



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

DECISION AND RATE ORDER

EB-2016-0087

KINGSTON HYDRO CORPORATION

Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2017.

By Delegation, BEFORE: Theodore Antonopoulos

December 29, 2016

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1 INTRODUCTION AND SUMMARY

This is the Decision and Rate Order for Kingston Hydro Corporation's Custom IR – Year 2 update application for 2017 rates.

Kingston Hydro Corporation (Kingston Hydro) owns and operates an electricity distribution system in Ontario, serving approximately 27,000 customers in the City of Kingston, Barriefield Village and the Canadian Forces Base Kingston. Kingston Hydro filed an application with the Ontario Energy Board (OEB) to change the rates it charges to its customers for electricity distribution, to be effective January 1, 2017 (the Application). Under the *Ontario Energy Board Act, 1998*, electricity distributors must apply to the OEB to change the rates that they charge customers.

Distributors may choose one of three rate-setting methods. Commencing with 2016 rates, Kingston Hydro selected the Custom IR option that has a five-year term¹. In Kingston Hydro's case, the OEB accepted a complete settlement on November 26, 2015 (the approved settlement) that included a five year Custom IR framework which covers the years 2016 to 2020. As part of that proceeding, the OEB issued a final rate order establishing all rates for 2016. Base rates (the monthly fixed charge and the monthly variable charge) were set on a final basis for the remaining years of the plan term subject to certain annual updates based on threshold tests.

In accepting the settlement proposal, the OEB noted that the Tariff of Rates and Charges for the 2017-2020 rate years may also need to be adjusted to reflect the requirement to dispose of certain generic variance account balances related to pass-through costs.

In its decision accepting the settlement agreement, the OEB ordered Kingston Hydro to file an application to update the proposed Tariff of Rates and Charges for each subsequent rate year during the Custom IR term, or to confirm with the OEB no update is required. The key components of the Custom IR framework per the approved settlement include:

- Base rates for 2016 through 2020 are set on a final basis subject to confirmation of the need for an annual update for the working capital allowance for the change in cost of power and pass through charges, provided a minimum cumulative revenue requirement threshold of \$65,000 is met
- An asymmetrical cumulative capital variance account to capture the difference between amounts added to rate base and the forecasted amounts, to be reviewed and the balance if any to be disposed of at the end of the term

¹ EB-2015-0083

- An asymmetrical Earnings Sharing Mechanism to split earnings differences (in excess of the approved return on equity of 9.19% with no deadband) with ratepayers on a 50/50 basis, to be reviewed and the balance if any to be disposed of at the end of the term
- An efficiency adjustment mechanism taking into account changes in Kingston Hydro's efficiency cohort to be reviewed and the balance if any to be disposed of at the end of the term
- An update to Low Voltage (LV) rates and Retail Transmission Service Rates (RTSRs) annually
- Group 1 Deferral and Variance Accounts to be disposed of as per the OEB's EDDVAR disposition mechanism
- Group 2 Deferral and Variance accounts to be disposed of at the next cost based (i.e. cost of service or Custom IR) application²

The following are addressed in this Decision and Rate Order.

- Base Rate Adjustment
- Low Voltage Charges
- Retail Transmission Service Rates
- Deferral and Variance Accounts
- Residential Rate Design
- Regulatory Charges
- Implementation and Order

This Decision on Kingston Hydro's Custom IR update application will result in a monthly increase of \$3.28 or 2.63% for a residential customer consuming 750 kWh. The OEB approves the adjustments made to Kingston Hydro's application, and the associated rates calculated, as a result of this proceeding.

² Settlement Proposal, as amended November 10, 2015, Page 23, Table 7

2 THE PROCESS

The OEB follows a streamlined process for Custom IR update applications. Applications of this nature may be decided by either a panel of Board Members or may be delegated to OEB staff, depending on the complexity of the application.

Kingston Hydro published a Notice of Application (the Notice) on its website, and served the Notice on individuals the OEB determined to be appropriate. The Notice indicated that anyone interested in participating in the application process should apply for intervenor status.

