



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

Re: Hydro One Networks 2014 Distribution Rate Application, Board File **EB-2013-0416**
Federation of Ontario Cottagers' Associations' Final Submission

October 14, 2014

Dear Ms. Walli,

The Federation of Ontario Cottagers' Associations (FOCA) is the pre-eminent Ontario-wide organization representing cottagers and permanent waterfront residents. We are a non-profit provincial organization funded by over 500 Lake Associations representing 50,000 waterfront-property owning families in almost 300 Ontario municipalities.

In this submission, FOCA will follow the Issues list approved by the Board on May 20, 2014.

Question: 2.1 - Does Hydro One's application adequately consider customer feedback and preferences?

FOCA recognizes that Hydro One does attempt to engage in customer-input work.

However, FOCA wishes to correct statements by H1's counsel on pages 31 and 32 of his Argument-in-Chief, wherein he lists FOCA's involvement in focus groups held in 2013.

In no way was FOCA involved in the flawed design or execution of the sessions.

In 2013 FOCA was approached by a firm hired to run the focus groups on behalf of Hydro One. They appeared to be requesting our assistance in reaching prospective customers.

FOCA advised the group that no time nor budget was available to assist or participate in any of the sessions. Further, from the outset, FOCA expressed serious misgivings about the proposed focus group process and communicated this to the group lead. Concerns listed included the aggressive schedule of the proposed focus groups, particularly given the issue was regarding cost allocation and rate design. Sessions were booked for weekdays, rather than weekends when seasonal resident populations are high.

FOCA agreed to send one email, written by Citizen Optimum and provided to FOCA, to the leaders of our members associations. It was sent on July 11th, 2013...three days before the first focus group was scheduled to be held.

Mr. Rogers also stated that the 38 cottage association reps who did attend, spoke for their members representing “hundreds, perhaps thousands of members”. But with little to no time for Lake Association representatives to notify, consult, investigate, gather statistics or other information needed to represent their membership, it is therefore completely unreasonable to say that any who attended spoke for their membership, or whether they were in any way prepared for the session content.

FOCA cannot support H1’s proposal to remove 11,000 high use seasonal customers from this class, which was an outcome of the flawed focus-group process.

Question: 6.5 - Is the OM&A component of the application appropriate?

FOCA would not object to a modest increase in the vegetation management program, in order to reduce the overall cost and minimize the frequent and prolonged outages.

Question: 7.2 - Is the proposed definition of seasonal customer class appropriate?

FOCA is opposed to H1’s proposed definition change.

The proposal benefits only the 11,000 high-use seasonal customers. The remaining 140,000 customers are negatively impacted, and possibly some in the year round classes.

The idea of giving RRRP to those Seasonals who end up in the R2 class is contrary to the intent of O/Reg 442-01. If approved, it risks being overturned by the Ontario government which would cast neither H1 nor the OEB in a favourable light.

In the cross examination phase, the idea of re-establishing the R3, R4 density based classes was floated. It was not sufficiently fleshed out to showcase impact data on load profiles for the 2 new classes and impacts within and outside the R3, R4 classes. Having said that, it would certainly appear to allocate density-based costs more appropriately. Without sufficient data, FOCA cannot appropriately comment further.

Initiatives by other intervenors proposing the removal of the seasonal class appear to be motivated by the desire to obtain a better result for those in the Seasonal Class. However the Board Staff interrogatory 94 indicates that doing so could negatively impact a large number of customers in the low-usage ranges, and have impacts across all other classes as evidenced in H1’s response to Board staff interrogatory 94.

Question: 7.4 - Is moving revenue-to-cost ratios to within 98 to 102% appropriate?

FOCA wishes to state emphatically that our members do not think it is fair to be subsidized by other classes nor is it fair to subsidize others. That is, we want to pay our fair share; no less and no more.

Question: 7.7 - Is an increase in the fixed charges appropriate?

Given that this issue is subject to another OEB proceeding (EB-2012-0410, 100% fixed charge for distribution costs) FOCA believes it is inappropriate for H1 to make any major changes to fixed charges at this stage.

As in the evidence by the expert witness for the Green Energy Coalition, increases in the fixed charge run counter to the government's "conservation first" agenda.

The conservation agenda is currently being frustrated by the government mandated "simplified bill" that hides many volumetric transmission and distribution charges, therefore few customers know their true kwh costs and how much they would save by curtailing consumption.

Thank you for your attention.

Sincerely,



Terry Rees, Executive Director, FOCA



Ken Grant, President, FOCA

cc: Harold.Thiessen@ontarioenergyboard.ca
FOCA Advocacy Committee