



Ontario
Energy
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de l'énergie
de l'Ontario

DECISION AND ORDER

EB-2023-0099

HYDRO ONE NETWORKS INC.

Amendment to Electricity Distribution Licence ED-2003-0043 (Temporary Exemption from Certain Provisions of Standard Supply Service Code)

BY DELEGATION, BEFORE: Brian Hewson
Vice President,
Consumer Protection & Industry Performance

April 20, 2023

INTRODUCTION AND SUMMARY

The Ontario Energy Board (OEB) has commenced a proceeding, on its own motion, pursuant to section 19(4) of the *Ontario Energy Board Act, 1998* (OEB Act), to amend the distribution licence of Hydro One Networks Inc. (Hydro One) (ED-2003-0043). The licence amendment would expand an existing exemption with respect to the provisions of the Standard Supply Service Code (SSSC) requiring customers on the Regulated Price Plan (RPP) to be charged for electricity on the basis of time-of-use (TOU) prices to reflect the recent amendments to the SSSC to implement the new optional ultra-low overnight time-of-use (ULO) price plan.

This Decision and Order is being issued by delegated authority without a hearing pursuant to section 6(4) of the OEB Act. Hydro One was provided with an opportunity to comment on the proposed amendments.

BACKGROUND

Hydro One Networks Inc. is a licensed distributor. Under its distribution licence (ED-2003-0043), Hydro One is exempt from the provisions of the SSSC requiring customers on the RPP to be charged for electricity on the basis of time-of-use (TOU) prices, but only in respect of the approximately 94,000 “hard to reach” customers who have smart meters but are outside the reach of Hydro One’s smart meter telecommunications infrastructure, and only until December 31, 2024. The OEB has acknowledged that, for these customers, “it is not yet feasible to economically implement TOU billing.”¹ Until December 31, 2024, hard to reach customers that cannot be charged TOU prices are charged tiered prices instead.

On October 13, 2020, amendments to the SSSC came into force which enabled RPP consumers to opt out of TOU prices and to elect instead to be charged on the basis of tiered pricing. On the same day, changes to the wording of the exemption in Hydro One’s licence came into force, to align with the SSSC amendments.²

On January 1, 2023, further amendments to the SSSC came into force to implement a new optional ULO price plan for electricity consumers on the RPP. Electricity distributors must offer the ULO price plan to their customers no later than November 1, 2023.³ Like standard TOU, ULO pricing relies on smart meters that are connected to telecommunications infrastructure. Minor changes to the wording of the exemption in Hydro One’s licence are required to align with the ULO amendments.

¹ Decision and Order, December 19, 2019 (EB-2019-0259).

² EB-2020-0240, Decision and Order, October 2, 2020.

³ Electricity distributors who are able to make ULO price plan available earlier may do so as of May 1, 2023.

The changes to Hydro One's licence are administrative in nature – they do not change the substance of the exemption. Hydro One may continue to bill the approximately 94,000 hard to reach RPP consumers on the basis of tiered prices until December 31, 2024. If a previously hard to reach customer comes within the effective coverage area of Hydro One's smart meter telecommunications infrastructure before December 31, 2024, Hydro One must provide the customer the opportunity to choose between standard TOU, ULO or tiered prices, and if the customer does not make a choice, the default is standard TOU.

DECISION

The OEB finds it to be in the public interest to amend Hydro One's distribution licence by replacing Item 1 of Schedule 3 (List of Code Exemptions) with the following:

The Licensee is exempt from the provisions of the Standard Supply Service Code requiring standard time-of-use pricing or, if the consumer so elects, ultra-low overnight time-of-use pricing for Regulated Price Plan consumers with eligible time-of-use meters (namely, sections 3.2.6, 3.4, 3.4A, 3.4B and 3.5). This exemption applies only for service to the approximately 94,000 "hard to reach customers" who, as of January 1, 2020 and as per Decision and Order EB-2019-0259, are outside the reach of the Licensee's smart meter telecommunications infrastructure and demonstrate consistently unreliable meter communication resulting in billing errors, and new hard to reach customers who are connected to the Licensee's service area during the exemption period. This exemption expires December 31, 2024. If, during the exemption period, a previously hard to reach customer comes within the effective coverage area of the Licensee's smart meter telecommunications infrastructure, the Licensee must as soon as practicable provide the customer with the option of electing standard time-of-use, ultra-low overnight time-of-use or tiered prices and begin charging the customer based on the customer's election or, if no election is made, based on standard time-of-use prices.

IT IS ORDERED THAT:

1. Hydro One Networks Inc.'s electricity distribution licence ED-2003-0043 is amended, effective April 20.

The amended licence is attached to this Decision and Order.

DATED at Toronto April 20, 2023

ONTARIO ENERGY BOARD

Brian Hewson
Vice President, Consumer Protection & Industry Performance