



Margaret Nanninga, MBA, CPA, CGA
Vice President Finance & CFO
T | 519-749-6177
F | 519-745-2360
mnanninga@kwhydro.ca

April 30, 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-2021-0074
Kitchener-Wilmot Hydro Inc. - Licence No. ED-2002-0573
Reply Submission

Dear Ms. Long:

Pursuant to Procedural Order No. 2 dated April 16, 2021, please find enclosed Kitchener-Wilmot Hydro Inc.'s Reply Submission in this proceeding.

Respectfully submitted,

Original Signed By:

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

cc: Parties to EB-2021-0074

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 retail transmission network and line connection (RTSR) rates effective January 1, 2021.

KITCHENER-WILMOT HYDRO INC. (KWHI)

REPLY SUBMISSION

FILED: APRIL 30, 2021

INTRODUCTION

1. Kitchener-Wilmot Hydro Inc. (KWHI) is pleased to file these submissions in reply to the submissions of OEB Staff and VECC received April 26, 2021 in respect of KWHI's Application to change its Retail Transmission Service Rates (RTSR) effective January 1st, 2021 (the "Application").
2. Based on the evidence, both OEB Staff and VECC support KWHI's request to amend the 2021 RTSRs¹.
3. As correctly noted by OEB Staff:

"Updating the RTSRs is appropriate, in order to mitigate what is projected to be a material variance that will accumulate throughout 2021 if the RTSRs remain unchanged. Doing so would mitigate intergenerational inequities, as well as future bill impacts, that may arise from the continued disparity between the network charges billed to Kitchener-Wilmot Hydro by the IESO, and the amounts flowed through to end-use customers in 2021."
4. As stated in the Application, the IESO did not charge KWHI network charges for one meter point since June 2015 due to an error associated with the meter end date for this meter in an internal IESO system.

¹ OEB Staff Submission, page 3 and VECC Submission, page 3.

5. As explained in its Argument-in-Chief, this Application is limited in scope to adjusting the 2021 RTSRs and not to settle any amounts that may have arisen in prior years as a result of the missing meter point error. KWHI does intend to file a separate application with the OEB to address these prior year amounts. VECC raises some concerns around prior year recovery at pages 6-7 of its submissions. KWHI submits that the proper forum to address those concerns would be in KWHI's subsequent rate application which would necessarily involve discovery of all of the facts around these prior year amounts.
6. VECC also raised some concerns at pages 2-3 of its submissions about KWHI's role in respect of the error, although VECC concludes its submissions on this topic by acknowledging that they are not directly relevant to this Application.
7. Despite this, KWHI feels obliged to reply. The evidence is not ambiguous. The IESO in response to the Interrogatories clearly explained that KWHI **has no role in setting the end date for this meter**².
8. The meter end date is a field that is entered by an IESO staff member into an internal IESO software system that is used to settle RTSR charges. KWHI confirms that it does not set the meter end date for that system.
9. VECC notes the bill impacts to various customer classes at page 6 of its submissions. KWHI has communicated directly with its embedded distributor and they understand the potential bill impact if KWHI is allowed to change its RTSRs.
10. Finally, VECC made a good observation about the proposed effective date at pages 5-6 of its submissions. Assuming KWHI receives an OEB Decision on this matter on or before May 21, 2021, KWHI can update its billing system to implement the new RTSRs effective June 1, 2021.
11. Should the OEB approve a June 1, 2021 effective date, the variance between January 1, 2021 and June 1, 2021 would continue to be tracked in the applicable DVAs and would be brought forth for disposition as part of KWHI's 2022 IRM application.
12. Finally, while the IESO did not file submissions in respect of this matter, KWHI would like to thank the IESO for its support during the Interrogatory phase to facilitate a more fulsome and complete evidentiary record for the OEB on this matter.

² KWHI Interrogatory response Staff 1 (b) (ii)

CONCLUSION

13. KWHI submits that the RTSRs for 2021 be amended as a result of historical volumes being too low as a result of a missed metering point effective June 1, 2021.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 30th DAY OF APRIL 2021.