Hydro One Networks Inc.

Acquired Utilities

OEB Staff Questions

EB-2018-0042

January 16, 2019

**Hydro One Networks Inc.**

**Former Service Areas of Norfolk Power Distribution Inc., Haldimand County Hydro Inc., and Woodstock Hydro Services Inc.**

**EB-2018-0042**

**Staff Question-1**

**Ref: Rate Generator Models, Proposed Tariff Schedules and Bill Impacts**

OEB staff has updated the Rate Generator Models for the three service areas with the 2019 UTRs[[1]](#footnote-1) and 2019 regulatory charges.[[2]](#footnote-2) Please update the proposed rate schedules (Appendices H, I and J) and bill impact calculations (Appendices E, F and G) accordingly. In the bill impact calculations, please note that the new 2019 regulatory charges should be applied to both current and proposed rates.

*Hydro One Response:*

The proposed rate schedules (Appendices H, I and J) and bill impact calculations (Appendices E, F and G) have been updated accordingly. (see attached excel files)

**Staff Question-2**

**Ref: Application-Page 13, Rate Generator Model (Norfolk)-Tab 16**

As noted in the Application, 2019 is the last year of transition to all-fixed distribution rates for Norfolk service area. The monthly fixed charge for Norfolk’s residential class will increase by $4.01 in 2019 rate year.

As stated in Chapter 3 Filing Requirements, a distributor is expected to apply to extend its period of transition to fixed rates if the residential monthly service charge would rise more than $4. A distributor may propose that no extension is necessary; such a position must be substantiated with reasons. Hydro One Networks does not propose in the application to extend the transition period for Norfolk service area. Please substantiate this position with reasons.

*Hydro One Response:*

Hydro One Networks does not propose to extend the transition period for the Norfolk service area because the proposed change in monthly service charge is only $0.01over the OEB defined threshold of $4. Reducing the monthly service charge by $0.01 would have an immaterial impact on customers’ bills (for a low consumption residential customer with a monthly consumption of 200 kWh, it represents a reduction of 0.03% and 0.02% in delivery charge and total bill, respectively).

Given that 2019 is the last year of transition to all-fixed residential distribution rates for Norfolk service area, and the immaterial impact on customer’s bill resulting from an additional $0.01 in the fixed charge, Hydro One believes the proposed increase in monthly residential service charge of $4.01 for Norfolk Service Area is reasonable and does not necessitate the extension of the transition period.

1. Decision and Interim Rate Order, EB-2018-0326, issued December 20, 2018 [↑](#footnote-ref-1)
2. Decision and Order, EB-2018-0294, issued December 20, 2018 [↑](#footnote-ref-2)