,301		12,237
kWh	Street Lighting	4062	4708	4,146,033		21,559	4,162,618		21,646
	TOTAL			731,080,048		3,801,616	728,236,382		3,786,829
Rural Rate Protection	Customer Class Name	Revenue USA #	Expense USA #	2010 rate (\$/kWh): \$0.00130			2011 rate (\$/kWh): \$0.00130		
				Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	4062	4730	202,426,346		263,154	201,040,239		261,352
kWh	General Service Less Than 50 kW	4062	4730	94,902,657		123,373	95,947,998		124,732
kWh	General Service 50 to 4,999 kW	4062	4730	271,068,607		352,389	267,940,113		348,322
kWh	Large Use	4062	4730	156,192,477		203,050	156,792,113		203,830
kWh	Unmetered Scattered Load	4062	4730	2,343,927		3,047	2,353,301		3,059
kWh	Street Lighting	4062	4730	4,146,033		5,390	4,162,618		5,411
	TOTAL			731,080,048		950,404	728,236,382		946,707
Debt Retirement Charge	Customer Class Name	Revenue USA #	Expense USA #	2010 rate (\$/kWh): \$0.00700			2011 rate (\$/kWh): \$0.00700		
				Volume	Rate	Amount	Volume	Rate	Amount
	TOTAL								
Low Voltage Charges	Customer Class Name	Revenue USA #	Expense USA #	2010			2011		
				Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	4075	4750	195,694,457	\$0.0002	39,139	194,354,446	\$0.0007	136,048
kWh	General Service Less Than 50 kW	4075	4750	91,746,575	\$0.0002	18,349	92,757,152	\$0.0006	55,654
kW	General Service 50 to 4,999 kW	4075	4750	708,464	\$0.1070	75,806	700,287	\$0.2517	176,262
kW	Large Use	4075	4750	300,505	\$0.1506	45,256	301,658	\$0.3033	91,493
kWh	Unmetered Scattered Load	4075	4750	2,265,977	\$0.0002	453	2,275,040	\$0.0007	1,593
kW	Street Lighting	4075	4750	11,291	\$0.0645	728	11,336	\$0.1818	2,061
	TOTAL			290,727,269		179,731	290,399,919		463,111
GRAND TOTAL						61,033,542			61,631,935

e) If the weighted average price calculated in (d) above is based on the November, 2010 through October, 2011 prices, please explain why it would not be more appropriate to use the May, 2011 through April, 2012 prices to match the period for which rates are being requested.

The November, 2010 through October 2011 prices are the most suitable reflection of the 2011 Test year, which serves as the basis for rates for the 2011 rate year.

Interrogatory # 14

Ref: Exhibit 3, Tab 3, Schedule 3, Attachment 1

a) For each of the line items shown in the table, please provide the most recent year-to-date figures available for 2010 and the corresponding year-to-date figures for 2009.

Below is a table showing actuals as of August 31, 2010 with corresponding actuals, as of August 31, 2009.

Uniform System of Account #	Description	As of August 31, 2009	As of August 31, 2010
4082	Retail Services Revenues	19,518	18,922
4084	Service Transaction Requests (STR) Revenues	908	1,569
4210	Rent from Electric Property	106,438	114,863
4225	Late Payment Charges	30,548	24,765
4235	Miscellaneous Service Revenues	68,959	67,995
4325	Revenues from Merchandise, Jobbing, Etc.	72,692	83,133
4375	Revenues from Non-Utility Operations	67,970	22,476
4390	Miscellaneous Non-Operating Income	28,198	48,976
4405	Interest and Dividend Income	18,116	28,658
	Specific Service Charges	68,959	67,995
	Late Payment Charges	30,548	24,765
	Other Distribution Revenues	126,864	135,353
	Other Income and Expenses	186,976	183,244

b) Where has Kingston recorded the costs associated with the revenues from merchandise, jobbing, etc (account 4325)? In other words, are the figures shown in account 4325 the net revenues from account 4325 and account 4330? If yes, please provide, for each year shown in the table, the gross revenues and costs separately. If no, please provide the associated costs for each year shown and please indicate where these costs are included in the evidence.

The figures shown in account 4325-Revenues from Merchandise, Jobbing, Etc. are not the net revenues. Kingston has recorded the costs associated with the revenue from 4325-Revenues from Merchandise, Jobbing, Etc., in accounts shown in the table below, with the

exception of administration charges for recoverable work and electric labour charge which are scattered throughout the USoA accounts. Associated costs are included in amounts shown in Exhibit 4, Tab 2, Schedule 2, Page 2, Table 1.

4325	Revenues from Merchandise, Jobbing, Etc	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Bridge Year 2010	Test Year 2011
	Banner Hanging	7,600	8,825	6,883	9,791			
5070	Customer Premises - Operation Labour	7600	8825	6883	9791			
	Net Banner Hanging	-	(0)	(0)	(0)	-	-	-
	Electric Rubber Fees	2,275	8,991	1,363	1,473	2,605	1,800	2,000
5020	Overhead Distribution Lines and Feeders - Operation Labour	2,275	8,991	1,363	1,473	2,605	1,800	2,000
	Net Electric Rubber Fees	0	-	-	-	-	-	-
	Revenue from Jobbing	4,910	3,595	20,925	18,290	68,404	35,873	40,856
5016	Distribution Station Equipment - Operation Labour				514	1,890	1,202	1,202
5020	Overhead Distribution Lines and Feeders - Operation Labour					10,259	1,081	1,807
5025	Overhead Distribution Lines and Feeders - Operation Supplies and Expenses			3,104	6,311		4,707	5,509
5040	Underground Distribution Lines and Feeders - Operation Labour			565				
5065	Meter Expense	617			345	459	402	402
5070	Customer Premises - Operation Labour	290		272	4,074	10,422	4,923	6,473
5085	Miscellaneous Distribution Expense				25			
5105	Maintenance Supervision and Engineering				1,175	1,350	1,263	1,263
5120	Maintenance of Poles, Towers and Fixtures			337		505	421	463
5125	Maintenance of Overhead Conductors and Devices	2,804		3,520	1,042	8,750	4,438	4,743
5130	Maintenance of Overhead Services	200		1,438	685	1,560	1,228	1,158
5145	Maintenance of Underground Conduit			869				
5150	Maintenance of Underground Conductors and Devices			1,218	2,302	27,792	10,437	13,510
5155	Maintenance of Underground Services	563		3,062	1,347	415	1,608	1,123
5155	Maintenance of Underground Services		3,595					
5160	Maintenance of Line Transformers					457	425	397
5175	Maintenance of Meters				271			
5320	Collecting				66			
5615	General Administrative Salaries and Expenses	436		6,541	132	4,545	3,740	2,806
	Net Revenue from Jobbing	(0)	-	(0)	0	0	0	(0)

c) Please confirm that Kingston has not recorded any gains or losses from the disposition of utility and other plant (accounts 4355 and 4360) over the 2005 through 2009 period and that no such gains or losses have occurred to date in 2010.

Confirmed, Kingston Hydro has not recorded any amounts in OEB account #4355-Gain on Disposition of Utility and Other Property and 4360-Loss on Disposition of Utility and Other Property from 2005-2009 and no gains or losses to date for 2010.

d) Where has Kingston recorded the costs associated with the revenues from non-utility operations (account 4375)? In other words, are the figures shown in account 4375 the net revenues from account 4375 and account 4380 associated with OPA CDM activities? If yes, please provide, for each year shown in the table, the gross revenues and costs separately. If no, please provide the associated costs for each year shown and please indicate where these costs are included in the evidence.

The figures shown in account 4375 – Revenues from Non-Utility Operations associated with OPA CDM activities are net revenues and incentives.

Below are the gross revenues and costs for each year shown in the table from Exhibit 3, Tab 3, Schedule 3, Attachment 1. Incentive revenue has been shown separately below.

4375-Revenues from Non-Utility Operations	2008	2009
Total Revenue	115,415	249,498
Total Expenses	(101,651)	(233,112)
Total Net Revenue	13,764	16,386
Total Incentive Revenue		199,847
Total in 4375-Revenues from Non-Utility Operations	13,764	216,233

Interrogatory # 15

Ref: Exhibit 3, Tab 3, Schedule 3, Attachment 2

a) The forecast for account 4082 - Retailer Services Revenue appears to imply a reduction in the number of customers served by retailers in 2010 and 2011 as compared to 2009. Please explain why this is forecast to be the case.

As indicated in Exhibit 3, Tab 3, Schedule 4 Page 1, Lines 7-9, the forecast is based on a three year rolling average.

b) Please explain the decrease in revenues in account 4210 forecast for 2010 and 2011 as compared to 2009.

A three year rolling average was used to determine amounts for 2010 and 2011.

c) Please explain the decrease in late payment charges (account 4225) for 2010 and 2011 as compared to 2009.

A three year rolling average was used to determine amounts for 2010 and 2011.

d) Please provide the actual and forecasted level of bad debt expense for each year from 2005 through 2011.

Actual bad debt expense for 2005 through 2009 and forecast bad debt expenses for 2010 and 2011 are as follows:

2005: \$163,200 actual and forecast
2006: \$296,600 actual; \$160,000 forecast
2007: \$250,600 actual; \$160,000 forecast
2008: \$227,100 actual; \$160,000 forecast
2009: (\$18,400) actual; \$160,000 forecast
2010: \$168,000 forecast
2011: \$170,000 forecast

e) Please explain the reduction in 2011 as compared to 2010 for Administration Charges for Recoverable Work in account 4325.

A three year rolling average was used with the exclusion of Banner Hanging. See Exhibit 3, Tab 3, Schedule 5, Page 1, Lines 18-19 for detail of the exclusion.

f) Please explain the significant drop in Revenue from Jobbing in account 4325 forecast for 2010 and 2011 as compared to 2009.

A three year rolling average was used to determine the forecast for 2010 and 2011 for Jobbing in account 4325.

g) Please provide the most recent year-to-date revenues for 2010 for Revenue from Jobbing in account 4325 and the corresponding year-to-date figure for 2009.

4325-Revenues from Merchandise, Jobbing, Etc.	As of August 31, 2009	As of August 31, 2010
Administration Charges for Recoverable work	24,544	60,152
Banner Hanging	456	-
Electric Labour Charge	-	200
Electric Rubber Fees	1,300	1,800
Revenue from Jobbing	46,392	20,981
Total	72,692	83,133

h) Please provide the average balances and interest rates used to calculate the 2010 and 2011 interest on bank balances, investments and amounts owed to Kingston from other parties. Please indicate how the interest rate on each item is determined. Please also show the calculations that result in the revenues shown in account 4405.

The following average yearly balances were used to calculate the 2010 and 2011 interest on bank balances.

Year	Average Balance
2009	\$2,524,256
2010	\$3,640,693
2011	\$5,579,323

The actual interest paid by the City of Kingston to Kingston Hydro is calculated at a rate consistent with the rate the TD Bank pays to the City of Kingston on the City's general bank account.

The revenues shown in account 4405 are made up as follows:

4405-Interest and Dividend Income	2010	2011
Investment and Bank Interest	2,320	2,640
Interest and Service Charges	4,800	4,800
Interest on Amount owed from City	18,150	17,050
Net interest on Regulatory Assets/Liabilities	-	-
Interest on Loan to Utilities Kingston	6,875	-
Total	32,145	24,490

Interrogatory # 16

Ref: Exhibit 3, Tab 3, Schedule 5, Attachment 1 & Exhibit 3, Tab 3, Schedule 4, Attachment 1

a) Please reconcile the different values shown for 2010 and 2011 for account 4080 - Distribution Services Revenue in the two attachments noted. If this difference is related to the forecast of microFIT generator revenue, please explain how this forecast has been determined, including historical and forecast number of microFIT connections.

The difference between the values shown for 2010 and 2011 for account 4080 – Distribution Services Revenue in the two attachments noted is unrelated to microFIT generator revenue.

Exhibit 3, Tab 3, Schedule 4, Attachment 1 account 4080 Distribution Services Revenue values are correct. MicroFIT generator revenue has not been included in this attachment however microFIT generator revenue has been included in the revenue offset in the calculation of the base revenue requirement.

Exhibit 3, Tab 3, Schedule 5, Attachment 1 account 4080 – Distribution Services Revenue values are incorrect as the result of an error that appears to have occurred during the application publication process.

b) Which figure has been used as a revenue offset in the calculation of the base revenue requirement?

The figure used in Exhibit 3, Tab 3, Schedule 4, Attachment 1 has been used with an adjustment made for microFIT generation in the calculation of the base revenue requirement. Please refer to Exhibit 3, Tab 3, Schedule 6, p.1 lines 13-18 for additional detail related to microFIT generation.

Interrogatory # 17

Ref: Exhibit 3, Tab 3, Schedule 5, Attachment 1 & Exhibit 3, Tab 3, Schedule 3, Attachment 1

a) Please reconcile the different values shown for 2010 and 2011 for account 4405 - Interest and Dividend Income in the two attachments noted.

Exhibit 3, Tab 3, Schedule 3, Attachment 1 contains the correct account 4405 – Interest and Dividend Income values.

Exhibit 3, Tab 3, Schedule 5, Attachment 1 account 4405 – Interest and Dividend Income values are incorrect as the result of an error that appears to have occurred during the application publication process.

b) Which figure has been used as a revenue offset in the calculation of the base revenue requirement?

The correct value for account 4405 – Interest and Dividend Income, as shown in Exhibit 3, Tab 3, Schedule 3, Attachment 1, was used as a revenue offset in the calculation of the base revenue requirement. This correct value for account 4405 also appears in Exhibit 3, Tab 3, Schedule 6, Attachment 1 Test Year Revenue Offsets.

Interrogatory # 18

Ref: Exhibit 3, Tab 3, Schedule 5, Attachment 1

a) Please quantify the 20% of the net proceeds that were credited to Kingston Hydro customers and recorded to account 1590 in 2008, as noted at lines 23-24 on page 2.

The Applicant is not able to provide the information requested as a result of a confidentiality clause in the settlement agreement. The proceeds were allocated fairly between the four utilities based on the case particulars, with Kingston Hydro receiving 40% of the proceeds. Half of that amount (i.e. 20% of the net proceeds) was credited to account 1590. The Board approved the disposition of account 1590 in Kingston Hydro's 2010 IRM and the rate rider is included in the Applicant's May 1, 2010 rate order.

b) Has this amount been returned to customers? If so, how was it returned to customers? If not, how does Kingston propose it be returned to customers?

Yes. The amount (20% of the net proceeds) was credited to account 1590 and returned to customers as part of the disposition of the various variance accounts, including 1590, effective May 1, 2010.

c) Please provide the excerpts from the Regulatory Assets Proceeding (EB-2005-0527, RP-2005-0020) that deal with the allocation of any proceeds received from a legal dispute fairly and equitably by Kingston Hydro.

There were no excerpts from the Regulatory Assets proceeding that dealt with how the proceeds were to be allocated. The Board commented that they didn't necessarily feel they had to make a separate order or direction respect to any settlement amounts that may come from litigation. Kingston Hydro believes it has complied with the directive inferred in the proceeding and that it has allocated the net proceeds fairly to all stakeholders.

Interrogatory # 19

Ref: Exhibit 4, Tab 1, Schedule 1

a) What would be the impact on the revenue requirement if the Board approved an increase in the OM&A cost per customer in 2011 to the average operating costs per customer for the other 14 utilities in its cohort, or \$238 per customer, as projected by Kingston rather than the requested increase that results in a cost of \$254 per customer?

Based on an estimated 26,977 residential, GS and Large Use customers, the impact on total operating expenses would be a decrease of \$431,632. The revenue requirement excluding PILs would decrease \$436,285 from \$12,124,773 to \$11,688,488. PILs would decrease \$1,832 from \$692,764 to \$690,932. Total Base revenue requirement would therefore decrease by a total of \$438,117. Kingston Hydro strongly opposes setting rates based on an OM&A cost per customer that reflects the average of the other utilities in its cohort.

b) Please provide a table showing the OM&A per customer for each year and each of the 14 utilities in the same cohort as Kingston for the years 2006 through 2009.

The following information is taken from the OEB Yearbooks.

OM&A Per Customer				
LDC	2009	2008	2007	2006
Bluewater Power Distribution Corporation	\$ 285	\$ 251	\$ 253	\$ 269
Chatham-Kent Hydro Inc.	\$ 173	\$ 177	\$ 165	\$ 161
COLLUS Power Corp.	\$ 263	\$ 250	\$ 229	\$ 227
E.L.K. Energy Inc.	\$ 225	\$ 200	\$ 180	\$ 169
Erie Thames Powerlines Corporation	\$ 309	\$ 338	\$ 353	\$ 305
Essex Powerlines Corporation	\$ 184	\$ 197	\$ 207	\$ 227
Festival Hydro Inc.	\$ 187	\$ 186	\$ 184	\$ 181
Kingston Hydro Corporation	\$ 197	\$ 193	\$ 180	\$ 174
Niagara Falls Hydro Inc.	\$ 257	\$ 255	\$ 250	\$ 239
Peterborough Distribution Incorporated	\$ 187	\$ 204	\$ 192	\$ 196
St. Thomas Energy Inc.	\$ 200	\$ 192	\$ 223	\$ 218
Wasaga Distribution Inc.	\$ 169	\$ 162	\$ 157	\$ 156
Welland Hydro-Electric System Corp.	\$ 219	\$ 209	\$ 211	\$ 165
Westario Power Inc.	\$ 210	\$ 232	\$ 213	\$ 201
Woodstock Hydro Services Inc.	\$ 224	\$ 223	\$ 226	\$ 232

c) What is the specific impact of the 2.0% inflation forecast in dollar terms on the increase in 2011? In particular, what portion of the \$131,000 shown in Table 2 is due to inflation?

The table referred (Table 2 on Exhibit 4 Tab 1 Schedule 1) illustrates the OM&A increase from 2010 to 2011. Of the \$131,000 shown on this table, compensation increases account for \$85,000 of the \$131,000. Please refer to the Table on Exhibit 4 Tab 2 Schedule 3, Page 2. As illustrated the remaining \$46,000 included here and is made up numerous miscellaneous amounts. One of the factors accounting for the increase would be inflation. The 'Inflation, Other' driver amount is essentially the miscellaneous amount remaining that, once added to all the other noted cost driver amounts, sum the total increase.

Interrogatory # 20

Ref: Exhibit 4, Tab 2, Schedule 1

Please provide a table in the same format as Table 5 that shows the most recent year-to-date actual expenditures for 2010 to the corresponding year-to-date period for 2009.

Below is a table comparing actual expenditures as of September 30, 2009 to September 30, 2010.

OM&A Expenses	2009 Actuals as of September 30, 2009	2010 Actuals as of September 30, 2010	Variance \$	Variance %
Operations	1,658,311	1,711,543	53,232	3%
Maintenance	538,189	574,142	35,952	7%
Billing and Collecting	437,928	445,456	7,528	2%
Community Relations	137,100	156,605	19,505	14%
Administrative and General	1,194,350	1,260,048	65,699	6%
Total OM&A Expenses	3,965,878	4,147,794	181,915	5%

Interrogatory # 21

Ref: Exhibit 4, Tab 2, Schedule 3

a) Please provide the details of the Collective Agreement between Utilities Kingston and the International Brotherhood of Electrical Workers, including the term of the current agreement and the wage increased provided for over each year of the agreement.

A PDF copy of the Collective Agreement is attached. The agreement is for 4 years, 2010, 2011, 2012 and 2013 inclusive.

General wage increases are:

2010	2.75%
2011	2.50%
2012	2.50%
2013	2.50%

b) Please provide the historical increase for 2007 through 2009 for each group of employees: unionized, non-union and management.

