

Ontario Energy Board issues Decision on Kingston Hydro's electricity distribution rate application

On November 22, 2022, the Ontario Energy Board (OEB) issued its [Decision and Order](#) approving changes to Kingston Hydro Corporation's (Kingston Hydro) electricity distribution rates effective January 1, 2023.

As a result of this Decision, the estimated total bill impact for a typical residential customer with a monthly consumption of 750 kWh will be an increase of \$5.58 or 4.5% per month for 2023, before taxes and before the Ontario Electricity Rebate is applied.

Final bill impacts will be calculated by Kingston Hydro to reflect changes in the Regulated Price Plan and the Smart Metering Entity Charge.

BACKGROUND

Kingston Hydro provides electricity distribution services to approximately 28,000 residential, commercial, and industrial customers in the city of Kingston.

Kingston Hydro applied to the OEB for approval of its proposed electricity distribution rates for five years using the Price Cap Incentive rate-setting option. Following the OEB's decision in this application, Kingston Hydro's rates will be set for 2023 and it can apply to have its rates adjusted mechanistically in each of the years 2024-2027, based on inflation and the OEB's assessment of Kingston Hydro's efficiency.

The intervenors in the proceeding were:

- Consumers Council of Canada
- School Energy Coalition
- Vulnerable Energy Consumers Coalition

Following a written interrogatory process, a settlement conference took place on September 28, 29 and 30, 2022.

On October 28, 2022, Kingston Hydro filed a settlement proposal that represented a complete settlement on all issues between Kingston Hydro and the intervenors.

OEB staff filed a submission supporting the settlement proposal on November 4, 2022.

The OEB accepted the proposal as filed, noting that it addressed all issues in the proceeding, appropriately serves the public interest, and will result in just and reasonable rates.

Highlights of the approved settlement proposal include:

- **Reduction** of 2023 capital expenditures by \$140k resulting in a revised budget of \$3.1M

- **Reduction** of 2023 Operations, Maintenance & Administration costs by \$165k resulting in a revised budget of \$8.0M
- Base revenue requirement for 2023 is \$14.4M
- **A commitment** by Kingston Hydro to establish targets for certain customer service reliability metrics in its Distribution System Plan (DSP) in its next application.
- **A commitment** by Kingston Hydro to provide additional details in its next DSP filing on the assets identified as “flagged for action”. In particular, information and details including the type and quantity of actual assets replaced in the past and to be replaced over the five-year forecast period in the next DSP.

About the OEB

The OEB is the independent regulator of Ontario’s electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario’s economic, social and environmental development.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario’s energy consumers about the OEB’s decision and is not for use in legal or regulatory proceedings. It is not part of the OEB’s reasons for the decision; those may be found in the Decision and Order issued today, which is the official OEB document.