Via RESS
13 October 2026

Mr. Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

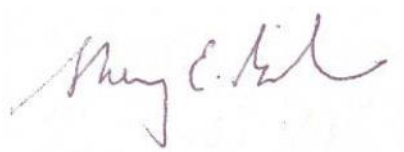
Dear Mr. Murray,

Re: Kingston Hydro Corporation _Electricity Distribution License ED-2003-0057
2027 IRM (EB-2026-0053) _Responses to OEB Staff Questions

Attached please find complete responses to OEB staff questions received on September 23, 2026, with respect to Kingston Hydro Corporation's 2027 IRM distribution rate application (EB-2026-0053) filed August 7, 2026, for electricity distribution rates effective January 1, 2027.

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-2026-0069
October 13, 2026

Staff Question-1

Ref: Rate Generator Model, Tab 3, Continuity Schedule

Preamble:

On September 14, 2026, the OEB published Q4 2026 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 update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2026 OEB-prescribed interest rate of 2.87%.

Kingston Hydro Response – 1

a. Tab 3 (Continuity Schedule) has been updated to reflect the Q4 2026 OEB-prescribed interest rate of 2.87 per cent as published on September 14, 2026.

Staff Question-2

Ref 1: Rate Generator Model, Tab 3, Continuity Schedule, Cells BM37 and BN37
Ref 2: EB-2025-0026, Decision and Order, p. 10, December 11, 2025

Preamble:

OEB staff observes that the total OEB-approved Group 1 account balance for both principal and interest from the 2026 IRM proceeding in Reference 2 are not reflected in Account 1595 (2026) in the current application.

Question(s):

a. Please complete cells BM37 and BN37 to reflect the total principal and interest balances disposed during Kingston Hydro's 2026 IRM proceeding.

Kingston Hydro Response – 2

a. Cells BM37 and BN37 have been populated to reflect the total principal and interest balances disposed during Kingston Hydro's 2026 IRM proceeding.

Staff Question-3

Ref 1: Rate Generator Model, Tab 3, Continuity Schedule, Cell BU33
Ref 2: Chapter 3 Filing Requirements, Section 3.2.6.3, p. 14, July 14, 2026

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, on a final basis. OEB staff notes the disposition of Account 1595 (2022) balances was approved on a final basis in EB-2025-0026; however, disposition of this account is also being requested in this application, as noted in Reference 1.

Question(s):

a. Please explain why disposition of Account 1595 (2022) is being requested in this application. If Kingston Hydro is not seeking disposition of this account, please update the Rate Generator Model to reflect no disposition being requested.

Kingston Hydro Response – 3

a. Kingston Hydro is not seeking disposition of this account. The Rate Generator Model has been updated to reflect no disposition being requested.

Staff Question-4

Ref: Rate Generator Model, Tab 3, Continuity Schedule, Cell BV25

Preamble:

OEB staff observes that the balance as of December 31, 2025 for Account 1580 – Variance WMS – Sub-account CBR Class B is zero. However, the RRR information shows a balance of $413,945.

Question(s):

a. Please confirm and reconcile the balance as of December 31, 2025 for Account 1580 – Variance WMS – Sub-account CBR Class B.

Kingston Hydro Response – 4

a. Cell BV25 is populated and locked by the OEB. Kingston Hydro's balance of $413,945 as submitted in the RRR is correct and should be populated in cell BV25 but this column of cells is view only and cannot be populated by Kingston Hydro. On Sept 25, 2026, OEB staff have unlocked and populated the cell with the correct RRR balance. As a result, a variance no longer applies.

Staff Question-5

Ref: Rate Generator Model, Tab 4, Billing Det. for Def-Var, Cell J4

Preamble:

OEB staff observes that Kingston Hydro did not confirm the accuracy of the determinant billing data in the reference provided (Cell J4).

Question(s):

a. Please confirm the accuracy of the information in Tab 4 - Billing Det. for Def-Var.

Kingston Hydro Response – 5

a. Kingston Hydro has confirmed the accuracy of the information in Tab 4 – Billing Det. For Def-Var. and has updated Cell J4 to “Yes”.

Staff Question-6

Ref: Manager's Summary, p. 10

Preamble:

Kingston Hydro states that no customers within its service territory elected to take service under the Electric Vehicle Charging (EVC) Rate in 2026 and there was no EV charging load to report for 2026.

Question(s):

a. Please confirm whether Kingston Hydro expects any customers to qualify for the EVC Rate in 2027.

Kingston Hydro Response – 6

a. Two customers are eligible for the EVC rate in 2027 however they have not elected to take service under the EVC rate. Kingston Staff has made attempts to contact the account holders by both email and mail. To date, Kingston Hydro does not have any customers enrolled in the EVC rate.

Staff Question-7

Ref: Commodity Accounts Analysis Workform, Accounts 1588, Note 7

Preamble:

Kingston Hydro states that the 1.2% variance between Account 1588 and Account 4705 is due to *"Principal adjustments 2025 include an amount for 2024 that was included in 2026. Excluding the amount related to 2024, the percentage goes from 1.2% to 0.9%."*

Question(s):

a. Please explain further and identify the specific adjustments and amounts that were included in 2024, 2025, and 2026.
b. Please update the Commodity Accounts Analysis Workform, if necessary.

Kingston Hydro Response – 7

a. Principal adjustments included in the Commodity Accounts Analysis Workform, Accounts 1588, Note 7a, Item 4b relate to the following two billing adjustments recorded in 2026:

   Billing adjustment #1: The commodity charge was charged to a customer in error from Dec 31, 2023 to Apr 25, 2026. Actual billing adjustments for these charges were completed in 2026. $117,049.74 relating to 2024 and $213,845.59 relating to 2025 were included in principal adjustments for 2025 to ensure proper reconciliation for 2025.

   Billing adjustment #2: In 2026, 3 accounts on multi-unit rates were adjusted as a result of a correction to the number of units. $26,059.57 relating to 2024 and $33,109.23 relating to 2025 were included in principal adjustments for 2025 to ensure proper reconciliation for 2025.

   Kingston Hydro has included adjustments relating to both 2024 and 2025 in principal adjustments for 2025 because the 2024 adjustments were not included in previous balances. However, the inclusion of the 2024 amounts in the Commodity Accounts Analysis Workform for 2025 has caused Account 1588 to exceed the +/- 1% threshold test. Excluding the amounts related to 2024, Account 1588 is within the +/- 1% threshold.

b. Kingston Hydro does not believe the Commodity Accounts Analysis Workform needs to be updated.

Staff Question-8

Question(s):

a. In the instance the OEB releases any updated rates/charges (e.g., 2027 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 have been updated.

Kingston Hydro Response – 8

a. As of October 13, 2026, no updated 2027 rates/charges have been issued.

Staff Question-9

Ref 1: Rate Generator Model, Tab 6, Class A Consumption Data
Ref 2: Commodity Accounts Analysis Workform, GA 2025, Note 2

Preamble:

OEB staff observes that total 2025 Class A consumption data in Reference 1 (sum of Table 3a and Table 3b) does not reconcile with Reference 2 and RRR. The table below summarizes the information:

Consumption	Reference 1 (sum of Tables 3a and 3b)	Reference 2 (Note 2 – Non-RPP Class A)	RRR
kWh	203,588,630	201,665,697	201,665,697
kW	421,576	-	417,853

Question(s):

a. Please confirm whether Kingston Hydro included Class A transition customer consumption to the total Class A consumption volume.
b. Please confirm the correct total Class A consumption for 2025 and update the Commodity Accounts Analysis Workform, if necessary.

Kingston Hydro Response – 9

a. Confirmed. Kingston Hydro included the Class A transition customer consumption in the total Class A consumption volume on tab 6 of the Rate Generator Model, table 3b.

b. Kingston Hydro confirms the 2025 Class A consumption is 201,665,697 kWh and 417,853 kW, which reconciles with RRR 2.1.5. The Commodity Accounts Analysis Workform does not need to be updated. Tab 6 has been updated on the Rate Generator Model.

Staff Question-10

Ref 1: OEB Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589 (Accounting Guidance), April 28, 2025
Ref 2: Updated Illustrative Commodity Model, April 28, 2025

Preamble:

The OEB issued final updates to the Accounting Guidance and the updated Ilustrative Commodity Model related to the implementation of the Independent Electricity System Operator (IESO)'s Market Renewal Program (MRP), effective May 1, 2025. Page 11 of Reference 1 states that:

In Tab "Variances in ac 1588" of the updated Illustrative Commodity Model, two new tables are added to quantify the energy variances that are included in Account 1588 for records-keeping purposes. While the quantification tables are not required to be filed with the OEB at this time, these tables assist the distributors in explaining the 1% threshold test in Account 1588.

Reference 2 introduced two new reconciliation tables under the "Variances in ac 1588" tab to quantify energy cost variances arising from the implementation of MRP. In Page 11 of Reference 1, the OEB stated that these tables are intended for record-keeping purposes and are not required to be filed with the OEB. However, these two reconciliation tables may assist the distributors in explaining the 1% threshold test in Account 1588 where applicable.

