



File Number: EB-2015-0083

Date Filed: June 1, 2015

Exhibit 10

COST OF SERVICE CHECKLIST



File Number: EB-2015-0083

Date Filed: June 1, 2015

Exhibit 10

Tab 1 of 1

Cost of Service Checklist

1 **2016 Cost of Service Checklist**

2

3 **COST OF SERVICE CHECKLIST**

4

5 The following attachment provides a completed OEB cost of service checklist for Chapter 2 of
6 the Filing Requirements for Electricity Distribution Rate Applications (2014 Edition for 2015
7 Rates, the most current version available).



File Number:EB-2015-0083

Exhibit: 10

Tab: 1

Schedule: 1

Date Filed: June 1, 2015

Attachment 1 of 1

2016 Cost of Service Checklist

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement
Page # Reference

Date:

		Yes/No/N/A	Evidence Reference, Notes
GENERAL			
Ch 1 p3 & 4	Confidential Information - Practice Direction has been followed	N/A	
2 & 3	In advance of scheduled application - meet threshold established in Board letter (April 20, 2010)	N/A	
3	Align rate year with fiscal year - request for proposed alignment	Yes	1.7.9
4	Text searchable and bookmarked PDF documents	Yes	Through out PDF, applicant tested before submission
<i>Accounting Standards and Modified IFRS Applications</i>			
6	State accounting standard(s) used in historical, bridge and test years	Yes	1.8.1
6	Summary of changes to accounting policies and quantification of revenue requirement impact (Appendix 2-Y)	Yes	1.8.1.1
7	Identify all material changes, quantify and explain the changes in the adoption of IFRS, if none state that and explain why it would not be material	Yes	1.8.1
<i>Performance Evaluation</i>			
8	Discuss performance for each of the Board's performance outcomes over the last five years, and current performance	Yes	1.8.1
8	Discuss how self-assessment has informed the utility's business plan and the application, and what measures are planned to achieve continuous improvement	Yes	1.8.1
EXHIBIT 1 - ADMINISTRATIVE DOCUMENTS			
<i>Management Discussion and Analysis</i>			
9 & 10	Overall business strategy past and expected performance including narrative of how they align with the four objectives of the RRFE	Yes	1.2.1
<i>Executive Summary</i>			
10	Revenue Requirement - service RR, increase from previously approved, main drivers	Yes	1.3.1
10	Budgeting Assumptions - economic overview and identification of accounting standard used for test year and brief explanation of impacts arising from any change in standards	Yes	1.3.1
10	Load Forecast Summary - load and customer growth, change in kWh and customer numbers, methodology description	Yes	1.3.1
10 & 11	Rate Base and Capital Plan - major drivers of DSP, rate base for test year, change from last approved, capex for test year, change from last approved, costs for any REG-related capital investments	Yes	1.3.1
11	OM&A for test year and change from last approved, summary of drivers, inflation assumed, total compensation for test year and change from last approved.	Yes	1.3.1
11	Statement regarding use of Board's cost of capital parameters; summary of any deviations	Yes	1.3.1
11	Cost Allocation & Rate Design - summary of any deviations from Board methodologies, significant changes and summary of proposed mitigation plans	Yes	1.3.1
11	Deferral and Variance Accounts - total disposition (RPP and non-RPP), disposition period, new accounts requested	Yes	1.3.1
11	Bill Impacts - total impacts (\$ and %) for all classes for typical customers	Yes	1.3.1
<i>Customer Engagement</i>			
11 & 12	Overview of customer engagement activities; description of plans and how customer needs have been reflected in the application.	Yes	1.4.1
12	Discuss how customers were informed of the proposals being considered for inclusion in the application and the value of those proposals to customers i.e. costs, benefits, and the impact on rates	Yes	1.4.1
12	Discuss any feedback provided by customers and how the feedback shaped the final application	Yes	1.4.1
12	Reference any other communication sent to customers about the application i.e. bill inserts, town hall meetings or other forms of out reach and the feedback received from customers through these engagement activities	N/A	
12	Explanation if no customer engagement done and whether any is planned for the future	N/A	
12	Complete Appendix 2-AC Customer Engagement Activities Summary	Yes	1.4.1.1
<i>Financial Information</i>			
12 & 40	Non-consolidated Audited Financial Statements for 2 most recent years (i.e. 3 years of historical actuals)	Yes	1.5.1
12	Detailed reconciliation of AFS with regulatory financial results filed in the application, with identification of any deviations that are being proposed	Yes	1.5.1
13	Annual Report and MD&A for most recent year of parent company, if applicable	N/A	
13	Rating Agency Reports, if available; Prospectuses, etc. for recent and planned public issuances	Yes	1.5.1
13	Any change in tax status	Yes	1.5.1