Four parties sought intervention status and cost award eligibility:

- Consumers Council of Canada (CCC)
- School Energy Coalition (SEC)
- Energy Probe (EP)
- Vulnerable Energy Consumers Coalition (VECC)

Subsequent to the Notice, and after a further review of the Application, the OEB determined that the Application was largely mechanistic in nature with respect to the adjustments contemplated. Therefore, pursuant to section 6 of the *Ontario Energy Board Act, 1998* (the Act) the OEB delegated to a member of OEB staff, its power under section 78 of the Act to determine Kingston Hydro's Application. Pursuant to section 6(4) of the Act, the delegated authority initially determined that the review would proceed without a hearing. On November 11, 2016 the OEB received a letter from SEC which took issue with the decision of the delegated authority in this case to determine the Kingston Hydro case without a hearing.

In response the OEB, in Procedural Order No. 1, noted that it is firmly of the view that it is permitted to determine the appropriate procedure for the cases that come before it and disagreed that the determination of the decision maker to proceed without a hearing in this matter offends any aspect of the Act. Given, however, that in this particular circumstance a Notice had been issued, the OEB granted intervenor status to EP, CCC, SEC and VECC but with no allowance for cost awards.

On August 15, 2016, Kingston Hydro submitted the Application supported by written evidence and completed rate models. OEB staff reviewed the Application and submitted interrogatories to Kingston Hydro. Intervenors also had an opportunity to review the Application and submit interrogatories. Kingston Hydro responded to interrogatories from OEB staff and SEC to clarify and/or correct the evidence. Kingston Hydro subsequently updated the applicable models where needed. SEC and OEB staff made

written submissions on December 16, 2016 and Kingston Hydro filed a reply submission on December 19, 2016.

In the case information letter issued on November 11, 2016, OEB staff indicated that a draft decision would be provided to give Kingston Hydro an opportunity to provide its comments on the draft prior to finalizing this Decision.

This Decision is issued as final with a provision for Kingston Hydro to comment on the completeness and accuracy of the attached draft Tariff of Rates and Charges given that:

- few issues remained to be determined by the OEB once the interrogatory process was complete, and those issues were determined consistent with Kingston's updated Application
- the applicant and other parties had an opportunity to make submissions during the course of a streamlined written hearing
- an order is required in time to implement January 1, 2017 rates.

3 ORGANIZATION OF THE DECISION

This Decision is organized into sections to reflect the issues that were considered by the OEB in making its findings. Each section outlines the OEB's reasons for approving the proposals included in the Application and affecting 2017 rates. The last section addresses the steps to implement the final rates that flow from this Decision.

4 BASE RATE ADJUSTMENT

Kingston Hydro's base rates are made up of a monthly fixed charge and a monthly variable charge. Both charges recover Kingston Hydro's OM&A and capital costs. As per the approved settlement, adjustments must be made to the working capital allowance that is embedded in base rates in any year of the Custom IR period if the forecast change in the cost of power and pass through charges exceed the cumulative revenue requirement threshold of \$65,000. Kingston Hydro submitted that the threshold has not been met for 2017 rates and did not propose an adjustment.

OEB staff submitted that this is consistent with the approved settlement proposal. No intervenors objected to the lack of an adjustment.

Findings

The OEB accepts Kingston Hydro's statement and has determined that no update to base rates for a change to the working capital allowance is required. The OEB notes that the calculations supporting the threshold test were not filed as part of this Application. The OEB expects Kingston Hydro to provide the evidence required to support all requests in subsequent Custom IR update applications.

Kingston Hydro did not report a balance in the Revenue Requirement Differential Variance Account related to Capital Additions or the Earnings Sharing Mechanism Variance Account as the 2016 calendar year (the first year of the Custom IR plan) is not yet complete. Kingston Hydro's efficiency ranking as determined by the OEB for 2017 rates did not change from the Group III starting point. As a result, Kingston Hydro is not expected to report a balance in the Efficiency Adjustment Deferral Account for the 2017 rate year.

