EXHIBIT 8 - RATE DESIGN

Response to Ontario Energy Board Staff Interrogatory 8-Staff-87

Ref: Exhibit 8, Tab 4, Schedule 1, pp. 3-4 – Standby Rates
Filing Requirements for Electricity Distribution Rate Applications – 2015 Edition for 2016 Rate Applications – Chapter 2, pp. 53, 54

Interrogatory:

On page 3 of E8/T4/S1, Kingston Hydro is requesting a change in the service classification of the monthly Standby Charge as follows:

Kingston proposes to amend the Standby Charge description to the following:

> *Standby Charges are applicable for a month where standby power is not provided. The charge is based upon applicable monthly General Service 50 to 4,999 kW or Large Use Distribution Volumetric Charges applied to the following*:
>
> a) In the case where no utility-grade metering is installed for the Load Displacement Generation, the nameplate rating of the generation facility in kW.
>
> b) In the case where utility-grade metering is installed for the Load Displacement Generation, the monthly metered amount of standby demand service provided by Kingston Hydro.

Response:

Kingston confirms it proposed in its application to amend the Standby Charge description.

EXHIBIT 8 – RATE DESIGN

Response to Ontario Energy Board Staff Interrogatory 8-Staff-88

Ref: Exhibit 8, Tab 4, Schedule 1, pp. 3-4 – Standby Rates
Filing Requirements for Electricity Distribution Rate Applications – 2015 Edition for 2016 Rate Applications – Chapter 2, pp. 53, 54

Interrogatory:

The OEB's filing requirements for cost of service applications contain helpful information to support an applicant's request for changes to standby rates:
A distributor that seeks changes to its standby charges, including a change in the methodology on which these rates are based may do so, but must provide full documentation supporting its proposal, in addition to confirming that all affected customers have been notified of the proposed change(s).

a) Currently, Kingston Hydro's standby rates are approved on an interim basis. Please confirm that Kingston is seeking the standby charge to be applied on a final basis.

b) Please provide a more detailed explanation of the change in methodology on which standby rates will be based on.

c) How many customers would be affected by each of the two classifications and what is the expected growth rate of these customers?

d) Please provide supporting documentation showing the result of the

consultation with affected customers.

e) How have the distribution system costs to provide a standby service for these customers been allocated?

Response:

a) Confirmed

b) The current standby charge methodology states that Kingston Hydro can recover applicable variable distribution charges for the full nameplate capacity in kW of a non-FIT, non-net metered, behind-the-meter generator each month.

This methodology is appropriate for generators GS>50kW customers that operate close to constantly at full capacity, in a base-load or “24-7-365” manner. Such a generator will dependably cut the peak metered demand of the host facility by its nameplate capacity, and the standby charge will allow Kingston Hydro to recover distribution and transmission charges appropriate for provision and maintenance of a distribution system connection that can supply the full peak load of the host facility in case of a generator outage.

Not all generators are operated in a base load manner. For example, Combined Heat and Power (CHP) generators are often have their electrical output limited by the size of their heating load. In a warm week with low heating loads, a 500 kW nameplate capacity CHP generator may be limited to 200 kW. Some CHP facilities are flexible and scale

electrical production up for short periods of time to shave their monthly peak demands or participate in provincial Demand Response (DR) or Industrial Conservation Initiatives (ICI) offered by the IESO.

In such cases, application of the current standby charge methodology would result in over-recovery of actual standby service costs from the customer, and serve as a dis-incentive to participation in provincial conservation initiatives and flexible operation of distributed generation.

For example: A customer has a 500 kW behind the meter generator. The generator provides 300 kW of demand response at the request of the IESO for 4 hours during one day, but is not able to generate during the customer's peak load hour during that month. If the customer's metered peak load is 1000 kW, they would be billed 1000 kW on their load account, and a further 500 kW on their standby service account. Though the customer's actual demand on the distribution system was 1000 kW and they provided the province with 300 kW of demand response, they would be billed for 1500 kW of combined distribution charges.

In the case where Kingston Hydro has utility grade metering on the behind the meter generator and can measure the actual impact the generator has on the load customer's demand, the generator may operate at any time in a manner that reduces their own peak loads, responds to provincial conservation initiatives, or responds to requests from Kingston Hydro to ease distribution system peak loads without attracting variable distribution charges in excess of what they would be had the generator not been operated in a given month.

c) Two customers will be affected by the change to Kingston Hydro's proposed standby rate changes. These customers have requested that a generator metered as a direct connection to the distribution system be brought behind the meter at their shared campus.

While advancements in energy storage, cogeneration, and other distributed energy generation technologies could see some future growth in the number of customers to which a standby rate could apply, Kingston Hydro predicts that very few (i.e. less than 10) customers are likely to put behind-the-meter generation or storage into service requiring application of a standby charge from 2015-2020. If the facility is a baseload generator such as a fuel-cell CHP unit, it could be more economical for the customer to elect to be in the Standby rate classification (a), while customers with CHP or storage facilities would likely elect to be included in Standby rate classification (b) and install appropriate metering.

d) Kingston Hydro has attached email notifications in Attachments 1 and 2 to this interrogatory response indicating that both affected customers, Queen's University and Kingston General Hospital, are aware of and support the proposed change.

e) Standby Rate costs, revenues, and loads will be allocated to the rate class of the generator/storage host load customer. Currently, both affected customers are in the Large Use rate class.

Response to The Ontario Energy Board Staff Interrogatory 8-Staff-88

Attachment 1

Sottile,Stephen

From: Nathan Splinter <splinter@queensu.ca>
Sent: 09-9-2015 9:19 AM
To: Sottile,Stephen; McLuskie, Allan (mcluskia@KGH.KARI.NET)
Cc:
Subject: RE: Kingston Hydro Standby Rate Classification Revisions -2016 OEB Rate Application

Good Morning Steve,

Please use this email as confirmation from Queen's University that we understand and approve the changes to our standby charges, rate classification, and that Queen's University representatives have been part of this billing change.