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement Page # Reference		Date:	Yes/No/N/A	Evidence Reference, Notes
13	Existing accounting orders and departures from USoA including references to the accounting orders		Yes	1.5.1
13	Accounting Standards used for financial statements and when adopted		Yes	1.5.1
13	Confirmation that accounting treatment of any non-utility business has segregated activities from rate regulated activities		N/A	
Materiality Thresholds				
13 & 14	Materiality threshold; additional details beyond the threshold if necessary		Yes	1.6.1
Administration				
Ch 1 p2	Certification that evidence is accurate, consistent and complete		Yes	1.7.1
14	Table of Contents		Yes	1.1.1
14	Primary contact information (name, address, phone, fax, email)		Yes	1.7.2
14	Identification of legal (or other) representation		Yes	1.7.3
14	Applicant's internet address for viewing of application and any social media accounts used by the applicant to communicate with customers		Yes	1.7.4
14	Statement of who will be affected by application		Yes	1.7.6
14	Bill impacts - distribution only impacts for 800 kWh residential and 2000 kWh GS<50 (sub-total A of Appendix 2-W)		Yes	1.7.7
14	Form of hearing requested and why		Yes	1.7.8
14	Requested effective date		Yes	1.3.1
14	List of approvals requested (and relevant section of legislation), including accounting orders		Yes	1.7.9
14	Statement identifying all deviations from Filing Requirements		Yes	1.7.10
15	Statement identifying and describing any changes to methodologies used vs previous applications		Yes	1.7.11
15	Identification of Board Directives from previous Board Decisions, and how addressed		Yes	1.7.12
15	Reference to Conditions of Service - LDC does not need to file Conditions of Service, but must provide reference to website and confirm version is current; identify if there are changes to Conditions of Service as a result of application		Yes	1.7.13
15	Description of Operating Environment (including map, list of neighbouring utilities)		Yes	1.7.14
15	Identification of embedded and/or host distributors		Yes	1.7.15
15	Statement as to whether or not the distributor has had any transmission or high voltage assets deemed by the Board as distribution assets and whether or not there are any such assets the distributor is seeking approval for in this application		Yes	1.7.16
15, 16 & 17	Corporate Governance: Number of Directors on Board, number of independent directors, how independent judgement is facilitated - Board Mandate; Schedule of Board Meetings - Orientation and Continuing Education for directors - Ethical Business Conduct - written code where available - Process for Nomination of Directors - Committees - function and charter for each committee - Audit Committee - number of independent members, whether members are financially literate		Yes	1.7.17
17	Responses to matters raised in letters of comment filed		Yes	1.7.18
EXHIBIT 2 - RATE BASE				
Overview				
17	Completed Fixed Asset Continuity Schedule (Appendix 2-BA)		Yes	2.1.1.1
17 & 18	Opening and closing balances, average of opening and closing balances for gross assets and accumulated depreciation; working capital allowance (historical actuals, bridge and test year forecast)		Yes	2.1.1
18	Continuity statements (year end balance, including interest during construction and overheads). Year over year variance analysis; explanation where variance greater than materiality threshold Hist. Brd-Approved vs Hist. Actual Hist. Act. Vs previous Hist. Act. Bridge vs. Test		Yes	2.1.2
18 & 19	Opening and closing balances of gross assets and accumulated depreciation must correspond to fixed asset continuity statements. If not, an explanation must be provided (eg. WIP, ARO, smart meter balances). Reconciliation must be between YE 2014 and YE 2015 net book value balances reported on Appendix 2-BA and balances included in rate base calculation		Yes	2.1.1.1
Gross Assets - PP&E and Accumulated Depreciation				
19	Breakdown by function and by major plant account; description of major plant items for test year		Yes	2.1.2
19	Summary of approved and actual costs for any ICM(s) approved in previous IRM applications		Yes	9.1.14.1

