

**EB-2010-0136**  
**Kingston Hydro Corporation**  
**Proposed Settlement Agreement**  
**January 12, 2011**

This settlement agreement (the “Settlement Proposal” or “Settlement Agreement”) is for the consideration of the Ontario Energy Board (the “Board”) in its determination of the Electricity Distribution Rate Application (the “Application”) by Kingston Hydro Corporation (“Kingston” or “KH”), EB-2010-0136, for 2011 electricity distribution rates. KH’s Application was received by the Board on August 23, 2010.

Pursuant to Procedural Order No. 1, dated October 12, 2010, a Settlement Conference was scheduled for December 14, 2010 through December 16, 2010. Due to a scheduling conflict, the Board, on November 4, 2010, changed the Settlement Conference date to commence December 15, 2010. The Settlement Conference was duly convened in accordance with Procedural Order No. 1 with Mr. Chris Haussmann as the facilitator. The Settlement Conference concluded on December 16, 2010. Kingston and the following intervenors (the “Intervenors” and collectively including Kingston, the “Parties”) participated in the Settlement Conference:

Energy Probe Research Foundation (“Energy Probe”)  
School Energy Coalition (“SEC”)  
Vulnerable Energy Consumers Coalition (“VECC”)

The role adopted by the Board Staff in the Settlement Conference is set out on page 5 of the Board’s Settlement Conference Guidelines (the “Guidelines”). Although Board Staff is not a party to this Settlement Agreement, as noted in the Guidelines, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Guidelines. The Parties understand this to mean that the

documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal.

This Agreement represents a full settlement of all matters with the exception of the seven unsettled issues set out below. It is acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's Rules of Practice and Procedure. The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Settlement Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not accept the Settlement Agreement in its entirety, then there is no settlement unless the Parties agree that those portions of the Settlement Agreement that the Board does accept may continue as a valid settlement.

The parties agree that the following seven unsettled issues will be addressed by way of an oral hearing for determination by the Board:

1. Is it appropriate to use the half-year rule for depreciation for the years 2005-2010 as proposed by Kingston in its Application?
2. Should the cost of power estimate for the determination of working capital allowance be based on the most current values (November, 2010 to October, 2011) as proposed by Kingston in the Application, or the most current projected values (May, 2011 to April, 2012)?
3. Are the 2011 capital expenditures proposed by Kingston in the Application appropriate?

4. Is the proposed interest income earned on funds held in the City of Kingston's bank account appropriate as proposed by the Kingston in the Application?
5. Are the 2011 Operating, Maintenance and Administrative (OM&A) expenses as proposed by Kingston in the Application appropriate?
6. Is the PILs Schedule 1 adjustment for future benefit liabilities as proposed by KH in the Application appropriate?
7. Is the interest rate of 7.25% for the long-term debt instrument held by the City of Kingston as proposed by Kingston in the Application appropriate for the purpose of setting rates?

For the purpose of settling all issues except the seven outstanding issues, the Parties agree that any issues not expressly dealt with in this Settlement Proposal are acceptable as proposed in the Application, pre-filed evidence, interrogatory responses, and other evidence in this proceeding. Appendix "B" to this Agreement is a Revenue Requirement Work Form that sets out the result of all issues expressly agreed in this Settlement Proposal, and all other issues on which the Parties have accepted the Applicant's evidence as filed.

Notwithstanding the settled issues contained herein, and the acceptance by the Parties of the Application as filed for other issues, any decision by the Board on any of the seven unsettled issues will have the natural consequences of such decision, including any natural consequences on settled or accepted issues. By way of example only, the Board's decision with respect to depreciation in years 2005 through 2010 may affect opening rate base in the Test Year. Notwithstanding the acceptance by the Parties of the Application as filed, any such change to opening rate base resulting from the Board's decision on the issue will be applied in the determination of rate base for the Test Year. Similarly, a decision by the Board with respect to 2011 OM&A expenses may affect the cost allocation in Appendix "A", and thus the revenue to cost ratios that result.

It is also agreed that this Settlement Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Settlement Agreement. However,

none of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Settlement Agreement, if contrary to the terms of this Settlement Agreement, should be applicable for all or any part of the 2011 Test Year.

References to the evidence supporting this Agreement on each issue are set out in each section of the Agreement. Those references do not represent an agreement by the Parties as to the evidence relevant to each issue, and other evidence in this proceeding may also be relevant to those issues. The Applicant has used its best efforts to include such evidence as it believes is applicable in each such reference.

The Parties agree that this Settlement Agreement, Appendix "A" and Appendix "B" form part of the record in EB-2010-0136. Appendix "A" and Appendix "B" were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of Appendix "A" and Appendix "B" in entering into this Agreement. There is no approved issues list for this proceeding. However, for the purposes of organizing this Settlement Agreement, and without prejudice to the positions of the Parties with respect to the issues that might otherwise be considered in this proceeding, the Parties have followed the issues listed within this Settlement Agreement.

Appendix "A" attached to this Settlement Agreement is sheet O1, 2011 Cost Allocation Model arising from this Settlement Agreement. Appendix "B" attached to this Settlement Agreement is the Revenue Requirement Work Form reflecting all changes set out in this Settlement Agreement.

## **Settlement Terms by Issue**

### **1. Administration (Exhibit 1)**

1a. Is the proposed effective date of May 1, 2011 appropriate?

**Complete Settlement:** For the purpose of obtaining a complete settlement with the exception of the seven outstanding issues, the Parties accept a May 1, 2011 effective date using rates for the distribution of electricity determined on the basis of the 2011 revenue requirement.

**Evidence:** Exhibit 1, Tab 1, Schedule 2.

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None

**Opposing parties:** None

## **2. Rate Base (Exhibit 2)**

2a. Is it appropriate to use the half-year rule for depreciation for the years 2005 through 2010 as proposed by Kingston in the Application?

**No Settlement:** The Parties agree to go to an oral hearing on this issue for determination by the Board.

**Evidence:** Exhibit 2, Tab 1, Schedule 3; Exhibit 2, Tab 3, Schedule 2; Exhibit 2, Tab 3, Schedule 3; Response to Energy Probe IRs #2 and #5, Response to SEC IR #8

2b. Are the proposed 2010 capital expenditures appropriate?

**Complete Settlement:** For the purpose of obtaining a complete settlement with the exception of the seven outstanding issues, the Parties agree with the proposed 2010 capital expenditures of \$3,215,025. This is detailed in VECC Interrogatory 45 a) made up of the \$4,318,177 less an adjustment for \$730,000 for Hydro One, \$285,652 for transportation equipment, \$25,000 for Princess Street assessment, less \$62,500 for Enterprise Asset Management Software totaling \$3,215,025.