5 LOW VOLTAGE CHARGES

As per the approved settlement, Kingston Hydro is to file for annual adjustments to the LV Rates. Kingston Hydro is a partially embedded electricity distributor within Hydro One Networks Inc. (HONI) and is considered to be a Sub-Transmission (ST) customer subject to applicable OEB-approved HONI ST delivery rates referred to as LV charges. Kingston Hydro used 2017 forecasted LV volumes and the current 2016 HONI LV applicable rates to calculate the adjusted LV costs. The LV costs are then allocated to each customer class based on the projected 2017 Retail Transmission-Connection rate revenues.

OEB staff submitted that the LV cost forecast is consistent with the Custom IR application and the cost allocation is consistent with methods previously approved by the OEB. There were no objections from intervenors.

Findings

The OEB finds that the Low Voltage Charges have been updated as per the approved settlement and approves the updated 2017 LV rates.

6 RETAIL TRANSMISSION SERVICE RATES

Electricity distributors use RTSRs to pass along the cost of transmission service to their distribution customers. The RTSRs are adjusted annually to reflect the revised costs as calculated by the application of the current Uniform Transmission Rates (UTRs) to historical transmission deliveries. The UTRs are established annually by a separate OEB order. Distributors may apply to the OEB annually to approve the RTSRs they propose to charge their customers.

As per the approved settlement, Kingston Hydro is to file for annual adjustments to the RTSRs. Kingston Hydro has used the 2017 RTSR adjustment work form and the most recent reported 2015 2.1.5 *Reporting and Record Keeping Requirements* billing determinants, non-loss adjusted to determine class-specific allocations. Kingston Hydro proposes, across all rate classes, a 3.3% increase and 5.3% increase to the RTSR network and connection charges, respectively.

OEB staff submitted that the update is consistent with the approved settlement proposal and the guideline to Electricity Distribution Retail Transmission Service Rates³. There were no objections from intervenors.

Findings

The OEB approves the RTSRs as adjusted in this application to reflect current applicable rates. As is typical for distributors whose rates are set as of January 1, these RTSRs are based on previous year's rates as the OEB has not yet adjusted UTRs for 2017. The differences between the previous and the new 2017 RTSRs, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

³ G-2008-0001 Guideline Electricity Distribution Retail Transmission Service Rates Revision 4.0, June 28, 2012

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES

Group 1 deferral and variance accounts (Group 1 accounts) track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is collected from or returned to customers through a temporary charge or credit known as a rate rider.

The OEB's policy⁴ is to review and dispose of the distributor's Group 1 account balances if they exceed (as a debit or credit) the pre-set disposition threshold of \$0.001 per kWh during an IR plan term. The distributor must justify why any account balance in excess of the threshold should not be disposed. The distributor may dispose of balances below this threshold if its proposal to do so is justified.

Kingston Hydro's 2015 actual year-end total balance for Group 1 accounts including interest projected to December 31, 2016 is a debit of \$2,030,680. The Group 1 balance includes a Global Adjustment (GA) debit account balance of \$3,456,281. Ontario electricity customers' costs for the commodity portion of their electricity service reflect the sum of two charges: the price of electricity established by the operation of the IESO administered wholesale market, and the GA. The GA charge consists of the difference between the market price and the rates paid to regulated and contracted generators, and conservation and demand management (demand response) program costs. The GA is established monthly and varies in accordance with market conditions.

Most customers pay the GA charge based on the amount of electricity they consume in a month (kWh); these customers are referred to as Class B. Customers who participate in the Industrial Conservation Initiative, are referred to as Class A. The costs for the GA are recovered from Class A and Class B customers in different ways:

- Class A customers are assessed GA costs through a peak demand factor that is based on the percentage that their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. Distributors settle with Class A customers billed based on the actual GA costs resulting in no variance.

⁴ *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* (July 31, 2009)

- Class B customers are billed GA based on an IESO published GA price. For Class B customers, distributors track any difference between the billed amounts and actual costs in the GA variance account for disposal, once audited.

Under the general principle of cost causality, customer groups that cause variances should be responsible for paying (or receiving credits) for their disposal. The movement from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Kingston Hydro proposed the recovery of the GA variance account balance of \$3,456,281 as at December 31, 2015, including interest to December 31, 2016, from customers that are non-Wholesale Market Participants (non-WMP) and Class B non-Regulated Price Plan.