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement Page # Reference		Date:	
	Yes/No/N/A	Evidence Reference, Notes	
19 & 40	Continuity statements must reconcile to calculated depreciation expenses and presented by asset account	Yes	2.1.1.1
<i>Allowance for Working Capital</i>			
19	Working Capital - 13% allowance or Lead/Lag Study or Previous Board Direction	Yes	2.1.4
20	Cost of Power must be determined by split between RPP and non-RPP customers based on actual data, use most current RPP price, use current UTR. Should include SME charge.	Yes	3.1.4
20	Lead/Lag Study - leads and lags measured in days, dollar-weighted	N/A	
<i>Treatment of Stranded Assets Related to Smart Meter Deployment</i>			
20 & 21	Stranded Meters - if the recovery of stranded conventional meters replaced by smart meters has not been reviewed and approved, a proposal for a Stranded Meter Rate Rider must be made Explanation for approaches that are not the Board approach Completed Appendix 2-S.	Yes	2.1.5 and 2.1.5.1
<i>Planning</i>			
22	As applicable - file evidence that demonstrates that regional issues have been appropriately considered and where applicable addressed in developing the applicant's proposed capital expenditure plan. As part of its planning an applicant should consider municipal planning, including any plans for expansion of boundaries from a regional perspective to demonstrate the most cost effective solutions are being considered.	Yes	2.1.6 and 2.2.1.1
<i>Capital Expenditures/Distribution System Plan</i>			
23	DSP filed as a stand-alone document	Yes	2.2.1.1
Ch 5 p9	Where applicable, explanation for section headings other than Chapter 5 headings; cross reference table	N/A	
Ch 5 p9-10	Distribution System Plan Overview - key elements, sources of cost savings, period covered, vintage of information on investment drivers, changes to asset management process since last DSP filing, dependencies	Yes	2.2.1.1 page 14 - 18
Ch 5 p10-11	Coordinated Planning with 3rd parties - description of consultations - deliverables of the Regional Planning Process, or status of deliverables - OPA letter in relation to REG investments (Ch 5 p8&9) and Dx response letter	Yes	2.2.1.1 page 19 - 20, and Appendix 2 of DSP
Ch 5 p11	Performance Measurement - identify and define methods and measures used to monitor DSP performance - summary of performance and trends over historical period. Must include SAIFI and SAIDI for all interruptions and all interruptions excluding loss of supply - explain how information has affected DSP	Yes	2.2.1.1 page 20 - 47
Ch5 p12	Asset Management Process Overview - description of AM objectives/corporate goals and how Dx ranks objectives for prioritizing investments	Yes	2.2.1.1 page 48 - 51
Ch5 p12	Inputs/Outputs of the AM process and information flow for investments; flowchart recommended	Yes	2.2.1.1 page 52 - 64
Ch 5 p13	Overview of Assets Managed - description of service area (including evolution of features in forecast period affecting DSP), - description of system configuration - service profile and condition by asset type (tables and/or figures) - date data compiled - assessment of degree the capacity of system assets is utilized	Yes	2.2.1.1 page 64 - 112
Ch 5 p13-14	Asset Lifecycle Optimization - description of asset lifecycle optimization policies and practices, including asset replacement and refurbishment, maintenance planning criteria and assumptions - description of asset life cycle risk management policies and practices, assessment methods and approaches to mitigation	Yes	2.2.1.1 page 113 - 127
Ch 5 p14-15	Capital Expenditure Plan Summary for significant projects and activities to be undertaken - capability to connect new load or Gx customers, total annual capex over forecast period by investment category, description of how AMP and Capex planning have affected capital expenditures for each category - list, description and total capital cost of material capital expenditures sorted by category (table recommended) - information related to Regional Planning Process (Needs Assessment Report, Regional Planning Status Letter, Regional Infrastructure Plan - as appropriate) - description of customer engagement - Dx expectations of system development over next 5 years - list, description and total capital cost of projects planned in response to customer preferences, to take advantage of technology based opportunities, to study innovative processes (table recommended)	Yes	2.2.1.1 page 128 - 147
Ch 5 p15	Capital Expenditure Planning Process Overview - description of capex planning objectives/criteria/assumptions, relationship with AM objectives, policy on consideration of non-distribution alternatives, processes used to identify projects in each investment category, customer feedback and impact on plan, method and criteria used to prioritise REG investments	Yes	2.2.1.1 page 153 - 172

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement
Page # Reference

Date:

		Yes/No/N/A	Evidence Reference, Notes
Ch 5 p16	System Capability Assessment for REG - REG applications > 10 kW, number and MW of REG connections for forecast period, capacity of Dx to connect REG, connection constraints	Yes	2.2.1.1 page 153 - 172
Ch 5 p16-18 Ch 2 p23	Capital Expenditure Summary by Investment Category - completed Table 2 of Ch 5 for historical and forecast period, explanation of markedly different variances plan vs actual, explanation of markedly different variances year over year Table 2 of Ch 5 is provided in Excel format in Appendix 2-AB	Yes	2.2.1.1 page 172 - 174
Ch5 p19	Overall Plan - comparative expenditures by category over historical period, forecast impact of system investment on O&M, drivers of investments by category, information related to Dx system capability assessment	Yes	2.2.1.1 page 175 - 184
Ch 5 p19-25	Material Investments - For each project that meets materiality threshold set in Ch 2 p10 - general information - total capital, customer attachments, dates, risks, variances, REG investments - evaluation criteria - may include: efficiency, customer value, reliability, etc. - category specific requirements for each project - system access, system renewal, system service, general plant (as applicable)	Yes	2.2.1.1 Appendix 8 & 9
23 & 24	Capital Expenditures - completed Appendix 2-AA showing capex on a project specific basis for 4 historical years, bridge and test; explanation of variances, accounting treatment for projects with life cycle greater than one year	Yes	2.2.1.1 page 174
24	Non-distribution activities - capital expenditures and reconciliation to total capital budget	N/A	no non-distribution activities
7 & 24	Capitalization policy, changes to capitalization since previous rebasing - explanations must be provided. The changes must be identified and the causes of the changes must also be identified.	Yes	2.2.4
24	Capitalization of overhead - Completed Appendix 2-D regarding overhead costs on self-constructed assets Burden rates must be identified; changes from last rebasing must be identified; LDC must identify burden rates prior to and after the change	N/A	
Costs of Eligible Investments for Connection of Qualifying Generation Facilities			
25	For Eligible Investments - proposal to divide costs per O.Reg. 330/09	Yes	2.2.6
25	Where applicable, file a draft accounting order to establish variance account tracking IESO payment revenues against actual spending	N/A	
25	As Applicable appendices 2-FA through 2-FC must be filed identifying eligible investments, as applicable	N/A	
25	Ensure that Capital Costs of the Distributor are entered into the Rate Base for the Test Year	N/A	
New Policy Options for the Funding of Capital			
25	Policy Options - can propose an approach for the funding of capital based on the proposed policy options	Yes	2.2.7
Addition of ICM Assets to Rate Base			
25 & 26	Distributor with previously approved ICM(s) - schedule of ICM amounts, variances and explanation	Yes	2.2.8
26	Balances in Account 1508 sub-accounts, reconciliation with proposed rate base amounts; recalculated revenue requirement should be compared with rate rider revenue	Yes	2.2.8
Service Quality and Reliability			
26	5 historical years of ESQRs, explanation for any under-performance and actions taken	Yes	2.3.1 and 2.3.2.1
26	5 historical years of SAIDI and SAIFI - for all interruptions and all interruptions excluding loss of supply, explanation for any under-performance and actions taken	Yes	2.3.2
26	Completed Appendix 2-G	Yes	2.3.2.1
EXHIBIT 3 - OPERATING REVENUE			
Load and Revenue Forecasts			
27 & 30	Customer, volume and revenue forecast methodologies and data	Yes	3.1.2.1
27	Explanation of causes, assumptions and adjustments for volume forecast. Economic assumptions and data sources for customer and load forecasts	Yes	3.1.2.1
27	Completed Appendix 2-IA	Yes	3.1.1.1
28	Regression Model - rationale for choice, regression statistics, explanation for any unintuitive relationships, explanation of modeling approaches and alternative models tested, explanation of weather normalization methodology, sources of data for endogenous and exogenous variables, explanation of any constructed variables; data used in load forecast must be provided in Excel format, including derivation of constructed variables	Yes	3.1.2.1
29	NAC Model - rationale for choice, data supporting NAC variables, description of accounting for CDM including licence conditions, discussion of weather normalization considerations	Yes	3.1.2.1
29 & 30	CDM Adjustment - 2014 and 2015 CDM reductions must take into account 2011 - 2013 CDM program results reported by OPA. CDM adjustment should take into account historical CDM results factored into base load forecast before CDM adjustment	Yes	3.1.2.1 and 3.1.3