**Evidence:** Exhibit 2, Tab 1, Schedule 1, Exhibit 2, Tab 3, Schedule 1, Exhibit 2, Tab 4, Schedule 1, Exhibit 2, Tab 4, Schedule 2, VECC IR #45

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

**Opposing parties:** None

2c. Should the cost of power estimate for the determination of working capital allowance be based on the most current values (November, 2010 to October, 2011) as proposed

by Kingston in the Application, or the most current projected values (May, 2011 to April, 2012)?

**No Settlement:** The Parties agree to go to a hearing on this issue for determination by the Board.

**Evidence:** Exhibit 3, Tab 1, Schedule 1; Response to Energy Probe IR #13

2 d. Are the 2011 capital expenditures proposed by Kingston in the Application appropriate?

**No Settlement:** The Parties agree to go to an oral hearing on this issue for determination by the Board.

**Evidence:** Exhibit 2, Tab 4, Schedule 1; Exhibit 2, Tab 4, Schedule 7; Response to VECC IRs #22, #23, #24, #45; Response to SEC IRs #11, #12, #15b, #8 (second round), #9 (second round); Responses to Energy Probe IRs #6, #7, #8, #33, #36, #37; Responses to Board Staff IRs #29, #30, #31

### **3. Operating Revenue (Exhibit 3)**

3a. Is the Customer and Load Forecast appropriate?

**Complete Settlement:** For the purpose of obtaining complete settlement of all issue with the exception of the seven outstanding issues, the Parties accept Kingston's proposed customer and load forecast as updated in Kingston's response to Energy Probe interrogatory #12h which incorporated updated economic forecasts and a correction to the large use class.

**Evidence:** Exhibit 3, Tab 2, Schedule 1, response to Energy Probe interrogatory 12h.

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None

**Opposing parties:** None

3 b. Is the forecast interest income earned on funds held in the City of Kingston's in bank account appropriate as proposed by the Kingston in the Application?

**No Settlement:** The Parties agree to go to an oral hearing on this issue for determination by the Board.

**Evidence:** Exhibit 3, Tab 3, Schedule 2; Exhibit 2, Attachment 2 and Exhibit 3, Tab 3, Tab 5; Responses to SEC IRs #2, #1 (second round); Energy Probe IRs #15, #44



3c. With the exception of the proposed interest income earned on funds held in the City of Kingston's bank account set out in 3b above, is the forecast of other revenues appropriate?

**Complete Settlement:** For the purpose of obtaining complete settlement of all issue with the exception of the seven outstanding issues, the Parties accpet Kingston's forecast of other revenues.

**Evidence:** Exhibit 3, Tab 3, Schedule 3.

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

**Opposing parties:** None

#### **4. Operating Costs (Exhibit 4)**

4a. Are the 2011 Operations, Maintenance and Administration (“OM&A”) expenses as proposed by Kingston in the Application appropriate?

**No Settlement:** The Parties agree to go to an oral hearing on this issue for determination by the Board.

**Evidence:** Exhibit 4, Tab 2, Schedule 1; Exhibit 4, Tab 2, Schedule 2; Exhibit 4, Tab 2, Schedule 3; Exhibit 4, Tab 2, Schedule 5; Responses to VECC IRs #27, #28, #29, #30, #31, #32, #33, Responses to SEC IRs #14, #15, #16, #17, #18, #3 (second round), #10 (second round), #12 (second round), #14 - #18 (second round), #24 (second round), #28 (second round); Board Staff IRs #9 - #28, #3 - #7 (second round)

4 b. Is the PILs Schedule 1 adjustment for future benefit liabilities as proposed by KH in the Application appropriate?

**No Settlement:** The Parties agree to go to an oral hearing on this issue for determination by the Board.

**Evidence:** Exhibit 4, Tab 4, Schedule 1; Exhibit 4, Tab 8, Schedule 1; Responses to Board Staff IRs #44 and second round #9; Response to SEC IR #19 (second round)

## **5. Cost of Capital and Rate of Return (Exhibit 5)**

5a. Is the Capital Structure appropriate?

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties accept the proposed capital structure of 60% debt and 40% equity.

**Evidence:** Exhibit 5, Tab 1, Schedule 1,

**Supporting parties:** KH, Energy Probe, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

5b. With the exception of the debt instrument held by the City of Kingston, is the proposed cost of debt proposed by KH appropriate?

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties agree that for the purpose of setting rates the "TD Bank Capital Loan" shall be at 3.25%, the "TD Bank Smart Meters" shall be at 4.5%, the "TD Bank 2009 Capital Loan" and the "TD Bank 2010 Capital Loan" shall be at 4.64% and the "TD Bank 2011 Capital Loan" shall be at 4.78%.

**Evidence:** Exhibit 5, Tab 1, Schedule 1, Attachment 2

**Supporting parties:** KH, Energy Probe, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

5c. Is the interest rate of 7.25% for the long-term debt instrument held by the City of Kingston as proposed by Kingston in the Application appropriate for the purpose of setting rates?

**No Settlement:** The Parties agree to go to an oral hearing on this issue for determination by the Board.

**Evidence:** Exhibit 5, Tab 1, Schedule 1; Response to Energy Probe IR #31; Responses to SEC IR #19 and second round #11

## **6. Cost Allocation (Exhibit 7)**

6a. Is the Cost Allocation proposed by KH appropriate?

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties agree that the 2011 Cost Allocation Model will be revised such that the 2011 distribution of base revenue will reflect the 2011 Customer and Load Forecast and the 2010 Board Approved distribution rates, EB-2009-0201. The Parties further agree that the revenue to cost ratio for the classes above their Board Approved Ranges after the revision, namely the GS<50 and USL classes, will be moved down to the top of their respective ranges. Under the revised approach to the Cost Allocation Model only the LU class and the Residential Class are below a revenue to cost ratio of 1.0; accordingly the Parties agree that the revenue shifted from the GS<50 and USL classes will be recovered first from the LU class (as the class most under a revenue to cost ratio of 1.0 and the only class below its' Board Approved Range) until the LU class revenue to cost ratio is equal to the Residential Class' revenue to cost ratio, and then from both the LU and Residential Classes, maintaining similar, and if possible, identical revenue to cost ratios for both.

**Evidence:** Exhibit 7, Tab 2, Schedule 2

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

## **7. Rate Design (Exhibit 8)**

7 a. Should the percentages between fixed and variable monthly charges be adjusted for 2011 rates?

**Complete Settlement:** For the purposes of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties agree that the Applicant shall increase the fixed charge for each class by the same percentage as the percentage increase to the variable charge for that class.

**Evidence:** Exhibit 8, Tab 2, Schedule 1

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

**Opposing parties:** None

7 b. Are the total loss factors appropriate?

