

**Ontario Energy
Board**

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**Commission de l'énergie
de l'Ontario**

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BY EMAIL

December 22, 2015

Hydro One Remote Communities Inc.
483 Bay Street 7th Floor – South Tower
Toronto, ON M5G 2P5
c/o Erin Henderson

Hydro One Networks Inc.
483 Bay Street 7th Floor – South Tower
Toronto, ON M5G 2P5
c/o Erin Henderson

Dear Ms. Henderson:

RE: Ontario Electricity Support Program

The new Ontario Electricity Support Program, which provides on-bill rate assistance to eligible low-income consumers, will be funded by a province-wide charge on electricity consumption. Ontario Regulation 314/15 (Ontario Electricity Support Program) requires the Independent Electricity System Operator (IESO) to collect the charge – which for 2016 has been set at \$0.0011 per kilowatt-hour¹ – from market participants and others who withdraw electricity from the IESO-controlled grid.

Because Hydro One Remote Communities Inc. (Remotes) is not a market participant and does not withdraw electricity from the grid, it is not required under the regulation to remit the charge to the IESO. However, pursuant to subsection 79.2(11) of the *Ontario Energy Board Act, 1998* (the Act), the Ontario Energy Board (OEB) has determined that, as a condition of Remotes' electricity distribution licence, Remotes is required to collect the OESP charge from its customers in accordance with the OEB's Decision and

¹ Decision and Order issued November 19, 2015 (EB-2015-0294).

Order issued November 19, 2015² and any successor OEB orders, and to remit the amount collected to the IESO via Hydro One Networks Inc. (HONI).³

To facilitate this arrangement, the OEB has also determined that HONI, as a condition of its distribution licence, is required to remit the amount of the OESP charge collected by Remotes to the IESO at the same time as HONI remits the amount of the OESP charge collected from its own customers. HONI, as a market participant, already has in place the necessary interface with IESO to make remittances.

For the purpose of regulatory accounting Remotes shall record the revenues related to OESP amounts billed to customers in a separate account.

The OEB has made these determinations without a hearing, in accordance with subsection 70(1.1) of the Act. They are in keeping with the policy expressed in the OEB's December 22, 2014 report, "Developing an Ontario Electricity Support Program", that the OESP should be funded by all ratepayers in the province. Because Remotes' customers will be eligible to apply for OESP rate assistance, they should also be required to contribute to the cost of the program.

Thank you for your co-operation in delivering this important program for low-income electricity consumers. If you have any questions please contact Rachel.Anderson@ontarioenergyboard.ca.

Yours truly,

ONTARIO ENERGY BOARD

Original signed by

Kristen Walli
Board Secretary

c.c. IESO c/o Kimberly Marshall

² *Ibid.*

³ Subsection 79.2(11) of the Act stipulates that every licence issued to a distributor is "deemed to contain conditions requiring the licensee to do anything necessary to implement and administer the provision of rate assistance [under the OESP] as may be required by the Board".