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January 26, 2021

BY RESS

Ms. Christine Long, Registrar
ONTARIO ENERGY BOARD
2300 Yonge Street, 27th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: Board File No. EB-2020-0035
Kitchener-Wilmot Hydro Inc. - Licence No. ED-2002-0573
RTSR Application**

Dear Ms. Long:

Please find attached Kitchener Wilmot Hydro Inc.'s (KWHI) application for a correction to its current Board-approved 2021 Retail Transmission Network Rates.

As described in a letter to the OEB on December 15th, 2020, the IESO has not charged KWHI for one meter point for the period June 8th, 2015 – November 30th, 2020. The result is an insufficient RTSR – Network charge to KWHI's customers for 2021. Through this application, KWHI is seeking an Order or Orders authorizing it to correct and recalculate the 2021 IRM model for a revised RTSR – Network charge.

If you have any further questions, contact the undersigned.

Respectfully submitted,

Original Signed By:

Margaret Nanninga, MBA, CPA, CGA
Vice President Finance & CFO



IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15, (Schedule B).

AND IN THE MATTER OF an Application by Kitchener-Wilmot
Hydro Inc. to the Ontario Energy Board for an Order or Orders
approving or fixing network retail transmission charges
effective February 1, 2021.

Application

1. The Applicant is Kitchener-Wilmot Hydro Inc. ("KWHI"). KWHI is incorporated pursuant to the Ontario Business Corporations Act with its head office in the City of Kitchener, ON. KWHI distributes electricity within the City of Kitchener and the Township of Wilmot.
2. KWHI hereby applies to the Ontario Energy Board (the "Board") for an order or orders made pursuant to Section 78 of the Ontario Energy Board Act, 1998, as amended, (the "OEB Act") approving or network fixing retail transmission charges.
3. Specifically, KWHI hereby applies for an order or orders granting distribution rates updated and adjusted in accordance with Chapter 3 of the *Filing Requirements for Electricity Distribution Rate Applications* updated May 14, 2020 ("Filing Requirements"), including the following:
 - a. An adjustment to the retail transmission service rates as provided in the OEB's *Guideline G-2008-0001: Electricity Distribution Retail Transmission Service Rates (RTSR)*, Revision 4.0 dated June 28, 2012.
4. This Application is supported by written evidence that may be amended from time to time, prior to the Board's final Decision on this Application.
5. The Applicant requests that, pursuant to Section 34.01 of the Board's Rules of Practice and Procedure, this proceeding be conducted by way of written hearing.

DATED at Kitchener, Ontario, this 26th day of January 2021.

All of which is respectfully submitted,

Original Signed by:

Margaret Nanninga, MBA, CPA, CGA

Vice President Finance and CFO



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A – 2019 Missing data point volumes and charges



Introduction

Kitchener-Wilmot Hydro Inc. ("KWHI") (License No. ED-2002-0573) distributes electricity to approximately 99,000 customers within the City of Kitchener (primarily urban) and the Township of Wilmot (primarily rural), which contains seven (7) small communities.

The primary contact for the application is:

Margaret Nanninga, MBA, CPA, CGA

Vice-President Finance and CFO

(519) 749-6177

mnanninga@kwhydro.ca

All ratepayers within KWHI's service territory will be affected by this application. This application can be viewed on KWHI's website at www.kwhydro.ca.

KWHI has used the 2021 IRM Rate Generator (version 1.0), attached as a live excel file, to determine a revised RTSR Network Service Rate for this application. KWHI has updated the volume and dollars charged by the IESO for the missing data point to prepare this application.

Summary of Application

On December 15th, 2020, KWHI filed a letter notifying the OEB of an error where the IESO did not charge network charges for one meter point since June 2015. A meter point at one of KWHI's transformer stations had an end date incorrectly set resulting in no charges to KWHI after the end date.

KWHI is filing this application to change the 2021 RTSR network rate to minimize the variance that will arise in account 1584 during the year 2021. The variance arises because the RTSR rate is determined using 2019 historical volume and current rates. The 2019 volume is incorrect by the volume of the missing meter point. KWHI has



obtained the missing volume data from the IESO for 2019 and it is attached to this application as Appendix A.

In preparing this application, bill impacts to customers in current and future years will be minimized and intergenerational inequity is minimized for the 2021 RTSR network rate.