**Complete Settlement:** For the purposes of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties accept the loss factors proposed by KH.

**Evidence:** Exhibit 8, Tab 3, Schedule 3

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

**Opposing parties:** None

## **8. Deferral and Variance Accounts (Exhibit 9)**

8 a. Is the disposition and recovery of the deferral and variance accounts as proposed by KH appropriate?

**Complete Settlement:** For the purposes of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties agree to the disposition of the balances selected for disposition over a two year recovery period.

**Evidence:** Exhibit 9, Tab 1, Schedule 1; Exhibit 9, Tab 1, Schedule 2; Exhibit 9, Tab 2, Schedule 1; Exhibit 9, Tab 2, Schedule 2

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

**Opposing parties:** None

8 b. Should KH be granted the three new deferral and variance accounts it proposed?

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties agree that KH should be granted Account 1595 Sub-Account Disposition of December 31, 2009 Balances; further the Parties agree that KH should not be granted the Variance Account for Smart Meter Entity Charges ("SMCs") from the Independent Electricity System Operator ("IESO") and the Deferral Account for expenses related to the implementation of the Energy Consumer Protection Act, 2010 as these issues are common to all electricity distributors and should be dealt with by way of a generic Board process.

**Evidence:** Exhibit 9, Tab 1, Schedule 1;

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

**Opposing parties:** None



**9. Lost Revenue Adjustment Mechanism (Exhibit 10)**

9. Is the Lost Revenue Adjustment Mechanism Claim proposed appropriate?

**Complete Settlement:** For the purposes of obtaining complete settlement of all issues with the exception of the seven outstanding issues, the Parties agree to the Lost Revenue Adjustment mechanism claim.

**Evidence:** Exhibit 10, Tab 1, Schedule 1

**Supporting parties:** KH, SEC, Energy Probe and VECC

**Parties taking no position:** None.

**Opposing parties:** None

## APPENDIX A

# Sheet O1 Revenue to Cost Summary Worksheet - Second Run

## Class Revenue, Cost Analysis, and Return on Rate Base

KEDL 2011 CA\_Model - Settlement - Jan 12

			1	2	3	6	7	9
Rate Base Assets		Total	Residential	GS <50	GS>50-Regular	Large Use >5MW	Street Light	Unmetered Scattered Load
crev	Distribution Revenue (sale)	\$9,545,865	\$5,250,414	\$1,812,632	\$2,017,014	\$322,389	\$97,504	\$45,911
mi	Miscellaneous Revenue (mi)	\$625,325	\$394,575	\$106,837	\$98,245	\$15,454	\$3,764	\$6,451
<b>Total Revenue</b>		<b>\$10,171,190</b>	<b>\$5,644,989</b>	<b>\$1,919,469</b>	<b>\$2,115,259</b>	<b>\$337,843</b>	<b>\$101,267</b>	<b>\$52,363</b>
<b>Expenses</b>								
di	Distribution Costs (di)	\$3,270,515	\$1,853,137	\$458,997	\$736,604	\$175,024	\$35,969	\$10,785
cu	Customer Related Costs (cu)	\$1,093,842	\$820,562	\$170,713	\$86,703	\$1,271	\$3,213	\$11,381
ad	General and Administration (ad)	\$2,616,549	\$1,597,337	\$377,286	\$499,604	\$105,787	\$23,785	\$12,750
dep	Depreciation and Amortization (dep)	\$1,992,032	\$1,203,537	\$287,601	\$407,911	\$66,427	\$20,428	\$6,128
INPUT	PILs (INPUT)	\$699,800	\$413,778	\$100,327	\$147,992	\$28,517	\$7,066	\$2,120
INT	Interest	\$1,379,167	\$815,473	\$197,725	\$291,663	\$56,201	\$13,927	\$4,179
<b>Total Expenses</b>		<b>\$11,051,905</b>	<b>\$6,703,823</b>	<b>\$1,592,648</b>	<b>\$2,170,477</b>	<b>\$433,226</b>	<b>\$104,388</b>	<b>\$47,343</b>
<b>Direct Allocation</b>		<b>(\$75,900)</b>	<b>(\$1,423)</b>	<b>(\$8,197)</b>	<b>(\$66,280)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
NI	Allocated Net Income (NI)	\$1,686,917	\$997,440	\$241,846	\$356,745	\$68,742	\$17,034	\$5,111
<b>Revenue Requirement (includes NI)</b>		<b>\$12,662,923</b>	<b>\$7,699,840</b>	<b>\$1,826,297</b>	<b>\$2,460,942</b>	<b>\$501,968</b>	<b>\$121,422</b>	<b>\$52,454</b>
<b>Revenue Requirement Input equals Output</b>								
<b>Rate Base Calculation</b>								
<b>Net Assets</b>								
dp	Distribution Plant - Gross	\$45,171,040	\$26,967,184	\$6,502,849	\$9,425,113	\$1,681,349	\$457,286	\$137,259
gp	General Plant - Gross	\$4,378,048	\$2,588,650	\$627,661	\$925,858	\$178,405	\$44,209	\$13,265
accum dep	Accumulated Depreciation	(\$16,932,434)	(\$10,270,272)	(\$2,454,410)	(\$3,453,284)	(\$530,629)	(\$172,138)	(\$51,701)
co	Capital Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Net Plant</b>		<b>\$32,616,654</b>	<b>\$19,285,562</b>	<b>\$4,676,100</b>	<b>\$6,897,688</b>	<b>\$1,329,125</b>	<b>\$329,357</b>	<b>\$98,823</b>
<b>Directly Allocated Net Fixed Assets</b>		<b>(\$929,128)</b>	<b>(\$17,422)</b>	<b>(\$100,342)</b>	<b>(\$811,363)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
COP	Cost of Power (COP)	\$61,450,550	\$16,947,486	\$8,107,425	\$22,608,458	\$13,238,608	\$350,450	\$198,124
	OM&A Expenses	\$6,980,906	\$4,271,035	\$1,006,995	\$1,322,911	\$282,082	\$62,967	\$34,916
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>		<b>\$68,431,456</b>	<b>\$21,218,521</b>	<b>\$9,114,420</b>	<b>\$23,931,368</b>	<b>\$13,520,690</b>	<b>\$413,417</b>	<b>\$233,040</b>
<b>Working Capital</b>		<b>\$10,264,718</b>	<b>\$3,182,778</b>	<b>\$1,367,163</b>	<b>\$3,589,705</b>	<b>\$2,028,103</b>	<b>\$62,013</b>	<b>\$34,956</b>
<b>Total Rate Base</b>		<b>\$41,952,244</b>	<b>\$22,450,919</b>	<b>\$5,942,920</b>	<b>\$9,676,029</b>	<b>\$3,357,228</b>	<b>\$391,369</b>	<b>\$133,779</b>
<b>Rate Base Input equals Output</b>								
<b>Equity Component of Rate Base</b>		<b>\$20,976,122</b>	<b>\$11,225,459</b>	<b>\$2,971,460</b>	<b>\$4,838,015</b>	<b>\$1,678,614</b>	<b>\$195,685</b>	<b>\$66,889</b>
<b>Net Income on Allocated Assets</b>		<b>(\$804,816)</b>	<b>(\$1,057,411)</b>	<b>\$335,018</b>	<b>\$11,062</b>	<b>(\$95,383)</b>	<b>(\$3,120)</b>	<b>\$5,020</b>
<b>Net Income on Direct Allocation Assets</b>		<b>(\$33,999)</b>	<b>(\$638)</b>	<b>(\$3,672)</b>	<b>(\$29,690)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Income</b>		<b>(\$838,815)</b>	<b>(\$1,058,049)</b>	<b>\$331,346</b>	<b>(\$18,628)</b>	<b>(\$95,383)</b>	<b>(\$3,120)</b>	<b>\$5,020</b>
<b>RATIOS ANALYSIS</b>								
REVENUE TO EXPENSES %		80.32%	73.31%	105.10%	85.95%	67.30%	83.40%	99.83%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$2,491,733)	(\$2,054,851)	\$93,172	(\$345,683)	(\$164,125)	(\$20,155)	(\$91)
RETURN ON EQUITY COMPONENT OF RATE BASE		-4.00%	-9.43%	11.15%	-0.39%	-5.68%	-1.59%	7.50%
Adjusted Distribution Revenue		\$12,037,598	\$6,633,321	\$2,282,863	\$2,535,209	\$405,154	\$122,312	\$58,739
Adjusted Revenue		\$12,662,923	\$7,027,895	\$2,389,700	\$2,633,454	\$420,608	\$126,076	\$65,191
Adjusted Revenue to Expenses %		100%	91.27%	130.85%	107.01%	83.79%	103.83%	124.28%
Adjusted Revenue Minus Allocated Costs		\$0	(\$671,944)	\$563,403	\$172,512	(\$81,360)	\$4,654	\$12,736
Adjusted Distribution Rev Req't		\$12,037,598						
Adjusted Dist'n Revenue		\$12,037,598	\$6,620,916	\$2,285,779	\$2,543,511	\$406,542	\$122,955	\$57,896
		\$12,662,923	\$7,015,491	\$2,392,616	\$2,641,755	\$421,995	\$126,719	\$64,347
			91.11%	131.01%	107.35%	84.07%	104.36%	122.67%

## APPENDIX B



## Revenue Requirement Work Form

Name of LDC: Kingston Hydro Corporation (1)  
 File Number: EB-2010-0136  
 Rate Year: 2011 Version: 2.11

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2	<a href="#"><u>Utility Income</u></a>
3	<a href="#"><u>Taxes/PILS</u></a>
4	<a href="#"><u>Capitalization/Cost of Capital</u></a>
5	<a href="#"><u>Revenue Sufficiency/Deficiency</u></a>
6	<a href="#"><u>Revenue Requirement</u></a>
7A	<a href="#"><u>Bill Impacts -Residential</u></a>
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#### Notes:

- (1) Pale green cells represent inputs
- (2) Pale yellow cells represent drop=down lists
- (3) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (4) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.**

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# Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation

File Number: EB-2010-0136

Rate Year: 2011

Data Input									
	Initial Application	Adjustments	Settlement Agreement	(7)	Adjustments	Per Board Decision			
<b>1 Rate Base</b>									
Gross Fixed Assets (average)	\$49,850,935	(\$1,230,975)	\$ 48,619,960			\$48,619,960			
Accumulated Depreciation (average)	(\$16,983,278)	(5) \$50,844	-\$ 16,932,434			(\$16,932,434)			
Allowance for Working Capital:									
Controllable Expenses	\$6,980,907	\$ -	\$ 6,980,907			\$6,980,907			
Cost of Power	\$61,518,323	(\$67,773)	\$ 61,450,550			\$61,450,550			
Working Capital Rate (%)	15.00%		15.00%			15.00%			
<b>2 Utility Income</b>									
Operating Revenues:									
Distribution Revenue at Current Rates	\$9,540,655	\$10,120	\$9,550,775						
Distribution Revenue at Proposed Rates	\$12,174,156	(\$136,557)	\$12,037,599						
Other Revenue:									
Specific Service Charges	\$268,031	\$0	\$268,031						
Late Payment Charges	\$37,901	\$0	\$37,901						
Other Distribution Revenue	\$105,546	\$0	\$105,546						
Other Income and Deductions	\$213,847	\$0	\$213,847						
Operating Expenses:									
OM+A Expenses	\$6,850,907	\$ -	\$ 6,850,907			\$6,850,907			
Depreciation/Amortization	\$2,042,875	(\$50,843)	\$ 1,992,032			\$1,992,032			
Property taxes	\$130,000	\$ -	\$ 130,000			\$130,000			
Capital taxes	\$0		\$0						
Other expenses									
<b>3 Taxes/PILs</b>									
Taxable Income:									
Adjustments required to arrive at taxable income	\$188,000	(3)	\$216,948						
Utility Income Taxes and Rates:									
Income taxes (not grossed up)	\$497,058		\$491,987						
Income taxes (grossed up)	\$692,764		\$685,696						
Capital Taxes	\$ -	(6)	\$ -	(6)				(6)	
Federal tax (%)	16.50%		16.50%						
Provincial tax (%)	11.75%		11.75%						
Income Tax Credits	\$ -		\$ -						
<b>4 Capitalization/Cost of Capital</b>									
Capital Structure:									
Long-term debt Capitalization Ratio (%)	56.0%		56.0%						
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%	(2)				(2)	
Common Equity Capitalization Ratio (%)	40.0%		40.0%						
Preferred Shares Capitalization Ratio (%)	100.0%		100.0%						
Cost of Capital									
Long-term debt Cost Rate (%)	5.65%		5.60%			5.60%			
Short-term debt Cost Rate (%)	2.07%		2.07%			2.07%			
Common Equity Cost Rate (%)	9.85%		9.85%			9.85%			
Preferred Shares Cost Rate (%)									

## Notes:

(Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.

(1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)

(2) 4.0% unless an Applicant has proposed or been approved for another amount.

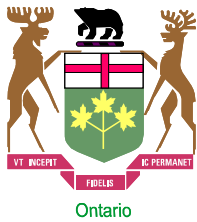
(3) Net of addbacks and deductions to arrive at taxable income.

