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Frank D'Andrea

Vice President, Reliability Standards and Chief Regulatory Officer

BY EMAIL AND RESS

September 21, 2020

Ms. Christine Long
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long,

**EB-2019-0045 – Hydro One Remote Communities Inc. – 2020 Distribution Rate Application
– COVID-19 Foregone Revenue Rate Rider Model Submissions – Interrogatory Responses**

Please find attached Hydro One Remote Communities Inc.'s ("Remotes") responses to Ontario Energy Board ("OEB") staff interrogatories received September 18, 2020 on Remotes' COVID-19 Foregone Revenue Rate Rider Model submission.

This filing has been submitted electronically using the OEB's Regulatory Electronic Submission System and two (2) copies will be sent via courier.

Sincerely,

A handwritten signature in cursive script that reads "Frank D'Andrea".

Frank D'Andrea

OEB STAFF INTERROGATORY #1

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Reference:

Interrogatory:

Hydro One Remotes notes that it is prorating the foregone period for May and November, 2020. This includes half of the month of May, 2020, half of the month of November, 2020, and full months for June to October, 2020, for a total of 6 months for the foregone period.

- a) Please explain why Hydro One Remotes is using half of May and half of November consumption data as opposed to the full six months of May to October.
- b) Please confirm whether the data entered in the foregone period is calendar month billing data or consumption data

Response:

- a) Our model is based on the effective date, May 1st of the approved rate change. When rates are changed, during the first implementation month, customers depending on meter read date, will receive bills with April usage at the old rate, and May usage at the new rate in a prorated fashion. By example, customer read in the first week of May, would be charged 3 weeks usage at the old April rate, and 1 week at the new May rate. This is done so all customers are treated equally, and rates are implemented to all customers at the same time. In order to capture 6 full months of revenue, a portion of November needs to be added on the back end.
- b) The data is based on consumption data, which used to calculate and create customer bills.

OEB STAFF INTERROGATORY #2

Reference:

COVID-19 Forgone Revenue Rate Rider Model, Tab 3 – Billing Determinants

Interrogatory:

Please explain the large deviations in the consumption data for the 6-month recovery period when compared to the 6-month forgone period for the line items below.

	Total kWh (Forgone Period)	Recovery Period (Nov 2020 to Apr 2021)
NON STANDARD A YEAR ROUND RESIDENTIAL SERVICE CLASSIFICATION – R2		
Electricity Rate - Next 1,500 kWh	4,818,217	10,752,148
Electricity Rate - All Additional kWh	385,369	2,471,352
NON STANDARD A GENERAL SERVICE SINGLE PHASE SERVICE CLASSIFICATION – G1		
Electricity Rate - First 6,000 kWh	2,507,695	3,611,819
Electricity Rate - Next 7,000 kWh	181,934	405,714
NON STANDARD A GENERAL SERVICE THREE PHASE SERVICE CLASSIFICATION – G3		
Electricity Rate - First 25,000 kWh	2,541,304	3,132,533
STANDARD A RESIDENTIAL AIR ACCESS SERVICE CLASSIFICATION		
Electricity Rate - First 250 kWh	102,264	30,000
Electricity Rate - All Additional kWh	474,812	781,075

1 **Response:**

2 Unlike other utilities in the province, Hydro One Remotes experiences peak customer
3 usage and demand during the winter months. The customer demand is driven by increased
4 time spent indoors, due to extreme cold and reduced daylight. Residential and building heat
5 is often electric based, given limited alternative cost effective heating options in
6 underserved areas. Usage climbs being in the fall, peaks in late January and drops off in
7 the spring. The increased usage generally impacts the middle and upper tiers of the
8 inclining block structure. Residential usages is also impacted by an expected increase in
9 customers.

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11 During our subsequent review of Standard A Residential Air Access Service Classification,
12 the split between the tiers was incorrect. The load forecast has been revised and the total
13 remains the same but the split between tiers has been updated. The updated rate rider
14 model has been submitted as Attachment 1 of this response. The result of this change
15 decreases the volumetric financial impact from \$169,356 to \$169,240. The resulting
16 change does not materially impact the rates riders as proposed.

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18 **Standard A Residential Air Access Service Classification as originally filed**

STANDARD A RESIDENTIAL AIR ACCESS SERVICE CLASSIFICATION		
Electricity Rate - First 250 kWh	102,264	30,000
Electricity Rate - All Additional kWh	474,812	781,075
Total	577,077	811,075

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20 **Standard A Residential Air Access Service Classification revised**

STANDARD A RESIDENTIAL AIR ACCESS SERVICE CLASSIFICATION		
Electricity Rate - First 250 kWh	166,931	178,500
Electricity Rate - All Additional kWh	410,146	632,575
Total	577,077	811,075