Regards,
Nathan

Nathan Splinter | Energy Management
Physical Plant Services | 207 Stuart St. | Rideau Building, 2nd Floor
Queen's University | Kingston ON | K7L 3N6
tel 613.533.2961| cell 613.483.5395 | splinter@queensu.ca

Web: Physical Plant Services | Twitter: @queensuPPS

From: Sottile,Stephen [mailto:ssottile@utilitieskingston.com]
Sent: Tuesday, September 08, 2015 4:40 PM
To: Nathan Splinter; McLuskie, Allan (mcluskia@KGH.KARI.NET)
Subject: Kingston Hydro Standby Rate Classification Revisions -2016 OEB Rate Application
Importance: High

Hello Nathan and Allan,

As the Kingston Hydro contacts for our Class A customers Queen's University and Kingston General Hospital, respectively, can you please confirm the following in writing by way of a reply to this email:

1. That you are aware of Kingston Hydro's request to modify the means by which we apply standby charges to Behind The Meter Generators.

2. That you are aware this change will result in a permanent change to this rate classification which will enable us to apply Standby Power Charges to Class A and GS>50kW accounts. Where previously Standby Power charges could be levied based on the nameplate rating of the generation facility in kW, it may now, in the case where utility grade metering is in place (such as the CHP facility on your campus), be levied based on the monthly metered amount of standby demand service provided by Kingston Hydro.

3. That you have been consulted on this change and through a series of joint meetings and initiatives over the past year and as a part of our recent Rate Application consultations.

4. That you understand the impact it will have on your electricity distribution bills, and that you approve of the proposed change.

For reference, the revised Standby Power Charge rate classification that would apply to your Combined Heat and Power facility on the campus of Queen's University and Kingston General Hospital, if approved by the OEB, would read as follows:

"Standby Charges are applicable for a month where standby power is not provided. The charge is based upon applicable monthly General Service 50 to 4,999 kW or Large Use Distribution Volumetric Charges applied to the following:

a) In the case where no utility-grade metering is installed for the Load Displacement Generation, the nameplate rating of the generation facility in kW.
b) In the case where utility-grade metering is installed for the Load Displacement Generation, the monthly metered amount of standby demand service provided by Kingston Hydro."

You can find more information about this and other issues surrounding Kingston Hydro's pending Ontario Energy Board rate application here:
http://www.kingstonhydro.com/RatesAndRegulatoryAffairs

If you have any questions, please do not hesitate to contact me.

Thanks,

Steve

Stephen Sottile, H.B.Comm, C.E.M., C.D.S.M.
Conservation Officer - Utilities Kingston & Kingston Hydro
P.O. Box 790, Kingston, ON, K7L 4X7
Office: 613 546-1181 x2477
Cel: 613 876-0406
Fax: 613 542-1463
ssottile@utilitieskingston.com

Response to The Ontario Energy Board Staff Interrogatory 8-Staff-88

Attachment 2

Sottile,Stephen

Subject: FW: Kingston Hydro Standby Rate Classification Revisions -2016 OEB Rate Application

From: McLuskie, Allan [mailto:mcluskia@KGH.KARI.NET]
Sent: 09-9-2015 9:29 AM
To: Sottile,Stephen
Cc:
Subject: Re: Kingston Hydro Standby Rate Classification Revisions -2016 OEB Rate Application

Steve: Please use this email as confirmation from Kingston General Hospital that we understand and approve the changes to our standby charges, rate classification, and that Kingston General Hospital representatives have been part of this billing change.

Allan McLuskie, P.Eng.
Director Facilities Management
Kingston General Hospital
76 Stuart Street
Kingston, Ontario
K7L2V7

Work Phone # : 613-549-6666 Extension 4246
Cell Phone #: 613-328-6944
E-mail: mcluskia@kgh.kari.net

From: Sottile,Stephen [mailto:ssottile@utilitieskingston.com]
Sent: Tuesday, September 08, 2015 4:40 PM
To: Nathan Splinter; McLuskie, Allan (mcluskia@KGH.KARI.NET)
Subject: Kingston Hydro Standby Rate Classification Revisions -2016 OEB Rate Application
Importance: High

Hello Nathan and Allan,

As the Kingston Hydro contacts for our Class A customers Queen's University and Kingston General Hospital, respectively, can you please confirm the following in writing by way of a reply to this email:

1. That you are aware of Kingston Hydro's request to modify the means by which we apply standby charges to Behind The Meter Generators.

2. That you are aware this change will result in a permanent change to this rate classification which will enable us to apply Standby Power Charges to Class A and GS>50kW accounts. Where previously Standby Power charges could be levied based on the nameplate rating of the generation facility in kW, it may now, in the case where utility grade metering is in place (such as the CHP facility on your campus), be levied based on the monthly metered amount of standby demand service provided by Kingston Hydro.

3. That you have been consulted on this change and through a series of joint meetings and initiatives over the past year and as a part of our recent Rate Application consultations.

4. That you understand the impact it will have on your electricity distribution bills, and that you approve of the proposed change.

For reference, the revised Standby Power Charge rate classification that would apply to your Combined Heat and Power facility on the campus of Queen's University and Kingston General Hospital, if approved by the OEB, would read as follows:

"Standby Charges are applicable for a month where standby power is not provided. The charge is based upon applicable monthly General Service 50 to 4,999 kW or Large Use Distribution Volumetric Charges applied to the following:

a) In the case where no utility-grade metering is installed for the Load Displacement Generation, the nameplate rating of the generation facility in kW.
b) In the case where utility-grade metering is installed for the Load Displacement Generation, the monthly metered amount of standby demand service provided by Kingston Hydro."

You can find more information about this and other issues surrounding Kingston Hydro's pending Ontario Energy Board rate application here:
http://www.kingstonhydro.com/RatesAndRegulatoryAffairs

If you have any questions, please do not hesitate to contact me.

Thanks,

Steve

Stephen Sottile, H.B.Comm, C.E.M., C.D.S.M.
Conservation Officer - Utilities Kingston & Kingston Hydro
P.O. Box 790, Kingston, ON, K7L 4X7
Office: 613 546-1181 x2477
Cel: 613 876-0406
Fax: 613 542-1463
ssottile@utilitieskingston.com

EXHIBIT 8 - RATE DESIGN

Response to Energy Probe Interrogatory 8-Energy Probe-43

Ref: Exhibit 8, Tab 1, Schedule 1, page 5

Interrogatory:

The Board released its decision on the implementation of a new rate design for electricity distributors on July 16, 2015. As a result of that decision, is Kingston proposing any changes to its proposal?

