

Hydro One Networks Inc.

8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5700
Fax: (416) 345-5870
Cell: (416) 258-9383
Susan.E.Frank@HydroOne.com



Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

February 28, 2011

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

Dear Ms. Walli,

EB-2007-0722 Hydro One Networks Inc. Comments in Response to the February 8, 2011 Revised Updated Proposed Low-Income and Other Customer Service Amendments to the Distribution System Code, the Retail Settlement Code, and the Standard Supply Service Code

Hydro One Networks Inc. (Hydro One) is responding to the Revised Updated Proposed Low-Income and other Customer Service Amendments to the Distribution System Code, the Retail Settlement Code and the Standard Service Supply Code issued February 8, 2011. Hydro One supports the proposed low-income and other customer service amendment's goal to assist customers having difficulty managing their electricity costs. Hydro One appreciates that many of its concerns submitted in the October 25, 2010 comments have been reflected in the revised version including the extension of several of the implementation timelines. Hydro One remains concerned about several outstanding issues as well as several new proposals introduced in these revised amendments. These include:

- Hydro One recommends that accountabilities for qualifying customers as low income be assigned to the established social service agency and government agency that partner with a distributor rather than to the distributor as proposed in Section 1.2 of the DSC - Definition of Eligible Low-Income Electricity Consumer. This would make best use of the agencies expertise and resources. There are similar concerns with section 2.4.12B and 2.9.2 of the DSC.

- Hydro One's current billing system cannot be modified or managed to provide a specified payment date tied to a day of the month as proposed in section 2.6.2B of the DSC;
- Adjusting Hydro One's billing system to separate the calculation and application of a late payment charge to current charges and exempting a customer's Payment Agreement amount as proposed in section 2.7.6B would be a significant change to our billing system and as such Hydro One requests an extension to 180 day implementation after posting of the final amendments; and
- Preparing Hydro One's billing system and other operational adjustments will require incurring a one-time expense in 2011, with little or no initial operational savings. Given these costs are unplanned, and our customer work program is already addressing unfunded costs for the July 2010 code amendments and LEAP Emergency Financial Assistance Fund, we will be requesting a Deferral Account to capture the associated costs with implementing the February 8, 2011 Code amendments. We estimate the costs will be approximately \$700,000, with our recommendations, indicated below, being accepted. Costs will be higher without our recommendations being accepted.

Hydro One's specific comments are as follows:

Attachment A: Part I: Distribution System Code

1.2 Definition of Eligible Low-Income Electricity Consumer

The definition of "eligible low income customer" for the special customer service provisions as outlined in the Codes, has been expanded to include automatic qualification if a customer has been approved to receive LEAP emergency financial assistance, or, is a recipient of Ontario Works, Ontario Disability Support Program, Ontario Child Care Supplement for Working Families, National Child Benefit Supplement or Guaranteed Income Supplement for Seniors. Hydro One agrees that this is an efficient way to manage qualifying customers as eligible for the low income customer service provisions. We strongly recommend this be added to the requirements of social service agencies and government agencies that partner with distributors, as these agencies have the knowledge and expertise in working with customers who are part of the Government-assistance programs listed in part (c) of this section.

We therefore recommend the wording of Section 1.2 c) be changed to:

"a residential electricity customer who demonstrates to the distributor's social or government agency partner, with appropriate supporting documentation, that he or she is a recipient of one of the following government assistance programs..."

This aligns this with the existing expertise of the social service and government agencies and is a more efficient approach that would eliminate the need for distributors to increase operating costs to take on this work activity.

If this Code remains as proposed Hydro One requests that the Board identify all the appropriate documentation that would demonstrate acceptance to the Government-assisted programs listed in part (c) of the eligibility criteria.

Hydro One agrees with the proposed 2 year length of time a customer remains qualified as low income for the customer service provisions as defined in Section 1.2. Hydro One recommends that customers re-qualify through the distributor's partnered social service or government agencies as eligible low income customers.

2.4.12A Security Deposits and Eligible Low Income Customer

This amendment proposes communication be sent to residential customers when a security deposit is required to notify them that the deposit may be waived if they qualify as an eligible low income customer. We appreciate that the communication methods have been expanded to include not only bill insert but also bill message or outgoing phone messages. We recommend that the option of "letter" also be included since this option has been added to the notification requirement in section 7.7.4.2 of the Retail Settlement Code, regarding under-billed amounts.

We also suggest the term "include a bill insert" be removed from the first sentence, as alternative communication methods are now available. We recommend the section be modified to read:

"When issuing a bill for a security deposit in accordance with section 2.4.12, the distributor shall advise a residential customer that the security deposit requirement will be waived for an eligible low income customer provided that such a customer contacts the distributor and thereafter confirms his or her low income eligibility. The distributor shall notify the customer by means of a bill insert, bill message, letter, or outgoing telephone message and shall include the distributor's contact information where the customer can obtain further information and a referral to a social service agency or government agency to review the customer's low income eligibility."