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement
Page # Reference

Date:

		Yes/No/N/A	Evidence Reference, Notes
29	CDM savings for 2015 LRAMVA balance and adjustment to 2015 load forecast; data by customer class	Yes	3.1.2.1
29 & 30	Completed Appendix 2-I, or alternative with explanation	Yes	3.1.3.1
<i>Accuracy of Load Forecast and Variance Analyses</i>			
30	Schedule of volumes, revenues, customer/connection count by class and total system load: 5 years historical, Board approved, 5 years historical weather normalized, bridge year and test year.	Yes	3.1.1.1
30	Customer count increases or decreases for test year - explanation by class; confirmation of year end or average format	Yes	3.2.1
31	Explanation for any changes in definition or composition of class	N/A	
31	Weather normalized average consumption per customer for historical 5 years, bridge and test	N/A	
31	Explanation of net change in average consumption from last Board approved, and actual historical, bridge and test - for each rate class	Yes	3.2.1
31	Details of development of billed kW	Yes	3.1.2.1
31	Revenues on existing and proposed rates for the test year	Yes	3.2.1.1
31	Variance analysis of volumes, revenues, customer/connection count and total system load: Historical Board approved vs Historical Actual (and Historical Actual weather normalized)	Yes	3.2.1
31	Year over year historical weather normalized variance, weather normalized bridge, test year		
31	Data used to determine forecast should be filed as live Excel spreadsheet	Yes	Live Spreadsheet
<i>Other Revenue</i>			
31	Breakdown of other distribution revenue accounts; completed Appendix 2-H	Yes	3.3.1.1
31	Variance analysis - year over year, historical, bridge and test	Yes	3.3.1
31	Any new proposed specific service charges, or proposed changes to rates or application of existing specific service charges	N/A	N/A
31	Revenue from affiliate transactions, shared services, corporate cost allocation	N/A	
EXHIBIT 4 - OPERATING COSTS			
<i>Overview</i>			
33	Brief explanation of test year OM&A levels, cost drivers, significant changes, trends, inflation rate assumed, business environment changes	Yes	4.1.1
<i>Summary and Cost Driver Tables</i>			
33	Summary of recoverable OM&A expenses; Appendix 2-JA	Yes	4.2.1.1
33	OM&A cost drivers; Appendix 2-JB	Yes	4.2.1.2
33	Recoverable OM&A Cost per customer and per FTE; Appendix 2-L	Yes	4.2.1.3
33	Identification of change in OM&A in test year in relation to change in capitalized overhead.	N/A	
33	OM&A variance analysis for test year with respect to bridge and historical years; Appendix 2-D	N/A	
<i>Program Delivery Costs with Variance Analysis</i>			
33 & 34	Completed Appendix 2-JC OM&A Programs Table - completed by program or major functions; include variance analysis limited to variances that are outliers, between test year and last Board approved and most recent actuals, including an explanation for each significant change whether the change was within or outside the applicant's control and explanation of why.	Yes	4.3.1
34	For each significant change within the applicant's control describe business decision that was made to manage the cost increase/decrease and the alternatives	N/A	
34	Employee Compensation - completed Appendix 2-K	Yes	4.3.2.1
34	Description of compensation strategy	Yes	4.3.2
34 & 35	Explanation for material changes to head count and compensation: year over year variances, inflation, plans for new employees, details on collective agreements, basis for performance pay, filing of any relevant studies	Yes	4.3.2
35	Details of employee benefit programs including pensions for last Board approved, historical, bridge and test; must agree with tax section	Yes	4.3.2
35	Most recent actuarial report on employee benefits, pension and OPEBs	N/A	
35	Identification of all shared services among affiliates and parent company	Yes	4.3.3
35	Allocation methodology for corporate and shared services, list of costs and allocators, including any third party review	Yes	4.3.3
36	Completed Appendix 2-N for service provided or received for historical, bridge and test; including reconciliation with revenue included in Other Revenue	Yes	4.3.3.1

