



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

FINAL RATE ORDER

EB-2019-0037

GREATER SUDBURY HYDRO INC.

Final Rate Order for rates and other charges effective May 1, 2020 and implemented November 1, 2020

By Delegation, Before: Theodore Antonopoulos

October 8, 2020

INTRODUCTION AND SUMMARY

In the Decision and Rate Order in this proceeding, issued May 7, 2020, the Ontario Energy Board (OEB) approved new electricity distribution rates for Greater Sudbury Hydro Inc. (Greater Sudbury Hydro), with an effective date of May 1, 2020. In consideration of the COVID-19 emergency, the Decision and Rate Order also granted Greater Sudbury Hydro's request to postpone implementation of its new rates, and to track temporarily forgone revenue in a deferral and variance account.

Through this Final Rate Order, the OEB authorizes Greater Sudbury Hydro's requests to defer, until May 1, 2021, the recovery of forgone revenues resulting from postponing rate implementation in response to COVID-19; and, to credit microFIT customers through a one-time payment, as set out below.

The OEB notes that, as a result of the November 1, 2020 implementation of Greater Sudbury Hydro's new rates, there will be a monthly total bill increase of \$3.18, before taxes and the Ontario Electricity Rebate, for a residential customer consuming 750 kWh, effective November 1, 2020.

THE PROCESS

Greater Sudbury Hydro filed a cost of service application with the OEB on October 31, 2019, seeking approval for changes to its electricity distribution rates.

On May 7, 2020, the OEB issued its Decision and Rate Order approving Greater Sudbury Hydro's new rates, with an effective date of May 1, 2020. However, in light of the uncertainty regarding the severity and duration of the COVID-19 emergency, the Decision and Rate Order also granted Greater Sudbury Hydro's request to postpone implementation of its new rates and to track temporarily forgone revenue resulting from the postponement in Account 1509, Impacts Arising from the COVID-19 Emergency, Sub-account Lost Revenues.

In the Decision and Rate Order, the OEB approved, on a final basis, the Tariff of Rates and Charges effective May 1, 2020, and an implementation date of November 1, 2020 for Greater Sudbury Hydro's base distribution rates, retail transmission service rates, and low voltage rates. The OEB approved an implementation date of May 1, 2020 for the remainder of the Tariff of Rates and Charges.

On April 17, 2020, the OEB issued [initial implementation guidance](#) to all distributors who had been authorized to postpone implementation of their 2020 rates. The OEB advised that distribution revenue associated with the postponement of the implementation should be tracked separately, by customer class, within Account 1509 - Impacts Arising from the COVID-19 Emergency, Sub-account Lost Revenues, and may include the following components, as applicable:

- impacts arising from the postponement of changes to monthly fixed service charges and variable distribution charges
- forgone distribution revenue due to the postponement of the implementation of an approved Incremental Capital Module
- impacts arising from the postponement of the change in the microFIT monthly fixed service charge

On August 6, 2020, the OEB issued an [Accounting Order](#), a COVID-19 Forgone Revenue Rate Rider Model, and associated filing instructions and account guidance for those utilities that wished to seek recovery of forgone revenue, the implementation of their 2020 rate increase, or both. In the Accounting Order, the OEB established a new sub-account under the Impacts Arising from the COVID-19 Emergency Account, called the Forgone Revenues from Postponing Rate Implementation sub-account. The OEB advised that this new sub-account was to be used to record forgone revenues due to the postponement of rate implementation as a result of the COVID-19 emergency. The

OEB further explained that any utility that had already recorded forgone revenue amounts due to postponing rate implementation in the Lost Revenues sub-account was to transfer these amounts to the Forgone Revenues from Postponing Rate Implementation sub-account.

The OEB required utilities that wished to seek recovery of forgone revenue, the increase to their 2020 base rates, or both, to provide their calculations for the forgone revenue rate rider (if applicable) and tariff of rates and charges as part of the COVID-19 Forgone Revenue Rate Rider model by September 15, 2020.

COVID-19 FORGONE REVENUE RECOVERY

Greater Sudbury Hydro filed its COVID-19 Forgone Revenue Rate Rider Model with the OEB on September 21, 2020.

Together with the model, Greater Sudbury Hydro filed a letter requesting to defer the recovery of forgone revenue until May 1, 2021. Greater Sudbury Hydro also requested to credit each of the affected microFIT customers the difference between the existing microFIT charge of \$5.40 per month and its new microFIT charge of \$4.55 per month, accumulated from May 1, 2020 to October 31, 2020, through a one-time total payment of \$5.10. The total microFIT amount to be refunded to customers is \$402.90.

Greater Sudbury Hydro supported its request to defer the recovery of forgone distribution revenue and the microFIT rate class credit with written explanations and the COVID-19 Forgone Revenue Rate Rider Model, which calculates the one-time payment for the microFIT rate class.

FINDINGS

The OEB has reviewed Greater Sudbury Hydro's requests to defer the recovery of forgone revenue until May 1, 2021 and to credit each affected microFIT customer through a one-time payment of \$5.10, and is satisfied that the requests are reasonable. The OEB notes that a revised Tariff of Rates and Charges is not required as the OEB has approved Greater Sudbury Hydro's new rates, including the implementation date of November 1, 2020. The OEB will however establish a new order below to facilitate Greater Sudbury Hydro's request for the one-time credit to microFIT customers.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Greater Sudbury Hydro shall file with the OEB the COVID-19 Forgone Revenue Rate Rider Model as part of its 2021 Incentive Rate-setting Mechanism application.
2. Greater Sudbury Hydro shall credit each affected microFIT customer through a one-time payment of \$5.10.

DATED at Toronto, October 8, 2020

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar