PUBLIC INTEREST ADVOCACY CENTRE
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June 29, 2021 **VIA E-MAIL**

Christine E. Long
Registrar
Ontario Energy Board
Toronto, ON

Dear Ms. Long:

Re: Hydro One Networks Inc.
EB-2020-0246 – Elimination of Seasonal Rate Class
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

William Harper
Consultant for VECC/PIAC

Email copy:
Mr. Henry Andre
henry.andre@hydroone.com

REQUESTOR NAME:	**VECC**
INFORMATION REQUEST ROUND NO:	**1**
TO:	**HYDRO ONE NETWORKS INC.**
DATE:	**JUNE 29, 2021**
PROJECT NO:	**EB-2020-0246**
APPLICATION NAME:	**ELIMINATION OF SEASONAL RATE CLASS**

Note: For purposes of these information requests the Hydro One Report Elimination of Seasonal Class dated October 15, 2020 will be referred to as the "Hydro One Report".

VECC-1

Reference: **Hydro One Report, pages 3 and 12**
Hydro One Report, Appendix D, 2021 & 2022 Status Quo and 2021 & 2022 Seasonal Elimination
Hydro One Report, Appendices E and F (2021 values used)

Preamble: The Hydro One Report states (page 3):

"The bill impact and mitigation analyses included in Hydro One's 2019 Seasonal Report were based on a January 1, 2021 implementation date. In this report, all bill impact and mitigation analyses have been revised to reflect the recommended effective and implementation date of January 1, 2022. The 2020 and 2021 revenue requirements used in the calculations in this report have also been updated to align with the revenue requirement and rates used in more recent filing."

The Hydro One Report states (page 12):

"The first scenario, "2022 Seasonal Status Quo", calculates 2022 rates based on the outputs of the Board-approved 2018 CAM and the 2018/2019/2020/2021/2022 approved rate design methodology, as well as the Board-approved 2018 to 2022 revenue requirements and charge determinants in EB-2017-0049. In this scenario the Seasonal Class remains in place for 2018, 2019, 2020, 2021 and 2022."

a) Please confirm that the 2021 service revenue requirement used for purposes of the Hydro One Report is $1,585.4 M (per Appendix D, pages 4 and 9) and that this is based on Hydro One Networks' 2021 Annual Rate Update (EB-2020-0030) filed August 31, 2020.

b) Are the 2021 rates used throughout the Hydro One Report also based on Hydro One Networks' 2021 Annual Rate Update (EB-2020-0030) filed August 31, 2020?

c) Please confirm that the Board's EB-2020-0030 Decision (issued December 2020 and revised February 2021) approved rates for 2021

based on a revenue requirement of $1,596.2 M (per page 11 of the Decision).

d) Please update the 2021 Status Quo and 2021 Seasonal Eliminated Tables in Appendix D to reflect the actual approved rates for 2021 per EB-2020-0030.

e) Please confirm that, contrary to the text referenced in the Preamble from page 12, there is no OEB approved revenue requirement for 2022.

i. If confirmed, what is the basis for the forecast 2022 revenue requirement used in the calculations for the Hydro One Report? Please provide the supporting references/calculations.

ii. If confirmed, does the calculation of the 2022 revenue requirement change based on the Board's EB-2020-0030 Decision? If so, what is the revised 2022 revenue requirement?

iii. If not confirmed, please provide a reference to the relevant OEB decision where the 2022 revenue requirement of $1,631.4 M used in the Hydro One Report (per Appendix D, page 5) was approved by the Board.

iv. Please update the 2022 Status Quo and 2022 Seasonal Eliminated Tables in Appendix D to incorporate the impact of the Board's EB-2020-0030 Decision

e) Using the results from parts (d) and (e)(iv), please provide revised versions of Tables, 6, 7, 8, 9, 10, 11, 12 and 13.

f) What is the last year of actual data used to develop the 2021 and 2022 customer load and customer energy values used in Appendix D, pages 1-5?

VECC-2

Reference: Hydro One Report, page 4

Preamble: The Hydro One Report states:

"The elimination of the Seasonal Class, once the move to all-fixed distribution rates is completed, results in a reduction of about $5/month for the roughly 70,000 seasonal customers moving to the R1 residential class and an increase of about $54/month for the roughly 78,000 seasonal customers that would move to the R2 residential class. The combined impact on low volume seasonal customers of moving to the R2 residential class at all-fixed distribution rates, and without the rate subsidies available to year-round R2 customers, is a 111% (or $60/month) increase in their total electricity bill.

As a result of the significant bill impact to seasonal customers that will move to the R2 residential class, mitigation will be required to limit total bill impacts to 10% when the Seasonal Class is eliminated. The recommended mitigation would be a fixed monthly

credit for low-volume seasonal customers based on their prior year's average monthly consumption. Due to the magnitude of the impacts, it is estimated that bill credits would need to be in place for the lowest volume seasonal customers for a period of 9 years at an estimated total cost of about $150M"

a) Are the "dollar" increases referenced in the quoted text over and above the any rate increase that would occur in 2022 due to the annual CIR rate adjustment?

i. If the dollar values include the annual CIR rate adjustment, please indicate what the contribution of the annual rate adjustment is to each of the dollar values quoted.

ii. If the dollar values exclude the annual CIR rates adjustment, please indicate what the values are after the annual rate adjustment is also included.

VECC-3

Reference: **Hydro One Report, pages 8-9**

Preamble: The Hydro One Report states (page 8):

"In order to move customers out of the Seasonal Class as per the OEB's March 2015 Decision, it is necessary to determine into which year-round residential class each seasonal customer would be assigned. Seasonal customers are included as part of the work Hydro One carries out to review the density classifications to which customers are assigned. As such, the geographic location of seasonal customers was taken into consideration when defining the density zone boundaries that were reviewed and approved as part of proceeding EB-2013-0416 and updated in Hydro One's 2018-2022 Distribution Application (EB-2017-0049)."

The Hydro One Report states (page 9, footnote #10):

"Prior to the final implementation of any Seasonal Class changes, the split of seasonal customers moving to the various year-round residential classes would need to be updated based on the current customer classification and density zone information available at that time."

a) With respect to Figure 1, are the values based on actual 2017 kWh use or weather normalized 2017 usage?

b) Please provide Figure 1 using 2020 data determined on the same basis.

c) With respect to the density classification review of Seasonal customers referenced in the Preamble, what year's data was used for the review and what were the specific results for that year (i.e., total number of Seasonal customers the resulting breakdown between the three residential classes)?

i. How were the results then used to estimate the breakdown of the 2018 forecast of 147,679 seasonal customers?

d) In Appendix D (pages 1-5) there are forecasts of the 2018-2022 seasonal customer count from EB-2017-0049.

   i. What it the basis for each year's forecast? For example, are the forecasts meant to represent year end values, average monthly values or some other value?

   ii. Based on data now available, please provide a schedule that sets out the actual seasonal customer count for each of the years 2018-2020 – where each is calculated on the same basis as in Appendix D. (Note: If the breakdown by the three residential customer class segments is not available, please provide the total for each year)

   iii. Does have Hydro One have a more recent forecast of the seasonal customer count in total and/or broken down between the three residential customer class segments? If yes, please provide.

e) Has there been a density classification review of Seasonal customers undertaken since the one referenced in the Preamble that was used for purposes of the Hydro One Report?

   i. If yes, please indicate the year it is based on and provide the results.

f) With respect to the updating of the split of seasonal customers moving to the various year-round residential classes referenced in Footnote #10, when would this be done and what year's actual data would be used: i) assuming an implementation date of January 1, 2022 and ii) assuming an implementation date of January 1, 2023?

g) With respect to Table 2, what year is the breakdown of monthly consumption by number of customers based on?

h) With respect to Table 3, what year are the 10^{th} and 90^{th} percentile values based on?

i) Please provide the average and median monthly consumption values for each of the four residential rate classes using the same source data as used for the 10^{th} and 90^{th} percentile values in Table 3.

j) Please provide a schedule that sets out the 10^{th} percentile, 90^{th} percentile and average monthly use values for: i) the 245 Seasonal customers that would be assigned to the UR class, ii) the 69,839 Seasonal customers that would be assigned to the R1 class and iii) the 77,595 Seasonal customers that would be assigned to the R2 class.

k) Please provide an updated version of the Table 3 based on 2020 data and include the average and median values for each residential class.