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement Page # Reference		Date:
	Yes/No/N/A	Evidence Reference, Notes
36	Identification of any Board of Director costs for affiliates included in LDC costs	N/A
36	Shared Service and Corporate Cost Variance analysis - test year vs last Board approved and most recent actual	Yes 4.3.3
36	Purchased Non-Affiliated Services - file a copy of procurement policy (signing authority, tendering process, non-affiliate service purchase compliance)	Yes 4.3.4 and 4.3.4.1
36	Explanation for procurements above materiality threshold without competitive tender	Yes 4.3.4
36	Identification of one-time costs in historical, bridge, test; explanation of cost recovery in test (or future years)	Yes 4.3.6
37	Regulatory costs - breakdown of actual and forecast, supporting information related to CoS application, proposed recovery (ie amortized?). Completed Appendix 2-M	Yes 4.3.7
37	LEAP - the greater of 0.12% of forecasted service revenue requirement or \$2,000 should be included in OM&A and recovered from all rate classes	Yes 4.3.8
37	Statement whether test year revenue requirement includes legacy low income energy assistance programs. If yes, identify programs	Yes 4.3.8
38	Charitable Donations - amounts paid from last Board approved up to test year	Yes 4.3.9
38	Detailed information for any proposal to recover charitable donations (outside of assistance for payment of electricity bills)	N/A
38	Any non-recoverable contributions identified and removed from revenue requirement. Confirm that no political contributions have been included for recovery	Yes 4.3.9
Depreciation, Amortization and Depletion		
38	Explanations for any useful lives of an asset that are proposed that are not within the ranges contained in the Kinectrics Report	N/A
18 & 38	Depreciation, Amortization and Depletion details by asset group for historical, bridge and test years. Include asset amount and rate of depreciation/amortization. Must agree to accumulated depreciation in Appendix 2-BA under rate base.	Yes 4.4.1.5.1
38	Identify any Asset Retirement Obligations and associated depreciation	N/A
38 & 39	May propose an approach that differs from Board's general policy of capital additions attracting six months of depreciation expense when they enter service in the test year, based on the Board's proposed new policy options for the Board's consideration	N/A
39	Identify historical depreciation practice and proposal for test year. Variances from half year rule must be documented and with supporting rationale	Yes 4.4.1
39	Copy of depreciation/amortization policy, or equivalent written description; summary of changes to depreciation/amortization policy since last CoS	Yes 4.4.1
39	Explanation of any deviations from the practice of significant parts or components of PP&E being depreciated separately	N/A
39 & Appendices	Regulatory Accounting changes for depreciation - use of Kinectrics study or another study to justify changes in useful life - list detailing all asset service lives tied to USoA, detail differences in TUL from Kinectrics and explain differences outside of minimum and maximum TUL range from Kinectrics - Appendix 2-BB - recalculation to determine average remaining service life of opening balance on date of making depreciation changes - If further depreciation expense policy changes or changes in asset service lives are made they must be identified and provide a detailed explanation of the changes -File applicable depreciation appendices as provided in Chapter 2 MIFRS Appendices (Appendix 2-CA to 2-CI)	Yes 4.4.1 and 4.4.1.3, and 4.4.1.5
PILs and Property Taxes		
40	Completed version of the PILs model (PDF and Excel); derivation of adjustments for historical, bridge, test years	Yes 4.5.1.1
40	Supporting schedules and calculations identifying reconciling items	Yes 4.5.2
40	Most recent federal and provincial tax returns	Yes 4.5.2.1
12 & 40	Financial Statements included with tax returns if different from those filed with application	N/A
40	Calculation of Tax Credits	Yes 4.5.1
40	Supporting schedules, calculations and explanations for other additions and deductions	N/A
40	Explanation of how property tax amounts are derived	Yes 4.5.1
40 & 41	Exclude from regulatory tax calculation any non-recoverable or disallowed expenses	N/A
41	Completion of Integrity checks listed on p.41; statement confirming completion	Yes 4.5.1

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement Page # Reference		Date:	
		Yes/No/N/A	Evidence Reference, Notes
Conservation and Demand Management			
43	<p>LRAM and LRAMVA - disposition of balance(s) for any pre-2011 and 2011-2014 account balances</p> <ul style="list-style-type: none"> - statement indicating use of most recent input assumptions when calculating lost revenue - statement indicating reliance on most recent CDM evaluation report from OPA; copy of report - Tables for each rate class showing lost revenue by year - lost revenue calculations - energy savings by class and Board approved variable charge - statement that indicates if carrying charges are requested - Third party report for any Board-approved programs 	Yes	4.6.1
EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE			
Capital Structure			
44	Statement that LDC adopting Board's guidelines for cost of capital and confirming updates will be done. Alternatively - utility specific cost of capital with supporting evidence	Yes	5.1.1
4 & 44 Appendices	Completed Appendix 2-OA for last Board approved and test year; total capitalization (debt and equity) must equate to total rate base	Yes	5.1.1.1
44	Completed Appendix 2-OB for historical, bridge and test years	Yes	5.1.1.2
44	Explanation for any changes in capital structure	N/A	
44	Calculation of cost for each capital component	Yes	5.1.1.1
44	Profit or loss on redemption of debt	Yes	5.1.1.1
45	Copies of promissory notes or other debt arrangements with affiliates	Yes	5.1.1.3
45	Explanation of debt rate for each existing debt instrument	Yes	5.1.1
45	Forecast of new debt in bridge and test year - details including estimate of rate	Yes	5.1.1
Not-for-Profit Corporations			
45	Not for Profit Corporations - evidence that excess revenue is used to build up operating and capital reserves	N/A	
45	Detailed calculation for its test year revenue requirement based on its Reserve Requirement	N/A	
45	The proposed reserves and rationale for the need to establish each reserve, the time period of building up the reserves, and the procedure and policy of each reserve	N/A	
46	<p>Description of the governance of the not-for-profit corporation</p> <ul style="list-style-type: none"> -policy on Reserve Requirement -roles and responsibilities of the Board of Directors and management with regards to the need for types of reserves -authorization and approval process for access and use -investment objectives and policies for the reserve funds -reporting requirements and monitoring 	N/A	
46	<p>If there are approved reserves from previous Board decisions provide the following:</p> <ul style="list-style-type: none"> -any changes to the reserve policies and rationale for the changes since last CoS -limits of any capital and/or operating reserves as approved by the Board and identify decisions -current balances of any established capital and/or operating reserves -list withdrawals from capital and operating reserves, identify amounts and purpose of withdrawal -if limits on capital and operating reserves achieved provide a proposal for utilization of amounts -if limits on reserves not achieved provide rationale and the detail for its forecast of the Reserve Requirement for the test year 	N/A	
EXHIBIT 6 - REVENUE DEFICIENCY/SUFFICIENCY			
47	Calculation of delivery-related Revenue Deficiency/Sufficiency (excluding cost of power and associated costs): net utility income, rate base, actual return on rate base, indicated rate of return, requested rate of return, deficiency/sufficiency, gross deficiency/sufficiency. Deficiency/sufficiency must also be net of other costs (e.g. LV costs, RSVAs, smart meter and other DVA balances).	Yes	6.1.1
47	Summary of drivers for test year deficiency/sufficiency, how much each driver contributes; references in application evidence mapped to drivers	Yes	6.1.1
47	Impacts of any changes in methodologies to deficiency/sufficiency	N/A	
Revenue Requirement Work Form			
48	RRWF - in PDF and Excel. Revenue requirement, def/sufficiency, data entered in RRWF must correspond with other exhibits	Yes	6.1.1.1
EXHIBIT 7 - COST ALLOCATION			

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement
Page # Reference

Date:

