



Ontario | Commission
Energy | de l'énergie
Board | de l'Ontario

DECISION ON ACCOUNTING ORDER

EB-2022-0145

HYDRO ONE NETWORKS INC.

**Application for exemptions from certain provisions in the
Distribution System Code and for an Accounting Order**

BEFORE: Emad Elsayed
 Presiding Commissioner

September 20, 2022

TABLE OF CONTENTS

1	OVERVIEW AND DECISION	1
2	ORDER	2
	SCHEDULE A	3

1 OVERVIEW AND DECISION

This is a decision on requests by Hydro One Networks Inc. (Hydro One) for exemptions from provisions of the *Distribution System Code* (DSC) and an accounting order related to the elimination of the seasonal rate class.

In its Decision and Order dated September 1, 2022, the Ontario Energy Board (OEB) approved Hydro One's application for exemptions from sections 2.6.1A and 2.10.2 of the DSC for the approximately 148,000 customers who will be transitioned from Hydro One's seasonal rate class to one of three other Hydro One residential rate classes according to their respective density. Those sections, and the requested exemptions, relate to billing frequency and the number of estimated bills a distributor may issue. Hydro One has asked that the exemptions be effective until December 31, 2027.

The OEB also approved the establishment of a deferral account to record the costs associated with the implementation of the seasonal rate class elimination. The sub-account is a new Account 1508 – Other Regulatory Assets, Sub-Account Seasonal Class Elimination Deferral Account. The OEB found that only the revenue requirement impact of the implementation costs should be recorded in the sub-account and directed Hydro One to update the draft accounting order, which was included in the application, to reflect this finding.

Hydro One filed an updated draft accounting order on September 12, 2022.

The OEB finds that the updated draft accounting order has appropriately reflected the finding that only the revenue requirement impact of the implementation costs should be recorded in the sub-account.

2 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Accounting Order set out in Schedule A of this Decision is approved.

DATED at Toronto September 20, 2022

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION ON ACCOUNTING ORDER
HYDRO ONE NETWORKS INC.
EB-2022-0145
SEPTEMBER 20, 2022

**HYDRO ONE DISTRIBUTION ACCOUNTING ORDER
ACCOUNT 1508 – OTHER REGULATORY ASSETS,
SUB-ACCOUNT SEASONAL CLASS
ELIMINATION DEFERRAL ACCOUNT**

Hydro One Distribution proposes the establishment of a new Account 1508 – Other Regulatory Assets, Sub-Account “Seasonal Class Elimination Deferral Account” to record the revenue requirement impact of the costs associated with the implementation of the seasonal class elimination.

The account will be established as Account 1508 – Other Regulatory Assets, Sub-Account “Seasonal Class Elimination Deferral Account” effective January 1, 2022. Hydro One Distribution will record interest on the balance in the sub-account using the interest rates set by the OEB. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

The following outlines the proposed accounting entries for this deferral account.

<u>USofA #</u>	<u>Account Description</u>
DR 1508	Other Regulatory Assets, Sub-Account “Seasonal Class Elimination Deferral Account”
CR XXXX	Account(s) associated with incremental costs, as Applicable

Initial entry to record into the Seasonal Class Elimination Deferral Account.

<u>USofA #</u>	<u>Account Description</u>
DR 1508	Other Regulatory Assets, Sub-Account “Seasonal Class Elimination Deferral Account”
CR 6035	Other Interest Expense

To record interest improvement on the principal balance of the Seasonal Class Elimination Deferral Account.