Response:

In Kingston Hydro's application Kingston stated it was aware there were some technical and administrative matters being addressed for the 'New Rate Design Policy for Residential Customers' by the OEB's working group and that based on a recommend from this group, the OEB might amend filing requirements during 2015. Further Kingston indicated it was prepared to incorporate changes in rate design and update its evidence accordingly so as to achieve the Board's goal of consistency with implementation amongst distributors.

Per the updated Chapter 2 Filing requirements and Revised Chapter 2 Appendices issued July 16, 2015, and as provided in 8-VECC-40 interrogatory response, Kingston has completed the Appendix 2-PA (New Rate Design Policy for Residential Customers) for years 2016 through 2020. For consistency in implementation amongst distributors, Kingston is prepared to design residential rates using Appendix 2-PA rate design outcomes.

EXHIBIT 8 – RATE DESIGN

Response to Energy Probe Interrogatory 8-Energy Probe-44

Ref: Exhibit 8, Tab 4, Schedule 3, Attachment 1

Interrogatory:

a) Please provide a table that shows the bill impacts for the residential class only for levels of consumption of 100, 250, 500, 800, 1,000, 1,500 and 2,000 kWh, as detailed in Appendix 2-W.

b) Based on the most recent 12 months of billing data available, please provide a breakdown as to the number of residential customers that fall into the following ranges of monthly usage:

* 0-100 kWh
* >100 – 250 kWh
* >250 - 500 kWh
* >500 – 800 kWh
* >800 – 1,000 kWh
* >1,000 – 1,500 kWh
* >1,500 – 2,000 kWh
* >2,000

Response:

a) Attachment 1 to this response provides tables that show bill impacts for the residential rate class for levels of consumption of 100, 250, 500, 800, 1,000, 1,500, and 2,000 kWh as detailed in Appendix 2-W.

b) Please see 8-VECC-40 part b) response.

Response to Energy Probe Interrogatory 8-Energy Probe-44

Attachment 1

Summary of Residential Bill Impacts provided in Appendix 2-W

A Sub-Total A (Excluding Pass Through)

Customer Class	*Billing Determinant*	Consumption per customer	TEST YEAR 1 - 2016 Monthly Distribution Charge Impact		TEST YEAR 2 - 2017 Monthly Distribution Charge Impact		TEST YEAR 3 - 2018 Monthly Distribution Charge Impact		TEST YEAR 4 - 2019 Monthly Distribution Charge Impact		TEST YEAR 5 - 2020 Monthly Distribution Charge Impact	
		kwh	$	%	$	%	$	%	$	%	$	%
Residential	*kWh*	100	$ 2.08	12.5%	$ 2.78	14.8%	$ 3.10	14.4%	$ 3.06	12.4%	$ 0.61	2.2%
	kWh	250	$ 1.86	9.8%	$ 2.02	9.7%	$ 2.46	10.7%	$ 2.39	9.4%	$ 0.61	2.2%
	kWh	500	$ 1.49	6.5%	$ 0.77	3.2%	$ 1.38	5.5%	$ 1.26	4.8%	$ 0.61	2.2%
	kWh	800	$ 1.05	3.8%	$ (0.74)	(2.6%)	$ 0.09	0.3%	$ (0.09)	(0.3%)	$ 0.61	2.2%
	kWh	1,000	$ 0.76	2.5%	$ (1.75)	(5.6%)	$ (0.77)	(2.6%)	$ (0.99)	(3.4%)	$ 0.61	2.2%
	kWh	1,500	$ 0.02	0.1%	$ (4.26)	(11.2%)	$ (2.92)	(8.6%)	$ (3.24)	(10.5%)	$ 0.61	2.2%
	kWh	2,000	$ (0.71)	(1.6%)	$ (6.77)	(15.0%)	$ (5.07)	(13.2%)	$ (5.49)	(16.5%)	$ 0.61	2.2%

B Sub-Total B (Distribution includes Sub-Total A)

Customer Class	*Billing Determinant*	Consumption per customer	Monthly Delivery Charge Impact		Monthly Delivery Charge Impact		Monthly Delivery Charge Impact		Monthly Delivery Charge Impact		Monthly Delivery Charge Impact	
		kwh	$	%	$	%	$	%	$	%	$	%
Residential	*kWh*	*100*	$ 2.05	11.4%	$ 2.66	13.3%	$ 3.10	13.7%	$ 3.06	11.9%	$ 0.61	2.1%
	kWh	*250*	$ 1.77	8.5%	$ 1.74	7.7%	$ 2.46	10.1%	$ 2.39	8.9%	$ 0.61	2.1%
	kWh	*500*	$ 1.31	5.1%	$ 0.19	0.7%	$ 1.38	5.1%	$ 1.26	4.4%	$ 0.61	2.0%
	kWh	*800*	$ 0.76	2.4%	$ (1.66)	(5.2%)	$ 0.09	0.3%	$ (0.09)	(0.3%)	$ 0.61	2.0%
	kWh	*1,000*	$ 0.40	1.1%	$ (2.90)	(8.1%)	$ (0.77)	(2.4%)	$ (0.99)	(3.1%)	$ 0.61	2.0%
	kWh	*1,500*	$ (0.52)	(1.2%)	$ (5.98)	(13.5%)	$ (2.92)	(7.6%)	$ (3.24)	(9.1%)	$ 0.61	1.9%
	kWh	*2,000*	$ (1.43)	(2.6%)	$ (9.07)	(17.1%)	$ (5.07)	(11.5%)	$ (5.49)	(14.1%)	$ 0.61	1.8%

C Delivery

Customer Class	*Billing Determinant*	Consumption per customer	Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact	
		kwh	$	%	$	%	$	%	$	%	$	%
Residential	*kWh*	*100*	$ 2.15	11.2%	$ 2.66	12.5%	$ 3.10	13.0%	$ 3.06	11.3%	$ 0.61	2.0%
	kWh	*250*	$ 2.02	8.5%	$ 1.74	6.7%	$ 2.46	8.9%	$ 2.39	7.9%	$ 0.61	1.9%
	kWh	*500*	$ 1.81	5.7%	$ 0.19	0.6%	$ 1.38	4.1%	$ 1.26	3.6%	$ 0.61	1.7%
	kWh	*800*	$ 1.56	3.8%	$ (1.66)	(3.9%)	$ 0.09	0.2%	$ (0.09)	(0.2%)	$ 0.61	1.5%
	kWh	*1,000*	$ 1.39	2.9%	$ (2.90)	(5.9%)	$ (0.77)	(1.7%)	$ (0.99)	(2.2%)	$ 0.61	1.4%
	kWh	*1,500*	$ 0.97	1.5%	$ (5.98)	(9.3%)	$ (2.92)	(5.0%)	$ (3.24)	(5.9%)	$ 0.61	1.2%
	kWh	*2,000*	$ 0.55	0.7%	$ (9.07)	(11.4%)	$ (5.07)	(7.2%)	$ (5.49)	(8.4%)	$ 0.61	1.0%

D Total Bill (before taxes)

Customer Class	*Billing Determinant*	Consumption per customer	Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact	
		kwh	$	%	$	%	$	%	$	%	$	%
Residential	*kWh*	*100*	$ 1.45	4.8%	$ 2.66	8.4%	$ 3.10	9.0%	$ 3.06	8.2%	$ 0.61	1.5%
	kWh	*250*	$ 0.28	0.5%	$ 1.74	3.4%	$ 2.46	4.6%	$ 2.39	4.3%	$ 0.61	1.1%
	kWh	*500*	$ (1.68)	(2.0%)	$ 0.19	0.2%	$ 1.38	1.6%	$ 1.26	1.5%	$ 0.61	0.7%
	kWh	*800*	$ (4.02)	(3.1%)	$ (1.66)	(1.3%)	$ 0.09	0.1%	$ (0.09)	(0.1%)	$ 0.61	0.5%
	kWh	*1,000*	$ (5.58)	(3.6%)	$ (2.90)	(1.9%)	$ (0.77)	(0.5%)	$ (0.99)	(0.7%)	$ 0.61	0.4%
	kWh	*1,500*	$ (9.49)	(4.2%)	$ (5.98)	(2.8%)	$ (2.92)	(1.4%)	$ (3.24)	(1.6%)	$ 0.61	0.3%
	kWh	*2,000*	$ (13.39)	(4.5%)	$ (9.07)	(3.2%)	$ (5.07)	(1.9%)	$ (5.49)	(2.1%)	$ 0.61	0.2%

Regular Distribution Only (Fixed Monthly & Variable Distribution)

Customer Class	*Billing Determinant*	Consumption per customer	Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact		Total Monthly Bill Impact	
		kwh	$	%	$	%	$	%	$	%	$	%
Residential	*kWh*	*100*	$ 3.28	23.3%	$ 3.12	18.0%	$ 3.10	15.1%	$ 3.06	13.0%	$ 0.61	2.3%
	kWh	*250*	$ 2.91	17.7%	$ 2.51	13.0%	$ 2.46	11.3%	$ 2.39	9.8%	$ 0.61	2.3%
	kWh	*500*	$ 2.28	11.3%	$ 1.48	6.6%	$ 1.38	5.7%	$ 1.26	5.0%	$ 0.61	2.3%
	kWh	*800*	$ 1.53	6.1%	$ 0.25	0.9%	$ 0.09	0.3%	$ (0.09)	(0.3%)	$ 0.61	2.3%
	kWh	*1,000*	$ 1.03	3.7%	$ (0.57)	(2.0%)	$ (0.77)	(2.7%)	$ (0.99)	(3.6%)	$ 0.61	2.3%
	kWh	*1,500*	$ (0.22)	(0.6%)	$ (2.62)	(7.4%)	$ (2.92)	(8.9%)	$ (3.24)	(10.8%)	$ 0.61	2.3%
	kWh	*2,000*	$ (1.47)	(3.4%)	$ (4.67)	(11.1%)	$ (5.07)	(13.6%)	$ (5.49)	(17.1%)	$ 0.61	2.3%

EXHIBIT 8 – RATE DESIGN

Response to Sustainable Infrastructure Alliance of Ontario Interrogatory 8-SIA-11

Ref: Exhibit 8, Tab 2, Schedule 5

Interrogatory:

With regard to specific service charges, Kingston Hydro notes that it "is not proposing any changes to current approved specific service charges. Kingston is seeking approval to maintain its existing approved specific service charges and level of charges for each of test years 2016 through 2020."

Given increased funding needs during the rate term, please explain why Kingston Hydro does not believe it to be appropriate to consider updating its specific service charges, both for cost causality reasons and/or as an additional source of revenue?

Response:

As noted by the Ontario Energy Board ("the Board") in the Wireless Attachment Consultation memo dated December 11, 2014, the Board has indicated "distributors may wish to take into consideration that the Board plans to undertake a review of all Specific Service Charges next fiscal year".[1] As such, Kingston has opted to wait until a full review of service charges is undertaken and then will at that time as directed by the Board update its specific service charges.

---

1 Wireless Attachment Consultation, Board File No. EB-2014-0365, memo dated December 11, 2014, page 3.

EXHIBIT 8 – RATE DESIGN

Response to Sustainable Infrastructure Alliance of Ontario Interrogatory 8-SIA-12

Ref: Exhibit 8, Tab 2, Schedule 5, Table 1

Interrogatory:

a) Please recalculate the table of service charges using current cost inputs, and following the calculation methodology included in Schedule 11-2 of the Distribution Rate Handbook, updating for Kingston Hydro's current actual vehicle and labour rates.

b) Please provide a comparison of the annual specific service charge revenue forecast under existing specific service charge rates, and the potential revenue under the updated rates in a) above.

c) Would Kingston Hydro have any objections or concerns were it to be directed to implement the new rates calculated in a) above during the term of the rate plan?

Response:

a) Kingston Hydro has recalculated the table of service charges using current actual vehicle and labour rates, and following the calculation methodology included in Schedule 11-2 of the Distribution Rate Handbook. A summary is provided in the following table:

Current Charge		8-SIA-12		
$	15.00	$	20.00	
$	30.00	$	40.00	
$	65.00	$	85.00	
$	185.00	$	215.00	at pole during regular hours
$	185.00	$	250.00	at meter after hours
$	415.00	$	525.00	

Calculation details of each charge type are presented in the following set of tables:

	$15 Specific Service Charge Calculation				
	Used for:				
	Arrears Certificate, Statement of Account, Request for other billing information, Account History, Returned cheque (plus bank charges), Legal letter charge, Account set up/change of occupancy charge (plus credit agency costs if applicable)				
	Description	**Rate/Amount**	**Hours/Units**	**O/T Factor**	**Calculated Cost**
LABOUR	Direct Labour (inside staff) Straight Time	$ 30.01	0.4		$ 12.00
	Direct Labour (inside staff) Overtime	$ 30.01			$ -
	Direct Labour (field staff) Straight Time	$ 36.95			$ -
	Direct Labour (field staff) Overtime	$ 36.95			$ -
					$ -
	Subtotal - Labour				$ 12.00
	Payroll Burden %	30%			$ 3.60
	Total Labour Cost				$ 15.60
OTHER					$ -
	Small Vehicle Time	$ 12.05			$ -
	Large Vehicle Time	$ 31.31			$ -
					$ -
					$ -
					$ -
	Other	$ 2.00			$ 2.00
					$ -
	Total Other Cost				$ 2.00
TOTAL COST					$ 17.60
	Specific Service Charge Value - Rounded to the nearest $5				**$ 20.00**

	$30 Specific Service Charge Calculation				
	Used for:				
	Special Meter Reads, Meter dispute charge plus Measurement Canada fees (if meter found correct)				
	Description	**Rate/Amount**	**Hours/Units**	**O/T Factor**	**Calculated Cost**
LABOUR	Direct Labour (inside staff) Straight Time	$ 30.01	0.5		$ 15.00
	Direct Labour (inside staff) Overtime	$ 30.01			$ -
	Direct Labour (field staff) Straight Time	$ 36.95	0.3		$ 11.09
	Direct Labour (field staff) Overtime	$ 36.95			$ -
					$ -
	Subtotal - Labour				$ 26.09
	Payroll Burden %	30%			$ 7.83
	Total Labour Cost				$ 33.91
OTHER					$ -
	Small Vehicle Time	$ 12.05	0.3		$ 3.62
	Large Vehicle Time	$ 31.31			$ -
					$ -
					$ -
					$ -
	Other	$ 2.00			$ 2.00
					$ -
	Total Other Cost				$ 5.62
TOTAL COST					$ 39.53
	Specific Service Charge Value - Rounded to the nearest $5				**$ 40.00**

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	$65 Specific Service Charge Calculation				
	Used for:				
	Disconnect/Reconnect at meter - during regular hours, Install/Remove load control device - during regular hours				
	Description	**Rate/Amount**	**Hours/Units**	**O/T Factor**	**Calculated Cost**
LABOUR	Direct Labour (inside staff) Straight Time	$ 30.01	0.5		$ 15.00
	Direct Labour (inside staff) Overtime	$ 30.01			$ -
	Direct Labour (field staff) Straight Time	$ 36.95	1.0		$ 36.95
	Direct Labour (field staff) Overtime	$ 36.95			$ -
					$ -
	Subtotal - Labour				$ 51.95
	Payroll Burden %	30%			$ 15.59
	Total Labour Cost				$ 67.54
OTHER					$ -
	Small Vehicle Time	$ 12.05	1.0		$ 12.05
	Large Vehicle Time	$ 31.31			$ -
					$ -
					$ -
					$ -
	Other	$ 3.00			$ 3.00
					$ -
	Total Other Cost				$ 15.05
TOTAL COST					$ 82.59
	Specific Service Charge Value - Rounded to the nearest $5				**$ 85.00**

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	$185 Specific Service Charge Calculation				
	Used for:				
	Disconnect/Reconnect at meter - after regular hours, Install/Remove load control device - after regular hours				
	Description	**Rate/Amount**	**Hours/Units**	**O/T Factor**	**Calculated Cost**
LABOUR	Direct Labour (inside staff) Straight Time	$ 30.01	0.5		$ 15.00
	Direct Labour (inside staff) Overtime	$ 30.01			$ -
	Direct Labour (field staff) Straight Time	$ 36.95	0.5		$ 18.48
	Direct Labour (field staff) Overtime 2hr min	$ 36.95	2.0	2	$ 147.80
					$ -
	Subtotal - Labour				$ 181.28
	Payroll Burden %	30%			$ 54.38
	Total Labour Cost				$ 235.66
OTHER					$ -
	Small Vehicle Time	$ 12.05	1.0		$ 12.05
	Large Vehicle Time	$ 31.31			$ -
					$ -
					$ -
					$ -
	Other	$ 2.00			$ 2.00
					$ -
	Total Other Cost				$ 14.05
TOTAL COST					$ 249.71
	Specific Service Charge Value - Rounded to the nearest $5				**$ 250.00**
	Assumes 1 person - One visit on overtime & minimum 2 hr call out				

	$185 Specific Service Charge Calculation - 2 Person Line Crew				
	Used for:				
	Disconect/Reconnect at pole - during regular hours				
	Description	**Rate/Amount**	**Hours/Units**	**O/T Factor**	**Calculated Cost**
LABOUR	Direct Labour (inside staff) Straight Time	$ 30.01	0.5		$ 15.00
	Direct Labour (inside staff) Overtime	$ 30.01			$ -
	Direct Labour (field staff) Straight Time	$ 36.95	3.0		$ 110.85
	Direct Labour (field staff) Overtime 2hr min	$ 36.95		2	$ -
					$ -
	Subtotal - Labour				$ 125.85
	Payroll Burden %	30%			$ 37.76
	Total Labour Cost				$ 163.61
OTHER					$ -
	Small Vehicle Time	$ 12.05			$ -
	Large Vehicle Time	$ 31.31	1.5		$ 46.97
					$ -
					$ -
					$ -
	Other	$ 2.00			$ 2.00
					$ -
	Total Other Cost				$ 48.97
TOTAL COST					$ 212.57
	Specific Service Charge Value - Rounded to the nearest $5				**$ 215.00**

