



Hydro One Networks Inc.

Implementing the Ontario Energy Board's Decision to Eliminate the Hydro One Networks Inc. Distribution Seasonal Rate Class

PROCEDURAL ORDER NO. 2 May 26, 2021

The Ontario Energy Board (OEB) determined in its Hydro One Networks Inc. (Hydro One) 2015-2017 distribution rates Decision¹ (March 2015 Decision), that Hydro One's seasonal rates class should be eliminated and existing seasonal class customers should be moved to one of three Hydro One residential rate classes according to their density. This was based on OEB's finding that the distribution rates currently charged to seasonal customers do not appropriately reflect the cost to serve them.

Process to Date

Following a number of additional procedural steps, Hydro One filed an updated Seasonal Report on July 19, 2019 (2019 Seasonal Report) that is intended to provide options for how the seasonal class should be eliminated, including considerations of customer bill impacts and alternative approaches to mitigation. The 2019 Seasonal Report included a proposed alternative that would have maintained the seasonal class. This was set out in Section 5 of the report entitled "Alternate Approach to Elimination of the Seasonal Class."

On September 17, 2019, the OEB issued Procedural Order No. 3 in the seasonal class elimination implementation proceeding² which noted that requests to reconsider an earlier OEB decision are made to the OEB by means of a motion to review under Part VII of the OEB's *Rules of Practice and Procedure* (Rules). In a motion to review, the OEB considers whether there is a question as to the correctness of the decision being reviewed.

¹ EB-2013-0416/EB-2014-0247, Decision, March 12, 2015

² EB-2019-0234/EB-2016-0315

The OEB decided that it would treat Section 5 of Hydro One's 2019 Seasonal Report³ as a motion to review that part of the March 2015 Decision in which the OEB determined that Hydro One's seasonal class should be eliminated and existing seasonal class customers should be moved to one of three Hydro One residential rate classes according to their density.

On September 17, 2020, the OEB issued its Decision and Order on the motion to review in which it found that Hydro One's Motion failed on its merits (the motion proceeding) and that the 2015 Decision stood. Hydro One was directed to update its 2019 Seasonal Report, including the identification of mitigation measures, with the qualification that the updated version of the 2019 Seasonal Report should exclude section 5 (Alternate Approach to Elimination of the Seasonal Class), or similar proposals, as these matters had been determined by the OEB in the Motion proceeding.

On October 15, 2020, Hydro One filed an updated Report on the Elimination of the Seasonal Class, that reflects its proposed implementation.

A Notice of Hearing (Notice) was issued on January 22, 2021.

Subsequent to the issuance of the Notice, the OEB received numerous written letters of comment and telephone calls to its Public Information Centre with respect to the issues in this proceeding, as well as intervention and monitoring requests.

Based on its review of both the written correspondence and the subjects of the Public Information Centre calls, the OEB determined that as a first step in this proceeding, it was necessary to state the nature of the issues under consideration as well as to provide clarification on many of the matters most frequently raised in the letters of comment and calls from customers which the OEB had received.

On April 12, 2021, the OEB issued Procedural Order No. 1 (PO#1), which directed Hydro One to provide the OEB with plain language responses to a series of questions by April 26, 2021.

The OEB stated that it would review these responses to determine whether Hydro One responded to the concerns expressed by customers in a way that was clear and not overly technical. Once the OEB was satisfied, the OEB would post the responses on its website and distribute these responses to all parties that are being considered as intervenors, those people who have sent in letters of comment; and those who have indicated that they wish to monitor the proceeding.

³ "Hydro One Report on Elimination of the Seasonal Class EB-2013-0416," July 19, 2019

On April 26, 2021, Hydro One filed its responses with the OEB. The OEB has reviewed these responses and has determined that they meet the criteria outlined above. The responses are available on the OEB's website and will be distributed as outlined above.

The OEB is now ready to move to next steps in this proceeding.

Intervenor Requests and Cost Eligibility

The OEB has received numerous intervention requests from both organizations and individuals. No objections were received from Hydro One.

Organizations that made intervention requests were the Balsam Lake Association (BLA), Consumers Council of Canada (CCC), Federation of Ontario Cottagers' Associations (FOCA), Kamaniskeg Area Property Owners Association (KAPOA), Sunset Shores Peninsula Association (SSPA), Tasso, Toad, Camp and Blue Lake Association (TTCBLA) and Vulnerable Energy Consumers Coalition (VECC).

The OEB notes that the Balsam Lake Coalition (BLC), CCC, FOCA and VECC were all active intervenors found to be eligible for cost awards in the motion proceeding.⁴ The OEB grants BLA, CCC, FOCA, KAPOA, SSPA, TTCBLA, VECC and BLC intervenor status in the current proceeding and finds each of these parties as being eligible to apply for an award of costs under the OEB's <u>Practice Direction on Cost Awards</u>.