VECC-4

Reference: **Hydro One Report, page 10**
Hydro One Report, Appendix B-I6.2 and Appendix C-I6.2

Preamble: The Hydro One Report states:

"To determine the cost allocation and rate design impacts of eliminating the Seasonal Class as per the OEB's March 2015 Decision, Hydro One ran two scenarios of its 2018 cost allocation model.
The first scenario, "Seasonal Status Quo", is based on a 2018 cost allocation model ("CAM") run that incorporates all of the model changes approved by the Board as part of its Decision in Hydro One's 2018-2022 Distribution Application. In this run the Seasonal Class remains in place for 2018.
The second scenario, "Seasonal Eliminated", is based on updating the 2018 Seasonal Status Quo CAM to reflect the elimination of the Seasonal Class in 2018. In this run the number of customers and kWh values for the "new" UR, R1 and R2 classes are updated to include the values associated with the seasonal customers moving into those classes."

a) Please provide the excel models for the two scenarios based on the 2018 cost allocation model.

b) Please confirm that in Tab I6.2 of the CAM, the value for the Meter Reading allocation factor for each class is based the number of units times the relative cost per unit (with UR having a relative value of 1.0) as calculated in Tab I7.2.

c) With respect to Tab I6.2, please explain why the sum of the Meter Reading allocation factors (CWMR) for the Residential classes in Appendix B (250,475) does not equal the sum of the Meter Reading Allocation factors in Appendix C (234,661).

d) It is noted that Hydro One is proposing to change the meter reading and billing frequency for certain former Seasonal customers (per page 39 – Option C). Have these changes been incorporated into the Cost Allocation for the 2018 Seasonal Eliminated CAM (Appendix C)?

   i. If yes, please explain how the billing and collecting weighting factors used were determined and provide the supporting calculations.

   ii. If yes, please explain how the Meter Reading Tab (Tab I7.2) was adjusted.

e) With respect to Tab I6.2, please explain why the sum of the Services allocation factors (CWCS) for the Residential classes in Appendix B (1,089,509) does not equal the sum of the Services factors in Appendix C (1,110,724) such that the total Services capital allocated to the residential classes differs between the two scenarios.

VECC-5

Reference: Hydro One Report, page 11

a) With respect to Table 4, please confirm that with the elimination of the Seasonal class:
   - "Escalated Revenues" for the Residential classes increase from $1,029 M to $1,034.9 M, but
   - Allocated "Costs" for the Residential classes decrease from $1,002.2 M to $996.8 M.

b) Does Hydro One consider it reasonable that, as a result of the elimination of the seasonal class, the total costs allocated to the Residential classes decrease but the total revenues to be recovered from the Residential classes increase, effectively moving their overall revenue to cost ratio further away from 100%.?

   i. If yes, please explain why?

   ii. If not, what adjustments could/should be made in order for the results to be "reasonable"?

   iii. Please comment on the pros/cons of an approach whereby the Escalated Revenues for the non-Residential classes are adjusted so as to remain unchanged (from their Seasonal Status Quo values) and the revenue difference is used to reduce the Escalated Revenue for each of the Residential classes.

VECC-6

Reference: Hydro One Report, pages 14-15

Preamble: The Hydro One Report states (page 14):

> "The biggest impact of eliminating the Seasonal Class is on the seasonal customers themselves. While there is a notable decrease in the 2022 bill impacts for those seasonal customers moving to the R1 class (Seasonal-R1), as well as the very few customers moving to the UR class (Seasonal-UR), there is a significant increase in bill impacts for all seasonal customers moving to R2 class (Seasonal-R2), in particular for the low and <u>average</u> consumption seasonal customers. In the case of low volume Seasonal R2 customers, they would see an increase of 106% over their 2021 total bill". (emphasis added)

a) Please confirm that the 2022 rates used for Table 7 are those from Appendix D-2022 Status Quo and Appendix D-2022 Seasonal Eliminated.

   i. If not confirmed please explain the basis for 2022 rates used and provide equivalent Appendix D worksheets that set out their derivation.

b) Please confirm that the impacts set out in Table 7 (as opposed to Tables 8, 9 or 10) are estimates of the total bill impacts customers will experience if Seasonal rates are eliminated January 1, 2022.

c) Please re-do Table 7 for each of the Residential classes using the 2020 average monthly energy use for each class per Question 3 (k). If the 2020 averages are not readily available please use the average monthly energy use for each Residential class per Question 3 (i).

d) Please re-do Table 7 for the Seasonal-UR, Seasonal-R1 and Seasonal-R2 categories using the average monthly consumption values for each category per Question 3 (j).

VECC-7

Reference: Hydro One Report, page 15 (Table 7)

a) Is noted that in Table 7 Sentinel and USL are the only non-Residential customer classes where the total bill is higher under the "Seasonal Eliminated" scenario. Please explain why this is the case.

