



August 31, 2015

Harold Thiessen
Senior Advisor, Electricity Rates & Prices - Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Regarding Distribution Rates EB-2013-0416, and the Elimination of the Seasonal Rate Class Implementation Plan

Dear Mr. Thiessen,

The FOCA Board has reviewed the August 4, 2015 response “**EB-2013-0416 – Hydro One Networks 2015, 2016 and 2017 Distribution Rate Application – Report on Elimination of the Seasonal Class**” and respectfully provides some perspective from our organization, below.

The Hydro One analyses demonstrate that a move to All-Fixed delivery charges alone addresses the key concern that low consumption seasonal customers are not paying their fair share of the costs of delivery. Fully 46% of seasonal customers consume a monthly average of less than 150kWh. They also demonstrate that very little incremental benefit is gained by the further step of eliminating the Seasonal Class. More specifically, with All-Fixed delivery, the elimination of the Seasonal Class results in only marginal benefits to those customers moving to the R1 Class at the expense of very large negative impacts on those moving to the lower density R2 Class.

FOCA has stated in the past that “FOCA understands and accepts the principle of “user pay” as it relates to electrical delivery costs. *But FOCA cannot accept and vigorously objects to a plan that would see some of its’ members receiving a total bill increase of over 200% “.*

In the face of such dramatic and hurtful potential increases, and given the limited options made available in Hydro One’s August 4, 2015 report, FOCA would support the Hydro One recommendation to not eliminate the Seasonal Class, but move to all-fixed or substantially all-fixed delivery charge.

An additional issue arises related to the limited options available (customer classes) for determining fixed charges. Particularly at the margins of the definitions of customer density, the fixed charges are very punitive - especially for those seasonals who are just below the density definitions for R1 and who would be reclassified as R2.

Finally, and with respect to the mitigation of any large rate increases, FOCA would support the Hydro One Option 1: "Mitigating Impacts via Credits", with funding coming from all rate classes.

FOCA awaits the next steps in this process as directed by OEB, and on behalf of Ontario's rural waterfront electricity ratepayers, we appreciate your consideration of these important issues.

Sincerely,



Ken Grant, President, FOCA



Terry Rees, Executive Director, FOCA

cc: Minister of Energy Bob Chiarelli write2us@ontario.ca
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