

#### BY EMAIL and RESS

July 29, 2014 Our File: EB20130416

Ontario Energy Board 2300 Yonge Street 27th Floor Toronto, Ontario M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

#### Re: EB-2013-0416 - Hydro One Networks Inc. Distribution - Notice of Motion

We are counsel to the School Energy Coalition ("SEC"). Pursuant to Rule 27.03 of the Board's *Rules of Practice and Procedure*, please find enclosed SEC's Notice of Motion seeking full and adequate responses to certain interrogatories.

Yours very truly, **Jay Shepherd P.C.** 

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and Intervenors (by email)

**IN THE MATTER OF** the *Ontario Energy Board Act 1998*, Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

**AND IN THE MATTER OF** an Application by Hydro One Networks Inc. for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2015.

**AND IN THE MATTER OF** Rule 27 of the Board's *Rules of Practice and Procedure*.

#### NOTICE OF MOTION

The School Energy Coalition ("SEC") will make a motion to the Ontario Energy Board ("the Board") at its offices at 2300 Yonge Street, Toronto, on a date and at a time to be fixed by the Board.

#### PROPOSED METHOD OF HEARING:

SEC requests this motion be dealt with in writing.

#### THE MOTION IS FOR:

- 1. An order requiring Hydro One Networks Inc. ("Hydro One") to provide a full and adequate response to interrogatories: 1
  - 2.6-Energy Probe-23(b);
  - 3.1-SEC-21/4.2-Board Staff-63(a)/4.2-Energy Probe-33(a);
  - 3.2-SEC-32;
  - 4.2-SEC-35; and
  - 6.1-SEC-48.
- 2. Such further and other relief as the SEC may request and the Board may grant.

#### THE GROUNDS FOR THE MOTION ARE:

1. The Board issued a Notice of Proceeding on an application by Hydro One pursuant to section 78 of the *Ontario Energy Board Act*, 1998 for an order or orders approving just and reasonable payment amounts for prescribed generating facilities commencing January

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<sup>&</sup>lt;sup>1</sup> See Appendix A

1, 2015.

- 2. SEC is an intervenor in this proceeding. Pursuant to the *Issues List Decision and Procedural Order No. 3*, SEC delivered written interrogatories to Hydro One.
- 3. Rule 27.03 of the Board's *Rules of Practice and Procedure* provides that a party may bring a motion seeking direction from the Board if it is not satisfied that a party has provided "full and adequate response to an interrogatory." SEC brings this motion because Hydro One has not provided full and adequate responses to a number of interrogatories that requested information relevant to the issues to be decided in this proceeding.

### Customer Satisfaction Benchmarking Survey

- 4. In response to interrogatory 2.6-Energy Probe-23(b), Hydro One provided redacted copies of two customer satisfaction benchmarking surveys that it had commissioned.<sup>3</sup> Those redactions appear to include names of comparator organizations or utilities that Hydro One has been benchmarked against. The information is clearly relevant to this application as it allows parties to properly compare Hydro One's customer satisfaction performance.
- 5. Hydro One has confirmed that it is not planning to provide unredacted versions of the studies, even on a confidential basis. SEC is not clear what the rationale is for this decision but regardless submits the Board should order Hydro One to provide unredacted versions of the documents. If Hydro One believes that portions of the surveys should remain confidential then they should file a request pursuant to the *Practice Direction on Confidential Filings*. Hydro One does not have unilateral right to redact relevant information from interrogatory responses.

#### Inergi Fee Benchmarking Review

6. In response to a number of interrogatories (3.1-SEC-21/4.2-Board Staff-63(a)/4.2-Energy Probe-33(a)), Hydro One has provided a redacted version of the ISG benchmarking review of Inergi fees (*Benchmarking Study 2013 Report Hydro One Networks/Inergi*). At the Technical Conference, parties sought a copy of the unredacted version of the report. Hydro One stated that redactions were made at the insistence of Inergi and that it will not be filing an unredacted version even on a confidential basis.<sup>5</sup>

<sup>&</sup>lt;sup>2</sup> Ontario Energy Board, Rules of Practice and Procedure (as revised on April 24, 2014)

<sup>&</sup>lt;sup>3</sup> i) Customer Satisfaction Tracking Canadian Residential Benchmarking Study, June 2010, ii) Canadian Residential Benchmarking Study: Customer Satisfaction Tracking, July 2013 (See Appendix A, 2.6-Energy Probe-23(b))

<sup>&</sup>lt;sup>4</sup> See Appendix B

<sup>&</sup>lt;sup>5</sup> Technical Conference Vol 1, p.101-102

7. A redacted version of the report is not adequate. It does not allow parties to see the actual numbers underlying its conclusions. While SEC is not aware of the basis of Inergi's insistence on the redactions, the Board has consistently stated that a contractual agreement between a utility and a third party is not a valid reason for non-disclosure of relevant information. Most recently, in EB-2013-0115 it reiterated this view:

Distributors cannot limit or exclude the Board's jurisdiction by private agreements amongst themselves or with third parties. The Board has often stated that distributors must be cognizant of this when entering into confidentiality agreements with third parties that extend to the provision of information and documents that the utility knows or ought to know may be reasonably required to be produced as part of the regulatory process.<sup>7</sup>

8. The fact that Hydro One has a confidentiality arrangement with third parties restricting disclosure is only relevant to its potential confidentiality treatment under the Board's rules. Hydro One has the ability to seek to have any document it is asked to produce treated as confidential pursuant to the *Practice Direction on Confidential Filings*. The appropriate response, in those circumstances, is not a refusal. It is to provide an unredacted copy of the report, coupled with a request to the Board for confidentiality treatment.

#### Actual versus Planned In-Service Additions

- 9. Interrogatory 3.2-SEC-25 sought a "a table showing for each year between 2010 and 2014, actual versus Board approved/budgeted in-service additions". In its response, Hydro One referred to a table in its pre-filed evidence showing Board approved versus actuals for 2010 and 2011. It further stated that there were no Board approved amounts between 2012 and 2014 since it was under IRM.
- 10. At the Technical Conference, SEC clarified the information it was seeking. The interrogatory sought comparison between actuals versus Board approved <u>or budgeted</u> inservice additions for each between 2010 to 2014. Hydro One confirmed that it does have internal budgeted amounts for in-service additions between 2012-2014 (the IRM years)<sup>9</sup> but it refused to provide the requested information:

MR. ROGERS: No. I don't think I will undertake to do that. I don't think the relevance is sufficient to justify the work that is involved.

MR. RUBENSTEIN: I am not even sure what the work would be if there is a document that shows the...

MR. ROGERS: I don't want to argue with you. Perhaps you're right. But at some point, you can't -- some things have to be kept in confidence and within the company. And

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<sup>&</sup>lt;sup>6</sup> Also see *Decision on Phase 1 Partial Decision and Order: Production of Documents* (EB-2011-0140), dated June 14 2012, at p.3. Motion Hearing Transcript, dated October 23 2012 (EB-2012-0031) at p. 28. *Decision on Confidentiality* (EB-2011-0123), dated August 19, 2011 at p. 3

<sup>&</sup>lt;sup>7</sup> Procedural Order No. 4 (EB-2013-0115), dated March 19 2014 at p.4

<sup>&</sup>lt;sup>8</sup> 3.2-SEC-25 (See Appendix A)

<sup>&</sup>lt;sup>9</sup> Technical Conference Vol 1, p. 170 at Ln 6-8: "MS. FRANK: There's always an internal business planning budget process. So yes, there are those kind of internal numbers, but they're obviously not Board-approved."

unless it is really important -- this is not really important, in my judgment. I could be wrong, and if so I apologize, but I won't undertake to do that. <sup>10</sup>

11. SEC submits the information is relevant and should be provided. Due to the incentive for a utility to over-forecast expenditures, one of the major issues in any Custom IR application is the ability for a utility to properly forecast and execute on its proposed five year capital plan. The information sought in the interrogatory would allow parties and the Board to see if Hydro One has executed on its capital plan for the previous 5 year period. The Board should reject Hydro One's position that "some things have to be kept in confidence and within the company". Hydro One has not provided any rationale for such a claim or explained why this information is any different than other information it provides in the course of a rate application.

#### **Internal Audit Reports**

12. SEC sought copies of all internal audit reports from 2010-2014 for material, i) capital projects (6.1-SEC-84), and ii) OM&A expenditures (4.2-SEC-35). In its response, Hydro One refused to provide copies on the basis that they are for internal use only:

As stated in Exhibit C1, Tab 2, Schedule 8, Internal Audit's accountability at Hydro One is to provide independent assurance to management regarding controls over processes in areas of high risk and accordingly the internal audits focus on processes and internal operations across all aspects of Hydro One. The reports are for internal use only and are intended to help management improve the effectiveness of process. See Attachment 3 of Exhibit A, Tab 1, Schedule 2 for information on Hydro One's Audit and Finance Committee Mandate. <sup>11</sup>

- 13. Hydro One confirmed its refusal to provide the internal audit reports at the Technical Conference. 12
- 14. SEC submits that the internal audits are relevant and should be produced. While internal audits usually focus on processes and controls, there is a direct link between inadequacy and compliance with those processes and controls, and the prudence of the underlying expenditures. Non-compliant and/or inadequate spending controls and processes are evidence of imprudent expenditures.
- 15. With respect to internal audits for previous material capital projects (6.1-SEC-84), Hydro One is seeking to add to rate base significant capital projects that have gone in-service since its last cost of service application. The Board and parties require the information to ensure that the amounts for capital projects were prudently incurred. Further, for test period capital

<sup>&</sup>lt;sup>10</sup> Technical Conference Vol 1, p. 170-171

<sup>&</sup>lt;sup>11</sup> 4.2-SEC-35. The response to 6.1-SEC-84 refers parties to the response to 4.2-SEC-35. (See Appendix A)

<sup>&</sup>lt;sup>12</sup> Technical Conference Vol 1, p. 175 at Ln 1-13

additions, it allows parties to test the evidence to ensure that they will be executed in an appropriate and prudent manner by reviewing past practices.

- 16. With respect to internal audits for material OM&A expenditures (4.2-SEC-35), SEC submits they are relevant in providing information to ensure that Hydro One's forecast OM&A costs of \$2.99B over the test period are prudent.<sup>13</sup> Reviewing Hydro One's past practices regarding its expenditures controls and processes for OM&A activities is the best way to test appropriate controls and processes over future expenditures.
- 17. SEC submits that for or the same reason that Hydro One's management requires "independent assurance... regarding controls over process in areas of high risk", so do intervenors and the Board. 14 It provides a way to ensure that the Applicant's projects are being executed in a cost-effective and prudent manner in which the proper expenditure controls and processes are being followed. As Hydro One itself states, these internal audit reports focus on areas of high risk.
- 18. Internal audits have been provided in the past. In EB-2013-0321, Ontario Power Generation Inc. willingly provided past internal audit reports on material capital projects. <sup>15</sup> The Board recognized that there were some confidentiality concerns with these internal documents, but that was dealt with by redacting some of the information from the public record. <sup>16</sup>
- 19. The fact that Hydro One considers the internal audits internal documents is not a basis for non-production. If Hydro One believes that for some reason the documents should be treated as confidential, then it has the right to request such treatment pursuant to the Board's Practice Direction on Confidential Filings. The mere fact that a document is confidential in nature, or contains confidential information, is not a basis to refuse production of a relevant document.

### THE FOLLOWING DOCUMENTARY MATERIAL AND EVIDENCE WILL BE RELIED UPON AT THE HEARING OF THE MOTION:

- 1. The Record in EB-2013-0416.
- 2. Such further and other material as counsel may advise and the Board may permit.

<sup>13</sup> Ex.C1-2-1/p.2 <sup>14</sup> 4.2-SEC-35 (See Appendix A)

<sup>&</sup>lt;sup>15</sup> Ex. L, Tab 4.7 Schedule 17 SEC-051 (See Appendix C)

<sup>&</sup>lt;sup>16</sup> Decision and Order on Confidential Filings and Procedural Order No. 8 (EB-2013-0321), dated May 6 2014 at p.3 (See Appendix D)

### July 29, 2014

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#### **Mark Rubenstein**

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### AND TO: Hydro One Networks Inc.

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Counsel to Hydro One Networks Inc.

#### **AND TO: Intervenors**



Filed: 2014-07-25 EB-2013-0416 Exhibit I Tab 2.06 Schedule 11 EP 23 Page 1 of 1

#### Energy Probe Research Foundation (EP) INTERROGATORY #23

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Issue 2.6 Are Hydro One's forecasts (revenue, costs, inflation and productivity) reasonable? Should Hydro One be expected to provide benchmarking evidence as an indicator of reasonableness?

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### **Interrogatory**

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#### Preamble:

In Technical Conference #2 Hydro One said it benchmarks its unit costs against "comparable utilities." When asked what utilities it benchmarks itself against, Hydro One named three utilities: BC Hydro, Manitoba Hydro and New Brunswick Power.

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a) Can Hydro One provide any evidence how its increase in revenue requirement over the five-year plan compares to these three utilities?

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b) Can it provide evidence in customer satisfaction relative to these three utilities?

18 19

c) Can it provide comparable distribution rate increases with these three utilities?

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### **Response**

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a) This data is not available. Major industry benchmarking studies and the leading consultancy studies are being cancelled or curtailed due to concerns regarding potential misuse of confidential data, the mishandling of comparisons (e.g. costs but not reliability) and the consequential reluctance to invest in benchmarking initiatives.

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b) Please see Attachment 1 to this response.

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c) As noted in a) this data is not available. Traditionally companies are selected for comparators based on numerous criteria (e.g. size, geography, infrastructure, etc.) however with the low participation levels the determinant factor is the availability of data.

Filed: 2014-07-25 EB-2013-0416 Exhibit I-2.6-11 EP 23 Attachment 1 Page 1 of 187



# Customer Satisfaction Tracking Canadian Residential Benchmarking Study (Conducted Among Populations Under 50,000)

Prepared for Hydro One

Prepared by Synovate

Job number 10-0030

Date June, 2010







### **Executive Summary**

- For most measures, province.
  and the Best Practice
  - O Practice rankings.
- On most measures, Hydro One scores significantly lower than the Best Practice province.





## Hydro One is Best Practice On:

O Hydro One is not the Best Practice utility for any of the attributes measured.





### Hydro One is Equal to Best Practice On:

- Incidence of customers calling the UTILITY's Call Centre
- First call resolution of reason for last call to UTILITY's Call Centre
- UTILITY maintains the electricity as expected or better than expected
- Satisfaction for process to set up new electricity service
- Number of unplanned outages in the past year
- Satisfaction with UTILITY representative who came to property to trim trees and vegetation from lines
- Satisfaction with home television service company overall
- Satisfaction with home telephone company overall
- Satisfaction with natural gas utility overall
- Satisfaction with mobile, wireless or cell telephone company overall





### Hydro One is Below Best Practice On: (Page 1 of 4)

- Overall reputation
- Overall impression
- Agreement that UTILITY is trustworthy
- Overall satisfaction
- Agreement that UTILITY is financially well-managed
- Agreement that UTILITY makes economic contributions to the province
- Agreement that UTILITY is involved in the community
- Agreement that UTILITY has ethical, responsible top level management
- Agreement that UTILITY is a leader in the industry
- Agreement that UTILITY is fair
- Agreement that UTILITY keeps commitments
- Agreement that UTILITY is flexible
- Agreement that UTILITY is concerned
- Agreement that UTILITY is consistent
- Satisfaction with the quality of customer service





### Hydro One is Below Best Practice On: (Page 2 of 4)

- Agreement that UTILITY responds to customer questions promptly
- Agreement that UTILITY stays in touch when you are having problems
- Agreement that UTILITY listens to customers and adjusts operations to meet customer needs
- Probability of supporting UTILITY'S position on energy-related public issues
- Probability of signing up for programs or services recommended by UTILITY to help reduce household energy consumption
- Probability of seeking out UTILITY'S advice on energy-related issues
- Satisfaction with rates charged
- Value for money
- Satisfaction with the ways UTILITY communicates
- Agreement that UTILITY helps to reduce monthly bills by providing conservation tips
- Satisfaction with ability to access UTILITY to discuss questions or problems
- Called the Call Centre on multiple occasions in the past year
- Got through to UTILITY's Call Centre on first call





### Hydro One is Below Best Practice On: (Page 3 of 4)

- Satisfaction for handling of most recent call to UTILITY's Call Centre
- Satisfaction with UTILITY's Call Centre automated answering system
- Last call to UTILITY's Call Centre was handled by a person
- Incidence of calling UTILITY's Call Centre about an outage
- Satisfaction with bill handling
- Satisfaction with the way bills are calculated
- Agreement that bills are easy to understand
- Agreement that bills are accurate
- Confidence that electricity usage is being metered accurately
- Attention paid to clearing trees, brush, snow, etc away from power lines and UTILITY equipment
- Agreement that UTILITY invests in the electricity system to ensure a reliable supply of electricity for the foreseeable future
- Incidence of customers experiencing a power outage in the past year
- Satisfaction with how UTILITY handles unplanned outages
- Customer got information about when power would be restored





### Hydro One is Below Best Practice On: (Page 4 of 4)

- Agreement that UTILITY lets you know when power will be restored
- Agreement that UTILITY minimizes the number of outages
- Agreement that UTILITY restores power quickly
- Agreement that UTILITY minimizes the length of time the power is off during an outage
- Most recent unplanned outage occurred in the last 2 months
- Agreement that customer has a reliable supply of electricity
- Incidence of UTILITY representative coming to check that the meter is working properly
- Satisfaction with UTILITY representative who came to property to check that meter is working properly
- Incidence of UTILITY representative coming to trim the trees or vegetation from the line
- Signed up for a new service in the past year









- 1. Determine how the current level of Overall Satisfaction for Hydro One compares to that for other electricity utilities across Canada.
- 2. Determine Hydro One strengths and weaknesses in related areas compared to other electricity utilities across Canada.





### Methodology

- Respondents for each provincial sample were called at random using a random digit dialing sampling approach from communities with fewer than 50,000 individuals.
  - For the Ontario non-Hydro One sample, quotas were used (100 completes each) for communities of each of the following densities:
    - Less than 5,000 residents
    - 5,000 to 20,000 residents
    - 20,001 to 50,000 residents
- All interviewing conducted via computer-assisted telephone interviewing.
- Interviewing took place from March 1 to May 4, 2010, inclusive.
- Residential customers of local electrical utilities only were interviewed.
- The response rate for the entire sample is 13%.
- Results are compared here to those from the Residential customer segment group collected in the Hydro One 2010 Residential and Small Business Customer Satisfaction Study, 2010: Wave 1, conducted in April, 2010.





### Methodology (cont'd)

The number of interviews completed and the associated confidence interval for results for each provincial sample surveyed in this project are as follows:

Sample Group	Completes	Confidence Interval*
	255	6.1
	228	6.5
	190	7.1
-	199	7.0
	313	5.5
	194	7.0
	157	7.8
	120	8.9
	124	8.8
	199	6.9
Ontario (Hydro One)**	775	3.5

<sup>•+/-</sup> given number of percentage points at the 95% confidence level.