VECC-8

Reference: Hydro One Report, pages 15-16

a) Is Table 8 based on the differences in Table 7 between: i) the 2022 Status Quo Change in Total Bill and ii) the 2022 Seasonal Eliminated Change in Total Bill?

   i. If yes, please confirm that both of these "scenarios" assume, for 2022, the continued phase-in of fixed rates.

   ii. If not, please explain the basis for the "2022 Change" values set out in Table 8 and provide the equivalent Appendix D worksheets that derive the rates for the two 2022 scenarios used to determine the change values shown in the Table.

b) Please confirm that the total bill change values set out in Table 8 do not include the impact of the difference between the assumed 2022 revenue requirement versus 2022 revenues based on 2021 rates (i.e., the impact of the general distribution rate increase assumed for 2022)?

   i. If not confirmed, please revise Table 8 to exclude the impact of the assumed 2022 general distribution rate increase and provide the calculation basis for the comparative bills.

c) Please provide a worksheet equivalent to Appendix D-2022 Status Quo based on the assumption that there is no further phase in to fully fixed rates in 2022 (i.e., 2022 Residential rates based on 2021 fixed-variable split).

   i. Please also provide a schedule for the Seasonal class categories similar to Table 7 that sets out based on the different monthly consumption values: i) the 2021 total bill, ii) the 2022 total bill

using the rates calculated per this question (i.e. Seasonal not eliminated and no further phase-in of fixed rates), and iii) the dollar/percentage change in the total bill.

d) Please provide a worksheet equivalent to Appendix D-2022 Seasonal Eliminated based on the assumption that there is no further phase in to fully fixed rates in 2022 (i.e., 2022 Residential rates based on 2021 fixed-variable split).

i. Please also provide a schedule for the Seasonal class categories similar to Table 7 that sets out based on the different monthly consumption values:

- the 2022 total bill calculated per Question 8 (c) (i) and the associated change (dollar and percentage) from the 2021 bill.

- the 2022 total bill using the rates calculated per this question (i.e., Seasonal eliminated and no further phase-in of fixed rates) and the associated change (dollar and percentage) from the 2021 bill.

ii. If the changes between the two 2022 bills calculated above are not the same as those in Table 8 of the Hydro One Report, please explain why.

e) Please provide a Table similar to Table 8 but with the following columns: i) 2021 Total Bill, ii) 2022 Total Bill based on No Seasonal Rate Elimination and No Further Fixed Charge Phase-In (per Question 8 (c)), and iii) 2022 Total Bill based on Seasonal Rate Elimination but No Further Fixed Charge Phase In (per Question 8 (d)).

VECC-9

Reference: Hydro One Report, page 16

a) Please re-do Table 8 but for each of the three categories (Seasonal-R2, Seasonal-R1 and Season-UR) use the average monthly consumption for that category per Question 3 (j).

VECC-10

Reference: Hydro One Report, pages 16-17

Preamble: The Hydro One Report states:

"To assist in understanding the factors contributing to the seasonal customer impacts, Table 10 breaks out the end-state impacts shown in Table 9 into two components: 1) the impact of just moving to all-fixed Seasonal Class rates and 2) the additional impact resulting from the elimination of the Seasonal Class."

a) Please re-calculate Tables 9 and 10 but with the order of the changes reversed such that the interim step is based on the total bills for 2022

assuming Seasonal is eliminated and the phase-in to all fixed rates is per current plan.

VECC-11

Reference: **Hydro One Report, pages 19-20 and Appendix E**
EB-2020-0030, Exhibit 1.0 - updated

Preamble: The Hydro One Report states (page 19):

"The 1st mitigation option considered is a credit-based approach. Under this option, seasonal customers will move to R2 class rates in 2022 (i.e. they will be billed at the same rate as all R2 customers) and a credit will be applied to their bills to limit total bill impacts to 10%. The 10% impact will take into account all distribution-related items approved by the Board for 2022 as well as the elimination of the Seasonal Class."

