March 4, 2021

D. Sneesby
[redacted]
[redacted]

Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Sir / Madam:

RE: Hydro One Networks Inc. Seasonal Rate Class (EB-2020-0246)

I recently received a letter from Hydro One Networks Inc. my electricity supplier for property located at Ingolf, Ontario concerning the elimination of the seasonal rate class (EB-2020-0246). I have been informed that I would be moved into the residential low density (R2) class.

I am a pensioner on a fixed income and cannot afford this unfair unjust increase. It is getting to the point where only the rich can afford to own these properties, that or just cancel the service entirely, possibly using a gasoline generator if and when needed.

I presently have 2 electrical service meters on my property which is under an acre. It was decided by the previous owner to install separate meters rather than connect 2 buildings by an underground service. The first building is approximately 30 feet from the Hydro owned pole located on my property; the second building is approximately 80 feet from the same pole. Both buildings are served by overhead lines from the pole. This same pole is also used to service other customers on adjoining properties. I do not feel that I should be paying for all of the distribution and transmission fees for both services. Hydro does not even have to read the meter on site as they are smart meters. Rather than just combine the usage from both meters and only charge the distribution fee once, a simple accounting exercise, Hydro has informed me that I would have to go to the expense of rewiring the services for both buildings in order to install 1 meter for both buildings. Again at great expense as I would have to increase capacity on 1 building and then run underground to service other building, not a simple feat with the rock shelves and boulders beneath the ground.

Hydro advised me that the building closest to the pole which has the lowest consumption would increase this bill by $61.21 / month or 132% based on an average consumption of 47.29 KWH over a 12 month period. Based on this estimate this would increase my yearly cost by 61.21 x 12 = 734.52. I already pay 576.00 / year bringing the yearly cost to 1310.52 for a yearly consumption of 578 KWH, or a cost of 1310.52 / 578 = 2.27 / KWH.

Hydro advised me that the building furthest from the pole which has the higher consumption would increase this bill by $53.29 / month or 53% based on an average consumption of 388.30 KWH over a 12 month period. Based on this estimate this would increase my yearly cost by 53.29 x 12 = 639.48. I already pay 1212.00 / year bringing the yearly cost to 1212.00 + 639.48 = 1851.48 for a yearly consumption of 4554 KWH, or a cost of 1851.48 / 4554 = 0.41 / KWH.

The cost increase for both of these services would be 734.52 + 639.48 = 1374.00 / year, or an increase from 576.00 + 1212.00 = 1788.00 to 1788.00 + 1374.00 = **3162.00**. This equates to an increase of 3162 / 1788 = 177%.

How is this fair? How is this charge a reasonable cost for this commodity?

The OEB directed the utilities to provide their customers with a cost breakdown resulting from this change.

I hereby submit that Hydro One has not provided me with an understandable breakdown nor has the OEB followed through to make them do so. I only received this notice at the end of February and now only have until March 15, 2021 to respond. The way I understand this is that the OEB want to limit responses and do not care about consumers. This is the first indication that I have as to rate class and the cost impact why is the OEB not allowing time for everyone to respond?

I should have been provided with a cost breakdown based on my usage over a 12 month period, calculated per month.

Hydro One estimated my average monthly electricity use over 12 months. How did they obtain Line E on the chart? Did they not include the effects of line C? Line E shows that there is very little difference between consuming from 50 – 1000 kWh. Hydro cannot explain the chart perhaps the OEB can?

I also understand that only year round residents would get the Ontario Government rebates. This should also be factored into the percentage increase.

Please refer to Hydro One's Bill Calculator:

https://www.oeb.ca/rates-and-your-bill/bill-calculator

R1 Residential shows a total at current rates of 122.14; R2 Residential shows a total of 123.78; and Seasonal shows a rate of 170.03.

Why the difference from what is now shown in current letter from Hydro One as pricing for R1 and R2 are similar using the OEB calculator? There should be a reduction going from seasonal to either R1 or R2 based on your calculator.