The historical increase for employees were:

	Non-Union Staff	Unionized Staff
2007	4.8%	3.0%
2008	5.3%	3.0%
2009	4.1%	2.5%

Due to the small number of employees, non-union and management are grouped together.

There are no automatic inflationary or general increases for any of these employees (non-union and management). All increases are performance based and combine inflationary and progression increases.

c) Please provide the forecasted increase for 2010 and 2011 for each group of employees: unionized, non-union and management. For each group of employees please provide the impact on the revenue requirement of a one percentage point reduction in the forecasted increase for each of 2010 and 2011 and for 2011 assuming a cumulative impact of a one percentage point reduction in the forecasted increase for 2010 and 2011.

The total non-union actual average increase for 2010 was 3.8% and for union was 2.75%.

The total forecasted increase for 2011 is 4.0% for non union and 2.5% for union.

A 1% reduction in the 2010 increase and a 1% reduction in the 2011 increase has the following effect:

YEAR	2010	2011
Management		
Total Salary before requested adjustment	\$ 192,240	\$ 199,930
Total Salary with increases reduced by 1% in each of 2010 and 2011	\$ 190,388	\$ 196,100
Difference		\$ 3,830
Non-Union		
Total Salary before requested adjustment	\$ 541,272	\$ 562,923
Total Salary with increases reduced by 1% in each of 2010 and 2011	\$ 536,057	\$ 552,139
Difference		\$ 10,784
Union		
Total Salary before requested adjustment	\$1,531,784	\$1,570,079
Total Salary with increases reduced by 1% in each of 2010 and 2011	\$1,516,876	\$1,539,630
Difference		\$ 30,449

The impact of revenue requirement for each of the above effects is as follows:

Management: Lower by \$3,887

Non-Union: Lower by \$10,946

Union: Lower by \$30,996

d) Is the powerline crew noted on page 17 employed by Kingston Hydro or Utilities Kingston?

Utilities Kingston.

e) Will the five Journeyperson Powerline Technicians and the two Journeyperson Substation Electricians forecast to be hired in 2011 be hired by Kingston Hydro or Utilities Kingston?

Utilities Kingston.

f) Will the two additional Engineering Technologists noted at the bottom of page 18 be employees of Kingston Hydro or Utilities Kingston?

Utilities Kingston.

g) When has Kingston forecast the hiring of the communications/customer liaison professional (page 20) to take place in 2011? Is the \$82,000 inclusive of wages and all benefits? If not, please provide the all in cost associated with this position.

Hiring will be at the beginning of 2011. \$82,000 is inclusive of wages and benefits.

h) Please provide the OMERS costs for each year for 2007 through 2009, and the forecasts for 2010, 2011 and each of the four years that increase the costs by \$328,000.

Details of OMERS payments based on Capital and operating salaries for 2007 to 2009 are as follows:

2007: \$173,400

2008: \$182,600

2009: \$182,200

In answering Board Staff Interrogatory 26, Kingston Hydro made comments which have resulted in a revised estimate for the 2011 Test Year. Please refer to Board Staff Interrogatory 26 for complete details.

i) Please explain why the \$100,000 shown in 2009 actuals for the 2011 Cost of Service Application is not offset by a corresponding reduction in 2010? In other words is the \$100,000 expense in 2009 related the COS application a permanent increase for 2010 and 2011? If yes, please explain.

Kingston Hydro is unable to locate “the \$100,000 shown in 2009 for the 2011 Cost of Service Application”. The total estimated costs for the 2011 Cost of Service Rate Application are as detailed in Board Staff Interrogatory # 21.

COLLECTIVE AGREEMENT

Between

**UTILITIES KINGSTON (1425445 ONTARIO LIMITED)
(hereinafter referred to as "the Employer")**

And

**LOCAL UNION 636 OF
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
(hereinafter referred to as "the Union")**

January 1st, 2010 to December 31st, 2013

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ARTICLE 1 – PURPOSE

The General purpose of this agreement is to set out various terms and working conditions of employment and to maintain a harmonious relationship between the Employer and its Employees.

ARTICLE 2 – DURATION

- 2.01** This Agreement shall become effective on the first day of January 1, 2010 and shall continue in force until the thirty-first day of December 2013 and thereafter, from year to year until terminated or amended as hereinafter provided. Either party to this Agreement may, by notice in writing to the other party of at least thirty (30) calendar days prior to the termination date of the Agreement, give notice of its desire to bargain for renewal, with or without modifications to the Agreement. The first meeting of the parties, at which proposed amendments by both parties shall be exchanged, shall be held within thirty (30) calendar days of the notice to bargain, unless otherwise mutually agreed to.
- 2.02** In addition to the foregoing, any changes deemed necessary in this Agreement may be made by mutual agreement at any time during the existence of this Agreement following written notice by either party to the other of its interest to meet to discuss amendments to this Agreement.

ARTICLE 3 – RECOGNITION

- 3.01** The Employer recognizes the Union as the exclusive Bargaining Agent for all Employees save and except Supervisor, persons above the rank of Supervisor, Revenue & Rates Analyst, Assistant to the President & CEO, Administrative Secretary, Engineer, System Analyst, Database Administrator, Controller, Regulatory Analyst, Intermediate Accountant, Utility Accountant, Human Resources Advisor, Human Resources Associate, Health & Safety Associate, Engineering Project Coordinator, Conservation & Demand Management Advisor, and persons employed under government sponsored work programs.
- 3.02** No Employee shall be required or permitted to make a written or verbal agreement with the Employer or its representatives which may conflict with the terms of this Agreement, unless approved by the Union.
- 3.03** Words used in this Agreement in the masculine gender shall include the feminine.
- 3.04** The Employer agrees that generally non-union Employees will not perform work of the Bargaining Unit Employees. The Union recognizes that from time to time, i.e. training, incidental situations or emergency situations may result in non-union Employees performing Bargaining Unit work.
- 3.05** The Union acknowledges that the Employer has the exclusive right to manage its business, direct the working force, make, amend and enforce such rules and regulations as shall from time to time be required, except as specifically restricted by Statute or this Collective Agreement.
- 3.06** The Union agrees that there will be no strikes, picketing, slowdown or stoppage of work, either complete or partial, and the Employer agrees that there will be no lockout during the term of this Agreement.

- 3.07** Every new Employee will be issued a copy of this Collective Agreement by the Employer and at the earliest opportunity the Union will be notified of any change to the employment status of Employees covered by this agreement.
- 3.08** The Employer will deduct the Union initiation fee as directed by Local Union 636 from all new Employees entering the Bargaining Unit. Fees will be deducted from the initial pay for the new employees and be remitted to the financial secretary of the Local Union 636 as per the dues remittance policy. The Employer agrees to deduct Union dues from all employees covered by this agreement and such dues shall be deducted in the first pay period of the month and on every other pay period thereafter except that it is understood that the twelve month dues in any calendar year shall be deducted during the first twenty-four pay periods of the year. The amount deducted shall be forwarded to the Financial Secretary of Local Union 636 of the IBEW by the fifteenth day of the month.
- 3.09** Where competitive demands create the need for changes in operating requirements, for example, hours of work, shifts, clothing and equipment, beyond what is defined in this Collective Agreement, the Employer and the Union agree to meet to develop a mutually agreed to solution that will satisfy the needs.

ARTICLE 4 – GRIEVANCE PROCEDURE

- 4.01** Grievances shall be submitted in writing by a designated Union representative to the aggrieved Employee's Manager within ten (10) working days of the alleged violation.
- 4.02** Should a grievance not be addressed to the satisfaction of Union at this step within ten (10) workings days, the Union will present the grievance to the President.
- 4.03** Should a grievance not be addressed to the satisfaction of the Union at step 4.02, the parties have ten (10) working days to request the services of a Grievance Mediation Officer. The Grievance Mediation Officer shall be mutually agreed upon and the costs shall be equally shared by the two parties.
- 4.04** Should a grievance not be addressed to the satisfaction of the Union the grievance will be referred to the Arbitration process as required by the Ontario Labour Relations Act within thirty (30) days of the completion of step 4.03.
- 4.05** The time limits described in the preceding clauses may be extended or overridden by mutual agreement of the parties.

ARTICLE 5 – EMPLOYEE CLASSIFICATIONS

- 5.01** Employee: is a person employed on a full-time basis in a classification not excluded from the Bargaining Unit under Article 3.01 or by the *Ontario Labour Relations Act*.
- 5.02** Probationary Employee: is an individual who is not currently an Employee and is hired with the intent of filling a full-time position in a classification not excluded from the bargaining unit under Article 3.01 or by the *Ontario Labour Relations Act* who before being advanced to the status of Employee must undergo a period of probation of six (6) months duration, during which time their qualifications and suitability for continuing employment can be determined. Probationary Employees shall meet all conditions of hire requiring them to attain specified professional credentials or qualifications during the probationary period in order to be considered for advancement to the status of Employee. During this probationary period the

Employee shall not be considered as having full-time status and shall not be entitled to any of the rights and privileges accruing to full-time Employees unless indicated in a specific clause, nor shall they have recourse to Article 4 in regards to termination of employment.

- 5.03** Temporary Employee: is a person hired to work on a full-time or part-time basis to complete the term of all vacancies created as a result of a Pregnancy and/or Parental Leave; all vacancies created by a Long Term Disability Leave; or for a period not exceeding nine (9) months, in a classification not excluded from the bargaining unit under Article 3.01 or by the *Ontario Labour Relations Act*. During this period of time they shall not be entitled to any of the rights and privileges accruing to full-time Employees unless indicated in a specific clause, nor shall they have recourse to Article 4 in regards to termination of employment. Where the temporary Employee is hired for other than Pregnancy, Parental or Long Term Disability vacancies, the temporary Employee shall not be hired for more than two (2) consecutive temporary terms. A period of at least two (2) consecutive months must elapse before a temporary Employee can be hired for a third term into the same position.
- 5.04** Part-time Employee: is a person employed on a part-time basis, in a classification not excluded from the bargaining unit under Article 3.01 or by the *Ontario Labour Relations Act*. Part-time Employees are required to successfully complete a period of probation of nine hundred and sixty (960) hours worked during which time their qualifications and suitability for continuing employment can be determined. During this probationary period they are not entitled to any of the rights and privileges accruing to Employees unless indicated in a specific clause, nor shall they have recourse to Article 4 in regards to termination of employment. A part-time seniority list will be maintained on an hours worked basis. Part-time seniority is considered when bidding on full-time positions. Part-time Employees may progress through the salary range based on number of hours worked equivalent to full-time Employees in the same classification. A part time Employee shall be eligible for thirteen percent (13%) of their regular hourly rate of pay in lieu of all fringe benefits under Article 15. Those that enroll in OMERS when eligible or thereafter, or elect not to join when eligible shall receive eight percent (8%) in lieu of fringe benefits.
- 5.05** The ratio of Full-time Employees to Part-time Employees in the Billing, Credit and Collections group shall be 3:1. Any other Department may have up to two (2) Part-time Employees each working at any time.
- 5.06** Student: is a person enrolled at a secondary or post secondary institution employed for short duration not to exceed six (6) months per calendar year or a Co-op program. During this period of time they shall not be entitled to any of the rights and privileges accruing to full-time Employees unless otherwise indicated in a specific clause, nor shall they have recourse to Article 4 in regards to termination of employment.

ARTICLE 6 – SERVICE AND SENIORITY

6.01 Service shall be defined as the length of continuous service the Employee has established with the Employer from the date the Employee last entered the employ of the Employer or in a position in the IBEW 636 Bargaining Unit and employed by the Corporation of the City of Kingston. Except where required by statute service shall not increase during each unpaid leave of absence.

Seniority shall be defined as the length of continuous service an Employee has established with the Employer in a position covered by this Agreement or in a position in the IBEW 636 Bargaining Unit and employed by the Corporation of the City of Kingston .

6.02

- a) Probationary Employees shall not accumulate seniority except that an Employee shall be granted seniority for the period served as a probationary Employee upon successful completion of such probation.
- b) Seniority rights and accumulation of such rights shall not apply to Temporary Employees and Students.
- c) Seniority rights shall be maintained and accumulated during absence due to:
 - i. illness or accident up to two (2) years;
 - ii. leave of absence, when granted by the Employer;
 - iii. unavoidable absence if satisfactorily explained on return to work;
 - iv. during layoff of less than twelve (12) months;
 - v. pregnancy and parental leave.
 - vi. family medical leave

6.03 An Employee shall lose their seniority, and employment shall be terminated if an Employee:

- a) Voluntarily terminates employment with the Employer
- b) Retires
- c) Is discharged and the discharge is upheld
- d) Is laid off for a period longer than twelve (12) months
- e) Has been laid off and when recalled to work he fails to communicate within three (3) working days regarding such notice or fails to return to work within five (5) working days
- f) Is totally disabled as a result of an accident or illness and is unable to work for the Employer for a period of twenty-four (24) consecutive months from the commencement of absence.

6.04 The Employer will compile a seniority list annually and a copy will be forwarded to the Union.

ARTICLE 7 – GENERAL PROVISIONS HOURS OF WORK/OVERTIME/STANDBY

7.01

- a) The regular hours of work for all Employees not listed as shift workers shall be a forty (40) hour work week Monday to Friday inclusive, between the hours of 0700 and 1900.
- b) It shall be a condition of employment for Employees to perform work outside of the Employee's regularly scheduled hours of work (overtime) and the Employer has the right to authorize such work as required.

- c) It shall be a condition of employment for Employees who are eligible to be on a standby list.
- d) It shall be a condition of employment for Employees who are in positions listed as shift worker(s) in this Collective Agreement, to take shift work and the Employer has the right to authorize shift work as required.
The Employer shall ensure that all overtime, shift work and standby is assigned equitably between all qualified and competent Employees within the job classification affected by such work.
- e) The Employer acknowledges that they will assist Employees to become competent by providing training and on the job experience opportunities required for the
- f) Employee to become qualified and competent in a timely manner.
- g) An Employee will be deemed qualified and competent by the Employer.

7.02 SPECIFIC ARTICLES FOR HOURS OF WORK

- a) A request for a change to the hours of work may be initiated by an Employee of the Bargaining Unit through the Union or by the Employer. Where initiated by the Employer all changes to the work schedule are subject to; a seven (7) calendar day notice period, a maximum of ten hours (10) per day, notwithstanding Article 7.01 a), average eighty (80) hours over two (2) weeks, and one (1) continuous shift per day. During the Eastern Standard time period, the maximum working day for all outside crews shall be eight (8) hours.
- b) The regular hours of work for Part-time Employees shall be an average of not greater than twenty-seven (27) hours per week in accordance with Article 7.01a) and Article 7.02a). Any hours worked in excess of forty (40) hours in a week will be paid at the applicable overtime rate. The average shall be reconciled once per calendar year.
- c) There shall be a fifteen (15) minute break each half shift at a location designated by the Employer. Part time Employees that work more than four hours per day shall be entitled to a fifteen (15) minute break.
- d) Lunch Break shall begin no later than five (5) hours from starting time. Lunch shall be an unpaid period of thirty (30) minutes. Lunch periods may be extended to sixty (60) minutes subject to operational requirements and as agreed between the manager and the Employee. The Employer will provide a maximum of ten (10) minutes travel time at the start and end of the lunch break. Consideration will be given to extending alternate arrangements when required due to weather or working conditions.

7.03 SPECIFIC ARTICLES FOR SHIFT WORK

- a) Shift work is any work which is conducted by Employees in the job classifications identified as shift positions by this Collective Agreement and who are on a rotation schedule which falls outside of 07:00 and 19:00 hours.

- b) The following job classifications are shift positions wherein the scheduled shift(s) rotate on a regular basis averaging forty (40) hours per week over a calendar year;
- Journeyperson Utility Operator
 - Service Person "A" & "B"
 - Streetlight Maintenance & Traffic Signal Technician
 - Treatment Sub-foreman
 - Treatment Operator
 - Services Advisor
 - Quality Assurance Operator
 - Locator

Shifts are paid at regular rates of pay.

- c) For shift work which is designed to provide 24/7 coverage and includes a twelve (12) hour shift, the following principles shall apply:
- i. No more than three (3) consecutive night shifts, or four (4) consecutive day shifts shall be scheduled;
 - ii. The Shift Operator Schedule will be composed of a seven (7) person schedule or other schedule as mutually agreed to between management and union;
 - iii. Individuals from the pool of qualified and competent operators will be assigned to the shift schedule as Shift Operators on a rotating basis and will be identified in October of each year;
 - iv. Shift Operators will submit their vacation requests for the year by April 1 of each year;
 - v. Shift Operators will restrict their vacation requests for twelve (12) hour shift(s) to include not more than a maximum of five (5) twelve (12) hour shift for the calendar year. Written request regarding any exception to this clause will be considered by the Employee's immediate Supervisor;
 - vi. Vacation requests submitted under Articles 7.03c) iv and Articles 7.03c) v will be reviewed and approval will follow the practice of applying seniority first;
 - vii. Management will revise the individual Shift Operators' schedule based on approved vacation requests and will communicate the changes to the schedule and the coverage/relief available by May 1st of each year;
 - viii. Vacation requests made after April 1 of each year will be reviewed on a case by case basis with consideration to the impact of the requests of other operators. Therefore generally, these requests should be limited to those periods when the operator making the request is scheduled for an eight (8) hour day shift. Late vacation requests will be tracked to be discussed with respect to the impact on others at the Fall review meeting;
 - ix. The parties agree to meet with a number of representatives from management, IBEW and Shift Operators in October of each year to discuss any issues surrounding the implementation of the seven (7) - person schedule as described above that will be the overall pool of qualified and competent operators staffing the seven (7) person schedule for the following year. The pool of qualified and competent Operators will identify those individuals in the Operator classification that are qualified to be assigned to the seven (7) person schedule.
 - x. Available Shift Operators will be provided with the first opportunity to decline Overtime to replace a sick Shift Operator

- d) The Employer shall provide sixty (60) calendar days notice to any Employee(s), whose job classification is listed as a shift position but as of the date of giving of notice, there are no Employees currently working a shift.
- e) The Employer shall provide sixty (60) calendar days notice to any Employee(s), whose job classification is listed as a shift position but as of the date of giving notice, the individual Employee(s) is/are not working on a shift within the job classification.
- f) In the event an Employee has to be removed from a shift schedule the Employer will temporarily fill the position for up to ninety (90) days with one or more qualified and competent Employees in a shift classification not currently on the schedule and will provide seven (7) days notice to the affected Employee(s).
- g) Employees who work on a shift basis shall receive shift differential as follows:

Shift	Shift Differential
19:00-07:00 Night Premium	\$1.00
Week-end & Holiday (daytime premium 07:00-19:00)	\$1.00

- h) Notwithstanding Articles 7.01a) and 7.02a), the Employer may require Credit/Collections Clerks to work on Saturdays between 0700 and 1800. The Saturday schedule shall constitute part of the regular forty (40) hour work week. A shift differential as per the Collective Agreement shall be paid to work this shift. Whenever possible, Employees who work a Saturday will be provided two consecutive days off except when not possible due to shift change.

Any new Employees hired in the Client Services Department and Credit/Collections Department after November 1, 1999 and part-time and temporary Employees may be required to work Saturdays as part of a regular work schedule. Regular full time Employees within the Credit/Collections Department and Client Services Department hired prior to November 1, 1999 may be occasionally scheduled to work a Saturday, for example due to absence, vacation, bereavement leave, and shall be scheduled on the basis of reverse seniority, unless others agree to work on a voluntary basis.

