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BY EMAIL

July 29, 2020

Joanne Richardson
Director, Major Projects and Partnerships
483 Bay Street, 7th Floor
Toronto ON M5G 2P5
Joanne.Richardson@HydroOne.com

Dear Ms. Richardson:

Re: Application for approval to amalgamate Peterborough Distribution Inc. and Peterborough Utilities Services Inc. and to sell the amalgamated electricity distribution system to Hydro One Networks Inc. – Implementation of Specific Services Charges

OEB File Number: EB-2018-0242

The Ontario Energy Board (OEB) acknowledges receipt on July 17, 2020 of your letter with respect to the transition of Peterborough Distribution Inc. (PDI) customers to Hydro One Networks Inc.'s (Hydro One) Specific Service Charges (SSCs) and, more particularly, to when certain Hydro One SSCs would become effective in the former PDI service territory.

The OEB accepts Hydro One's proposal to continue to charge a PDI OEB-approved SSC until the end of the integration period if that charge is materially lower than Hydro One's current charge. As noted by Hydro One, it will absorb the loss in revenue from this approach. In its Decision and Rate Order, the OEB accepted that there may be transitional issues with implementing the new SSCs and therefore will permit a transition period until March 1, 2022 to implement any of the SSCs that are difficult to implement prior to integration of the billing system.¹ While it appears from Hydro One's letter that it is technically capable of implementing the higher charges, the OEB considers Hydro

¹ EB-2018-0242 Decision and Rate Order, p. 4

One's request to continue to charge the lower PDI OEB-approved SSCs until the end of the integration period one such transitional issue.

As stated in its Decision and Rate Order, on closing of the transaction, the OEB requires Hydro One to file a letter with the OEB confirming which SSCs require a transition period, and shall file a further letter when the transition has been completed so that at all times the OEB is aware of which SSCs are being applied.² The OEB expects this letter to identify those Hydro One SSCs being deferred during the transition period on the basis that they are materially higher than PDI's current OEB-approved SSCs.

The argument-in-chief is the opportunity for the applicant to make clear the details of its request. The OEB expects the applicant to make use of that opportunity to highlight any amendments to an application, regardless of whether the matter has appeared to be at issue to the parties to the proceeding.

Yours truly,

Original Signed By

Christine E. Long
Registrar and Board Secretary

c: All parties in EB-2018-0242

² EB-2018-0242 Decision and Rate Order, p. 4