SAMPLE MONTHLY BILL STATEMENT

Hydro One Networks Inc. - R1 RESIDENTIAL

Account Number: 000 000 000 0000
Meter Number: 0000000

Your Electricity Charges

Electricity	
Off-Peak @ 8.5 ¢/kWh	$38.08
Mid-Peak @ 11.9 ¢/kWh	$14.99
On-Peak @ 17.6 ¢/kWh	$22.18
Delivery	$54.60
Regulatory Charges	$3.19
Total Electricity Charges	**$133.04**
HST	$17.30
Ontario Electricity Rebate	**(-$28.20)**
Total Amount	**$122.14**

IMPORTANT THINGS YOU SHOULD KNOW WHEN USING THE CALCULATOR:

(1) These numbers are an estimate for informational purposes only. The calculated figures include line-loss adjustments to account for electricity lost during its transmission and delivery between the generators and consumers. There are other factors that affect your total bill that may account for differences between this estimate and the bill you regularly receive from your utility. Always refer to your utility bill for actual usage and totals.

(2) Calculations are based on current electricity commodity prices for the Regulated Price Plan (tiered and time-of-use) and do not take into account future adjustments. Electricity prices are subject to change on May 1 and November 1. **Click here for more information on Regulated Price Plan electricity prices.**

(3) Utilities apply to the OEB for annual distribution rate changes. **Click here for more information on electricity distribution rate applications and decisions.**

(4) The calculators are not designed to estimate bills for consumers on equal billing/budget billing plans.

(5) 700 kWh (the default) is the average monthly consumption for residential consumers in Ontario.

Why the difference from what is now shown in current letter as pricing for R1 and R2 are similar?

SAMPLE MONTHLY BILL STATEMENT

Hydro One Networks Inc. - R2 RESIDENTIAL

Account Number: 000 000 000 0000
Meter Number: 0000000

Your Electricity Charges

Electricity	
Off-Peak @ 8.5 ¢/kWh	$38.08
Mid-Peak @ 11.9 ¢/kWh	$14.99
On-Peak @ 17.6 ¢/kWh	$22.18
Delivery	$56.31
Regulatory Charges	$3.27
Total Electricity Charges	**$134.83**
HST	$17.53
Ontario Electricity Rebate	**(-$28.58)**
Total Amount	**$123.78**

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(2) Calculations are based on current electricity commodity prices for the Regulated Price Plan (tiered and time-of-use) and do not take into account future adjustments. Electricity prices are subject to change on May 1 and November 1. **Click here for more information on Regulated Price Plan electricity prices**.

(3) Utilities apply to the OEB for annual distribution rate changes. **Click here for more information on electricity distribution rate applications and decisions**.

(4) The calculators are not designed to estimate bills for consumers on equal billing/budget billing plans.

(5) 700 kWh (the default) is the average monthly consumption for residential consumers in Ontario.

SAMPLE MONTHLY BILL STATEMENT

Hydro One Networks Inc. - SEASONAL

Account Number: 000 000 000 0000
Meter Number: 0000000

Your Electricity Charges

Electricity	
Off-Peak @ 8.5 ¢/kWh	$38.08
Mid-Peak @ 11.9 ¢/kWh	$14.99
On-Peak @ 17.6 ¢/kWh	$22.18
Delivery	$106.70
Regulatory Charges	$3.26
Total Electricity Charges	**$185.21**
HST	$24.08
Ontario Electricity Rebate	**(-$39.26)**
Total Amount	**$170.03**

IMPORTANT THINGS YOU SHOULD KNOW WHEN USING THE CALCULATOR:

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(2) Calculations are based on current electricity commodity prices for the Regulated Price Plan (tiered and time-of-use) and do not take into account future adjustments. Electricity prices are subject to change on May 1 and November 1. **Click here for more information on Regulated Price Plan electricity prices**.

(3) Utilities apply to the OEB for annual distribution rate changes. **Click here for more information on electricity distribution rate applications and decisions.**

(4) The calculators are not designed to estimate bills for consumers on equal billing/budget billing plans.

