

**Hydro One Networks Inc.**  
7<sup>th</sup> Floor, South Tower  
483 Bay Street  
Toronto, Ontario M5G 2P5  
www.HydroOne.com

Tel: (416) 345-5124  
Fax: (416) 345-5866  
Henry.Andre@HydroOne.com



**Henry Andre**  
Director Pricing and Regulatory Policy

BY EMAIL AND RESS

August 04, 2021

D'Arcy and Wendy Cuthbert  
540 Essex Rd.,  
Kenora, ON P9N 4N8  
Account: 2002 3013 2972

Dear D'Arcy and Wendy Cuthbert:

**EB-2020-0246 - Implementing the Ontario Energy Board's Decision to Eliminate the Hydro One Networks Inc. Distribution Seasonal Rate Class – HONI's Response**

We appreciate you taking the time to provide your comments in this proceeding.

Below is Hydro One's response to the issues raised in your letter dated May 27, 2021 that was sent to the Ontario Energy Board (OEB) regarding the elimination of the Seasonal Class under proceeding EB-2020-0246.

The decision to eliminate the Seasonal Class was made by the OEB as part of Hydro One's application for 2015 distribution rates in Proceeding EB-2013-0416. Hydro One did not propose the elimination of the Seasonal Class as part of its application to the OEB, rather the proposal to eliminate the seasonal class was made by an intervenor in Hydro One's application and accepted by the OEB. The OEB's reasons for making the decision to eliminate the Seasonal Class are detailed on pages 46-49 of their Decision with Reasons issued March 12, 2015 which references the evidence they considered in arriving at their decision. The OEB's Decision with Reasons is available from the OEB's website by looking in their WebDrawer under Case Number EB-2013-0416.

Hydro One's Distribution rates cover the costs associated with providing customers with a "basic connection" and use of the common distribution network and services provided for the benefit of all customers. A "basic connection" consists of supplying overhead distribution transformation and up to 30 meters of overhead conductor for connecting customers to the distribution network. As specified in section 2.1.1 of Hydro One's Conditions of Service, and as required by sections 3.1.4 and 3.1.6 of the OEB's Distribution System Code, individual customers are responsible for all connection costs that go above and beyond the "basic connection". This would be the case for

customers located at some distance from the distribution network or on an islands, as is your situation.

The issue you raise about increasing distribution rates potentially leading to customers choosing to move to other types of fuel and disconnecting from Hydro One is a concern that has been raised by other seasonal customers, and we have previously identified this concern to the OEB. You are correct that this could lead to a decrease in the number of customers, which could potentially lead to higher rates for the remaining customers.

Your letter references an increase in your electricity prices from 0.077 per kWh in 2018 to a tiered rate of 0.101 per kWh for the first 1000kWh and 0.118 over 1000 kWh. These prices refer to the cost of the electricity consumed. Hydro One is responsible only for the cost of *delivering* electricity to its customers and we have no ability to set or control the price of electricity. The price that residential customers pay for electricity is set under the Regulated Price Plan (RPP), which is administered by the OEB. All customers subject to the OEB's Regulated Price Plan pay the same price for electricity. The RPP prices are reviewed twice a year and are reset by the OEB as required to cover the forecast cost of electricity over the next 12 months. Any changes to the Regulated Price Plan, such as charging different electricity prices for customers located on islands, is something that you would need to pursue with the OEB as a separate matter from the issues being addressed in this current proceeding.

Your letter of comment, and Hydro One's response will both be filed as part of the record in this proceeding. Thank you again for your interest in this proceeding.

Sincerely,

A handwritten signature in blue ink that reads "H. Andre". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

Henry Andre

cc

Eric Melillo, MP  
308 Second Street South,  
Unit #19  
Kenora, ON P9N 1T9

Greg Rickford, MPP  
300 McClellan Ave. East Room  
Kenora, ON P9N 1A8