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BY COURIER

November 12, 2010

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

Re: EB-2008-0150-- OEB Consultation on Energy Issues Relating to Low Income Consumers - Request for Exemption with respect to Hydro One Remote Communities Inc.

In response to the Board's October 20, 2010 letter, which provided guidance as to the rate treatment of LEAP emergency financial assistance and information about the Board's expectations for partnerships with social service agencies, Hydro One Remote Communities Inc. ("Remotes") requests that the Board exempt Remotes from the requirements of this program.

Remotes agrees with the intent and spirit of the program but believes that, as most of its customers are defined as low income and already pay rates that are below the cost of providing service through Rural and Remote Rate Protection ("RRRP"), it would not make sense to then increase rates in either its service territory (or the rates of all other utilities through their contributions to RRRP) to support its low income customers. Remotes submits the following:

Remotes' Customer Base and the Role of RRRP

Most of the customers in Remotes' service territory are low income. 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.

Most of Remotes' customers already pay rates that are below the cost of providing service to them. 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 of RRRP. Remotes notes that all grid-connected customers, including those who would be defined as low income, pay into RRRP through their electricity rates. The RRRP fund is linked formulaically to the relationship between Remotes' rates and those in the

remainder of the Province. Accordingly, an increase in Remotes' rates could trigger the need to raise RRRP contributions from all grid-connected utilities and their customers.

As RRRP funds are used to keep rates levels similar to those paid in the rest of Ontario, this fund already offers the type of support that the Board recommends each utility establish for low income customers. Although RRRP is not a subsidy specifically for low income customers as such, in the case of Remotes, where the customers are mainly low income, it does provide rate relief.

Remotes' Current Customer Service Provisions

Remotes' residential customer service practices have been designed to work with low income people. The Company's collections practices have also been changed and improved through many years of discussions with local band councils and social service (welfare) offices in the communities served by Remotes.

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 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 as the date of the trip is closer, and payment plans may be negotiated until the trip itself. The Company also notifies the social service (welfare) office of the date of the collection trip so that the social service office can work with clients.

Remotes regularly negotiates payment arrangements with customers and has found that customers tend to respond best to payment arrangements of 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 rates throughout the rest of the Province, noted above.

The Company believes that its current practices, as discussed above, already accomplish the intent of the Board's proposed LEAP program. Furthermore, given Remotes' unique circumstances, the additional costs of adopting the Board's recommendations would be counter-productive and possibly harmful to the very customers it intends to assist. Accordingly, the Company requests an exemption from the requirements of this program.

Yours truly,

ORIGINAL SIGNED BY ALLAN COWAN FOR SUSAN FRANK

Susan Frank