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	$415 Specific Service Charge Calculation - 2 Person Line Crew				
	Used for:				
	Disconect/Reconnect at pole - after regular hours				
	Description	**Rate/Amount**	**Hours/Units**	**O/T Factor**	**Calculated Cost**
LABOUR	Direct Labour (inside staff) Straight Time	$ 30.01	0.5		$ 15.00
	Direct Labour (inside staff) Overtime	$ 30.01			$ -
	Direct Labour (field staff) Straight Time	$ 36.95	1.5		$ 55.43
	Direct Labour (field staff) Overtime 2hr min	$ 36.95	4.0	2	$ 295.60
					$ -
	Subtotal - Labour				$ 366.03
	Payroll Burden %	30%			$ 109.81
	Total Labour Cost				$ 475.84
OTHER					$ -
	Small Vehicle Time	$ 12.05			$ -
	Large Vehicle Time	$ 31.31	1.5		$ 46.97
					$ -
					$ -
					$ -
	Other	$ 2.00			$ 2.00
					$ -
	Total Other Cost				$ 48.97
TOTAL COST					$ 524.80
	Specific Service Charge Value - Rounded to the nearest $5				**$ 525.00**

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Assumes 2 person line crew - One visit on overtime & minimum 2 hr call out

b) The table below provides a comparison of the annual specific service charge revenue forecast under existing rates and the potential revenue under the updated rates shown in part a) response above.

	Current Rates	Updated Rates
2016	499,664	542,401

c) If directed by the OEB, Kingston Hydro would implement the new specific service charges rates calculated in a) above during the term of the rate plan.

EXHIBIT 8 – RATE DESIGN

Response to Vulnerable Energy Consumers Coalition Interrogatory 8-VECC-40

Reference: E8/T1/S1, pg. 4

Interrogatory:

a) Please provide a copy of Appendix 2-PA for each year 2016-2020 (per the updated Appendix 2 posted July 16, 2015).

b) Based on the most recent 12 months of billing data please indicate how many Residential customers fall into each of the following average monthly use categories:

- 0-100 kWh
- >100-250 kWh
- >250-500 kWh
- >500-800 kWh
- >800-1,000 kWh
- >1,000-1,500 kWh
- >1,500-2,000 kWh

c) In accordance with the Chapter 2 Filing Guidelines (page 62) posted July 16, 2015, please identify the level of monthly Residential consumption associated with the Kingston Hydro's 10th consumption percentile for this class and provide the total bill impacts for each test year based on this level of usage.

Response:

a) Per the updated filing requirements, a copy of Appendix 2-PA (re: New Rate Design Policy for Residential Customers) tables are provided for each year 2016-2020 as Attachment 1 to this IR response and a live Appendix 2-PA Excel model for 2016-2020 has been filed. The tables reflect the updated load forecast.

b) Based on the most recent 12 months of billing data (August 1, 2014 through July 31, 2015) the number of Residential customers (that reported at least 95%+ of 365 days of data for the period) that fall into specified average monthly consumption categories are identified in the following table:

Monthly Consumption Range	# of Customers in Range	% of Customers in Range
0 to 100 KWH	552	2.4%
101 to 250 KWH	3,108	13.4%
251 to 500 KWH	6,660	28.6%
501 to 800 KWH	6,277	27.0%
801 to 1000 KWH	2,550	11.0%
1001 to 1500 KWH	2,821	12.1%
1501 to 2000 KWH	878	3.8%
2001 + KWH	416	1.8%
	23,262	100.0%

c) The level of monthly Residential consumption associated with the Kingston Hydro's 10th consumption percentile is 203.7853 kWh.

The methodology used to identify the level of monthly Residential consumption associated with Kingston Hydro's 10th consumption percentile for this class was to use Residential customer data where there was a reported 365 days of data

for 2014. Out of 22896 services that reported 365 days of data for 2014 (reporting from January 1, 2014 to December 31, 2014) the 10th percentile is customer number 2290, which has an average consumption of 203.7853 kWh.

Total bill impacts for each test year based on the identified level of usage above have been provided as part of 1-Staff-4 interrogatory response.

Response to Vulnerable Energy Consumers Coalition

Interrogatory 8-VECC-40 a)

Attachment 1

	File Number:	EB-2015-0083
Reference:	**Exhibit:**	8
Reference:	**Tab:**	1
Reference:	**Schedule:**	1
Reference:	**Page:**	4
		Att-8-VECC-40 a)
	Date:	2015-Sep-11

Appendix 2-PA _2016
New Rate Design Policy For Residential Customers

Please complete the following tables.

A) Data Inputs

Test Year Billing Determinants for Residential Class	
Customers	24,157
kWh	188,042,904

Proposed Residential Class Specific Revenue Requirement[1]	$ 7,120,429

Residential Base Rates on Current Tariff	
Monthly Fixed Charge ($)	12.56
Distribution Volumetric Rate ($/kWh)	0.0154

B) Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	12.56	24,157	$ 3,640,943.04	55.70%
Variable	0.0154	188,042,904	$ 2,895,860.71	44.30%
TOTAL	-	-	$ 6,536,803.75	-

C) Calculating Test Year Base Rates

Number of Required Rate Design Policy Transition Years[2]	4

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	$ 3,966,017.48	13.68	$ 3,965,613.12
Variable	$ 3,154,411.94	0.0168	$ 3,159,120.78
TOTAL	$ 7,120,429.42	-	$ 7,124,733.90

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	66.77%	$ 4,754,620.47	16.4	$ 4,754,097.60
Variable	33.23%	$ 2,365,808.96	0.0126	$ 2,369,340.58
TOTAL	-	$ 7,120,429.42	-	$ 7,123,438.18

Checks[3]	
Change in Fixed Rate	$ 2.72
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	$ 3,008.76
	0.04%

Notes:

1 The final residential class specific revenue requirement, as shown in Appendix 2-P, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).

2 Default number of transition years for rate design policy change is 4. Where the change in the residential rate design will result in the fixed charge increasing by more than $4/year, a distributor may propose an additional transition year.

