



**Hydro One Networks Inc.
2015 to 2017 Distribution Rates Approval
Motion to Review Decision to Eliminate Seasonal Rates**

**PROCEDURAL ORDER NO. 2
May 1, 2020**

The Ontario Energy Board (OEB) determined in its Hydro One Networks Inc.'s (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.

Hydro One filed its "Report on Elimination of the Seasonal Class" on August 4, 2015 (2015 Seasonal Report). The OEB initiated a new proceeding² to consider the remaining steps for the elimination of the seasonal class in November 2016. The OEB ordered Hydro One to update its 2015 Seasonal Report, and Hydro One filed an updated report on December 1, 2016 (2016 Seasonal Report).

In March of 2017, Hydro One filed an application for approval of its proposed 2018-2022 distribution rates.³ By letter dated September 20, 2018, the OEB informed parties that it intended to resume the seasonal class elimination implementation proceeding at the conclusion of its review of Hydro One's proposed 2018-2022 distribution rates. The OEB indicated that an update to the 2016 Seasonal Report was expected after the 2018-2022 distribution rates proceeding concluded and that Hydro One could propose a revised approach to the elimination of the seasonal class. The OEB issued its Decision and Order on Hydro One's 2018-2022 distribution rate application on March 7, 2019.

The OEB resumed the seasonal class elimination implementation proceeding on April 17, 2019, by issuing Procedural Order No. 2 (PO No. 2) which directed Hydro One to

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

² EB-2016-0315

³ EB-2017-0049

file an updated report on the elimination of the seasonal class and reiterated that the OEB's decision to eliminate the seasonal class had been made in a prior proceeding.

Hydro One filed its updated Seasonal Report on July 19, 2019 (2019 Seasonal Report). The 2019 Seasonal Report included a proposed alternative that would maintain 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 PO No. 3 in the seasonal class elimination implementation proceeding 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.

The OEB further stated that it had determined that it would treat Section 5 of Hydro One's 2019 Seasonal Report as a motion to specifically review the 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.

The OEB noted that under Rule 43.01 the OEB may, with or without a hearing, decide a threshold question of whether the matter should be reviewed before conducting any review on the merits of the motion. The OEB stated that it intended to proceed on this basis and would establish a separate panel for the purpose of deciding the threshold question. This proceeding was assigned OEB file number EB-2019-0234 (the motion threshold proceeding).

On March 12, 2020, the OEB issued its decision and order in the motion threshold proceeding (the motion threshold decision), which found that the threshold test had been met on two of the grounds cited by Hydro One in its submissions, but not the remainder. The OEB stated that further direction with respect to the next steps to hear the merits of the motion would be given in due course.

As a first step, the OEB has determined that the seasonal rates elimination proceeding⁴ will be combined with the motion threshold proceeding. At this time, the combined

⁴ EB-2016-0315

proceeding will only deal with the merits of the motion, and the OEB is asking for any additional submissions parties may have on the merits.

Parties should restrict their submissions to the merits of the two grounds which the OEB determined passed the threshold test in the motion threshold decision. These were:

1. The ground cited by Hydro One in its submission⁵ under the change in circumstances category as “The Board’s Subsequent Decision to Move to All-Fixed Residential Rates”.
2. The ground cited by Hydro One in its submission under the change in circumstances category as “The Subsequent Introduction of Distribution Rate Protection”.

Parties should not make submissions on any other grounds contained in the motion as these did not pass the threshold test, or any other matters at this point in time. The OEB will determine further steps, which may include the filing of additional evidence and/or submissions, upon reaching its decision on the merits of the motion.

The OEB deems both cost-eligible intervenors in the proceeding on Hydro One’s application for approval of distribution rates for 2015 to 2019⁶ and the proceeding on Hydro One’s application for electricity distribution rates and other charges beginning January 1, 2016,⁷ participating in this Motion proceeding as eligible for cost awards in this proceeding.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hydro One shall make any additional submissions it may have on the merits of the motion with the OEB and forward them to all parties on or before **May 15, 2020**.
2. OEB staff and intervenors shall file any submissions on the merits of the motion with the OEB and forward them to all parties on or before **May 29, 2020**.
3. Hydro One shall file its reply submission, if any, with the OEB and forward it to all parties on or before **June 12, 2020**.

⁵ *Submission of Hydro One Networks Inc.*, October 1, 2019

⁶ EB-2013-0416/EB-2014-0247

⁷ EB-2013-0416/EB-2015-0079

All materials filed with the OEB must quote the file number, **EB-2019-0234/EB-2016-0315**, be made in a searchable/unrestricted PDF format and sent electronically through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address and telephone number, fax number and email address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available, parties may email their documents to the address below.

NOTE: The OEB is temporarily waiving the paper copy filing requirement until further notice. All communications should be directed to the attention of the Board Secretary 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.

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DATED at Toronto, May 1, 2020

ONTARIO ENERGY BOARD

Original signed by

Christine E. Long
Registrar and Board Secretary