

April 17, 2009

BY COURIER

Ms. Kirsten Walli  
Secretary  
Ontario Energy Board  
2300 Yonge Street  
Suite 2700, P.O. Box 2319  
Toronto, ON.  
M4P 1E4

Dear Ms. Walli:

**EB-2008-0150 – OEB Consultation on Energy Issues Relating to Low Income Consumers:  
Comments of Hydro One Remote Communities Inc. on the Board Proposed Low-Income  
Energy Assistance Program**

Hydro One Remote Communities Inc. (“Remotes”), in response to the Ontario Energy Board’s (“The Board”) March 10<sup>th</sup>, 2009 Report on the Low Income Energy Assistance Program (“LEAP”), wishes to indicate that it will be seeking an exemption from the requirements of this program, when it is put into effect. Remotes’ agrees with the intent and spirit of the program, but believes that, as most of its customers are defined as low income consumers it would be inappropriate to increase their rates to provide the funding support for other low income customers in Ontario.

*Remotes’ Customer Base and the Role of RRRP*

Most of the customers in Remotes’ service territory are low income consumers. Based on the 2005 Statistics Canada information that is available for the First Nation communities in Remotes’ service territory, the median after-tax income for all families ranges from \$25,024 to \$37,683 -- significantly lower than \$59,377, the median after-tax income reported for all families in Ontario for that year.

Because Remotes’ customers are mainly low income, Remotes does not support increasing rates in its service territory to offer support to low income customers. Furthermore, these rates are sustained at these levels through subsidy provisions under the Rural and Remote Rate Protection (“RRRP”).

*Remotes’ Current Customer Service Provisions*

Remotes’ residential customer service practices have been designed to work with low income consumers. The Company’s collections practices have also been changed and improved through many years of discussions with local band councils and social service offices in our communities.

Remotes' performs two collection trips a year in each community. Collection trips are performed from April to October, as the Company does not disconnect customers over the winter months.

Six notifications will be issued prior to any disconnection. The first notice is sent to the local band council and to individual customers two months in advance of the trip. These notices offer customers an opportunity to negotiate payment arrangements and urge customers to contact the Company's Thunder Bay office. Informing the band councils also means that Remotes is made aware of individual circumstances where more sensitivity is required. Further notifications are sent closer to the trip date, and payment plans may be negotiated until the trip itself. The Company also notifies the social service office of the date of the collection trip so they can work with clients.

Remotes' regularly negotiates payment arrangements with customers, and has found that customers tend to respond best to payment arrangements spread over no more than four to six months. The Company already has a high level of arrears. Extending the payment time to 300 days would exacerbate this problem and again, would increase costs to RRRP, with the consequent implications for electricity rate payers throughout the rest of the Province.

#### *Conservation and Demand Management ("CDM") Programs*

Remotes has partnered with the OPA to deliver an overall conservation program, designed to develop sustainable conservation through the development of local expertise and community buy-in. Understandably, the OPA is primarily focused on customers connected to the grid, and therefore, Remotes will continue a CDM program funded through its revenue requirement, as a key aspect of meeting its customer energy requirements and achieving cost efficiencies. A critical aspect of the program design, accordingly, will be its applicability to low income customers.

#### *Conclusion*

The Company believes that its current practices, as discussed above, already accomplish the intent of the Board's proposed LEAP program. Accordingly, the Company will request an exemption from the specifics of this program at an appropriate future date.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank