

From: [registrar](#)
To: [REDACTED]
Subject: Letter of Comment - EB-2020-0246
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From: Webmaster <Webmaster@oeb.ca>
Sent: Friday, February 26, 2021 11:41 AM
To: registrar <registrar@oeb.ca>
Subject: Letter of Comment - [REDACTED]

The Ontario Energy Board

-- Comment date --
2021-02-26

-- Case Number --
EB-2020-0246

-- Name --
John Oliver

-- Phone --
[REDACTED]

-- Company --

-- Address --
[REDACTED]

-- Comments --
Dear Sirs and Madams,

Regarding EB 2020-0246

Let's get rid of Variable Rate Distribution charges and the Seasonal Rate Class

I am a Seasonal Rate Hydro One client and am writing in support of an immediate (January 1, 2022) removal of the Seasonal Rate Class and expedited elimination of variable rate distribution charges in favour of an all-fixed distribution rate.

If mitigation of cost increases is required for low use Seasonal customers then I support Hydro One's recommendation that a credit-based approach to mitigate the impact be adopted. I further support the distribution of the credit recovery over all classes as recommended by Hydro One in section 4.3.4 of the October 15 2020 update.

I would like to discuss the problem of who bears the cost for line maintenance and repairs to remote, limited access cottages with high-cost power line maintenance and low power consumption.

As an example, on our lake, one side is accessible by a county road with relatively short private driveways to winterized buildings. The power line runs along the county road. When there is a power line problem or for maintenance Hydro One crews access the power lines from a bucket lift truck at the roadside.

Across our lake most cottages are either water accessible only or have extensive private cottage lanes to access their properties. Hydro One power lines run for many kilometres through thick bush over uneven terrain to provide

service to these cottages. When there is a power line problem or for routine maintenance Hydro One has to survey the lines through helicopter fly overs. To access the lines we have seen crews heading out in motor boats or trekking on foot through the bush. Without a bucket truck crews must service the lines by climbing poles and trees. Sometimes supplies are delivered to the crews by helicopter. Clearly the cost of maintaining the power lines to these remote properties is significantly higher than those properties located adjacent to a county road.

There are many thousands of remote cottages in Hydro One's Seasonal Rate Class that are serviced and maintained under similar conditions.

Compounding the high distribution cost is the fact that many of these cottages are inaccessible in winter. Most owners "go dark" in mid October and use no power until they open in early May. They incur limited distribution charges despite the higher cost of maintaining their power lines.

The burden of paying for the line maintenance and repair to these properties is cross-allocated to year round Seasonal Rate customers through the variable rate distribution charge. While all Seasonal customers pay a fixed distribution charge this is insignificant compared to the variable rate distribution charge for heating during winter months. In essence Hydro One year-round Seasonal rate customers are subsidizing the cost of distribution to high-cost maintenance/low usage Seasonal customers through the variable rate distribution charge.

Increasingly we are seeing year round cottagers in winterized buildings "go dark" in winter. You have to maintain low level heat throughout the winter to avoid water line freeze up. The variable rate distribution charge makes even low level heating unaffordable, so water lines have to be blown in the fall. Once water lines are blown, opening the cottage in mid-winter isn't feasible. My family is in this group and we no longer use the cottage in the winter to avoid the variable rate distribution costs for heating.

The variable rate distribution charge besides limiting the use of winterized cottages is also affecting local economies as the winter weekend cottager disappears. We used to be active consumers in the winter in the local villages.

In short the variable rate distribution charge is unfair, is anti-local business and has to end.

Hydro One proposed, but did not recommend, an option of mitigating the price increase for low use customers by prolonging the switch over to fixed rates for many years. I strongly support Hydro One's conclusion. The cost of mitigating the price increase in this fashion is born by year round cottage owners in the seasonal group who are in no financial position to continue to pay high variable rate charges.

For the above reasons I support the immediate cessation of the Seasonal Rate group effective January 1, 2022 and support adopting a credit-based approach to mitigate the impact. I further support recovering the credit from all customer classes.

I support the move away from the Seasonal Rate group to other residential groupings even though our cottage would be included in R2 low density groups.

My reason for this is it spreads the cost burden of the high-cost maintenance, low usage remote cottages over a broader pool of Hydro One customers. However this is just expanding the cross-allocation problem experienced within the Seasonal rate class to more rural customers.

If there is a perceived public benefit in spreading remote cottage distribution costs over broader consumer groups I recommend spreading the cost over all full Hydro One residential groups. This will raise everyone's costs but in a nominal amount. It would require one distribution rate for all Hydro One residential users.

Alternatively I would suggest considering a full cost allocation method of distribution charges to R2 properties. Perhaps distribution charges should be based on the distance a power supply line runs from a provincial or county road main power line, shared by the number of end users on the line. Further if the real cost of maintaining lines to remote cottages were passed through to the owners it would encourage consideration of alternative on-site power sources such as solar and wind.

Thank you for your attention.

John Oliver

-- Attachment --