2.4.12B Security Deposits and Eligible Low Income Customers

This section allows 21 days for a customer to contact a social service agency or government agency to qualify as eligible low income and waive a security deposit. In section 4.2.2.6 of the DSC, related to disconnection, there is a requirement for notification to be given to the distributor from the social service or government agency that eligibility is being reviewed. This helps to focus the 21 day delay requests to those who are indeed under evaluation for low income status. We recommend consistency in the processes we established with social service and government agencies, which would reflect the same approach as used in 4.2.2.6 and the 21 day suspension of disconnection notice. We recommend the section be modified to read:

"Where a distributor is advised from a social service agency or government agency, that they are assessing low income eligibility qualification to address the security deposit, the due date for payment of the security deposit

shall be extended for at least 21 days pending the eligibility decision by the social service agency or government agency”.

2.4.23D Refund of Security Deposits to Third Parties

Hydro One will implement billing system changes to track third parties who have paid security deposit on behalf of the customer and refund to the appropriate individual or agency. We are expecting an increase in our tracking and returns of security deposits and must therefore look at automating our processes. This is one example of the unplanned costs that would be included in our requested deferral account.

2.7.6B Late Payment Fee not Charged on Agreement Amount

This section requires that an eligible low income customer who enters into a Payment Agreement not be charged late payment charges on the amount that is subject to that Agreement. This requires significant change to our billing system in order to apply our late payment charge separately to the Agreement amount and not to the current bill amount. Given the work required to meet this amendment, Hydro One is requesting a change in the implementation date from 90 days to 180 days after the date the amendments are published. This is also another example of the unplanned costs that would be included in our requested deferral account.

2.9.2 Load Control Device and Eligible Low Income Customers

This section allows 21 days for a customer to qualify as eligible low income before a load control device may be installed. Similar to our comment on section 2.4.12B, we recommend the processes be consistent, and as with 4.2.2.6 delay in disconnection situation, the distributor should hear from the social service or government agency that eligibility is being reviewed. We suggest the section be modified to read:

“Where a distributor is notified by a social service agency or government agency that partners with the distributor, that they are assessing the customer for Emergency Financial Assistance, the distributor shall refrain from installing a load control device for a period of 21 days”

Attachment A: Part II: Amendments to the Retail Settlement Code

7.7.4.1 Correction of Billing Errors.

Billing errors are infrequent and usually relate to inaccurate data on a customer account, such as a wrong meter number or meter multiplier. The instances of these occurrences for eligible low income customers will be very low and therefore do not warrant the cost of implementing separate processes to allow for repaying of an under billed amount over 10 or 20 months. The standard process allows for repayment over the duration of the error, to a maximum of 2 years, and for cost efficiencies Hydro One recommends the same standard for all customers. Therefore, we recommend the Amendment is not required for this section.

Attachment A: Part III: Amendments to Standard Supply Service Code

2.6.2B Equal Billing Options for Low Income Customers

This section describes the elements of an equalized billing plan to be available for an eligible low income customer. The description of the equal billing plan includes (c),

“...shall make provision for the customer to select from at least two dates within the applicable month on which the equalized bill payment is due;”

The option of providing at least two dates within the applicable month on which the equalized bill payment is due, is not an option that can be provided in the Hydro One’s billing system. Our billing system does not run on a calendar-day; that is, our bills are not tied to a specific day of the month. Our billing system operates on a 20-business day cycle, and the bill payment date shifts by 1-3 days each month. For example, a bill with a payment date of March 5 can have a payment date of April 3 the following month.

Hydro One does understand that an established payment date can provide customers in a low income situation an opportunity to align payments with receipt of assistance cheques. We will therefore implement new policy and processes to accept a payment on a specific date, as agreed to with the customer. Eligibility for this will be established only for qualified low income customers who have agreed to be part of our monthly equal billing plan. This will be an interim measure, restricted to those eligible, as noted above, until our current billing system is replaced. We understand newer systems include a service feature to choose payment date aligned with a specific day of the month. This feature could then be available for other customers.

If this amendment is implemented as proposed, Hydro One will be forced to seek an exemption to section 2.6.2B (c), as this would also apply to other monthly billed customers, as noted in 2.6.2.

Hydro One appreciates the opportunity to comment on the revised and updated proposed Code Amendments. If there are any questions regarding these comments, please do not hesitate to contact Ruth Greey at 416 345-6408 or ruth.greey@hydroone.com.

Sincerely,

Ruth Greey
On behalf of Susan Frank