

February 2021

NOTICE

Ontario Energy Board Hearing to consider the next steps in eliminating Hydro One Networks Inc.'s Seasonal Rate Class (EB-2020-0246)

As the account holder of a seasonal property located at: <insert premises address>, you are receiving this letter because you are a "seasonal" customer of Hydro One Networks Inc. (Hydro One Networks) and your customer classification will be changing. The Ontario Energy Board (OEB) has determined that Hydro One Networks' Seasonal Rate Class will be eliminated. Each existing seasonal customer will be moved to one of Hydro One Networks' other three residential rate classes, as noted below.

This change relates to charges for the distribution services that Hydro One Networks provides. The OEB has found that the distribution rates currently charged to seasonal customers do not appropriately reflect the cost to serve them.

At the request of the OEB, Hydro One Networks has filed a proposed plan for eliminating the Seasonal Rate Class in a report filed on October 15, 2020 called "*Hydro One Report on Elimination of the Seasonal Class*". The plan proposes rate mitigation measures for customers who are expected to see a total bill increase of more than 10% as a result of moving to another rate class. Rate mitigation is a tool used by the OEB to protect consumers from having large bill increases at one time – for example, by phasing in the increase over a number of years.

The potential impact on you

Hydro One Networks anticipates that you will move into the residential <insert low density / medium density / urban high density> class.

The OEB has yet to decide whether this change will take effect on January 1, 2022 or on a later date.

The table below shows examples of estimated total monthly bill changes for a seasonal customer after the transition into one of the other three Hydro One Networks residential classes is complete. In order to provide affected customers with more accurate bill impacts, Hydro One Networks is also including the bill impacts due to completing the ongoing transition to all-fixed electricity distribution rates.

These estimates are based on rates for 2022 that have not yet been approved by the OEB and are subject to change.

The estimated impacts shown below are prior to any rate mitigation measures that the OEB may require.

The table shows three sample levels of monthly electricity use.* The actual change to your bill will depend on your own monthly electricity consumption. Hydro One Networks' estimate of your average monthly electricity use over the last 12 months is <insert customer-specific consumption value> kWh.

A	B	C	D	E	F	G	H	I	J
Monthly Consumption (kWh)	2022 Seasonal Status Quo Total Bill	2022 Change to Total Bill due to Eliminating the Seasonal Class							
		2022 Change in Total Bill for Seasonal Class Moving to All-Fixed Rates		Seasonal Customer Moving to Residential Low Density (R2) Class		Seasonal Customer Moving to Residential Medium Density (R1) Class		Seasonal Customer Moving to Urban High Density (UR) Class	
		\$/month	\$	%	\$	%	\$	%	\$
50	54.06	6.28	12%	53.79	100%	-5.23	-10%	-24.02	-44%
350	100.20	-1.02	-1%	54.31	54%	-5.48	-5%	-24.62	-25%
1,000	200.17	-16.86	-8%	55.44	28%	-6.03	-3%	-25.91	-13%

*To estimate your new total bill at one of the sample consumption levels in column A, begin with the total bill amount in column B, add (or subtract) the amount related to the transition to all-fixed rates in column C, and add (or subtract) the amount in one of columns E, G or I depending on the residential class into which you will be moved. **For example, a seasonal customer moving to the low density (R2) class and consuming 1000 kWh monthly would see a new total bill of \$238.75 (200.17-16.86+55.44).**

The Ontario Energy Board is holding a public hearing

The OEB will hold a public hearing to consider Hydro One Networks' report and proposed plan referred to above. During this hearing, which could be an oral or written hearing, the OEB will review and question the report and proposed plan. It will also hear questions and arguments from individuals and groups that have registered to participate (called intervenors) in the OEB's hearing. At the end of this hearing, the OEB will decide when and how the remaining steps in eliminating Hydro One Networks' Seasonal Rate Class will be implemented, including whether rate mitigation is required and, if so, what that rate mitigation should be. The OEB has stated that it will not reconsider the decision to eliminate the Seasonal Rate Class in this hearing.

The OEB is an independent and impartial public agency. It makes decisions that serve the public interest. The OEB's goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

Be informed and have your say

- You have the right to information regarding this proceeding and to be involved in the process.
- You can review Hydro One Networks' report on the OEB's website now.
- You can file a letter with the OEB with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply to the OEB by **March 15, 2021** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB's decision and its reasons on the OEB's website.

Learn more

The OEB's file number for this case is EB-2020-0246. To learn more about this hearing, find instructions on how to file a letter with your comments or become an intervenor, or to access any document related to this case, please select the file number EB-2020-0246 from the list on the OEB website: www.oeb.ca/notice. You can also phone the OEB's Consumer Relations Centre at 1-877-632-2727 with any questions, quoting OEB file number EB-2020-0246.

If you have questions about your electricity bill, please contact Hydro One Networks' Customer Contact Centre at 1-888-664-9376.

Oral vs. written hearings

There are two types of OEB hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **March 15, 2021**.

The OEB's rate hearing will be held under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998 c. 15 (Schedule B).

Privacy

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.