(5) 700 kWh (the default) is the average monthly consumption for residential consumers in Ontario. Individual usage may vary.

I understand that Hydro submitted alternatives that were rejected by the OEB. It was also the OEB decision **"that seasonal customers should be placed into the same classes as other Hydro One customers with similar use of distribution assets."**

"The OEB also decided to eliminate the seasonal class and move seasonal customers into one of Hydro One's other residential customer classes based on density."

As I understand the OEB wording states that seasonal customers should be placed into the same classes as customers with similar distribution assets and density. Where did the OEB direct the Utility to further classify these customers into resident and non-resident?

After all Hydro One is simply providing a commodity and a customer is a customer is a customer who should all be treated equally in a fair and just manner.

As I see it this is not the case.

Hydro One definition is found on:

https://www.hydroone.com/rates-and-billing/density-review-and-service-type-information

How are rate classes assigned?

Residential Customers

We base delivery rates for each rate class on the cost of delivering electricity to that type of customer and meeting their electricity supply needs. We divide our residential service area into three rate zones:

***1. Urban high density zone** — Customers classified as residential urban high density are year-round residences in an urban high-density zone, which is an area that contains 3,000 or more customers, with at least 60 customers for every kilometre of power line used to supply energy in the zone.*

***2. Medium density zone** — Customers classified as residential medium density are year-round residences in a medium-density zone, which is an area that contains 100 or more customers, with at least 15 customers for every kilometre of power line used to supply energy in the zone. Customers in this service type will have the monthly service charge and distribution volume charge capped at $36.86 per month. These charges are included under the Delivery line.*

***3. Low density zone** — Customers classified as residential low density are year-round residences in a low-density zone, which is an area not covered by urban high or medium zones. Customers in this rate class receive rural or remote rate protection, which is a credit of $60.50, that's applied to the monthly service charge. Customers won't see this credit shown on their bill. As*

well, customers in this service type will have the monthly service charge and distribution volume charge capped at $36.86 per month. These charges are included under the Delivery line.

Hydro One base density on **"being a <u>year round resident</u> which they define as living in a dwelling in question for at least 4 days of the week for 8 months of the year." Non-residents are not even defined within these rate classes.**

A customer service rep from Hydro indicated that this year round resident vs non- resident would stop. Will it?

As I read it year round residences are given substantial reductions in the medium density zone as long as there are 15 customers for every kilometer. They do not mention whether these customers have to be year round residents? If not the customers who are not residents are subsidizing the residents. The residents will get the government rebate, rural remote rate protection and distribution rate capped. How is that fair or just? The Hydro rep indicated that the rural rate credit and cap on the distribution charge would stop? Hydro or OEB should be able to explain to me and show me the rate density calculation.

Hydro's density description can be seen at:

https://www.hydroone.com/rates-and-billing/density-review-and-service-type-information

The description for residential customers again only describes year round residents, so are they only counting year round residents in their density rating?

As for the Low density zone the non- resident customers are also subsidizing the residents.

I use the same amount of power from May to November as any resident and should not be unfairly categorized. Let everyone be treated equally. I should be in the R1 medium density zone not the R2 low density zone.

Some special interest groups are presently exempt from paying the distribution fees at the expense of other customers.

If the residents are using their properties year round it is the non-resident who is subsidizing the residents as the utilities immediate concern will be who is out of power not the customer who is not there and is not using the power and would not care until they need the power. When the population is low it is the year round resident that will require service not customers who are not there. If anything residents should pay more.

Who other than Hydro One would decide to further define their density zones into resident and non-resident categories, and who other than the OEB would not find this to be objectionable?

Hydro One cost of supplying power has got to be the most exorbitant in the world prior to this classification change. It is just not worth what they will now be providing.

I am sure that there will be further rate increases for usage which will only increase the costs further than what is proposed in this rate reclassification. The % increase will therefore be substantially more than calculations show.

I believe that where I am located that the density meets the requirement for a medium density zone not a low density zone based on all customers and should be reclassified as such.

Yours truly,

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Doug Sneesby
[redacted]