SEC noted that the billing determinant used to dispose of the GA variance account from GS>50 customers changed from demand to energy between the 2016 and 2017 rate applications. SEC was concerned that the reallocating of GA responsibility between customers has significant impacts on some customers, and there has been no hearing or other process to allow customers to defend their interests.

The Group 1 balance also includes the recovery of Capacity Based Recovery (CBR) costs related to Demand Response providers contracted under the wholesale energy market Demand Response 3 program. Kingston Hydro paid CBR charges to the IESO in 2015 and recorded these to a dedicated sub-account. The disposition of this sub-account is affected by whether or not a distributor had any customers who were part of Class A during the period from January 2015 to December 2015.

In this Application, Kingston Hydro had customers who were part of Class A during the period January 2015 to December 2015 so it requested that the balance of this account be disposed of through a separate kWh rate rider for non-WMP Class B customers in order to ensure proper allocation between Class A and Class B customers. Kingston Hydro had no customers that moved from Class B to Class A in 2015.

Findings

Commencing with 2017 rates, the OEB updated the filing requirements⁵ so that for all classes the basis for disposing of the GA variance account is the amount of electricity consumed in a month (kWh), as opposed to the basis for some classes being peak demand (kW).

⁵ *Filing Requirements For Electricity Distribution Rate Applications, Chapter 2, Cost of Service*, July 14, 2016, p. 69

SEC expressed concern that this change effectively re-allocated GA responsibility within the affected classes (i.e. between customers) and that it has significant impacts on some customers. SEC however did not object to the rate riders being proposed in the application as schools were not adversely affected by this change.

The OEB notes that the allocation of the GA to customer classes remains unchanged, only the billing determinant has changed from kW to kWh as per the filing requirements. SEC is correct that this change effectively reallocates cost responsibility within the affected classes. However, this change achieves better cost causality by aligning the distribution rate design with the manner in which electricity distributors are charged by the IESO.

In addition, prior to 2017, many distributors had proposed and the OEB had approved the use of kWhs as the billing determinant to dispose of the GA variance account⁶.

It is true that not all Group 1 accounts are treated in this same fashion. For example the disposition of account 1588 is implemented by way of demand based rate riders to the subject classes despite being allocated to the classes based on kWhs, while the disposition of accounts 1584 and 1586 are implemented by kW rate riders to the subject classes consistent with the charges to the distributor for transmission-related services. This is because one set of riders is used to dispose of all retail settlement variance accounts (RSVAs) with the exception of account 1589. The OEB disposes of account 1589 using separate and distinct rate riders given the unique characteristics of the customers whose electricity usage give rise to this balance. The use of a generic "all in" rate rider for the remaining RSVAs is not perfect, but it is a practical solution given the number of accounts that are disposed of in any given year.

The OEB also notes that the terms of the approved settlement contemplate changes to the manner in which deferral and variance accounts are disposed of to align Kingston Hydro's disposition methodology with the most current approach established by the OEB.⁷

That said, in response to OEB staff interrogatories, Kingston Hydro provided an analysis on the bill impacts of customers affected by the change in billing determinant from kW to kWh for the GS>50 rate class. The analysis showed that 76.2% of customers can expect a total bill decrease and 23.8% of customers would experience a total bill increase. Furthermore, of the 23.8% that would experience a total bill increase the highest total bill increase would be 2.90%. This is well below the 10% threshold where rate mitigation concerns may arise.

⁶ See 2016 tariffs for Bluewater Power, Hydro One Networks, Hydro Ottawa and Milton Hydro

⁷ Settlement Proposal, as amended November 10, 2015, page 22, lines 14-18

The OEB approves the disposition of a debit balance of \$2,030,680 as of December 31, 2015, including interest projected to December 31, 2016 for Group 1 accounts based on the methodology proposed by Kingston Hydro.

The following table identifies the principal and interest amounts which the OEB approves for disposition.

