



RP-2005-0020
EB-2005-0378

**NOTICE OF APPLICATION FOR AN
ELECTRICITY DISTRIBUTION RATE CHANGE
HYDRO ONE NETWORKS INC.**

The Ontario Energy Board has established guidelines for how distributors should file an electricity distribution rate change for 2006, which included extensive stakeholder consultations including a public hearing held by the Board. Hydro One Networks Inc. has applied to the Ontario Energy Board to change its distribution rates, but the application has not been made in accordance with the guidelines established by the Board.

The standard electricity bill for residential and small general service customers has four line items: Electricity, Delivery, Regulatory and Debt Retirement Charge. This application affects the Delivery and Regulatory lines of that bill. Hydro One Networks is seeking approval of \$965,000,000 as the revenue it requires for electricity distribution. If approved:

- A residential customer consuming 1,000 kWh per month would experience an increase of between 3.3% and 6.4% in the total electricity bill, depending on the customer's residential rate class.
- A General Service customer consuming 2,000 kWh per month and having a monthly demand of 50kW or lower would see a total bill increase of between 3.3% and 4.9%, depending on the customer's general service rate class.
- For customers of the distribution utilities that were acquired by Hydro One in 2000 and 2001, the bill change for the average residential customer ranges from a decrease of 3.5% to an increase of 9.4% and the bill change for an average General Service customer ranges from a decrease of 6.8% to an increase of 9.0%.

The major items addressed in this application include: distribution costs; allocation of costs and assets between Hydro One's distribution and transmission companies, distribution revenues; recovery of additional deferred costs (known as Regulatory Assets); a proposed formula to reset rates for 2007, miscellaneous service charges and changes in retail transmission rates.

Copies of the application are available for inspection at the Board's offices in Toronto, and at the following Hydro One Networks offices:

Head Office, 483 Bay Street, Toronto
Markham Office, 185 Clegg Road, Markham
Barrie Field Business Centre, 45 Sarjeant Drive, Barrie
Peterborough Field Business Centre, 913 Crawford Drive, Peterborough
Sudbury Field Business Centre, 957 Falconbridge Road, Sudbury
Merivale Service Centre, 31 Woodfield Drive, Ottawa
Dundas Field Business Centre, 40 Olympic Drive, Dundas,
Beachville Field Business Centre, 56 Embro Street, Beachville,
Thunder Bay Field Business Centre, 255 Burwood Road, Thunder Bay

Participation

You may participate in this proceeding in one of three ways:

1. You may send the Board a letter of comment. Your letter should include any request to make an oral presentation to the Board, and must be received by the Board no later than 30 days from the publication date of this notice.
2. You may request observer status in order to receive documents issued by the Board in the proceeding. Your request must be made by letter received by the Board no later than 10 days from the publication date of this notice.
3. You may request intervenor status if you wish to actively participate in the proceeding. Your request must be made by letter of intervention received by the Board no later than 10 days from the publication date of this notice. Your letter of intervention must include a description of how you are, or may be, affected by the proceeding; and if you represent a group, a description of the group and its membership. The Board may choose to hold either a written or an oral hearing. The Board will not hold a written hearing if a party satisfies the Board that there is

good reason for holding an oral hearing. Your letter of intervention should indicate your preference for a written or oral hearing, and the reasons for that preference. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the applicant.

Other Rate Changes

The Electricity line of the standard bill is an estimate of the actual costs paid by Hydro One Networks for the electricity consumed by a customer. The distributor has deferral or variance accounts related to the commodity of electricity. At least every three months, the Board will review the status of these accounts and make an order determining whether and how the amounts in the accounts will be reflected in distribution rates. The distributor also has deferral or variance accounts not related to the commodity of electricity. At least once a year, the Board will review the status of these accounts and make an order determining whether and how the amounts in the accounts will be reflected in distribution rates. Only those who intervene in this rate application will receive prior notice of these reviews. If you wish to be notified of a proposed disposition of any variance, you should indicate this in your letter to the Board.

Need more information?

Further information on how to participate may be obtained by visiting the Board's Web site at www.oeb.gov.on.ca or by calling the Consumer Relations Centre at 1-877-632-2727.

How to contact us

In responding to this notice, please make reference to Board file number RP-2005-0020 /EB-2005-0378. It is also important that you provide your name, telephone number and postal address and, if available, an e-mail address and fax number. All communications should be directed to the attention of the Board Secretary at the address below, and be received by 4:45 pm on the required date.

For your convenience, the Board accepts letters of comment by either regular mail or e-mail. The Board's e-mail address is Boardsec@oeb.gov.on.ca. Please include the application file reference number in the subject line of your e-mail.

Letters of intervention must be sent by regular mail to the address below. Please remember that you must send a copy of your request for intervention to the applicant at the address listed below.

ADDRESSES

Mr. John Zych,
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario, M4P 1E4

Mr. Glen MacDonald
Senior Advisor – Regulatory Affairs
Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto, Ontario
M5G 2P5

IF YOU DO NOT INFORM THE BOARD OF YOUR WISH TO PARTICIPATE IN THIS PROCEEDING, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE OF THE PROCEEDING.

Dated at Toronto August 30, 2005

ONTARIO ENERGY BOARD

Original Signed by

John Zych
Board Secretary