(4) Average of Gross Fixed Assets at beginning and end of the Test Year

(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

(6) Not applicable as of July 1, 2010

(7) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.



## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation  
File Number: EB-2010-0136  
Rate Year: 2011

### Rate Base

Line No.	Particulars		Initial Application		Adjustments		Settlement Agreement		Adjustments		Per Board Decision
1	Gross Fixed Assets (average) (3)		\$49,850,935		(\$1,230,975)		\$48,619,960		\$ -		\$48,619,960
2	Accumulated Depreciation (average) (3)		(\$16,983,278)		\$50,844		(\$16,932,434)		\$ -		(\$16,932,434)
3	Net Fixed Assets (average) (3)		\$32,867,657		(\$1,180,131)		\$31,687,526		\$ -		\$31,687,526
4	Allowance for Working Capital (1)		\$10,274,885		(\$10,166)		\$10,264,719		\$ -		\$10,264,719
5	<b>Total Rate Base</b>		<b>\$43,142,542</b>		<b>(\$1,190,297)</b>		<b>\$41,952,245</b>		<b>\$ -</b>		<b>\$41,952,245</b>

<b>(1) Allowance for Working Capital - Derivation</b>											
6	Controllable Expenses		\$6,980,907		\$ -		\$6,980,907		\$ -		\$6,980,907
7	Cost of Power		\$61,518,323		(\$67,773)		\$61,450,550		\$ -		\$61,450,550
8	Working Capital Base		\$68,499,230		(\$67,773)		\$68,431,457		\$ -		\$68,431,457
9	Working Capital Rate % (2)		15.00%		0.00%		15.00%		0.00%		15.00%
10	Working Capital Allowance		\$10,274,885		(\$10,166)		\$10,264,719		\$ -		\$10,264,719

### Notes

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



## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation  
File Number: EB-2010-0136  
Rate Year: 2011

Utility income						
Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
<b>Operating Revenues:</b>						
1	Distribution Revenue (at Proposed Rates)	\$12,174,156	(\$136,557)	\$12,037,599	\$ -	\$12,037,599
2	Other Revenue (1)	\$625,325	(\$1,250,650)	\$625,325	\$ -	\$625,325
3	Total Operating Revenues	\$12,799,481	(\$1,387,207)	\$12,662,924	\$ -	\$12,662,924
<b>Operating Expenses:</b>						
4	OM+A Expenses	\$6,850,907	\$ -	\$6,850,907	\$ -	\$6,850,907
5	Depreciation/Amortization	\$2,042,875	(\$50,843)	\$1,992,032	\$ -	\$1,992,032
6	Property taxes	\$130,000	\$ -	\$130,000	\$ -	\$130,000
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$9,023,782	(\$50,843)	\$8,972,939	\$ -	\$8,972,939
10	Deemed Interest Expense	\$1,401,176	(\$49,806)	\$1,351,371	\$ -	\$1,351,371
11	Total Expenses (lines 9 to 10)	\$10,424,958	(\$100,649)	\$10,324,309	\$ -	\$10,324,309
12	Utility income before income taxes	\$2,374,523	(\$1,286,558)	\$2,338,614	\$ -	\$2,338,614
13	Income taxes (grossed-up)	\$692,764	(\$7,067)	\$685,696	\$ -	\$685,696
14	Utility net income	\$1,681,759	(\$1,279,491)	\$1,652,918	\$ -	\$1,652,918

### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>					
	Specific Service Charges	\$268,031	\$ -	\$268,031		\$268,031
	Late Payment Charges	\$37,901	\$ -	\$37,901		\$37,901
	Other Distribution Revenue	\$105,546	\$ -	\$105,546		\$105,546
	Other Income and Deductions	\$213,847	\$ -	\$213,847		\$213,847
	Total Revenue Offsets	\$625,325	\$ -	\$625,325	\$ -	\$625,325





## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation  
File Number: EB-2010-0136  
Rate Year: 2011

### Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<b><u>Determination of Taxable Income</u></b>				
1	Utility net income before taxes	\$1,699,816	\$1,652,918	\$1,652,918
2	Adjustments required to arrive at taxable utility income	\$188,000	\$216,948	\$188,000
3	Taxable income	<u>\$1,887,816</u>	<u>\$1,869,866</u>	<u>\$1,840,918</u>
<b><u>Calculation of Utility income Taxes</u></b>				
4	Income taxes	\$497,058	\$491,987	\$491,987
5	Capital taxes	\$ - (1)	\$ - (1)	\$ - (1)
6	Total taxes	<u>\$497,058</u>	<u>\$491,987</u>	<u>\$491,987</u>
7	Gross-up of Income Taxes	<u>\$195,706</u>	<u>\$193,709</u>	<u>\$193,709</u>
8	Grossed-up Income Taxes	<u>\$692,764</u>	<u>\$685,696</u>	<u>\$685,696</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$692,764</u>	<u>\$685,696</u>	<u>\$685,696</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<b><u>Tax Rates</u></b>				
11	Federal tax (%)	16.50%	16.50%	16.50%
12	Provincial tax (%)	11.75%	11.75%	11.75%
13	Total tax rate (%)	<u>28.25%</u>	<u>28.25%</u>	<u>28.25%</u>

### Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)



## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation

File Number: EB-2010-0136

Rate Year: 2011

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
Initial Application						
		(%)	(\$)	(%)		(\$)
Debt						
1	Long-term Debt	56.00%	\$24,159,823	5.65%		\$1,365,454
2	Short-term Debt	4.00%	\$1,725,702	2.07%		\$35,722
3	Total Debt	60.00%	\$25,885,525	5.41%		\$1,401,176
Equity						
4	Common Equity	40.00%	\$17,257,017	9.85%		\$1,699,816
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$17,257,017	9.85%		\$1,699,816
7	Total	100.00%	\$43,142,542	7.19%		\$3,100,992

Settlement Agreement						
		(%)	(\$)	(%)		(\$)
Debt						
1	Long-term Debt	56.00%	\$23,493,257	5.60%		\$1,316,634
2	Short-term Debt	4.00%	\$1,678,090	2.07%		\$34,736
3	Total Debt	60.00%	\$25,171,347	5.37%		\$1,351,371
Equity						
4	Common Equity	40.00%	\$16,780,898	9.85%		\$1,652,918
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$16,780,898	9.85%		\$1,652,918
7	Total	100.00%	\$41,952,245	7.16%		\$3,004,289

