Ontario Energy Board P.O. Box 2319 27th. Floor 2300 Yonge Street Toronto ON M4P 1E4 Telephone: 416-481-1967

Telephone: 416-481-1967 Facsimile: 416-440-7656 Toll free: 1-888-632-6273 Commission de l'énergie de l'Ontario C.P. 2319 27e étage

Z300, rue Yonge Toronto ON M4P 1E4 Téléphone; 416-481-1967 Télécopieur: 416-440-7656 Numéro sans frais: 1-888-632-6273



BY EMAIL

September 9, 2013

Kirsten Walli Board Secretary Ontario Energy Board 2300 Yonge Street, 27th Floor Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Hydro One Remote Communities Inc.

Board Staff Comments on Draft Rate Order

Board File No. EB-2012-0137

In accordance with the Board's Decision and Order dated august 22, 2013 please find attached Board staff's comments on the Draft Rate Order filed by Hydro One Remote Communities on September 3, 2013.

Yours truly,

Original Signed By

Neil Mather
Project Advisor, Applications and Regulatory Audit

Encl.



ONTARIO ENERGY BOARD

BOARD STAFF COMMENTS - DRAFT RATE ORDER -

Hydro One Remote Communities Inc.

EB-2012-0137

September 9, 2013

Introduction

Hydro One Remote Communities Inc. ("Remotes") together with the intervenors in this proceeding filed a Partial Settlement Proposal on June 17, 2013. In its Decision and Procedural Order issued on June 28, 2013, the Ontario Energy Board (the "Board") accepted the Partial Settlement and stated that it would deal with the unsettled issues by way of written submissions. The Board issued its Decision and Order on August 22, 2013. Remotes filed a Draft Rate Order on September 3, 2013.

Comments

The Draft Rate Order (the "DRO") reflects an effective date for 2013 rates of May 1, 2013. The DRO also includes Forgone Revenue Rate Riders that would allow for recovery of the deficiency incurred during the period between the effective date and an implementation date of November 1, 2013. These rate riders would extend over 18 months, ending April 30, 2015.

Board staff has reviewed the DRO and believes that the rates, rate riders, and charges are consistent with the Board's Decision of August 22, 2013, and are calculated correctly.

The draft tariff sheet included with the DRO was in a format that is no longer in use. Board staff has attached to this submission a draft tariff sheet that has the current format. Aside from format, the draft tariff sheet differs from the draft submitted by Remotes on September 7, 2013 as follows:

- The monthly service rate for MicroFIT Generators is updated to \$5.40;
- The reference to Unmetered Scattered Load is removed because it is redundant with Remotes' Conditions of Service (section 3.4) and also because these loads are not treated by Remotes as a separate class;
- The page showing the rate approved for Standard A customers in the gridconnected communities is not included, as it will only come into effect if and when the Board has approved an application (or applications) to extend Remotes' service area to include the communities of Cat Lake and Pikangikum.

Under the Settlement Agreement approved by the Board, the tariff for Residential and General Service classes and for Streetlighting will be applicable to customers in Cat Lake and Pikangikum if and when the Board has approved the extension of Remotes' service area. Board staff suggests that, to avoid ambiguity, the Board's Rate Order should state that the tariff does not yet apply to Non Standard A customers in the grid-connected communities.

Attachment to Board Staff Comments

Hydro One Remote Communities Inc. EB-2012-0137

Draft Rate Order

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

NON STANDARD A YEAR ROUND RESIDENTIAL SERVICE CLASSIFICATION – R2

This classification refers to a residential service that is the principal residence of the customer. This classification may include additional buildings served through the same meter, provided they are not rental income units. To be classed as year round residential, all of the following criteria must be met:

- Occupants must state that this is their principal residence for purposes of the Income Tax Act;
- The occupant must live in this residence for at least 8 months of the year;
- The address of this residence must appear on the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.;
- Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this
 purpose at the address of this residence.

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Service Charge	\$	18.10
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.20
Electricity Rate - First 1,000 kWh	\$/kWh	0.0852
Rate Rider for Recovery of Foregone Revenue – First 1,000 kWh – effective until April 30, 2015	\$/kWh	0.0009
Electricity Rate - Next 1,500 kWh	\$/kWh	0.1136
Rate Rider for Recovery of Foregone Revenue – Next 1,500 kWh – effective until April 30, 2015	\$/kWh	0.0013
Electricity Rate - All Additional kWh	\$/kWh	0.1712
Rate Rider for Recovery of Foregone Revenue – All Additional kWh – effective until April 30, 2015	\$/kWh	0.0019

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

NON STANDARD A SEASONAL RESIDENTIAL SERVICE CLASSIFICATION – R4

This classification is comprised of any residential service not meeting the year-round residential criteria. As such, the seasonal residential class includes cottages, chalets, and camps. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Service Charge	\$	30.58
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.34
Electricity Rate - First 1,000 kWh	\$/kWh	0.0852
Rate Rider for Recovery of Foregone Revenue – First 1,000 kWh – effective until April 30, 2015	\$/kWh	0.0009
Electricity Rate - Next 1,500 kWh	\$/kWh	0.1136
Rate Rider for Recovery of Foregone Revenue – Next 1,500 kWh – effective until April 30, 2015	\$/kWh	0.0013
Electricity Rate - All Additional kWh	\$/kWh	0.1712
Rate Rider for Recovery of Foregone Revenue – All Additional kWh – effective until April 30, 2015	\$/kWh	0.0019