<sup>\*\*</sup> From the HON 2010 Residential and Small Business Customer Satisfaction Study, Wave 1.

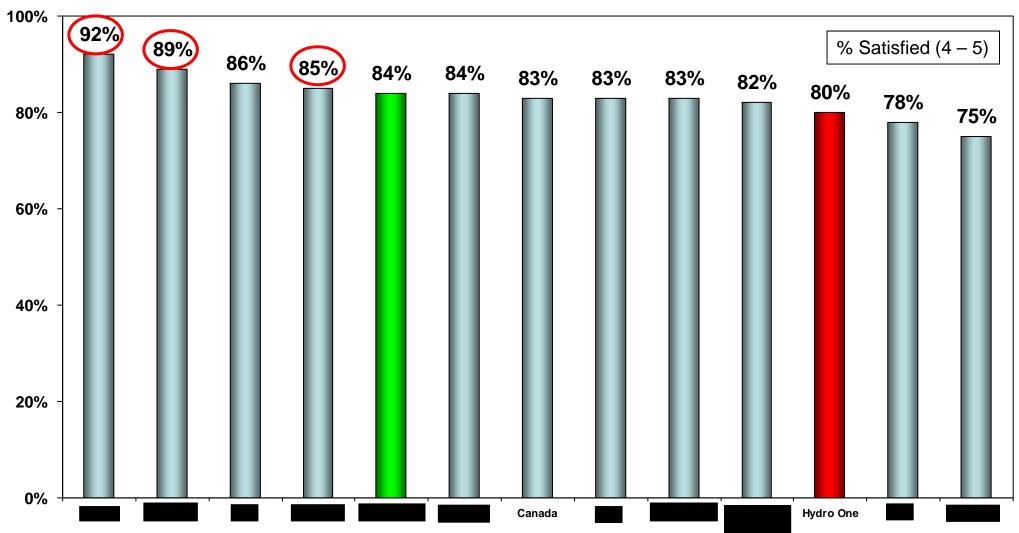




### **Overall Satisfaction**

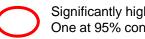


OHON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Q.1b How satisfied are you with [UTILITY]?

Base: All respondents

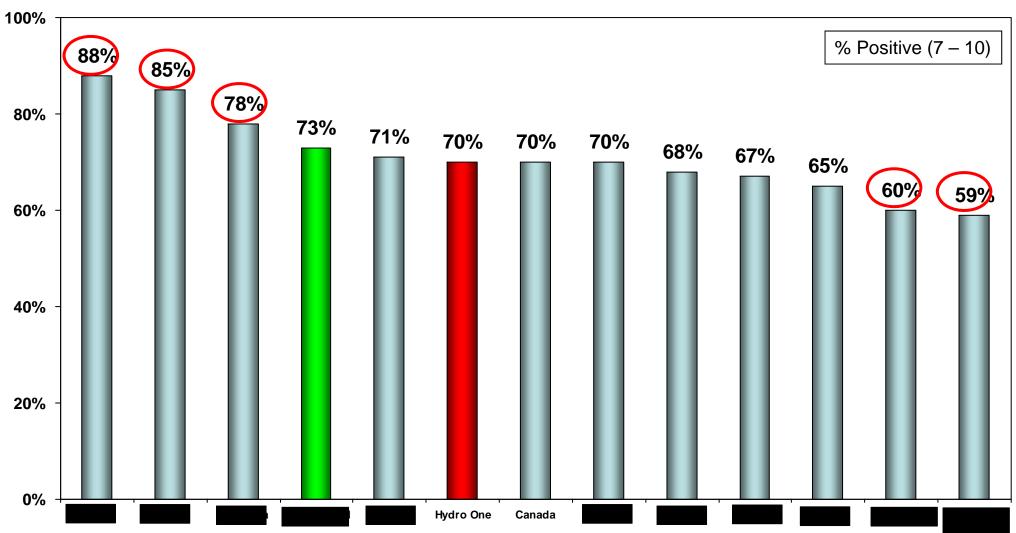






### **Overall Reputation**

OHON significantly lower than , the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q.1a1. Based on what you know or may have heard, how would you rate the reputation of [UTILITY] on a scale from 1 to 10 where 1 is a very bad reputation and 10 is an excellent reputation.

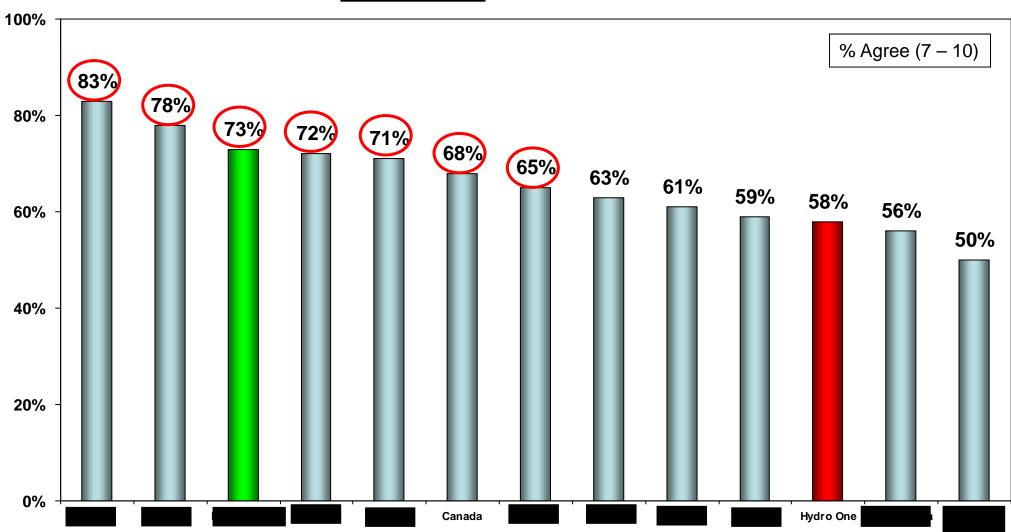




### **Trustworthy**



OHON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base: All Respondents. Q1i. please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree: Q.1i5. They are trustworthy.

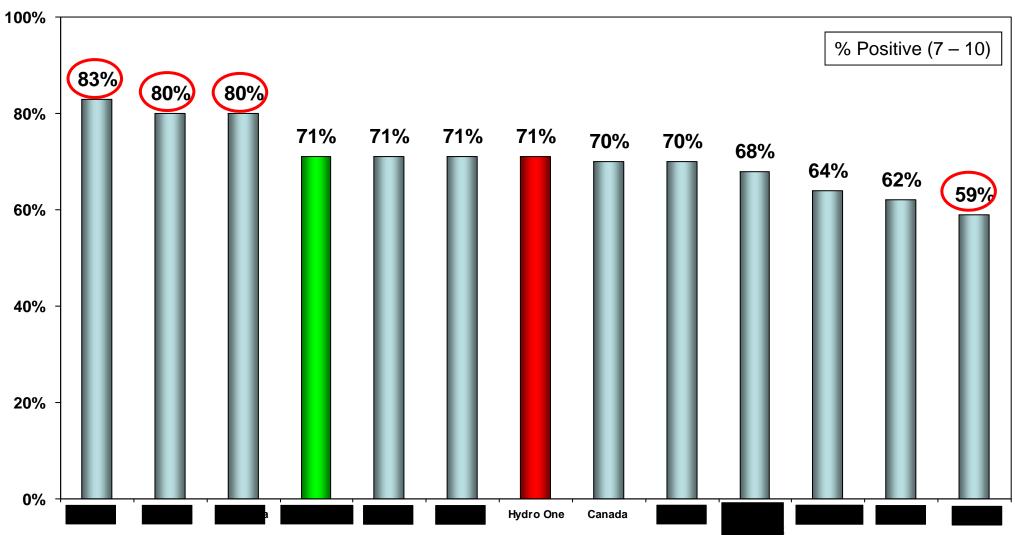




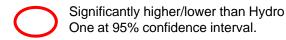


### Overall Impression

OHON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base: All respondents. Q.1a Please rate your overall impression of Hydro One on a 1 to 10 scale, where 1 means your impression is very favourable and 10 means very unfavourable.

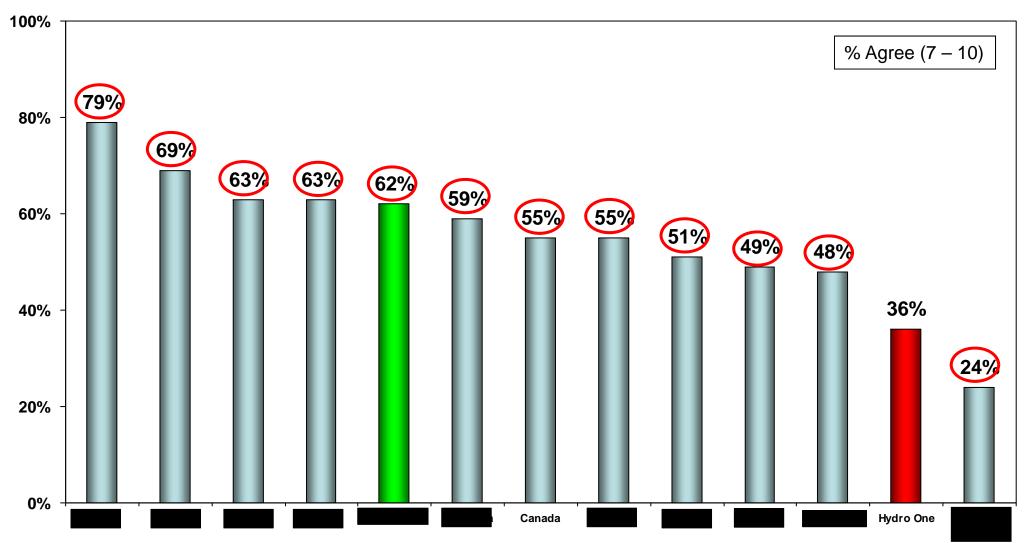






### They Are Financially Well-Managed

OHON significantly lower than the best practice province.



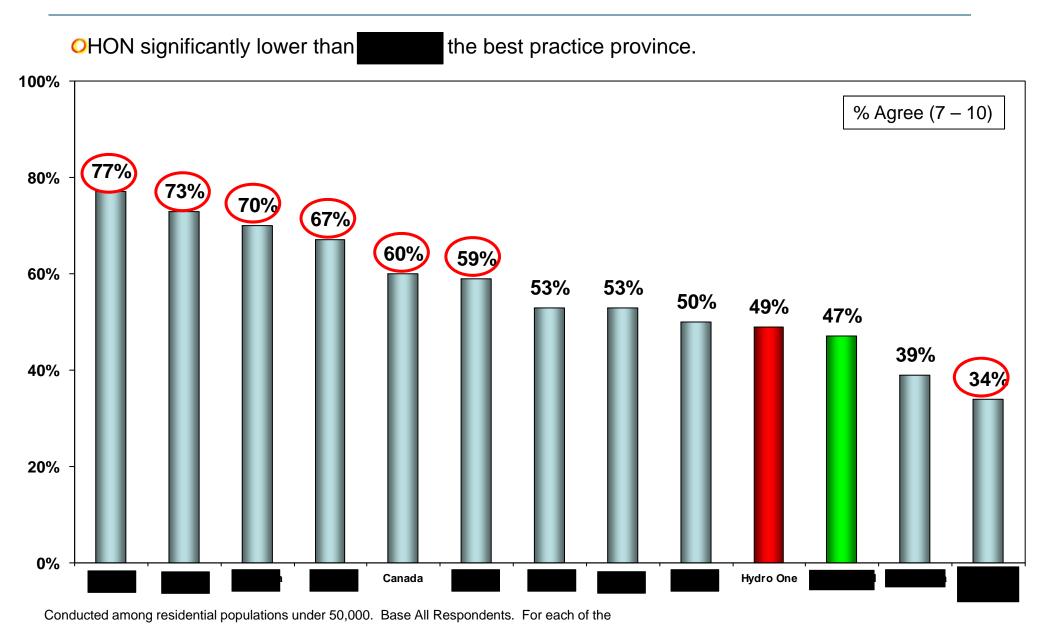
Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i23: They are financially well-managed.







### Makes Economic Contribution to Province





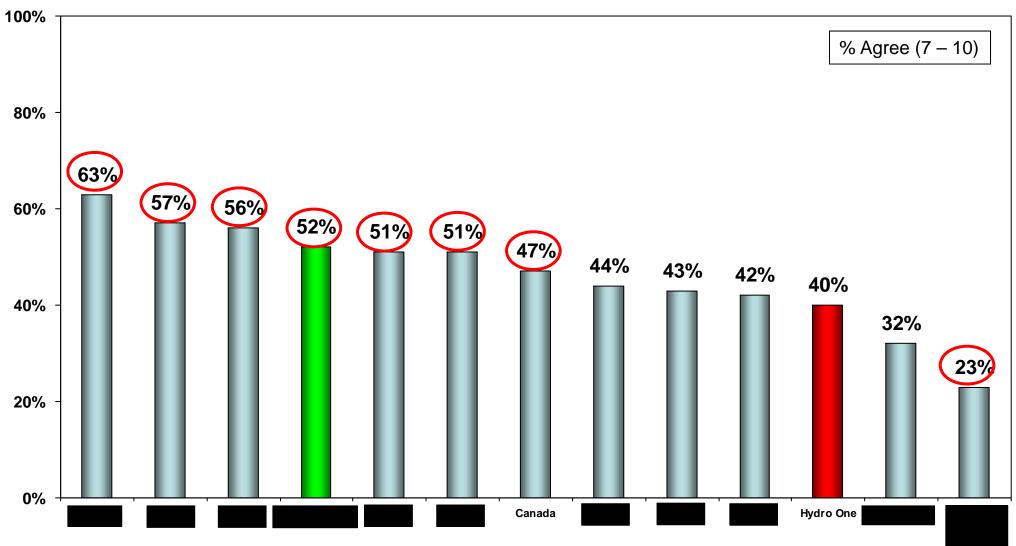
Significantly higher/lower than Hydro

One at 95% confidence interval.

# **Involved In Community**



OHON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i26: They are involved in your community.

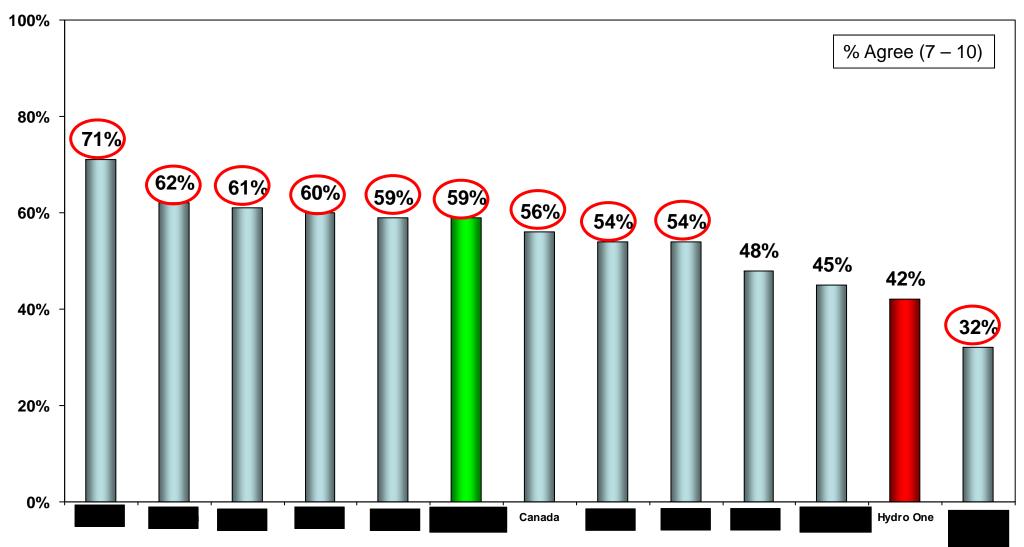






## Has Ethical, Responsible Top Level Management

OHON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i29: They have ethical, responsible top level management.

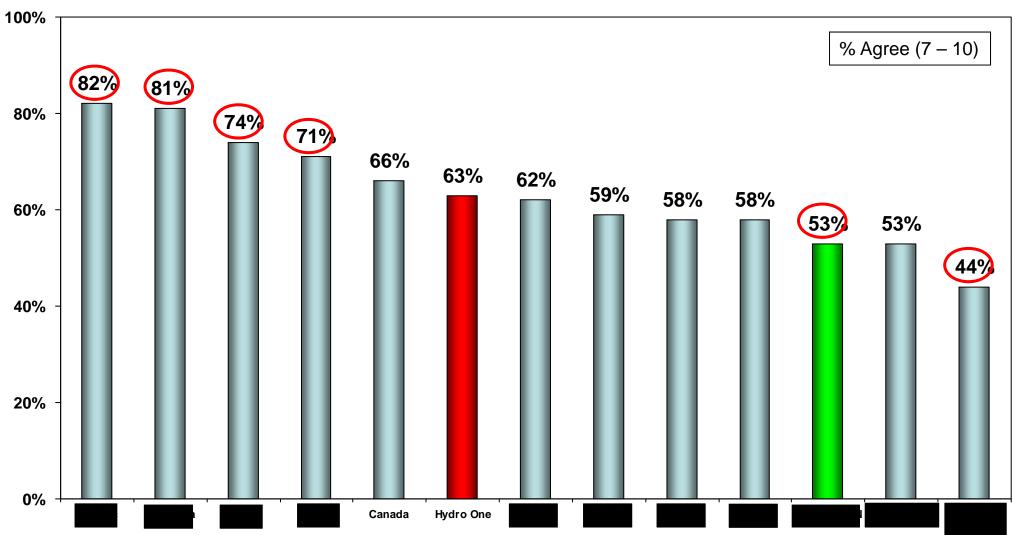






### They Are Leaders in the Industry

OHON significantly lower than the best practice province.



