

November 20, 2024

**VIA EMAIL**

Nancy Marconi  
Registrar, Ontario Energy Board  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

**RE: EB-2024-0032 Written Submission re Hydro One Networks Inc. Application for electricity distribution rates and other charges beginning January 1, 2025**

In accordance with the Notice of Hearing and Procedural Order No.1 dated October 17, 2024, issued by the Ontario Energy Board in EB-2024-0032, please find attached my written submission in this matter.

Thank you.

*Original signed by:*

Richard Gruchala

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CC VIA EMAIL: Hydro One Regulatory Affairs  
Abla Nur, OEB Case Manager  
Jamie Sidlofsky, OEB Counsel

## **EB-2024-0032: Submission re Hydro One Networks Inc. Application for electricity distribution rates and other charges beginning January 1, 2025**

### **Residential Density Zones**

#### **Background**

Hydro One has stated in its Response to RG Interrogatory - 03 that: “The current methodology used by Hydro One to establish density boundaries was first approved by the OEB in the Hydro One’s 2015-2017 Rate Application (EB-2013-0416).” That approval preceded by many years the subsequent implementation in 2023 of the OEB’s decision to eliminate the seasonal class and assign seasonal customers to one of three residential classes.

With the approach of year 3 in 2025 of the elimination of the seasonal class, the foresight of the Federation of Ontario Cottagers’ Associations rings louder with each passing year of that implementation. In their letter of June 19, 2015, in the context of stakeholder consultations then being held on the elimination of the seasonal class, they stated in part that:

*... there will be many situations where reassigned seasonals will have close neighbours, family and friends with the alternate classification and significantly different bill ramifications; and ... there may well be a lake where one shoreline has a (low) customer density... and the other side has (medium density) ... which ... results in profound bill differences of similar customers.”*

The OEB has made it very clear in the recent past that it will not revisit the decision to eliminate the seasonal class.

However, the cracks in Hydro One’s residential density classification system are more clearly emerging with the passage of time, yielding anomalous and inequitable results - not unlike those predicted so aptly by the Federation of Ontario Cottagers’ Associations over 9 years ago.

The application of Hydro One’s current Geographic Information System (GIS) system and/or the manner that it is being administered and applied is producing anomalous results for certain Hydro One customers at the margins of competing residential density zones. For example, Hydro One customers on one portion of a road are placed into the medium density classification while their neighbours slightly further down that road have been placed in the low density class.

In their Response, Hydro One has referred the writer to the description of their current methodology to establish density boundaries as found at Section 1.0 in Exhibit G1, Tab 2, Schedule 1 in EB-2013-0416. They describe their GIS “new functionality” in part as follows:

*The rate class review used the following methodology to define density zones:*

- 1. GIS system used to identify core clusters of contiguous customers*

2. *Density zone boundary extended out from core cluster of contiguous customers in all directions to:*
  - > *easily identifiable and communicated physical boundaries (e.g. highway/roads, railways, rivers, lakes)*
  - > *non-physical boundaries identifiable within the GIS system (e.g. property lines) where physical boundaries are remotely located from customer clusters*
3. *Combined customer clusters that are located close to each other into larger, single density zone, when it helped to mitigate negative impacts to existing customer classifications*

## **Submission**

it is respectfully submitted that the current Hydro One GIS methodology described above has not been applied appropriately to certain “core cluster(s) of contiguous customers” in circumstances such as those described above.

Alternatively, it is recommended that the GIS methodology, along with related procedures and practices, should be amended to better identify and accommodate customers in such close proximity and appropriately classify these “core cluster(s) of contiguous customers” into one class.

Hydro One has indicated that its “... next rebasing application, for the rate period 2028-2032 will include evidence on the Company’s plans for density boundary reviews during that period.” More immediate action is warranted to ameliorate and mitigate the mounting financial impacts on certain customers in close proximity being placed in different residential density classifications.