Via RESS
27 October 2026

Mr. Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge St, 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 Additional OEB Staff Questions

Attached are Kingston Hydro's responses to additional OEB staff questions which were received on October 20, 2026, with respect to Kingston Hydro's 2027 IRM distribution rate application (EB-2026-0053) filed on August 7, 2026, for electricity distribution rates effective January 1, 2027.

Please note that upon further review and in consideration of its response to Staff question #13, Kingston Hydro has revised its request regarding the disposition of its 2025 balances. Kingston Hydro is no longer seeking final disposition of the 2025 balances and instead requests that the balances be disposed of on an interim basis. Additional details are provided in the response to Question # 13.

Kingston Hydro's responses, along with an updated IRM Rate Generator Model, 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
Answers to Additional OEB Questions
EB-2026-0053
October 27, 2026

Please note, Kingston Hydro Corporation (Kingston Hydro) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*, unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff Question-13

Ref 1: Interrogatory Responses, Staff-7, October 13, 2026
Ref 2: EB-2025-0026, Decision and Rate Order, Section 7, Table 7.1, December 11, 2025
Ref 3: OEB letter "Adjustments to Correct for Errors in Electricity Distributor "Pass Through" Variance Accounts After Disposition" October 31, 2019 (OEB's retroactivity letter)

Preamble:

Per Reference 1, Kingston Hydro recorded a total debit amount of $143,109 ($117,049.74 + $26,059.57) which was the principal adjustments related to 2024 in Account 1588 in 2025. Kingston Hydro stated that it has included adjustments relating to both 2024 and 2025 in principal adjustments for 2025 because the 2024 adjustments were not included in previous balances.

Per Reference 2, the OEB approved the disposition of Group 1 DVAs as of December 31, 2024, including Accounts 1588 and 1589 balances on a final basis in Kingston Hydro's 2026 IRM application.

Per Reference 3, the OEB's retroactivity letter states that "Where an accounting or other error is discovered after the balance in one of the above-listed variance accounts has been cleared by a final order of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:

- whether the error was within the control of the distributor
- the frequency with which the distributor has made the same error
- failure to follow guidance provided by the OEB
- the degree to which other distributors are making similar errors"

Question(s):

a. Please clarify whether the 2024 principal adjustment for Account 1588, which was included in the December 31, 2024 balances that was disposed on a final basis in the 2026 IRM proceeding, was understated by $143,109?
   i) If yes, please clarify whether the Group 1 rate riders that were derived based on December 31, 2024 balances in the 2026 IRM proceeding was understated by $143,109.
   ii) If yes, please confirm whether Kingston Hydro is proposing to collect a debit amount of $143,109, which is 2024 principal adjustment of Account 1588 from the customers in this application.
   iii) If no, please explain why not.
b. Given that Account 1588 has been approved for final disposition for the balances up to December 31, 2024 in the 2026 IRM proceeding, please provide Kingston Hydro's view on whether this proposed 2024 principal adjustments (i.e. $143,109 in the current application result in a rates retroactivity issue.
   (1) If so, please provide comments on the four factors outlined in the OEB's retroactivity letter in Reference 3.

Kingston Hydro Response – 13

a. The 2024 adjustments were not included in previous balances as the amounts relate to required billing adjustments that occurred in 2026. Kingston Hydro is required to go back 2 years with corrections for over- and under-billing. All impacts of billing adjustments are recorded in the year the adjustment is made.

   Yes, the 2024 principal adjustment for Account 1588, which was included in the December 31, 2024 balances that was disposed on a final basis in the 2026 IRM proceeding, was understated by $143,109.

   i) Yes, the Group 1 rate riders that were derived based on December 31, 2024 balances in the 2026 IRM proceeding were understated by $143,109.

   ii) Kingston Hydro is proposing to collect a debit amount of $143,109, which is the portion of the 2026 billing adjustment that relates to 2024, from the customers in this application due to the fact that the adjustment has been made and the amount is known.

