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December 19, 2016

*via RESS – signed original to follow by courier*

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
PO Box 2319  
2300 Yonge Street, 27th floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: OEB File No. EB-2016-0254  
Toronto Hydro-Electric System Limited (“Toronto Hydro”)  
Application to Finalize 2017 Electricity Distribution Rates and Charges  
Decision and Rate Order Submission**

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Toronto Hydro writes to the Ontario Energy Board (“OEB”) in respect of the Decision and Rate Order issued by the OEB on December 15, 2016 in the above-noted matter (the “Decision”).

We have reviewed the Decision and the Proposed Tariff of Rates and Charges set out in Schedule A of the Decision (the “Tariff”). Subject to the comments provided in this letter, Toronto Hydro confirms the completeness and accuracy of the information in the Tariff.

The two specific items that Toronto Hydro would like to comment on are:

- 1) the rate impact for a residential customer consuming 750 kWh, and
- 2) the descriptions of the rate riders for the disposition of Class B WMS – Sub-account CBR (2017) and Global Adjustment (2017).

### **Rate Impact for a Typical Residential Customer**

The last paragraph on page 2 states that the Decision will result in a monthly decrease of \$2.78, representing 2% on the total bill, for a residential customer consuming 750 kWh (i.e. a typical residential customer). Toronto Hydro notes that the identified bill impact does not reflect the increase to the Rural or Remote Electricity Rate Protection (“RRRP”) charge for 2017, which Toronto Hydro is required to implement pursuant to section 5 of the Decision. Taking into consideration the increase to the RRRP charge, effective January 1, 2017, a typical residential customer will experience a monthly

decrease of \$2.16, which represents 1.5% on the total bill. Toronto Hydro requests that the OEB amend the Decision to reflect the updated RRRP charge on the bill impact for a typical residential customer.

### **Descriptions of Certain Rate Riders**

The OEB has added the following descriptions to the Application section of the Tariff for the GS 1,000 to 4,999 kW and Large Use rate classes:

The rate rider for the disposition of Class B WMS – Sub-account CBR (2017) is not applicable to wholesale market participants (WMP) and customers that transitioned between Class A and Class B in 2015. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied in accordance with a customer’s Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers, for the entire period to the sunset date of the rate rider. [the “**CBR Rate Rider**”]

The rate rider for the disposition of Global Adjustment (2017) is only applicable to non-RPP Class B customers. It is not applicable to WMP and customers that transitioned between Class A and Class B in the period of last Global Adjustment disposition to 2015. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied in accordance with a customer’s Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers, for the entire period to the sunset date of the rate rider. [the “**GA Rate Rider**”]

Toronto Hydro requests that the name of the GA Rate Rider be changed to “Post-2011 Global Adjustment” to indicate that it relates to the disposition of Global Adjustment for the period of 2011 to 2015. Toronto Hydro submits that this change is necessary to distinguish the rate rider from the other Global Adjustment rate rider for pre-2011 amounts, which apply to all but Wholesale Market Participant (“WMP”) customers.

For both the CBR and the GA rate rider, the descriptions state that the “rate rider is to be consistently applied in accordance with a customer Class A or Class B classification as at December 31, 2015.” Toronto Hydro is concerned that this language lends itself to the interpretation that the rate rider does not apply if the customer joined the utility after December 31, 2015 because the customer was neither Class A nor Class B as at December 31, 2015. To avoid the potential for misinterpretation, Toronto Hydro submits that the descriptions should be modified as follows:<sup>1</sup>

The rate rider for the disposition of Class B WMS – Sub-account CBR (2017) is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B in 2015 or customers that were Class A for the entire 2015 year. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently ~~applied in accordance with a customer’s Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers,~~ applied for the entire period to the sunset date of the rate rider.

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<sup>1</sup> For greater clarity, Toronto Hydro proposes changes to the phrases that have been underlined and deleted above.

The rate rider for the disposition of the Post 2011 Global Adjustment (2017) is only applicable to non-RPP Class B customers. It is not applicable to WMP or to customers that, for the period of last Global Adjustment disposition to 2015, transitioned between Class A and Class B or were Class A for the entire period. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently ~~applied in accordance with a customer's Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers,~~ applied for the entire period to the sunset date of the rate rider.

In addition, Toronto Hydro submits that the descriptions for the CBR Rate Rider and GA Rate Rider should also be included in the Tariff for the GS 50 to 999 kW rate class because these riders do not apply to the WMP customers which are included in this class.

Sincerely,

[Original signed by]

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cc: Andrew Sasso, Toronto Hydro