It is estimated that if this rate change is not granted the balance in account 1584 at the end of 2021 will be more than \$3.6 million dollars plus the amount required to settle the missing data point error. This amount would have a significant effect on customers as KWHI would then apply for the true up of historical years missed (2015 through 2020) and 2021 current charges during the same 2022 IRM application. Adjusting KWHI's network service rate now would reduce those future impacts.

Retail Transmission Service Rates

The Board's Revision 4.0 to Guideline G-2008-0001 – Electricity Distribution Retail Transmission Service Rates ("RTSRs") was issued June 28, 2012. Based on the most recent Decision and Rate Order of the Board (EB-2020-0251), new Uniform Transmission Rates ("UTRs") were effective January 1, 2021 and are as follows:

- Network Service Rate of \$4.67 per kW; and
- Line Connection Service Rate of \$0.77 per kW; and
- Transformation Connection Service Rate of \$2.53 per kW

The Applicant passes on these UTR charges through two (2) RTSRs. These retail transmission rates are as follows:

Retail Transmission Rate – Network Service Rate

Retail Transmission Rate – Line and Transformation Connection Service Rate

KWHI does not pay any Transformation Connection charges to the IESO as it owns all its own transformer stations.



KWHI has followed the RTSR model to determine revised RTSR Network rates for 2021. KWHI has increased the volume and the charge for the amounts not charged in 2019 by the IESO. KWHI notes that it has used the 2021 Network Service UTR in this application which differs from the IRM application. KWHI is using the most recent UTRs to mitigate what will be substantial variances in account 1584.

To determine revised network charges, KWHI performed an iterative process. First, KWHI used the customer volume data as per its 2021 application (EB-2020-0035). Next it determined the 2019 adjusted volumes and amounts that would have been charged to KWHI by the IESO had there not been a meter point missing. KWHI has received from the IESO volumes and charges for the missing meter point and included the missing meter point data for 2019 in Appendix A. These volumes and charges are added to what was charged by the IESO in 2019 to give adjusted volumes and charges for 2019 and are shown on Table 1 below:

Table 1

IESO Month	Network					
	Units Billed	Units not billed in error	Total Units	Amount Billed	Amount not billed in error	Total Amount
January	262,718	25,585	288,303	\$ 974,684	\$ 94,920	\$ 1,069,604
February	265,474	25,002	290,476	\$ 984,909	\$ 92,757	\$ 1,077,666
March	253,930	24,543	278,473	\$ 942,080	\$ 91,055	\$ 1,033,135
April	220,744	20,009	240,753	\$ 818,960	\$ 74,233	\$ 893,194
May	210,198	17,672	227,870	\$ 779,835	\$ 65,563	\$ 845,398
June	275,170	25,846	301,016	\$ 1,045,646	\$ 95,889	\$ 1,141,535
July	319,144	30,284	349,428	\$ 1,197,556	\$ 115,988	\$ 1,313,544
August	290,004	26,063	316,067	\$ 1,110,715	\$ 99,821	\$ 1,210,537
September	268,564	23,679	292,243	\$ 1,028,600	\$ 90,691	\$ 1,119,291
October	237,105	20,017	257,122	\$ 908,112	\$ 76,665	\$ 984,777
November	245,918	22,474	268,392	\$ 941,866	\$ 86,075	\$ 1,027,941
December	247,060	23,948	271,008	\$ 946,240	\$ 91,721	\$ 1,037,961
Total	3,096,029	285,122	3,381,151	\$ 11,679,203	\$ 1,075,378	\$ 12,754,581

Next, using the 2019 adjusted historical 2019 transmission volumes and the current UTR rate as per EB-2020-0251, KWHI determined the expected billing for Network Service charges.



