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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
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DELIVERED BY EMAIL

Dear Ms. Walli,

**RE: EB-2017-0049-Hydro One Networks Inc. 2018-2022 Rate Application
Balsam Lake Coalition Submissions on Draft Issues List**

Pursuant to BLC's submissions dated September 15, 2017 BLC submitted that the following issue should be added to the Issues List:

Has the Ontario Government's Fair Hydro Plan and related legislation been appropriately reflected in the Application?

BLC notes that CCC proposed two similar issues as follows:

Are there implications arising from the implementation of the Fair Hydro Plan on HON's proposed revenue requirements and load forecasts?

and

What are the final bill impacts for customers taking into account HON's Application and the implementation of the Fair Hydro Plan?

In BLC's submission CCC's first proposed issue appears too narrowly construed to encompass exploration into all the areas of HON's application that may be properly affected by the Fair Hydro Plan.

By way of example, BLC notes that under new Fair Hydro Plan related legislation

Ontario Regulation 198/17, Distribution Rate Protection limits the base distribution fixed and volumetric rate that can be charged to certain of HON's customers, without regard for any fixed or variable rate adders or riders. One of the implications of this new scheme, it seems to BLC, is that protected customers are uniquely affected by the use of deferral and variance accounts to track amounts to be collected from or credited to customers, since they effectively lose rate protection any time a rider or adder is used to collect revenue from them that could have been collected in base rates, and will experience a windfall any time an amount is credited to them that could have been used to reduce base rates (since beyond the base distribution rate HON's revenue requirement attributable to those protected customers is paid for through reimbursement from the Minister). BLC respectfully submits that a proper consideration of this new scheme may result in submissions about the proper operation of deferral and variance accounts for protected classes (including any deferral and variance accounts that may be suggested for use by parties other than HON). This is but one example, BLC respectfully submits, of a possible implication of the Fair Hydro Plan that falls outside the narrow scope of HON's proposed Revenue Requirements and Load Forecasts.

BLC respectfully submits that CCC's two proposed issues would, together, sufficiently address the proper scope of the implications of the Fair Hydro Plan if the first issue was modified to read as follows:

Are there implications arising from the implementation of the Fair Hydro Plan (and related legislation) on HON's proposed Application?

With this modification (and in conjunction with CCC's second proposed issue with respect to the Fair Hydro Plan) BLC believes its own proposed Fair Hydro Plan related issue would not be necessary.

Yours truly,



Michael R. Buonaguro