



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

BY EMAIL

December 2, 2022

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission on the Draft Rate Order
Kingston Hydro Corporation
Cost of Service
OEB File Number: EB-2022-0044**

Please find attached OEB staff's submission on the draft rate order in the above referenced proceeding, pursuant to the OEB's Decision and Order dated November 22, 2022.

Yours truly,

Vince Mazzone
Advisor – Application Policy & Conservation

Encl.

cc: All parties in EB-2022-0044



ONTARIO ENERGY BOARD

OEB Staff Submission on the Draft Rate Order

Kingston Hydro Corporation

Cost of Service Application

EB-2022-0044

December 2, 2022

Introduction

Kingston Hydro Corporation (Kingston Hydro) filed a Cost of Service application with the Ontario Energy Board (OEB) on June 17, 2022, under section 78 of the *Ontario Energy Board Act, 1998* seeking approval for the rates that Kingston Hydro charges for electricity distribution, effective January 1, 2023.

A settlement proposal representing a complete agreement on all issues agreed by Kingston Hydro and the intervenors in this proceeding was submitted to the OEB for approval on October 28, 2022.

The OEB approved the settlement proposal as filed in its Decision and Order dated November 22, 2022.

Kingston Hydro filed its draft rate order (DRO) on November 28, 2022, and subsequently filed an amended DRO on December 1, 2022.

OEB staff has no concerns with the DRO. OEB staff submits that Kingston Hydro has accurately updated its revenue requirement resulting from the changes in its other revenue and has reflected these updates in its cost allocation and rate design.

The following are OEB staff's detailed comments on the DRO.

Comments on the DRO

Cost of Power

As part of the OEB approved settlement proposal and the Decision and Order, Kingston Hydro updated the Cost of Power to reflect the Regulated Price Plan (RPP) Price Report and Ontario Electricity Rebate for November 1, 2022 to October 31, 2023.¹ Kingston Hydro also updated Smart Metering Entity Charge (SME) set by the OEB at \$0.42 on September 8, 2022.² As noted by Kingston Hydro, these updates only applied to the Tariff Schedule and Bill Impacts Model since the Revenue Requirement Workform and Chapter 2 Appendices were updated as part of the Settlement Proposal to reflect these changes.

OEB staff has no concerns with the updates made to the Tariff Schedule and Bill Impacts Model to reflect the changes made to the RPP and SME charge.

Retail Service Charges and Pole Attachment Charge

In accordance with the Settlement Proposal, Kingston Hydro has adopted the OEB-approved Retail Service Charges³ and the Pole Attachment Charge⁴ in its proposed Tariff of Rates and Charges. Kingston Hydro has also updated its other revenue accordingly, which is increased by \$10,757.

The total change in revenue requirement is a decrease of \$10,757 in base revenue requirement. OEB staff has no concerns with the updated revenue requirement.

Cost Allocation

As a result of the changes to revenue requirement, the Cost Allocation Model was also updated, and consequently the revenue to cost ratios. The revenue to cost ratios for GS>50 kW and Unmetered Scattered Load rate classes increased by 0.01%. Revenue to cost ratios for all other rate classes were not impacted by the update.

OEB staff has no concerns with the updated revenue to cost ratios.

~All of which is respectfully submitted~

¹ Regulated Price Plan Price Report, November 1, 2022 to October 31, 2023, October 21, 2022.

² EB-2022-0137, Decision and Order, IESO, in its Capacity as the Smart Metering Entity, September 8, 2022.

³ EB-2022-0220, Decision and Order in the matter of Inflationary Adjustment Effective January 1, 2023 for Energy Retailer Service Charges for Electricity Distributors, November 3, 2022.

⁴ EB-2022-0221, Decision and Order, Distribution Pole Attachment Charge for 2023, November 3, 2022.