7.04 SPECIFIC ARTICLES FOR OVERTIME

- a) Where planned overtime is to be undertaken the Employer will provide a minimum of two (2) regular working days notice prior to the date upon which the planned overtime is to occur. The Employer will assign the overtime in accordance with Article 7.01e) and based on a list of Employees found within the required job classification.

- b) Employees when eligible for overtime shall be compensated for such overtime at the premium rate of time and one-half for all hours between 08:00 and 19:00 hours, Monday through Friday. All other time will be paid at double time. All overtime hours worked on designated holidays as listed in this Collective Agreement will be paid at double time.
- c) An Employee may bank overtime at the applicable overtime rate (i.e. x1.5 or x 2), but shall only be permitted to use one hundred and sixty (160) hours as time off in lieu per calendar year. Once banked, lieu time balances as of December 31st of each year shall be paid out at the banked rate. On each occasion time off in lieu is taken, it must be taken in increments of one (1) full shift (8 or 10 or 12 hours as applicable) and with mutual agreement.
- d) The minimum call out time shall be two (2) hours at the overtime rate applicable. This shall apply to the first call-out from the Employee's home, but not subsequent call-outs during the same two hour period.
- e) After a two hour period the minimum call out shall apply again if the Employee has completed their assigned work and has returned home. The Employee shall check with the Journeyperson Utility Operator if available or the on call service, before returning home after a call-out to determine if there is further work to be done.
- f) When an Employee performs work during their lunch period, they shall be paid at the applicable overtime rate for the time worked up to a maximum of the length of the lunch period. This does not apply in cases where the lunch period can be extended by the equivalent time.
- g) Minimum call-out pay will not apply for work which is a continuation of the work day or when the call-out is within one (1) hour of the normal starting time. Payment for such overtime will be at the appropriate overtime rate.
- h) When required to report to work involving overtime between 23:00 hours and 03:00 hours, Employees will be permitted a rest period until 12:00 hours. When such overtime extends beyond 03:00, the rest period permitted for the remainder of the work day or 8 hours, whichever is greater. Should the rest period fall during the Employee's regular working hours, the Employee shall be paid the applicable straight time rate for those hours.
- i) The Employer will provide at least twelve (12) hours notice of cancellation of planned overtime unless the overtime is cancelled prior to the end of the Employees scheduled shift. Failure to comply will result in the Employer paying the Employee two hours at their straight time rate.
- j) When an Employee receives a telephone inquiry at home and the issue is resolved without the need to report to work, the Employee will be compensated at a rate of one (1) hour pay at straight time for the call and any other calls that occur within a one-hour period following the initial telephone call. When an Employee receives a call at home between the hours of 07:00 and 22:00 and refers the resolution to someone else this article does not apply.
- k) Meal Allowances: A meal will be provided or reimbursed only under the following circumstances:
 - i. Where the Employer considers it is reasonable to provide a meal;
 - ii. Where the extended work period continues five (5) hours from the end of the last meal period;
 - iii. Where an Employee is required to report to perform unplanned overtime one (1) hour in advance of the regularly scheduled shift;
 - iv. Where an Employee is required to report to perform planned overtime two (2) hours in advance of the regularly scheduled shift;
 - v. For planned overtime that is not attached to a regularly scheduled shift, the Employee would be required to bring their own meal(s) unless the work period extends to nine (9) hours or more;

- vi. Meal entitlements will only be reimbursed with a valid receipt which indicates the place, date and time of purchase, and what was purchased. Prepared meals from grocery stores are acceptable; however normal grocery items are not;
- vii. An Employee can purchase food for groups of Employees and be reimbursed for it, as long as:
 - the amount does not exceed the total of the individuals combined entitlements,
 - the Employees are listed on the receipt, and
 - the individual Employees have not submitted a receipt for this same entitlement period.
- viii. Meal entitlements will be approved for up to the maximum of the total amount of the entitlement for the work period. Meals can be purchased at times other than the scheduled entitlement times however, the receipts must reflect that they were purchased between the start of the overtime period to within one hour of the end of the work period;
- ix. Meal allowances shall be capped at seven dollars (\$7.00) for breakfast (12:00 am – 11:59 am), and fifteen dollars (\$15.00) for lunch/suppers (12:00 pm – 11:59 pm);
- x. Unless otherwise stated, meals will not normally be provided during regular working hours.

7.05

SPECIFIC ARTICLES FOR STANDBY

- a) Standby duty is defined as that duty performed by qualified and competent Employees who are required by the Employer to hold themselves readily available and able to respond to calls outside normal work hours.
- b) The Employer shall ensure that Standby duty shall be rotated amongst qualified and competent Employees in accordance with Article 7.01e)
- c) The following personnel may be required to be on standby duty:
 - Weekly Standby:
 - Journeyperson – Electric Overhead
 - Journeyperson – Substation Maintenance
 - Underground System Operator
 - Treatment Operator
 - Journeyperson Utility Operator
 - Service Person A and B
 - Gas Regulator Serviceperson
 - Gas Systems Operator
 - Network Coordinator

Other personnel may be required to be on Standby subject to operational requirements.

- d) **Standby Rates of Pay;**
An Employee who is required to perform Standby duty will be paid an hourly premium rate as per the schedule below. This rate is in addition to normal overtime pay;

Standby Premium Rate of Pay:

Standby Rates of Pay for the Years;	Amount
2010, 2011, 2012	\$2.00
2013	\$2.25

ARTICLE 8 – DESIGNATED HOLIDAYS

8.01 The designated holidays recognized by the Employer are as undernoted:

Designated Holidays	
New Year's Day	Canada Day
Family Day	Civic Day
Good Friday	Labour Day
Easter Monday	Thanksgiving Day
Victoria Day	Christmas Day
	Boxing Day

- a) Whenever any of the above designated holidays falls on a Saturday or Sunday, it shall be observed on the following Monday, or the day set aside by Government or Local Order.
- b) Employees shall be entitled to a half day off, with pay, on the day before Christmas Day and on the day before New Year's Day, with the following conditions:
- a skeleton staff as required, shall work the half day before Christmas Day and the half day before New Year's Day and have a half day off at a later date in lieu of each half day worked;
 - Employees required for emergency work during this half a day shall be paid for the time worked at straight time rate of pay and receive the equivalent time worked at a later date in lieu up to a maximum of a half day;
 - Employees on rotating shifts shall be given the equivalent time off in lieu of the half day before Christmas Day, and New Year's Day, at a time mutually agreed to.

- 8.02** Employees and Probationary Employees who are not normally required to work on a day observed as a designated holiday shall receive regular basic pay for the holiday.
- 8.03** A shift Employee who works on a designated holiday shall be paid at time and one-half pay for the hours worked on the designated holiday and eight (8) hours straight time in recognition of the designated holiday.
- 8.04** Part-time, temporary and student Employees are entitled to designated holidays with pay in accordance with the provisions of the *Employment Standards Act*.
- 8.05** Should Part-time and Temporary Employees work on any day observed as a holiday, they shall receive regular basic pay for the day if eligible for pay under Article 8.04, plus two (2) times the basic hourly rate for time worked on that day.
- 8.06** To be eligible to receive pay for the designated holidays, Employees and Probationary Employees must have worked the day preceding the holiday and the first day following the holiday, or be absent on authorized leave.

ARTICLE 9 – VACATION

- 9.01** As of January 1 2010, an Employee shall be entitled to receive an annual vacation with pay in accordance with their employment as follows:
- One (1) working day for each month of employment completed to a maximum of twelve (12) working days on completion of less than one (1) year of employment;
 - Three (3) weeks in the calendar year of the 1st anniversary and each year thereafter;
 - Four (4) weeks in the calendar year of the 8th anniversary and each year thereafter;
 - Five (5) weeks in the calendar year of the 15th anniversary and each year thereafter;
 - Six (6) weeks in the calendar year of the 25th anniversary and each year thereafter.
 - One (1) additional day per calendar year starting in the calendar year of the 30th anniversary up to a maximum of seven (7) weeks.

All Employees who currently receives vacation entitlement which exceeds the above schedules shall retain their current vacation entitlement until they reach their next anniversary on the schedule and at that time, continue through the above schedule.

- 9.02** Temporary and part-time Employees shall be entitled to vacation allowance in accordance with the *Employment Standards Act*. Probationary Employees shall be entitled to utilize vacation entitlement during the probationary period for a total of up to 5 days or up to the credited amount for the initial employment period of less than one year, whichever is lesser.
- 9.03** It is agreed that Employees will not accumulate vacation entitlement if absent from work for one (1) calendar month or more for any reason except for vacation, sick leave, pregnancy/parental leave or family medical leave.
- 9.04** The dates of such vacations shall be chosen by the Employees, finally assigned and confirmed to each Employee by the head of the department in which the Employee is working, based on work scheduling requirements. Employees shall not normally be granted more than two (2) weeks' vacation during the period of June 15th to

September 15th. Written request regarding any exception to this clause will be considered by the Employee's immediate Supervisor.

- 9.05** Changes to the vacation schedule will be considered in the following circumstances:
- a) Such time off is consistent with the Employer's work scheduling requirements;
 - b) Requests for vacation changes in excess of one day must be made at least one week in advance to the Employee's immediate supervisor; and
 - c) For requests of vacation changes of one day or less for compassionate or business reasons, notice must be given to the Employee's immediate supervisor as soon as possible.
- 9.06** Employees may carry over up to a maximum number of ten (10) days vacation into the following vacation year with the approval of the Employer. Vacation in excess of ten (10) days will not be paid out.
- 9.07** Notwithstanding Article 9.06, an Employee who has been absent from work due to sick leave, Long term disability or WSIB for more than six (6) months of the calendar year, will be permitted to carryover up to one hundred and sixty (160) hours of vacation. If the Employee has more than one hundred and sixty (160) hours effective January 1 of the following year, they will begin to use excess vacation credits until the entitlement is reduced to one hundred and sixty (160) hours of carryover.
- 9.08** On each occasion vacation is taken, it must be taken in an amount of not less than one (1) hour.

ARTICLE 10 – SICK LEAVE

- 10.01** The accumulation of Employee's sick leave will be at the rate of one and a half (1.5) days per month for each month of service commencing with the first full month of service and continuing to the final month of service, provided the Employee works fifteen (15) or more days in the final month. Employees will not accumulate sick leave if absent from work for two (2) calendar months or more except in the case of pregnancy/parental leave.
- 10.02** The sick leave vesting entitlements set out in the subsequent clauses will apply only to former Employees of the Public Utilities Commission that were last hired prior to February 1st 1981, and will not apply to Employees hired after that date. Nor will it apply to any of the Employees of the other former Employers that were involved in the Kingston-Frontenac Restructuring. Those Employees of the former Public Utilities Commission that elected on or about February 1989 to participate in the Commission's LTD plan shall have their sick leave vesting entitlement dealt with in accordance with their election.
- 10.03** Vesting will not be granted to Employees who terminate their employment with the Employer unless two (2) weeks' notice is given before termination.
- 10.04** At normal retirement, fifty (50%) of the balance of the sick leave accumulated since January 1st, 1969, but not more than the Municipal Act provides, will be paid to each eligible Employee.
- 10.05** In case of a death of an Employee, or at the termination of employment with the Employer due to layoff or resignation, the balance of the accumulated sick leave, but

not more than the Municipal Act provides, will be vested in the Employee eligible for vesting under Article 10.02, or their estate, with the following schedule:

- a) From one hundred and eighty (180) months to two hundred and thirty nine (239) months of continuous service, thirty (30%) of accumulated sick leave;
- b) From two hundred and forty (240) months to three hundred (300) months of continuous service, forty (40%) of balance of accumulated sick leave;
- c) From three hundred and one (301) months or more of continuous service fifty (50%) of balance of accumulated sick leave commencing January 1, 1969.

10.06 A statement of the Employee's sick leave will be given to the Employee on a yearly basis.

10.07 In order to be considered for leave of absence with pay due to illness, an Employee shall report their absence to their supervisor and leave a contact telephone number if they do not speak directly with the supervisor, before normal starting time on the first day of each absence period and each day of absence unless the absence period is known. Such leave is subject to the Employee having sufficient sick leave accumulation and may be required to be supported by a medical certificate, the cost of which shall be borne by the Employer. Failure to produce a medical certificate when requested shall render the Employee ineligible for any sick leave benefits. The Employer reserves the right to a second opinion.

10.08 An Employee may be subject to discipline up to and including dismissal if he reports sick and he is not sick.

10.09 The first twelve (12) hours in a calendar year for any leave of absence for a medical or dental appointment is paid for by the Employer and any time thereafter shall be charged to the Employee's accumulated sick leave.

10.10 It is understood that the Employer will continue to pay its share of benefit premiums while an Employee is in receipt of sick pay from the Employer, and thereafter, if requested by the Employee, such benefits will be continued provided the Employee reimburses the Employer for the full premium costs until employment ceases.

ARTICLE 11 – BEREAVEMENT LEAVE

11.01 In cases of death occurring in the family of an Employee he may be allowed time off with pay, if he actually attends the funeral, as follows:

- a) Up to five (5) days in case of the death of a spouse, son, daughter, parent, stepson, stepdaughter
- b) Up to three (3) days in case of the death of a brother, sister, parent-in-law, step-parent or grandchild
- c) Up to two (2) days in the case of the death of a brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents and grandparents-in-law
- d) Up to one (1) day in the case of the death of an aunt or uncle, niece or nephew

An Employee absent without pay during the occurrence of a bereavement will not be entitled to the benefits of this article.

11.02 Consideration may be given to alternate arrangements with the approval of the President.

ARTICLE 12 – LEAVE OF ABSENCE

12.01 Employees absenting themselves from duty for forty eight (48) hours for any reason and without notifying their supervisor are considered to have left the service of the Employer. Reinstatement in such cases is dependent upon the Employee giving a reason for their absence satisfactory to the Department Head.

12.02 Leave of absence without pay may be granted to duly appointed Union representatives to deal with Union business.

12.03 The Employer will pay up to one hundred and sixty (160) hours at normal straight time wage rate for time spent with the Employer in negotiating a Collective Agreement during normal working hours. The Union may request leave without pay for any hours in excess of one hundred and sixty (160) additional representative and the granting of such request will be contingent upon the operational requirements of the Employer.

The Union may request leave without pay for an additional representative and the granting of such request will be contingent upon the operational requirements of the Employer.

12.04 Emergency days are available to Employees to handle sudden personal unforeseen emergencies such as flooding/fire in the home, a sick family member that requires immediate care, baby sitting problems etc.

To qualify for an emergency day, the Employee cannot have available banked overtime or carryover vacation (from previous year), unless written approval was obtained.

The time taken for emergency days will be paid back in the following descending order of priority (within six months of use):

- a) The first available overtime at rate of pay earned;
- b) Time made up in an agreeable manner between the Employee and the department supervisor/manager at straight time rates.

Any time not repaid within six (6) months time frame will be deducted from the Employee's salary.

12.05 The Employer shall grant leave of absence without loss of seniority to an Employee who serves as a juror or witness in any court.

The Employee will advise the Employer immediately upon receipt of Jury Service notice and present proof of Jury service. Provided the Employee reports for work on any days or half-days he is not required as a juror or required to remain in the court room, the Employee shall receive regular pay from the Employer and the payment he receives for jury service or court witness for each day served, excluding payment for travel, meals or other expenses shall be submitted to the Employer.

12.06 Leave of absence without pay may be granted at the request of any Employee. Such request shall be subject to operational requirements and would be considered only for a period of five (5) days or more. Leave of absence without pay requests will not be granted for the purpose of employment with another Employer except for IBEW Local 636 positions with the City of Kingston. When such Leave is granted, it will be without loss of seniority.

- 12.07** Notwithstanding Article 6 of this Agreement, Employees may be granted a leave of absence without pay to fill temporary vacancies in non-union position within Utilities Kingston without loss of seniority.

ARTICLE 13 – PREGNANCY, ADOPTION AND PARENTAL LEAVE

- 13.01** Upon written request, Employees shall be granted leave of absence without pay and without loss of seniority for pregnancy, adoption or parenting as set out in the Employment Standards Act.
- 13.02** Supplementary Maternity/Parental Benefit: Notwithstanding the provisions contained in the previous clause, this plan provides that an Employee on leave of absence as set out above and who is in receipt of Employment Insurance Maternity or Parental Benefits pursuant to the Employment Insurance Act, shall be paid a Supplementary Employment Benefit. That benefit will be equivalent to the difference between 75% of the Employee's regular earnings and the sum of the weekly Employment Insurance Maternity or Parental Benefit and any other earnings. Such payment shall commence following completion of the two week Employment Insurance waiting period and receipt by the Employer of the Employee's Employment Insurance cheque stub as proof that the Employee is in receipt of such benefits to a maximum of fifteen (15) weeks. The Employee's regular weekly earnings shall be determined by multiplying their hourly rate on their last day worked, prior to the commencement of the leave, times their normal weekly hours.

ARTICLE 14 – WSIB

- 14.01** All Employees shall be covered by the Workplace Safety and Insurance Act and the regulations of the Workplace Safety and Insurance Board. An Employee, prevented from performing their regular work with the Employer as a result of an occupational injury or illness which is covered by the Act and which is approved by the WSIB shall continue to receive their net pay at the time of the injury/illness from the Employer during the duration of the claim, or to a maximum of one (1) year provided that he remains eligible for benefits under the Workplace Safety and Insurance Act. All moneys received by the Employee from the WSIB for this period will be turned over to the Employer. Those Employees who refuse to participate in the WSIB rehabilitation programs shall not be eligible for pay or benefits from the Employer.
- 14.02** An Employee may be subject to discipline up to and including dismissal if he reports a claim that is proven to be fraudulent.
- 14.03** The Employer agrees to pay its share of the benefit premium costs during the aforementioned period of one (1) year where an Employee is absent due to an accident which is covered by the Workplace Safety and Insurance Act.
- 14.04** Notwithstanding the previous clauses the parties agree that there shall be no accumulation of vacation and sick credits earned during the period of absence beyond the aforementioned one (1) year.

ARTICLE 15 – HEALTH PLANS

15.01 The Employer agrees to provide the following plans or equivalent;

- a) Ontario Employer's Health Tax, one hundred percent (100%);
- b) Semi-private coverage in hospital, one hundred percent (100%);
- c) Deluxe Travel Benefit sixty (60 days), one hundred percent (100%).
- d) Dental Plan based on a one (1) year lag to the ODA fee schedule, Six (6) month recall;
- e) Extended Health Care Plan which includes the following;
 - Mandatory Generic Drugs unless prescribed otherwise by the attending physician and in accordance with the administration of the plan contract.

Paramedical services unlimited per treatment to a maximum amount for respective services as listed below:

- Physiotherapist or qualified sports therapist, seven hundred and fifty dollars (\$750)
 - Clinical Psychologist, five hundred dollars (\$500)
 - Registered Masseur, seven hundred and fifty dollars (\$750)
 - Speech Pathologist, five hundred dollars (\$500)
 - Chiropractor, seven hundred and fifty dollars (\$750)
 - Osteopath, Podiatrist, Chiropodist, five hundred dollars (\$500)
 - Naturopath, seven hundred and fifty dollars (\$750)
 - Nutrition Counseling, five hundred dollars (\$500)
- f) Eye examinations up to a maximum of one hundred and twenty five dollars (\$125) every twenty four (24) months for those examinations which are not covered by OHIP.
Vision care benefit coverage up to a maximum of three hundred dollars (\$300.00) every twenty four (24) months (benefit amount may be used toward laser surgery)

The Dental Plan, Extended Health Care Plan and Eye and Vision Care benefits listed in d), e) and f) above, are subject to a co-payment of five percent (5%) per claim.