Table 1 - Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	690,309	12,822	703,132
Smart Meter Entity Variance Charge	1551	(2,817)	(523)	(3,340)
RSVA - Wholesale Market Service Charge	1580	(1,405,842)	(25,431)	(1,431,273)
Variance WMS - Sub-account CBR Class B	1580	151,082	2,142	153,223
RSVA - Retail Transmission Network Charge	1584	690,135	9,100	699,235
RSVA - Retail Transmission Connection Charge	1586	637,425	8,407	645,832
RSVA - Power	1588	(2,069,277)	(38,641)	(2,107,918)
RSVA - Global Adjustment	1589	3,391,905	64,377	3,456,281
Disposition and Recovery of Regulatory Balances (2010)	1595	(828)	(1,343)	(2,171)
Disposition and Recovery of Regulatory Balances (2012)	1595	0	70	70
Disposition and Recovery of Regulatory Balances (2013)	1595	(35,020)	(829)	(35,849)
Disposition and Recovery of Regulatory Balances (2014)	1595	(147,320)	100,778	(46,542)
Total Group 1 Excluding Global Adjustment - Account 1589		(1,492,153)	66,552	(1,425,601)
Total Group 1 Excluding Global Adjustment - Account 1589 and Sub-account CBR Class B		(1,643,235)	64,410	(1,578,824)
Total Group 1		1,899,752	130,929	2,030,680

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Kingston Hydro should ensure these adjustments are included in the reporting period ending March 31, 2017 (Quarter 1).

The OEB approves these balances to be disposed of through rate riders. The rate riders will be in effect over a one-year period from January 1, 2017 to December 31, 2017.

8 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy⁸ stipulates that electricity distributors will transition residential customers to a fully fixed monthly distribution service charge over a four year period starting in 2016. This year's applicants are once again required to adjust the distribution rates to increase the fixed charge and decrease the variable charge consistent with the policy.

The OEB expects the applicant to apply two tests to evaluate whether mitigation (generally a lengthening of the transition period) is required. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Kingston Hydro's 2016 fixed residential rate design transition resulted in impacts above the 10% threshold for 10th percentile customers. As a result, the 2016 fixed charge was reduced by \$1.38 to reduce the bill impact and shift the difference in the fixed charge to 2017.

Kingston Hydro's 2017 implementation of the transition results in an increase to the fixed charge of \$2.62 (from the unadjusted 2016 amount) or \$4.00 inclusive of the 2016 mitigation. For the second mitigation test, the total bill impacts arising from the proposals in this application, including the total fixed rate change, are below 10% for low volume residential customers.

Findings

The OEB finds that the increases to the monthly fixed charge, including the impact on low consumption residential consumers, is consistent with the approved settlement and with the OEB's mitigation policy on this matter.

⁸ EB-2012-0410 *A New Distribution Rate Design for Residential Electricity Customers* (April 2, 2015)

9 REGULATORY CHARGES

Customers are charged a number of fees to cover the costs associated with various programs and wholesale market services.

The Rural or Remote Electricity Rate Protection (RRRP) program is designed to provide financial assistance to eligible customers located in rural or remote areas where the cost of providing electricity service, and therefore the rates, greatly exceeds those elsewhere in the province of Ontario. The RRRP program cost is recovered from all electricity customers in the province through a charge that is reviewed annually and approved by the OEB.

Wholesale market service (WMS) charges recover the cost of the services provided by the Independent Electricity System Operator (IESO) to operate the electricity system and administer the wholesale market. These charges may include costs associated with: operating reserve, system congestion and imports, and losses on the IESO-controlled grid, as well as the costs of the IESO's CBR initiative. Individual electricity distributors recover the WMS charges from their customers through the WMS rate.

Distributors bill Class A customers their share of the actual CBR charge based on their contribution to peak demand. Accordingly, the WMS rate applied to these customers by distributors does not contain that portion of the WMS rate applicable to CBR.

The Ontario Electricity Support Program (OESP) is a program to deliver on-bill rate assistance to low income electricity customers. All Ontario customers contribute to the OESP through the OESP charge.

These four regulatory charges are components of the Regulatory Charge on customers' bills and are established annually by the OEB through a separate order.