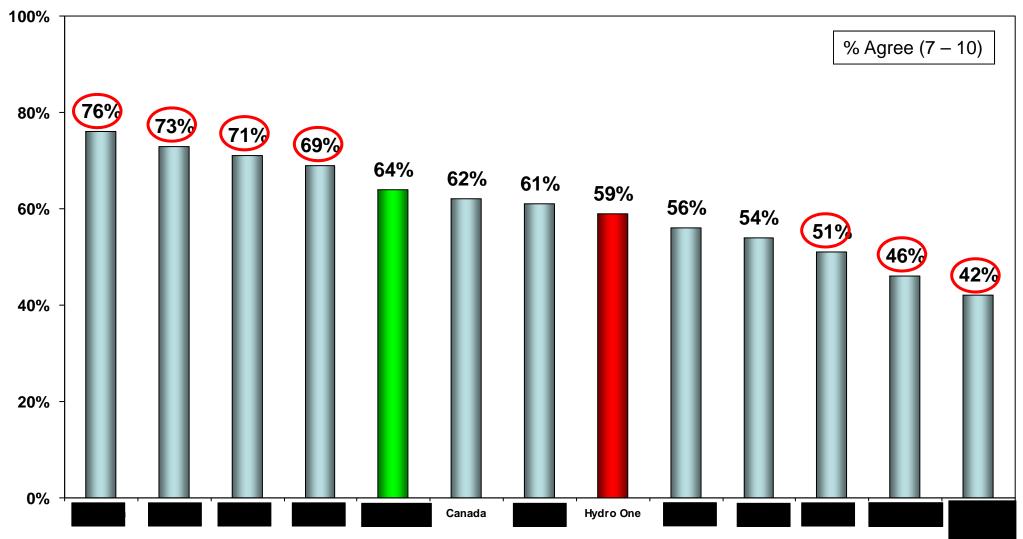
Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i30: They are leaders in the industry.





# They Help Reduce Monthly Bills by Providing Energy, Conservation Tips and Programs

OHON significantly lower than the best practice province.



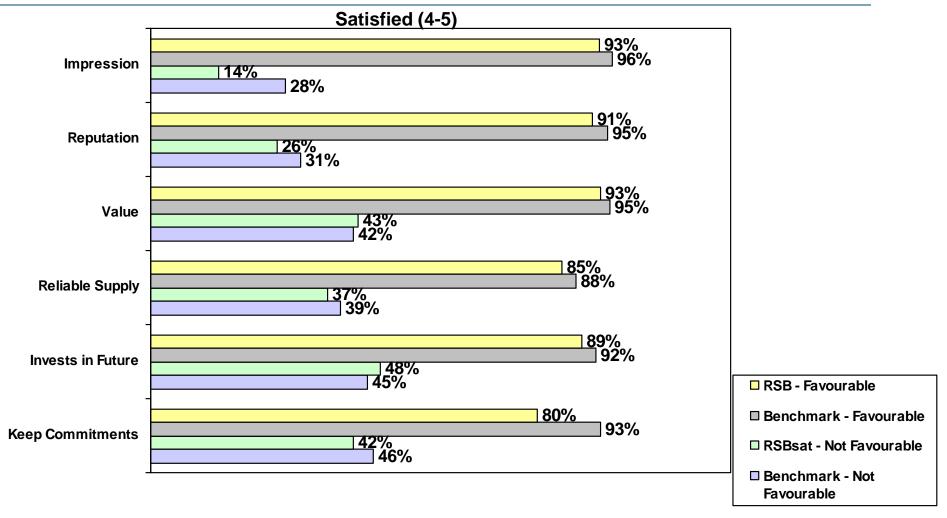
Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i32: They help reduce monthly bills by providing energy conservation tips and programs.







### Impact on Overall Satisfaction (Page 1 of 2)



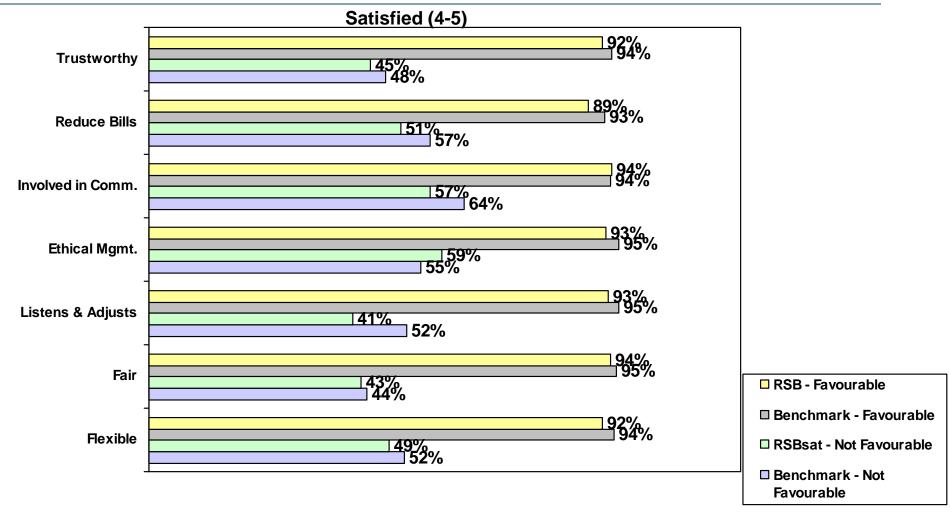
 Impression has a bigger impact on Hydro One's overall satisfaction score than other utility companies across the country.

Base: All respondents.





### Impact on Overall Satisfaction (Page 2 of 2)



 Strong ethical management ratings have less of an influence on overall satisfaction for Hydro One as it does for other utilities. On the contrary, listening to customers and adjusting, being fair and being trustworthy are more important to Hydro One customers.

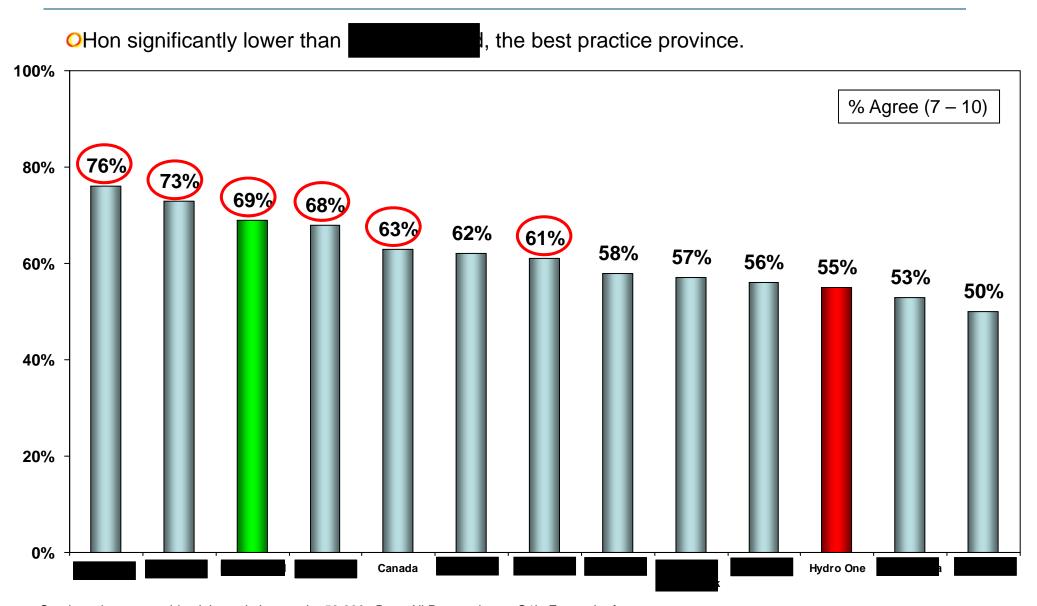
Base: All respondents.





#### Fair





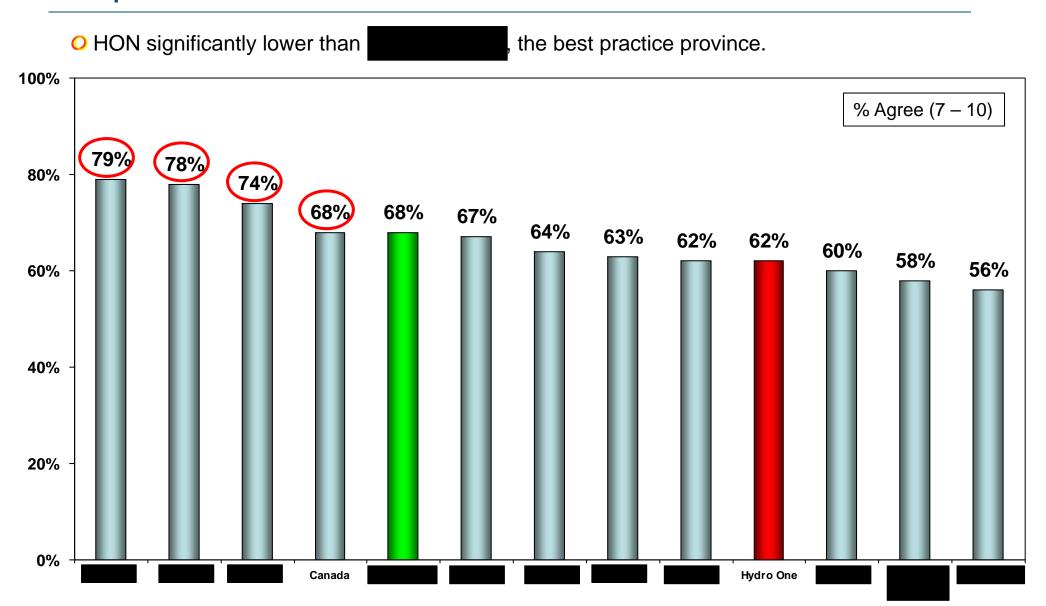
Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i3: They are fair.





## **Keep Commitments**





Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i4: They keep commitments.

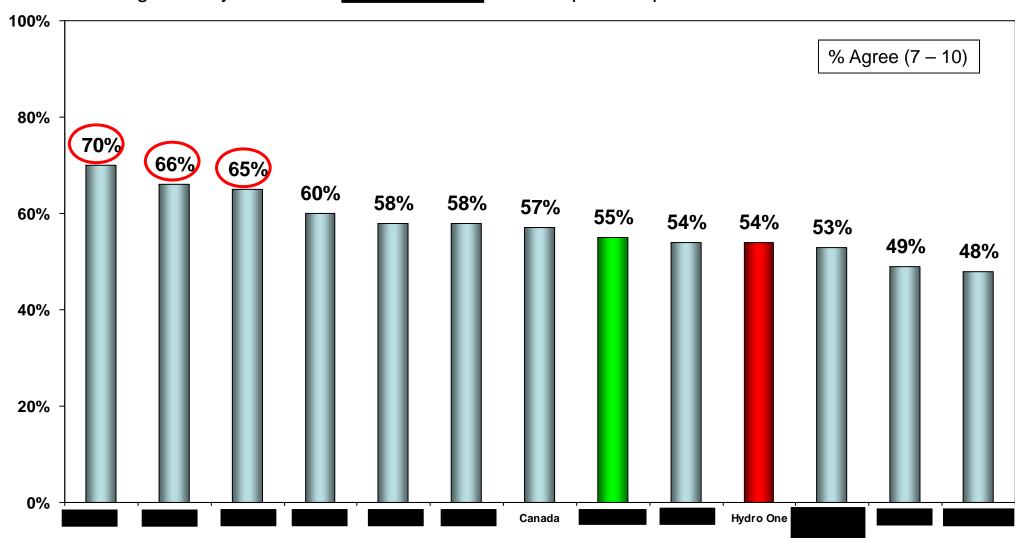




#### **Flexible**



O HON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i10: They have a flexible attitude towards their customers.

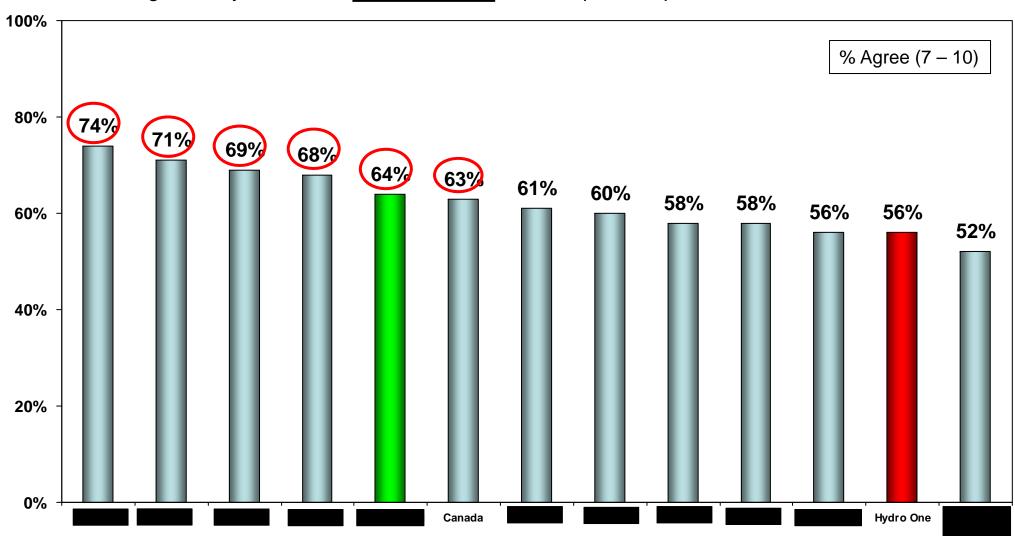




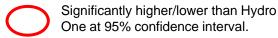
#### Concerned



O HON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i6: They are concerned about their customers.

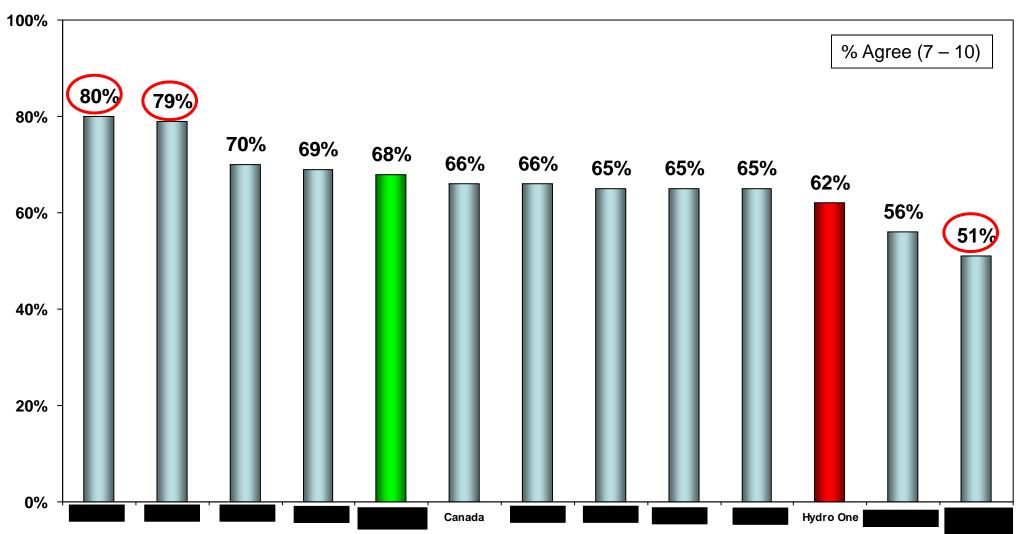




#### Consistent



O HON significantly lower than , the best practice province.



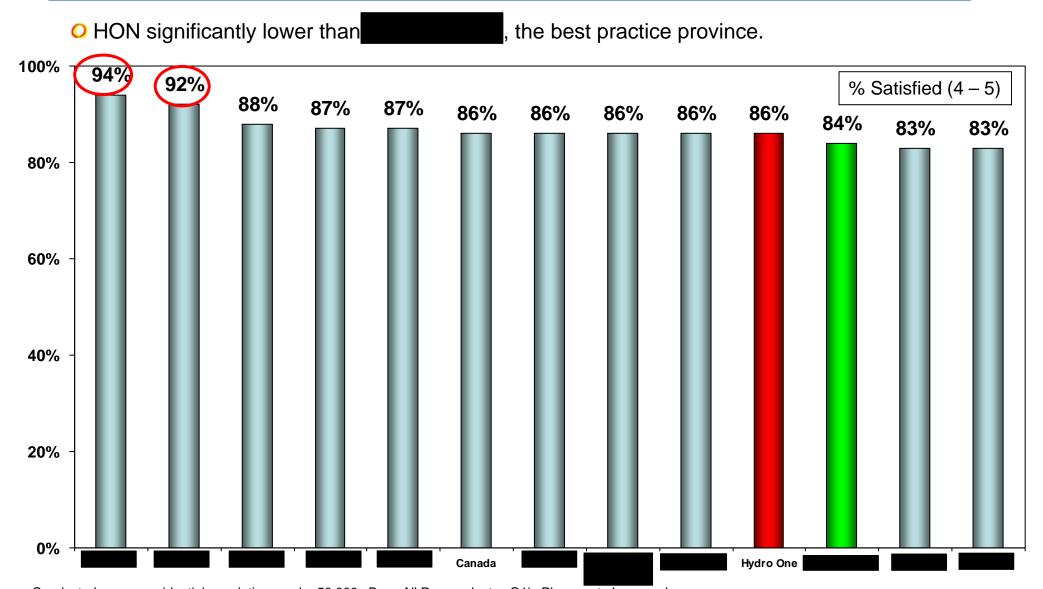
Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i2: They are consistent in what they say and do.







### Quality of Customer Service



Conducted among residential populations under 50,000. Base All Respondents. Q1i. Please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1g For each of the following statements, please tell me whether you are very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied or very dissatisfied. How satisfied are you overall with...Q.1g2: The quality of customer service.

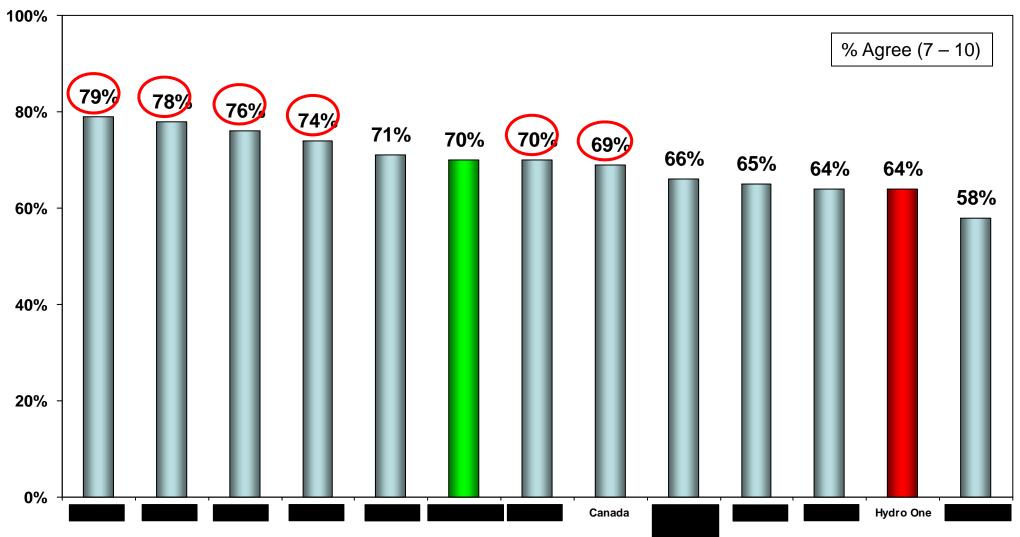






#### Respond to Customer Questions Promptly

O HON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i13: They respond to customer questions promptly.

