

From: Nanninga, Margaret [<mailto:MNanninga@KWHydro.ca>]
Sent: October-28-14 11:11 AM
To: Christiane Wong
Cc: Muir, Liz; Blakeman, Kelly
Subject: RE: 2015 IRM Application - Kitchener Wilmot Hydro Inc. ("Kitchener Wilmot")

Good morning Christiane,

See answers below. KWHI will be recalculating its rate riders to remove the WMP from the appropriate GA and RSVA rate riders. I expect to have this completed and sent to you this week.

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From: Christiane Wong [<mailto:Christiane.Wong@ontarioenergyboard.ca>]
Sent: October 24, 2014 9:22 AM
To: Nanninga, Margaret
Subject: 2015 IRM Application - Kitchener Wilmot Hydro Inc. ("Kitchener Wilmot")

Margaret,

For further clarification, could you please provide a response at your earliest convenience to the follow-up questions laid out below:

Chapter 3 of the Filing Requirements notes that “distributors must establish separate rate riders to recover the balances in the RSVAs from Market Participants (“MPs”) who must not be allocated the RSVA account balances related to charges for which the MPs settle directly with the IESO (e.g. wholesale energy, wholesale market services).”

Chapter 3 of the Filing Requirements also note that “distributors who serve Class A customers per O.Reg 429/04 (i.e. customers greater than 5 MW) must propose an appropriate allocation for the recovery of the global adjustment variance balance based on their settlement process with the IESO.

- a) Please confirm whether or not Kitchener Wilmot serves any consumers that are Wholesale Market Participants (“WMPs”).
 - i. If yes:

- i. Have these consumers been WMPs throughout the entire time over which variances accumulated in the RSVA accounts proposed for disposition? **Yes, KWHI has two consumers that are WMPs. One WMP is in the GS>50kW rate class (this one consumer constitutes 4 GS.50kW accounts) and the other is an Embedded Distributor.**
 - ii. Please confirm that RSVA account balances have not been allocated to WMP customers as they settle these charges directly with the IESO. **KWHI confirms that RSVA balances have not been allocated to its Embedded Distributor. As to the GS>50kW consumer who is a WMP, KWHI's initial filing did in fact allocate RSVA balances to the WMP customer. Note KWHI will refile its proposed rate riders excluding this customer from the allocation of RSVA balances based on the date that they became a WMP by week-end.**
- b) Please confirm whether or not Kitchener Wilmot serves any class A consumers that settle energy charges directly with Kitchener Wilmot. If yes, please explain how balances in account 1589 (Global Adjustment) have been allocated to these consumers. **KWHI had three (3) Class A consumers that it settled energy charges directly with at the end of 2013. These customers have been excluded from the allocation of the recovery of GA variance account balances. Note that one of these Class A consumers is no longer included in KWHI's distribution revenue due to its 2014 Cost of Service rate application decision as it is discontinuing operations shortly. This consumer is also no longer considered to be a Class A consumer as it opted out of the Class A program effective July 1, 2014.**

Thanks,
Christiane Wong,
Information Administrator, Applications
Ontario Energy Board
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