Via RESS
17 October 2025

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Marconi,

Re: Kingston Hydro Corporation _Electricity Distribution License ED-2003-0057 2026 IRM (EB-2025-0026) _Responses to OEB Staff Questions

Attached please find complete responses to OEB staff questions received on October 3, 2025, with respect to Kingston Hydro Corporation's 2026 IRM distribution rate application (EB-2025-0026) filed August 14, 2025, for electricity distribution rates effective January 1, 2026.

Kingston Hydro's responses are being filed through the OEB's online RESS filing system.

Yours truly,

Sherry Gibson
Manager, Revenue and Regulatory Affairs

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Kingston Hydro Corporation Responses to OEB Staff Questions

EB-2025-0026
October 17, 2025

Staff Question-1

Ref: Rate Generator Model, Tab 3, Continuity Schedule

Preamble:

On September 11, 2025, the OEB published the 2025 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question(s):

a. Please confirm that Tab 3 (Continuity Schedule) reflects the Q4 2025 OEB-prescribed interest rate of 2.91%. If not, please update Tab 3, as necessary.

Kingston Hydro Response – 1

a. Kingston Hydro has updated Tab 3 (Continuity Schedule) to reflect the Q4 2025 OEB- prescribed interest rate of 2.91%. The updated model is being filed along with this response.

Staff Question-2

Ref 1: Rate Generator Model, Tab 3, Continuity Schedule, Column BW
Ref 2: Manager's Summary, p. 13
Ref 3: Chapter 3 Filing Requirements, p. 13
Ref 4: EB-2024-0037, Kingston_2025 IRM Application_20240813, p.12

Preamble:

Chapter 3 of the Filing Requirements requires distributors to explain any differences between Group 1 account balances and those reported in the RRR. In Reference 1, variances are noted in Accounts 1580, 1588 and 1589. However, Reference 2 provides explanations for these accounts that correspond to different amounts. OEB staff observes that the explanations in Reference 2 refer to the variances from the previous IRM application in Reference 4.

Question(s):

a. Please provide an explanation for the variance reported in Column BW, ensuring that it reflects the current IRM application and balances noted in Reference 1.

Kingston Hydro Response – 2

a. DVA Variance Explanations for the variances reported in Column BW are as follows:

Account 1588
The variance in Account 1588 of $98,763 is due to current year-end unbilled to actual revenue differences.

Account 1589
The variance in Account 1589 of $107,594 is due to current year-end unbilled to actual revenue differences.

Staff Question-3

Ref 1: Rate Generator Model, Tab 3, Continuity Schedule, Column BU
Ref 2: Chapter 3 Filing Requirements, p.16
Ref 3: EB-2024-0037, Decision and Order, p.10

Preamble:

Chapter 3 of the Filing Requirements states that disposition of residual balances in Account 1595 sub-accounts for each vintage year should only be requested once. OEB staff notes that the disposition of Account 1595 for 2021 was requested in EB-2024-0037 and is also requested in this application as noted in Reference 1.

Question(s):

a. Please confirm that no disposition is being requested for Account 1595 (2021). If so, please select “No” in cell BU33 to indicate that no disposition is being requested.

Kingston Hydro Response – 3

a. Confirmed. The IRM rate generator model Tab 3. Continuity Schedule, Cell BU33 has been updated to “No” to indicate that no disposition is being requested for Account 1595 (2021). The updated model is being filed along with this response.

Staff Question-4

Ref 1: Rate Generator Model, Tab 16.1, LV Expense

Preamble:

OEB staff observe that the Monthly Service Charge is not consistently applied in each month, and that charges for the RR Disposition Account 1595 and RR Group 1 Def/Var 2024 were only applied from July to December. The table below provides the details.

Month	Monthly Service Charge	RR Disposition Account 1595 Rate	RR Group 1 Def/Var 2024 Rate
January	840.0900		
February	785.8891		
March	847.6158		
April	816.7525		
May	840.0885		
June	820.1399		
July	844.2284	-0.0241	0.4094
August	840.0886	-0.0241	0.4094
September	824.2800	-0.0241	0.4094
October	824.2800	-0.0241	0.4094
November	824.2800	-0.0241	0.4094
December	824.2800	-0.0241	0.4094

Question(s):

a. Please explain the reason for the monthly fluctuations in the Monthly Service Charge.

b. Please clarify why charges for the RR Disposition Account 1595 and RR Group 1 Def/Var 2024 are applied only from July to December.

