

From: Bob's Jelly [REDACTED]
Sent: Tuesday, September 24, 2019 6:52 AM
To: registrar <registrar@oeb.ca>
Subject: Letter of comment - EB-2016-0315

Regarding Procedural Order 3 in this ongoing saga of the Hydro One Networks Seasonal rate class.

Surely this process has gone on long enough.

I can appreciate the need to move with caution to avoid unintended consequences due the service cost impact of eliminating the Seasonal Class on some customers in that class.

Those with long memories may remember Hydro One once had a dozen different rate classes - including multiple residential, farm, seasonal, commercial and industrial groupings based on density, property use and consumption demand. The only utility in the province to do so. The OEB began ordering Hydro One to consolidate those multiple groupings in 2005 to more closely match what every other utility used in the form of rate classes to recoup costs - basically residential, general (non-residential) and general (high volume demand which requires high wattage equipment and lines).

Hydro One Networks has been dragging its feet on this issue of rate class consolidation for many years, delaying implementation of any changes for as long as possible.

The OEB directive was quite clear in 2015 that the Seasonal Class was to be eliminated, yet Hydro One, in answer to requests for proposals on how to accomplish that, has twice now offered up options that would retain it, and its unequal contribution to distribution asset costs.

The issue has been under review/discussion since 2013, and even earlier I imagine as at one time Hydro One had two Seasonal Classes, along with its Farm and other segregated residential groupings.

Except in cases of acquired utilities where separate rate classes are kept until they are slowly merged into one rate class, every other utility in the province has a single residential rate class and two general service classes.

At one time Hydro One, and before that Ontario Hydro, was a unique entity delivering not only electricity but implementing provincial policy and setting rules and rates, that hasn't been so since 1998 and especially not so since the sale of public shares began in 2015. These days, despite the size of its customer base - approximately 20 per cent of the provincial total - it is no different than any other electrical utility and should not expect to be treated any differently.

If the provincial government determines any group of customers, or individual customers require assistance with covering costs, that is a government responsibility, which it currently provides through a variety of rate subsidy programs based either on service areas or individual financial needs assessments. It is not the mandate of Hydro One, nor of the OEB to address the issue by altering what is supposed to be an equitable allocation of costs.

It is time for the OEB to put this Seasonal Class matter rest with a Final Order, so customers can move on with some degree of certainty of what their electrical costs will be in the future, and so the OEB can

move on to eventually, one would hope, the consolidation of Hydro One's rate classes into a single residential class as is the case with all other electrical utilities in the province.

Bob Stewart