As an alternative, Kingston Hydro would be open to considering recording this adjustment as a reconciling item without a principal adjustment when it applies for disposition of its 2026 balances (the year the amount was initially recorded) if Board Staff believes this alternative is more appropriate.

b. Kingston Hydro does not believe the proposed 2024 principal adjustments (i.e. $143,109) in the current application result in a rates retroactivity issue.

   Kingston Hydro has completed the billing corrections in accordance with OEB guidance (i.e. LDCs must go back 2 years with corrections for over-billing and under-billing). As a result, the effects of the corrections are recorded in Account 1588 in the year of correction (2026). Kingston Hydro included this adjustment as a principal adjustment in this application because it was a known adjustment at the time of filing this application. The billing adjustments related to corrections that were required to be made within the two-year billing correction window.

   At this time, due to the uncertainty of this issue, Kingston Hydro is changing its request for 2025 balances to be disposed of on a final basis and is requesting disposition of its 2025 balances on an interim basis.

Staff Question-14

Ref 1: Rate Generator Model, Tab 6, Class A Consumption Data, October 13, 2026
Ref 2: Interrogatory Responses, Staff-9, October 13, 2026

Preamble:

Kingston Hydro states in response to Staff-9 that it has updated the Rate Generator Model to reflect the total Class A consumption volume. However, OEB staff observes that the total Class A consumption is 199,852,798 kWh and 414,401 kW.

Question(s):

a. Please confirm that the correct changes have been made to the total Class A consumption and update the Rate Generator Model as necessary.

Kingston Hydro Response – 14

a. Kingston Hydro confirms that the Rate Generator Model has been further reviewed and updated to reflect the correct total Class A consumption volumes consistent with the RRR data.

   The correct total Class A consumption values are:

   Energy Consumption: 201,665,697 kWh
   Demand: 417,853 kW

   An updated Rate Generator Model reflecting these values has been filed with this response.

Staff Question-15

Ref 1: Rate Generator Model, Tab 11, RTSR – UTRs & Sub-Tx
Ref 2: EB-2026-0546, Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, October 14, 2026

Question(s):

a. On October 14, 2026, the OEB published the preliminary UTRs based on the OEB letter in Reference 2. OEB staff has updated UTR and Hydro One Sub-Transmission Rates in Reference 1. Please confirm the accuracy of the updates and whether they flow correctly throughout the model.

Kingston Hydro Response – 15

a. Confirmed accuracy of the UTR updates throughout the model.

Staff Question-16

Ref 1: Rate Generator Model, Tab 19, Regulatory Charges
Ref 2: EB-2026-0546, Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, October 14, 2026

Question(s):

a. OEB staff has updated the OER and TOU prices in Tab 19 of the Rate Generator Model. Please confirm the accuracy of the updates and whether they flow correctly throughout the model.

Kingston Hydro Response – 16

a. Confirmed accuracy of the OER and TOU updates throughout the model.

Staff Question-17

Ref 1: Response to Interrogatories, Staff-12
Ref 2: EB-2022-0044, DVA Continuity, Tab 4, December 1, 2022

Question(s):

a. In responses to Staff 12, OEB staff observes that Kingston Hydro used the consumption (kWh and kW) in Reference 2 to allocate the balances for Account 1595 in this application. For consistency, please use the consumption in kWh to all rate classes and revise the Rate Generator Model as necessary.

Kingston Hydro Response – 17

a. Kingston Hydro respectfully clarifies that the Account 1595 (2023) recovery proportions in its response to Staff-12 were not based on consumption. The kWh and kW columns in that table were shown for reference only. The 2023 Recovery Share % for each class (e.g., Residential 33.453%) is that class's share of the $941,499 Group 1 (excluding Global Adjustment) deferral and variance account rate rider amount approved in EB-2022-0044.

Refined allocation proposed

The Account 1595 (2023) residual of $(56,070) is made up of six 2023 rate riders, all of which expired on December 31, 2023. To better reflect cost causation, Kingston Hydro has refined its allocation and proposes as follows:

1. The residual is separated into the amount remaining from each rider: Group 1 general $(9,647), Group 1 Non-WMP $12,224, CBR Class B $(16,209), Global Adjustment $(35,807), Group 2 $(26,926) and LRAMVA $20,296. Carrying charges stay with the rider they relate to.

Rider	Principal	Interest	Total
Group 1 general	-398,713	389,066	-9,647
Group 1 Non-WMP	-2,524	14,748	12,224
CBR Class B	-11,630	-4,579	-16,209
GA	-9,010	-26,797	-35,807
Group 2	-43,076	16,150	-26,926
LRAMVA	-18,363	38,658	20,296
Total	-483,317	427,247	-56,070

2. Each rider's residual is allocated using the class shares behind that rider's approved 2023 rates per the Kingston Hydro_SettlementP_2023 DVA Continuity Schedule model tab 7 rate rider calculations. The following table provides each rate rider, with each rider's original 2023 approved allocation ($), the allocation percentages, and the residual allocations to each class:

Rider (residual)	Line	Res	GS<50	GS50–4,999	LU	USL	SL	Total
Group 1 general $(9,647)	Approved $	314,959	160,495	172,490	287,745	2,234	3,576	941,499
	%	33.45%	17.05%	18.32%	30.56%	0.24%	0.38%	100.00%
	Residual $	-3,227	-1,645	-1,767	-2,948	-23	-37	-9,647
Group 1 Non-WMP $12,224	Approved $	0	0	286,786	0	0	0	286,786
	%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%
	Residual $	0	0	12,224	0	0	0	12,224
CBR Class B $(16,209)	Approved $	-23,591	-11,590	-26,145		-160	-$ 260	-61,745
	%	38.21%	18.77%	42.34%	0.00%	0.26%	0.42%	100.00%
	Residual $	-6,193	-3,042	-6,863	0	-42	-68	-16,209
GA $(35,807)	Approved $	-5,064	-43,986	-420,814		-3,214	-5,231	-478,310
	%	1.06%	9.20%	87.98%	0.00%	0.67%	1.09%	100.00%
	Residual $	-379	-3,293	-31,503	0	-241	-392	-35,807
Group 2 $(26,926)	Approved $	173,937	-77,292	-280,694	-133,085	2,448	-10,818	-325,505
	%	-53.44%	23.75%	86.23%	40.89%	-0.75%	3.32%	100.00%
	Residual $	14,388	-6,394	-23,219	-11,009	202	-895	-26,926
LRAMVA $20,296	Approved $	159,996	372,956	-64,423	-197,224		6,556	277,862
	%	57.58%	134.22%	-23.19%	-70.98%	0.00%	2.36%	100.00%
	Residual $	11,687	27,242	-4,706	-14,406	0	479	20,296
Total 1595 $(56,070)	Approved $	620,534	400,714	-332,500	-42,600	1,312	-6,142	640,587
Tab 4 IRM Rate Generator	**Effective %**	**-29.03%**	**-22.95%**	**99.58%**	**50.59%**	**0.18%**	**1.63%**	**100.00%**
Totals by Class	Residual $	16,276	12,869	-55,835	-28,363	-103	-912	-56,069

The resulting allocation and recovery proportions are:

Rate class	Allocated $	% of 1595 (2023) residual
Residential	16,276	−29.027%
GS < 50 kW	12,868	−22.950%
GS 50–4,999 kW	-55,835	99.58%
Large Use	-28,363	50.59%
USL	-103	0.18%
Street Lighting	-913	1.63%
Total	-56,070	100.00%

The negative proportions for the Residential and GS < 50 kW classes produce debit amounts. These reflect those classes' shares of the LRAMVA residual, which is a debit, and of the Group 2 residual, where Residential's approved 2023 share was negative.

CBR Class B reconciliation

In EB-2022-0044, the CBR Class B claim is stated as $(61,014): $(59,770) principal and $(1,244) however, the class amounts in the continuity model add up to $(61,745), a difference of $(731). Kingston Hydro has used the class amounts to calculate each

class's share, because the approved 2023 CBR rate riders were based on them. Since shares are used rather than dollar amounts, the $731 difference does not change the allocation of the 1595 (2023) residual. Any over- or under-recovery from the 2023 CBR rider is already included in the Account 1595 (2023) residual being disposed of.

Kingston Hydro has updated Tab 4 of the Rate Generator Model with the recovery proportions above.