



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

DECISION AND ORDER

EB-2019-0259

HYDRO ONE NETWORKS INC.

**Application for Extension to Mandated Time-of-Use Pricing Date &
Extension to Exemption from Sections 2.10.1, 7.11.1 to 7.11.7 of
the Distribution System Code**

BY DELEGATION, BEFORE: Brian Hewson

Vice President,
Consumer Protection & Industry Performance

December 19, 2019

DECISION AND ORDER

Hydro One Networks Inc. (HONI) filed an application on October 21, 2019 with the Ontario Energy Board (OEB), under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an extension to its existing exemption from sections 2.10.1 and 7.11.1 to 7.11.7 of the Distribution System Code (DSC) and an for an extension to its mandated date for Time-of-Use (TOU) pricing for certain “hard to reach” Regulated Price Plan (RPP) customers. HONI requested both the DSC exemption and the TOU pricing mandated date extension continue until December 31, 2024.

This Decision and Order is being issued by the Delegated Authority, without holding a hearing pursuant to Section 6(4) of the OEB Act.

On March 26, 2015, the OEB issued a Decision and Order in the EB-2014-0360 proceeding extending HONI’s mandated date for TOU pricing for the identified 170,000 hard to reach customers until December 31, 2019, for which HONI received a previous extension in two other OEB proceedings¹. On September 24, 2015, the OEB issued a Decision and Order in the EB-2015-0176 proceeding in which HONI’s licence was amended, exempting HONI from sections 2.10.1 and 7.11.1 to 7.11.7 of the DSC with respect to 170,000 RPP customers, who are outside the reach of HONI’s smart meter telecommunication infrastructure, until December 31, 2019.

In its application, HONI stated that through certain upgrades to its Advanced Metering Infrastructure (AMI) and improvements in telecommunications, it had significantly reduced the number of affected consumers. HONI explained that in the absence of technological advancements in automated meter reading infrastructure or cellular network expansion into the hard to reach areas of its service territory, it is still not possible to economically connect up to 94,000 meters to its AMI network and to make all meters communicate reliably enough to issue regular TOU bills based on actual meter readings to 94,000 hard to reach customers. HONI stated that it continues to explore cost-effective solutions for implementation of TOU billing and for providing monthly bills based on actual reads 98% of the time, however the existing communication infrastructure is not reliable and the costs associated with the options available are excessively high and would result in upward pressure on rates.

The OEB accepts that it is not yet feasible to economically implement TOU billing and to make all meters communicate reliably enough to issue regular monthly TOU bills based

¹ EB-2010-0282 and EB-2012-0384

on actual meter readings. The OEB finds that the extension of the exemption from sections 2.10.1 and 7.11.1 to 7.11.7 of the DSC with regard to estimated billing and billing accuracy and the extension to HONI's TOU pricing date for the identified customers should be granted. HONI will continue to be exempted from the requirement to provide monthly bills based on actual reads 98% of the time for approximately 94,000 hard to reach customers until December 31, 2024. HONI's mandated date for TOU Pricing for approximately 94,000 of its hard to reach customers is extended to December 31, 2024.

HONI is expected to continue its efforts to identify cost-effective technological solutions during the exemption period.

IT IS ORDERED THAT:

1. Hydro One Network Inc.'s Electricity Distribution Licence ED-2003-0043, specifically Schedule 3 List of Code Exemptions, is amended to include an exemption from Section 2.10.1 and Sections 7.11.1 to 7.11.7 of the Distribution System Code in respect of approximately 94,000 Regulated Price Plan customers who are outside the smart meter telecommunications infrastructure reach of Hydro One Network Inc. This exemption expires on December 31, 2024.
2. Hydro One Network Inc.'s Electricity Distribution Licence ED-2003-0043, specifically Schedule 3 List of Code Exemptions, is amended to include an exemption to the provisions of the Standard Supply Service Code for Electricity Distributors requiring time-of-use pricing for Regulated Price Plan consumers with eligible time-of-use meters, as of the mandatory date for approximately 94,000 hard to reach customers. This exemption expires on December 31, 2024.

DATED at Toronto, December 19, 2019

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance