

1 **EXHIBIT 8 – RATE DESIGN**

2

3 **Interrogatory 8-Staff-71**

4

5 **Loss Factor**

6 **Ref: Exhibit 8, Tab 3, Schedule 1, page 2**

7

8 **Preamble:**

9

10 ***The proposed loss factor of 1.0469 reflects an increase from the current approved***
11 ***loss factor of 1.0393. As Kingston Hydro notes, this is below the 5% threshold.***

12

13 **Question(s):**

14

15 **a) *Does Kingston Hydro have any insights into the cause(s) of the increase in***
16 ***losses since 2016?***

17

18 **Response**

19

20 a) One of the contributing factors to the 0.7% increase in the Total Loss Factor (TLF)
21 from the 2016 to 2023 application for Secondary Metered Customers <5,000kW
22 was a 0.4% decrease in the Supply Facility Loss Factor (SFLF) from the 2016 to
23 2023 application. The decrease in the SFLF was due to a change in the SFLF
24 calculation method and it caused a corresponding increase in the TLF from the
25 2016 to 2023 application.

1 **EXHIBIT 8 – RATE DESIGN**

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3 **Interrogatory 8-Staff-72**

4

5 **Low Voltage Service Rates**

6 **Ref: Exhibit 8, Tab 1, Schedule 1, page 15**

7

8 **Preamble:**

9

10 **2023 test year and 2022 bridge year forecast LV volume is based upon applying**
11 **an average ratio of LV kW to kWh for the five most recent historical years to the**
12 **test load forecast total kWh.**

13

14 **Question(s):**

15

16 **a) Please provide the low voltage expense that would result if 2022 Hydro One**
17 **rates were applied to 2021 actual volume.**

18

19 **Response**

20

21 a) The low voltage expense that would result if 2022 Hydro One rates were applied to
22 2021 actual volume is \$1,315,734.

23

24 Details of the calculation on the following page:

1

		Rates	Volume	Expense	
<u>Applicable current 2022 LV HONI rates</u>					
Service Charge 2022	per month	\$ 612.97	4	\$ 29,423	annualized
Deferred Tax Asset Fixed Rate Rider	per month	\$ 36.18	4	\$ 1,737	
Facility Charge for connection to Common ST Lines (44 to 13.8 kV)		\$/kW 1.6208	767,002	\$ 1,243,157	
Deferred Tax Asset Volumetric Rate Rider		\$/kW 0.0540	767,002	\$ 41,418	
Total LV Costs				\$ 1,315,734	

Current 2022 rates available applied to actual volume for 2021

2

1 **Interrogatory 8-SEC-25**

2

3 ***[Ex.8-4-1, p. 2] Kingston Hydro’s current and proposed tariffs include a standby***
 4 ***rate, however the load forecast does not include any customers, kW or revenue***
 5 ***for this class:***

6

7 ***a) Does Kingston Hydro have any customers with load displacement***
 8 ***generators?***

9 ***b) If so, what has been the revenue received from this class for each between***
 10 ***2016 and 2022?***

11 ***c) Why has Kingston Hydro not forecast any distribution revenue from this***
 12 ***class?***

13

14 **Response**

15

16 a) Yes, Kingston has two (2) institutional customers with load displacement generator
 17 settlement; one (1) Large Use and one (1) GS 50 to 4,999kW.

18

19 b) The following table provides distribution revenue from Standby by the rate
 20 classification of the generator host facility for 2016-2022:

Standby - Distribution Revenue			
Year	GS 50 to 4,999 kW	Large Use	Total
2016	\$ -	\$ 4,405.97	\$ 4,405.97
2017	\$ 1,055.28	\$ 3,139.13	\$ 4,194.41
2018	\$ 1,064.41	\$ 6,406.91	\$ 7,471.32
2019	\$ 1,020.52	\$ 3,691.22	\$ 4,711.74
2020	\$ 989.98	\$ 1,704.77	\$ 2,694.75
2021	\$ 707.56	\$ 1,629.32	\$ 2,336.88
2022	\$ 725.16	\$ 2,501.45	\$ 3,226.61

21

- 1 c) The load forecast considered the total monthly coincident demand of our two (2)
- 2 customers (monthly Load facility demand plus coincident monthly Generator
- 3 demand). In summary all distribution revenue (Distribution Charge plus Standby
- 4 charge) was factored into the Large Use and GS 50 to 4,999 kW classes.

1 **RATE DESIGN (EXHIBIT 8)**

2

3 **Interrogatory 8.0-VECC-44**

4

5 **Reference: Exhibit 8, Tab 2, Schedule 1, page 1**

6

RTSR Workform

7

8 **a) What year's data are used for the customer class billing kWh and kW in Tab 3**
9 **of the RTSR Workform?.**

10 **b) What year's data are used for the Network, Line Connection and**
11 **Transformation Connection billing units used in Tabs 5, 6 and 7 of the RTSR**
12 **Workform for the IESO and Hydro One?**

13

14 **Response**

15

16 a) 2021 RRR data filed with the OEB was used in Tab 3 of the RTSR Workform.

17

18 b) 2021 Network, Line Connection and Transformation Connection billing units were
19 used in Tabs 5, 6, and 7 of the RTSR Workform.

1 **RATE DESIGN (EXHIBIT 8)**

2

3 **Interrogatory 8.0-VECC-45**

4

5 **Reference: Exhibit 8, Tab 2, Schedule 7, page 2**

6

7 **a) Please confirm that the LV kW forecast for 2023 (789,204 kW) is not actually**
8 **used in the derivation of the 2023 LV cost.**

9 **b) If not confirmed, please explain how the kW forecast is used determining the**
10 **2023 LV cost.**

11

12 **Response**

13

14 a) Confirmed.

15

16 b) Since a) confirmed, no explanation required.