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March 2, 2011

Zee Bhanji
LIEN Coordinator
c/o Advocacy Centre for Tenants Ontario
425 Adelaide St. West, 5th Floor
Toronto, ON M5V 3C1

Re: Hydro One's Implementation of Low-Income Energy Assistance Program

Dear Ms. Bhanji,

Thank you for your letter dated February 7, 2011, regarding Hydro One's implementation of the Emergency Financial Assistance component of the Low-Income Energy Assistance Program ("LEAP"). Board staff has discussed the concerns raised in your letter with Hydro One and is satisfied with Hydro One's implementation of the LEAP emergency financial assistance to date.

Compliance with 2011 LEAP Emergency Financial Assistance Program Manual

It should be noted that the framework set out in the 2011 LEAP Emergency Financial Assistance Program Manual (the "Program Manual") was developed by the Financial Assistance Working Group (the "FAWG") and is a general guideline not a requirement. The FAWG recognized, and the Board agreed, that every distributor's service territory is different and, as such, allowed for modifications to be made to the framework to meet the needs of each community. Board staff has spoken to Hydro One and finds no indication that their program does not meet the LEAP objectives.

Program Administration/Delivery Fees

The Board has determined that up to 15% of the funds contributed annually by a distributor can be used for program administration and delivery costs. How those funds

are divided between lead and intake agencies is up to negotiation between those agencies and does not need to be approved by the Board.

As you know, the United Way of Greater Simcoe County was selected, through a request for proposal process, to be Hydro One's Lead Agency based on their experience delivering Winter Warmth and their knowledge of LEAP. They are also the Lead Agency for Innisville Hydro, Powerstream, Veridian and Orillia Power.

According to Hydro One, the \$15 fee per application allocated for Intake Agencies is sufficient. The United Way of Greater Simcoe County has partnered with 76 Intake Agencies who have agreed to the \$15 application fee based on the reduced workload. To date, more than 500 applications from across the province have been processed.

The United Way of Greater Simcoe County also refers customers to other programs or funds such as the Emergency Energy Fund, Community Start Up and Northern Ontario Energy Credit. In addition, they recommend Intake Agencies look for alternative funding.

Allocation of Hydro One Funds

As the Board has indicated before, it expects that each distributor will partner with a social service agency for the purposes of delivering LEAP emergency financial assistance. The distribution of funds is at the discretion of the distributor and their social service agency partner. It is not the Board's intention to approve a distributor's social agency partner or the allocation of funds within each distributor's service area.

Hydro One serves more than 300 townships and municipalities, and has explained that by having the funds centrally managed, those funds will be distributed based on the needs of the different communities. Board staff is satisfied at this time that the approach respects the intent of the policy.

The Board will continue monitoring the performance of the emergency financial assistance program for all distributors to understand how funds are disbursed and how effective LEAP will be in meeting its objectives.

To discuss this letter, or any other information regarding LEAP emergency financial assistance, please contact Lenore Dougan at 416-440-8141 or by email at lenore.dougan@ontarioenergyboard.ca.

Yours truly,


Cynthia Chaplin
Chair

cc: The Honourable Brad Duguid, Minister of Energy
Tamar Heisler, Senior Policy Advisor to the Minister of Energy
Financial Assistance Working Group (FAWG) members
Myles D'Arcey, Senior Vice-President, Customer Operations, Hydro One
Networks Inc.
Barb Allen, Manager, Customer Programs, Hydro One Networks Inc.
Nancy Smith, Senior Financial Coordinator, United Way of Greater Simcoe
County