



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

DECISION AND ORDER

EB-2025-0076

HYDRO ONE NETWORKS INC.

Amendment to Electricity Distribution Licence ED-2003-0043

**Application for Extension to Mandated Time-of-Use Pricing Date &
Extension to Exemption from Sections 2.10.1, 7.11.1 to 7.11.7 of
the Distribution System Code**

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

April 1, 2025

DECISION AND ORDER

Hydro One Networks Inc. (HONI) filed an application on January 24, 2025 with the Ontario Energy Board (OEB), under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an extension to its existing exemption from sections 2.10.1 and 7.11.1 to 7.11.7 of the Distribution System Code (DSC) and sections 3.2.6, 3.4, 3.4A, 3.4B and 3.5 of the Standard Supply Service Code (SSSC) in relation to certain hard-to-reach Regulated Price Plan (RPP) customers. HONI requested both the DSC exemption, and the TOU and ULO pricing mandated date extension continue until December 31, 2029.

This Decision and Order is being issued by the Delegated Authority, without holding a hearing pursuant to Section 6(4) of the OEB Act.

BACKGROUND

On March 26, 2015, the OEB issued a Decision and Order (EB-2014-0360) extending HONI's mandated date for TOU pricing for the identified 170,000 hard-to-reach customers until December 31, 2019, for which HONI received a previous extension in two other OEB proceedings¹. In the previous OEB proceedings², the OEB implemented a requirement that HONI report annually on its progress in transitioning the identified hard-to-reach RPP customers to TOU pricing.

On September 24, 2015, the OEB issued a Decision and Order³ amending HONI's licence by exempting HONI from sections 2.10.1 and 7.11.1 to 7.11.7 of the DSC with respect to 170,000 RPP customers, who are outside the reach of HONI's smart meter telecommunication infrastructure, until December 31, 2019. These sections of the DSC relate to billing accuracy and use of estimated billing.

On December 19, 2019, the OEB issued a Decision and Order⁴ amending HONI's licence to extend the exemptions granted to HONI from sections 2.10.1 and 7.11.1 to 7.11.7 of the DSC with respect to 94,000 RPP customers, who are outside the reach of HONI's smart meter telecommunication infrastructure, until December 31, 2024.

On April 20, 2023, the OEB issued a Decision and Order⁵ and made minor changes to the wording of the exemption in HONI's licence to provide for exemptions for the hard-to-reach customers in regard to the ULO amendments⁶.

¹ EB-2010-0282 and EB-2012-0384

² EB-2010-0282 and EB-2012-0384

³ EB-2015-0176

⁴ EB-2019-0259

⁵ EB-2023-0099

⁶ The OEB required electricity distributors who are able to make [ULO price plan](#) available earlier may do so as of May 1, 2023 but no later than November 1, 2023.

APPLICATION

In its current application, HONI has stated that it is requesting an additional five-year extension to the DSC and SSSC exemptions because it has not been able to identify cost-effective solutions for transitioning the remaining 89,000 hard-to-reach customers to smart metered billing.

DECISION

The OEB finds it to be in the public interest to grant HONI's request and amend its electricity distribution licence ED-2003-0043 to provide for exemptions from the SSSC and DSC for the purpose of metering and billing its hard-to-reach customers. The OEB accepts HONI's evidence that due to technical limitations, it cannot reliably connect its Advanced Metering Infrastructure (AMI) to the hard-to-reach customers and is unable to offer TOU or ULO pricing for its hard-to-reach customers. The OEB finds that HONI may continue to bill the remaining hard-to-reach customers on the basis of tiered RPP prices and provide monthly bills based on actual reads 98% of the time. These exemptions will stay in place until December 31, 2029, or when the customers are reliably connected to Hydro One's smart meter telecommunication network, whichever comes first. The OEB expects HONI to continue its efforts to connect these customers to its smart meter telecommunication infrastructure.

The OEB notes that the application was filed by the applicant 24 days after the expiration of the DSC and SSSC exemptions. Applicants are reminded of the importance of applying for licence exemptions sufficiently prior to the expiry date to allow for processing of the application in a timely manner. The granting of these exemptions is without prejudice to any future compliance action regarding HONI's noncompliance with the DSC and SSSC.

IT IS ORDERED THAT:

Hydro One Networks Inc.'s electricity distribution licence ED-2003-0043 is amended, effective April 1, 2025, by replacing Items 1 and 3 of Schedule 3 with the following:

1. 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 89,000 "hard-to-reach customers" who, as of January 1, 2025 and as per Decision and Order EB-2025-0076, 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, 2029. 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.

2. The Licensee is exempt from the provisions of sections 2.10.1 and 7.11.1 to 7.11.7 of the Distribution System Code, limiting the use of estimated billing and requiring billing accuracy. This exemption applies only for service to approximately 89,000 of the identified hard-to-reach customers who, as of January 1, 2025 and as per Decision and Order EB-2025-0076, are outside the reach of the Licensee's smart meter telecommunications infrastructure, demonstrate consistently unreliable meter communication resulting in billing errors, and new hard-to-reach customers who are projected to be connected to Hydro One's service area during the requested exemption period. This exemption expires December 31, 2029.

The amended licence is attached to this Decision and Order.

DATED at Toronto, April 1, 2025

ONTARIO ENERGY BOARD

Brian Hewson
Vice President, Consumer Protection & Industry Performance