

**From:** [registrar](#)  
**To:** [REDACTED]  
**Subject:** Letter of Comment - EB-2020-0246  
**Date:** Wednesday, February 24, 2021 9:17:48 AM

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From: Webmaster <Webmaster@oeb.ca>  
Sent: Tuesday, February 23, 2021 6:40 PM  
To: registrar <registrar@oeb.ca>  
Subject: Letter of Comment - [REDACTED]

The Ontario Energy Board

-- Comment date --  
2021-02-23

-- Case Number --  
EB-2020-0246

-- Name --  
Marcie ANDERSON

-- Phone --  
[REDACTED]

-- Company --

-- Address --  
[REDACTED]

-- Comments --

I'm writing to object to the proposed unfair treatment of selected customers of Ontario Hydro through continuation of RRA/RRRP subsidies only to rural customers deemed year round residents and denial of subsidies to those deemed "seasonal".

With the move to fixed rate distribution charges, the seasonality of consumption is no longer a factor in cost recovery for Ontario Hydro. There is no functional basis for segmenting R2 residential customers into "seasonal" and year round, as currently proposed. Under the former/current pricing schemes, seasonality appeared to be a meaningful factor, insofar as those residents with zero consumption during the winter months were possibly not covering the cost of distribution during those months. (Having said that, the 2018 cost allocation model included in the October 15 Update report by Ontario Hydro indicated that the seasonal class in total delivered revenue/expense ratio of 1.09 vs 1.00 for all classes and ROE of 13.66% vs 9.2%).

However, with the elimination of the seasonal rate class, all households move into one of three residential rates based on density. The price of distribution to those households is fixed based on the density category, not variable, so the number of a household's periods of energy consumption has no impact on Ontario Hydro's distribution revenue. There is no cost to serve justification for providing subsidies to some R2 rural customers and not to others. If the basis for retaining the RRA/RRRP criterion regarding months of residency is the perception of households' financial status (i.e. the perception that permanent residents have a greater financial need than do seasonal), then the proper method for the subsidy is needs-based, not time of residency. We should not charge for services based on a blanket perception of an entire group's ability to pay--- it is simply not true that all low density households occupied year round are low income, nor that all low

density households occupied for less than 8 months are high income. That is completely unjustified discrimination. The basis for qualifying for the subsidies should be means tested, not an arbitrary period of time of residency which bears no relationship to the cost of providing the services being

subsidized. If means testing is unacceptable, then the subsidy should be available to all households in the R2 class. As a household moving from seasonal to R2, I am about to see my energy costs double over a period of years, assuming phase in. As a retiree, I am no more able than my full time neighbour to afford that dramatic increase in a cost over which I have no control, given that efforts to conserve energy are rendered virtually useless with a high fixed cost of distribution.

According to Ontario Hydro's own presentations, "fairness" is one of the key criteria for evaluation of changes to rates. I'd submit that the retention of seasonality as a criterion for subsidies is patently unfair.

-- Attachment --