Per Board Decision						
		(%)	(\$)	(%)		(\$)
Debt						
8	Long-term Debt	56.00%	\$23,493,257	5.60%		\$1,316,634
9	Short-term Debt	4.00%	\$1,678,090	2.07%		\$34,736
10	Total Debt	60.00%	\$25,171,347	5.37%		\$1,351,371
Equity						
11	Common Equity	40.00%	\$16,780,898	9.85%		\$1,652,918
12	Preferred Shares	0.00%	\$ -	0.00%		\$ -
13	Total Equity	40.00%	\$16,780,898	9.85%		\$1,652,918
14	Total	100.00%	\$41,952,245	7.16%		\$3,004,289

#### Notes

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



# Revenue Requirement Work Form

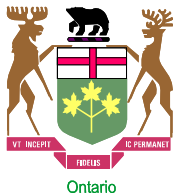
Name of LDC: Kingston Hydro Corporation  
File Number: EB-2010-0136  
Rate Year: 2011

Version: 2.11

Revenue Sufficiency/Deficiency							
Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$2,702,081		\$2,537,347		\$2,537,347
2	Distribution Revenue	\$9,540,655	\$9,472,075	\$9,550,775	\$9,500,252	\$9,550,775	\$9,500,252
3	Other Operating Revenue Offsets - net	\$625,325	\$625,325	\$625,325	\$625,325	\$625,325	\$625,325
4	<b>Total Revenue</b>	<b>\$10,165,980</b>	<b>\$12,799,481</b>	<b>\$10,176,100</b>	<b>\$12,662,924</b>	<b>\$10,176,100</b>	<b>\$12,662,924</b>
5	Operating Expenses	\$9,023,782	\$9,023,782	\$8,972,939	\$8,972,939	\$8,972,939	\$8,972,939
6	Deemed Interest Expense	\$1,401,176	\$1,401,176	\$1,351,371	\$1,351,371	\$1,351,371	\$1,351,371
	<b>Total Cost and Expenses</b>	<b>\$10,424,958</b>	<b>\$10,424,958</b>	<b>\$10,324,309</b>	<b>\$10,324,309</b>	<b>\$10,324,309</b>	<b>\$10,324,309</b>
7	<b>Utility Income Before Income Taxes</b>	<b>(\$258,978)</b>	<b>\$2,374,523</b>	<b>(\$148,209)</b>	<b>\$2,338,614</b>	<b>(\$148,209)</b>	<b>\$2,338,614</b>
8	Tax Adjustments to Accounting Income per 2009 PILs	\$188,000	\$188,000	\$216,948	\$216,948	\$216,948	\$216,948
9	<b>Taxable Income</b>	<b>(\$70,978)</b>	<b>\$2,562,523</b>	<b>\$68,738</b>	<b>\$2,555,562</b>	<b>\$68,738</b>	<b>\$2,555,562</b>
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%	28.25%	28.25%
11	<b>Income Tax on Taxable Income</b>	<b>(\$20,051)</b>	<b>\$723,913</b>	<b>\$19,419</b>	<b>\$721,946</b>	<b>\$19,419</b>	<b>\$721,946</b>
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
13	<b>Utility Net Income</b>	<b>(\$238,927)</b>	<b>\$1,681,759</b>	<b>(\$167,628)</b>	<b>\$1,652,918</b>	<b>(\$167,628)</b>	<b>\$1,652,918</b>
14	<b>Utility Rate Base</b>	<b>\$43,142,542</b>	<b>\$43,142,542</b>	<b>\$41,952,245</b>	<b>\$41,952,245</b>	<b>\$41,952,245</b>	<b>\$41,952,245</b>
	Deemed Equity Portion of Rate Base	\$17,257,017	\$17,257,017	\$16,780,898	\$16,780,898	\$16,780,898	\$16,780,898
15	Income/Equity Rate Base (%)	-1.38%	9.75%	-1.00%	9.85%	-1.00%	9.85%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%	9.85%	9.85%
17	Sufficiency/Deficiency in Return on Equity	-11.23%	-0.10%	-10.85%	0.00%	-10.85%	0.00%
18	Indicated Rate of Return	2.69%	7.15%	2.82%	7.16%	2.82%	7.16%
19	Requested Rate of Return on Rate Base	7.19%	7.19%	7.16%	7.16%	7.16%	7.16%
20	Sufficiency/Deficiency in Rate of Return	-4.49%	-0.04%	-4.34%	0.00%	-4.34%	0.00%
21	Target Return on Equity	\$1,699,816	\$1,699,816	\$1,652,918	\$1,652,918	\$1,652,918	\$1,652,918
22	Revenue Deficiency/(Sufficiency)	\$1,938,743	(\$18,057)	\$1,820,546	(\$1)	\$1,820,546	(\$1)
23	<b>Gross Revenue</b>	<b>\$2,702,081</b>	<b>(1)</b>	<b>\$2,537,347</b>	<b>(1)</b>	<b>\$2,537,347</b>	<b>(1)</b>
	<b>Deficiency/(Sufficiency)</b>						

## Notes:

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



## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation  
 File Number: EB-2010-0136  
 Rate Year: 2011

### Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$6,850,907	\$6,850,907	\$6,850,907
2	Amortization/Depreciation	\$2,042,875	\$1,992,032	\$1,992,032
3	Property Taxes	\$130,000	\$130,000	\$130,000
4	Capital Taxes	\$ -	\$ -	\$ -
5	Income Taxes (Grossed up)	\$692,764	\$685,696	\$685,696
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$1,401,176	\$1,351,371	\$1,351,371
	Return on Deemed Equity	\$1,699,816	\$1,652,918	\$1,652,918
8	Distribution Revenue Requirement before Revenues	\$12,817,538	\$12,662,924	\$12,662,924
9	Distribution revenue	\$12,174,156	\$12,037,599	\$12,037,599
10	Other revenue	\$625,325	\$625,325	\$625,325
11	<b>Total revenue</b>	\$12,799,481	\$12,662,924	\$12,662,924
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<b>(\$18,057) (1)</b>	<b>(\$1) (1)</b>	<b>(\$1) (1)</b>

#### Notes

(1) Line 11 - Line 8



# Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation  
File Number: EB-2010-0136  
Rate Year: 2011

## Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 10.1200	1	\$ 10.12	\$ 13.0900	1	\$ 13.09	\$ 2.97	29.35%
2 Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0124	800	\$ 9.92	\$ 0.0160	800	\$ 12.80	\$ 2.88	29.03%
6 Low Voltage Rate Adder	per kWh	\$ 0.0002	800	\$ 0.16	\$ 0.0007	800	\$ 0.56	\$ 0.40	250.00%
7 Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider	per kWh		800	\$ -	\$ 0.0010	800	\$ 0.80	\$ 0.80	
11 Deferral/Variance Account	per kWh	-\$ 0.0031	800	-\$ 2.48	-\$ 0.0031	800	-\$ 2.48	\$ -	0.00%
Disposition Rate Rider									
12 Deferral/Variance Acct (2011) Rate	per kWh			\$ -	\$ 0.0010	800	\$ 0.80	\$ 0.80	
13 GA Rate Rider (2010) Non-RPP	per kWh	\$ 0.0015		\$ -	\$ 0.0015		\$ -	\$ -	
14 GA Rate Rider (2011) Non-RPP	per kWh			\$ -	\$ 0.0012		\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 18.72			\$ 26.57	\$ 7.85	41.93%
17 RTSR - Network	per kWh	\$ 0.0055	830	\$ 4.57	\$ 0.0057	827.52	\$ 4.72	\$ 0.15	3.33%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0046	830	\$ 3.82	\$ 0.0050	827.52	\$ 4.14	\$ 0.32	8.37%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 27.10			\$ 35.42	\$ 8.32	30.70%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	830	\$ 4.32	\$ 0.0052	827.52	\$ 4.30	-\$ 0.01	-0.30%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	830	\$ 1.08	\$ 0.0013	827.52	\$ 1.08	-\$ 0.00	-0.30%
22 Special Purpose Charge	per kWh	\$ 0.0003725	830	\$ 0.31		827.52	\$ -	-\$ 0.31	-100.00%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	830	\$ 5.81	\$ 0.0070	827.52	\$ 5.79	-\$ 0.02	-0.30%
25 Energy	per kWh	\$ 0.0650	830	\$ 53.95	\$ 0.0650	827.52	\$ 53.79	-\$ 0.16	-0.30%
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 92.82			\$ 100.63	\$ 7.82	8.42%
29 HST		13%		\$ 12.07	13%		\$ 13.08	\$ 1.02	8.42%
30 Total Bill (including Sub-total B)				\$ 104.88			\$ 113.72	\$ 8.84	8.43%
31 Loss Factor (%)	Note 1		3.75%			3.44%			

### Notes:

**Note 1:** Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.

This bill impact includes the Special Purpose Charge and Standard Supply Service Administrative Charge whereas bill impacts provided in the Application Exhibit 8 Tab 4 Schedule 4 Attachment 2 do not include these charges. Furthermore, in this bill impact the loss factor has been applied to the volume used in the calculation for Debt Retirement Charge however the loss factor should not be applicable for this charge.

Existing Total Loss Factor = 1.0375 and Proposed Total Loss Factor = 1.0344

This bill impact is for an RPP customer in Winter.



# Revenue Requirement Work Form

Version: 2.11

Name of LDC: Kingston Hydro Corporation  
File Number: EB-2010-0136  
Rate Year: 2011

## General Service < 50 kW

Consumption **2000** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 23.3900	1	\$ 23.39	\$ 26.8600	1	\$ 26.86	\$ 3.47	14.84%
2 Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0097	2000	\$ 19.40	\$ 0.0111	2000	\$ 22.20	\$ 2.80	14.43%
6 Low Voltage Rate Adder	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0006	2000	\$ 1.20	\$ 0.80	200.00%
7 Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
10 LRAM & SSM Rider	monthly		2000	\$ -	\$ 0.0004	2000	\$ 0.80	\$ 0.80	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0020	2000	-\$ 4.00	-\$ 0.0020	2000	-\$ 4.00	\$ -	0.00%
12 Deferral/Variance Acct (2011) Rate	per kWh			\$ -	\$ 0.0003	2000	\$ 0.60	\$ 0.60	
13 GA Rate Rider (2010) Non-RPP	per kWh	\$ 0.0015		\$ -	\$ 0.0015		\$ -	\$ -	
14 GA Rate Rider (2011) Non-RPP	per kWh			\$ -	\$ 0.0012		\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 40.19			\$ 48.66	\$ 8.47	21.07%
17 RTSR - Network	per kWh	\$ 0.0050	2075	\$ 10.38	\$ 0.0052	2068.8	\$ 10.76	\$ 0.38	3.69%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	2075	\$ 8.72	\$ 0.0046	2068.8	\$ 9.52	\$ 0.80	9.20%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 59.28			\$ 68.93	\$ 9.65	16.29%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2075	\$ 10.79	\$ 0.0052	2068.8	\$ 10.76	\$ -0.03	-0.30%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2075	\$ 2.70	\$ 0.0013	2068.8	\$ 2.69	\$ -0.01	-0.30%
22 Special Purpose Charge	per kWh	\$ 0.0003725	2075	\$ 0.77		2068.8	\$ -	\$ -0.77	-100.00%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2075	\$ 14.53	\$ 0.0070	2068.8	\$ 14.48	\$ -0.04	-0.30%
25 Energy	per kWh	\$ 0.0714	2075	\$ 148.13	\$ 0.0714	2068.8	\$ 147.66	\$ -0.46	-0.31%
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 236.44			\$ 244.77	\$ 8.33	3.52%
29 HST		13%		\$ 30.74	13%		\$ 31.82	\$ 1.08	3.52%
30 Total Bill (including Sub-total B)				\$ 267.18			\$ 276.59	\$ 9.41	3.52%
31 Loss Factor	Note 1		3.75%				3.44%		

### Notes:

Note 1: See Note 1 from Sheet 1A. Bill Impacts - Residential

This bill impact includes the Special Purpose Charge and Standard Supply Service Administrative Charge whereas bill impacts provided in the Application Exhibit 8 Tab 4 Schedule 4 Attachment 2 do not include these charges. Furthermore, in this bill impact the loss factor has been applied to the volume used in the calculation for Debt Retirement Charge however the loss factor should not be applicable for this charge.  
Existing Total Loss Factor = 1.0375 and Proposed Total Loss Factor = 1.0344  
This bill impact is for an RPP customer.

MODIFIED: Loss Factor not applied to volume used to calculate Debt Retirement Charge

Customer Class:		Residential (RPP customer Winter)									
Consumption		800 kWh									
Charge Unit		Current Board-Approved			Proposed			Impact			
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change		
Monthly Service Charge	monthly	\$ 10.1200	1	\$ 10.12	\$ 13.0900	1	\$ 13.09	\$ 2.97	29.35%		
Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%		
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -			
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -			
Distribution Volumetric Rate	per kWh	\$ 0.0124	800	\$ 9.92	\$ 0.0160	800	\$ 12.80	\$ 2.88	29.03%		
Low Voltage Service Rate	per kWh	\$ 0.0002	800	\$ 0.16	\$ 0.0007	800	\$ 0.56	\$ 0.40	250.00%		
Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -			
Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -			
Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -			
LRAM Rate Rider (2011)			800	\$ -	\$ 0.0010	800	\$ 0.80	\$ 0.80			
Deferral/Variance Account	per kWh	-\$ 0.0031	800	-\$ 2.48	-\$ 0.0031	800	-\$ 2.48	\$ -	0.00%		
Disposition Rate Rider (2010)											
Deferral/Variance Account	per kWh			\$ -	\$ 0.0010	800	\$ 0.80	\$ 0.80			
Disposition Rate Rider (2011)											
Rate Rider Global Adjustment	per kWh	\$ 0.0015	0	\$ -	\$ 0.0015	0	\$ -	\$ -			
Sub-Acct Disposition (2010)											
Non-RPP customers only											
Rate Rider Global Adjustment	per kWh	\$ -	0	\$ -	\$ 0.0012	0	\$ -	\$ -			
Sub-Acct Disposition (2011)											
Non-RPP customers only				\$ -			\$ -	\$ -			
<b>Sub-Total A - Distribution</b>				<b>\$ 18.72</b>			<b>\$ 26.57</b>	<b>\$ 7.85</b>	<b>41.93%</b>		
RTSR - Network	per kWh	\$ 0.0055	830	\$ 4.57	\$ 0.0057	827.52	\$ 4.72	\$ 0.15	3.33%		
RTSR - Line and Transformation Connection	per kWh	\$ 0.0046	830	\$ 3.82	\$ 0.0050	827.52	\$ 4.14	\$ 0.32	8.37%		
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 27.10</b>			<b>\$ 35.42</b>	<b>\$ 8.32</b>	<b>30.70%</b>		
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	830	\$ 4.32	\$ 0.0052	827.52	\$ 4.30	-\$ 0.01	-0.30%		
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	830	\$ 1.08	\$ 0.0013	827.52	\$ 1.08	-\$ 0.00	-0.30%		
Special Purpose Charge	per kWh	\$ 0.0003725	830	\$ 0.31	\$ -	827.52	\$ -	-\$ 0.31	-100.00%		
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%		
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%		
Energy	per kWh	\$ 0.0650	830	\$ 53.95	\$ 0.0650	827.52	\$ 53.79	-\$ 0.16	-0.30%		
				\$ -			\$ -	\$ -			
				\$ -			\$ -	\$ -			
<b>Total Bill (before Taxes)</b>				<b>\$ 92.61</b>			<b>\$ 100.44</b>	<b>\$ 7.83</b>	<b>8.46%</b>		
HST		13%		\$ 12.04	13%		\$ 13.06	\$ 1.02	8.46%		
<b>Total Bill (including Sub-total B)</b>				<b>\$ 104.65</b>			<b>\$ 113.50</b>	<b>\$ 8.85</b>	<b>8.46%</b>		
Loss Factor (%)		3.75%			3.44%						

**Notes:**

**Modified Revenue Requirement Work Form Tab 7A. Bill Impacts - Residential: re: No loss factor applied for Debt Retirement Charge**

This bill impact includes SPC and SSS charges whereas Exhibit 8 Tab 4 Schedule 4 Attachment 2 detailed impact does not includes these charges.

Furthermore, this bill impact includes Low Voltage Service Rate in Sub-Total A Distribution whereas Exhibit 8 Tab 4 Schedule 4 Attachment 2 bill impact includes Low Voltage Service Rate in Delivery however not in Distribution.

Existing Total Loss Factor = 1.0375 and Proposed Total Loss Factor = 1.0344

MODIFIED: Loss Factor not applied to volume used to calculate Debt Retirement Charge

Customer Class: **GS < 50 kW (RPP customer)**

Consumption **2000** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 23.3900	1	\$ 23.39	\$ 26.8600	1	\$ 26.86	\$ 3.47	14.84%
Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0097	2000	\$ 19.40	\$ 0.0111	2000	\$ 22.20	\$ 2.80	14.43%
Low Voltage Service Rate	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0006	2000	\$ 1.20	\$ 0.80	200.00%
Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
LRAM Rate Rider (2011)			2000	\$ -	\$ 0.0004	2000	\$ 0.80	\$ 0.80	
Deferral/Variance Account	per kWh	-\$ 0.0020	2000	-\$ 4.00	-\$ 0.0020	2000	-\$ 4.00	\$ -	0.00%
Disposition Rate Rider (2010)									
Deferral/Variance Account	per kWh			\$ -	\$ 0.0003	2000	\$ 0.60	\$ 0.60	
Disposition Rate Rider (2011)									
Rate Rider Global Adjustment	per kWh	\$ 0.0015	0	\$ -	\$ 0.0015	0	\$ -	\$ -	
Sub-Acct Disposition (2010)									
Non-RPP customers only									
Rate Rider Global Adjustment	per kWh	\$ -	0	\$ -	\$ 0.0012	0	\$ -	\$ -	
Sub-Acct Disposition (2011)									
Non-RPP customers only				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 40.19</b>			<b>\$ 48.66</b>	<b>\$ 8.47</b>	<b>21.07%</b>
RTSR - Network	per kWh	\$ 0.0050	2075	\$ 10.38	\$ 0.0052	2068.8	\$ 10.76	\$ 0.38	3.69%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	2075	\$ 8.72	\$ 0.0046	2068.8	\$ 9.52	\$ 0.80	9.20%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 59.28</b>			<b>\$ 68.93</b>	<b>\$ 9.65</b>	<b>16.29%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2075	\$ 10.79	\$ 0.0052	2068.8	\$ 10.76	-\$ 0.03	-0.30%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2075	\$ 2.70	\$ 0.0013	2068.8	\$ 2.69	-\$ 0.01	-0.30%
Special Purpose Charge	per kWh	\$ 0.0003725	2075	\$ 0.77	\$ -	2068.8	\$ -	-\$ 0.77	-100.00%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
Energy	per kWh	\$ 0.0714	2075	\$ 148.13	\$ 0.0714	2068.8	\$ 147.66	-\$ 0.46	-0.31%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 235.92</b>			<b>\$ 244.29</b>	<b>\$ 8.38</b>	<b>3.55%</b>
HST		13%		\$ 30.67	13%		\$ 31.76	\$ 1.09	3.55%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 266.58</b>			<b>\$ 276.05</b>	<b>\$ 9.47</b>	<b>3.55%</b>

Loss Factor (%)

3.75%

3.44%

**Notes:**

**Modified Revenue Requirement Work Form Tab 7B. Bill Impacts GS\_LT\_50 re: No loss factor applied to Debt Retirement Charge**

This bill impact includes SPC and SSS charges whereas Exhibit 8 Tab 4 Schedule 4 Attachment 2 detailed bill impact does not include these charges. Furthermore, this bill impact includes Low Voltage Service Rate in Sub-Total A Distribution whereas Exhibit 8 Tab 4 Schedule 4 Attachment 2 bill impact includes Low Voltage Service Rate in Delivery however not in Distribution.  
Existing Total Loss Factor = 1.0375 and Proposed Loss Factor = 1.0344