



Ontario | Commission
Energy | de l'énergie
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BY EMAIL

June 21, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Interrogatories
Hydro One Networks Inc.
DSC Exemptions and Accounting Order for Seasonal Class Elimination
OEB File Number: EB-2022-0145**

Please find attached OEB staff's interrogatories in the above referenced proceeding, pursuant to Procedural Order No. 1.

Responses to interrogatories, including supporting documentation, must not include personal information unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Yours truly,

Original Signed By

Margaret DeFazio, P. Eng.
Acting Manager – Electricity Distribution: Major Rate Applications & Consolidations

on behalf of Shuo Zhang,
Senior Advisor – Electricity Distribution: Major Rate Applications & Consolidations

Encl.

cc: All parties in EB-2022-0145



ONTARIO ENERGY BOARD

OEB Staff Interrogatories

Hydro One Networks Inc.

**DSC Exemptions and Accounting Order for Seasonal Class
Elimination**

EB-2022-0145

June 21, 2022

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Staff-1

Ref: Application / p. 3

Hydro One Report on Elimination of the Seasonal Class, October 15, 2020
Update (EB-2020-0246) / p. 42-43
Decision and Order, November 10, 2021 (EB-2020-0246)

Preamble:

Hydro One expects the implementation costs resulting from the elimination of the seasonal rate class to be \$3 to \$4 million over the course of the implementation period, most of which is expected to occur in 2022. In the report referenced above, a list of the types of implementation costs was also provided.

Question(s):

- a) If Hydro One has incurred implementation costs to date, please provide the amount incurred to date by types of implementation cost, including a breakdown of cost by capital and OM&A. Please also forecast the amount for the rest of 2022 by types of implementation cost.
- b) The decision to implement the elimination of the seasonal rate class approved Hydro One's proposed "Option 2A". Please provide an updated list of implementation costs that reflects Option 2A.
- c) Please provide an updated cost estimate reflecting the updated list of implementation costs, provided in part b).
- d) Please comment on materiality based on the updated cost estimate if the updated cost estimate no longer meets Hydro One's materiality of \$1 million.

Staff-2

**Ref: Application / p.3
Decision & Order, Implementing the Elimination of the Seasonal Rate Class
(EB-2020-0246), November 10, 2021 / p.15**

Preamble:

At the above application reference, Hydro One states:

“In order for Hydro One to maintain the existing billing and meter read practices that have been put in place for the Seasonal Customers, Hydro One is requesting an exemption from the following provisions of the DSC:

- (i) Section 2.6.1A, which (in part) requires a distributor to issue a bill to each non-seasonal residential customer on a monthly basis;
- (ii) Section 2.10.2, which limits the number of estimated bills that a distributor may issue to a residential customer to twice every 12 months; and
- (iii) Sections 7.11.1 to 7.11.7, which require a distributor to issue an accurate bill to its customers 98% of the time on a yearly basis.”

OEB staff notes that section 7.11.1 of the DSC states: “A distributor must issue an accurate bill to each of its customers”. Section 7.11.2 then states how often the bill must be accurate: “This service quality requirement must be met at least 98 percent of the time on a yearly basis.”

The DSC defines “accurate bill” in section 7.1 as follows: “means a bill that contains correct customer information, correct meter readings, and correct rates that result in an accurately calculated bill.”

The application also states a “group of Seasonal Customers is part of a larger subset of customers who are defined as ‘hard to reach’ and are already covered under existing exemptions obtained by Hydro One.”

Question(s):

- a) The EB-2020-0246 Decision & Order described the billing options Hydro One identified in that application. The option the OEB approved – Option 2A – was explained as involving manually read meters that would continue to be read once per year. Is the purpose of that annual meter read to ensure seasonal customers are accurately billed on an annual basis (i.e., true up three estimated bills to reflect actual consumption)?

- b) Please clarify why Hydro One believes an exemption from section 7.11.1 is required given that it only requires LDCs to accurately bill customers, while it is section 7.11.2 that requires that be achieved “98% of the time on a yearly basis”.
- c) Section 2.6.1A – for which Hydro One is also seeking an exemption – specifically refers to a “non-seasonal customer”. OEB staff’s understanding of the reason for requesting that exemption is because current seasonal customers will become residential customers with the elimination of the seasonal class, but Hydro One intends to maintain the status quo and bill those customers on a quarterly basis for the time being. In contrast, section 7.11.1, in referring to “customer”, does not distinguish between “seasonal” and “non-seasonal customers”, and the application states the intent is to maintain the status quo on billing practices at this time.

Hydro One is currently exempt from sections 2.10.1 and 7.11.1 to 7.11.7 of the DSC for service to certain “hard to reach” customers. In footnote #1 to the application, Hydro One acknowledges that a “hard to reach” subset of seasonal customers are already covered by existing exemptions. In the application, Hydro One is requesting that the exemption in relation to section 7.11.1 apply to all seasonal customers. Please explain why Hydro One considers it necessary to broaden the exemption relative to the status quo, to include all seasonal customers.

- d) Please confirm, aside from meter readings, all aspects of the definition of “accurate bill” – correct customer information and correct rates – will be met at least 98% of the time even if all the exemptions requested are approved. If not, please explain why.