15.02 The Employer shall have a Long Term Disability Plan with a monthly benefit equal to seventy percent (70%) of the Employees' basic monthly rate with five thousand dollars (\$5000.00) per month maximum benefit. The Employer will pay one hundred percent (100%) of the premium cost for the L.T.D. plan for each qualifying Employee. Employees are eligible for enrolment in the plan six (6) months after their employment date. Those Employees of the former Public Utilities Commission who elected not to participate in the LTD plan continue to be ineligible for enrollment.

15.03 Employees shall be included in these plans at the first enrolment opportunity.

- 15.04** The Employer agrees to continue to pay premiums for Semi-Private Hospital coverage, Extended Health Care Plan and Dental Plan until age sixty-five (65) for employees who obtain a minimum of ten (10) years of service, who retire before normal retirement age, and who are in receipt of an O.M.E.R.S Pension.
- 15.05** It is recognized and agreed that additional benefits granted by the Employer in settlement of this agreement fulfils the requirements of the Employee Refund section of the Employment Insurance Rebate.

ARTICLE 16 – PENSION AND INSURANCE

- 16.01** All Employees with six (6) months service with the Employer shall participate in the Employer's group life insurance plan.
- 16.02** All Employees shall participate in the Employer's Pension Plan in accordance with O.M.E.R.S. regulations. Part-time and Temporary Employees shall be considered as "other than continuous full time" for the purposes of enrolment, and shall be eligible for O.M.E.R.S. in accordance with O.M.E.R.S. regulations.

ARTICLE 17 – CLOTHING AND EQUIPMENT

- 17.01** The Employer will provide an allowance for all Employees that are required by the Occupational Health and Safety Act to wear safety footwear. The allowance shall be in the amount of eight hundred dollars (\$800), over the period covering the terms of this agreement. Employees hired during the term of this agreement shall be entitled to safety footwear allowances as listed below upon completion of their respective probation period.

Employees Hired In:	Entitlement Is:
2010	\$800.00
2011	\$600.00
2012	\$400.00
2013	\$200.00

An allowance of up to four hundred, (\$400.00) for limited requirements during this same period may be authorized based on demonstrated need and approval of the departmental manager. Moneys will be reimbursed upon production of a valid receipt. Employees who did not utilize their allowance from the previous contract period and or during the term of this agreement will be allowed to carry it forward.

- 17.02** The Employer shall provide all tools, clothing and equipment required for the safe performance of the work assigned to all Employees. This shall include clothing for the purposes of safety and recognition, rubber footwear to a maximum of two pair per year for specified groups, rainwear, work gloves, dielectric gloves, safety eye wear, hearing protection, all small hand tools and power tools. The Employer and Employees shall be jointly responsible for the maintenance and care of any tools, equipment and clothing that is issued.
- 17.03** Employees shall not generally be required to utilize their personal vehicles or equipment for the purpose of conducting the Employer's business. In the event that Employees do agree to use their personal vehicle the corporate mileage rate will apply.

ARTICLE 18 – JOB POSTING

- 18.01** When the Employer decides to fill a bargaining unit vacancy or a first line supervisory vacancy it shall be posted internally for not less than six (6) working days.
- 18.02** When applicants apply for posted positions, the position will be awarded based on the ability, performance and qualifications of the applicants concerned. Where two or more Employees are equal, based on the above factors, seniority shall govern.
- 18.03** The Employer is not restricted in choosing members of the bargaining unit should a suitable application from the bargaining unit not be received.
- 18.04** Employees who wish to be considered for internal job postings shall submit their application by the internal posting closing date.
- 18.05** In the interest of efficiency, nothing in this section shall prohibit the Employer from temporarily filling the vacancy or new position in the bargaining unit during the posting period.
- 18.06** Temporary vacancies/jobs of less than two (2) months shall not be posted.
- 18.07** Where the Employer has a requirement to create a temporary vacancy of more than two (2) months, the Employer may post the vacancy internally and externally at the same time.
- a) Employees and Part- time Employees who are successful in competing for the temporary vacancy shall be paid within the pay range of the job classification as determined by their qualifications and experience. Employees who are placed in temporary vacancies will maintain their Employee status and return to their previous position on completion of the assignment.
 - b) External candidates who are successful in competition for the vacancy shall be paid at the Temporary Employee rate of pay.
- 18.08** A secondment is the loan of an Employee's services to another part of the organization where their skills, experience or expertise is required to perform work of a temporary nature that is not classified in a job classification in the bargaining unit. Employees who are seconded to a position shall maintain their Employee status and return to their previous position on completion of the assignment. The rate of pay shall be that rate of pay of the regular classification. Article 18.01 shall not apply to secondments.
- 18.09** An Employee who is successful in a competition for another permanent position in the bargaining unit will complete a two-month trial period during which time both parties will evaluate suitability. If in the opinion of either party the arrangement is considered to be unsuitable, the Employee will retain the right to return to their previous position.

ARTICLE 19 – ACTING PAY

- 19.01** An Employee assigned by the Employer to perform supervisory duties or assigned to replace a Supervisor or first line Manager shall receive an additional ten percent (10%) above the Employee's basic rate of pay.
- 19.02** An Employee temporarily assigned the work in a classification higher than their own shall receive the rate of pay of the assigned classification but not less than their normal rate of pay in their current classification.

ARTICLE 20 – COMMITTEES

- 20.01** The parties agree to maintain a Joint Health and Safety Committee and to abide by the requirements of the Occupational Health and Safety Act and the Employer's Health and Safety Policies as well as the guidelines and procedures of a recognized Industrial Safety body for a particular work unit.
- 20.02** The parties agree that a joint Management/Union Internal Equity Committee shall be made up of up to three (3) management members and three (3) Union members appointed by Management and Union respectively. This committee shall evaluate all new bargaining unit positions, and when mutually agreed, any other position, in accordance with the terms of reference of the Committee.
- 20.03** The parties will recognize a joint Labour/Management committee consisting of representatives of the Bargaining Unit and a Business Representative, if requested, and representatives of the Employer. This committee will meet on a monthly basis or any other schedule that may be mutually agreed to.
- 20.04** The Unit Chairperson of the Union or the Business Representative of the Union shall be responsible for assignment of members to represent the Union on any committee.

ARTICLE 21 – GENERAL

- 21.01** In the event of a layoff, the parties will meet and discuss the most effective means of downsizing. The general principle will be the last Employee hired shall be the first Employee laid off, provided the remaining Employees have the qualifications and ability to do the job.
- 21.02** A worker under the influence of any drug or intoxicant which may inhibit safe work performance shall not perform or be permitted to perform work or standby duties.
- 21.03** During periods of inclement weather, i.e. extreme heat, cold, rain, wind, snow etceteras, the Employer shall comply with the appropriate industry guidelines and where necessary provide alternate work.
- 21.04** Work that conflicts with the interests of the Employer cannot be performed by Employees covered by this Collective Agreement.
- 21.05** An Employee has a right to view their personnel file. A request to view the personnel file must be made through the Employee's immediate supervisor to Human Resources. A mutually agreeable time will then be set up to view the personnel file in the presence of Human Resources staff.

- 21.06** It shall be a condition of employment for Employees who require professional designations, Licences and/or qualifications attributed to a job classification to obtain and maintain these in order to maintain employment with the Employer and progress correspondingly within their wage schedule. Should an Employee allow such designations, Licences and/or qualifications to lapse or otherwise expire, the Employee shall have six (6) months to take corrective action and may be responsible for all related expenses. Should an Employee not be successful in regaining the Licences, designations and/or qualifications by the end of the six-month period, the Employer will evaluate the circumstances and take appropriate pay or employment action. Employees who have been absent from the workplace for a period of time greater than six (6) months due to WSIB, LTD and maternity/parental leave will be granted twelve (12) months from the date of their return to work to take corrective action.

Schedule "A"
(40 Hours/Week)

Wages Schedule

Note 1: Progression within a grade will be based on the ability and qualifications of the Employee concerned. Employees shall maintain the professional designations/qualifications required for the pay level of their occupational group.

Note 2: After the probationary period, progression shall be limited to one per year except where a wage structure allows for a different pay progression based on qualifications or certifications.

WAGE SCHEDULE 2010

Title	2009	2.75% Jan 2010
Temporary Employees (All Occupations)	\$18.23	\$18.73

Title	2009	2.75% Jan 2010
Student		
First Year	\$13.02	\$13.38
After First Year	\$13.97	\$14.35

Title	2009	2.75% Jan 2010
Clerk 1		
42 Months	\$24.73	\$25.41
30 Months	\$23.11	\$23.75
18 Months	\$22.14	\$22.75
6 Months	\$21.17	\$21.75
Start	\$20.10	\$20.65

Title	2009	2.75% Jan 2010
Customer Billing Clerk		
Senior	\$28.09	\$28.86
42 Months	\$24.24	\$24.91
30 Months	\$22.67	\$23.29
18 Months	\$21.00	\$21.58
6 Months	\$19.30	\$19.83
Start	\$17.91	\$18.40

Title	2009	2.75% Jan 2010
Credit & Collections Clerk		
42 Months	\$25.53	\$26.23
30 Months	\$23.89	\$24.55
18 Months	\$22.17	\$22.78
6 Months	\$20.42	\$20.98
Start	\$18.97	\$19.49

Title		2009	2.75% Jan 2010
Services Advisor			
Third Year		\$26.50	\$27.23
Second Year		\$23.94	\$24.60
First Year		\$22.12	\$22.73

Title		2009	2.75% Jan 2010
Materials Technician			
Level 3		\$24.28	\$24.95
Level 2		\$22.36	\$22.97
Level 1		\$20.64	\$21.21
Start		\$19.70	\$20.24

Title		2009	2.75% Jan 2010
Work Planner			
42 Months		\$31.62	\$32.49
30 Months		\$28.11	\$28.88
18 Months		\$26.80	\$27.54
6 Months		\$25.07	\$25.76
Start		\$23.32	\$23.96

Title		2009	2.75% Jan 2010
Engineering Technologist			
42 Months		\$30.43	\$31.27
30 Months		\$28.47	\$29.25
18 Months		\$26.51	\$27.24
6 Months		\$24.56	\$25.24
Start		\$22.61	\$23.23
Engineering Technologist Intern			
30 Months		\$24.56	\$25.24
24 Months		\$22.55	\$23.17
12 Months		\$21.64	\$22.24
Start		\$20.66	\$21.23

Title	2009	2.75% Jan 2010
GIS Technician		
18 Months	\$24.73	\$25.41
6 Months	\$23.50	\$24.15
Start	\$22.27	\$22.88

Title	2009	2.75% Jan 2010
Traffic and Streetlight Coordinator		
	\$31.54	\$32.41

Title	2009	2.75% Jan 2010
Streetlight and Traffic Signal Technician		
Level 3	\$27.31	\$28.06
Level 2	\$25.97	\$26.68
Base Rate	\$25.40	\$26.10

Title	2009	2.75% Jan 2010
Locator		
Third Year	\$25.57	\$26.27
Second Year	\$23.86	\$24.52
First Year	\$22.98	\$23.61

Title	2009	2.75% Jan 2010
Journeyperson Measurement and Communications		
	\$30.47	\$31.31
Fourth Year	\$27.61	\$28.37
Third Year	\$25.70	\$26.41
Second Year	\$23.82	\$24.48
First Year	\$22.40	\$23.02
6 Months	\$21.71	\$22.31
Start	\$20.97	\$21.55

Title	2009	2.75% Jan 2010
Journeyperson Utility Operator		
Fifth Year	\$30.43	\$31.27
Fourth Year	\$27.29	\$28.04
Third Year	\$25.04	\$25.73
Second Year	\$22.97	\$23.60
First Year	\$20.66	\$21.23

Title	2009	2.75% Jan 2010
Subforeperson Electric Overhead	\$34.22	\$35.16

Title	2009	2.75% Jan 10
Journeyman Electric Overhead	\$32.11	\$32.99
Level 3	\$29.01	\$29.81
Level 2	\$25.91	\$26.62
Level 1	\$22.80	\$23.43
Start	\$19.69	\$20.23

Title	2009	2.75% Jan 10
Subforeperson Substation Maintenance	\$34.22	\$35.16

Title	2009	2.75% Jan 10
Journeyman Substation Maintenance	\$32.11	\$32.99
Level 3	\$29.01	\$29.81
Level 2	\$25.91	\$26.62
Level 1	\$22.80	\$23.43
Start	\$19.69	\$20.23

Title	2009	2.75% Jan 10
Network Coordinator		
Level 3	\$34.19	\$35.13
Level 2	\$32.53	\$33.42
Level 1	\$30.88	\$31.73
Start	\$29.22	\$30.02

Title	NEW	2.75% Jan 10
Network Technician		
Level 3	\$24.31	\$24.98
Level 2	\$23.28	\$23.92
Level 1	\$22.03	\$22.64
Start	\$19.96	\$20.51

Title	2009	2.75% Jan 10
Gas Regulating Serviceperson		
Fully qualified (G1 + experience)	\$28.41	\$29.19
Trainee (min G2)	\$24.93	\$25.62

Title	2009	2.75% Jan 10
Gas Leakage Tester		
Second Year	\$21.94	\$22.54
First Year	\$21.03	\$21.61

Title	NEW	2.75% Jan 10
Subforeperson - Gas Systems Operations		
	\$30.47	\$31.31

Title	NEW	2.75% Jan 10
Gas Operations & Serviceperson (Dual Competency G1/GPI)		
	\$27.44	\$28.19

Title	NEW	2.75% Jan 10
Gas Systems Operator		
Level 4	\$25.53	\$26.23
Level 3	\$24.31	\$24.98
Level 2	\$23.28	\$23.92
Level 1	\$22.03	\$22.64
Start	\$19.96	\$20.51

Title	2009	2.75% Jan 10
Subforeperson Service		
	\$28.43	\$29.21

Title	2009	2.75% Jan 10
Serviceperson A		
Fourth Year	\$25.53	\$26.23
Third Year	\$24.31	\$24.98
Second Year	\$23.28	\$23.92
First Year	\$22.03	\$22.64
6 Months	\$20.80	\$21.37
Start	\$19.96	\$20.51

Title	2009	2.75% Jan 10
Serviceperson B		
Third Year	\$24.31	\$24.98
Second Year	\$23.28	\$23.92
First Year	\$22.03	\$22.64
6 Months	\$20.80	\$21.37
Start	\$19.96	\$20.51

Note 1: General increases are effective on January 1 of each year.

Note 2: Employees are normally eligible for a pay increase once per year, provided that they meet Level qualifications and competencies

Note 3: Employees in an Acting Subforeperson position for a period of less than eight (8) weeks will receive an acting pay of 5% over their current base pay

2010 WAGE SCHEDULE

Underground System Operator

Eligible for Distribution and Collection certification pay only

		2009	2010 2.75%
Base Pay		\$20.30	\$20.86
Experience			
1 year			
OIT Water Distribution		\$20.86	\$21.43
OIT Wastewater Collection	1 year and 2 OIT*	\$21.42	\$22.01
Gas Pipeline Inspector (GPI)	After 1st year	\$21.98	\$22.58
2 years			
Class 1 Water Distribution	1 Class 1	\$22.65	\$23.27
Class 1 Wastewater Collection	2 Class 1	\$23.32	\$23.96
3 years			
Class 2 Water Distribution	1 Class 2	\$24.16	\$24.82
Class 2 Wastewater Collection	2 Class 2	\$25.00	\$25.69
4 years			
Class 3 Water Distribution	1 Class 3	\$25.84	\$26.55
Class 3 Wastewater Collection	2 Class 3	\$26.68	\$27.41
5 years			
Class 4 Water Distribution	1 Class 4	\$27.80	\$28.56
Class 4 Wastewater Collection	2 Class 4	\$28.92	\$29.72

*Both OIT must be obtained within six (6) months, increase added to pay after 1 year

Note: Yearly increases are effective on January 1 of each year.

2010 WAGE SCHEDULE

Subforeperson - Underground Systems Operator

Eligible for Distribution and Collection certification pay only

		2009	2010 2.75%
Base Pay		\$24.09	\$24.75
Experience			
1 year			
OIT Water Distribution	1 year and 2 OIT*	\$24.65	\$25.33
OIT Wastewater Collection		\$25.21	\$25.90
Gas Pipeline Inspector (GPI)	After 1st year	\$25.77	\$26.48
2 years			
Class 1 Water Distribution	1 Class 1	\$26.44	\$27.17
Class 1 Wastewater Collection	2 Class 1	\$27.11	\$27.86
3 years			
Class 2 Water Distribution	1 Class 2	\$27.95	\$28.72
Class 2 Wastewater Collection	2 Class 2	\$28.79	\$29.58
4 years			
Class 3 Water Distribution	1 Class 3	\$29.63	\$30.44
Class 3 Wastewater Collection	2 Class 3	\$30.47	\$31.31
5 years			
Class 4 Water Distribution	1 Class 4	\$31.59	\$32.46
Class 4 Wastewater Collection	2 Class 4	\$32.71	\$33.61

*Both OIT must be obtained within six (6) months, increase added to pay after 1 year

Note:

Yearly increases are effective on January 1 of each year.
Employees in an Acting Subforeperson position for a period of less than eight (8) weeks will receive an acting pay of 5% over the current base pay.

2010 WAGE SCHEDULE

Treatment Operator

Eligible for Treatment certification pay only

		2009	2010 2.75%
Base Pay		\$22.02	\$22.63
Experience			
1 year			
OIT Water Treatment		\$22.58	\$23.20
OIT Wastewater Treatment	1 year and 2 OIT*	\$23.14	\$23.78
2 years			
Class 1 Water Treatment	1 Class 1	\$23.81	\$24.46
Class 1 Wastewater Treatment	2 Class 1	\$24.48	\$25.15
3 years			
Class 2 Water Treatment	1 Class 2	\$25.32	\$26.02
Class 2 Wastewater Treatment	2 Class 2	\$26.16	\$26.88
4 years			
Class 3 Water Treatment	1 Class 3	\$27.00	\$27.74
Class 3 Wastewater Treatment	2 Class 3	\$27.84	\$28.61
5 years			
Class 4 Water Treatment	1 Class 4	\$28.96	\$29.76
Class 4 Wastewater Treatment	2 Class 4	\$30.08	\$30.91

*Both OIT must be obtained within six (6) months, increase added to pay after 1 year

Note: Yearly increases are effective on January 1 of each year.

2010 WAGE SCHEDULE

Subforeperson - Treatment

		2009	2010 2.75%
Base Pay		\$25.30	\$26.00
Experience			
1 year			
OIT Water Treatment		\$25.86	\$26.57
OIT Wastewater Treatment	1 year and 2 OIT*	\$26.42	\$27.15
2 years			
Class 1 Water Treatment	1 Class 1	\$27.09	\$27.83
Class 1 Wastewater Treatment	2 Class 1	\$27.76	\$28.52
3 years			
Class 2 Water Treatment	1 Class 2	\$28.60	\$29.39
Class 2 Wastewater Treatment	2 Class 2	\$29.44	\$30.25
4 years			
Class 3 Water Treatment	1 Class 3	\$30.28	\$31.11
Class 3 Wastewater Treatment	2 Class 3	\$31.12	\$31.98
5 years			
Class 4 Water Treatment	1 Class 4	\$32.24	\$33.13
Class 4 Wastewater Treatment	2 Class 4	\$33.36	\$34.28

*Both OIT must be obtained within six (6) months, increase added to pay after one (1) year

Note:

Yearly increases are effective on January 1 of each year.
Employees in an Acting Subforeperson position for a period of less than eight (8) weeks will receive an acting pay of five (5%) over their current base pay

2010 WAGE SCHEDULE

Quality Assurance Operator

Eligible for Treatment certification pay only

		2009	2010 2.75%
Base Pay		\$24.90	\$25.58
Experience			
1 year			
OIT Water Treatment		\$25.46	\$26.16
OIT Wastewater Treatment	1 year and 2 OIT*	\$26.02	\$26.74
2 years			
Class 1 Water Treatment	1 Class 1	\$26.69	\$27.42
Class 1 Wastewater Treatment	2 Class 1	\$27.36	\$28.11
3 years			
Class 2 Water Treatment	1 Class 2	\$28.20	\$28.98
Class 2 Wastewater Treatment	2 Class 2	\$29.04	\$29.84
4 years			
Class 3 Water Treatment	1 Class 3	\$29.88	\$30.70
Class 3 Wastewater Treatment	2 Class 3	\$30.72	\$31.56
5 years			
Class 4 Water Treatment	1 Class 4	\$31.84	\$32.72
Class 4 Wastewater Treatment	2 Class 4	\$32.96	\$33.87

*Both OIT must be obtained within six (6) months, increase added to pay after 1 year

Note: Yearly increases are effective on January 1 of each year.

