

Electricity Pricing

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September 17, 2020 – **OEB orders Hydro One to eliminate the Seasonal Rate Class** – The **OEB ruled** today that Hydro One will eliminate the Seasonal Rate Class, and shall move all customers into one of their other, density-based rate classes.

Note: To determine whether you are going to be reclassified as low-or medium density customer, call the Hydro One Customer Service line at 1-888-664-9376.

As part of the deliberation, OEB staff had argued that the incremental benefits of the elimination of the seasonal class are minimal at best, while incremental adverse impacts on certain customers will be significant. ***This has been a main focus of FOCA's objection to this change for many years.***

However, in the latest review, the OEB states that "...the submissions of the parties (*including FOCA*) generally focused more on the bill impacts that would flow from the elimination of the seasonal class... The fact that

there are impacts associated with the elimination of the seasonal class does not render the decision to eliminate the class incorrect.”

OEB also noted that Rural or Remote Rate Protection (RRRP) and Distribution Rate Protection (DRP) subsidies **exclude seasonal customers** who are joining the other existing residential rate classes, since the program is restricted to customers that reside continuously at the service address for at least 8 months of the year. The OEB does not and cannot factor provincial programs such as the RRRP/DRP into rate design as the OEB does not determine how, when or which customers are eligible to receive them.

Recognizing the significant impacts to low use seasonals being reclassified to R2 (Low Density), the OEB has *previously* stated that any plan to eliminate the seasonal rate class **should include a phase-in period** for those customers expected to experience a total bill impact of greater than 10% as a result of migrating to another class.

There is not word as yet how or if such mitigation will be applied, and this will be the subject of Hydro One’s next rate submission.

Next steps: Hydro One will be filing an updated report on the elimination of the seasonal class by October 15, 2020. FOCA still holds status as an official intervenor with the OEB, and will let you know if there is an opportunity for the public to weigh in.