

Hydro One Networks Inc.

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**LAW**

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June 24, 2011

Mr. Douglas M. Cunningham
Barrister and Solicitor
10 King Street East, Suite 600
Toronto, Ontario M5C 1C3

Dear Mr. Cunningham:

EB-2011-0021 - Hydro One Remote Communities Inc. ("Remotes") Request for an Exemption from Specific DSC Amendments – Remotes' Supplementary Information to Nishnawbe Aski Nation

Please find below the responses provided by Hydro One Remote Communities Inc. ("Remotes") to the Nishnawbe Aski Nation's request for supplementary information to the original Remotes interrogatory responses, specifically, interrogatories 5, 7, 8, 14, 15 and 16.

An electronic copy of this letter has been filed using the Board's Regulatory Electronic Submission System (RESS), and the proof of successful submission slip is attached.

NAN Interrogatory #5 List 1

The response provided by Remotes does not address the specific question posed by NAN. Please confirm whether the EDA, Hydro One Networks, or any other organization (to be identified by Remotes) were representing the interests of Remotes in respect of EB-2007-0722.

Given the response which has been provided to date by Remotes, what is the source of Remotes' information that Hydro One Networks "had assumed...that any amendments would recognize the need to modify the requirements for Remotes." How does Remotes know this given that the response relates to what Hydro One Networks apparently assumed? If any documentation between Hydro One Networks and Remotes was exchanged on this issue, please provide copies of same.

Response

Remotes has a Service Level Agreement with Hydro One Networks Inc. for the provision of Common Corporate Functions and Services by the latter to the former. This Service Level

Agreement includes the provision of ongoing Regulatory advice and support. Under the Terms of that Agreement, Hydro One Networks Inc. provides ongoing support to Remotes in regulatory proceedings and is offering regulatory and legal support to Remotes in this proceeding.

During initial working group discussions regarding these amendments, Hydro One Networks Inc. and OEB staff discussed the unique circumstances of Remotes and its customer base, and the fact that Remotes' business would not be able to adapt to standard processes for collections and disconnections. It was and remains Remotes' belief that the requirements would be modified for Remotes. There is no documentation between Remotes and Hydro One Networks Inc. regarding that discussion.

NAN Interrogatory #6 List 1

Remotes' response is ambiguous. NAN acknowledges that the ambiguous response may have stemmed from the framing of NAN's interrogatory.

To clarify matters, please advise whether the EDA was representing the interests of Remotes in respect of EB-2007-0722.

If Remotes' answer is no, did Remotes ever advise the OEB that EDA's submissions did not represent the interests and concerns of Remotes?

Response

No, the EDA was not representing the interests of Remotes in EB-2007-0722. Remotes did not specifically advise the Board, because the Board's processes do not require that individual members advise the Board if and when EDA submissions are on behalf of individual members.

NAN Interrogatory #7 List 1

Thank you for clarifying that Remotes is not a subsidiary of Hydro One Networks.

Remotes' response to this interrogatory is ambiguous. NAN acknowledges that the ambiguous response may have stemmed from the framing of NAN's interrogatory.

To clarify matters, please advise whether Hydro One Networks was representing the interests of Remotes in respect of EB-2007-0722.

If Remotes' answer is no, did Remotes ever advise the OEB that Hydro One Networks' submissions did not represent the interests and concerns of Remotes?

Response

Yes, Hydro One Networks Inc. represented Remotes' interests in the proceeding. Under the Board's processes, individual distributors are permitted to request exemptions from Codes at any time if the distributor believes that an exemption is required.

NAN Interrogatory #8 List 1

NAN believes that the answers to specific questions are not responsive to the questions posed.

- a) Please simply advise whether Remotes itself requested the right to participate in the OEB's consultation process. If not, Remotes can also advise whether it requested Hydro One Networks to represent the interests of Remotes in the consultation process.
- b) Please simply advise whether Remotes was relying on Hydro One Networks to voice any concerns by Remotes in respect of proposals related to low income energy consumers.
- c) Please provide any relevant documents outlining any comments, concerns, or objections voiced by Hydro One Networks to the extent that it was voicing concerns on behalf of Remotes.

Response

Remotes does not have any further details beyond the response to Exhibit I, Tab 2, Schedule 8, submitted on May 26, 2011.

NAN Interrogatory #14 List 1

Given that Remotes appears to be relying on a survey conducted in NAN communities, please provide a copy of the survey undertaken in 2005.

Response

Please refer to Attachment 1.