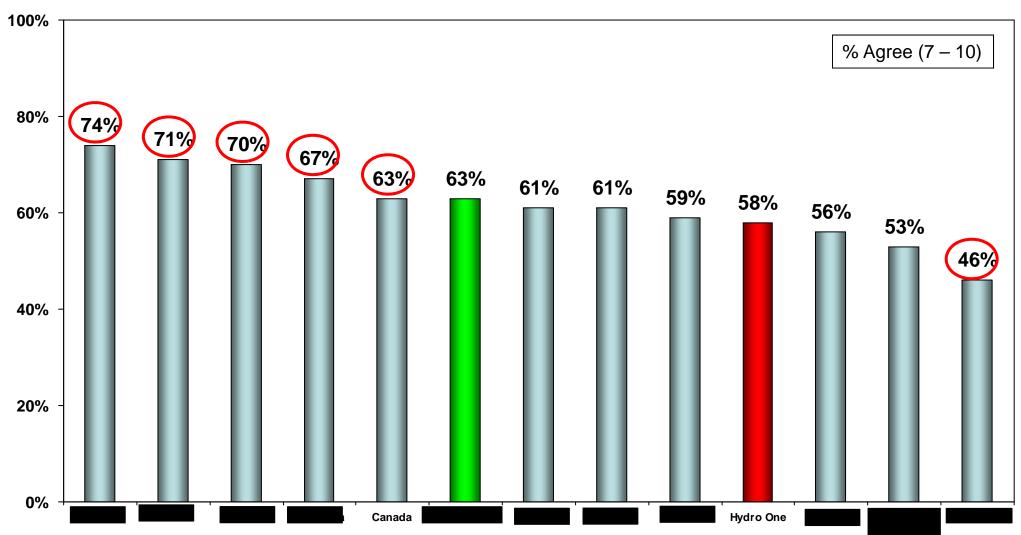






### Stays In Touch When Having Problems

O HON significantly lower than, the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i15: They stay in touch when you are having problems.

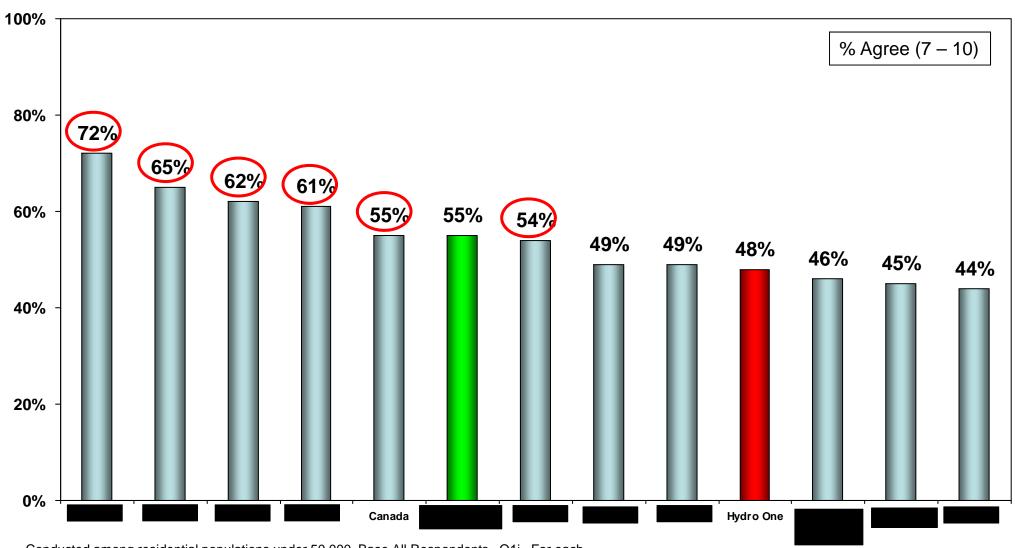




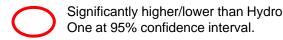
#### Listens To Customers and Adjusts Operations to Meet Needs



O HON significantly lower than the best practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1i22: They listen to customers and adjust operations to better meet customer needs.

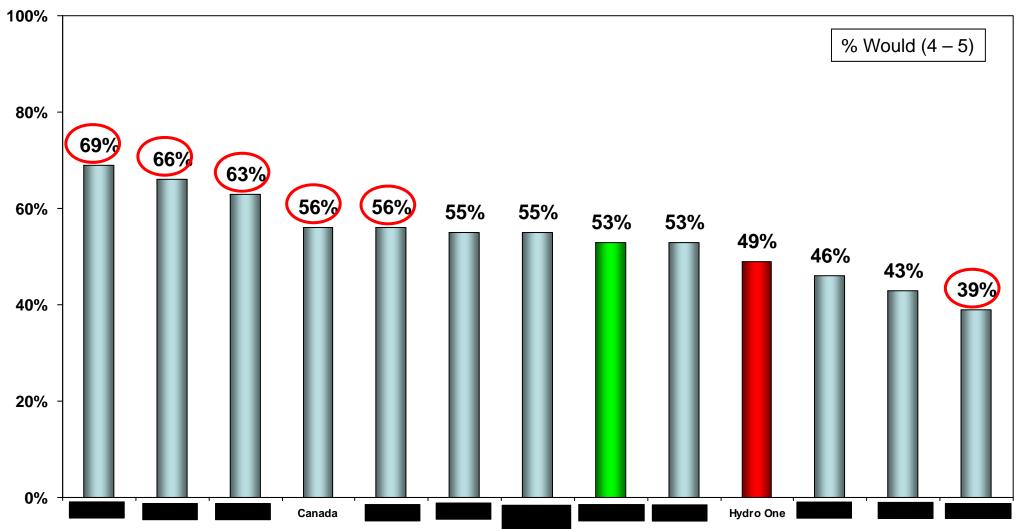




### Tend to Support Electric Utility's Position on an Energy-Related Public Issue



O HON significantly lower than the Best Practice province.

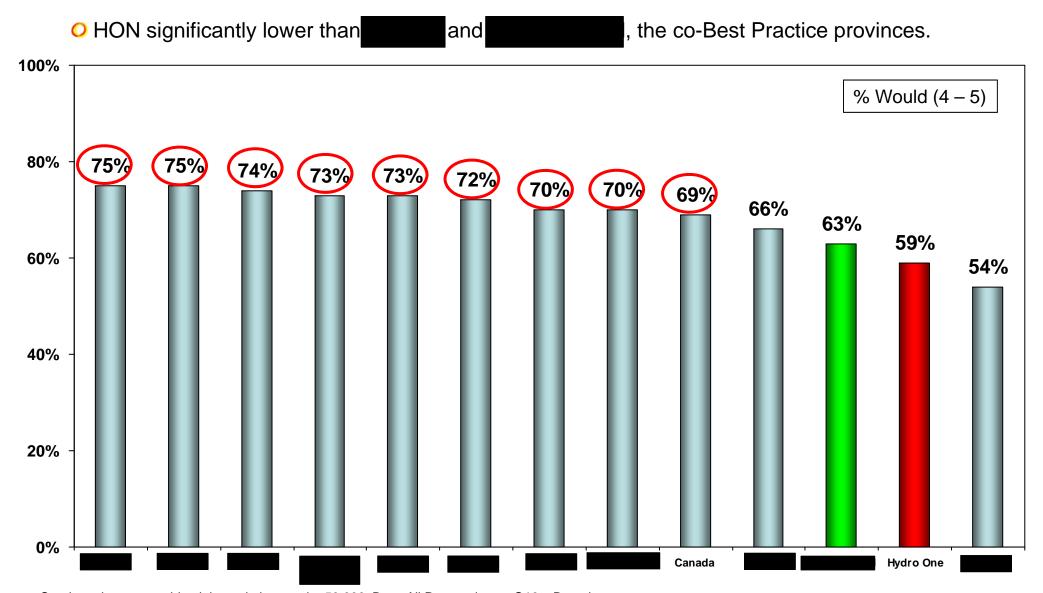


Conducted among residential populations under 50,000. Base All Respondents. Q10a. Based on your experience with your electric utility and what you have seen or heard about it, what is the likelihood that you would... Q.10a1 Tend to support your electric utility's position on an energy-related public issue?

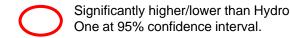




# Sign up for Programs Recommended by Your Electric Utility on to Help Reduce Household Energy Consumption



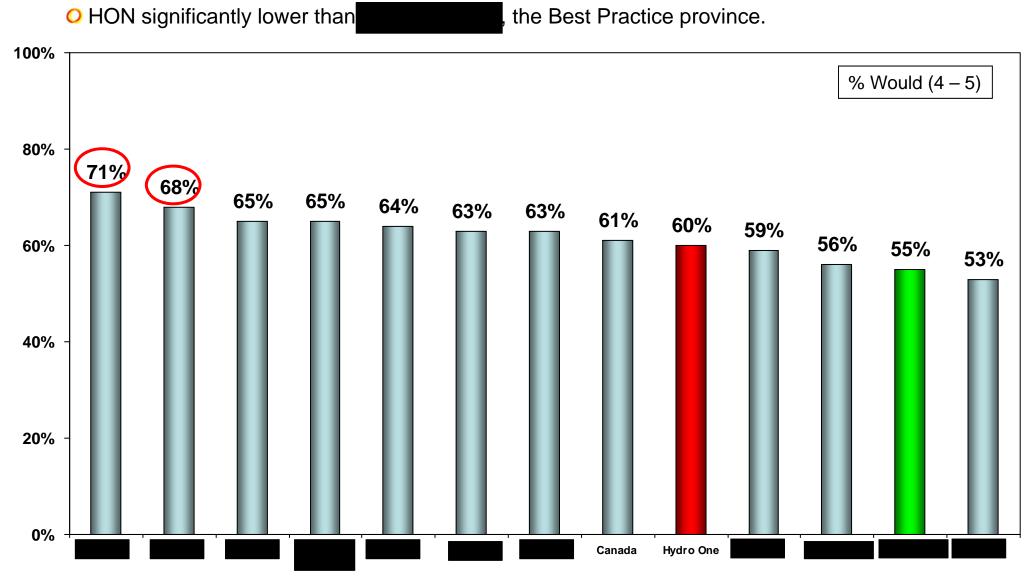
Conducted among residential populations under 50,000. Base All Respondents. Q10a. Based on your experience with your electric utility and what you have seen or heard about it, what is the likelihood that you would... Q.10a2 Sign up for programs or services recommended by your electric utility to help you reduce or manage your household energy consumption.



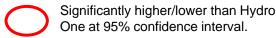


# Seek Out Your Electric Utility's Advice or Expertise on anydrone





Conducted among residential populations under 50,000. Base All Respondents. Q10a. Based on your experience with your electric utility and what you have seen or heard about it, what is the likelihood that you would... Q.10a3 Seek out your electric utility's advice or expertise on an energy-related issue.

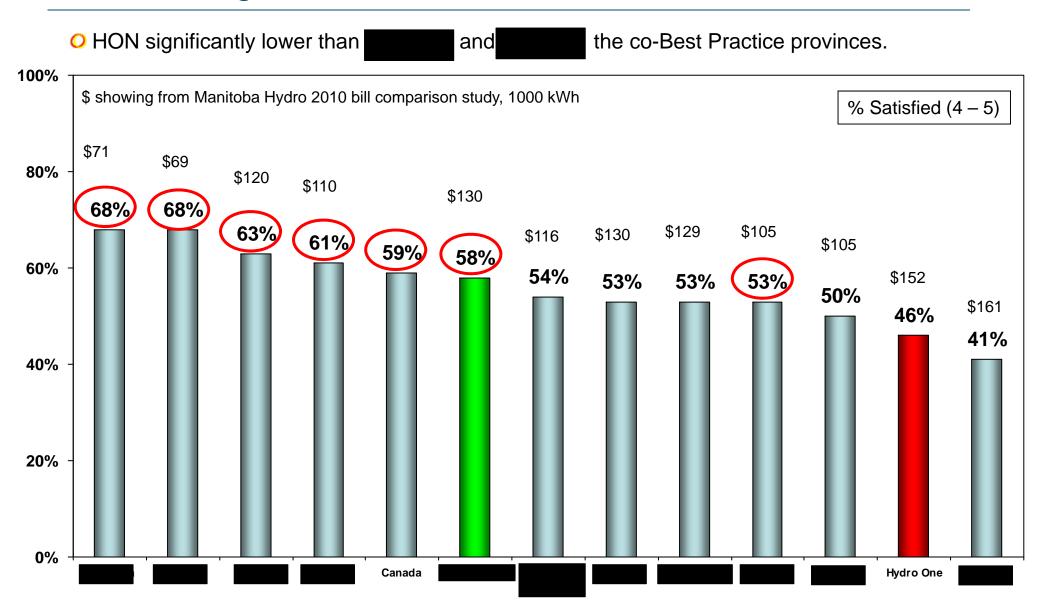


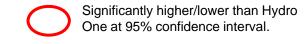






#### Rates Charged

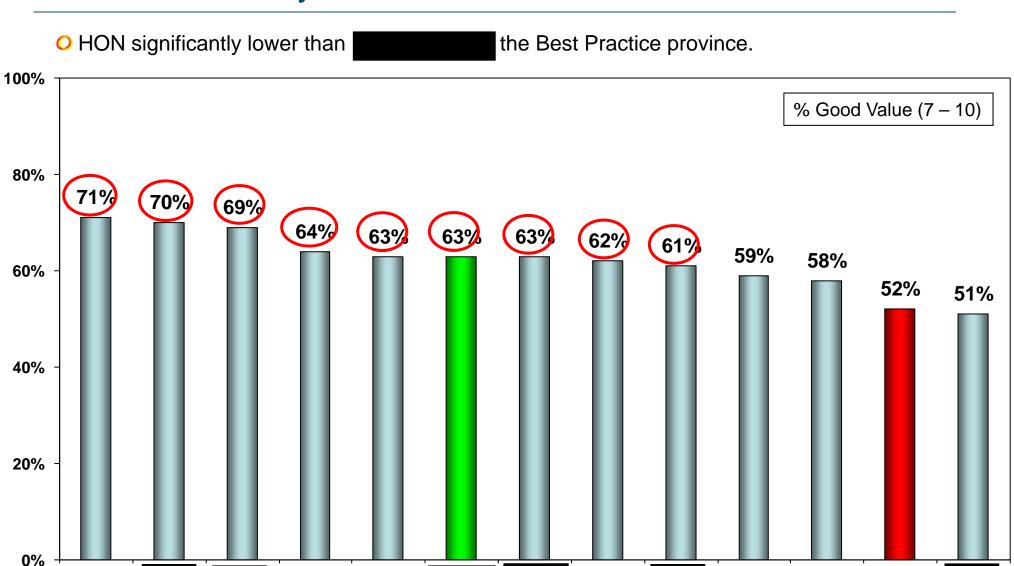






### Value For Money





Conducted among residential populations under 50,000. Base All Respondents. Q1f. Considering the overall quality of the electricity service you get from Hydro One, how would you rate the value for the money provided by [UTILITY]. Please use a scale of 1 to 10, where a "10" means "excellent value" and a "1" means "poor value".

Canada



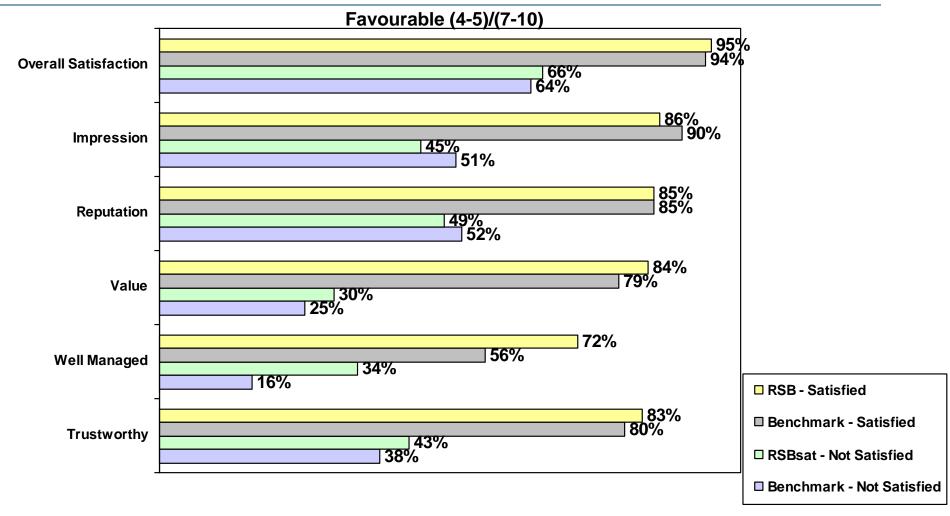
Significantly higher/lower than Hydro One at 95% confidence interval.

Hydro One





#### Impact of Rates Satisfaction (Page 1 of 2)

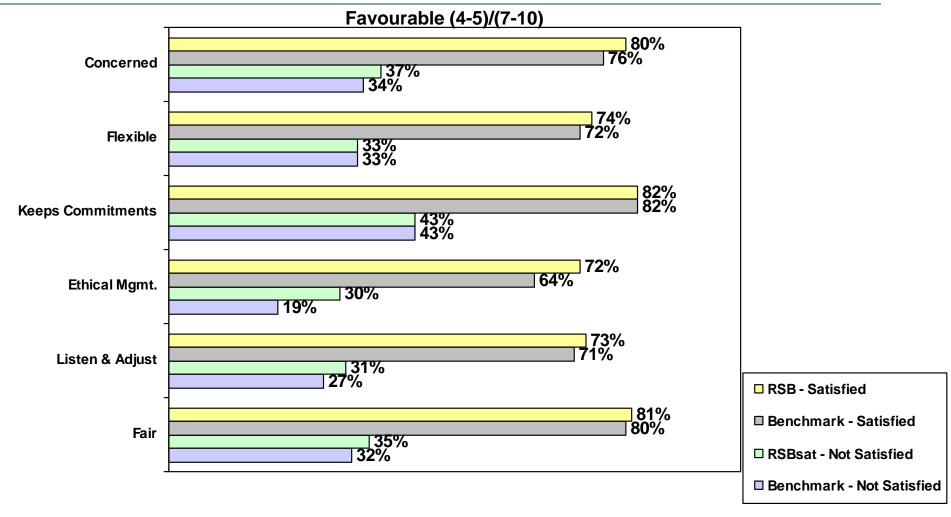


 Rates satisfaction has the greatest impact on perceived value for both Hydro One and other utilities. Hydro One customers are more likely to rate it as financially well managed, regardless of satisfaction with rates.