Question(s):

a. Has Kingston Hydro utilized Table 42 and/or 43 of Ref. 2 to track or quantify the MRP-related energy variances recorded in Account 1588?
    i. If so, please explain whether the variances recorded in Table 42 and Table 43 were material in 2025, respectively. Please provide the corresponding quantum of the variances if the variance(s) are material.
    ii. If not, please explain why not.
b. Please explain whether MRP-related activities recorded in Account 1588 contributed to Kingston Hydro's Account 1588 balance exceeding the +/-1% threshold test in 2025.
    i. If yes, please provide a detailed explanation and the applicable completed reconciliation Tables 42 and/or Table 43 from Reference 2 corresponding to the material variances identified in part a) i).

Kingston Hydro Response – 10

a. Kingston Hydro did not utilize Table 42 and 43 of Ref. 2 to track or quantify the MRP-related energy variances recorded in Account 1588. However, upon receipt of the above question, analysis was performed utilizing Table 42 and 43 and the resulting variances were not material in 2025.

b. The MRP-related activities recorded in Account 1588 did not contribute to Kingston Hydro's Account 1588 balance exceeding the +/-1% threshold test in 2025. The reasons for the variances are as noted in Question 7.

Staff Question-11

Ref: Rate Generator Model, Tab 16.1, LV Expense

Preamble:

OEB staff observes that charges for the RR Disposition Account 1595 and RR Group 1 Def/Var 2024 were only applied from January to June. The table below provides the details.

Month	RR Disposition Account 1595 Rate	RR Group 1 Def/Var 2024 Rate
January	-0.0241	0.4094
February	-0.0241	0.4094
March	-0.0241	0.4094
April	-0.0241	0.4094
May	-0.0241	0.4094
June	-0.0241	0.4094
July		
August		
September		
October		
November		
December		

Question(s):

a. Please clarify why charges for the RR Disposition Account 1595 and RR Group 1 Def/Var 2024 are applied only from January to June.

Kingston Hydro Response – 11

a. The sunset date for both the Sub-transmission rate classification RR Disposition Account 1595 and the RR Group 1 Def/Var 2024 was June 30, 2025, in accordance with Hydro One's approved 2025 Tariff of Rates and Charges (EB-

2024-0032). As such these charges were applied from January through June 2025 only.

Staff Question-12

Ref: Rate Generator Model, Tab 4, Billing Det. For Def-Var

Question(s):

a. Please provide and confirm the basis of the allocation in the 1595 Recovery Proportion for 2022 and 2023 in Reference 1.

Kingston Hydro Response – 12

a. Consistent with the OEB's Electricity Distributors' Deferral and Variance Account Review (EDDVAR Report, July 31, 2009), Account 1595 balances are allocated to rate classes on a proportional basis that mirrors the class allocation used in the original rate rider disposition for the applicable vintage year. Kingston has applied this methodology in the allocation of its Account 1595 balances.

The following tables provide the 1595 Proportion for 2022 (EB-2021-0037) and 2023 (EB-2022-0044).

1595 Proportion Share Allocations - 2022	Unit	2022 DVA Rate Rider (1 year recovery)	kWh	kW	2022 DVA Amounts	2022 Recovery Share %
Residential	$ per kWh	0.0003	188,355,001		47,174	19.335%
General Service Less Than 50 kW	$ per kWh	0.0003	81,058,181		20,641	8.460%
General Service 50 to 4,999 kW	$ per kW	0.2281		601,167	137,115	56.198%
Large Use	$ per kW	0.1317		290,075	38,217	15.664%
Unmetered Scattered Load	$ per kWh	0.0003	1,219,174		312	0.128%
Street Lighting	$ per kW	0.0927	0	5,664	525	0.215%
			270,632,356	896,906	243,985	100.0%

1595 Proportion Share Allocations - 2023	Unit	2023 DVA Rate Rider (1 year recovery)	kWh	kW	2023 DVA Amounts	2023 Recovery Share %
Residential	$ per kWh	0.0017	183,564,808		314,959	33.453%
General Service Less Than 50 kW	$ per kWh	0.0018	90,182,772		160,495	17.047%
General Service 50 to 4,999 kW	$ per kW	0.2740		629,415	172,490	18.321%
Large Use	$ per kW	0.9616		299,242	287,745	30.562%
Unmetered Scattered Load	$ per kWh	0.0018	1,243,602		2,234	0.237%
Street Lighting	$ per kW	0.6451	0	5,543	3,576	0.380%
			274,991,182	934,199	941,499	100.0%