The OEB has also received numerous requests from individual Hydro One customers to intervene in this proceeding. The OEB did receive a request from an individual to withdraw their request to be an intervenor. The OEB accepts this request. For the remainder of those individuals who have requested intervenor status, the OEB will accept all of those requests. Those individuals will be eligible to receive cost awards for participating in this proceeding.

However, individuals that represent their own interests should carefully review the OEB's <u>Practice Direction on Cost Awards</u> for information about the types of costs and disbursements that an individual may claim. For example, while wage or salary losses incurred as a result of participating in an OEB hearing may be claimed, individuals are not generally permitted to claim fees under the OEB's Cost Award Tariff.

Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of OEB order at the end of a hearing. Parties that have been found eligible for cost awards should review the <u>Practice Direction on</u>

⁴ EB-2019-0234/EB-2016-0315

<u>Cost Awards</u>, and in particular section 5 – Considerations in Awarding Costs – for a non-exhaustive list of matters that the OEB may consider in determining the amount of a cost award.

The OEB further notes that cost recovery will only be permitted for those parties that are eligible for costs for time spent on matters that are within scope for this proceeding as outlined in this Procedural Order. Cost recovery will not be permitted for matters that are outside the scope of this proceeding.

The OEB wishes to remind parties that intervention in one of its proceedings may require a considerable time commitment on the part of the intervenor.

The list of parties, which includes Hydro One and the intervenors, is set out in Schedule A to this Procedural Order. The OEB asks that any intervenor who no longer wishes to participate actively in this proceeding, particularly having reviewed Hydro One's responses to the OEB's questions in PO#1 and the scope of the proceeding as reiterated below, notify the OEB of their request to be removed from the list of intervenors. Those who advise the OEB that they no longer wish to act as intervenors in this proceeding will have their initial correspondence treated as a letter of comment, which means that their contact information will be removed from the letter, but the party's name and the contents of the letter will be made public, as is the case for all letters of comment received by the OEB.

Scope of the Proceeding

The OEB wishes to make clear once again that the purpose of this proceeding is not to revisit the elimination of the seasonal rates class. That decision has been made and will not be revisited in the current proceeding. Any attempts by parties to do so will be treated as being out-of-scope by the OEB, with respect to both the proceeding generally and to any potential cost awards.

There are two specific issues in this proceeding:

- (1) how to implement the decision to eliminate the seasonal class; and
- (2) for those who will be experiencing rate increases of 10% or greater a year, what is the best approach to mitigating these increases, exclusive of maintaining the seasonal class.

Next Steps

The OEB has determined that further process steps will be in writing and will involve the asking of written interrogatories of Hydro One by OEB staff and approved intervenors, followed by written submissions. The OEB notes that approved intervenors are only permitted to ask interrogatories of Hydro One, as the applicant in this proceeding, and not either the OEB or OEB staff.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. Parties that no longer wish to be intervenors in this proceeding shall notify the OEB of their request to be removed from the list of intervenors at registrar@oeb.ca no later than **June 8, 2021.**
- 2. OEB staff shall request any relevant information and documentation from Hydro One that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on Hydro One and all other parties by **June 22**, **2021**.
- 3. Intervenors shall request any relevant information and documentation from Hydro One that is in addition to the evidence already filed by written interrogatories filed with the OEB and served on Hydro One and all other parties by **June 29, 2021.**
- 4. Hydro One shall file with the OEB complete written responses to the interrogatories and serve them on all intervenors by **July 20, 2021**.
- 5. Any written submissions by OEB staff and intervenors shall be filed with the OEB and served on all other parties by **August 10, 2021**.
- 6. Hydro One may file a written reply submission with the OEB and serve it on intervenors by **August 31, 2021**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, do not include personal information (as that phrase is

defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Please quote file number, **EB-2020-0246** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the <u>OEB's online</u> filing portal.

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the <u>Regulatory Electronic Submission System (RESS)</u> <u>Document Guidelines</u> found at the <u>Filing Systems page</u> on the OEB's website
- Parties are encouraged to use RESS. Those who have not yet <u>set up an account</u>, or require assistance using the online filing portal can contact registrar@oeb.ca for assistance

All communications should be directed to the attention of the Registrar at the address below and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Martin Davies at Martin.Davies@oeb.ca and OEB Counsel, James Sidlofsky at James. Sidlofsky@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-888-632-2727 (Toll free)

DATED at Toronto, May 26, 2021

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long Registrar

SCHEDULE A

PROCEDURAL ORDER NO. 2

HYDRO ONE NETWORKS INC.

ELIMINATION OF THE SEASONAL RATES CLASS

EB-2020-0246

May 26, 2021

APPLICANT & LIST OF INTERVENORS

May 26, 2021

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