NAN Interrogatory #15 List 1

NAN believes that the answer to Interrogatory (a) is not fully responsive.

Please provide details of the consultations which took place, including names of the Band Councils, the dates and locations of such consultations, and provide copies of any supporting documents to that effect. NAN did not ask any questions about letters of complaint. NAN is simply interested in the complete record from Remotes concerning the alleged consultations which Remotes conducted with Band Councils in NAN communities served by Remotes as they relate to the "collection practices" for which Remotes seek exemption from the DSC.

Response

Remotes has working relationships with the Band Councils in the communities it serves. Remotes' collections process was developed over time, and changes were made to the process in response to concerns raised by Band Councils, as demonstrated by the letters attached to Exhibit

I, Tab 2, Schedule 15, submitted on May 26, 2011. Remotes has not characterized the development of this business process as a consultation.

NAN Interrogatory #16 List 1

NAN believes that the chart provided for Interrogatory (a) is not fully responsive to NAN's Interrogatory.

Please provide the complete information requested in (a). Remotes has only provided information on Residential Customers in Arrears for the years 2008, 2009, and 2010. NAN requires the same information on Standard "A" customers, as well as the corresponding percentage of the total arrears accounted for by each of these two customer groups (i.e. Standard "A" customers v. Residential customers), as well as the aggregate figures for the total arrears for the requested years.

Similarly, the response for (b) is not fully responsive. Please provide write-off information for the years 2008, 2009, and 2010 for Standard "A" customers.

Finally, NAN requests a more detailed response for Interrogatory (c). Also, the response should include discussion of write-offs relating to Standard "A" customers.

Response

Remotes does not disconnect Standard A accounts for non-payment. The DSC exemptions that Remotes is seeking relate only to Residential customers. Remotes submits that Standard A arrears and write-off information is outside of the scope of this proceeding.

With respect to (c), the Board's materiality threshold for OM&A expenditures is 1% of total expenses before Payments in Lieu of Taxes (PILs). Based on Remotes' most recent Cost of Service proceeding (EB-2008-0232), the materiality threshold is \$42,204. As shown in Exhibit I, Tab 2, Schedule 16, submitted on May 26, 2011, write-offs of Residential Bad Debt are well below that threshold.

Yours truly,

ORIGINAL SIGNED BY MICHAEL ENGELBERG

Michael Engelberg

cc: Board Secretary, Ontario Energy Board
Grand Chief Stan Beardy
Mr. Mel Stewart, Consultant to Nishnawbe Aski Nation
Grand Deputy Chief Les Louttit

VIEWPOINTS RESEARCH (N = 287)

INTERVIEWER: _ _ _ _

PHONE: (_ _ _) - _ _ _ - _ _ _ _

GENDER: Male 56.1% Female..... 43.9%

Hello, my name is _____ and I'm calling from Viewpoints Market Research. We're a professional public opinion research company and today we're calling people in Northern Ontario to talk about their electrical service.

For the purposes of this survey I need to speak to a person living in your household who is 18 years or over. Would that be you?

IF NO, ASK TO SPEAK TO THE PERSON WHO DOES MEET THE REQUIREMENTS. IF THE PERSON WHO MEETS THE REQUIREMENTS IS NOT AT HOME, ASK FOR ANY PERSON WHO IS 18 YEARS AND OLDER. IF NO ONE PRESENTLY AT HOME QUALIFIES, ARRANGE A TIME TO CALL BACK. RESPONDENT MUST BE 18 OR OLDER

Q1 Could you please tell me whether I have reached a home, a business or a government supported organization, like a school or health facility?

Home.....	81.9%	
Business	8.0%	
Government supported organization.....	10.1%	
Don't know / Refused.....	0.0%	TERMINATE

Q2 Do you have electrical service?

Yes, includes people who also use wood.....	100.0%	
No.....	0.0%	TERMINATE
Don't know / Refused.....	0.0%	TERMINATE

Q3 Are you very satisfied, satisfied, dissatisfied or very dissatisfied with the electrical service you received from Hydro One Remotes?