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

NON STANDARD A GENERAL SERVICE SINGLE PHASE SERVICE CLASSIFICATION – G1

This classification is applicable to any service that does not fit the description of the year-round residential or seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary services. It includes combination of services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. This classification is applicable to General Service Single Phase customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Service Charge	\$	30.75
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.34
Electricity Rate - First 6,000 kWh	\$/kWh	0.0954
Rate Rider for Recovery of Foregone Revenue – First 6,000 kWh – effective until April 30, 2015	\$/kWh	0.0011
Electricity Rate - Next 7,000 kWh	\$/kWh	0.1266
Rate Rider for Recovery of Foregone Revenue - Next 7,000 kWh - effective until April 30, 2015	\$/kWh	0.0014
Electricity Rate - All Additional kWh	\$/kWh	0.1712
Rate Rider for Recovery of Foregone Revenue – All Additional kWh – effective until April 30, 2015	\$/kWh	0.0019
	Ψ,	

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

NON STANDARD A GENERAL SERVICE THREE PHASE SERVICE CLASSIFICATION – G3

This classification is applicable to any service that does not fit the description of the year-round residential or seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary services. It includes combination of services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. This classification is applicable to General Service Three Phase customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Service Charge	\$	38.50
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.43
Electricity Rate - First 25,000 kWh	\$/kWh	0.0954
Rate Rider for Recovery of Foregone Revenue – First 25,000 kWh – effective until April 30, 2015	\$/kWh	0.0011
Electricity Rate - Next 15,000 kWh	\$/kWh	0.1266
Rate Rider for Recovery of Foregone Revenue – Next 15,000 kWh – effective until April 30, 2015	\$/kWh	0.0014
Electricity Rate - All Additional kWh	\$/kWh	0.1712
Rate Rider for Recovery of Foregone Revenue – All Additional kWh – effective until April 30, 2015	\$/kWh	0.0019

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

STREET LIGHTING SERVICE CLASSIFICATION

The energy consumption for street lights is estimated based on Remotes' profile for street lighting load, which provides the amount of time each month that the street lights are operating. Streetlight charges include:

- An energy charge based on installed load, at a rate approved annually (Dollars per kWh x # of fixtures x billing);
- A pole rental charge approved annually, when the light is attached to a Remotes' pole.

Remotes must approve the location of new lighting installations on its poles and the streetlight owner must enter into an agreement to use such poles. Remotes will make the electrical service connection of all streetlights to the distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Electricity Rate			\$/kWh	0.0946
Rate Rider for Recovery of Foregone	e Revenue – effecti	ve until April 30, 2015	\$/kWh	0.0011

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates. Charges and Loss Factors

EB-2012-0137

STANDARD A RESIDENTIAL ROAD/RAIL ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- · a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Aboriginal Affairs and Northern Development Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to residential customers in communities that are accessible by a year-round road or by rail.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Electricity Rate - First 250 kWh	\$/kWh	0.5605
Rate Rider for Recovery of Foregone Revenue – First 250 kWh – effective until April 30, 2015	\$/kWh	0.0062
Electricity Rate - All Additional kWh	\$/kWh	0.6404
Rate Rider for Recovery of Foregone Revenue – All Additional kWh – effective until April 30, 2015	\$/kWh	0.0071

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

STANDARD A RESIDENTIAL AIR ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to residential customers in communities that are not accessible by a year-round road or by rail.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Electricity Rate - First 250 kWh	\$/kWh	0.8460
Rate Rider for Recovery of Foregone Revenue – First 250 kWh – effective until April 30, 2015	\$/kWh	0.0094
Electricity Rate - All Additional kWh	\$/kWh	0.9260
Rate Rider for Recovery of Foregone Revenue – All Additional kWh – effective until April 30, 2015	\$/kWh	0.0103

Effective Date May 1, 2013
Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

STANDARD A GENERAL SERVICE ROAD/RAIL ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to all non-residential Standard A customers in communities that are accessible by a year-round road or by rail.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Electricity Rate		\$/kWh	0.6404
Rate Rider for Recovery of Foregone	Revenue – effective until April 30, 2015	\$/kWh	0.0071

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

STANDARD A GENERAL SERVICE AIR ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to all non-residential Standard A customers in communities that are not accessible by a year-round road or by rail.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Electricity Rate		\$/kWh	0.9260
Rate Rider for Recovery of Foregone	Revenue – effective until April 30, 2015	\$/kWh	0.0103

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates. Charges and Loss Factors

EB-2012-0137

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge \$ 5.40

Effective Date May 1, 2013 Implementation Date November 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2012-0137

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration Arrears Certificate Account set up charge/change of occupa

Arrears Certificate	Ψ	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned Cheque (plus bank charges)	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

in a difficult of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection/Disconnection/Load Limiter/Reconnection – if in Community	\$	65.00