

Ontario Energy
Board
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Commission de l'Énergie
de l'Ontario
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BY PRIORITY POST

2002 March 13

Jim Keech
Kingston Electricity Distribution Limited
216 Ontario Street
Kingston, Ontario
K7L 2Z3

Dear Mr. Keech:

**Re: Kingston Electricity Distribution Limited
Market Adjusted Rate of Return (MARR) Application
Board File No. RP-2002-0097/EB-2002-0106**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith. A copy is being sent to those parties who made a submission to the Board.

Yours truly,

A handwritten signature in black ink, appearing to read 'P. O'Dell', with a horizontal line underneath.

Peter H. O'Dell
Assistant Board Secretary

encl.

c: all parties

Kingston Electricity Distribution Ltd.
Schedule of Rates and Charges
 Effective March 1, 2002

RP-2002-0097
 EB-2002-0106

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

Cost of Power Rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL

Monthly Service Charge	(per month)	\$10.07
Distribution Volumetric Rate	(per kWh)	\$0.0091
Cost of Power Rate	(per kWh)	\$0.0740

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$23.99
Distribution Volumetric Rate	(per kWh)	\$0.0074
Cost of Power Rate	(per kWh)	\$0.0730

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$217.40
Distribution Volumetric Rate	(per kW)	\$1.2036
Cost of Power Demand Rate	(per kW)	\$8.4673
Cost of Power Energy Rate	(per kWh)	\$0.0514

LARGE USE

Monthly Service Charge	(per month)	\$4,956.34
Distribution Volumetric Rate	(per kW)	\$0.5090
Cost of Power - Winter Peak	(per kW)	\$11.8211
Cost of Power - Summer Peak	(per kW)	\$8.9027
Cost of Power - Winter Peak	(per kWh)	\$0.0689
Cost of Power - Winter Off Peak	(per kWh)	\$0.0412
Cost of Power - Summer Peak	(per kWh)	\$0.0582
Cost of Power - Summer Off Peak	(per kWh)	\$0.0306

STREET LIGHTING (Time of Use)

Kingston Electricity Distribution Ltd.
Schedule of Rates and Charges
 Effective March 1, 2002

RP-2002-0097
 EB-2002-0106

Monthly Service Charge	(per connection)	\$0.86
Distribution Volumetric Rate	(per kW)	\$2.8566
Cost of Power - Winter	(per kW)	\$32.5792
Cost of Power - Summer	(per kW)	\$12.8510

UN-METERED SCATTERED LOADS

Un-metered scattered loads, such as traffic signals, telephone booths, bus stop enclosures, billboards and cable TV amplifiers, will be billed at Residential fixed and variable rates based on estimated loads, per connection.

Monthly Service Charge	(per month)	\$10.07
Distribution Volumetric Rate	(per kWh)	\$0.0091
Cost of Power Rate	(per kWh)	\$0.0740

SPECIFIC SERVICE CHARGES

Customer Administration

After hours initial connection (customer's request)	\$	50.00
Account Setup	\$	12.75
Dispute Involvement Charge - Residential	\$	35.00
Dispute Involvement Charge - Commercial	\$	50.00
Requests for Billing Information (Service Verification)	\$	30.00

Disconnect and Reconnect Service

Customer Request	- Between 8 am and 4 pm weekdays and between 8am and 4pm Saturdays (With 24 hours notice for service personnel)	\$	20.00
Customer Request	- Between 8 am and 4 pm Saturdays (with 24 hours notice) for line crew	\$	100.00
Customer Request	- Between 4 pm and 8 am weekdays, Saturdays after 4 pm, Sundays & Holidays for service personnel	\$	50.00
Customer Request	- Between 4 pm and 8 am weekdays, Saturdays after 4 pm, Sundays & Holidays for line crew	\$	200.00
Disconnection	- illegal connection	\$	50.00

Miscellaneous

Electric Service Layout & Installation Charge		
For all single secondary services	\$	200.00
For all multiple services	\$	400.00
Rubber Cover-up	\$	50.00

Kingston Electricity Distribution Ltd.
Schedule of Rates and Charges
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RP-2002-0097
 EB-2002-0106

