



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

**BY E-MAIL**

May 9, 2024

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Hydro One Networks Inc. and Chapleau Public Utilities Corporation  
Application made under s.86(1) of the Ontario Energy Board Act, 1998 to  
sell and purchase the electricity distribution assets of Chapleau Public  
Utilities Corporation  
Ontario Energy Board File Number: EB-2023-0328**

Please find attached OEB staff's submission on the draft rate order in the above referenced proceeding, pursuant to the OEB's Decision and Order dated April 18, 2024. The applicant and intervenors have been copied on this filing.

Yours truly,

Amber Goher  
Advisor – Electricity Distribution Rates

Cc: All parties in EB-2023-0328



# **ONTARIO ENERGY BOARD**

## **OEB Staff Submission on Draft Rate Order**

**Hydro One Networks Inc. and  
Chapleau Public Utilities Corporation**

**Application for approval for Chapleau Public Utilities Corporation to  
sell its distribution system assets to Hydro One Networks Inc.**

**EB-2023-0328**

**May 9, 2024**

## Introduction

Hydro One Networks Inc. (Hydro One Networks) and Chapleau Public Utilities Corporation (Chapleau Public Utilities) (collectively, the Applicants) filed a joint application to the Ontario Energy Board (OEB)<sup>1</sup> seeking approval for Chapleau Public Utilities to sell its distribution system assets to Hydro One Networks (the Transaction).

The OEB issued a Decision and Order on April 18, 2024, approving the proposed Transaction, subject to certain conditions.

Hydro One Networks filed its draft rate order (DRO) on May 3, 2024.

OEB staff has no concerns with the DRO. OEB staff submits that Hydro One Networks has accurately updated the Tariff of Rates and Charges applicable to Chapleau Public Utilities customers upon integration to Hydro One Networks existing rate classes.

The following are OEB staff's detailed comments on the DRO.

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<sup>1</sup> Pursuant to section 86(1)(a) of the OEB Act

## Comments on the DRO

### Customer Integration

The OEB approved Hydro One Networks' proposal to immediately integrate Chapleau Public Utilities customers into its existing rate classes. As part of the Decision and Order issued on April 18, 2024, Hydro One Networks was ordered to file a Tariff of Rates and Charges reflecting the following:

- Hydro One Networks' existing rate riders as per its current Tariff of Rates and Charges (i.e., those effective until December 31, 2025) will not be applicable to former Chapleau Public Utilities customers.
- All Chapleau Public Utilities rate riders will continue per existing schedules until expiry.
- Freeze distribution charges at the proposed Chapleau Public Utilities May 1, 2024<sup>2</sup> rates for the period between September until December 31, 2024 for non-residential customers.

OEB staff submits that Hydro One Networks has correctly reflected the OEB's Decision and Order of April 18, 2024 in the Tariff of Rates and Charges applicable to Chapleau Public Utilities' customers upon integration to Hydro One Networks' rate classes.

### Rates for Street and Sentinel Lighting Rate Classes

In its DRO, Hydro One Networks proposes to transition rates for the Street and Sentinel Lighting classes to Hydro One Networks rates as of September 1, 2024. Hydro One Networks indicates this proposal minimizes changes that would be necessary to their billing system if Chapleau Public Utilities' \$/kW variable charge was maintained since Hydro One Networks bills these classes variable rates on a \$/kWh basis.

Hydro One Networks states the impacted customers will be provided a credit equivalent to the increase in their base distribution charge, to limit their bill impacts.

OEB staff understands the proposal and is not opposed, however, suggests that Hydro One Networks should provide in its reply submission calculations for this credit as well as information showing the total bill pre- and post-mitigation for its acquired Street and Sentinel Lighting Customers.

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<sup>2</sup> EB-2023-0011

*All of which is respectfully submitted*