

-----Original Message-----

From: Webmaster <Webmaster@oeb.ca>

Sent: Wednesday, September 4, 2019 6:33 AM

To: registrar <registrar@oeb.ca>

Subject: Letter of Comment - [REDACTED]

The Ontario Energy Board

-- Comment date --

2019-09-04

-- Case Number --

EB-2016-0315

-- Name --

James Fairhead

[REDACTED]

-- Company --

-- Address --

[REDACTED]

-- Comments --

Hello. As a cottage owner in Muskoka and a customer of Hydro One, I want to voice my opinion on the "seasonal rate class". I take exception to the public relations message being put forth by Hydro One that "Some seasonal customers could see their bills increase by about 129 per cent over the next several years – which could mean paying almost \$1,000 more a year." My cottage is heater year round with electric heating and a heat pump. I currently pay more for my delivery charges than I do for my electricity. If I were to have this cottage where my principle residence is I would pay substantially less annually. As a consumer of electricity throughout the winter the current costing strategy divides the network costs of all "seasonal rate class" customers by their usage. At the extreme, any customer not using any electricity in the winter pays nothing for the declining assets and maintenance for the lines, poles, transformers etc. that feed their seasonal residence directly. As any accountant will tell you, this is one way to recover all the "delivery charges" over the base of usage but unfairly puts the burden on the best customers by virtue of the fact they are consumers during the winter months. I am certain the inventory of "delivery" assets is easily calculable and can be apportioned fairly as a fixed cost to be recovered over the life of the equipment. That would mean I would be paying my fair share for the shared use portion as well as the dedicated services necessary to provide service to my cottage. I am certain Hydro One is in full public relations mode based on their own account that cottage owners not using electricity in the winter and now having to pay for the delivery charges for their lines, poles, transformers etc. sitting idle will have to pay more. From my perspective and based on the fact that my cottage is in essence a part of a low density subdivision on the lake, my most recent bill for June 2019 is some 60% higher than if I was billed as "R2 Residential" using the OEB rate calculator! In effect that is my punishment based on the current Hydro One cost recovery methodology for using electricity 12

months of the year (the good customer right?). Another analogy would be I buy a cottage and mortgage the repayment of the capital cost over the times I am actually at the cottage meaning if I don't use the cottage then I pay no mortgage at all. Continuing with this analogy, the banks amortize all cottages over the total usage of all cottages resulting in full time cottagers paying for other cottages sitting idle! In closing, of course no one wants to pay more for anything - but everyone should pay their fair share and should also understand their free ride to date on the backs of other customers has now come to an end! Oddly, there is no mention from Hydro One in the press release of the fairness of migrating away from "seasonal rates" to a more cost based residential density formula that may result in the the year round cottage owner enjoying only their fair share rather than everyone's not so fair share! I only have one further comment.

Why has this taken so long?

-- Attachment --