		Yes/No/N/A	Evidence Reference, Notes
Cost Allocation Study Requirements			
48	Completed cost allocation study reflecting test year loads and costs. Excel version of 2015 cost allocation model (updated load profiles or scaled version of HONI CAIF). Appendix 2-P completed as well.	Yes	7.1.1 and 7.3.2.1 - 7.3.2.5
48	Description of weighting factors, and rationale for use of default values (if applicable)	Yes	7.1.1
48	Hard copy of sheets I-6, I-8, O-1 and O-2 (first page)	Yes	7.3.2.1 - 7.3.2.5
49	Host Distributor - evidence of consultation with embedded Dx - Statement regarding embedded Dx support for approach to allocation of costs - If embedded Dx is separate class - class in cost allocation study and Appendix 2-P - If new embedded Dx class - rationale and supporting evidence (cost of serving, load served, asset ownership information, distribution charges); include in cost allocation study and Appendix 2-P - If embedded Dx billed as GS customer - , include with the GS class in cost allocation model and Appendix 2-P. Provide cost of serving, load served, asset ownership information, distribution charges, appropriateness of rate class. LDC may choose to file Appendix 2-Q.	Yes	7.1.3
Unmetered Load			
50	Confirmation of communication with unmetered load customers when proposing changes to the level of the rates and charges or the introduction of new rates and charges	Yes	7.2.1
50	New customer class or eliminated customer class - rationale and restatement of revenue requirement from previous CoS	N/A	
Class Revenue Requirements and Revenue to Cost Ratios			
51	Completed Appendix 2-P; supporting information for any proposal to re-balance rates	Yes	7.3.2 and 7.3.2.1 - 7.3.2.5
52	Proposal to re-balance to bring R:C ratio within Board policy ranges; any proposal to for further re-balancing beyond test year.	Yes	7.3.2
52	If Cost Allocation Model other than Board model used - exclude LV, exclude DVA such as smart meters	N/A	
EXHIBIT 8 - RATE DESIGN			
52	Monthly fixed charges - 2 decimal places; variable charges - 4 decimal places	Yes	8.1.1
53	Current and Proposed F/V proportion with explanation for any changes	Yes	8.1.1
53	Table comparing current and proposed fixed charge with floor and ceiling from cost allocation study. Explanation for Monthly Fixed Charge(s) that exceed the ceiling; analysis must be net of adders and riders	Yes	8.1.1
53	Policy Options - can propose fixed monthly charge based on the proposed policy options	Yes	8.1.1
53	Explanation of the method used to design the fixed charge for distribution service (if applicable)	Yes	8.1.1
RTSRs and Other Charges			
53	Retail Transmission Service Rate Work Form - PDF and Excel	Yes	8.2.1.1
53	RTSR information must be consistent with working capital allowance calculation	Yes	3.1.4
54	If proposing changes to Retail Service Charge - evidence of consultation and notice	N/A	
54	Wholesale Market Service Rate - reflect \$0.0057 in application or justify otherwise	Yes	8.2.3
54 & 55	Smart Metering Charge - reflect \$0.79 in application for Residential and GS<50	Yes	8.2.4
55	Specific Service Charge description/purpose/reason for new and revised SSC; calculations to support charges	Yes	8.2.5
55	Identify any rates and charges in Conditions of Service that do not appear on tariff sheet Explain nature of costs, schedule outlining revenues 2010-2013, bridge and test Whether these charges are included on tariff sheet	N/A	
55	Ensure revenue from SSCs corresponds with Operating Revenue evidence	Yes	3.3.1 and 8.2.5
55	Can propose activities or initiatives that will reduce cost of transition to monthly billing	N/A	
56	Forecast of LV cost, sum of host distributors charges	Yes	8.2.6
56	Low Voltage Cost (historical, bridge, test), variances and explanations for substantive changes	Yes	8.2.6
56	Support for forecast LV, e.g. Hydro One Sub-Transmission charges	Yes	8.2.6
56	Allocation of LV cost to customer classes (typically proportional to Tx connection revenue)	Yes	8.2.6
56	Proposed LV rates by customer class	Yes	8.2.6

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement
Page # Reference

Date:

		Yes/No/N/A	Evidence Reference, Notes
Loss Factors			
56	Proposed SFLF and Total Loss Factor for test year	Yes	8.3.1
56	Statement as to whether LDC is embedded including whether fully or partially	Yes	8.3.1
56	Study of losses if required by previous decision	N/A	
56	3-5 years of historical loss factor data - Completed Appendix 2-R	Yes	8.3.1.1
56	Explanation of losses >5%	N/A	
56	If proposed loss factor >5%, action plan to reduce losses going forward	N/A	
56	Explanation of SFLF if not standard	N/A	
Rates and Bill Impacts			
57	Current Tariff of Rates and Charges	Yes	8.4.1.1
57	Proposed Tariff of Rates - Appendix 2-Z	Yes	8.4.1.2
57	Explanation of changes to terms and conditions of service if changes affect application of rates	Yes	8.4.1
57	Calculations of revenue per class under current and proposed rates; reconciliation of rate class revenue and other revenue to total revenue requirement	Yes	3.2.1.1; 8.4.2
57	Completed Appendix 2-V (Revenue Reconciliation)	Yes	8.4.2.1
57	Bill Impacts - completed Appendix 2-W for all classes for representative samples of end-users. Must provide residential 800 kWh and GS<50 2,000 kWh. Commodity and regulatory charges held constant	Yes	8.4.3.1
58 & 59	Mitigation plan if total bill increase for any customer class is >10% including: specification of class and magnitude of increase, description of mitigation measures, justification, revised impact calculation	Yes	8.4.4
59	Rate Harmonization Plans, if applicable - including impact analysis	Yes	8.4.5
EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS			
59	List of all outstanding DVA and sub-accounts; provide description of DVAs that were used differently than as described in the APH	Yes	9.1.1
59	Completed DVA continuity schedule for period following last disposition to present - Excel format	Yes	9.1.1.1
59	Interest rates applied to calculate carrying charges (month or quarter)	Yes	9.1.2
59	Explanation if account balances in continuity schedule differs from trial balance in RRR and AFS	N/A	
60	Identification of Group 2 accounts that will continue/discontinue going forward, with explanation	Yes	9.1.4
60	Statement as to any new accounts, and justification.	Yes	9.1.5
60	Statement whether any adjustments made to DVA balances previously approved by Board on final basis; explanation, amount of adjustment and supporting documents	Yes	9.1.6
60	Breakdown of energy sales and cost of power by USoA - as reported in AFS mapped and reconciled to USoA. Provide explanation if making a profit or loss on commodity.	Yes	9.1.7
60	Statement confirming that IESO GA charge is pro-rated into RPP and non-RPP; provide explanation if not pro-rated.	Yes	9.1.8
60	If not addressed previously, disposition of Account 1592 - Completed Appendix 2-TA	Yes	9.1.9
61	If not addressed previously, disposition of Account 1592 sub-account HST/OVAT ITC - analysis that supports conformity with Dec 2010 APH FAQ (particularly #4) Applicant must state the period that the account covers (i.e. Jul 1-2010 up to start of new rate year (year of rebasing))	Yes	9.1.9.1.2
61 & 62	Request for disposition of Account 1508 sub-account IFRS transition costs - completed Appendix 2-U - statement whether any one time IFRS transition costs are embedded in 2015 revenue requirement, where and why it is embedded, and the quantum - explanation for each category of cost recorded in 1508 sub-account, how it meets criteria of one time IFRS admin incremental costs - explanation for material variances in Account 1508 sub-account IFRS Transition Costs Variance - statement that no capital costs, ongoing IFRS compliance costs are recorded in 1508 sub-account; provide explanation if this is not the case	Yes	9.1.10.1 and 9.1.10

