

September 8, 2021

Via e-mail

Ms. Christine Long, Registrar  
Ontario Energy Board

**Re: Written Submission of Tasso, Toad, Camp, and Blue Lakes Association**

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

On behalf of the Tasso, Toad, Camp, and Blue Lakes Association (TTCBLA), I am submitting our written intervenor submission. Our Association represents just over 200 property owners east of Huntsville, of which roughly 195 are seasonal customers of Hydro One, roughly 15 are non-seasonal customers, and 5 are off-grid. We expect that the vast majority of our members will be transitioned to the R2 rural rate customer class, and expect to see a doubling of their electricity rates, as outlined in Hydro One Networks' proposal to the OEB, and the letter they sent to us as customers in February of this year.

We want to thank the Ontario Energy Board and Hydro One Networks in advance for their attention to our concerns and submissions.

We look forward to your consideration of our submission. If you have any questions of us or need further clarification, please address them to me via the e-mail listed below. Thank you.

Sincerely,

James Morrison

85 Sand Point Wharf Road  
Bayswater, NB E5S1N2  
Email: jimandjanmorrison@gmail.com

Copies to:

Henry Andre	Director, Hydro One Networks Inc.
Martin Davies	OEB Case Manager
James Sidlofsky	OEB Counsel
EB-2020-0246 Intervenors	

***Tasso, Toad, Camp and Blue Lakes Association (TTCBLA)***

**TTCBLA Submission re: EB-2020-0246 Seasonal Rate Change**

Sept. 8, 2021

**Introduction**

The Tasso, Toad, Camp and Blue Lakes Association believes that the elimination of the seasonal rate class and the subsequent imposition of vastly increased new rates for 78,000 rural and remote customers is unjustified and unnecessary, and will ultimately result in increased costs for electrical services in total to Hydro One Networks and their customers. It will place a significant burden on many customers moving to the R2 class, increase administrative costs for Hydro One, create significant inequity among neighbours based on household occupancy and distribution density levels, and provide only minimal rate decreases for other customers.

Given that the OEB has decided to proceed with this decision, and given Hydro One's proposed approach to the implementation of the new rate structure, we submit the following proposals to mitigate the negative impacts of the decision, and make the new structure as fair and equitable as possible under the circumstances.

**Approaches to Mitigation**

The TTCBLA proposes that the mitigation should follow the guidelines set out by the OEB as closely as is reasonably practical.

1. By its nature, using the mid-point for the 10% mitigation calculation would ensure that some substantial portion of the customers in each consumption range would pay more than a 10% increase, which does not meet the OEB guidance. Using the mid-point of the range would also mean that the same customers would be targeted for higher than 10% increases year after year if their consumption pattern remained stable over time. We submit that no individual customer should be charged an increase of more than 10% within any given year. Given the information submitted by Hydro One, we propose that the calculation for each electrical consumption segment be targeted at the bottom end of each consumption range, rather than the mid-point.
2. The TTCBLA further submits that the calculation of the mitigation amounts for each customer should be based on a model whereby there is no compounding effect of increases based on the incremental increase portion of a customer's bill, except for increases due to that customer's increased electrical consumption.
3. The TTCBLA requests that the mitigation be capped at 7.5% rather than the proposed 10%, given the unprecedented magnitude of the total change to be absorbed by some customers. It would limit the burden on the customers most affected by the change, while still ensuring that much of the positive benefit for positively affected customers would happen in the first few years.

4. The TTCBLA requests that the OEB direct Hydro One to put in place a mechanism to ensure that the increases are halted once each customer is meeting the requirements of the appropriate cost allocation for their designated rate class, and that customers be informed that the increases have ceased. Due to the nature of the extended period of years over which the increases will be taking place, it will be extremely difficult for any given customer or family to know when their bills finally fully reflect the cost allocation appropriate for their rate class.
5. The TTCBLA supports Option 1 of the Hydro One application. It represents a fairer allocation of the mitigation process than Option 2, in our view. We believe all customers who will ultimately be positively affected by the change should be proportionately part of the mitigation process.
6. In Hydro One's original report it had calculated that limiting each customer's rate increases to no more than 10% in any given year would spread the mitigation over a 12-year period. Citing the 12-year period as "unreasonable", Hydro One now appears to be recommending a 10-year phase-in. We submit that the reason it appears "unreasonable" is not due to the time frame, but the size of the increase. We request that the OEB direct Hydro One to meet the intent of the OEB's guidelines, limit any customer's increases to no more than 10% in a given year, and accept whatever timeframe is necessary to achieve that objective.
7. Although it is a significant expense for our members, we can understand the rationale for the move to all-fixed rates. The additional change to the elimination of the seasonal class introduces a much more onerous burden on the majority of our members, who are low volume customers and will move to the R2 class and be ineligible for RRRP or DRP subsidies. It is especially hard to accept when we note on a previous Order at page 9 that "*OEB staff argued that when the impacts of the move to all-fixed rates are considered, it becomes apparent that the incremental benefits of the elimination of the seasonal class are minimal at best*". This view has also been supported by Hydro One.

The TTCBLA submits that the optimal mitigation approach, serving the best interests of all customer classes, would be to make the change to all-fixed rates, with appropriate mitigation, and put a moratorium on the elimination of the seasonal class pending a cost/benefit analysis once the full impact of the change to all-fixed rates is realized. We respectfully make this request.

### **Residential customers' eligibility for the RRRP and DRP subsidies**

Upon reviewing Hydro One's response to Balsam Lake Coalition's Interrogatory #2, it appears that Hydro One's criteria for assessing qualification for the RRRP or DRP is not based on the occupancy of a dwelling or household, but rather on where an individual

rate paying customer resides. The legislation focuses on the occupancy of a dwelling, not the person who pays the electricity bill.

The TTCBLA requests that the OEB help alleviate the burden of the elimination of the seasonal class by directing Hydro One to amend its policies and practices to meet the letter and intent of the subsidies applicable to each rate class. We request in particular that Hydro One be directed to amend its policies and practices so that all customers who have a residence that is legitimately occupied for more than 8 months in a year be supported in applying for the RRRP and/or DRP suitable for their rate class. We request that this change focus on the occupancy rate of a dwelling over the course of a year rather than on the principal residence of an individual rate paying customer.

There are numerous examples of customers being denied access to the RRRP or DRP even when their homes were occupied for more than 8 months in a year, because they paid for electrical services on more than one property. As an example, one of our members had a situation where he moved to his cottage for the winter for business purposes, while his family remained at the family's primary home for the school year - and Hydro One denied his application for the RRRP subsidy because he was also paying the bill for the family's primary residence.

During the last year many people who own a primary residence in one location and a seasonal cottage in another location have had family members move to their seasonal dwelling in order to work remotely and be relatively isolated, while the rate paying Hydro One customer family member lived in and paid for electrical services in their primary dwelling in a high-density area.

### **Timing of the implementation of the elimination of the seasonal class**

1. The TTCBLA supports Hydro One's position that the new rates should become effective January 1, 2023. The arguments put forward by Hydro One seem logical and reasonable to us.
2. The TTCBLA supports Hydro One's position that the proposed changes should not be made retroactively. Hydro One has pointed out many factors supporting their position. Additionally, we believe it would be a very concerning precedent to use the weight of a regulator of an essential service to retroactively charge more for services that have already been consumed and duly paid for at an approved and agreed-upon price.

Respectfully submitted,

Tasso, Toad, Camp and Blue Lakes Association