The Hydro One Report states (page 20):

"A mitigation credit would then be applied to seasonal-R2 customers' bills to limit the impacts to a 10% increase over their prior year's total bill."

a) Please provide a schedule that lists the components of the total bill as set out in the Appendix E bill impact calculations and for each one indicate whether changes for 2022 would be included in the calculation of the 10% bill impact.

b) Please provide a schedule that lists all of Hydro One Networks-Distribution's active Deferral/Variance accounts and, for each one, indicate whether changes in the related rate rider for 2022 (versus 2021) would be included in the calculation of the 10% bill impact.

c) For those components of the total bill for which changes will not be included in the calculation of the 10% bill impact, please indicate what the basis for the values used to calculate the total bill will be (e.g. will they be the values approved/used for billing as of the date of Hydro's rate application for the test year?). In responding please address what the basis will for the "energy prices" and OER value used, as these are known to change frequently.

d) Please confirm that there are no customers in the Seasonal-R1 category that could exceed the 10% bill impact limit.

VECC-12

Reference: **Hydro One Report, pages 21-22**

Preamble: The Hydro One Report states:

"As such, Hydro One proposes that a fixed credit amount apply for all seasonal customers within the consumption bands shown in Table 12. The applicable credit amount, calculated based on the midpoint within the consumption band, would be determined based on the prior year's average monthly consumption for each

individual seasonal-R2 customer at the time the credit is established."

a) Given the timing of Hydro One's application for and Board approval of annual adjustments to its distribution rates, when would the credit be established (e.g., if implemented for January 1, 2022 when in 2021 would the credit be established) and what months would be used to determine the prior year's average monthly consumption for a particular customer?

b) Please confirm that even though a Seasonal customer's consumption will vary from month to month, the credit will be calculated based on the average monthly usage for the prior year and be fixed at the same value for each month in a given year.

c) In calculating the credits set out in Table 12, what was the underlying assumption used for each of the years 2023 through 2031 with respect to the increase in distribution revenue requirement for the year over revenues based on the previous year's distribution rates?

d) Please provide schedules that set out: i) the derivation of the R2 2023 distribution rates used for purposes of Table 12 and ii) the total bill impact calculation for 2023 that supports the $40.63 credit set out in Table 12 for the 0-50 kWh consumption range in a format similar to that used in Appendix F.

VECC-13

Reference: Hydro One Report, pages 22-24 & 26-27 and Appendix G

Preamble: The Hydro One Report states (pages 22-23):

"The second approach, developed in response to stakeholder feedback, is to recover the cost of credits from customers in all classes, not just formerly seasonal customers. The rationale for doing so is that all classes benefit from lower rates as a result of the increased revenue at current rates driven by eliminating the Seasonal Class, as discussed in Section 4.1. Under this approach, the amount of credits paid to seasonal-R2 customers would be tracked in a variance account for disposition as part of the annual rates-setting process under a Custom IR or IRM application.
For the purpose of disposition, Hydro One would allocate the credit variance account balance across all classes based on the revenue share of each class prior to any R/C ratio adjustments. The amount to be collected from each class would then be disposed of via a fixed rider determined on a per customer basis."

The Hydro One Report states (page 27):

"Allocate the credit variance account balance across all classes based on their class share of total revenue requirement and dispose of the variance account amounts allocated to each class via a monthly fixed rider for the residential classes and a combined fixed and variable rider for all other rate classes."

a) The rationale for allocating the credit variance account to all customer classes appears to be that all customer classes benefit from the elimination of the Seasonal class. However, Table 7 indicates that for the Sentinel and USL classes this not the case. Why is it reasonable to allocate a portion of the credit variance account to these two classes?

b) When would Hydro One anticipate the credits paid to Seasonal-R2 customers being recovered? For example, assuming a January 1, 2022 implementation, would the credits paid and tracked in the variance account for 2022 be recovered in: i) 2023 using a forecast of the 2022 year-end variance account balance (assuming the 2023 rates including the required rate riders for DVAs are set prior to January 1, 2023) or ii) in 2024 based on the actual year-end variance account balance?

c) Please confirm that a portion of the balance in the variance account will be allocated to and recovered from Seasonal-R2 customers.

   i. If confirmed, what portion of the credit variance account balance would be allocated to the R2 customer class and recovered from former Seasonal customers based on 2022 revenues/revenue requirement by customer class and the forecast customer counts? Please provide the supporting calculations.

   ii. If confirmed, please indicate whether the impact of the variance account recovery rate rider will be included in the determination of the 10% total bill impact.

   iii. If confirmed, do the estimated credits set out in Table 12 take this impact (per (ii)) into account?

d) Please clarify whether the allocation basis is: i) the revenue share of each customer class (i.e., each class' share of the Base Revenue Requirement as suggested by the reference quoted from page 23) or ii) the revenue requirement share of each customer class (i.e., each class's share of the Service/Total Revenue Requirement as suggested by the referenced quote from page 27).