Kingston Hydro Response – 4

a. The table presents charges bucketed by calendar month period. The monthly billing periods up until the end of August were based on a cycle that spanned portions of two months, the number of days in each billing period varied, and Hydro One's proration factor methodology applied to the approved Sub-Transmission monthly service charge of $824.28 (EB-2023-0030) when the billing period was longer or shorter than 30 days on the monthly bill. During 2024, the Hydro One bill cycle changed to align with the calendar month. A short 19-day bill cycle occurred from August 12 to August 31, 2024, after which bill periods align to the calendar months for the final four months and proration was no longer applied to the monthly service charges Kingston Hydro was billed.

Proration example: for the January 2024 monthly service charge value in the table is $840.09. The number of days related to January are from two bills:

- January 2024 bill: is for read period 12/08/2023 - 01/10/2024. A 33-day read period (23 days in December, 10 days in January). The January portion is prorated as $824.28 ÷ 30.42 × 10 days = $271**.**
- February 2024 bill: is for read period 01/10/2024 - 02/8/2024. A 29-day read period (21 days in January, 8 days in February). The January portion is prorated as $824.28 ÷ 30.42 × 21 days ≈ $569**.**

The charges for the two bill portions related to January total the $840.09 in the table. [$824.28 service charge ÷ (365 ÷ 12) prorate factor × (10 days + 21 days)]

b. On December 14, 2023, the OEB issued Partial Decisions and Rate Orders for Hydro One Distribution's 2024 rates, approving Group 1 DVA balances (excluding Accounts 1588 and 1589) but deferring disposition. Following a settlement conference in March 2024 and a settlement proposal filed May 24, 2024, the OEB approved final disposition of all balances. Final rate riders and related charges are effective July 1, 2024, to June 30, 2025, per the OEB's June 13, 2024, Decision and Rate Order (EB-2023-0030). Hence as detailed in the table, charges for the RR Disposition Account 1595 and RR Group 1 Def/Var 2024 are applied from July to December for 2024.

Staff Question-5

Ref 1: Rate Generator Model, Tab 10, RTSR Current Rates
Ref 2: Manager’s Summary, pages 9-10

Preamble:

Kingston Hydro identifies the load applicable to its General Service customers in the 50 to 4,999kW rate class that may qualify as Electric Vehicle (EV) charging facilities and be subject to the Electric Vehicle Charging rate (EVC) in the above noted references. Kingston Hydro also indicates that it used the last actual year to estimate the load.

Question(s):

a. Please confirm whether each customer identified by Kingston Hydro that may qualify for the EVC rate has a load factor below 20%.

Kingston Hydro Response-5

a. Confirmed. Each customer identified by Kingston Hydro that may qualify for the EVC rate has a load factor below 20%.

Staff Question-6

Question(s):

a. In the instance the OEB releases any updated rates/charges (e.g., 2026 Uniform Transmission Rates) before Kingston Hydro provides its responses to OEB staff's questions, please update the Rate Generator Model, as applicable. If any updates are made, please identify the rate and/or charge that has been updated.

Kingston Hydro Response-6

a. On October 9, 2025, the OEB released preliminary 2026 Preliminary Uniform Transmission Rates and proposed Hydro One Sub-Transmission Rates to support electricity distributors in preparing rate applications effective January 1, 2026.

   The OEB's letter indicates that distributors with an effective date of January 1, 2026 rates, should update their 2026 rate applications to reflect these updated rates.

   Kingston has updated the following rates in the Rate Generator Model, Tab 11. RTSR – UTRs & Sub-Tx:

   2026 preliminary UTRs effective January 1, 2026:
   • $6.42/kW/Month Network Service Rate (a $0.05/kW increase)
   • $1.02/kW/Month Line Connection Service Rate (a $0.02/kW increase)
   • $3.47/kW/Month Transformation Connection Service Rate (a $0.08/kW increase).

   2026 Hydro One Proposed Sub Transmission RTSRs:
   - Retail Transmission Rate – Network Service Rate $/kW 5.4282
   - Retail Transmission Rate – Line Connection Service Rate $/kW 0.6896
   - Retail Transmission Rate – Transformation Connection Service Rate $/kW 3.4965