Findings

The OEB has determined⁹ that the RRRP charge for 2017 shall be \$0.0021 per kWh. The WMS rate used by rate-regulated distributors to bill their Class A customers shall continue to be \$0.0032. For Class B customers a CBR component of \$0.0004 per kWh is added to the WMS rate for a total of \$0.0036 per kWh. The OESP on-bill rate assistance credits to low income electricity customers remain unchanged; in addition, the OESP charge will remain the same at \$0.0011 per kWh¹⁰.

These changes are effective January 1, 2017 for all distributors as a result of the

⁹ Decision and Rate Order, EB-2016-0362, December 15, 2016

¹⁰ Decision and Rate Order, EB-2016-0376, December 21, 2016

generic orders that were part of the OEB's separate decisions. The Tariff of Rates and Charges flowing from this Decision and Rate Order has been updated so as to reflect these new regulatory charges.

10 IMPLEMENTATION AND ORDER

Rate Model

This Application was supported by a rate model, applicable supporting models and a Tariff of Rates and Charges. Entries in the models were reviewed to ensure that they are in accordance with Kingston Hydro's original Custom IR decision and the 2016 OEB-approved Tariff of Rates and Charges. The rate models and proposed Tariff of Rates and Charges were adjusted, where applicable, to correct any discrepancies.

This Decision and Rate Order is accompanied by a draft Tariff of Rates and Charges (Schedule A).

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Kingston Hydro Corporation's new distribution rates shall be effective January 1, 2017.
2. The Tariff of Rates and Charges set out in Schedule A shall be deemed *draft* until Kingston Hydro Corporation has complied with the subsequent procedural steps.
3. Kingston Hydro Corporation shall review the Tariff of Rates and Charges set out in Schedule A and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **five days** of the date of issuance of this Decision and Rate Order.
4. This Decision and Rate Order will be considered final, if Kingston Hydro Corporation does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 3. Kingston Hydro Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
5. If the OEB receives a submission from Kingston Hydro Corporation to the effect that inaccuracies were found or information was missing pursuant to item 3, the OEB will consider the submission prior to revising and issuing a final Tariff of Rates and Charges.
6. Kingston Hydro Corporation shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto, December 29, 2016

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2016-0087

DATED: December 29, 2016

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2016-0087

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	18.54
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0082
Low Voltage Service Rate	\$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	0.0027
Rate Rider for Disposition of Deferral/Variance Accounts Non-WMP (2017) - effective until December 31, 2017 Applicable Only for Non-WMP	\$/kWh	(0.0051)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable Only for Non-RPP Customers	\$/kWh	0.0139
Rate Rider for Disposition of 1580 Sub-account CBR Class B (2017) - effective until December 31, 2017 Applicable Only for Class B Non-WMP	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0059

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2016-0087

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

APPLICATION

The application of the credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

The application of these credits shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

In this class:

“Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person; “account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;

“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;

“household” means the account-holder and any other people living at the accountholder’s service address for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives; “household

income” means the combined annual after-tax income of all members of a household aged 16 or over;

MONTHLY RATES AND CHARGES

Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
- (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons;
- (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons; but does not include account-holders in Class E.

OESP Credit

\$ (30.00)

Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
- but does not include account-holders in Class F.

OESP Credit

\$ (34.00)

Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
- (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons; but does not include account-holders in Class G.

OESP Credit

\$ (38.00)

Class D

- (a) account-holders with a household income of \$28,000 or less living in a household of five persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
- but does not include account-holders in Class H.

OESP Credit

\$ (42.00)

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2016-0087

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

Class F

(a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
 (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

- i. the dwelling to which the account relates is heated primarily by electricity;
- ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
- iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (50.00)

Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

**This schedule supersedes and replaces all previously
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EB-2016-0087

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.59
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0151
Low Voltage Service Rate	\$/kWh	0.0016
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	0.0028
Rate Rider for Disposition of Deferral/Variance Accounts Non-WMP (2017) - effective until December 31, 2017	\$/kWh	(0.0051)
Applicable Only for Non-WMP		
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017	\$/kWh	0.0139
Applicable Only for Non-RPP Customers		
Rate Rider for Disposition of 1580 Sub-account CBR Class B (2017) - effective until December 31, 2017	\$/kWh	0.0003
Applicable Only for Class B Non-WMP		
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0065
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0054