e) Please explain why the allocation of the credit variance account balance is based on the revenue/revenue requirement shares prior to any R/C ratio adjustments (per page 23).

f) With respect to Appendix G (pages 25-51), please re-do the total bill impact calculations for the non-Residential customer classes but include in the 2022 rates the estimated fixed rider per Table 13 and provide the results for each case in a similar format.

g) With respect to Appendix G (pages 1-21), please re-do the total bill impact calculations for these Residential customer class usage scenarios but include in the 2022 rates the estimated fixed rider per Table 13 and provide the results for each case in a similar format.

h) With respect to Appendix G (page 22-24), please re-do the total bill calculations for these Residential customer class usage scenarios but include in the 2022 rates both: i) the relevant estimated credit variance

account fixed rider per Table 13 and ii) the relevant bill impact credit per Table 12. In each case, please provide the results in a format similar to that used in Appendix G.

VECC-14

Reference: Hydro One Report, pages 28-30

a) Based on Hydro One's current customer classification definitions would all R2 customers qualify for the RRRP subsidy per Regulation 442/01?

i. If yes, why?

ii. If not, why not?

iii. If not, are there currently any R2 customers that do not qualify for the RRRP subsidy? If so, what is the total number of R2 customers and how many do not qualify?

b) Based on Hydro One's current customer classification definitions would all R1 and R2 customers qualify for the DRP per Regulation 198/17?

i. If yes, why?

ii. If yes, why do Appendix F (pages 5, 7, 9, 11, 13 & 15) and Appendix G (pages 5, 7, 9, 11, 13, 15) include bill impacts for R1 and R2 customers without DRP?

iii. If not, why not?

iv. If not, are there currently any R1 or R2 customers that do not qualify for the RRRP subsidy? If so, what is the total number of customers in each of these classes and how many do not qualify?

VECC-15

Reference: Hydro One Report, pages 33-34

Preamble: One of the disadvantages of Option A is cited as: "Difficult to rationalize and communicate different levels of meter reading and billing frequency to customers in the same class".

a) Given that for Seasonal customers there already are different levels of meter reading and billing frequency (per page 31) why is the issue noted in the Preamble considered a disadvantage?

VECC-16

Reference: Hydro One Report, pages 35-36 and 40

a) The reference to 2,300 of the Seasonal High Usage Sub-Segment meters being read manually is as of when and what was the total number of Seasonal High Usage customers at that point in time?

b) How many Seasonal High Usage customers are currently on electronic billing and how many more would need to opt for electronic billing to achieve the referenced $52,000 in savings?

c) The reference to 9,000 of the Seasonal Medium Usage Sub-Segment meters being read manually is as of when and what was the total number of Seasonal Medium Usage customers at that point in time?

d) How many Seasonal Medium Usage customers are currently on electronic billing and how many more would need to opt for electronic billing to achieve the referenced $312,000 in savings?

e) The reference to 9,800 of the Seasonal Low Usage Sub-Segment meters being read manually is as of when and what was the total number of Seasonal Low Usage customers at that point in time?

f) How many Seasonal Low Usage customers are currently on electronic billing and how many more would need to opt for electronic billing to achieve the referenced $12,000 in savings?

g) At page 40 reference is made to Option C being complex and having significant implementation and ongoing administration costs. Are these costs reflected in the cost and savings estimates set out in Table 19?

   i. If not, what are the additional one-time and/or annual implementation and ongoing administration costs associated with Option C?

h) Please confirm that Option C only applies to former Seasonal customers and new UR, R1 and R2 customers that do not meet the current definition of a Residential customer (i.e., there will be no change in meter reading frequency or billing frequency for customers that meet the definitions for UR, R1 and R2 customer respectively, regardless of their usage level).

   i. If not confirmed, what how will Option C impact these customers?

VECC-17

Reference: **Hydro One Report, page 41**

Preamble: The Hydro One Report states:

> "Section 3.1 of the conditions of service, which covers the definitions of Hydro One's rate classes consistent with the approved rate schedules, would need to be revised to reflect the elimination of the Seasonal Class and that the residential rate classification will now consist of two sub-categories of residential service: year round and seasonal."

a) Will the new definitions of UR-Year Round, R1-Year Round and R2-Year Round match the current definitions for UR, R1 and R2 respectively?

   i. If not, why not?

ii. If not, what will the new definitions be and how will they differ?