2016 Cost of Service Checklist

Kingston Hydro Corporation

EB-2015-0083

Filing Requirement
Page # Reference

Date:

		Yes/No/N/A	Evidence Reference, Notes
62 & 63	1575 IFRS-CGAAP PP&E account - Account 1575 and 1576 can't be used interchangeably - breakdown of balance, Appendix 2-EA - listing and quantification of drivers - a breakdown for quantification of any accounting changes arising from IFRS in relation to PP&E - volumetric rate rider to clear 1575; - rate of return component is to be applied to 1575 but not recorded in 1575 - statement confirming no carrying charges applied to 1575 - explanation for the basis of the proposed disposition period to clear Account 1575 rate rider - show the balance in DVA continuity schedule	Yes	9.1.11
63, 64 & 65	Changes to depreciation and capitalization in 2012 or 2013 - 1576 IFRS-CGAAP PP&E account - Appendix 2-BA must not be adjusted for 1576 - breakdown of balance related to 1576, Appendix 2-EB or 2-EC - volumetric rate rider to clear 1576; - rate of return component is to be applied to 1576 but not recorded in 1576 - statement confirming no carrying charges applied to 1576 - explanation for the basis of the proposed disposition period to clear Account 1576 rate rider - show the balance in DVA continuity schedule	Yes	9.1.12
65	Retail Service Charges - material balance in 1518 or 1548 - confirm variances are incremental costs of providing retail services - identify drivers - provide schedule identifying all revenues and expenses listed by USoA for 2013, actual/forecast for bridge and test year - state whether Article 490 of APH has been followed; explanation if not followed	Yes	9.1.13
65	Retail Service Charges - zero balance in 1518 or 1548 - state whether Article 490 of APH has been followed; explanation if not followed	N/A	
5 & 65	Identify all accounts for which LDC is seeking disposition; identify DVA for which LDC is not proposing disposition and the reasons why Proposal for disposition of deferral accounts for renewable generation connection and smart grid as set out in FR "Distribution System Plans - Filing Under Deemed Conditions of Licence"	Yes	9.1.14
59 & 65	Statement whether DVA balances before forecasted interest match the last AFS	Yes	9.1.14
65	Provide an explanation of variance > 5% between amounts proposed for disposition and amounts reported in RRR for each account. Provide explanations even if such variances are < 5% threshold if the variances in question relate to: (1) matters of principle (i.e. conformance with the APH or prior Board decisions, and prior period adjustments); and/or, (2) the cumulative effect of immaterial differences over several accounts totaling to a material difference between what is proposed for disposition in total before forecasted interest and what is recorded in the RRR filings	N/A	
66	Show relevant calculations: rationale for allocation of each account, proposed billing determinants and length of disposition period.	Yes	9.1.15
66	If applicant is proposing to allocate an account which the Board has not established an approved allocator for the applicant must: -propose and allocator based on the cost driver(s) -propose the charge type (fixed or variable) for recovery purposes -include this in the continuity schedule	N/A	
66	Propose rate riders for recovery or refund of balances that are proposed for disposition. The default disposition period is one year; if the applicant is proposing an alternative recovery period must provide explanation.	Yes	9.1.15
66	Establish separate rate riders to recover balances in the RSVA's from Market Participants who must not be allocated the RSVA balances related to charges for which the MP's settle directly with the IESO.	N/A	
66	Establish separate rate riders to recover the balance of account 1589. Distributors who serve class A customers per O.Reg 429/04 must propose an appropriate allocation for their recovery of the global adjustment variance balance based on their settlement process with the IESO.	Yes	9.1.15
66	New DVA - must meet causation, materiality, prudence criteria; include draft accounting order	N/A	

TOTAL "NO"

0