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DECISION AND ORDER

EB-2020-0240

HYDRO ONE DISTRIBUTION INC.

Amendment to Electricity Distribution Licence ED-2003-0043

(Temporary Exemption from Certain Provisions of Standard Supply Service Code)

BY DELEGATION, BEFORE: Brian Hewson

Vice President,

Consumer Protection & Industry Performance

October 2, 2020

BACKGROUND

Hydro One Distribution Inc. (Hydro One) is a licensed distributor. Under its distribution licence (ED-2003-0043), Hydro One is exempt from the provisions of the Standard Supply Service Code (SSSC) requiring customers on the Regulated Price Plan (RPP) to be charged for electricity on the basis of time-of-use (TOU) prices, but only in respect of the approximately 94,000 “hard to reach” customers who have smart meters but are outside the reach of Hydro One’s smart meter telecommunications infrastructure, and only until December 31, 2024. The OEB has acknowledged that, for these customers, “it is not yet feasible to economically implement TOU billing.”¹ Until December 31, 2024, hard to reach customers that cannot be charged TOU prices are charged tiered prices instead.

On September 8, 2020, the OEB adopted amendments to the SSSC. The amendments, which will come into force on October 13, 2020, will enable RPP consumers to opt out of TOU prices and to elect instead to be charged on the basis of tiered pricing.

Minor changes to the wording of the exemption in Hydro One’s licence are required to align with the amendments to the SSSC. The OEB therefore commenced this proceeding, on its own motion, pursuant to section 19(4) of the *Ontario Energy Board Act, 1998* (OEB Act), to amend the licence.

The changes to Hydro One’s licence are administrative in nature – they do not change the substance of the exemption. Hydro One may continue to bill hard to reach RPP consumers on the basis of tiered prices until December 31, 2024. The changes clarify that, if a previously hard to reach customer comes within the effective coverage area of Hydro One’s smart meter telecommunications infrastructure before December 31, 2024, Hydro One must provide the customer the opportunity to choose between TOU and tiered prices, and if the customer does not make a choice, the default is TOU.

This Decision and Order is being issued by delegated authority without a hearing pursuant to section 6(4) of the OEB Act. Hydro One was provided with an opportunity to comment on the proposed amendments.

¹ Decision and Order, December 19, 2019 (EB-2019-0259).

DECISION

The OEB finds it to be in the public interest to amend Hydro One's distribution licence by replacing Item 1 of Schedule 3 (List of Code Exemptions) with the following:

The Licensee is exempt from the provisions of the Standard Supply Service Code requiring time-of-use pricing for Regulated Price Plan consumers with eligible time-of-use meters unless the consumer elects to be charged tiered prices (namely, sections 3.2.6, 3.4 and 3.5). This exemption applies only for service to the approximately 94,000 "hard to reach customers" who, as of January 1, 2020 and as per Decision and Order EB-2019-0259, are outside the reach of the Licensee's smart meter telecommunications infrastructure and demonstrate consistently unreliable meter communication resulting in billing errors, and new hard to reach customers who are connected to the Licensee's service area during the exemption period. This exemption expires December 31, 2024. If, during the exemption period, a previously hard to reach customer comes within the effective coverage area of the Licensee's smart meter telecommunications infrastructure, the Licensee must as soon as practicable provide the customer with the option of electing time-of-use or tiered prices and begin charging the customer based on the customer's election or, if no election is made, based on time-of-use prices.

IT IS ORDERED THAT:

1. Hydro One Distribution Inc.'s electricity distribution licence ED-2003-0043 is amended, effective October 13, 2020.

The amended licence is attached to this Decision and Order.

DATED at Toronto October 2, 2020

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance