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July 5, 2011

BY EMAIL AND COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2010-0136
Kingston Hydro Corporation – 2011 Cost of Service Application
Energy Probe – Argument

Pursuant to the Decision and Order issued by the Board on June 23, 2011, please find attached the Comments of Energy Probe Research Foundation (Energy Probe) in respect of the Draft Rate Order in the EB-2010-0136 proceeding for consideration by the Board.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Randy Murphy, Kingston Hydro (By email)
Nancy Taylor, Utilities Kingston (By email)
Andrew Taylor, Energy Law (By email)
Randy Aiken, Aiken & Associates (By email)
Interested Parties (By email)

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Ontario Energy Board

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

AND IN THE MATTER OF an application by Kingston
Hydro Corporation for an order approving just and
reasonable rates and other charges for electricity
distribution to be effective May 1, 2011.

**ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

**COMMENTS ON DRAFT RATE ORDER
JULY 4, 2011**

**KINGSTON HYDRO CORPORATION
2011 RATES REBASING CASE
EB-2010-0136**

**COMMENTS OF ENERGY PROBE RESEARCH FOUNDATION ON DRAFT
RATE ORDER DATED JUNE 30, 2011**

Energy Probe has reviewed the Draft Rate Order filed June 30, 2011 and believes it appropriately reflects the Decision and Order dated June 23, 2011.

Energy Probe notes that the tax calculation does not appear to include any adjustments related to the Co-op Education Tax Credit, the Apprenticeship Training Tax Credit or the Federal Tax Credit.

In the Decision and Order, at page 36, the Board stated that:

"The Board agrees with Energy Probe that tax credits associated with the Co-op Education Tax Credit, the Apprenticeship Training Tax Credit and the Federal Tax Credit should be included in Kingston Hydro's PILs provision, if any are expected to be received in 2011 from hiring new apprentices."

Kingston does not appear to confirm in the Draft Rate Order that no such credits will be received in 2011 from hiring new apprentices. If this the case, then Energy Probe submits that Kingston should confirm that this is the case and the calculations are fine as they are. On the other hand, if it will be receiving any such tax credits, then they should be reflected in the calculation of the revenue deficiency.