

December 12, 2016

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

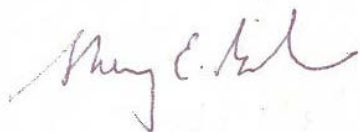
Dear Ms Walli:

**Re: Kingston Hydro Corporation Electricity Distribution Licence No. ED-2003-0057
2017 Electricity Distribution Rate Application (EB-2016-0087) Interrogatory Responses**

Please find Kingston Hydro's responses to School Energy Coalition (SEC) with regard to Kingston Hydro's Custom IR – Year 2 Update Distribution Rate Application filed with the Board on August 15, 2016.

Kingston has filed through RESS a live Excel spreadsheet for SEC-2 interrogatory response.

Yours truly,



Sherry Gibson
Senior Advisor, Rates and Regulatory Affairs

Attachment

cc. via email: Intervenors of record and OEB staff

Kingston 2017 Custom IR Rate Adjustment
EB-2016-0087

KINGSTON RESPONSES

TO

SCHOOL ENERGY COALITION (SEC) INTERROGATORIES

SEC-1

SEC is seeking to better understand the basis for changing the recovery of the global adjustment for GS>50 customers from peak kW to energy consumption.

- a. Aside from the change to the Filing Requirements, did the Applicant have any other basis on which to change the billing determinants used for this recovery (such as customer feedback, or a government directive)? If so, please provide details.

Kingston Response: No.

- b. Prior to filing the Application, did the Applicant have any communications with the Board about the change to the recovery of the global adjustment (other than the Filing Requirements, or the presentation to distributors by OEB Staff in July)? If so, please provide copies of those communications.

Kingston Response: No.

SEC-2

For the 290 non-RPP customers in the GS>50 rate class, please provide a table showing the kW on which the distribution volumetric charge is billed, the kilowatt-hours used in a typical month, and the recovery of the global adjustment balance, calculated both on the basis of peak kW, and on the basis of kWhrs. The data used to calculate the load factor distribution in Table 2 of the responses to OEB Staff interrogatories would be an appropriate basis for this table, but disaggregated to show the impact on each individual customer. Please provide the table in live Excel format.

Kingston Response: A table in live Excel format has been filed through RESS that provides the kW, kWh, and recovery of the global adjustment (GA) balance calculated both on the basis of peak kW and on the basis of kWh, to show the monthly impact amount of the GA rate rider in disaggregate format. The table is based upon the customer data used to calculate the load factor distribution in Table 2 of the responses to OEB Staff interrogatories.

SEC-3

Given the median and mean GS>50 load factors provided in Table 1 of the responses to OEB Staff interrogatories, please explain why the threshold for a bill increase or decrease is a load factor of 0.62.

Kingston Response: The total bill impact reflects the net impact of all the rate changes proposed in the application and the GA rate rider is one of several rate changes proposed. Due to the GA rate rider billing determinant change from kW to kWh for the GS 50 to 4,999 kW class, the influence the GA rate rider charge has on total bill impact appears dependent upon the load factor.

In the live Excel table provided in response to SEC-2 interrogatory, one sees that with the change in GA recovery billing determinant, the load factor level at which the GA rate rider charge billing determinant change impact is null is at about 0.51. The higher one moves above this level, the greater billing determinant change impacts the GA cost recovery shift increase.

At the median and mean load factor, there is a shift of GA cost recovery to these customers however the shift increases are not high enough to yield a zero total bill impact, and for these we see total bill impact decreases in Table 1 of the responses to OEB Staff interrogatories. The load factor provided as the threshold appears to be the level at which the kWh based GA rate rider charge amount results in a zero total bill impact.

A sample bill impact at the 0.62 load factor (kW, kWh, load factor data used in the sample may be found in SEC-2 interrogatory response live Excel table) was included in the updated Bill Impacts live Excel format, tab 'GS 50 to 4999 60kW LF62' provided in response to OEB Staff interrogatories. The tab name should have been 'GS 50 to 4999 LF62'.