2010 WAGE SCHEDULE

Maintenance Apprentice:

Millwright or Electrician Trade

APPRENTICE :	2009		2010	
	START	\$20.32	\$20.88	
	Level 1 apprentice	\$21.59	\$22.18	
	Level 2 apprentice	\$22.86	\$23.49	
	Level 3 apprentice	\$23.28	\$23.92	
	Level 4 apprentice	\$25.40	\$26.10	

Note: Once an Apprentice has obtained their ticket, along with two (2) Class 1 Licences the apprentice will be moved to the rate of two (2) years and two (2) class 1s in the wage schedule

Maintenance Technician/Operator

Eligible for Treatment certification pay only

		2009	2010 2.75%
Base Pay		\$25.40	\$26.10
Experience			
1 year			
OIT Water Treatment	1 year and 2 OIT*	\$25.96	\$26.67
OIT Wastewater Treatment		\$26.52	\$27.25
2 years			
Class 1 Water Treatment	1 Class 1	\$27.19	\$27.94
Class 1 Wastewater Treatment	2 Class 1	\$27.86	\$28.63
3 years			
Class 2 Water Treatment	1 Class 2	\$28.70	\$29.49
Class 2 Wastewater Treatment	2 Class 2	\$29.54	\$30.35
4 years			
Class 3 Water Treatment	1 Class 3	\$30.38	\$31.22
Class 3 Wastewater Treatment	2 Class 3	\$31.22	\$32.08
5 years			
Class 4 Water Treatment	1 Class 4	\$32.34	\$33.23
Class 4 Wastewater Treatment	2 Class 4	\$33.46	\$34.38

*Both OIT must be obtained within six (6) months, increase added to pay after 1 year

Note: Yearly increases are effective on January 1 of each year.

WAGE SCHEDULE 2011 - 2013

Title

Temporary Employees (All Occupations)

4% below the Base Rate of the job classification

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Title Student	Level 2	\$14.35	\$14.71	\$15.08
	Level 1	\$13.38	\$13.71	\$14.06

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Title Clerk 1	Level 3	\$26.05	\$26.70	\$27.37
	Level 2	\$24.34	\$24.95	\$25.57
	Level 1	\$23.32	\$23.90	\$24.50
	Base Rate	\$21.17	\$21.70	\$22.24

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Title Customer Billing Clerk	Senior Level	\$29.58	\$30.32	\$31.08
	Level 3	\$25.53	\$26.17	\$26.82
	Level 2	\$23.88	\$24.48	\$25.09
	Level 1	\$22.12	\$22.67	\$23.24
	Base Rate	\$20.33	\$20.84	\$21.36

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Title Credit & Collections Clerk	Level 3	\$26.89	\$27.56	\$28.25
	Level 2	\$25.16	\$25.79	\$26.43
	Level 1	\$23.35	\$23.93	\$24.53
	Base Rate	\$21.51	\$22.05	\$22.60

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Title Services Advisor	Level 2	\$27.91	\$28.61	\$29.32
	Level 1	\$25.21	\$25.84	\$26.49
	Base Rate	\$23.30	\$23.88	\$24.48

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Materials Technician				
	Level 3	\$25.57	\$26.21	\$26.86
	Level 2	\$23.55	\$24.14	\$24.74
	Level 1	\$21.74	\$22.28	\$22.84
	Base Rate	\$20.75	\$21.27	\$21.80

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Work Planner				
	Level 3	\$36.04	\$36.94	\$37.86
	Level 2	\$34.96	\$35.83	\$36.73
	Level 1	\$33.86	\$34.71	\$35.57
	Base Rate	\$32.76	\$33.58	\$34.42

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Engineering Technologist				
	Level 4	\$32.76	\$33.58	\$34.42
	Level 3	\$29.98	\$30.73	\$31.50
	Level 2	\$27.92	\$28.62	\$29.33
	Level 1	\$25.87	\$26.52	\$27.18
	Base Rate	\$23.81	\$24.41	\$25.02
Engineering Technologist Intern				
	Level 2	\$25.87	\$26.52	\$27.18
	Level 1	\$23.81	\$24.41	\$25.02
	Base Rate	\$21.76	\$22.30	\$22.86

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
GIS Technician				
	Level 2	\$27.72	\$28.41	\$29.12
	Level 1	\$26.05	\$26.70	\$27.37
	Base Rate	\$24.75	\$25.37	\$26.00

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Traffic and Streetlight Coordinator				
	Rate	\$33.22	\$34.05	\$34.90

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Streetlight and Traffic Signal Technician				
	Level 3	\$30.54	\$31.30	\$32.09
	Level 2	\$28.70	\$29.42	\$30.15
	Level 1	\$27.73	\$28.42	\$29.13
	Base Rate	\$26.75	\$27.42	\$28.10

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Locator				
	Level 2	\$26.93	\$27.60	\$28.29
	Level 1	\$25.13	\$25.76	\$26.40
	Base Rate	\$24.20	\$24.81	\$25.43

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Journey person Measurement and Communications				
	Level 4	\$32.09	\$32.89	\$33.71
	Level 3	\$29.78	\$30.52	\$31.29
	Level 2	\$27.48	\$28.17	\$28.87
	Level 1	\$25.17	\$25.80	\$26.44
	Base Rate	\$22.86	\$23.43	\$24.02

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Journey person Utility Operator				
	Level 3	\$32.76	\$33.58	\$34.42
	Level 2	\$27.92	\$28.62	\$29.33
	Level 1	\$25.66	\$26.30	\$26.96
	Base Rate	\$23.29	\$23.87	\$24.47

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Subforeperson Electric Overhead				
	Rate	\$36.04	\$36.94	\$37.86

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Journey person Electric Overhead				
	Level 4	\$33.82	\$34.67	\$35.53
	Level 3	\$31.18	\$31.96	\$32.76
	Level 2	\$28.55	\$29.26	\$30.00
	Level 1	\$25.92	\$26.57	\$27.23
	Base Rate	\$23.29	\$23.87	\$24.47

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Subforeperson Substation Maintenance	Rate	\$36.04	\$36.94	\$37.86

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Journeyman Substation Maintenance	Level 3	\$33.82	\$34.67	\$35.53
	Level 2	\$30.30	\$31.06	\$31.83
	Level 1	\$26.79	\$27.46	\$28.15
	Base Rate	\$23.29	\$23.87	\$24.47

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Network Coordinator	Level 3	\$36.01	\$36.91	\$37.83
	Level 2	\$34.26	\$35.12	\$35.99
	Level 1	\$32.52	\$33.33	\$34.17
	Base Rate	\$30.77	\$31.54	\$32.33

Title		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Network Technician	Level 3	\$25.60	\$26.24	\$26.90
	Level 2	\$24.52	\$25.13	\$25.76
	Level 1	\$23.20	\$23.78	\$24.37
	Base Rate	\$21.02	\$21.55	\$22.08

Title Gas Regulating Serviceperson		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Level 1 Base Rate		\$29.92	\$30.67	\$31.43
		\$26.26	\$26.92	\$27.59

Title Gas Leakage Tester		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Level 1 Base Rate		\$23.11	\$23.69	\$24.28
		\$22.15	\$22.70	\$23.27

Title Subforeperson Gas Systems Operations		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Rate		\$32.09	\$32.89	\$33.71

Title Gas Operations & Serviceperson (Dual Competency G1/GPI)		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Rate		\$28.89	\$29.61	\$30.35

Title Gas System Operator		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Level 4		\$26.89	\$27.56	\$28.25
Level 3		\$25.60	\$26.24	\$26.90
Level 2		\$24.52	\$25.13	\$25.76
Level 1		\$23.20	\$23.78	\$24.37
Base Rate		\$21.02	\$21.55	\$22.08

Title Subforeperson Service		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Rate		\$29.94	\$30.69	\$31.46

Title Serviceperson A		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Level 4		\$26.89	\$27.56	\$28.25
Level 3		\$25.60	\$26.24	\$26.90
Level 2		\$24.52	\$25.13	\$25.76
Level 1		\$23.20	\$23.78	\$24.37
Base Rate		\$21.02	\$21.55	\$22.08

Title			
	2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Serviceperson B			
Level 3	\$25.60	\$26.24	\$26.90
Level 2	\$24.52	\$25.13	\$25.76
Level 1	\$23.20	\$23.78	\$24.37
Base Rate	\$21.02	\$21.55	\$22.08

2011 - 2013 WAGE SCHEDULE

Underground System Operator

Eligible for Water Distribution and Collection certification pay

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Base Pay		\$21.38	\$21.91	\$22.46
Experience				
1 year				
OIT Water Distribution OIT Wastewater Collection	2 OIT	\$22.56	\$23.12	\$23.70
2 years				
Class 1 Water Distribution				
Class 1 Wastewater Collection	2 Class 1*	\$24.56	\$25.17	\$25.80
3 years				
Class 2 Water Distribution	1 Class 2	\$25.45	\$26.09	\$26.74
Class 2 Wastewater Collection	2 Class 2	\$26.33	\$26.99	\$27.66
4 years				
Class 3 Water Distribution	1 Class 3	\$27.21	\$27.89	\$28.59
Class 3 Wastewater Collection	2 Class 3	\$28.10	\$28.80	\$29.52
5 years				
Class 4 Water Distribution	1 Class 4	\$29.28	\$30.01	\$30.76
Class 4 Wastewater Collection	2 Class 4	\$30.46	\$31.22	\$32.00

Both OIT must be obtained within six (6) months, increase added to pay after one (1) year

Experience relates to Utilities Kingston or equivalent experience

*To progress beyond this pay level, an Operator must maintain a minimum of two (2) Class 1

2011 - 2013 WAGE SCHEDULE

Subforeperson - Underground Systems Operator

Minimum Requirement: 2 Class 3 and 5 yrs experience

Experience		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
5 years				
Class 3 Water Distribution				
Class 3 Wastewater Collection	2 Class 3	\$32.09	\$32.89	\$33.71

Experience				
7 years				
Class 4 Water Distribution	1 Class 4	\$33.27	\$34.10	\$34.95
Class 4 Wastewater Collection	2 Class 4	\$34.45	\$35.31	\$36.19

Note: Employees in an Acting Subforeperson position for a period of less than eight (8) weeks will receive an acting pay of 5% over their current base pay.

2011 - 2013 WAGE SCHEDULE

Treatment Operator – Water & Wastewater

Eligible for Treatment certification pay

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Base Pay		\$23.19	\$23.77	\$24.36
Experience				
1 year				
OIT Water Treatment				
OIT Wastewater Treatment	1 year and 2 OIT	\$24.37	\$24.98	\$25.60
2 years				
Class 1 Water Treatment				
Class 1 Wastewater Treatment	2 Class 1*	\$25.78	\$26.42	\$27.09
3 years				
Class 2 Water Treatment	1 Class 2	\$26.67	\$27.34	\$28.02
Class 2 Wastewater Treatment	2 Class 2	\$27.55	\$28.24	\$28.94
4 years				
Class 3 Water Treatment	1 Class 3	\$28.44	\$29.15	\$29.88
Class 3 Wastewater Treatment	2 Class 3	\$29.32	\$30.05	\$30.80
5 years				
Class 4 Water Treatment	1 Class 4	\$30.50	\$31.26	\$32.04
Class 4 Wastewater Treatment	2 Class 4	\$31.68	\$32.47	\$33.28

Both OIT must be obtained within six (6) months, increase added to pay after one (1) year

Experience relates to Utilities Kingston or equivalent experience

*To progress beyond this pay level, an Operator must maintain a minimum of two (2) Class 1

2011 - 2013 WAGE SCHEDULE

Subforeperson – Water & Wastewater Treatment

Eligible for Treatment certification pay

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Experience				
5 years				
Class 3 Water Treatment				
Class 3 Wastewater Treatment	2 Class 3	\$32.78	\$33.60	\$34.44

Experience				
7 years				
Class 4 Water Treatment	1 Class 4	\$33.95	\$34.80	\$35.67
Class 4 Wastewater Treatment	2 Class 4	\$35.13	\$36.01	\$36.91

Note: Employees in an Acting Subforeperson position for a period of less than eight (8) weeks will receive an acting pay of 5% over their current base pay

2011 - 2013 WAGE SCHEDULE

Quality Assurance Operator – Water & Wastewater Treatment

Eligible for Treatment certification pay

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
Base Pay		\$26.22	\$26.88	\$27.55
Experience				
1 year				
OIT Water Treatment				
OIT Wastewater Treatment	2 OIT	\$27.40	\$28.09	\$28.79
2 years				
Class 1 Water Treatment				
Class 1 Wastewater Treatment	2 Class 1*	\$28.82	\$29.54	\$30.28
3 years				
Class 2 Water Treatment	1 Class 2	\$29.70	\$30.44	\$31.20
Class 2 Wastewater Treatment	2 Class 2	\$30.58	\$31.34	\$32.13
4 years				
Class 3 Water Treatment	1 Class 3	\$31.47	\$32.26	\$33.06
Class 3 Wastewater Treatment	2 Class 3	\$32.35	\$33.16	\$33.99
5 years				
Class 4 Water Treatment	1 Class 4	\$33.53	\$34.37	\$35.23
Class 4 Wastewater Treatment	2 Class 4	\$34.71	\$35.58	\$36.47

Both OIT must be obtained within six (6) months, increase added to pay after one (1) year
Experience relates to Utilities Kingston or equivalent experience

*To progress beyond this pay level, an Operator must maintain a minimum of two (2) Class 1

2011 - 2013 WAGE SCHEDULE

Maintenance Technician - Water & Wastewater Treatment

Millwright or Electrician Trade

		2.5% Jan 2011	2.5% Jan 2012	2.5% Jan 2013
APPRENTICE RATES:	START	\$21.86	22.41	\$22.97
	Level 1 apprentice	\$22.96	23.53	\$24.12
	Level 2 apprentice	\$24.11	24.71	\$25.33
	Level 3 apprentice	\$25.32	25.95	\$26.60
	Level 4 apprentice	\$26.58	27.24	\$27.93

Note: Once an Apprentice has obtained their ticket, along with two (2) Class 1 Licences the apprentice will be moved to the rate of two (2) years and two (2) class one (1's) in the wage schedule.

	Jan 2011	Jan 2012	Jan 2013
Base Rate	\$26.75	\$27.42	\$28.10

Experience

1 Year	and 2 OIT	\$27.64	\$28.33	\$29.04
--------	-----------	---------	---------	---------

2 Years	and 2 Class 1*	\$28.52	\$29.23	\$29.96
---------	----------------	---------	---------	---------

3 Years	and 2 Class 1	\$29.23	\$29.96	\$30.71
---------	---------------	---------	---------	---------

4 Years	and 2 Class 1	\$29.93	\$30.68	\$31.45
---------	---------------	---------	---------	---------

5 Years	and 2 Class 1	\$30.64	\$31.41	\$32.19
---------	---------------	---------	---------	---------

6 Years	and 2 Class 1	\$31.34	\$32.12	\$32.93
---------	---------------	---------	---------	---------

7 Years	and 2 Class 1	\$32.05	\$32.85	\$33.67	Max Class 1
---------	---------------	---------	---------	---------	-------------

With Additional Licences:	2 Class 2	Add: \$1.06	Add: \$1.08
	2 Class 3	Add: \$1.06	Add: \$1.08

Both OIT must be obtained within six (6) months, increase added to pay after one (1) year.

Experience relates to Utilities Kingston or equivalent experience.

*To progress beyond this pay level, a Maintenance Technician must maintain a minimum of two (2) Class 1's.

Memorandum of Agreement

**Between
Local Union 636
Of the
International Brotherhood of Electrical Workers
And
Utilities Kingston**

Salary Protection of IBEW Local 636 members

1. The parties agree that any changes made to "Schedule A" (wage schedules) in the Collective Agreement negotiated for the period January 1, 2010 to December 31, 2013 will not impact an employee's wages negatively when the conditions in this Memorandum of Agreement are met.
2. The employer shall protect the existing salary of the employee for the period covered by this Collective Agreement, and apply all general yearly increases indicated in "Schedule A" provided that:
 - a. The employee maintains, at a minimum, the licencing level they held as of December 31, 2009; and
 - b. The employee continues to occupy their current position.
3. An employee who allows a certification, Licence, qualification or other bona fide requirement of their position to expire shall be subject to the provisions of Article 23.06.

Signed this 8th day of June, 2010

For the Union:

For the 1425445 Ontario Limited
(o/a Utilities Kingston)

[Signature]
[Signature]
Don D Moore
James Leland
[Signature]
1 my mth

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

Memorandum of Agreement

Between
Local Union 636
Of the
International Brotherhood of Electrical Workers
And
Utilities Kingston

The above parties have agreed to negotiate an overtime protocol and to monitor its application where overtime becomes an issue during the duration of this Agreement. As required, either party may provide notice and request a review and adjustment(s) to this protocol.

Signed this 5th day of June, 2010

For the Union:

For the 1425445 Ontario Limited
(o/a Utilities Kingston)

[Signature]
[Signature]
David R Moore
[Signature]
[Signature]
Ray Miller

[Signature]
Karen [Signature]
[Signature]
[Signature]
[Signature]
[Signature]

Memorandum of Understanding

**Between
Local Union 636
Of the
International Brotherhood of Electrical Workers
And
Utilities Kingston**

Shift Work Positions

The parties agree that Quality Assurance Operators and Locators hired prior to January 1, 2010 shall provide an agreement to work shift in accordance with the shift work provisions of this Collective Agreement.

Signed this 8th day of June, 2010

For the Union:

For the 1425445 Ontario Limited
(o/a Utilities Kingston)

Allen
Jim
Donald Moore
Donald Holland
Jason
Fred Miller

Karen Taylor
Karen Jackson
Jim
K. Taylor
Jim Taylor
Jim

Memorandum of Agreement

**Between
Local Union 636
Of the
International Brotherhood of Electrical Workers
And
Utilities Kingston**

Retiree Benefits

Notwithstanding Article 15.04 of the Collective Agreement, individuals hired prior to June 1, 2002, regardless of length of service, shall be eligible for the retiree Benefits as described in Article 15.04

This letter of understanding is without precedent or prejudice to any future incidences of the same or similar nature.