Very satisfied	11.8%	
Satisfied.....	61.7%	
Dissatisfied.....	19.9%	GOTO Q5
Very dissatisfied.....	5.6%	GOTO Q5
Don't know / Refused.....	1.0%	GOTO Q6

Q4 Why do you say that you are satisfied? **DON'T READ, PROBE, CIRCLE ALL MENTIONS** (n=211)

Good / better service	18.5%
Electricity there when needed	43.1%
Rates good / fair	5.7%
Reliability improved / goes off less / comes back sooner....	10.4%
Customer service.....	3.8%
Do the best they can / trying	2.8%
Rates / problems not their fault.....	0.9%
Good / improved environmental practices.....	0.5%
No problems/ no complaints	1.4%
Other (SPECIFY BELOW).....	2.4%
No reason / Don't know	22.3%
Refused	0.0%

GOTO Q6

Q5 Why do you say that that you are dissatisfied? **DON'T READ, PROBE, CIRCLE ALL MENTIONS** (n=73)

Expensive / costs too much general	72.6%
Collections / service cut off unfair.....	8.2%
Too expensive to install new hook-ups.....	5.5%
Not reliable / goes off	20.5%
Takes too long to fix	2.7%
Don't like diesel / noisy / smelly / bad for environment.....	1.4%
Can't plug in a lot of appliances / large appliances	2.7%
Don't like Hydro One Remotes	8.2%
Billing confusing.....	9.6%
Billing not fair / discriminates	13.7%
Bad for community / economy	2.7%
Requires payment before work it's done	0.0%
Estimated bills don't match actual / bills vary too much.....	12.3%
Appliances burn out don't work, brownouts, poor quality of electricity.....	6.8%
Other (SPECIFY BELOW).....	5.5%
No reason / Don't know	0.0%
Refused	0.0%

Q6 In the past few years has your opinion of Hydro One Remotes, the company that provides your electric service, improved, worsened or stayed about the same? **IF APPROPRIATE** Would that be improved/worsened a lot?

Improved a lot 3.8%
 Improved 7.3%
 Worsen 8.0%
 Worsened a lot 3.8%
 Stayed about the same 71.8%
 Don't know / Refused 5.2%

Q7 In the past few years has your electrical service improved, worsened or stayed about the same? **IF APPROPRIATE** Would that be improved/worsened a lot?

Improved a lot 1.7%
 Improved 8.7%
 Worsen 7.3%
 Worsened a lot 5.9%
 Stayed about the same 72.5%
 Don't know / Refused 3.8%

I want to now ask you some questions about the service you receive from Hydro One Remote Communities, the company that provides your electricity. In the past few years would you say that Hydro One Remote Communities is doing a better job, a worse job or about the same job doing each of the following. **ROTATE**

		Better	Worse	Same	Don't know	REF
Q8	Improving the reliability of electrical service. (ELECTRICITY GOES OFF LESS OFTEN)	32.4%	10.1%	50.5%	6.6%	0.3%
Q9	Getting electricity back on faster when it does go off.	40.8%	13.6%	43.2%	2.1%	0.3%
Q10	Reducing the noise and smell coming from diesel generators.	31.0%	7.0%	34.1%	26.8%	1.0%
Q11	Listening to customers and communities.	18.5%	13.9%	51.2%	16.4%	0.0%
Q12	Telling customers and communities what its plans are.	21.6%	17.4%	43.2%	17.8%	0.0%
Q13	Protecting the environment.	24.4%	9.4%	45.6%	20.6%	0.0%
Q14	Making it easier for customers to pay their bills.	27.9%	13.6%	50.9%	7.3%	0.3%
Q15	Treating your community fairly.	18.8%	11.5%	58.2%	11.1%	0.3%

I am now going to read you a number of statements which others have made about Hydro One Remotes, the company that provides your electricity. For each one, please tell me whether you strongly agree, agree, disagree, or strongly disagree. **ROTATE**

		STR AGREE	AGREE	DIS- AGREE	STR DIS- AGREE	DK/ REF
Q16	Hydro One Remotes cares about customers like me.	11.5%	56.4%	17.1%	4.2%	10.8%
Q17	Hydro One Remotes makes it difficult for our community to grow and improve.	6.6%	44.6%	31.0%	4.9%	12.9%
Q18	Hydro One Remotes doesn't understand what it's like to live in a community like ours.	19.5%	53.3%	16.0%	1.4%	9.8%
Q19	While there are still big problems, Hydro One Remotes is trying to provide better service to customers like me.	10.8%	64.8%	13.6%	1.0%	9.8%
Q20	Hydro One Remotes cares about the public's safety.	16.4%	63.4%	8.0%	4.9%	7.3%

Q21 Are you the person who usually pays the electricity bill?