#### Impact of Rates Satisfaction (Page 2 of 2)



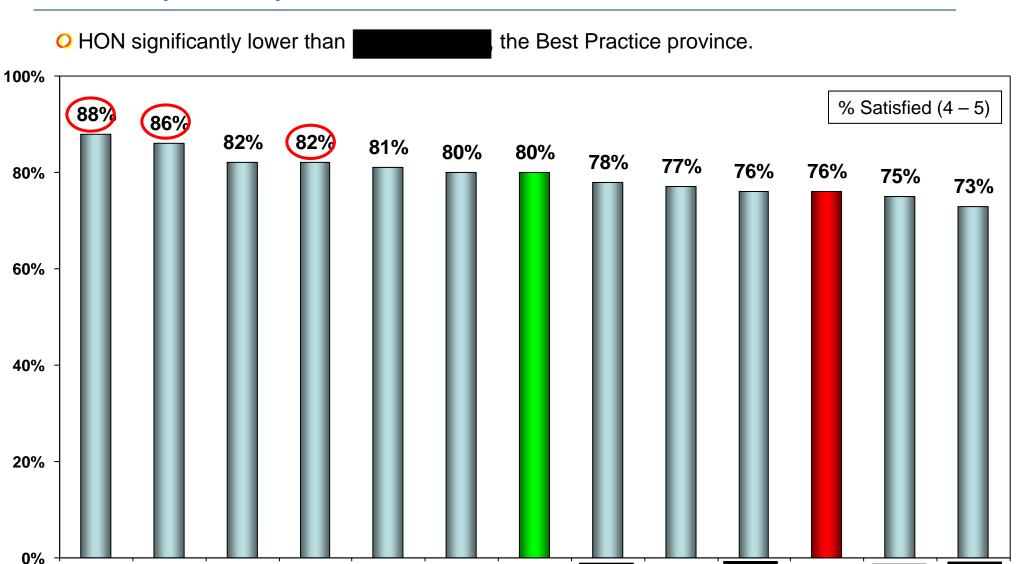
 Rates satisfaction has the greatest impact on perceived fairness for both Hydro One and other utilities. Hydro One customers are more likely to rate it as having ethical, responsible management, regardless of satisfaction with rates.







#### The Ways They Communicate



Conducted among residential populations under 50,000. Base: All Respondents Q.5a1 Please tell me whether you are very satisfied, somewhat satisfied, neither satisfied nor dissatisfied somewhat dissatisfied, or very dissatisfied with the various way that [UTILITY] communicates with you.



Significantly higher/lower than Hydro One at 95% confidence interval.

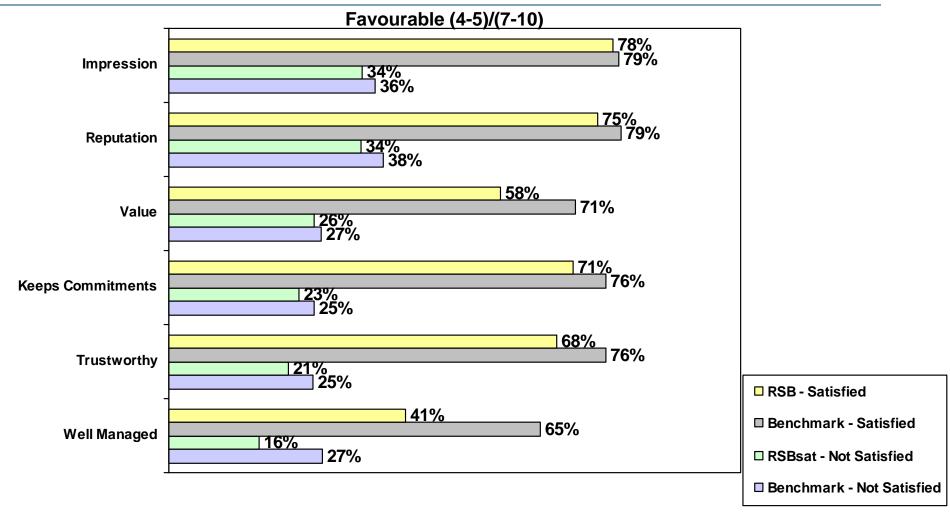
Hydro One



Canada



#### Impact of Communications Satisfaction (Page 1 of 3)

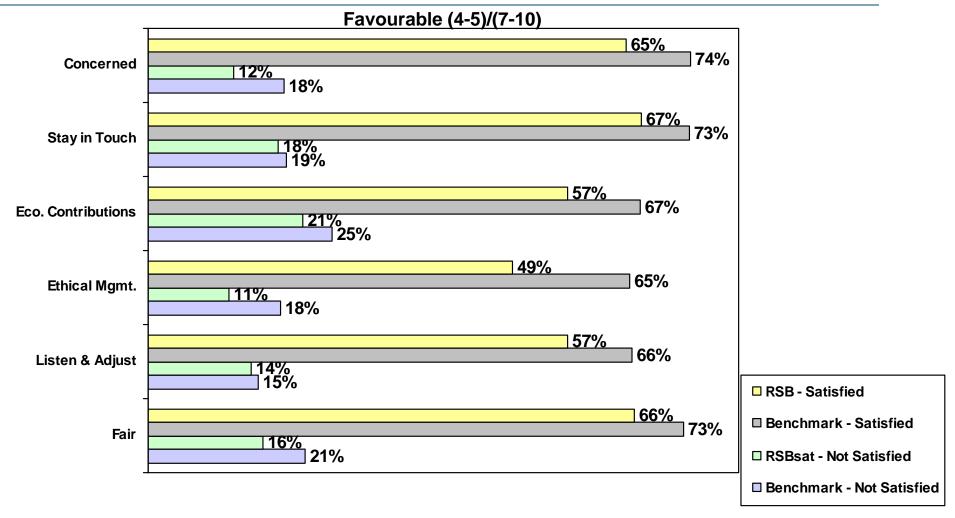


 Poor communications has less of an impact on Hydro One's value score compared to other utilities. Well managed scores are much lower for Hydro One than the benchmark in general, but the impact of satisfaction with communications is less significant for Hydro One.





#### Impact of Communications Satisfaction (Page 2 of 3)

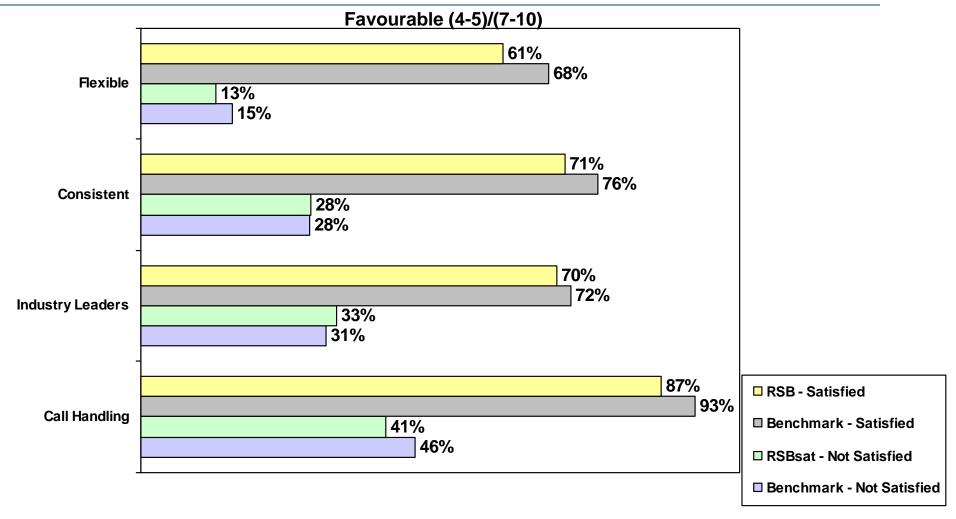


 Hydro One trails the benchmark score on all attributes. Satisfaction with Hydro One communications has less of an impact on these attributes than for other utilities in total.





#### Impact of Communications Satisfaction (Page 3 of 3)



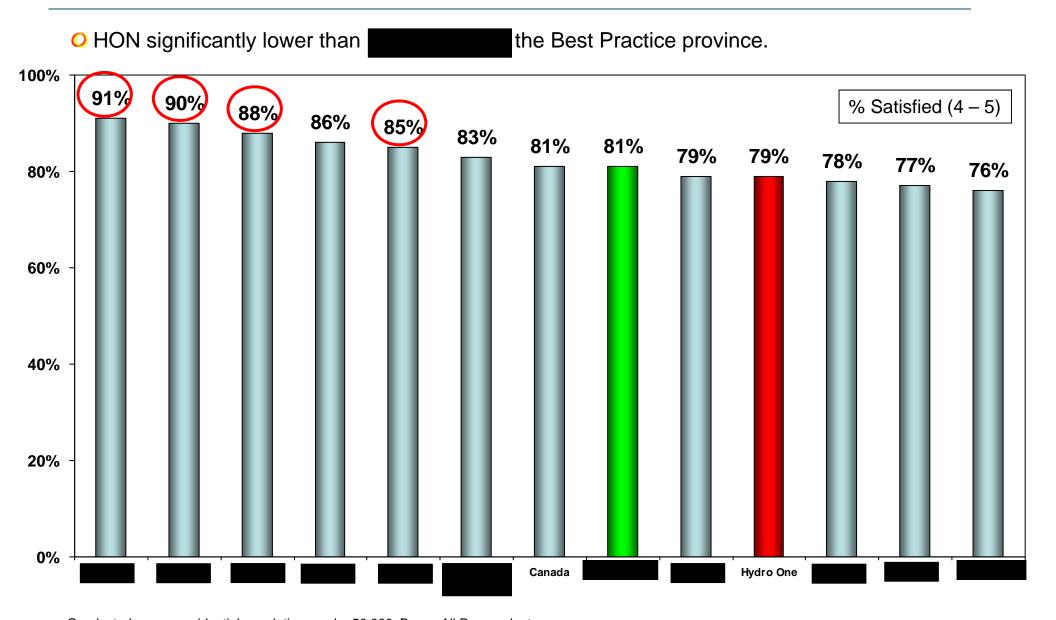
 Poor satisfaction with communications has the biggest impact on flexibility scores for both Hydro One and other utilities.

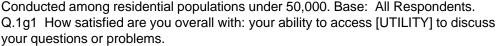


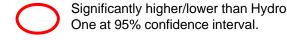




# Ability to Access to Discuss Questions or Problems











#### Called The Call Centre in Past Year

Quebec and the Ontario Small MUNIs. have few calls and 100% % Yes 80% 60% 52% 51% 50% 47% 46% 45% 43% 43% 39% 39% 38% 36% 40% 20%

Conducted among residential populations under 50,000. Base: All Respondents. Q.2a Have you called the toll free Call Centre for any reason in the past year?



Canada

Significantly higher/lower than Hydro One at 95% confidence interval.

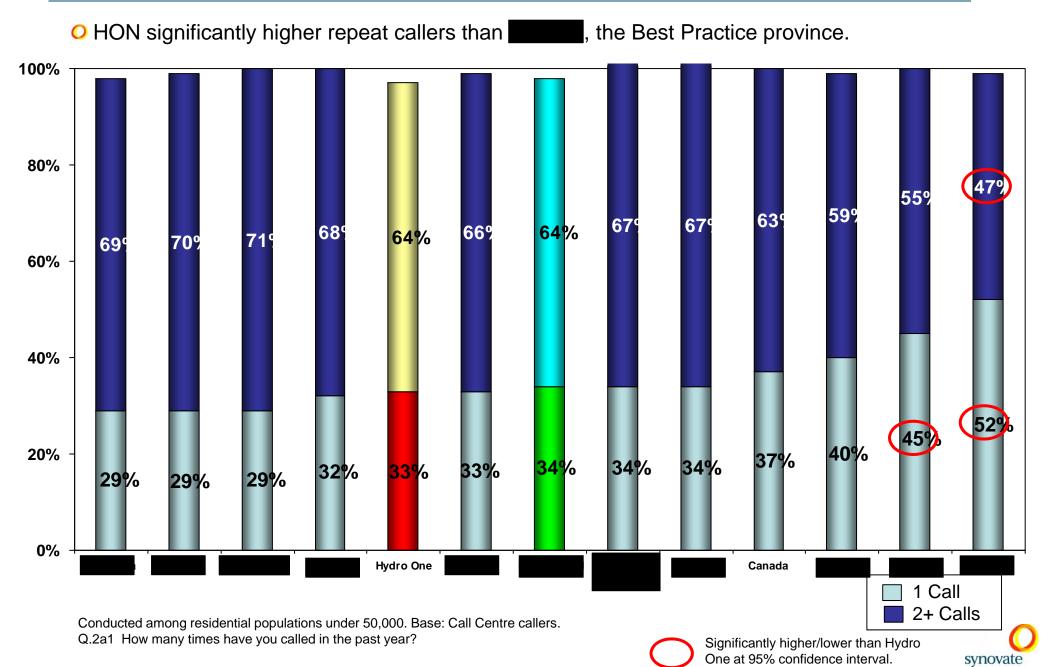


0%

Hydro One

# Number of times Called The Call Centre in Past Year

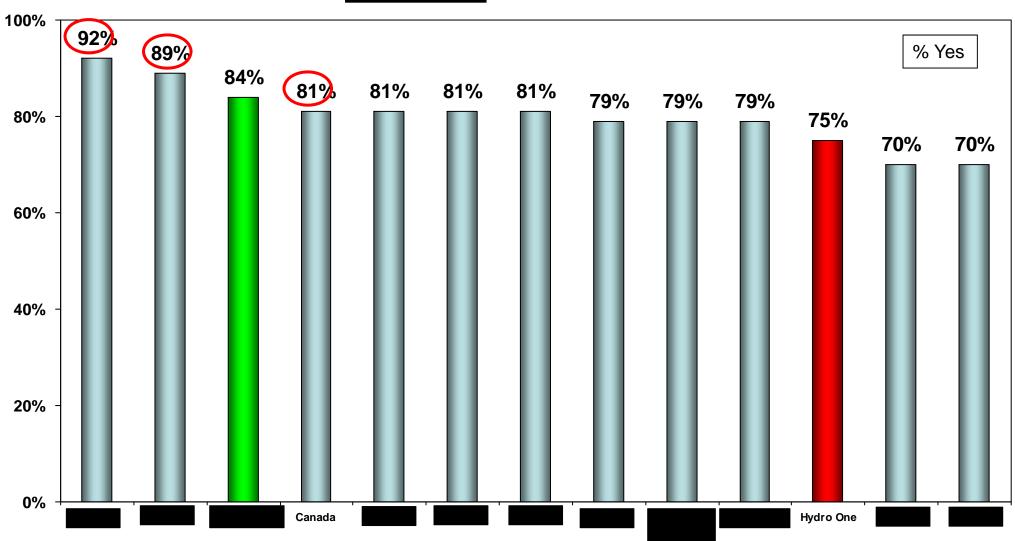




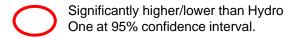


#### Got Through On First Call

O HON significantly lower than



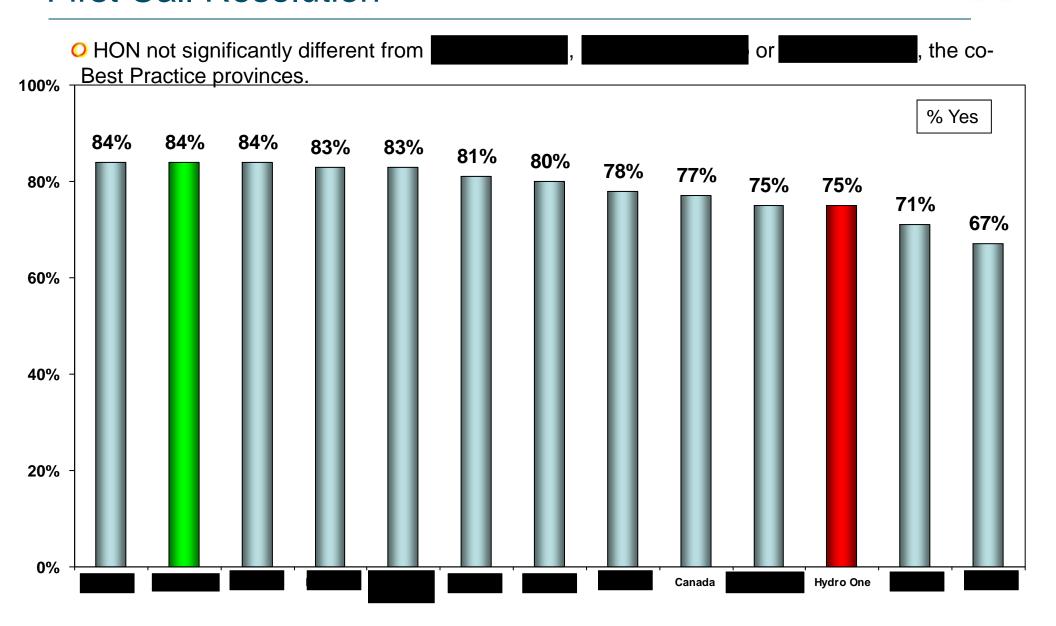
Conducted among residential populations under 50,000. Base: Call Centre callers. Q.2a3 Did you get through on the first try or did you need to call back?







#### First Call Resolution



Conducted among residential populations under 50,000. Base: Call Centre callers. Q.2a4 Once you did get through, was you issue resolved on the first call or did you need to call back?



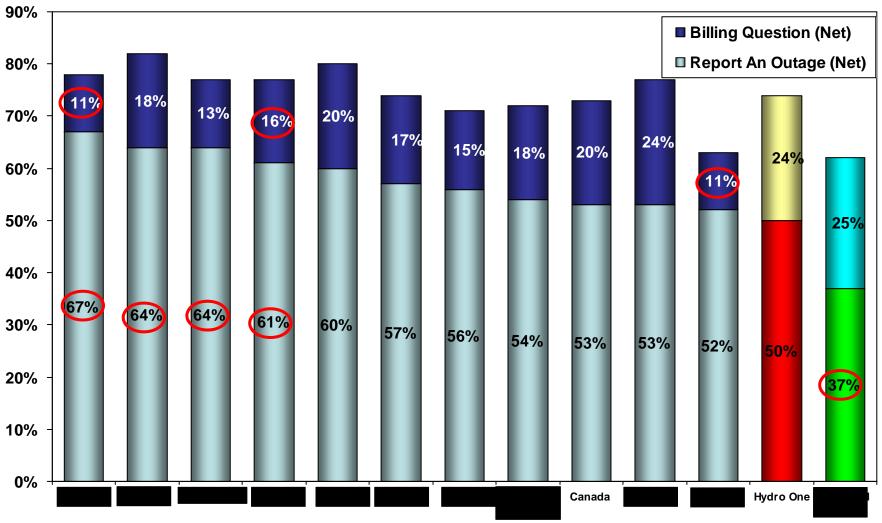


#### Reasons For Recent Contact – Main Mentions



OHON, Ontario MUNIs and get the most Billing calls

o and get the most Outage calls



Conducted among residential populations under 50,000. Base; Call Centre callers. Q.2b What was the reason for your most recent contact with the Call Centre?