3 Change in fixed rate due to rate design policy should be less than $4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

	File Number:	EB-2015-0083
Reference:	**Exhibit:**	8
Reference:	**Tab:**	1
Reference:	**Schedule:**	1
Reference:	**Page:**	4
		Att-8-VECC-40 a)
	Date:	2015-Sep-11

Appendix 2-PA _2017
New Rate Design Policy For Residential Customers

Please complete the following tables.

A) Data Inputs

Test Year Billing Determinants for Residential Class	
Customers	24,311
kWh	187,260,718

Proposed Residential Class Specific Revenue Requirement[1]	$ 7,400,708

Residential Base Rates on Current Tariff	
Monthly Fixed Charge ($)	16.40
Distribution Volumetric Rate ($/kWh)	0.0154

B) Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	16.4	24,311	$ 4,784,404.80	66.97%
Variable	0.0126	187,260,718	$ 2,359,485.05	33.03%
TOTAL	-	-	$ 7,143,889.85	-

C) Calculating Test Year Base Rates

Number of Required Rate Design Policy Transition Years[2]	3

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	$ 4,956,401.15	16.99	$ 4,956,526.68
Variable	$ 2,444,307.06	0.0131	$ 2,453,115.41
TOTAL	$ 7,400,708.20	-	$ 7,409,642.09

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	77.98%	$ 5,771,170.17	19.78	$ 5,770,458.96
Variable	22.02%	$ 1,629,538.04	0.0087	$ 1,629,168.25
TOTAL	-	$ 7,400,708.20	-	$ 7,399,627.21

Checks[3]	
Change in Fixed Rate	$ 2.79
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	-$ 1,080.99
	-0.01%

Notes:

1 The final residential class specific revenue requirement, as shown in Appendix 2-P, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).

2 Default number of transition years for rate design policy change is 4. Where the change in the residential rate design will result in the fixed charge increasing by more than $4/year, a distributor may propose an additional transition year.

3 Change in fixed rate due to rate design policy should be less than $4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

	File Number:	EB-2015-0083
Reference:	**Exhibit:**	8
Reference:	**Tab:**	1
Reference:	**Schedule:**	1
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		Att-8-VECC-40 a)
	Date:	2015-Sep-11

Appendix 2-PA _2018
New Rate Design Policy For Residential Customers

Please complete the following tables.

A) Data Inputs

Test Year Billing Determinants for Residential Class	
Customers	24,466
kWh	186,243,142

Proposed Residential Class Specific Revenue Requirement[1]	$ 7,677,829

Residential Base Rates on Current Tariff	
Monthly Fixed Charge ($)	19.78
Distribution Volumetric Rate ($/kWh)	0.0087

B) Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	19.78	24,466	$ 5,807,249.76	78.19%
Variable	0.0087	186,243,142	$ 1,620,315.33	21.81%
TOTAL	-	-	$ 7,427,565.09	-

C) Calculating Test Year Base Rates

Number of Required Rate Design Policy Transition Years[2]	2

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	$ 6,002,918.70	20.45	$ 6,003,956.40
Variable	$ 1,674,910.09	0.009	$ 1,676,188.28
TOTAL	$ 7,677,828.78	-	$ 7,680,144.68

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	89.09%	$ 6,840,373.74	23.30	$ 6,840,693.60
Variable	10.91%	$ 837,455.04	0.0045	$ 838,094.14
TOTAL	-	$ 7,677,828.78	-	$ 7,678,787.74

Checks[3]	
Change in Fixed Rate	$ 2.85
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	$ 958.95
	0.01%

Notes:

1 The final residential class specific revenue requirement, as shown in Appendix 2-P, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).

2 Default number of transition years for rate design policy change is 4. Where the change in the residential rate design will result in the fixed charge increasing by more than $4/year, a distributor may propose an additional transition year.

3 Change in fixed rate due to rate design policy should be less than $4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

	File Number:	EB-2015-0083
Reference:	**Exhibit:**	8
Reference:	**Tab:**	1
Reference:	**Schedule:**	1
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		Att-8-VECC-40 a)
	Date:	2015-Sep-11

Appendix 2-PA _2019
New Rate Design Policy For Residential Customers

Please complete the following tables.

A) Data Inputs

Test Year Billing Determinants for Residential Class	
Customers	24,622
kWh	185,263,300

Proposed Residential Class Specific Revenue Requirement[1]	$ 7,968,877

Residential Base Rates on Current Tariff	
Monthly Fixed Charge ($)	23.30
Distribution Volumetric Rate ($/kWh)	0.0045

B) Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	23.30	24,622	$ 6,884,311.20	89.20%
Variable	0.0045	185,263,300	$ 833,684.85	10.80%
TOTAL	-	-	$ 7,717,996.05	-

C) Calculating Test Year Base Rates

Number of Required Rate Design Policy Transition Years[2]	1

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	$ 7,108,092.56	24.06	$ 7,108,863.84
Variable	$ 860,784.60	0.0046	$ 852,211.18
TOTAL	$ 7,968,877.17	-	$ 7,961,075.02

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	100.00%	$ 7,968,877.17	26.97	$ 7,968,664.08
Variable	0.00%	$ -	0	$ -
TOTAL	-	$ 7,968,877.17	-	$ 7,968,664.08

Checks[3]	
Change in Fixed Rate	$ 2.91
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	-$ 213.09
	0.00%

Notes:

1 The final residential class specific revenue requirement, as shown in Appendix 2-P, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).

2 Default number of transition years for rate design policy change is 4. Where the change in the residential rate design will result in the fixed charge increasing by more than $4/year, a distributor may propose an additional transition year.

3 Change in fixed rate due to rate design policy should be less than $4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

	File Number:	EB-2015-0083
Reference:	**Exhibit:**	8
Reference:	**Tab:**	1
Reference:	**Schedule:**	1
Reference:	**Page:**	4
		Att-8-VECC-40 a)
	Date:	2015-Sep-11

Appendix 2-PA _2020
New Rate Design Policy For Residential Customers

Please complete the following tables.

