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ONTARIO REGULATION

made under the

ONTARIO ENERGY BOARD ACT, 1998

Amending O. Reg. 442/01

(RURAL OR REMOTE ELECTRICITY RATE PROTECTION)

1. The definition of “base distribution rate” in subsection 1 (1) of Ontario Regulation 442/01 is revoked.

2. (1) Subsections 4 (1) and (1.1) of the Regulation are revoked and the following substituted:

(1) This section and section 5 apply to rate protection for consumers in a remote area referred to in subsection 79 (2) of the Act and consumers referred to in paragraphs 3 to 5 of section 2 of this Regulation.

(2) Subsection 4 (4) of the Regulation is amended by,

(a) striking out “referred to in subsection 79 (2) of the Act and in section 2 of this Regulation” in the portion before paragraph 2 and substituting “to whom this section applies”; and

(b) striking out “under subsection (1)” in the portion before paragraph 2.

(3) Paragraph 4 of subsection 4 (4) of the Regulation is revoked.

3. (1) Subsections 5 (12) and (13) of the Regulation are amended by striking out “subsection 4 (1)” wherever it appears and substituting in each case “section 4”.

(2) Subsections 5 (14) to (16) of the Regulation are revoked and the following substituted:

(14) Hydro One Networks Inc. is entitled to compensation under subsection 79 (3) of the Act for amounts it paid for rate protection for electricity consumed before the day Ontario Regulation [Insert O. Reg. number of REG2017.0247] came into force, but invoiced on or after January 1, 2017, including for amounts Hydro One Networks Inc. paid to consumers for electricity consumed in December 2016 but invoiced on or after January 1, 2017.

(15) If the amounts Hydro One Networks Inc. receives from the IESO under this section for electricity consumed before the day Ontario Regulation [Insert O. Reg. number of REG2017.0247] came into force are not sufficient to compensate Hydro One Networks Inc. under subsection (14), the IESO shall transfer to Hydro One Networks Inc. the difference between the amounts Hydro One Networks Inc. received under this section and the amounts it paid for rate protection.

(16) If the amounts Hydro One Networks Inc. receives from the IESO under this section for electricity consumed before the day Ontario Regulation [Insert O. Reg. number of REG2017.0247] came into force exceed the amounts required to compensate Hydro One Networks Inc. under subsection (14), Hydro One Networks Inc. shall transfer to the IESO the difference between the amounts it received under this section and the amounts it paid for rate protection.

(17) The first time the Board calculates the amount of the charge to be collected by the IESO under subsection (1) in respect of electricity consumed on or after July 1, 2017, the Board shall take into account the amounts referred to in subsections (14) to (16) and shall rely on any information provided by Hydro One Networks Inc. regarding those amounts.

(18) For the purposes of payments required under subsections (14) to (16), the IESO shall rely on any information provided by Hydro One Networks Inc. regarding those amounts.

(19) Payments required under this section by the IESO to Hydro One Networks Inc. or by Hydro One Networks Inc. to the IESO and any subsequent adjustments may be made, at the option of the IESO, by way of set-off in the accounts maintained by the IESO.

4. Sections 6 to 8 of the Regulation are revoked and the following substituted:

Amount of rate protection – from appropriation

6. (1) This section and sections 7 to 11 apply to rate protection for consumers in a rural area referred to in subsection 79 (2) of the Act and consumers referred to in paragraph 2 of section 2 of this Regulation.

(2) Beginning on July 1, 2017, consumers in a rural area referred to in subsection 79 (2) of the Act and consumers referred to in paragraph 2 of section 2 of this Regulation will receive \$60.50 per month for rate protection for electricity consumed on or after July 1, 2017.

(3) Compensation to Hydro One Networks Inc. for rate protection described in subsection (2) shall be paid for out of the money appropriated by the Legislature in accordance with subsection 79 (4.2) of the Act.

Duty of the Board to provide information

7. (1) The Board shall provide to the Ministry of Energy the information specified by the Minister respecting,

- (a) the projected number of consumers entitled to receive rate protection under section 6; and
- (b) the projected amount of rate protection to be provided to those consumers.

(2) Information under subsection (1) shall be provided in the format and at the times specified by the Minister.

Duty to provide information for compliance purposes

8. (1) Hydro One Networks Inc. shall, on receipt of a request from the Ministry of Energy, the IESO or the Board, provide the information relating to the Act and this Regulation that is specified in the request within the time period specified in the request, for the purpose of administering and monitoring compliance with section 79 of the Act and this Regulation.

(2) Without restricting the generality of subsection (1), examples of information that may be requested under that subsection are,

- (a) the amount of rate protection provided by Hydro One Networks Inc. under section 6; and
- (b) the number and location of accounts receiving the rate protection.

Duty to provide information for reimbursement purposes

9. (1) Hydro One Networks Inc. shall provide to the IESO, in the format and at the times specified by the IESO, information respecting the amount of rate protection under section 6 to which eligible consumers who have accounts with Hydro One Networks Inc. are entitled for the last month ending before the day the information is to be provided, and any adjustments to be made in respect of earlier months.

(2) The IESO shall provide to the Ministry of Energy, in the format and at the times specified by the Minister, information respecting the amount of rate protection under section 6 to which eligible consumers who have accounts with Hydro One Networks Inc. are entitled for

the last month ending before the day the information is to be provided, and any adjustments to be made in respect of earlier months.

(3) For the purposes of this section, Hydro One Networks Inc. may estimate the amount of rate protection to which consumers who have accounts are entitled for a month.

(4) If Hydro One Networks Inc. estimates the amount of rate protection under subsection (3), it must include an adjustment for any difference between the estimate and the actual amount that consumers were entitled to with the information required under subsection (1) as soon as possible after the actual amount becomes known.

Reimbursement to Hydro One Networks Inc.

10. (1) Based on the information provided by the IESO under section 9, the Minister shall reimburse Hydro One Networks Inc. for rate protection it provides in accordance with section 6 to consumers entitled to receive the rate protection.

(2) Based on the information Hydro One Networks Inc. provides under section 9,

- (a) the Minister shall pay to the IESO, in keeping with the IESO timeline for invoice payments, sufficient amounts to reimburse Hydro One Networks Inc. for the rate protection under section 6 to which consumers are entitled for a month, subject to any adjustments to be made in respect of earlier months; and
- (b) the IESO shall, after receiving the information required for a month from Hydro One Networks Inc., pay to Hydro One Networks Inc. a sufficient amount to reimburse it for the rate protection under section 6 to which consumers who have accounts with Hydro One Networks Inc. are entitled for the month, subject to any adjustments to be made in respect of earlier months.

(3) Despite subsection (2), the amount of reimbursement to which Hydro One Networks Inc. is entitled is subject to such adjustments as may be required by reason of,

- (a) the provision to the Ministry of Energy or the IESO of additional information; or
- (b) a determination made by an inspector who conducts an inspection or inquiry under section 79.8 of the Act that relates to Hydro One Networks Inc.

(4) Despite subsections (2) and (3), no amount is payable as a reimbursement to Hydro One Networks Inc. if it fails, without reasonable cause, to provide any information required to be provided under this Regulation within the time it is required to be provided.

(5) Payments required under this section by the IESO to Hydro One Networks Inc. and any subsequent adjustments may be made, at the option of the IESO, by way of set-off in the accounts maintained by the IESO.

Reliance on information

11. For the purposes of the reimbursements required under section 10, the Minister and the IESO shall rely on the information provided as required under this Regulation.

Commencement

5. This Regulation comes into force on the later of July 1, 2017 and the day it is filed.