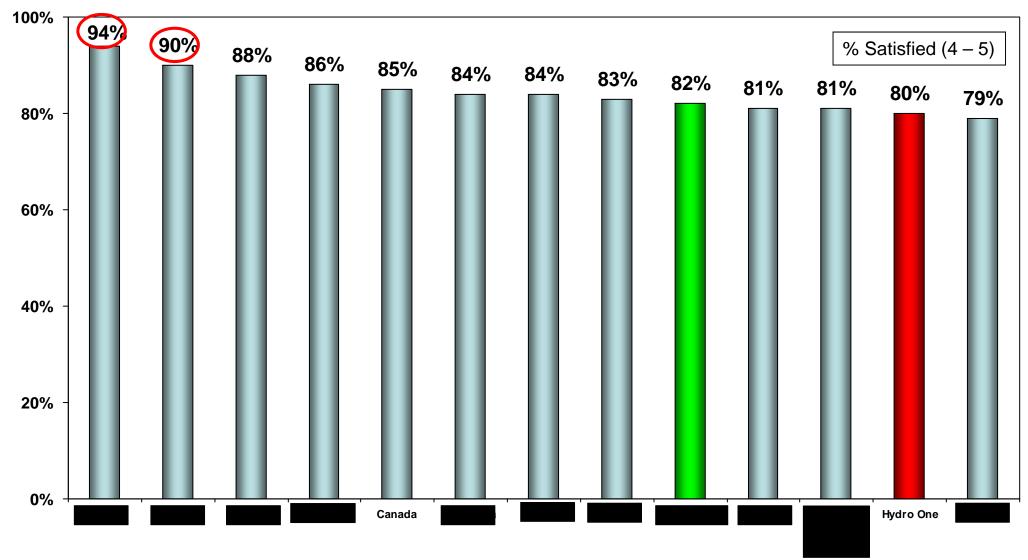






### Handling Most Recent Call

O HON significantly lower than the Best Practice province.



Conducted among residential populations under 50,000. Base All Call Centre Callers. Q2c1. How satisfied are you overall with the way [UTILITY] handled your most recent contact?

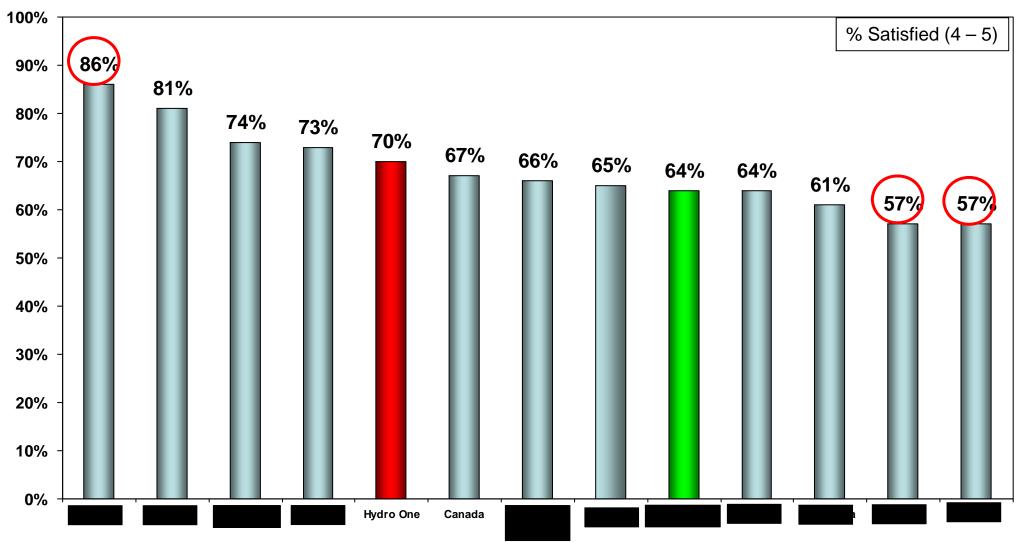






### Satisfaction With Automated Answering System

O HON significantly lower than the Best Practice province.



Conducted among residential populations under 50,000. Base: Call Centre callers. Q.2f1 How satisfied are you overall with the automated telephone answering system?

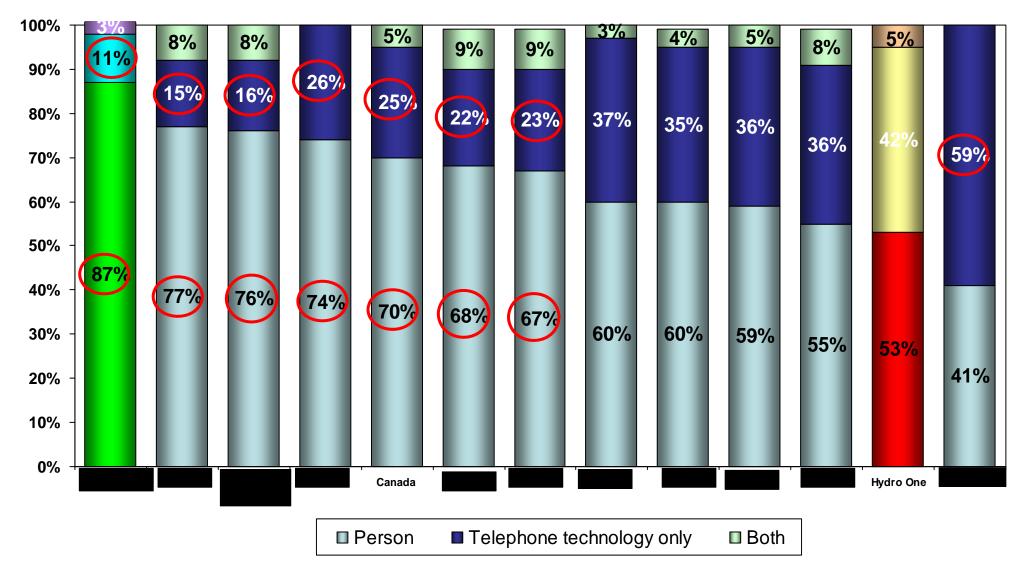


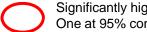


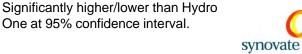


# Call Handled By Person Or Telephone Technology

Ontario MUNIs have the highest Agent contacts. Only has few Agent contact than HON

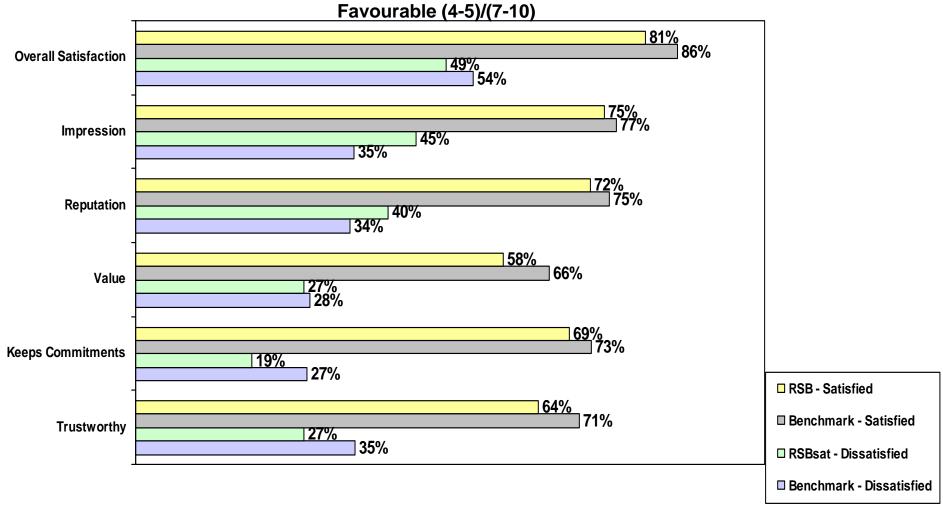








#### Impact on Satisfaction with Call Handling (Page 1 of 3)

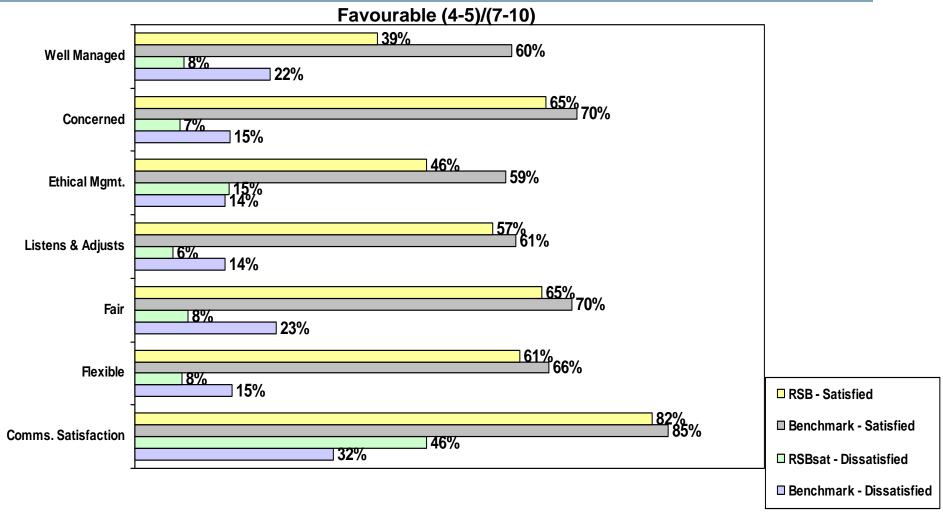


Satisfaction with call handling has less influence on the respondent's opinion of Hydro One's impression and reputation compared with customers of other utility companies.





#### Impact of Satisfaction with Call Handling (Page 2 of 3)

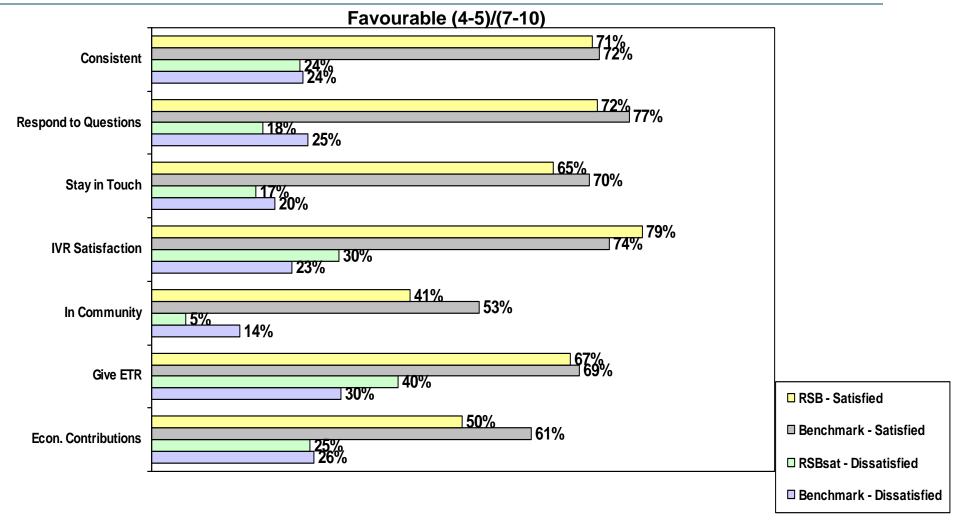


Respondents with a low level of satisfaction with call handling are more likely to give a lower score for listening to customers and adjusting for Hydro One compared to other utilities.





#### Impact of Satisfaction with Call Handling (Page 3 of 3)

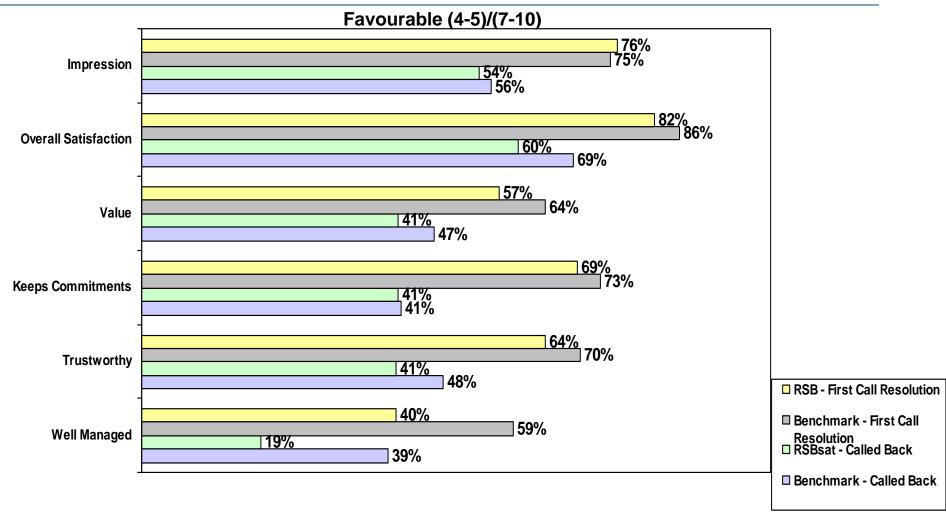


 Satisfaction with call handling has less influence over the scores for providing an ETR for Hydro One than the benchmark.





#### Impact of First Call Resolution (Page 1 of 3)

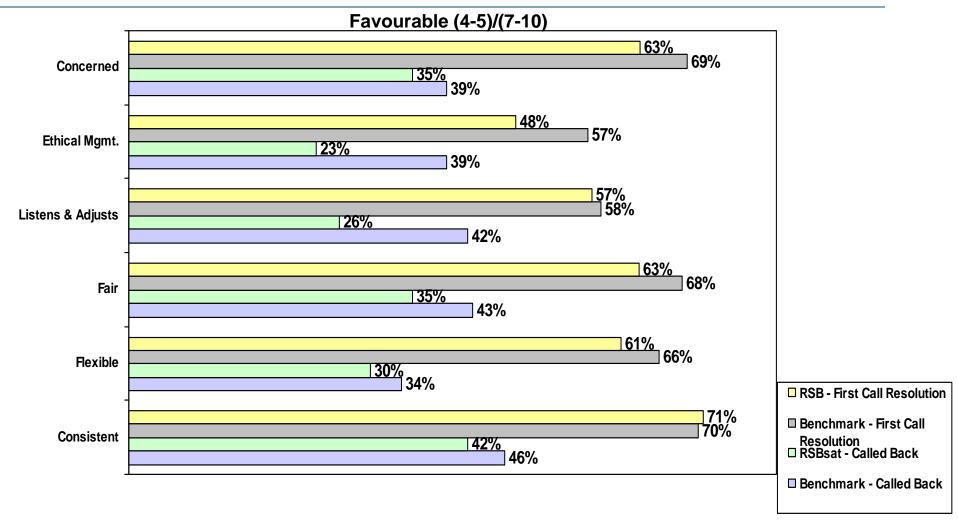


 Achieving a resolution on the first call does not play a large role in the scores given on other attributes, particularly overall satisfaction and impression.





#### Impact of First Call Resolution (Page 2 of 3)

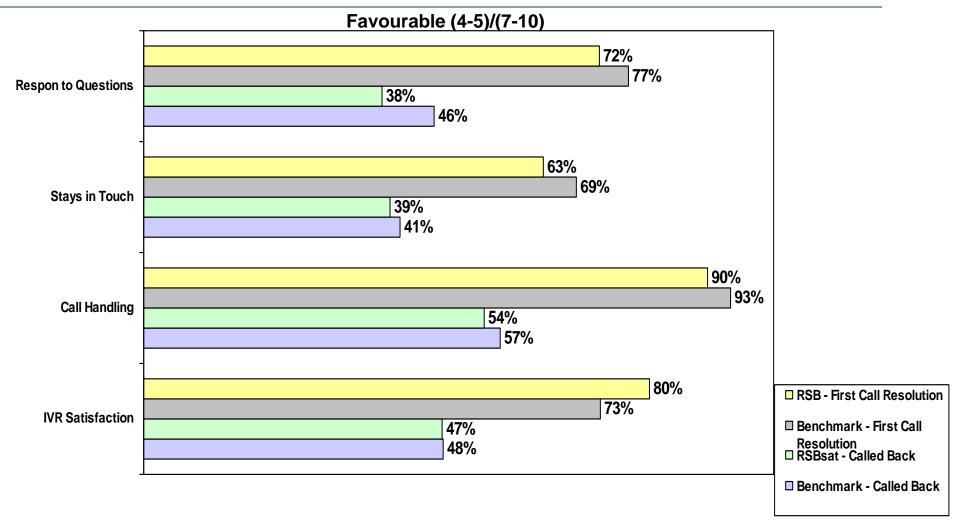


 Failure to resolve an issue on the first call plays a bigger role in listens and adjusts scores for Hydro One compared to the benchmark.





#### Impact of First Call Resolution (Page 3 of 3)

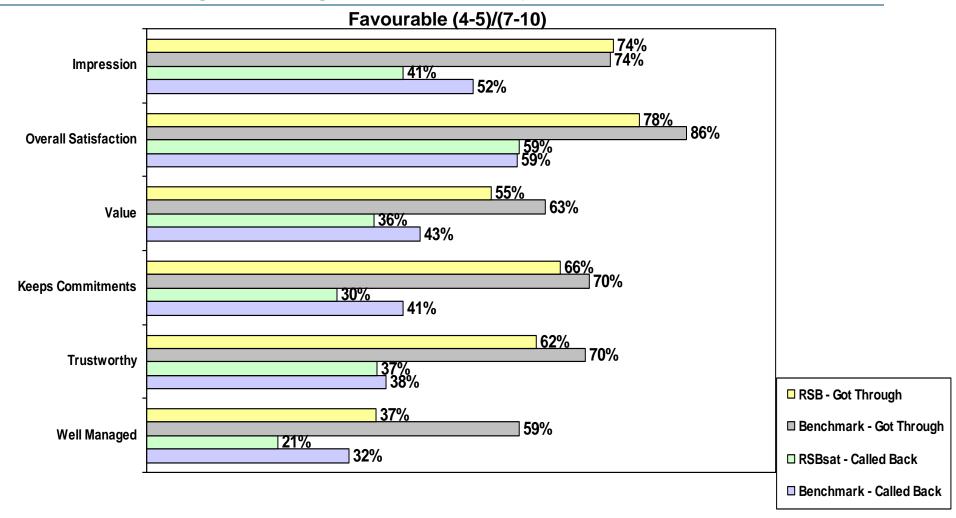


• Failure to resolve an issue on the first call impacts overall call handling satisfaction more so than other measures.