Signed this 8th day of June, 2010

For the Union:

For the 1425445 Ontario Limited
(o/a Utilities Kingston)

Ally Bates
[Signature]
Don D Moore
Charles Pelland
[Signature]
Fay Miller

[Signature]
Karen Smith
[Signature]
[Signature]
[Signature]
[Signature]

Memorandum of Agreement

**Between
Local Union 636
Of the
International Brotherhood of Electrical Workers
And
Utilities Kingston**

City of Kingston employees – IBEW Local 636 members – Job Vacancies

As it relates to applications for employment with Utilities Kingston employees of the City of Kingston occupying positions with the IBEW Local 636 bargaining agent, the parties agree to the following:

1. In this Memorandum of Agreement, an "employee" will have the meaning of an employee of the City of Kingston occupying a permanent position (full-time or part-time) with the IBEW Local 636 bargaining agent.
2. An employee will be considered an "internal" candidate for the purposes of recruitment for permanent or temporary vacancies posted within the bargaining unit of IBEW Local 636 with Utilities Kingston.
3. When applicants apply for posted positions, the position will be awarded based on the ability, performance and qualifications of the applicants concerned. Where two or more employees are equal based on the above factors, seniority shall govern.
4. When an employee is successful in competing for a temporary vacancy, the employee will be paid at the job rate as determined by their experience and qualifications.
5. No other rights or provisions of the collective agreement between Utilities Kingston and IBEW Local 636 will apply to employees of the City of Kingston.

Signed this 8th day of June, 2010

For the Union:

For the 1425445 Ontario Limited
(o/a Utilities Kingston)

Allen Tate

Henry Lay

Don Moore

Kevin McKelvey

James Holland

James Lay

James Lay

J. Lay

James Lay

J. Lay

IN WITNESS WHEREOF the parties hereto have affixed the signature of the proper
Officers in execution of this Agreement.

Signed this 8th day of June, 2010

Local Union 636
The International
Brotherhood of
Electrical Workers,
representing

Employees of this
Collective Agreement:

For 1425445 Ontario Limited
(o/a Utilities Kingston):

Alvin White
Paul D. Moore
James J. McLaughlin
Ray Miller

Randy Layton
Karen MacKinnon
James J. McLaughlin
Jeffrey J. Wright
11/12

Ratified on this day, 29th of March, 2010

Interrogatory # 22

Ref: Exhibit 4, Tab 2, Schedule 2

a) Please explain the increase forecast for 2010 and 2011 relative to 2009 for account 5610 - management salaries and expenses.

Account 5610-Management Salaries and Expenses has increased in 2010 and 2011 due to proper allocation of Management salaries. This allocation results in a corresponding decrease in account 5615 General Administrative Salaries and Expenses. However as explained in Exhibit 4, Tab 3, Schedule 1, page 16, account 5615 is also increasing in 2011 due to a number of other factors including increased staffing for regulatory analysis, finance, systems support, and health and safety.

b) Please explain the significant increase forecast for 2011 in account 5615 - general administrative salaries and expenses.

Please refer to Exhibit 4, Tab 3, Schedule 1, page 16.

c) Please explain the rationale and need for the increases forecast for 2010 and 2011 relative to 2009 in account 5630 - outside services employed.

Included in account 5630 – outside services employed, is Kingston Hydro’s external audit fees. The forecasted increase for 2010 and 2011 relates primarily to audit fees. This increase in audit fees was determined as an estimate based on the IFRS changeover that was anticipated for 2011. An increase in audit fees is expected because there will be increased notes to the financial statements and a different basis of accounting standards. This will result in increased audit work. Since the time the application was filed, the Applicant has had discussions with its incumbent auditor and has been told that audit fees for its first IFRS year could increase by as much as 100%.

Since the time of filing, the Applicant has decided to defer implementation one year in accordance with the Accounting Standards Board Decision to allow qualifying entities with rate-regulated activities, to adopt IFRSs for the first time no later than interim and annual financial statements relating to annual periods beginning on or after January 1, 2012.

For the reasons noted above, the applicant believes the increase in audit fees in the Test Year should be \$17,500 instead of \$58,000. This is based on an average of the total expected audit fees for 2011, 2012, 2013 and 2014 fiscal years.

d) Please explain the increase forecast for 2011 in account 5665 - miscellaneous general expenses.

The increase in the forecast for 2011 is due to work anticipated in assessing and managing worker safety issues at Kingston Hydro facilities involving potential Arc Flash hazards. It is anticipated that 3rd party expertise will be required to assist Kingston Hydro in undertaking an assessment of this issue at various installations (substations, vaults etc) across the distribution system. In addition the applicant is expecting to require additional assistance from 3rd parties in undertaking related system protection co-ordination assessments/studies at facilities where arc flash may be an issue.

Interrogatory # 23

Ref: Exhibit 4, Ta 2, Schedule 4

a) Please provide the year-to-date costs invoiced to Kingston for legal costs for regulatory matters (line 5).

The costs invoiced to Kingston for legal costs for regulatory matters for 2009 and 2010 total \$18,625.

b) Please provide the year-to-date costs invoiced to Kingston for consultant costs for regulatory matters (line 6).

The costs invoiced to Kingston for consultant costs for regulatory matters for 2009 and 2010 total \$65,246.

c) Are the legal and consultant costs noted above incurred by Kingston Hydro or Utilities Kingston? Please explain.

Legal and consultant costs noted above are incurred by Utilities Kingston solely on behalf of Kingston Hydro as part of the agreement included in the application in Exhibit 1, Tab 2, Schedule 3, Attachment 3.

d) Did Kingston Hydro/Utilities Kingston undertake a competitive bidding process for cost of service filing consulting and/or legal assistance? If not, why not? If yes, did Kingston Hydro/Utilities Kingston accept the lowest cost bids? If not, why not?

The Applicant did not undertake a competitive bidding process for legal assistance on its cost of service application. There are very few Ontario energy regulatory lawyers with relevant experience and expertise. The Applicant had worked with Andrew Taylor in the past and was familiar with and comfortable working with him. Further, Andrew Taylor has acted as counsel to numerous applicants on cost of service applications. For these reasons, the decision to retain Andrew Taylor made sense to the Applicant. In any event, as a sole-practitioner, it is our understanding that Andrew Taylor's cost is extremely competitive.

The applicant did not undertake a competitive bidding process for the cost of service filing consultant because there are very few regulatory consultants experienced in dealing with cost of service applications. The Applicant spoke to another electric distributor who had engaged the services of our consultant and who were very satisfied with their services.

Based on this experience and based on a presentation by the consultant, the applicant was comfortable engaging their services to competently assist with the completion of the cost of service application.

Interrogatory # 24

Ref: Exhibit 1, Tab 2, Schedule 3

Are any of the costs associated with the Board of Directors of Utilities Kingston included in the revenue requirement of Kingston Hydro? If yes, please provide the forecast of these costs included in the 2011 revenue requirement.

Yes a portion of the costs associated with the Board of Directors of Utilities Kingston are included in the revenue requirement of Kingston Hydro. The forecast included in the 2011 revenue requirement is \$2,286.

Interrogatory # 25

Ref: Exhibit 4, Tab 4, Schedule 1 & Exhibit 4, Tab 4, Schedule 3

a) How many of the 60.91 FTEs shown for the 2011 test year in Table 1 are directly employed by Kingston Hydro and how many are employed by Utilities Kingston?

All are employed by Utilities Kingston

b) Where is the incentive pay noted in Schedule 3 reflected in the figures shown in Table 1 in Schedule 1?

Any incentive pay awarded would be noted in the compensation lines for non-union. Specifically it would be included in the following line:

Total Salary and Wage Non-Union

Total Corporate (Salary, Wage and Benefits) Non-Union

c) What is the total incentive pay included in the forecast for 2010 and 2011?

The incentive and progression pay included in the forecast for 2010 and 2011 is based on 4% of the previous year's salary. Incentive pay is only available when an employee is at the top of their wage band and cannot progress any further.

The incentive and progression pay included in the forecast for 2010 and 2011 is based on 4% of the previous year's salary. Incentive pay is only available when an employee is at the top of their wage band and cannot progress any further. The amount paid for incentive pay was \$240 for 2010 and is estimated to be \$10,650 in 2011.

d) What was the actual level of incentive pay in 2009?

The actual incentive pay included in the table noted above for 2009 is less than \$6,000.

e) Why should Kingston Hydro customers be expected to pay for incentive payments for the employees of Utilities Kingston?

Incentive pay forms a portion of employees' compensation who have reached the maximum salary rate of this position. It is not a bonus pay. The portion charged to Kingston Hydro would be directly related to the portion of work that an employee does for Kingston Hydro. Incentive pay is defined in the above-noted section.

f) The evidence (page 1 of Schedule 3 at lines 11-16) talks about goals established that are based on the corporation's values and the contributions to the corporation's goals. Please identify the corporation that is being referred to: Kingston Hydro or Utilities Kingston.

The corporation referred to is Utilities Kingston. Utilities Kingston follows its values in providing services to Kingston Hydro and the City of Kingston. The goals are directly related to the services Utilities Kingston provides to Kingston Hydro and the City of Kingston. An example of such goal is related to the preparation of Kingston Hydro Corporation's 2011 Electric Rate Application.

g) Please provide a copy of the "Contributions Agreement for Non-Union Employees" referred to at lines 15-16 on page 1 of Schedule 3.

A copy of the contribution agreement for non-union employees is attached.



2010 Contribution Agreement

Name:

Position:

Mission

We are a community based corporation dedicated to the responsible management of safe, reliable integrated services.

Values

We are a team that is recognized for being;

Honest
Motivated
Respectful
and
Reliable

Vision

To be recognized as a company committed to innovation, prosperity and service excellence, valued by our customers and reinvesting in our community's future.

Activity 1: Core Responsibilities
 Date established: March 31, 2010
 Weighting assigned: % Overall Completion: ____% Values Factor ____ Total ____

Position:	Values In Action	Needs Improvement	Acceptable	Good	Excellent
Mission Alignment:		0.5	0.8	1.0	1.1
Responsible management of safe, reliable integrated services	Honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Motivated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Respectful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Reliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Detailed Description	Achievements	Review Date
1			
2			
3			
4			
5			
6			
7			
8			
	Special Achievements or Additions throughout the Year:		

Activity 2: Team Contributions (Optional depending on postion)
 Date established: March 31, 2010
 Weighting assigned: % Overall Completion: ____% Values Factor ____

			Values In Action	Needs Improvement	Acceptable	Good	Excellent
				0.5	0.8	1.0	1.1
			Honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
			Motivated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
			Respectful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
			Reliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Detailed Description	Achievements	Milestone date	Review Date	Tracking		
1							

Activity 3:

Date established:

Weighting assigned: % **Overall Completion:** ____% **Values Factor** ____ **Total** ____

Description of Activity: (indicate if activity supports the Work Plan)

Vision Alignment:

- ☐ Innovation ☐ Prosperity ☐ Service Excellence
- ☐ Valued by Customer ☐ Reinvesting in Communities' Future

Strategic Imperatives

- ☐ Environmental Sustainability ☐ Infrastructure Management
- ☐ Regulatory Compliance ☐ Economic Sustainability
- ☐ Corporate Organization ☐ Utilities Bus. Management

Values In Action	Needs Improvement	Acceptable	Good	Excellent
	0.5	0.8	1.0	1.1
Honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Motivated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Respectful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Detailed Description	Achievements	Milestone date	Review Date	Tracking
1				March 31	100
2					
3					
4					
5					
6					
7					
8					
9					
10					

Activity 4:

Date established:

Weighting assigned: %

Overall Completion: ____%

Values Factor ____

Total ____

Description of Activity:

Vision Alignment:

- ☐ Innovation
 ☐ Prosperity
 ☐ Service Excellence
☐ Valued by Customer
 ☐ Reinvesting in Communities' Future

Strategic Imperatives

- ☐ Environmental Sustainability
 ☐ Infrastructure Management
☐ Regulatory Compliance
 ☐ Economic Sustainability
☐ Corporate Organization
 ☐ Utilities Bus. Management

Values In Action

Honest
 Motivated
 Respectful
 Reliable

Needs
Improvement

0.5

☐
☐
☐
☐

Acceptable

0.8

☐
☐
☐
☐

Good

1.0

☐
☐
☐
☐

Excellent

1.1

☐
☐
☐
☐

	<i>Detailed Description</i>	<i>Achievements</i>	<i>Milestone date</i>	<i>Review Date</i>	<i>Tracking</i>
1					100
2					
3					
4					
5					
6					
7					
8					
9					
10					

Activity 5:

Date established:

Weighting assigned: % **Overall Completion:** ____% **Values Factor** ____ **Total** ____

Description of Activity:

Vision Alignment:

- ☐ Innovation ☐ Prosperity ☐ Service Excellence
- ☐ Valued by Customer ☐ Reinvesting in Communities' Future

Strategic Imperatives

- ☐ Environmental Sustainability ☐ Infrastructure Management
- ☐ Regulatory Compliance ☐ Economic Sustainability
- ☐ Corporate Organization ☐ Utilities Bus. Management

Values In Action	Needs Improvement	Acceptable	Good	Excellent
	0.5	0.8	1.0	1.1
Honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Motivated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Respectful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Detailed Description	Achievements	Milestone date	Review Date	Tracking
1					100
2					
3					
4					
5					
6					
7					
8					
9					

***PERFORMANCE EVALUATION
NOTES***

PERFORMANCE EVALUATION

Name:

Year: 2010

Contributions Commitments Values

	Weight	%Completion	Value Factor	Scoring
1. Core Responsibilities				
2. Team Contributions				
Work Activity 3				
Work Activity 4				
Work Activity 5				
Work Activity 6				
Work Activity 7				
Total	100			

Manager's Overall Assessment of Accomplishments/Contributions:

Employee's Overall Comments/Feedback:

Assessment Signatures:

Employee	Manager	Date
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Interrogatory # 26

Ref: Exhibit 4, Tab 5, Schedule 1 & Exhibit 4, Tab 4, Schedule 1, Table 1

a) How does Utilities Kingston allocate the benefits and cost reductions associated with the co-operative education tax credit (CETC), apprenticeship training tax credit (ATTC) and federal apprenticeship job creation tax credit to Kingston Hydro?

Neither Utilities Kingston nor Kingston Hydro has received benefits or cost reductions associated with the above-noted tax credits as neither the Applicant nor Utilities Kingston believed it was eligible to claim any of these credits as there has been no apprentices or co-op students hired for the benefit of Kingston Hydro.

b) How many employees is Utilities Kingston forecast to have in 2011? How many employees did Utilities Kingston have in 2009?

Utilities Kingston forecasts to have 237 employees in 2011. Utilities Kingston had 218 employees in 2009.

c) Using the direct allocation and three allocation methodologies described in Exhibit 4, Tab 5, Schedule 1, please show the derivation of the 60.91 FTEs for 2011 allocated to Kingston Hydro as shown in Table 1 of Exhibit 4, Tab 4, Schedule 1.

Please see schedule attached.

d) Using the direct allocation and three allocation methodologies described in Exhibit 4, Tab 5, Schedule 1, please show the derivation of the 43.79 FTEs for 2009 allocated to Kingston Hydro as shown in Table 1 of Exhibit 4, Tab 4, Schedule 1.

Please see schedule attached.

e) The evidence indicates that there is no return on invested capital charged to Kingston Hydro (Exhibit 4, Tab 5, Schedule 1, page 1, lines 25-26).

i) Does Utilities Kingston include depreciation costs on the invested capital charged to Kingston Hydro?

Utilities Kingston charged approximately \$6,000 to Kingston Hydro in 2009 that reflected depreciation of invested capital. The depreciation related to Major Tools and Office

Equipment. There is no depreciation planned to be charged by Utilities Kingston to Kingston Hydro for 2010, 2011 and beyond.

- ii) If yes, are the depreciation rates used by Utilities Kingston equivalent to the OEB approved rates that Kingston Hydro would use if it owned the capital assets? If not, please specify any differences.***

The depreciation rates were 10% per year for Major tools and 10% per year for Office equipment. This is the same rate that Kingston Hydro would use if it owned the assets and is consistent with the Asset Amortization Study for the Ontario Energy Board performed by Kinectrics Inc.

- iii) If yes, please explain how the depreciation costs are allocated to Kingston Hydro.***

The 2009 depreciation costs were allocated to Kingston Hydro as an annual operating expense equal to $\frac{1}{4}$ of Utilities Kingston's depreciation on the assets mentioned above in part ii). The other $\frac{3}{4}$ of the depreciation costs were recovered from the City of Kingston as they related to their water, sewer and natural gas utilities.

- iv) If yes, does Kingston Hydro agree that it is receiving a partial return on these assets by including the depreciation expense in the OM&A costs and increasing rate base by 15% of this amount? In other words, does Kingston Hydro agree that the rate base is higher than it would be if Kingston Hydro owned the assets directly and recorded the associated depreciation separately from the OM&A costs?***

Kingston Hydro agrees that with the above statement for the 2009 Historical Actual year. For 2009, the rate base would have been higher by approximately \$900 (\$6,000X15%) and resulting revenue requirement higher by \$65 (\$6000X15%X7.19%).

- v) What is the estimated depreciation cost included in the costs recovered from Kingston Hydro by Utilities Kingston for the 2011 test year?***

There are no depreciation costs included in the costs recovered from Kingston Hydro by Utilities Kingston for the 2011 test year.