SPECIFIC SERVICE CHARGES (continued)

Non-Payment

Late Payment Charge	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		\$	20.00
Collection of Account Charge		\$	9.00
Disconnect/Reconnect Charges (non payment of account)			
Reconnection - (Mon to Fri - 8 am to 9 pm)		\$	30.00
Reconnection - (Sat - 8 am to 4 pm)		\$	50.00
Reconnection - (Mon to Fri - after 9 pm, Sat - after 4 pm)		\$	75.00
Reconnect - cut at pole (anytime)		\$	100.00

Service Calls

Customer's Responsibility - after regular hours (up to 240 volts)		\$	50.00
Transformer Ownership Allowance	(per kW)	\$	0.60

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March 12, 2004

Nancy Taylor
President & CEO
Kingston Electricity Distribution Limited
211 Counter Street
Kingston ON
K7L 4X7

Dear Ms. Taylor:

**Re: Distribution Rate Application
Board Decision and Order and Interim Rate Schedule**

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

A handwritten signature in black ink, appearing to read "P. O'Dell", with a long horizontal line extending from the end of the signature.

Peter H. O'Dell
Assistant Secretary

cc. Intervenors of record



RP-2004-0059
EB-2004-0045

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
Electricity Distribution Limited for an order or orders
approving or fixing just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

On January 15, 2004 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition, ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate

evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

THE BOARD ORDERS THAT:

- 1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.
- 2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 12, 2004

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Secretary

RP-2004-0059
EB-2004-0045

Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RESIDENTIAL

Monthly Service Charge	(per month)	\$10.07
Distribution Volumetric Rate	(per kWh)	\$0.0099

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$23.99
Distribution Volumetric Rate	(per kWh)	\$0.0079

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	\$217.40
Distribution Volumetric Rate	(per kW)	\$2.0885

LARGE USE

Monthly Service Charge	(per month)	\$4,956.34
Distribution Volumetric Rate	(per kW)	\$1.3640

STREET LIGHTING

Monthly Service Charge	(per connection)	\$0.86
Distribution Volumetric Rate	(per kW)	\$3.2377

UNMETERED SCATTERED LOADS

Unmetered scattered loads, such as traffic signals, telephone booths, bus stop enclosures, billboards and cable TV amplifiers, will be billed at Residential fixed and variable rates based on estimated loads, per connection.

Monthly Service Charge	(per connection)	\$10.07
Distribution Volumetric Rate	(per kWh)	\$0.0099

Ontario Energy
Board

Commission de l'Énergie
de l'Ontario



RP-2005-0013
EB-2005-0041

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 Electricity Distribution Limited for an
order or orders approving or fixing just and
reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

MARR: \$ 175,241

2005 PILs Proxy: \$ 1,001,531

Regulatory Assets Second Tranche: \$ 1,109,662

Submissions

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place

a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

The Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

- 1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.
- 2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 21, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0041

March 21, 2005

ONTARIO ENERGY BOARD

Kingston Electricity Distribution Limited
Schedule of Changed Distribution Rates and Charges

RP-2005-0013

EB-2005-0041

Effective Date: March 1, 2005
 Implementation Date: April 1, 2005

RESIDENTIAL

Monthly Service Charge	(per month)	\$8.51
Distribution Volumetric Rate	(per kWh)	\$0.0135

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$19.82
Distribution Volumetric Rate	(per kWh)	\$0.0106

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$195.48
Distribution Volumetric Rate	(per kW)	\$1.7146

LARGE USE

Monthly Service Charge	(per month)	\$4,166.82
Distribution Volumetric Rate	(per kW)	\$0.5885

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per connection)	\$0.73
Distribution Volumetric Rate	(per kW)	\$4.3832

Unmetered Scattered Loads

Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	\$8.51
Distribution Volumetric Rate	(per kWh)	\$0.0135

Unmetered scattered loads, such as traffic signals, telephone booths, bus stop enclosures, billboards and cable TV amplifiers, will be billed at Residential fixed and variable rates based on estimated loads, per connection.

The rates on this schedule include an interim recovery of Regulatory Assets.