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BY EMAIL AND RESS

May 21, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2022-0325 – Phase 2 of the Generic Hearing on Uniform Transmission Rates – Hydro One Submission on OEB Staff Draft Detailed Issues List

Further to Procedural Order No. 2 in the above-referenced proceeding, issued April 19, 2024, Hydro One Networks Inc. (Hydro One) is hereby providing its submissions on the draft detailed Issues List, which was filed by OEB staff on April 29, 2024 in relation to issues 4, 5 and 6 (as defined in Procedural Order No. 1 dated December 8, 2023).

For proposed minor changes from Hydro One, please refer to the version of the draft detailed Issues List in Appendix 'A', in which the proposed changes have been marked. The rationale for these changes are:

- Issue 4.1 - to clarify that all types of transmission charges should be at issue, as well as that the 'per delivery point' method would represent a continuation of the status quo.
- Issue 4.3 - to clarify which double peak billing impacts are at issue, and to clarify the intended consequence of tracking double peak billing impacts in a deferral account.
- Issue 5.3 - to clarify that the issue with respect to energy storage facilities is not just about how the UTR schedule should apply, but more particularly it is about how gross load billing should apply to energy storage facilities as reflected in the UTR schedule.

It is also Hydro One's view that the OEB should consider:

i. The distribution implications of double peak billing. As explained at page 5 of the Background Report, double peak billing events can impact both transmission-connected and distribution-connected customers, and as such the distribution aspects will need to be addressed either in parallel to or after the transmission aspects of double peak billing are addressed in the current proceeding.

ii. The applicability to unplanned outages of any outcomes arising from this proceeding in respect of planned outages. As explained at page 4 of the Issue 4 Background Report, while the OEB's Notice for the proceeding in respect of Issue 4 includes only planned outages, double peak billing events can and do occur in circumstances of both planned and unplanned transmission outages. While unplanned outages are beyond the control of transmitters and their customers, and do not always result in double peak billing events, Hydro One notes that clarification from the OEB as to the

treatment of unplanned outages in the context of the current proceeding will help avoid future customer complaints and confusion.

iii. The distribution implications of gross load billing. As explained at page 20 of the Issue 5-6 Background Report, the OEB should maintain consistency in terms of how gross load billing principles and practices are implemented at the transmission and distribution levels. This is necessary to ensure that transmission costs are recovered fairly from those customers connected to the distribution system who are driving these costs. If the OEB proposes to change the gross load billing rules in the UTR Schedule, the OEB should clarify how these changes would impact or alter gross load billing of distribution customers.

An electronic copy of this submission has been filed using the Board's Regulatory Electronic Submission System.

Sincerely,

Uri Akselrud

Uri Akselrud

APPENDIX 'A'

GENERIC HEARING ON UTR-RELATED ISSUES - PHASE 2

HYDRO ONE NETWORKS INC. PROPOSED EDITS TO OEB STAFF DRAFT DETAILED ISSUES LIST ISSUES 4 TO 6

MAY 21, 2024

4. Charges caused by planned transmission outages

4.1 Should all transmission charges (Network, Line Connection, Transformation Connection) continue to be on a per delivery point basis, whereby the customer's charges would be calculated separately for each delivery point, or should they instead be calculated on an aggregate per customer basis, whereby the transmission charges would be calculated on the customer's aggregate demand for all delivery points for a given time interval?

4.2 Should the definition of the transmission charge determinants, used to establish UTRs and bill transmission charges, be revised to exclude the impact of planned transmission outages on customers with multiple delivery points?

4.3 Should double peak billing impact of planned transmission outages be tracked in a deferral account for future disposition by the impacted transmitter and refunded to affected customers?

5. Basis for Billing Renewable, Non-renewable and Energy Storage Facilities for Transmission Charges

5.1 Should application of gross load billing to embedded generator units be defined by generating unit or generating facility? This includes refurbishments

approved after October 30,1998, to a generator unit that existed on or prior to October 30, 1998.

5.2 Is additional clarity needed on the applicability of gross load billing thresholds to embedded generation that employs inverters (such as embedded solar generation)?

5.3 How should the gross load billing rules in the UTR schedule apply to energy storage facilities?

6. Gross load billing thresholds for renewable and non-renewable generation

6.1 What should the gross load billing thresholds be for renewable and non-renewable embedded generation?

6.2 Should gross load billing exemptions be available in certain limited circumstances?