Energy Probe Interrogatory # 26 part c
2011

Position	# of employees	allocation	FTEs	Allocation Method
Administrative/Secretary	1	0.18	0.18	based on actual work performed
Administrative/Secretary	2	0.23	0.46	allocation method one
Communications Coordinator	1	1	1.00	based on actual work performed
Conservation Demand Management Advisor	1	1	1.00	based on actual work performed
Controller/Senior Financial Analyst	1	0.23	0.23	allocation method three
Engineer	2	1	2.00	based on actual work performed
Engineer	1	0.23	0.23	based on actual work performed
Financial Analyst-Reports	1	0.23	0.23	allocation method three
Health and Safety Associate	1	0.23	0.23	allocation method one
Human Resource Associate	1	0.23	0.23	allocation method one
Human Resources Coordinator	1	0.23	0.23	allocation method one
Intermediate Accountant	1	0.23	0.23	allocation method three
Manager	2	0.23	0.46	allocation method three
Manager	1	0.7	0.70	based on actual work performed
Manager	1	0.15	0.15	based on actual work performed
President	1	0.12	0.12	based on actual work performed
Project Coordinator	1	0.23	0.23	allocation method one
Rate Analyst	1	0.23	0.23	allocation method three
Regulatory Analyst	1	1	1.00	based on actual work performed
Systems Analyst Associate	1	0.4	0.40	based on actual work performed
Supervisor	2	0.23	0.46	allocation method one
Supervisor	1	0.18	0.18	based on actual work performed
Supervisor	1	0.26	0.26	based on actual work performed
Supervisor	2	0.88	1.76	based on actual work performed
Systems Analyst	3	0.25	0.75	allocation method two
Systems Analyst	2	0.4	0.80	based on actual work performed
Utilities Accountant	1	0.23	0.23	allocation method one
Utilities Systems Project Manager	1	0.25	0.25	allocation method two
Vice President	1	0.23	0.23	allocation method one

Total Non-Unionized			14.46	
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Clerk	1	0.07	0.07	based on actual work performed
Clerk	6	0.23	1.38	allocation method one
Clerk	1	0.12	0.12	based on actual work performed
Clerk	2	0.31	0.62	based on actual work performed
Clerk	1	0.16	0.16	based on actual work performed
Credit & Collection Clerk	3	0.23	0.69	allocation method one
Credit & Collection Clerk	1	0.16	0.16	based on actual work performed
Engineering Technologist	2	0.88	1.76	based on actual work performed
Engineering Technologist	2	1	2.00	based on actual work performed
Engineering Technologist	1	0.07	0.07	based on actual work performed
Engineering Technologist	1	0.15	0.15	based on actual work performed
Engineering Technologist	1	0.5	0.50	based on actual work performed
Journeyman Utility Operations	5	0.63	3.15	based on actual work performed
Journeyman Measurement and Communications	1	0.5	0.50	based on actual work performed
Journeyman Measurement and Communications	3	0.21	0.63	based on actual work performed
Journeyman Measurement and Communications	1	0.11	0.11	based on actual work performed
Journeyman Measurement and Communications	2	1	2.00	based on actual work performed
Journeyman Electric Overhead	15	0.95	14.25	based on actual work performed
Journeyman Electric Overhead	2	0.76	1.52	based on actual work performed

Position	# of employees	allocation	FTEs	Allocation Method
Journeyperson SubStation Maintenance	7	0.94	6.58	based on actual work performed
Locator	3	0.23	0.69	allocation method one
Materials Technician	2	0.26	0.52	allocation method one
Revenue/Billing Clerk	6	0.23	1.38	allocation method one
SCADA Network Technician	1	0.5	0.50	based on actual work performed
Senior Revenue/Billing Clerk	1	0.23	0.23	allocation method one
Service Advisor	1	0.25	0.25	allocation method two
Service Advisor	2	0.4	0.80	based on actual work performed
Serviceperson	3	0.21	0.63	based on actual work performed
Serviceperson	6	0.16	0.96	based on actual work performed
Spatial Information Technician	2	0.23	0.46	allocation method one
Student	4	0.07	0.28	based on actual work performed
Sub-Foreperson Electric Overhead	2	0.95	1.90	based on actual work performed
Sub-Foreperson Service	1	0.1	0.10	based on actual work performed
Work Planner	1	0.88	0.88	based on actual work performed
Work Planner	2	0.23	0.46	allocation method one
Total Unionized			46.46	
Total staffing level (FTEE)			60.92	

Energy Probe Interrogatory # 26 part d
2009

Position	# of employees	allocation	FTEs	Allocation Method
Administrative/Secretary	1	0.18	0.18	based on actual work performed
Administrative/Secretary	1	0.23	0.23	allocation method one
Conservation Demand Management Advisor	1	0.26	0.26	based on actual work performed
Controller/Senior Financial Analyst	1	0.23	0.23	allocation method three
Database Administrator	1	0.06	0.06	based on actual work performed
Engineer	1	1	1.00	based on actual work performed
Engineer	2	0.1	0.20	based on actual work performed
Engineer	1	0.12	0.12	based on actual work performed
Engineer	1	0.07	0.07	based on actual work performed
Engineer	1	0.35	0.35	based on actual work performed
Engineer	1	0.04	0.04	based on actual work performed
Engineer	1	0.17	0.17	based on actual work performed
Engineer	1	0.05	0.05	based on actual work performed
Engineer	1	0.08	0.08	based on actual work performed
Human Resource Associate	1	0.1	0.10	based on actual work performed
Human Resources Coordinator	1	0.23	0.23	allocation method one
Intermediate Accountant	1	0.23	0.23	allocation method three
Manager	1	0.23	0.23	allocation method three
Manager	1	0.2	0.20	based on actual work performed
Manager	1	0.6	0.60	based on actual work performed
Manager	1	0.17	0.17	based on actual work performed
President	1	0.12	0.12	based on actual work performed
Rate Analyst	1	0.23	0.23	allocation method three
Regulatory Analyst	1	0.4	0.40	based on actual work performed
Systems Analyst Associate	1	0.25	0.25	allocation method two
Supervisor	2	0.23	0.46	allocation method one
Supervisor	1	0.19	0.19	based on actual work performed
Supervisor	1	0.21	0.21	based on actual work performed
Supervisor	1	0.93	0.93	based on actual work performed
Systems Analyst	1	0.25	0.25	allocation method two
Systems Analyst	2	0.65	1.30	based on actual work performed
Systems Analyst	1	0.44	0.44	based on actual work performed
Utilities Accountant	1	0.23	0.23	allocation method one
Vice President	1	0.23	0.23	allocation method one
Total Non-Unionized			10.04	

Clerk	1	0.26	0.26	based on actual work performed
Clerk	3	0.23	0.69	allocation method one
Clerk	1	0.12	0.12	based on actual work performed
Clerk	1	0.21	0.21	based on actual work performed
Clerk	1	0.31	0.31	based on actual work performed
Clerk	1	0.16	0.16	based on actual work performed
Credit & Collection Clerk	3	0.23	0.69	allocation method one
Credit & Collection Clerk	1	0.04	0.04	based on actual work performed
Engineering Technologist	1	0.99	0.99	based on actual work performed
Engineering Technologist	1	1	1.00	based on actual work performed
Engineering Technologist	1	0.03	0.03	based on actual work performed
Engineering Technologist	2	0.07	0.14	based on actual work performed
Engineering Technologist	1	0.05	0.05	based on actual work performed
Engineering Technologist	1	0.1	0.10	based on actual work performed

Position	# of employees	allocation	FTEs	Allocation Method
Engineering Technologist	1	0.16	0.16	based on actual work performed
Engineering Technologist	1	0.04	0.04	based on actual work performed
Engineering Technologist	1	0.08	0.08	based on actual work performed
Engineering Technologist	1	0.36	0.36	based on actual work performed
Journeyman Utility Operations	1	0.04	0.04	based on actual work performed
Journeyman Utility Operations	1	0.3	0.30	based on actual work performed
Journeyman Utility Operations	1	0.95	0.95	based on actual work performed
Journeyman Utility Operations	1	0.76	0.76	based on actual work performed
Journeyman Utility Operations	1	0.51	0.51	based on actual work performed
Journeyperson Measurement and Communications	1	0.3	0.30	based on actual work performed
Journeyperson Measurement and Communications	1	0.23	0.23	based on actual work performed
Journeyperson Measurement and Communications	1	0.45	0.45	based on actual work performed
Journeyperson Measurement and Communications	1	0.02	0.02	based on actual work performed
Journeyperson Measurement and Communications	1	0.62	0.62	based on actual work performed
Journeyperson Measurement and Communications	1	0.19	0.19	based on actual work performed
Journeyperson Measurement and Communications	1	0.51	0.51	based on actual work performed
Journeyperson Electric Overhead	1	0.02	0.02	based on actual work performed
Journeyperson Electric Overhead	1	0.04	0.04	based on actual work performed
Journeyperson Electric Overhead	1	0.06	0.06	based on actual work performed
Journeyperson Electric Overhead	1	0.14	0.14	based on actual work performed
Journeyperson Electric Overhead	1	0.7	0.70	based on actual work performed
Journeyperson Electric Overhead	1	0.8	0.80	based on actual work performed
Journeyperson Electric Overhead	2	0.89	1.78	based on actual work performed
Journeyperson Electric Overhead	2	0.9	1.80	based on actual work performed
Journeyperson Electric Overhead	2	0.92	1.84	based on actual work performed
Journeyperson Electric Overhead	2	0.93	1.86	based on actual work performed
Journeyperson Electric Overhead	1	0.94	0.94	based on actual work performed
Journeyperson Electric Overhead	1	0.96	0.96	based on actual work performed
Journeyperson SubStation Maintenance	1	0.97	0.97	based on actual work performed
Journeyperson SubStation Maintenance	3	0.96	2.88	based on actual work performed
Locator	3	0.23	0.69	allocation method one
Materials Technician	2	0.21	0.42	based on actual work performed
Revenue/Billing Clerk	5	0.23	1.15	allocation method one
Revenue/Billing Clerk	1	0.02	0.02	allocation method one
SCADA Network Technician	1	0.22	0.22	based on actual work performed
Senior Revenue/Billing Clerk	1	0.23	0.23	allocation method one
Service Advisor	1	0.11	0.11	based on actual work performed
Service Advisor	2	0.07	0.14	based on actual work performed
Serviceperson	1	0.15	0.15	based on actual work performed
Serviceperson	1	0.05	0.05	based on actual work performed
Serviceperson	1	0.04	0.04	based on actual work performed
Serviceperson	1	0.03	0.03	based on actual work performed
Serviceperson	1	0.08	0.08	based on actual work performed
Serviceperson	1	0.13	0.13	based on actual work performed
Serviceperson	1	0.12	0.12	based on actual work performed
Serviceperson	1	0.23	0.23	based on actual work performed
Spatial Information Technician	1	0.01	0.01	based on actual work performed
Spatial Information Technician	1	0.05	0.05	based on actual work performed
Spatial Information Technician	1	0.55	0.55	based on actual work performed
Student	2	0.23	0.46	allocation method one
Student	2	0.07	0.14	based on actual work performed
Student	1	0.02	0.02	based on actual work performed
Sub-Foreperson Electric Overhead	1	0.9	0.90	based on actual work performed
Sub-Foreperson Electric Overhead	1	0.92	0.92	based on actual work performed

Position	# of employees	allocation	FTEs	Allocation Method
Sub-Foreperson Service	1	0.23	0.23	based on actual work performed
Underground Construction Person	1	0.23	0.23	based on actual work performed
Work Planner	1	0.34	0.34	based on actual work performed
Work Planner	1	0.16	0.16	based on actual work performed
Work Planner	1	0.83	0.83	based on actual work performed
Total Unionized			33.75	
Total staffing level (FTEE)			43.79	

Interrogatory # 27

Ref: Exhibit 4, Tab 5, Schedule 1, Attachment 1

Please explain why 100% of the SCADA costs are allocated to Kingston Hydro? Is the SCADA system used by the gas utility?

The system will only be used by Kingston Hydro.

Interrogatory # 28

Ref: Exhibit 4, Tab 8, Schedule 1, Attachment 3

Please confirm that the difference between the UCC at the end of the Bridge Year (\$35,692,079) and the UCC Test Year Opening Balance (\$34,340,789) is the result of the removal of the smart meter capital costs from the CCA calculations. If this cannot be confirmed, please explain the difference.

Confirmed.

Interrogatory # 29

Ref: Exhibit 4, Tab 8, Schedule 1, Attachment 3 & Exhibit 2, Tab 3, Schedule 1, Attachment 1

It appears that the CCA Schedule 8 for 2009 includes the addition of \$29,969 (overhead conductors and devices) and \$15,618 (meters) to CCA Class 1. CCA Schedule 8 for the Bridge Year shows the addition of \$263,000 (meters) to CCA Class 1 and CCA Schedule 8 for the Test Year shows the addition of \$100,000 (meters) to CCA Class 1.

Please explain why these assets are added to CCA Class 1 rather than CCA Class 47, which applies to electricity transmission and distribution equipment that was acquired after February 22, 2005.

The Applicant included capital asset additions in conjunction with advice from our tax preparer and tax advisor. It was our view that conventional meters were and are appropriately classified into CCA Class 1 as they are not equipment that is used to distribute electricity but rather equipment that measures how much electricity is distributed.

Interrogatory #30

Ref: Exhibit 5, Tab 1, Schedule 1

a) Please explain why Kingston would convert the short term loan with an interest rate of 1.21% as at December 31, 2009 in the amount of \$2,250,000 to a 20 year long term bank loan with an expected rate of 4.84%.

Kingston would convert short term capital financing loans to long term loans in order to take advantage of long term low interest rates, similar to the loan taken out in May, 2009. In addition, long term bank financing loans achieves cost certainty to aid in long term financial planning as well as matching the interest and principal repayment period over the useful life of the capital assets. In addition, the OEB's cost of capital model reflects a 60/40 debt/equity ratio with 56% of the 60% being long term debt.

b) What is the current rate applicable to this short-term loan?

The current interest rate on this loan is 2.07%.

c) Please update the expected interest rate of 4.84% based on information from the lending facility.

The information from our lending facility on November 8, 2010 indicates a revised expected interest rate of 4.77%.

d) Has Kingston approached Infrastructure Ontario in order to fund some of the 2010 and/or 2011 capital investments? If not, why not? If yes, please provide all correspondence with Infrastructure Ontario.

Kingston has had preliminary meetings with Infrastructure Ontario regarding long term funding of its Smart Meter program. Attached is correspondence between Kingston Hydro and IO.

e) Please provide the current rates for each term available from Infrastructure Ontario.

Lending Rates: Local Distribution Companies

**Indicative Lending Rates as of November 5,
2010**

Term	Construction	Serial	Amortizer
1 Month	1.74%	-	-
5 Year	-	2.52%	2.62%
10 Year	-	3.38%	3.48%
15 Year	-	3.89%	3.99%
20 Year	-	4.20%	4.30%
25 Year	-	4.41%	4.51%
30 Year	-	4.53%	4.63%
35 Year	-	4.61%	4.71%
40 Year	-	4.66%	4.76%

Murphy, Randy

From: Murphy, Randy
Sent: Wednesday, October 06, 2010 11:55 AM
To: 'Robert.Keene@infrastructureontario.ca'
Subject: Re: IO Loans for Smart Meter Programs

This friday at 10 is great. If you can enter off our service centre entrance off of lappans lane. Just ask for me when you get here.

Randy

From: Robert Keene <Robert.Keene@infrastructureontario.ca>
To: Murphy, Randy
Sent: Wed Oct 06 11:52:02 2010
Subject: RE: IO Loans for Smart Meter Programs

Hi Randy,

I'll be close to Kingston this coming Friday, Oct 8th and could meet around 10:00 am or the following Thursday and could meet at either 12:00 noon or 1:00 pm.

Regards,

Bob

Robert Keene
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905

From: Murphy, Randy [mailto:rmurphy@utilitieskingston.com]
Sent: Wednesday, October 06, 2010 10:54 AM
To: Robert Keene
Subject: RE: IO Loans for Smart Meter Programs

Hi Bob:

Are you passing through Kingston again anytime soon?

Regards,

Randy

From: Robert Keene [mailto:Robert.Keene@infrastructureontario.ca]
Sent: Monday, March 08, 2010 10:25 AM
To: Murphy, Randy
Subject: IO Loans for Smart Meter Programs

Hi Randy,

The last time we spoke you indicated that you were still considering the Infrastructure Ontario Loan Program (formerly OSIFA) to finance your Smart Meter program. As I haven't sent you an update for a while I thought it would be useful to let you know that our current 15 year rate is 4.46%. Our construction (short-term) rate is 0.95%. Please let me know if you are still interested in using IO's loan program or alternatively if you are making other arrangements.

Regards,

Bob

Robert Keene
Manager, Business Development - Client Solutions
Eastern Region
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905
robert.keene@infrastructureontario.ca

Murphy, Randy

From: Murphy, Randy
Sent: Wednesday, April 28, 2010 1:23 PM
To: 'Robert Keene'
Subject: RE: Loan Rates for Smart Meters

Hi Bob:

We are still interested. Right now we are using our bank LOC to fund the purchases due to foreign exchange issues. Once we have the meters all bought and installed, we will likely obtain permanent financing through IO.

So please keep in touch!

Thanks,
Randy

From: Robert Keene [mailto:Robert.Keene@infrastructureontario.ca]
Sent: Wednesday, April 28, 2010 10:36 AM
To: Murphy, Randy
Subject: Loan Rates for Smart Meters

Hi Randy,

The last time we communicated you indicated that you were still considering the Infrastructure Ontario Loan Program to finance your Smart Meter program. As I haven't sent you an update for a while I thought it would be useful to let you know that our current 15 year rate is 4.91%. Our construction (short-term) rate is 1.03%. Please let me know if you are still interested in using IO's loan program or alternatively if you are making other arrangements and I can stop following up.

Regards,

Bob

Robert Keene
Manager, Business Development - Client Solutions
Eastern Region
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905
robert.keene@infrastructureontario.ca

Murphy, Randy

From: Robert Keene [Robert.Keene@infrastructureontario.ca]
Sent: Monday, March 08, 2010 10:25 AM
To: Murphy, Randy
Subject: IO Loans for Smart Meter Programs

Hi Randy,

The last time we spoke you indicated that you were still considering the Infrastructure Ontario Loan Program (formerly OSIFA) to finance your Smart Meter program. As I haven't sent you an update for a while I thought it would be useful to let you know that our current 15 year rate is 4.46%. Our construction (short-term) rate is 0.95%. Please let me know if you are still interested in using IO's loan program or alternatively if you are making other arrangements.

Regards,

Bob

Robert Keene
Manager, Business Development - Client Solutions
Eastern Region
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905
robert.keene@infrastructureontario.ca

Murphy, Randy

From: Murphy, Randy
Sent: Tuesday, October 13, 2009 9:46 AM
To: 'Robert Keene'
Subject: RE: Loan rates for Samrt Meters

Hi Bob:

Yes. we are still interested. I tried to set up on the system but I don't think I was successful.

Can you check for me?

Thanks,
Randy

From: Robert Keene [mailto:Robert.Keene@infrastructureontario.ca]
Sent: Thursday, October 01, 2009 8:58 AM
To: Murphy, Randy
Subject: Loan rates for Samrt Meters
Importance: High

Hi Randy,

I haven't heard from you for a while. Are you still considering the Infrastructure Ontario Loan Program (formerly OSIFA) to finance your Smart Meter program? Our current 15 year rate is 4.55%. The last time we spoke (May) our 15 year rate was 4.92%. Our construction (short-term) rate is 0.95%. Please let me know if you are still interested in using the program or alternatively if you are making other arrangements.

Regards,

Bob

Robert Keene
Manager, Business Development - Client Solutions
Eastern Region
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905
robert.keene@infrastructureontario.ca

Murphy, Randy

From: Robert Keene [Robert.Keene@infrastructureontario.ca]
Sent: Wednesday, August 12, 2009 11:58 AM
To: Murphy, Randy
Subject: Infrastructure Ontario Loan Program rates

Hi Randy,

A little while ago we sent you the username and password for the IO on-line application. Did you receive the email; are you still considering an IO loan to finance your Smart Meter program? Our current 5 year rate is 3.20% and the 10 year rate is 4.38% all in, no additional costs and the rate is fixed for the entire term. Our current construction loan rate is 0.84%.

Please let me know if you received the password etc and if you need any information about the program.

Regards,

Bob

Robert Keene
Manager, Business Development - Client Solutions
Eastern Region
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905
robert.keene@infrastructureontario.ca

Murphy, Randy

From: Murphy, Randy
Sent: Tuesday, May 26, 2009 11:06 AM
To: 'Robert Keene'
Subject: RE: OEB Licence

Hi Bob. This is the correct one.

From: Robert Keene [mailto:Robert.Keene@infrastructureontario.ca]
Sent: Tuesday, May 26, 2009 11:04 AM
To: Murphy, Randy
Subject: RE: OEB Licence

Hi Randy,

I notice that I have two email addresses for you, should I use this address or the City of Kingston email address?

Bob

Robert Keene
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905

From: Murphy, Randy [mailto:rmurphy@utilitieskingston.com]
Sent: Tuesday, May 26, 2009 10:02 AM
To: Robert Keene
Subject: OEB Licence

Murphy, Randy

From: Robert Keene [Robert.Keene@infrastructureontario.ca]
Sent: Tuesday, May 26, 2009 10:36 AM
To: Murphy, Randy
Subject: RE: OEB Licence

Randy,

I have received all three documents and will proceed with the registration. You should receive the User-id and password in the next couple of days.

Regards,

Bob

Robert Keene
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905

From: Murphy, Randy [mailto:rmurphy@utilitieskingston.com]
Sent: Tuesday, May 26, 2009 10:02 AM
To: Robert Keene
Subject: OEB Licence

Murphy, Randy

From: Robert Keene [Robert.Keene@infrastructureontario.ca]
Sent: Thursday, May 21, 2009 9:29 AM
To: Murphy, Randy
Subject: Document list and Questionnaire
Attachments: Utilities Kingston May 20 09 \$6M 15yrs 4.92%.pdf; Infrastructure Ontario Questionnaire LDCs 2009.doc

Randy,

Thank you very much for meeting with me yesterday. As I mentioned during the meeting we will need the following documents to get an account established on our on-line system:

1. A copy of the Articles of Incorporation / Letters Patent
2. Copy of the OEB License
3. Documentation to show that the corporation is wholly owned by the municipality (the last fully audited financial statements would be appropriate).

