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File No. 037635/000002

November 10, 2026

BY RESS

Mr. Ritchie Murray
Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Mr. Murray:

Re: Kingston Hydro Corporation ("Kingston Hydro") – IRM Application – EB-2026-0053
Bifurcation and Abeyance Request

Kingston Hydro filed its incentive rate mechanism ("**IRM**") application on August 7, 2026 (the "**Application**"). In the IRM Application, Kingston Hydro requested disposition of Group 1 Accounts on a final basis with respect to Accounts 1588 and 1589.[1] However, in response to Ontario Energy Board ("**OEB**") Staff Question-7, Kingston Hydro stated that it recorded certain billing adjustments relating to both 2024 and 2025 in principal adjustments for 2025 as follows:

- 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.[2]

Kingston Hydro indicated that it included adjustments relating to both 2024 and 2025 in principal adjustments for 2025 because the 2024 adjustments were not included in previous balances.[3]

[1] IRM Application, p. 13.

[2] EB-2026-0053, Responses to OEB Staff Questions, Kingston Hydro Response – 7.

[3] EB-2026-0053, Responses to OEB Staff Questions, Kingston Hydro Response – 7.

We note that 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.[4] In response to OEB Staff's additional questions, Kingston Hydro noted the 2024 adjustments were not included in previous balances as the amounts relate to required billing adjustments that occurred in 2026 as Kingston Hydro is required to go back two years with corrections for over- and under-billing.[5] Kingston Hydro also indicated, as part of its response, that it is changing its request for 2025 balances to be disposed of on a final basis and is instead requesting disposition of its 2025 balances on an interim basis.[6]

As a result of the above, it is likely that consideration of the Accounts 1588 and 1589 issues will require additional time and evidence beyond that which is required for the OEB's determination of the more mechanistic portions of the IRM Application.

Accordingly, Kingston Hydro is requesting the OEB bifurcate this proceeding and separate out the mechanistic portion of the IRM Application from matters related to Accounts 1588 and 1589. To support the OEB's determination of the Accounts 1588 and 1589 issues, Kingston Hydro wishes to inform the OEB that it intends to file new information in this proceeding to ensure a complete record and to support the OEB's consideration of the issues in accordance with Rule 11.02 of the OEB's *Rules of Practice and Procedure* (the "**OEB Rules**").[7] Alternatively, if the OEB determines an amendment to the evidentiary record is required, Kingston Hydro hereby requests leave from the OEB to amend the existing evidentiary record to ensure it is sufficient to enable the OEB to obtain a full and satisfactory understanding of the Accounts 1588 and 1589 issues.

Kingston Hydro acknowledges that if the proceeding were not bifurcated, the Accounts 1588 and 1589 issues could impact the OEB's ability to set rates effective January 1, 2027.

Accordingly, Kingston Hydro requests that the OEB:

- bifurcate the proceeding pursuant to Rule 4.01 of the OEB's Rules such that the mechanistic IRM related issues are heard as part of Phase 1 of this proceeding;
- place the Accounts 1588 and 1589 related issues in abeyance to be heard as Phase 2 of this proceeding;
- grant Kingston Hydro leave to file additional evidence in this proceeding in the event the OEB determines that an amendment to the evidentiary record is required for a determination of the Accounts 1588 and 1589 issues; and

[4] EB-2026-0053, Responses to Additional OEB Staff Questions, Response 13(a).

[5] EB-2026-0053, Responses to Additional OEB Staff Questions, Response 13(a).

[6] EB-2026-0053, Responses to Additional OEB Staff Questions, Response 13(b).

[7] OEB, Rules of Practice and Procedure (Revised November 13, 2025), online: https://www.oeb.ca/sites/default/files/uploads/documents/regulatorycodes/2025-11/Rules%20of%20Practice%20and%20Procedures_EN_20251113_0.pdf.

- amend any procedural timelines, as necessary, related to the phasing of the IRM Application and the proposed filing of new or additional information relevant to the Accounts 1588 and 1589 issues.

As a result, the IRM related requests could be adjudicated in time for an effective date of January 1, 2027, and the Accounts 1588 and 1589 related requests could follow shortly thereafter.

The OEB has often bifurcated proceedings, including where the effective date of an IRM application might be impacted by other requested relief, including:

- EB-2022-0024, where the OEB bifurcated Elexicon Energy Inc.'s IRM application into two phases. Phase 1 dealt with the "relatively mechanistic" IRM portion of the application, and Phase 2 dealt with complex ICM portion of the application.[8]

- EB-2021-0015, where the OEB suggested that it may have to bifurcate Elexicon Energy Inc.'s IRM application if it determined that it could not render a decision prior to January 1, 2022, the start of Elexicon's rate making year.[9]

- EB-2024-0015, where the OEB bifurcated E.L.K.'s IRM application in order to separate a discrete issue with two accounts from the main proceeding.[10]

Accordingly, Kingston Hydro submits that it is appropriate for the OEB to bifurcate this proceeding into two phases as set out above.

Yours truly,

BORDEN LADNER GERVAIS LLP



John Vellone

JV/CB

[8] EB-2022-0024, Procedural Order No. 2, November 1, 2022.

[9] EB-2021-0015, Procedural Order No. 2, October 19, 2021, Revised November 17, 2021.

[10] EB-2024-0015, Procedural Order No. 5, June 26, 2025.