

ONTARIO ENERGY BOARD (BOARD STAFF)

INTERROGATORY #7 LIST 1

INTERROGATORY

Reference: Exhibit A, Tab 2, Schedule 1, Page 7, Lines 8-11:

According to the Applications, HONI expects to rebase its electricity distribution rates along with NPDI's distribution rates in 2020 and to harmonize the two rates at the same time. "Until that time, HONI Distribution proposes to retain two separate rate schedules for customers in each of the service areas- that is those currently served by HONI Distribution and those currently served by NPDI."

7.1 Please indicate whether HONI is applying under section 18 of the *Ontario Energy Board Act, 1998* for leave to transfer NPDI's rate order to HONI.

7.2 Please provide HONI's plan to address the rate differentials between the two service territories at the time of the harmonization, with particular emphasis on potential rate shock for HONI NP customers.

RESPONSE

7.1 As noted in the Supplementary Evidence filing, during the transitional period, HONI and NPDI will be carrying out their distribution services on a stand alone basis and as such, transfer of NPDI's rate order to HONI is not required. Following the transfer of NPDI's distribution business, rates will be administered by a new HONI business unit. To achieve this objective, leave to transfer NPDI's rate order to HONI under section 18 of the *Ontario Energy Board Act, 1998* is now sought. The rate order transferred to HONI, post NPDI distribution business transfer would be that rate order which is now sought in this application made by NPDI that seeks the rate rider to allow a five year rate freeze and rate reduction. Hydro One notes that at the Motion Day hearing (December 12, 2013) a revised style of cause was filed as an undertaking (Exhibit J1.1). Hydro One has further revised this style of cause in its January 8, 2014 correspondence (revised Exhibit J1.1). This revision reflects the nature of the relief sought under sections 18, 86 and 78 of the *Ontario Energy Board Act, 1998*.

7.2 Following the requested five-year rate freeze of NPDI's rates, Hydro One will file a rate application for NPDI rates for 2019. At the present time, HONI expects to file an application that may propose moving NPDI customers to an existing

1 HONI rate class or classes, creating a new customer rate class or some other
2 potential option. Any future proposed rate applications will satisfy the Board's
3 "Filing Requirements for Electricity Distribution Rate Applications" and will
4 require OEB approval.