You can send the documents to me via email or fax, the number is below. I have also attached a soft copy of the questionnaire and a 15 year payment schedule based on our rates published on May 20th 2009.

It was a pleasure to see you again, please call me or email me if you need anything.

Regards,

Bob

Robert Keene
Manager, Business Development - Client Solutions
Eastern Region
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905
robert.keene@infrastructureontario.ca

Murphy, Randy

From: Murphy, Randy
Sent: Wednesday, May 20, 2009 11:35 AM
To: 'Robert Keene'
Subject: RE: Smart Meters

Front door?

-----Original Message-----

From: Robert Keene [mailto:Robert.Keene@infrastructureontario.ca]
Sent: Wednesday, May 20, 2009 11:32 AM
To: Murphy, Randy
Subject: Re: Smart Meters

Hi Randy, I'm at reception. Bob
Robert Keene
Manager, Business Development - Client Solutions Eastern Region Infrastructure Ontario
Phone: 905.721.2792

----- Original Message -----

From: Murphy, Randy <rmurphy@cityofkingston.ca>
To: Robert Keene
Sent: Tue May 19 21:12:07 2009
Subject: Re: Smart Meters

Hi Bob:

I have an appt. At noon so I could meet until 1155.

----- Original Message -----

From: Robert Keene <Robert.Keene@infrastructureontario.ca>
To: Murphy, Randy
Cc: Halligan, Kate
Sent: Tue May 19 21:02:03 2009
Subject: Re: Smart Meters

Hi Randy, I'm in Belleville tomorrow morning. I could come and see you about 11:30 and give you an update if it's convenient. Bob Robert Keene Manager, Business Development - Client Solutions Eastern Region Infrastructure Ontario
Phone: 905.721.2792

----- Original Message -----

From: Murphy, Randy <rmurphy@cityofkingston.ca>
To: Robert Keene
Cc: Halligan, Kate <khalligan@utilitieskingston.com>
Sent: Tue May 19 17:27:58 2009
Subject: Smart Meters

Hi Bob:

We'd like to find out the current rates etc. for funding for our Smart Meters?

Is it possible to get an update?

Thanks,

Randy Murphy, CA

Treasurer

Murphy, Randy

From: Murphy, Randy
Sent: Monday, March 02, 2009 3:57 PM
To: 'Robert Keene'
Subject: RE: Smart Meter funding

Hi Bob:

Yes. We are still interested – although at this time we are still finalizing the project scope, details and cost.

I will be in touch when we know more.

Randy

From: Robert Keene [mailto:Robert.Keene@infrastructureontario.ca]
Sent: Wednesday, January 28, 2009 7:42 AM
To: Murphy, Randy
Subject: FW: Smart Meter funding

Hi Randy;

I thought I'd follow-up with you to see if you're still interested in an Infrastructure Ontario loan for your Smart Meter program. Our Current 5 year rate is 3.37% and 10 year is 4.45%. The construction loan rate is now 1.54%.

Please let me know if I can be of any further assistance,

Regards,

Bob

Robert Keene
Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905

From: Robert Keene
Sent: Monday, December 08, 2008 2:56 PM
To: Murphy, Randy
Subject: RE: Smart Meter funding

Hi Randy,

Our current 5 year rate is 3.9% and 10 years 4.86%. These rates are fixed for the term, and all costs are included. Our construction loan rate is 2.44%. A number of local distribution companies across Ontario have indicated that they will be using our program for their Smart Meter and other programs in the coming year.

If you could give me an idea of the potential loan amount and the term I could send you a schedule by return email. I'm also planning a trip to Kingston and Queen's University in the next week or so and could drop by to give you a quick overview of our services and the loan program options if it would be convenient.

Regards,

Bob

Robert Keene

Infrastructure Ontario
Phone: 905 721 2792
Fax: 416 263 5905

Kingston Hydro Corporation
EB-2010-0136
Responses to EProbe Interrogatories
Filed: 15 November, 2010

From: Murphy, Randy [mailto:rmurphy@cityofkingston.ca]
Sent: Monday, December 08, 2008 2:08 PM
To: Robert Keene
Subject: Smart Meter funding

Hi Robert:

Is it possible to receive some information on Smart Metre funding options from Infrastructure Ontario?

Regards,

Randy Murphy, CA
Treasurer
Kingston Hydro Corporation

Murphy, Randy

From: Murphy, Randy
Sent: Thursday, November 29, 2007 4:20 PM
To: 'Robert Keene'
Subject: RE: Infrastructure Ontario Loan Program

Received.

I will look at over the next few days.

Regards,

Randy

From: Robert Keene [mailto:Robert.Keene@infrastructureontario.ca]
Sent: Thursday, November 29, 2007 4:15 PM
To: Murphy, Randy
Subject: Infrastructure Ontario Loan Program

Dear Randy,

Thank you for calling me back earlier this afternoon. The following is information about our loan program, would you please send me a quick reply to this email to let me know you have received it.

Building and renewing Ontario's electricity infrastructure is important for everyone. Investing in infrastructure to meet the needs of future generations was a major consideration in expanding Infrastructure Ontario's OSIFA Loan Program – one of the alternative financing approaches that the government is using to renew Ontario's public infrastructure.

I've identified your organization as a municipally-owned Local Distribution Company (LDC), and as such, it is eligible for affordable financing through Infrastructure Ontario's OSIFA Loan Program.

With various projects being planned by LDCs, including the mandate to equip Ontario homes with Smart Meters by 2010, our role is simply to provide you with an affordable financing option, to help make your projects happen. Since the recent introduction of the OSIFA Loan Program to the sector, seven Ontario LDCs have begun the loan process with Infrastructure Ontario.

Financing is available in terms from 30-days for construction financing, to up to 40-years for long-term debentures. Infrastructure Ontario's rate is all-in for the entire term of the loan and there are no additional fees, ever!

All capital expenditures are eligible, including:

- Facility construction or renovation
- Smart Meter installation
- Energy conservation retrofits
- Overhead wiring and underground cabling
- Switchgear and pole structures
- Any development or asset classified as a capital expenditure

To date, we have committed to providing over \$2.8 billion in low-cost loans, of which \$1.3 billion has been advanced to a variety of public sector partners. The investments have stimulated more than 700 infrastructure projects to

support priorities such as clean water, waste management, energy conservation, road and bridge improvements, recreational facilities and more.

I encourage you to visit [our website](#) to learn more about the OSIFA Loan Program and our loan rates, terms and options. If you'd prefer a personal meeting or presentation with a focus on how Infrastructure Ontario can assist your organization, please contact me anytime.

Thank you.

Robert Keene
Client Solutions Manager
Infrastructure Ontario
Tel: 905-721-2792
robert.keene@infrastructureontario.ca

Interrogatory # 31

Ref: Exhibit 5, Tab 1, Schedule 1

The evidence notes that Kingston paid down \$1,500,000 of the loan to its shareholder, the City of Kingston, reducing the loan payable to \$10,880,619.

a) Please provide a copy of the loan agreement between Kingston Hydro and the City of Kingston.

Please see attached Certificate of Passing of Resolution and Transfer By-Law.

b) Can Kingston pay off all or part of the remaining outstanding principle of this loan without the consent of the City? If no, please indicate where this restriction is in the loan agreement.

Kingston Hydro is not able to pay off all or part of the remaining outstanding principal of this loan without the consent of the City, as Shareholder. Please see attached resolution.

c) Has Kingston Hydro investigated the possibility of refinancing some or all of the remaining outstanding balance payable to the City of Kingston at a rate lower than 7.25%? If yes, please provide the details and all related correspondence. If no, why not?

Kingston Hydro has not investigated the possibility of refinancing because of the restrictions in the Eligible Expenditures regulation under the Municipal Act and the City's desire for the debt instrument to continue.

d) What provisions, if any, are in the loan agreement if Kingston Hydro opted to refinance any or all of the loan from the City of Kingston?

There are no provisions in the loan agreement regarding refinancing other than that noted in the resolution attached in part b) above.

KINGSTON ELECTRICITY DISTRIBUTION LIMITED

211 Counter Street PO Box 790
Kingston ON Canada K7L 4X7
Telephone: 613 546-1181
Fax: 613 542-1463

February 19, 2003

Honorable John Baird
Minister of Energy
Ministry of Energy
900 Bay Street, 4th Floor
Hearst Block
Toronto, Ontario
M7A 2E1

RE: Certificate of Passing of Resolution

Please find attached, a certified copy of the resolution passed by the Council of the Corporation of the City of Kingston as required by section 159.1 (4) of the Electricity Act as well as a completed copy of the required Certificate.

Yours truly,



Jim Keech
President and CEO

Attachment.

cc. Isabel Turner, Mayor
Carolyn Downs, City Clerk
Bert Meunier, CAO

* * * * *

I HEREBY CERTIFY THAT THE FOLLOWING IS A TRUE AND CORRECT COPY OF
Clause 1.(i), Committee of the Whole, ADOPTED AND APPROVED BY KINGSTON
CITY COUNCIL AT ITS REGULAR MEETING HELD ON FEBRUARY 11, 2003:

1. (i) *WHEREAS the Province has enacted legislation in 1998, the Electricity Act, that has removed electricity from the definition of "public utility", and;*
WHEREAS the City of Kingston formed Kingston Electricity Distribution Limited, a business under the Business Corporations Act, as required by Section 142(1) of the Electricity Act, and;
WHEREAS the City of Kingston is satisfied that all necessary steps were taken to determine the revenue requirements of its electricity distribution utility, and;
WHEREAS Section 159.1 of Bill 210, the Electricity Pricing, Conservation & Supply Act, 2002, enacted on December 9, 2002, provides that a municipality that has an interest in an LDC, as defined in subsection 159.1(3), may, within 90 days after Section 159.1 comes into force, pass a resolution providing that the municipality affirms that the LDC should continue to be incorporated as provided in Subsection 142(1) of the Electricity Act, and;
WHEREAS Section 159.1 of Bill 210 provides that if the Minister of Energy does not receive a certificate certifying the passing of the resolution to continue to be incorporated, as provided in Subsection 142(1) of the Electricity Act within 90 days of Section 159.1 coming into force, the consequences as laid out in Subsections 159.1(5), (6) and (7) of Bill 210 will follow;
THEREFORE BE IT RESOLVED THAT the City of Kingston affirm that Kingston Electricity Distribution Limited shall continue to be incorporated as provided in Section 142(1) of the Electricity Act, as it was established in 2000;

-and further-

THAT Council authorize the Mayor and City Clerk to execute the Certificate of Passing of a resolution as prescribed by Regulation 430/02, certifying the passing of the resolution to continue to operate on a for-profit basis.

CARRIED

DATED at Kingston, Ontario
this 12th day of February, 2003



CAROLYN DOWNS
City Clerk

* * * * *

December 20, 2002

CERTIFICATE OF PASSING OF RESOLUTION
UNDER SECTION 159.1 OF THE *ELECTRICITY ACT, 1998*

Name of Municipality

Corporation of the City of Kingston

Name of Local Distribution Company

Kingston Electricity Distribution Limited

Direct and Indirect Beneficial Ownership of and Voting Rights in Local Distribution Company.
Specify shareholders and % of ownership at each level of the corporate structure (see subsection 159.1
(3) of Act). If there is insufficient space on this form, attach additional page(s).

Corporation of the City of Kingston - Common Shares - 100%

Attached is a copy of the resolution passed by the municipality affirming that the local distribution
company should continue to operate on a for-profit basis.

The municipality affirms that the projected return on common equity to be earned by the local distribution
company, on which the rates approved by the Ontario Energy Board are based, is 8.43 %.

Provide details of all financial arrangements involving the municipality and the local distribution company.
If there is insufficient space on this form, attach additional page(s).

Date of Arrangement	Description of Arrangement	Term	Principal Amount	Annual Interest Payable
Jan. 1, 2000	Note Payable	No Fixed Terms of Repayment	\$12,380,619	\$897,596

Isabel Turner ISABEL TURNER

Name of Mayor

Isabel Turner Feb 12, 2003

Signature of Mayor

Date

CAROLYN S. DOWNS

Name of Clerk

Carolyn Downs Feb 12, 2003

Signature of Clerk

Date

Clause 1a), Report No. 109, 2000

BY-LAW NO. 2000-291

A BY-LAW TO TRANSFER CERTAIN EMPLOYEES, ASSETS, LIABILITIES, RIGHTS AND OBLIGATIONS OF THE CORPORATION OF THE CITY OF KINGSTON PURSUANT TO SECTION 145 OF THE ELECTRICITY ACT, 1998

PASSED: October 25, 2000

WHEREAS the Corporation of the City of Kingston (the City) has carried on an electricity distribution business in the City of Kingston since 1904;

AND WHEREAS, pursuant to section 144 of the *Electricity Act*, 1998, after November 7, 2000, the City will no longer be permitted to distribute electricity except through a corporation incorporated under the Business Corporations Act;

AND WHEREAS the City has caused a corporation to be incorporated pursuant to section 142 of the *Electricity Act*, 1998 (Wires Co), for the purpose of distributing electricity in the City of Kingston;

AND WHEREAS the City has subscribed for and is the legal and beneficial owner of all the shares issued by Wires Co;

AND WHEREAS pursuant to section 73(1) of the *Ontario Energy Board Act*, 1998, Wires Co is authorized to cause a corporation to be incorporated to carry on certain business activities enumerated therein;

AND WHEREAS Wires Co has caused a corporation to be incorporated for the purposes enumerated in paragraphs 1, 5, 6, 7, and 9 of section 73(1) of the *Ontario Energy Board Act*, 1998 (Services Co), which, without limitation, shall include the distribution of electricity, and the management of the gas and water public utilities, and the sewer services, on behalf of the City;

AND WHEREAS Wires Co has subscribed for and is the legal and beneficial owner of all the shares issued by Services Co;

AND WHEREAS, pursuant to section 145 of the *Electricity Act*, 1998, the City wishes to transfer its electricity distribution business, and the associated business activities of the management of the gas and water public utilities, and the sewer services, including the employees, assets, liabilities, rights and obligations associated therewith, to Wires Co and its affiliate, Services Co;

NOW THEREFORE the Council of the Corporation of the City of Kingston hereby enacts as follows:

1. Definitions

- (a) "Assets" means all assets (except those listed as excluded assets), of the City used for the purpose of distributing electricity and carrying on its associated business activities on the effective date.
- (b) "City" means The Corporation of the City of Kingston.

By-Law No. 2000-291

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- (c) "Effective Date" means the date for transfer of the employees, assets, liabilities, rights and liabilities of the City in connection with the City's electricity distribution business and its associated business activities.
- (d) (Optional Definition) "Excluded Assets", means the assets described in Schedule "A" of this Transfer By-law.
- (e) "Liabilities" means all liabilities of the City in connection with its electricity distribution business and its associated business activities on the effective date.

2. Transfer

- (a) All of the assets, liabilities, rights and obligations of the City related to the City's electricity distribution business, and its associated business activities, are hereby transferred to and assumed by Wires Co, provided that Wires Co may direct that certain of the said assets, liabilities, rights and obligations, be transferred to Services Co.
- (b) All employees of the City related to the City's electricity distribution business, its gas and water public utilities, and its sewer services, are hereby transferred and assumed by Wires Co and Services Co. The employment of an employee who is transferred pursuant to this Transfer By-law will not be terminated. All employees transferred herein shall cease to be employees of the City and shall continue as employees of Services Co or Wires Co, as may be determined by Wires Co, with no interruption in their service, so that service with the City shall be deemed to be service with Wires Co or Services Co, as the case may be.
- (c) (Optional provision – if there are any excluded assets)
The excluded assets shall not be transferred to Wires Co.
- (d) The City shall provide Wires Co and Services Co with all records, copies of records, and other information or documentation in the City's custody or control which relate to an employee, asset, liability, right or obligation that is transferred by this Transfer By-law, including personal information.

3. Consideration

- (a) All of the assets of the City transferred to Wires Co pursuant to this Transfer By-law shall be transferred at the fair market value on the effective date, which value shall be determined by the City's Commissioner of Finance, and which value may be subject to adjustment by the said Commissioner.
- (b) The consideration to be received by the City for the transfer of assets to Wires Co is the assumption by Wires Co of any liabilities associated therewith, and the receipt by the City of fully paid securities of Wires Co.
- (c) The consideration to be received by Wires Co for the transfer of assets to Services Co is the assumption by Services Co of any liabilities associated therewith, and the receipt by Wires Co of fully paid securities of Services Co.

By-Law No. 2000-291

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(d) The City's Commissioner of Finance may adjust the amount of any consideration payable pursuant to this Transfer By-law, and any such adjustment shall be deemed to have occurred on the effective date.

4. Effective Date of Transfer

The effective date of the transfer herein is the 1st day of January, 2000.

5. Invalidity

If any portion of this Transfer By-law is determined to be invalid for any reason, such invalidity shall not affect the validity of the remaining portions of the By-law.

6. (Optional – if there is a schedule)

The Schedule attached to this Transfer By-law forms part of the By-law.

7. The Mayor and the proper Officers of the City are hereby authorized and directed to do all things necessary to give effect to this Transfer By-law, and the Mayor and the Clerk are hereby authorized and directed to execute all documents necessary in that behalf, and to affix the corporate seal of the municipality to all such documents.

8. This Transfer By-law shall come into force and take effect on the date of its passing.

GIVEN FIRST AND SECOND READINGS September 14, 2000

GIVEN THIRD READING AND PASSED October 25, 2000


ACTING CITY CLERK


MAYOR



Memorandum

To: R. Murphy, Treasurer
From: N. Taylor, Corporate Secretary
Date: 7 July 2010
Subject: Resolution regarding Debt

This will confirm that at the Annual General meeting of the Shareholder of Kingston Hydro Corporation held on 6 July 2010 that the following resolution was approved:

That the Shareholder of Kingston Hydro Corporation receive the report on the balance of debt of Kingston Hydro Corporation

~and further~

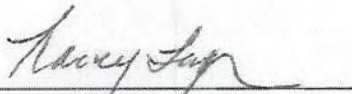
resolve that the debt in place between Kingston Hydro Corporation and the City of Kingston will not be called by the Shareholder on less than 366 days notice

~and further~

resolve that the interest rate of 7.25% that has been in effect since the loan was made in the year 2000 be re-affirmed and stay in place

~and further~

resolve that this debt will not be callable before 2012.


Nancy Taylor
Corporate Secretary

Interrogatory #32

Ref: Exhibit 6, Tab 2, Schedule 1, Attachment 1 & Exhibit 1, Tab 4, Schedule 10, Attachment 1

a) Please reconcile the gross revenue deficiency of \$2,651,557 noted in Attachment 1 of Exhibit 6, Tab 2, Schedule 1 with the calculation of the gross revenue deficiency of \$3,370,922 shown in the Revenue Requirement Work Form in Attachment 1 of Exhibit 1, Tab 4, Schedule 10.

Please refer to VECC IR #8a) response.

b) Please explain why there are no PILs shown on Exhibit 6, Tab 2, Schedule 1, Attachment 1 in the 2011 Projection column.

There are no PILs shown for 2011 at existing rates in the 2011 projection column because the Applicant would have no taxable income at existing rates for 2011.

c) What is the actual revenue deficiency being claimed by Kingston?

Please refer to VECC IR #8a) response.