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2016-0087

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	107.49
Distribution Volumetric Rate	\$/kW	3.1010
Low Voltage Service Rate	\$/kW	0.6753
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	1.0369
Rate Rider for Disposition of Deferral/Variance Accounts Non-WMP (2017) - effective until December 31, 2017 Applicable Only for Non-WMP	\$/kW	(1.8545)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable Only for Non-RPP Customers	\$/kWh	0.0139
Rate Rider for Disposition of 1580 Sub-account CBR Class B (2017) - effective until December 31, 2017 Applicable Only for Class B Non-WMP	\$/kW	0.1020
Retail Transmission Rate - Network Service Rate	\$/kW	2.8710
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3395

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0087

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2016-0087

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5,164.00
Distribution Volumetric Rate	\$/kW	1.2160
Low Voltage Service Rate	\$/kW	0.8137
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	1.4963
Rate Rider for Disposition of Deferral/Variance Accounts Non-WMP (2017) - effective until December 31, 2017 Applicable Only for Non-WMP	\$/kW	(2.6933)
Retail Transmission Rate - Network Service Rate	\$/kW	3.4592
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.8189

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

**This schedule supersedes and replaces all previously
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EB-2016-0087

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	5.95
Distribution Volumetric Rate	\$/kWh	0.0118
Low Voltage Service Rate	\$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	0.0027
Rate Rider for Disposition of Deferral/Variance Accounts Non-WMP (2017) - effective until December 31, 2017 Applicable Only for Non-WMP	\$/kWh	(0.0051)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable Only for Non-RPP Customers	\$/kWh	0.0139
Rate Rider for Disposition of 1580 Sub-account CBR Class B (2017) - effective until December 31, 2017 Applicable Only for Class B Non-WMP	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0059

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0087

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires Kingston Hydro Corporation to provide back-up service. Standby Charges are to be applied to behind-the-meter generators that are not IESO market participants, FIT program participants, net-metered generators or retail generators, which have their own metering and settlement conventions as per regulation and legislation. Further servicing details are available in the distributors's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES

Standby Charges are based on applicable monthly General Service < 50kW, General Service > 50kW to 4,999 kW or Large Use Distribution Volumetric Charges, depending on the rate classification of the generator host facility.

In the case where utility grade metering is not installed on the generator, Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load as measured by the load account meter in kW by applicable variable charges for the rate class. Standby Charges are determined by multiplying the nameplate capacity of the behind the meter generator in KW by applicable Standby Power charges in each month.

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.

In the case where utility grade metering is installed on the generator, Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load as measured by the load account meter in kW by applicable variable charges for the rate class. Standby Charges will be determined by multiplying the peak coincident combined kW delivered by both the distribution system and the generator, less the peak hourly delivered load in kW of the host customer facility as measured by the generator host load account meter.

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".

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0087

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per light)	\$	1.05
Distribution Volumetric Rate	\$/kW	11.8910
Low Voltage Service Rate	\$/kW	0.4878
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	1.0375
Rate Rider for Disposition of Deferral/Variance Accounts Non-WMP (2017) - effective until December 31, 2017 Applicable Only for Non-WMP	\$/kW	(1.9483)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable Only for Non-RPP Customers	\$/kWh	0.0139
Rate Rider for Disposition of 1580 Sub-account CBR Class B (2017) - effective until December 31, 2017 Applicable Only for Class B Non-WMP	\$/kW	0.1072
Retail Transmission Rate - Network Service Rate	\$/kW	2.0738
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6898

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0087

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any changes, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

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EB-2016-0087

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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Customer Administration

Arrears certificate	\$	15.00
Statement of Account	\$	15.00
Request for other billing information	\$	15.00
Account History	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	15.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00

Other

Specific Charge for Access to the Power Poles (with the exception of wireless connections) - \$/pole/year	\$	22.35
Layout fees	\$	200.00

Kingston Hydro Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0087

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0393
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0188
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0289
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0086