A) Data Inputs

Test Year Billing Determinants for Residential Class	
Customers	24,779
kWh	184,359,435

Proposed Residential Class Specific Revenue Requirement[1]	$ 8,108,995

Residential Base Rates on Current Tariff	
Monthly Fixed Charge ($)	26.97
Distribution Volumetric Rate ($/kWh)	

B) Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	26.97	24,779	$ 8,019,475.56	100.00%
Variable	0	184,359,435	$ -	0.00%
TOTAL	-	-	$ 8,019,475.56	-

C) Calculating Test Year Base Rates

Number of Required Rate Design Policy Transition Years[2]	0

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	$ 8,108,994.63	27.27	$ 8,108,679.96
Variable	$ -	0	$ -
TOTAL	$ 8,108,994.63	-	$ 8,108,679.96

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed				
Variable				
TOTAL	-	$ -	-	

Checks[3]	
Change in Fixed Rate	
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	

Notes:

1 The final residential class specific revenue requirement, as shown in Appendix 2-P, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).

2 Default number of transition years for rate design policy change is 4. Where the change in the residential rate design will result in the fixed charge increasing by more than $4/year, a distributor may propose an additional transition year.

3 Change in fixed rate due to rate design policy should be less than $4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

EXHIBIT 8 – RATE DESIGN

Response to Vulnerable Energy Consumers Coalition Interrogatory 8-VECC-41

Reference: E8/T2/S2, pg. 1

Interrogatory:

a) Please provide a schedule that for 2012-2014 shows the annual revenues and the annual incremental costs associated with the provision of retail services.

Response:

a) Please see below.

	2012	2013	2014
Annual Revenue	23,134	20,781	16,627
Incremental Expenses	108,575	111,276	99,906
Total	**85,442**	**90,494**	**116,532**

EXHIBIT 8 – RATE DESIGN

Response to Vulnerable Energy Consumers Coalition Interrogatory 8-VECC-42

Reference: E8/T2/S6, pg. 2

Interrogatory:

Does Kingston Hydro propose to use the 0.0011381 ratio in its future updates starting in 2017 or will this ratio be updated each year using the most recent three years' data?

Response:

The 3-year recent historical ratio 0.0011381 of low voltage kW to total kWh is proposed to be used in future updates for 2017 through 2020.

EXHIBIT 8 – RATE DESIGN

Response to Vulnerable Energy Consumers Coalition Interrogatory 8-VECC-43

Reference: E8/T3/S1, pg. 1-3 and Attachment 1 (Appendix 2-R)

Interrogatory:

Does Kingston Hydro propose to update its loss factors every year during the CIR period or will the loss factors proposed for 2016 be used throughout the period?

Response:

The loss factors proposed for 2016 are to be used throughout the Custom IR period 2016-2020. Kingston Hydro is not proposing annual loss factor updates for 2017-2020.

EXHIBIT 8 – RATE DESIGN

Response to Vulnerable Energy Consumers Coalition Interrogatory 8-VECC-44

Reference: E8/T4/S1, pg. 3

Interrogatory:

a) How does Kingston Hydro establish whether Standby Power has been provided in a particular month when there is no utility-grade metering installed on the generator and, in cases where it has been provided, how are the total distribution charges (including any charges for Standby) determined?

b) How does Kingston Hydro establish whether Standby Power has been provided in a particular month when there is utility-grade metering installed on the generator and, in cases where it has been provided, how are the total distribution charges (including any charges for Standby) determined?

c) With respect to the proposed change in the Standby Charge, under case (b) when Standby Power is not provided, please explain how the “monthly metered amount of standby demand service” will be determined using the meter installed on the load displacement generation.

d) In order to fully illustrate when/how Standby Charges are to be applied is there any additional charge for Standby under following example and, if so, how would it be determined in a circumstance where i) the metering on the generator is of not utility-grade and ii) where the metering on the generator is of utility grade.

- The peak hourly delivered load in the month is 5 MW
- The peak hourly generator metered output is 3 MW and the generator has a nameplate rating of 4 MW.
- The peak coincident combined amount of the two is 7 MW – at which point in time the hourly delivered load is 4.5 MW and the generator metered output is 2.5 MW.

Response:

a) There is no way to determine if Standby Power has been provided in a particular month when no utility-grade metering is installed on a behind the meter generator. In cases where Standby Power was provided in a given month, Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load in kW by applicable variable charges for the rate class. Standby Charges would be determined by multiplying the nameplate capacity of the behind the meter generator by applicable Standby Power charges.

b) Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load in kW by applicable variable charges for the rate class. Standby Charges will be determined based on the peak coincident combined kW delivered by both the distribution system and the generator, less the peak hourly delivered load of the host customer facility.

c) If the monthly peak hourly delivered load is higher than the peak coincident combined amount of generator output and delivered load, no Standby Power has been provided in that month. The meter installed on the generator that feeds

the load customer and the distribution system feed meter can have their intervals and reads aligned and assigned so that both the customer and Kingston Hydro have access to metered distribution system power delivered, generator power delivered, and standby power service provided in any given interval.

d)

i) Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load in kW by applicable variable charges for the rate class – in this case, 5000 kW X applicable kW variable distribution rates.

Since the metering is not utility grade, Standby Charges would be determined by multiplying the nameplate capacity of the behind the meter generator by applicable Standby Power charges – in this case 4000 kW X applicable kW variable Standby Power rates.

This type of scenario is preferable for our customers if the generator is a "baseload" or "24-7-365" generator such as a fuel cell CHP unit or pressure-drop turbine unit. It may also be preferable to the customer where the cost of utility grade metering is high or the size of the generator is very small relative to the demand of the host load customer.

ii) Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load in kW by applicable variable charges for the rate class – in this case, 5000 kW X applicable kW variable distribution rates.

Since metering is utility grade, Standby Charges would be determined based on the peak coincident combined kW delivered by both the distribution system and the generator, less the peak hourly delivered load of the host customer facility – in this case 2000 kW X applicable kW variable Standby Power rates.

This type of scenario is preferable for customers who wish to use generators or electricity storage facilities to participate in provincial conservation initiatives such as the IESO's Demand Response or Industrial Conservation Initiatives, or reduce kWh consumption to contribute towards Kingston Hydro's 2020 Conservation Targets, but are not able to operate their generators "24-7-365".

Note: Standby Charges are to be applied to behind-the-meter generators. They are not intended to be applicable to market participants, FIT program participants, net-metered generators or retail generators, which have their own metering and settlement conventions as per regulation and legislation.

For further information, please refer to Kingston Hydro's response Board Staff Interrogatory 8-88.