#### Impact of Getting Through on First Try (Page 1 of 3)

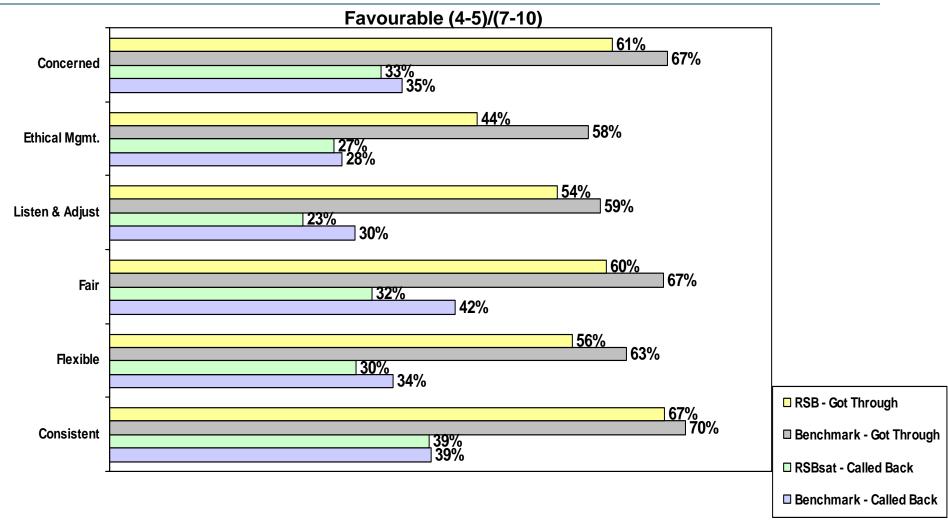


Having to call back has a bigger impact on the respondent's impression of Hydro One compared to other benchmark utilities. Hydro One's ability to keep commitments is also more heavily influenced by this attribute. However, overall satisfaction is less impacted for Hydro One than the benchmark.
Base: All respondents.





#### Impact of Getting Through on First Try (Page 2 of 3)

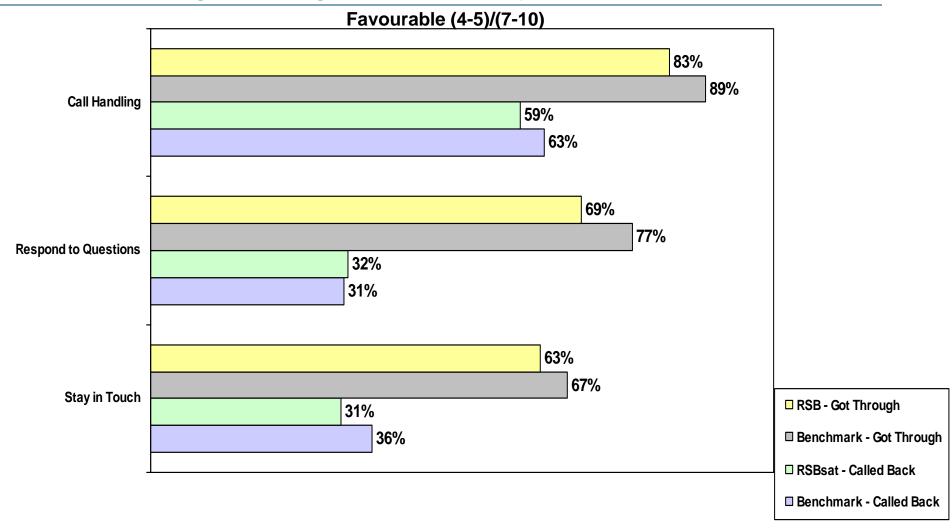


 Failing to get through on the first try has less of a roll in negative feelings about ethical management for Hydro One customers compared to other utility companies.





#### Impact of Getting Through on First Try (Page 3 of 3)



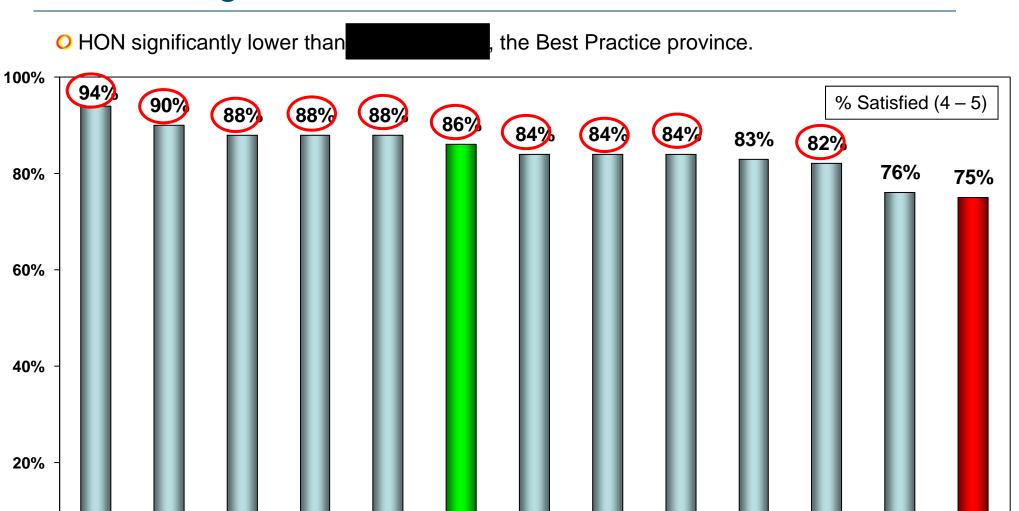
 Getting through on the first try has less of an impact on overall call handling satisfaction than on perceptions of the utility staying in touch or its responsiveness to customer questions.







## Bill Handling



Conducted among residential populations under 50,000. Base: All Respondents. Q.3a1 How satisfied are you with overall with: the way {UTILITY] handles its billing.



Significantly higher/lower than Hydro One at 95% confidence interval.



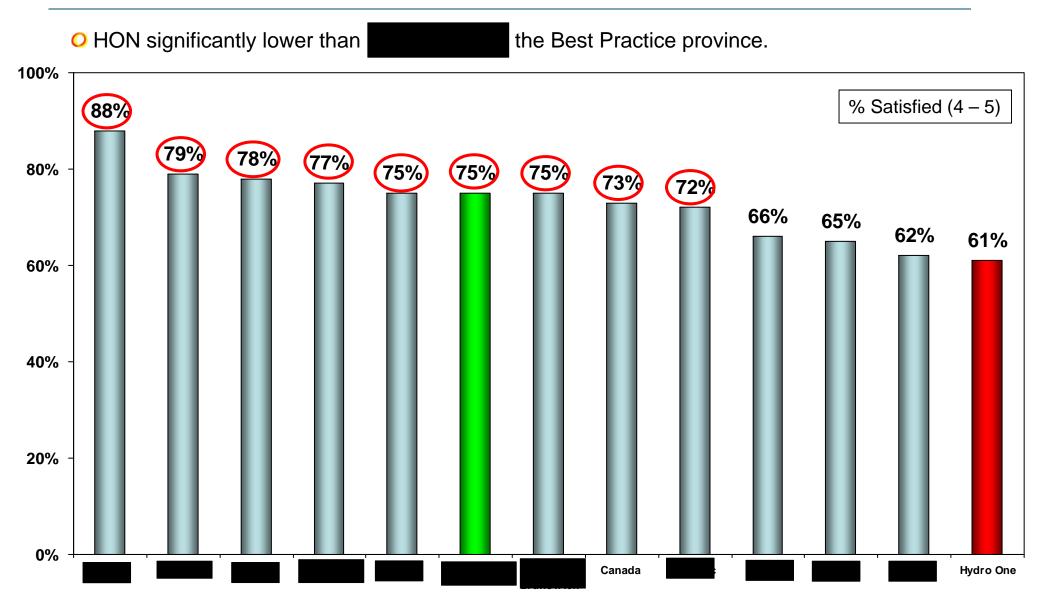
Hydro One

0%

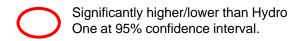
Canada



# The Way Bills are Calculated



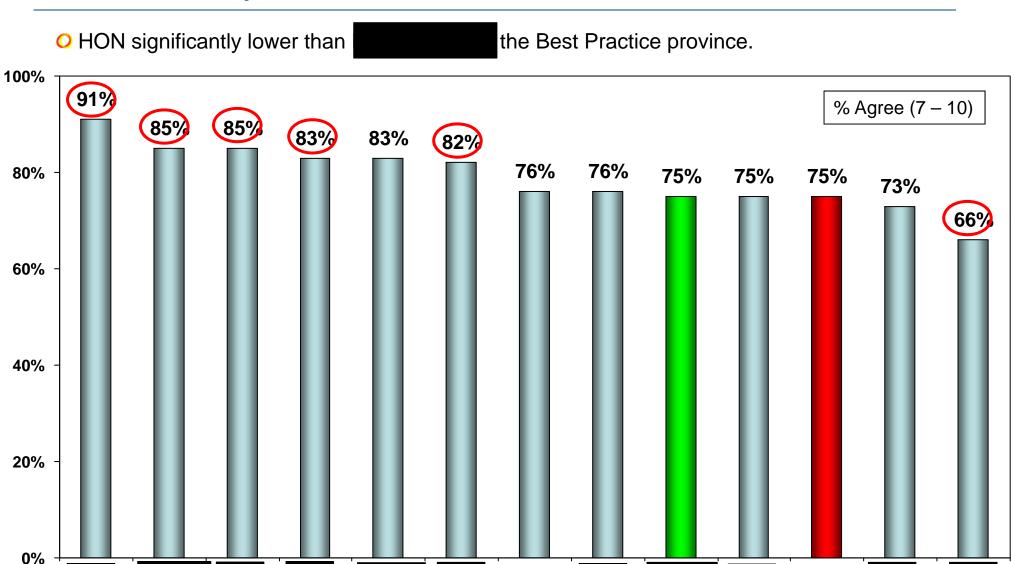
Conducted among residential populations under 50,000. Base: All Respondents. Q.3d1 How satisfied are you with overall with: the way they calculate the bills



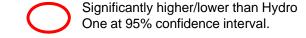




## Bills Are Easy to Understand



Conducted among residential populations under 50,000. Base: All Respondents. Opinions about [UTILITY] bills Q.3b2 Their bills are easy to understand.



Hydro One

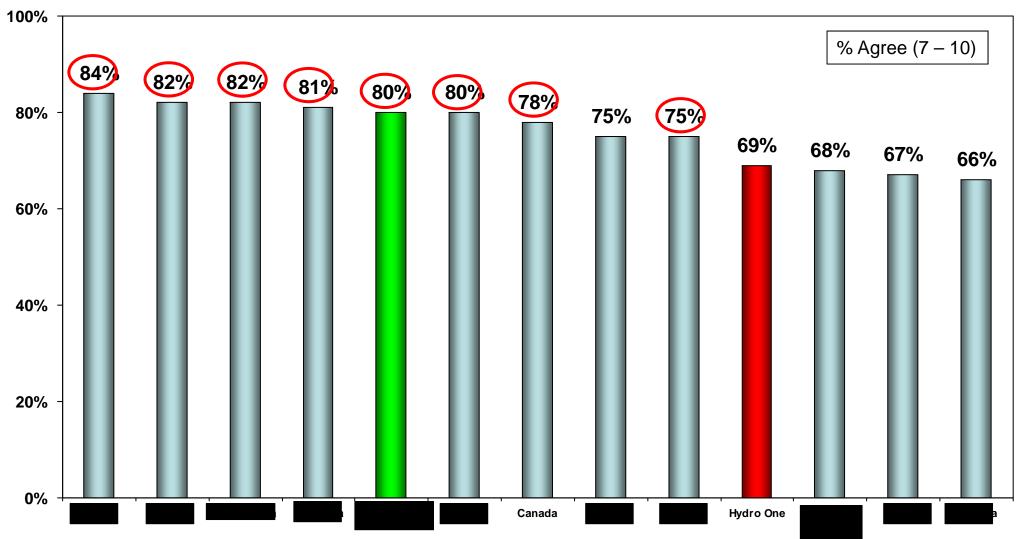


Canada

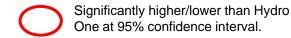
# Bills Are Accurate



O HON significantly lower than the Best Practice province.



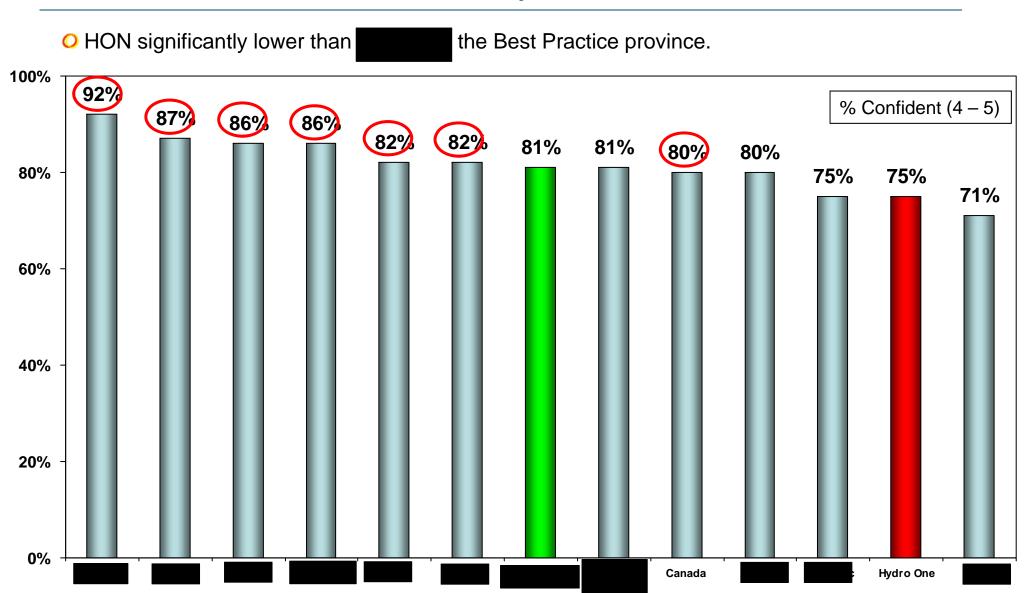
Conducted among residential populations under 50,000. Base: All Respondents. Opinions about [UTILITY] bills Q3b1 Their bills are accurate.







# Confidence in Meter Accuracy



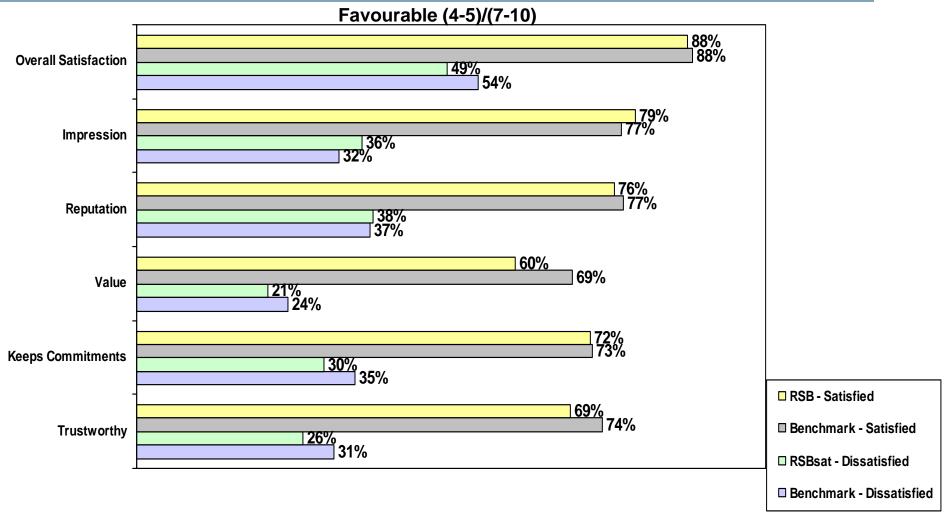
Conducted among residential populations under 50,000. Base: All Respondents. Opinions about [UTILITY] bills Q3g2. How confident are you that your electricity usage is being metered accurately?







#### Impact of Satisfaction with Bill Handling (Page 1 of 3)

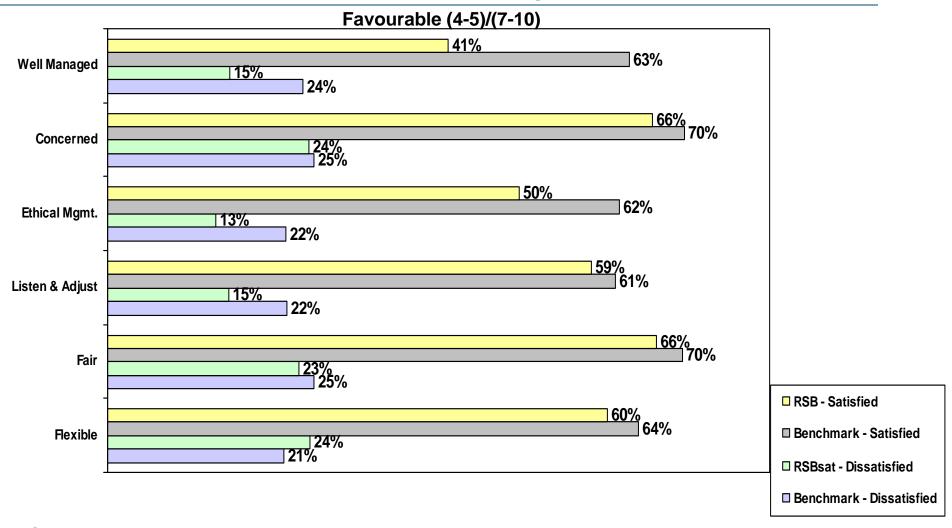


 Satisfaction with bill handling has the greatest impact on perceived value received and trustworthiness for both Hydro One and other utilities.





#### Impact of Satisfaction with Bill Handling (Page 2 of 3)

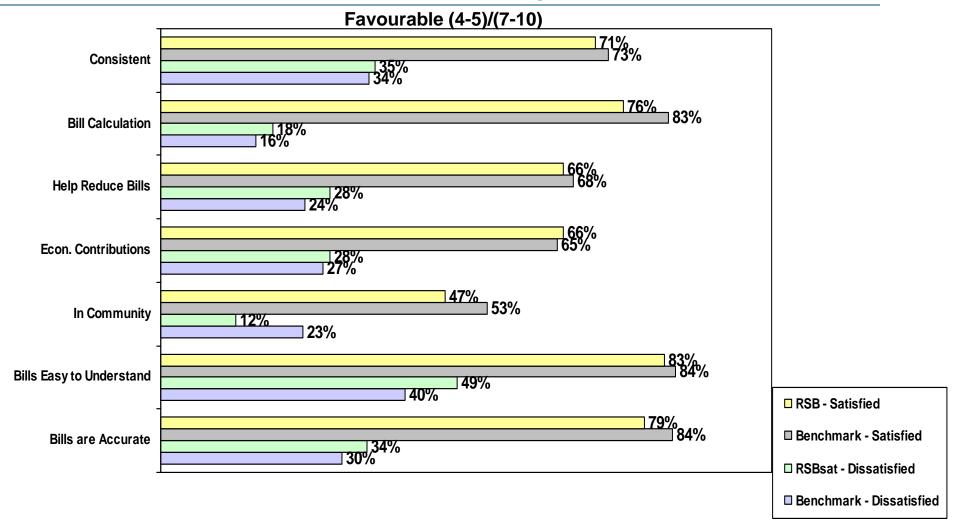


 Satisfaction with bill handling impacts perceptions of being concerned, fairness and having flexibility for both Hydro One and other utilities in total.