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Table 2

IESO Month	Network							
	Units Billed	Units not billed in error	Total Units	Amount Billed	Amount not billed in error	Total Amount	Rate	Forecast Wholesale
January	262,718	25,585	288,303	\$ 974,684	\$ 94,920	\$ 1,069,604	\$ 4.67	\$ 1,346,375
February	265,474	25,002	290,476	\$ 984,909	\$ 92,757	\$ 1,077,666	\$ 4.67	\$ 1,356,523
March	253,930	24,543	278,473	\$ 942,080	\$ 91,055	\$ 1,033,135	\$ 4.67	\$ 1,300,469
April	220,744	20,009	240,753	\$ 818,960	\$ 74,233	\$ 893,194	\$ 4.67	\$ 1,124,317
May	210,198	17,672	227,870	\$ 779,835	\$ 65,563	\$ 845,398	\$ 4.67	\$ 1,064,153
June	275,170	25,846	301,016	\$ 1,045,646	\$ 95,889	\$ 1,141,535	\$ 4.67	\$ 1,405,745
July	319,144	30,284	349,428	\$ 1,197,556	\$ 115,988	\$ 1,313,544	\$ 4.67	\$ 1,631,829
August	290,004	26,063	316,067	\$ 1,110,715	\$ 99,821	\$ 1,210,537	\$ 4.67	\$ 1,476,033
September	268,564	23,679	292,243	\$ 1,028,600	\$ 90,691	\$ 1,119,291	\$ 4.67	\$ 1,364,775
October	237,105	20,017	257,122	\$ 908,112	\$ 76,665	\$ 984,777	\$ 4.67	\$ 1,200,760
November	245,918	22,474	268,392	\$ 941,866	\$ 86,075	\$ 1,027,941	\$ 4.67	\$ 1,253,391
December	247,060	23,948	271,008	\$ 946,240	\$ 91,721	\$ 1,037,961	\$ 4.67	\$ 1,265,607
Total	3,096,029	285,122	3,381,151	\$ 11,679,203	\$ 1,075,378	\$ 12,754,581	\$ 4.67	\$ 15,789,975

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3 Finally, using current consumer volumes and revised current wholesale amounts, a
4 new RTSR network rate is determined:

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Table 3

Retail Transmission Rate - Network Service Rate								
Rate Class	Unit	Current RTSR- Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential Service	\$/kWh	0.0063	685,839,020	0	4,320,786	35.0%	5,527,841	0.0081
General Service Less Than 50 kW	\$/kWh	0.0055	244,452,188	0	1,344,487	10.9%	1,720,083	0.0070
General Service 50 To 4,999 kW	\$/kW	2.9203		2,160,633	6,309,697	51.1%	8,072,374	3.7361
Large Use	\$/kW	2.7447		73,082	200,588	1.6%	256,624	3.5115
Unmetered Scattered Load	\$/kWh	0.0055	4,122,740	0	22,675	0.2%	29,010	0.0070
Street Lighting	\$/kW	1.7758		20,401	36,228	0.3%	46,349	2.2719
Embedded Distributor	\$/kW	2.7534		39,089	107,628	0.9%	137,695	3.5226

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8 **Bill Impacts**

9 In KWHI's Decision EB-2020-0035, bill impacts for residential customers were nil.

10 Many changes have been made to rates since KWHI's Decision was issued on
11 December 10th, 2020, including the OER rate and electricity rates. Using the same bill
12 impact model as EB-2020-0035, the impact of adjusting the RTSR Network Service
13 Rate for a Residential customer is \$0.93 or 0.87% and for a GS<50 customer \$2.75 or
14 0.99%.



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Table 4

Rate Class		Bill Increase \$	Bill Increase %
2	Residential Service	\$ 0.93	0.87%
	General Service Less Than 50 kW	\$ 2.75	0.99%



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APPENDIX A

Jan-19	(\$94,920.35)	21-Jan-19	(25,585)	3.71
Feb-19	(\$92,757.42)	01-Feb-19	(25,002)	3.71
Mar-19	(\$91,054.53)	05-Mar-19	(24,543)	3.71
Apr-19	(\$74,233.39)	01-Apr-19	(20,009)	3.71
May-19	(\$65,563.12)	01-May-19	(17,672)	3.71
Jun-19	(\$95,888.66)	27-Jun-19	(25,846)	3.71
Jul-19	(\$115,987.72)	05-Jul-19	(30,284)	3.83
Aug-19	(\$99,821.29)	21-Aug-19	(26,063)	3.83
Sep-19	(\$90,690.57)	11-Sep-19	(23,679)	3.83
Oct-19	(\$76,665.11)	01-Oct-19	(20,017)	3.83
Nov-19	(\$86,075.42)	13-Nov-19	(22,474)	3.83
Dec-19	(\$91,720.84)	19-Dec-19	(23,948)	3.83

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