

**Hydro One Networks Inc.**

7<sup>th</sup> Floor, South Tower  
483 Bay Street  
Toronto, Ontario M5G 2P5  
www.HydroOne.com

Tel: (416) 345-5240  
Cell: (416) 903-5240  
Fax: (416) 345-5700  
Oded.Hubert@HydroOne.com



**Oded Hubert**

Vice President  
Regulatory Affairs

September 22, 2015

BY COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON, M4P 1E4

Dear Ms. Walli:

**EB-2015-0148 – Hydro One Comments on Proposed Amendments to the Distribution System Code, the Unit Sub-Metering Code, the Retail Settlement Code and the Standard Supply Service Code for Electricity Distributors and the Gas Distribution Access Rule to Implement the Ontario Electricity Support Program**

Hydro One Networks Inc. (“Networks”) is pleased to provide comments on the Board’s September 14, 2015 proposal to amend the above-named codes in order to implement the Ontario Electricity Support Program (“OESP”). Overall, Networks agrees with the Board that code amendments are necessary to support the proper functioning of the OESP.

On a general note, the Board suggests that the costs incurred by electricity distributors and unit sub-meter providers will be insignificant. Networks respectfully submits that costs to Distributors for implementation, including system and business process design, building, testing and staff training, could be significant. Furthermore, customer call volumes and associated costs are expected to rise as a result of these changes, as well. As Networks continues to assess the impacts of the proposed changes, it may contemplate filing for a deferral account.

Networks will limit its comments to the proposed changes to the Distribution System Code (Networks has reviewed the changes to both the Retail Settlement Code and the Standard Supply Service Code as well and has no comments on these. Networks is not a unit meter supplier and has no comments on the proposed changes to that code).

With respect to the Distribution System Code (“the Code”), Networks has a few specific concerns and also wishes to note a few sections which could benefit from further clarification. These are discussed below.

## **9.1 Eligibility for OESP Rate Assistance**

### **9.1.1 (Definitions)**

The proposed definition for “account-holder” in Section 9.1.1 includes a residency requirement of at least six months in a year in a residential rate classification. At this time, Networks has both year-round residential and seasonal residential rate classifications. By definition, Networks’ some of seasonal rate customers may not meet the Board’s six-month residency requirement which would suggest that their accounts are not included in the Board’s proposed definition of “account holder”. Is the intent of this definition to exclude seasonal residential services or will the eligibility of such services for OESP be determined by the OESP Central Service Provider or self-declared by the OESP applicant?

Networks has an additional scenario where three-phase farms with a residence are classified as General Service Demand customers. However, such consumers receive Rural and Remote Rate Protection for the primary residence. Would these consumers be excluded from OESP eligibility due to the fact they are not classified as a residential rate customer?

## **9.2 Application of OESP Rate Assistance to the Bill**

Section 9.2.5 stipulates how distributors are to handle OESP in instances where a consumer receiving OESP rate assistance has been disconnected and issued a final bill and is subsequently reconnected within two billing periods.

Networks believes the wording should be revised to stipulate whether this applies for any other reasons for disconnection, or only in the case of disconnection for non-payment/arrears situations. Also, it is not clear from the proposed wording whether the OESP credit for the period of disconnection is to be credited to the account on the first bill after reconnection, or whether that portion of the eligibility period is forgone and the distributor applies OESP credits only for the eligibility period which remains, subsequent to the reconnection.

## **9.3 Billing Errors**

Section 9.3.1 addresses the correction of CSP-initiated billing errors and directs distributors to identify these corrections as billing adjustments on the consumer’s bill. Networks agrees with the CLD’s submission that as distributors have no control over CSP-generated corrections, the resulting billing adjustments should be excluded from the distributor’s billing accuracy performance measure. Networks also submits that to clarify and differentiate these measures

from those in other areas in the Code which address distributors' billing errors, this section might be re-named "Centralized Service Provider Adjustments to Bills."

Sections 9.3.2 and 9.3.3 refer to the treatment of OESP credit underpayments and overpayments respectively. The underpayments are to be credited to the consumer as soon as reasonably practicable and the overpayments shall not be collected from the customer without Board approval. What is the mechanism for the distributor to obtain such approvals? Is there a requirement for the distributor to report on and return such overpayments of OESP to the IESO when they have not been recovered from the consumer per the proposed section 9.3.3?

#### **9.4 Technical and Administrative Requirements of the CSP**

Section 9.3.1 (assumed to be section 9.4.1) identifies future amendments to the OESP Technical and Administrative Requirements for Distributors and Unit Sub-Meter Providers, and distributors' obligation to adhere to such. Networks agrees that this is an important part of the program, but requests the provision of a reasonable advance notice period, and a mechanism enabling distributors and unit sub-meter providers to provide feedback on proposed amendments and their implementation timelines. System and business process changes can be complex and require significant elapsed time to complete.

#### **9.5 Communications with Consumers**

This section identifies the requirement for a distributor to notify a consumer of the expiry of their OESP eligibility period at least 60 days before expiration through a notice that is separate from the bill or other distributor communication. Networks agrees with a notice separate from the bill, but also currently understands that a bill message identifying the eligibility period may be required on each bill of a consumer receiving OESP. No such message has been mandated in the Minister's July 22, 2015 Letter of Direction, nor in O. Reg. 275/04, however. This raises two questions:

- Does the Board anticipate a mandatory recurring bill message with respect to the OESP eligibility period and if so, should this requirement (and the wording) be explicitly stated in the Code?
- If only a separate expiry notice as described in proposed section 9.5.1 is required, will the content of the notice be mandated in the Code?
- In either case of the above will an official French translation also be provided?

## **9.6 Settlement**

### **9.7 Reporting Requirements for Embedded Distributors**

Networks is the host distributor for eight distributors (non-wholesale market participants) that are fully embedded in its service territory and has some concerns respecting the proposed deadlines for reporting.

First, for clarity, Networks submits that the proposed section 9.7.1 should specify whether the embedded distributor is required to report its OESP details to the host distributor by the second *calendar* day or the second *business* day of the month.

Second, the timelines for host distributors will be very tight. Currently, embedded distributors must submit other IESO settlement information to the host distributor by the second business day of the month; otherwise, late submissions are added to the subsequent month's declaration. The host distributor's submission is then made via the IESO on-line portal by the fourth business day of the month. The proposed changes resulting from the OESP requirements will necessitate Networks to complete a separate on-line form for each of the Hydro One distributors and the eight embedded distributors within that time frame. In short, Networks submits that the Board's proposed reporting requirements will increase the risk of errors in a manual process with a very short timeline. Given the incremental manual work required by these changes, Networks would appreciate the Board's consideration of a later IESO on-line portal submission deadline, such as the sixth business day of the subsequent month.

Networks appreciates the opportunity to comment on the proposal.

Sincerely,

ORIGINAL SIGNED BY ODED HUBERT

Oded Hubert