Yes	66.6%	
Sometimes.....	3.8%	
No.....	28.9%	GOTO Q26
Don't know / Refused.....	0.7%	GOTO Q26

Q22 Would you say that the amount on your monthly electricity bill is always, usually, sometimes, rarely or never what you are expecting? (n=202)

Always	18.3%
Usually	33.7%
Sometimes.....	19.3%
Rarely	10.4%
Never.....	13.9%
Don't know / Refused.....	4.5%

Q23 During the past year have you experienced a billing problem, such as a late arriving bill, an incorrect amount on your bill or a wrong address? (n=202)

Yes	20.8%
No.....	77.7%
Don't know / Refused.....	1.5%

Q24 Would you say that your monthly electricity bill is usually paid always, sometimes, depends or never paid? (n=202)

Always	53.0%
Sometimes.....	30.7%
Depends.....	14.9%
Never.....	0.0%
Don't know / Refused.....	1.5%

Q25 Do you feel that your electricity bill is always, usually, sometimes, rarely or never accurate? (n=202)

Always	16.3%
Usually	33.7%
Sometimes.....	23.8%
Rarely	5.4%
Never.....	5.9%
Don't know / Refused.....	14.9%

Q26 Do you or does anyone in your household have a bank or credit union account? (n=235)

Yes, respondent has account	33.2%
Yes, someone else has account	8.5%
Yes, both	16.2%
No, no one has account	40.0%
Don't know / Refused.....	2.1%

Q26b Does your organization have a bank or credit union account? (n=52)

Yes	50.0%
No.....	15.4%
Don't know / Refused.....	34.6%

<p>THOSE WHO SAY NO, NO ONE HAS ACCOUNT OR DON'T KNOW REFUSED ON Q26, SKIP Q29</p>

Please tell me if you would be interested in paying your hydro bill in each of the following ways
... **ROTATE**

		Interested	Not interested	Already do that	DK/REF
Q27	Paying the same amount on your bill each month, based on your normal yearly electricity use.	48.4%	28.2%	4.9%	18.5%
Q28	Using a credit card to pay your bill.	10.1%	74.2%	2.1%	13.6%
Q29	Using a plan where Hydro sends you a bill each month, and you authorize them to take the bill amount out of your bank account automatically. (n=162)	27.8%	56.8%	4.3%	11.1%

Q30 During the past year have you ever called Hydro One Remotes to complain or ask a question?

Yes	25.1%	
No.....	74.6%	GOTO Q32
Don't know / Refused.....	0.3%	GOTO Q32

Q31 How satisfied were you with the way Hydro handled your problem? Were you ... **READ LIST** (n=72)

Very satisfied	25.0%
Somewhat satisfied	41.7%
Somewhat dissatisfied.....	16.7%
or Very dissatisfied	16.7%
Don't know / Refused.....	0.0%

Q32 When Hydro One Remotes staff come to your community to do things like bring the electricity back on after an outage are they generally polite and helpful?

Yes	61.0%
No.....	5.6%
Don't know / no experience.....	32.8%
Refused	0.7%

Q33 Have you looked at or read the material on topics like how to use less electricity and save money, how to use electricity safely and what Hydro is doing to protect the environment?

Yes	56.4%	
No.....	39.0%	GOTO Z1
Don't know / Refused.....	4.5%	GOTO Z1

Q34 Generally, have you found this information contained in Hydro One Remotes bills to be helpful or interesting? (n=162)

Yes	88.3%
No.....	10.5%
Don't know / Refused.....	1.2%

Now I just have a few questions for our statistical tabulations...

Z1 RECORD GENDER (DO NOT READ)

Male	56.1%
Female.....	43.9%

Z2 What age category are you in?

18 to 24	10.5%
25 to 34	23.3%
35 to 44	28.2%
45 to 54	22.6%
55 to 64	10.1%
65 or over	3.8%
Don't know / Refused.....	1.4%

Z3 Do you heat with electricity?

Yes	27.5%
No.....	71.8%
Don't know / Refused.....	0.7%

Z4 And finally, which community do you live in?

Armstrong / Whitesands / Colins.....	
Bearskin Lake	
Big Trout Lake.....	
Biscotasing.....	
Deer Lake.....	
Fort Severn.....	
Gull Bay.....	
Hillsport	
Kasabonika Lake.....	
Kingfisher Lake	
Lansdowne House.....	
Oba.....	
Sachigo Lake.....	
Sandy Lake.....	
Sultan	
Weagamow	
Webequie	

Z5 May I just confirm that your phone number is **(READ NUMBER DIALED)**

(____) ____ - ____

I'd like to thank-you for taking the time to participate in this survey and to advise you that my supervisor may be calling you later to verify your participation.