
KINGSTON HYDRO CORPORATION

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January 12, 2009

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
P.O. Box 2319
Toronto, Ontario,
M4P 1E4

Dear Ms. Walli:

**Re: 2009 Incentive Regulation Mechanism Distribution Rate Adjustments
Kingston Hydro Corporation - Licence No. ED-2003-0057
Docid No. EB-2008-0191
Kingston_APPL_RRRPupdate_20090112**

On December 17, 2008, the Ontario Energy Board issued a letter (the Letter) to all licensed distributors and retailers with regard to the amount to be charged by the IESO for Rural or Remote Electricity Rate Protection (RRRP).

Kingston Hydro Corporation is a distributor that currently has a rate application before the Ontario Energy Board, Docid No. EB-2008-0191. As per the Board's direction in the Letter, attached please find a copy of the Letter to be filed as an update to Kingston Hydro's application evidence. As well, Kingston Hydro requests that the RRRP charge in Kingston Hydro's tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009.

This update to Kingston Hydro's 2009 rate application evidence has also been submitted through the RESS filing system.

Yours truly,



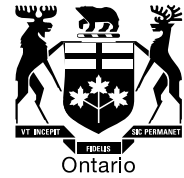
J.A. Keech, President & CEO
Kingston Hydro Corporation

Encl.

- 2 hard copies of RRRP update to application evidence
- CD ROM containing PDF copy of RRRP update to application evidence

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December 17, 2008

To: All Licensed Electricity Distributors and Retailers

Re: Rural or Remote Electricity Rate Protection

Ontario Regulation 442/01, Rural or Remote Electricity Rate Protection (“RRRP”) (made under the *Ontario Energy Board Act, 1998*) requires the Ontario Energy Board (the “Board”) to calculate the amount to be charged by the Independent Electricity System Operator (“IESO”) with respect to the RRRP for each kilowatt-hour of electricity that is withdrawn from the IESO-controlled grid.

Amount to be charged by the IESO for RRRP

Based on the demand forecast provided by the IESO, the Board has determined that the amount to be charged by the IESO with respect to the RRRP shall remain at the current level of 0.1 cents per kilowatt-hour effective January 1, 2009. Effective May 1, 2009, the IESO’s RRRP charge shall be 0.13 cents per kilowatt-hour.

Amount to be Charged by Distributors and Retailers for RRRP

Effective January 1, 2009, the RRRP charge shall remain at the current level of 0.1 cents per kilowatt-hour.

Effective May 1, 2009, the RRRP charge shall be 0.13 cents per kilowatt-hour.

After May 1, 2009 the RRRP charge shall remain at 0.13 cents per kilowatt-hour until such time as the Board revises it.

Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009.

Where a distributor does not have a rate application before the Board, the distributor shall make an application to the Board to alter the RRRP charge in its tariff sheet effective May 1, 2009 to 0.13 cents per kilowatt-hour.

In the collection of this amount from customers, the customer's metered energy consumption shall be adjusted by the Total Loss Factor as approved by the Board.

The Board wishes to remind all distributors and retailers that in accordance with subsection 5(6) of the Regulation:

A distributor or retailer who bills a consumer for electricity shall aggregate the amount that the consumer is required to contribute to the compensation required by subsection 79(3) of the Act with the wholesale market service rate described in the Electricity Distribution Rate Handbook issued by the Board, as it read on October 31, 2001.

Yours Truly,

Original Signed By

Kirsten Walli
Board Secretary