

[REDACTED]

From: Webmaster <Webmaster@oeb.ca>

Sent: Monday, March 15, 2021 8:55 PM

To: registrar <registrar@oeb.ca>

Subject: Letter of Comment - [REDACTED]

The Ontario Energy Board

-- Comment date --

2021-03-15

-- Case Number --

EB-2020-0246, EB-2019-0234, EB-2016-0315

-- Name --

Jim Morrison

-- Phone --

[REDACTED]

-- Company --

-- Address --

[REDACTED]

-- Comments --

Our family is very concerned about the magnitude and fairness of the proposed rate change for seasonal customers. It will have a significant impact on many customers. We are attaching a summary of our concerns and request for changes to the current proposal.

-- Attachment --

[REDACTED]

Letter of Comment to the Ontario Energy Board

Re: EB-2020-0246

Submitted by: Andrew A. and Marjorie Russell, Mary and James Blokker, Andrew and Janice Russell, Jan and Jim Morrison

Address: [REDACTED]
[REDACTED]

March 15, 2021

We recently received a letter from Hydro One outlining information regarding the OEB's upcoming hearing to consider the next steps toward eliminating the Seasonal Rate Class. We are providing the following letter as our submission to be considered by the OEB in your deliberations on this matter.

Our Requests

1. Given the OEB's decision to eliminate the seasonal rate class, we request that current seasonal rate class customers be afforded the same RRRP rate protection as other customers within the same rate class. This would treat all customers within the same rate class equitably. It would also eliminate or minimize the need for rate mitigation, and eliminate the extra administration and associated information systems costs of maintaining separate records for previous Seasonal Rate customers.
2. If the Board were to choose not to proceed as in (1) above, as a second choice we would support Hydro One's recommendation for a credit-based mitigation system with increases limited to 10% per year. We would also support their proposal to initiate the new rate regime in 2023.
3. We further request that the OEB allocate a greater percentage of customer bills to variable costs, and less to fixed costs. The current rate structure within the R2 class provides a significant disincentive to conserve energy, contrary to Canada's and global efforts to limit the impact of energy usage on climate change.

Our Background

Our family has owned a small cottage on South Camp Lake, northeast of Huntsville, for over 45 years. We have been seasonal customers of Ontario Hydro, then Hydro One, and appreciate the electrical service we have received over these many years.

We are quite willing to pay our fair share of the costs of providing the service to us; for fairness to be preserved it must include all customers being treated equitably with other customers in the same or similar rate classes.

Rationale for our Requests

Rate equity fairness

The Hydro One proposal of Oct. 2020 would eliminate one inequity in the system (allocating more of the fixed costs to seasonal customers), but create a new avoidable inequity within the R2 rate class (other R2 customers being afforded RRRP while seasonal customers would not). The rate inequity would be less noticeable in the first few years as rate mitigation was in effect, but would become pronounced as the seasonal customers paid substantially more each month compared to their non-seasonal neighbours. The attempt to solve one equity problem would create another of roughly equal magnitude.

Hydro One and the OEB would, in fact, be maintaining a seasonal rate class – it would simply be under a different name or administrative subsystem.

Regressive rate structure

The letter we received states that the OEB is an independent and impartial public agency that makes decisions that serve the public interest.

The proposed new rate structure will create a significant disincentive for seasonal customers to conserve electrical energy, contrary to Ontario's and global efforts to serve the public interest by averting the negative effects of energy usage on climate change. The disincentive is most pronounced in the R2 class, where a doubling in a low-consumption seasonal customer's energy usage from 50 kWh to 100 kWh per month would result in only a 7% increase in their power bill. An increase in energy consumption from 50kWh to 1000 kWh per month would result in roughly doubling their monthly bill – a 2000% increase in electrical energy consumption for a 109% increase in cost.

To put it into perspective, that 109% cost increase for a 20-fold power consumption increase would still cost a bit less than the 111% cost increase that is being proposed for our family and many of our neighbours if we maintain our current load level. (That calculation is at the 50 kWh/month average load level. Our current average usage is 43 kWh/month, and many of our neighbours use about the same amount.)

We are requesting that the rate structure be adjusted from an apparent retail-type volume discount model where higher usage is rewarded, to one where the variable usage rate is a much higher component of a customer's monthly bill. This would discourage wasteful energy practices and encourage energy conservation.

Comparison to other jurisdictions

Hydro One's proposed rate structure change for seasonal customers will create a significant discrepancy with the seasonal rates in other jurisdictions within Canada. Monthly rates for commensurate low-load seasonal customers in New Brunswick, for example, are currently very comparable to those of Hydro One. The proposed rate changes will result in Hydro One's rates being double that of comparable NB Power rates. If the OEB is concerned about rate equity or competitiveness with other jurisdictions, this is certainly worth further investigation, and another reason to support our request above.

If you would like any clarification or further explanation, we would be pleased to respond. Thank you for your attention in this matter.

Respectfully submitted,

Andrew A. and Marjorie Russell
Mary and Jim Blokker
Andrew and Janice Russell
Jan and Jim Morrison