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June 29, 2021

Ms. Christine Long
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Long,

**Re: Hydro One Networks Inc. Implementing the Ontario Energy Board's
Decision to Eliminate the Hydro One Networks Inc. Distribution
Seasonal Rate Class
Ontario Energy Board File Number: EB-2020-0246**

Please find enclosed the interrogatories submitted on behalf of both the Balsam Lake Coalition and the Balsam Lake Association in the above noted proceeding.

Yours very truly,



Michael R. Buonaguro
Encl.

**Balsam Lake Coalition (BLC) and Balsam Lake Association (BLA) Interrogatories
Implementing the Ontario Energy Board’s Decision to Eliminate the Hydro One
Networks Inc. Distribution Seasonal Rate Class
Hydro One Networks Inc. (Hydro One)
EB-2020-0246
June 29, 2021**

Issue 1 – Report on Elimination of the Seasonal Class, Update dated October 15, 2020, EB-2016-0315.

See Page 11, Table 4 –This table shows that the Elimination of the Seasonal Class results in an additional \$19.8 M in total revenue, at current rates, and the R/C ratio as a result, is increased for R2 residential class from 0.97 to 1.0.

1. Why could the R/C ratio not be held at the current level of 0.97, which would result in less revenue requirement recovered from R2 customers?

Issue 2 – Hydro One’s response to Question No. 10, P.O. No. 1, EB-2020-0246.

It was stated by Hydro One in its response that “Seasonal Class customers who reside at their property continuously for at least 8 months of the year should complete an online Declaration Form for year-round status”.

2. Does Hydro One agree that the only requirement for Distribution Rate Protection (DRP) for Hydro One R1 and R2 customers is that the customer “resides continuously at the service address to which the account relates for at least eight months of the year” and that the only requirement for Rural or Remote Electricity Rate Protection (RRRP) for Hydro One R2 customers is that the consumer occupy “a dwelling occupied as a residence continuously for at least eight months of the year” as set out in Ont. Regulation 442/01 and Ont. Regulation 198/17 respectively? If Hydro One believes there are further, additional legal criteria please provide the source of that criteria in legislation.
3. How does Hydro One propose to verify who qualifies for year-round status and the RRRP/DRP subsidies?
4. If the response to 3 is that Hydro One will use the criteria currently in its Online Declaration Form for Year-Round Status, why would Hydro

One impose different criteria from those listed in Ont. Regulation 442/01 and Ont. Regulation 198/17, and as apparently recognized by Hydro One in its response to Question No. 10?

5. What is Hydro One's rationale for the current broad list of criteria in its Declaration Form for Year-Round Status, which appears to BLC and BLA to differ significantly from the criteria imposed by the prevailing Ontario Regulations governing DRP and RRRP?
6. Does Hydro One agree that it is possible for a consumer to meet the legal criteria for RRRP and/or DRP without meeting any of the additional criteria imposed by Hydro One in its Declaration Form for Year-Round Status, including specifically:
 - a) that the address of the residence appears on supporting documents such as the customer's driver's licence, credit card invoices, property tax bill, etc. and
 - b) that if the customer is eligible to vote in provincial or federal elections, the customer must be enumerated for voting purposes at the address of this residence.
7. In EB-2013-0416, as noted by the OEB in its decision dated March 12, 2015 at pages 46-47, Hydro One identified approximately 11,000 customers in the seasonal class whose consumption patterns suggested they may qualify as year round customers, and accordingly Hydro One proposed to move those customers to the R1 and R2 classes based solely on their consumption patterns with the effect that those customers moved to the R2 class would have immediately gained RRRP funding (and, as a result of subsequent legislation, customers moved to either the R1 or R2 class would have gained DRP funding).
 - a) Please detail any efforts to date by Hydro One to contact the approximately 11,000 customers it identified as possibly year-round customers because of their consumption patterns in EB-2013-0416 and provide qualifying customers RRRP and/or DRP funding.

- b) Please advise how many of the approximately 11,000 customers it identified as possibly year-round customers because of their consumption patterns in EB-2013-0416 have since been moved to either the R1 or R2 classes.

Issue 3- Disputes.

8. When there is a dispute about whether a customer does or does not qualify under the above RRRP/DRP criteria, how does Hydro One propose that such disputes be resolved?

Issue 4 – New Rate Design - After Seasonal Class is Eliminated.

BLC outlined a proposal in its submissions dated December 19, 2019 in EB-2019-0234, pages 12-17, wherein the seasonal class is eliminated by moving seasonal customers to their respective density based rate classes as appropriate (the UR, R1 and R2 rate classes), and then the R1 and R2 rate classes are split into two sub-classes, each based on the occupancy criteria imposed by DRP and RRRP eligibility, such that the new R1 and R2 rate classes would group its members based on their similar consumption characteristics with the result that the new R2 sub-class containing all the former R2 seasonal customers would have the impact of the elimination of the seasonal rate class greatly mitigated if not entirely negated and the new R1 sub-class containing all the former R1 seasonal class would experience a greater rate reduction as a result of being in a rate class that more closely reflects the costs allocated to them under the prevailing Cost Allocation Methodology.

9. Does Hydro One agree that creating a new R2 sub-class containing all the customers that do not qualify for RRRP and DRP funding would have the effect of permanently and materially reducing the impact of the elimination of the seasonal class on R2 seasonal customers? If not, why not?
10. Please describe any obstacles that Hydro One believes prevents the creation of R1 and R2 sub-classes as proposed by BLC in its December 19, 2019, submissions?

Issue 5 - Hydro One's Consultation with Ontario Government.

According to transcripts of a previous hearing held approx. 2017 at the Ont. Energy Board, Hydro One was consulted by the Ont. Government about the

proposed DRP legislation. Hydro One recommended at that time that the Ontario Government should exempt all seasonal class customers from any benefits proposed by the Government under the contemplated DRP legislation. Subsequently all seasonal class customers were exempted from DRP funding.

11. What was Hydro One's rationale for proposing that the provincial government deny Distribution Rate Protection for approximately 148,000 seasonal class customers but at the same time recommend that over one million year-round customers be granted significant subsidies under Ont. Regulation 198/17?