#### Impact of Satisfaction with Bill Handling (Page 3 of 3)



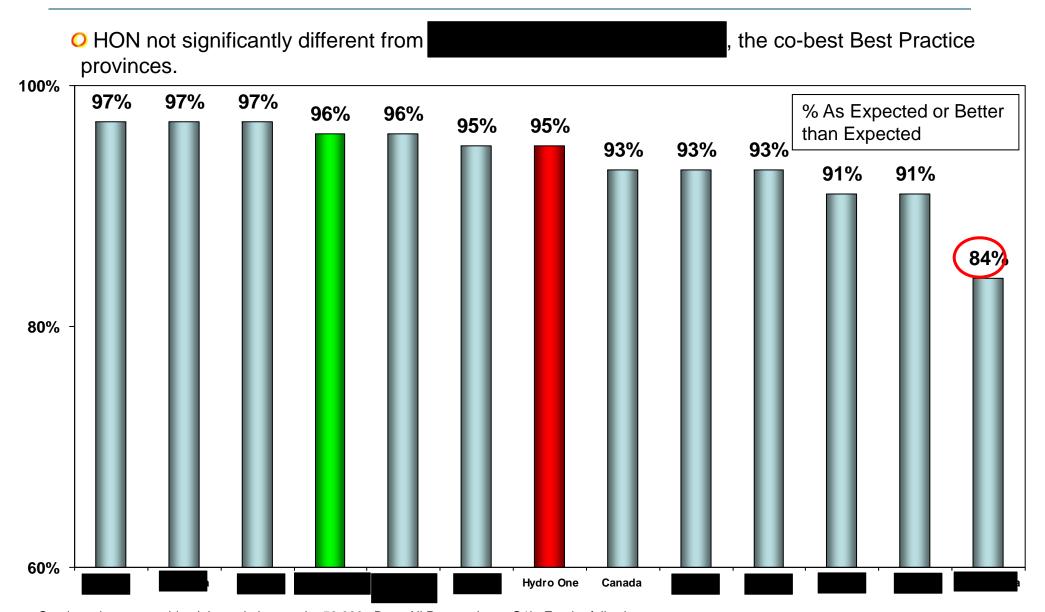
 Satisfaction with bill handling has less impact on the customer's ability to easily understand Hydro One's bills in comparison with customers of other utilities.







# How Well They Maintain Electricity System

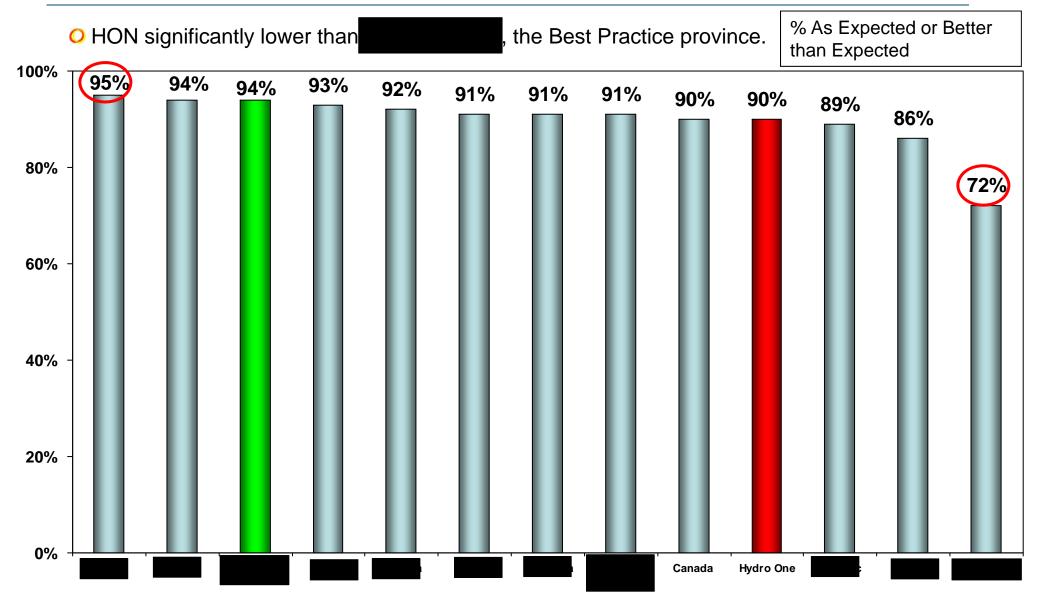


Conducted among residential populations under 50,000. Base All Respondents. Q1h. For the following statements please tell me if you would say [UTILITY] performs much better than expected, somewhat better, just as expected, somewhat worse or much worse than expected of a utility company. 3. How well they maintain their electricity systems, including the towers, lines and other infrastructure on public property.





#### Attention They Pay To Clear Trees, Snow etc...



Conducted among residential populations under 50,000. Base: All Respondents. Q1h7. For the following statements please tell me if you would say [UTILITY] performs much better than expected, somewhat better, just as expected, somewhat worse or much worse than expected of a utility company. 7. The attention they pay to clearing trees, brush, snow, etc away from power lines and Hydro One equipment

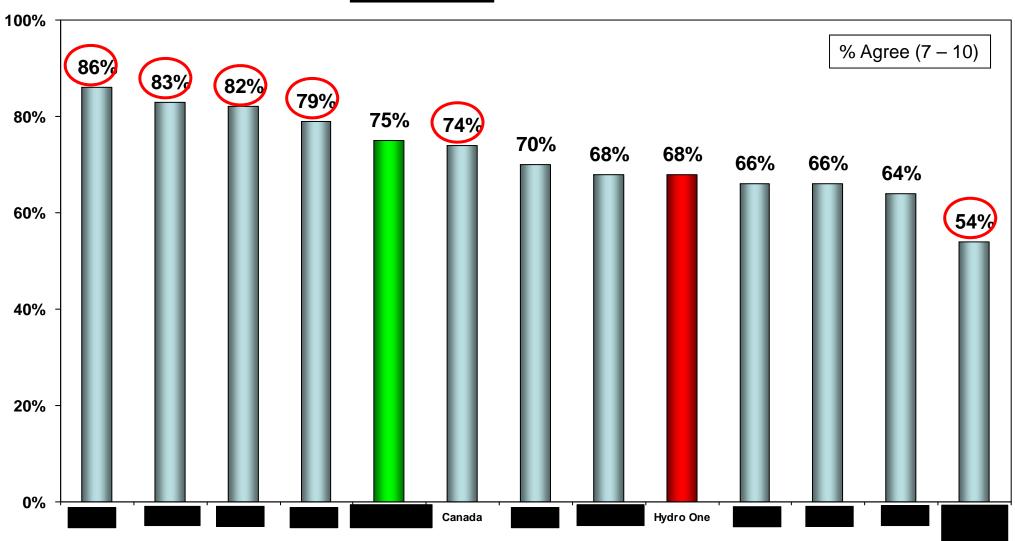




# Invests to Ensure Reliable Supply For Foreseeable Future



O HON significantly lower than the Best Practice province.



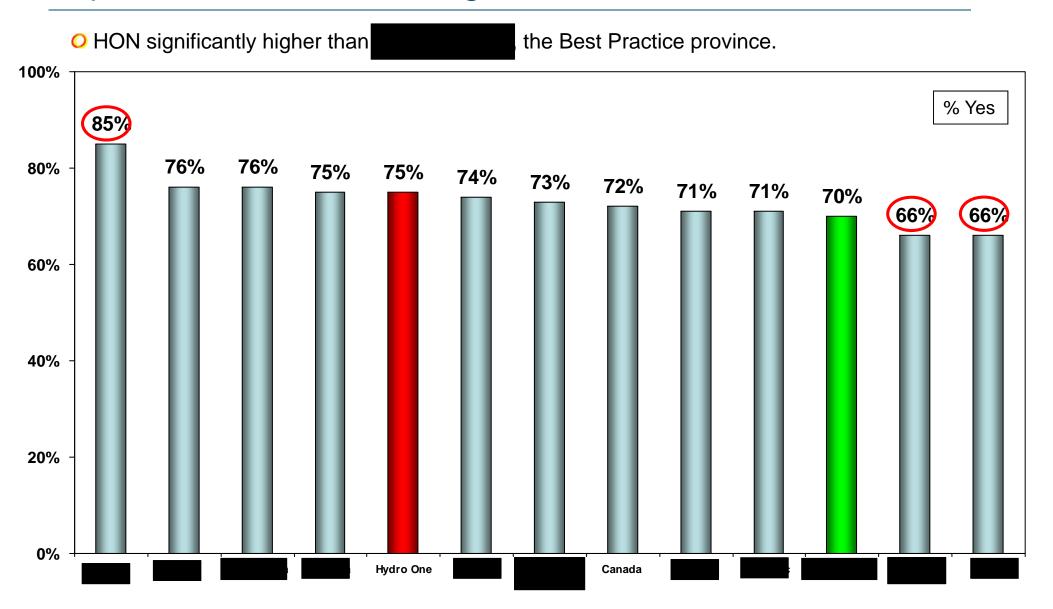
Conducted among residential populations under 50,000. Base All respondents Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 20. HON invests in the electricity system to ensure a reliable supply of electricity for the foreseeable future.







## **Experienced Power Outage Last Year**



Conducted among residential populations under 50,000. Base All Respondents. Q.4a Have you experienced any power outages, that is, times when there was no electricity available at your home, in the past year?



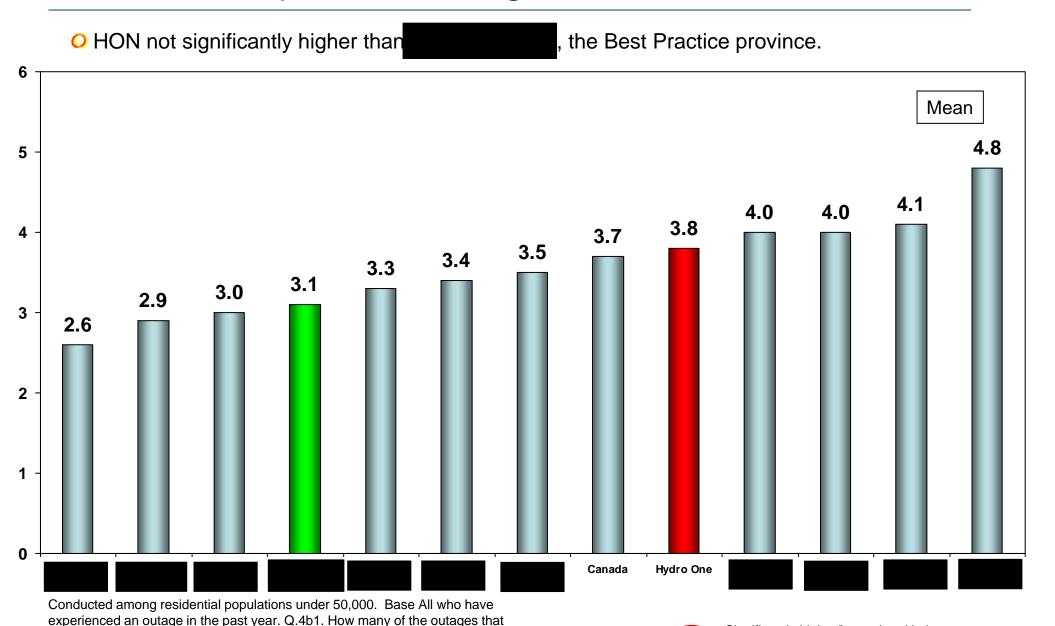




## Number of Unplanned Outages

you experienced in the past year were unplanned outages? By an unplanned

outage, we mean an outage that occurred due to weather conditions, equipment



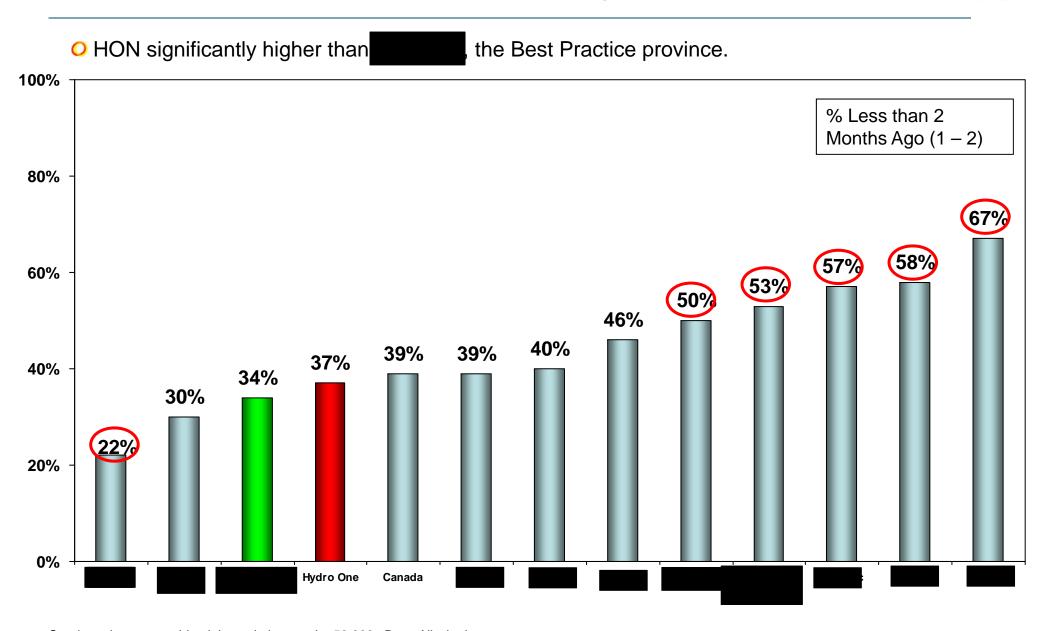


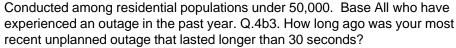
Significantly higher/lower than Hydro

One at 95% confidence interval.

# Time Since Last Unplanned Outage







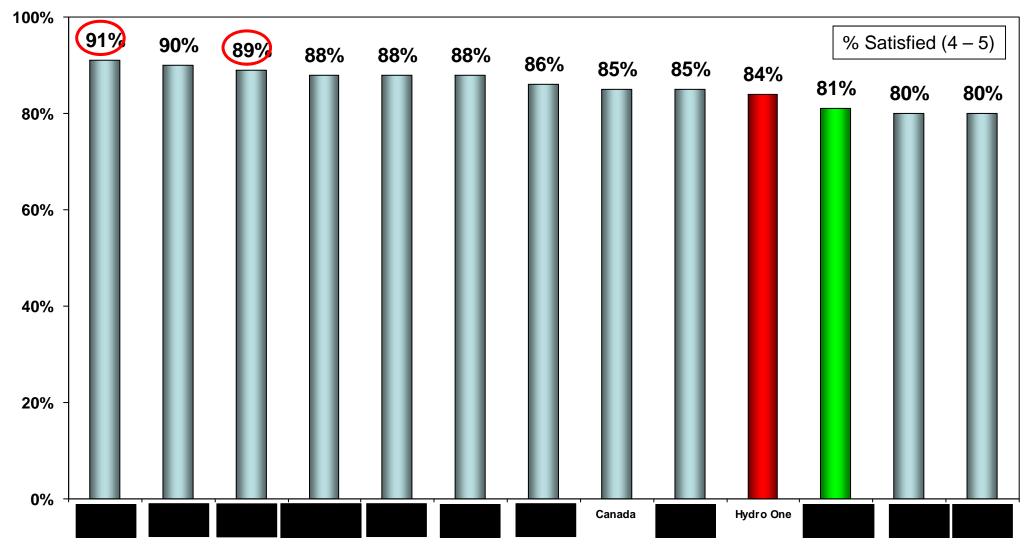






## How They Handle Unplanned Outages

O HON significantly lower than , the Best Practice province.



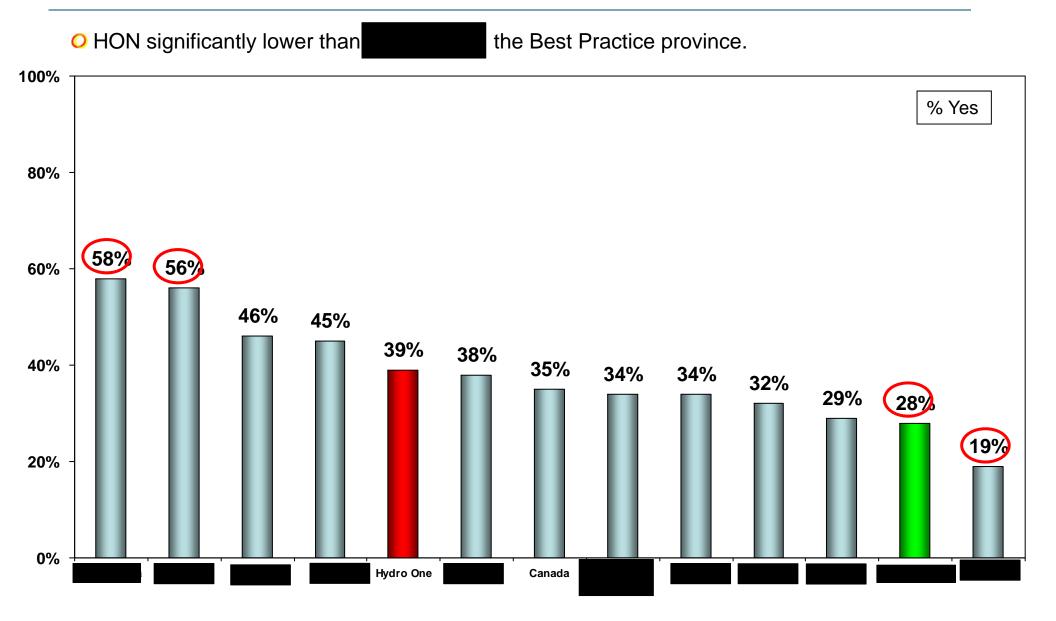
Conducted among residential populations under 50,000. Base: Respondents who had an unplanned outage. Q.4c1 How satisfied are you overall with the way [UTILITY] handled the unplanned outage?

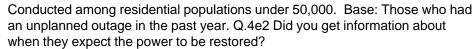






#### Got Information About When Power Will Restored





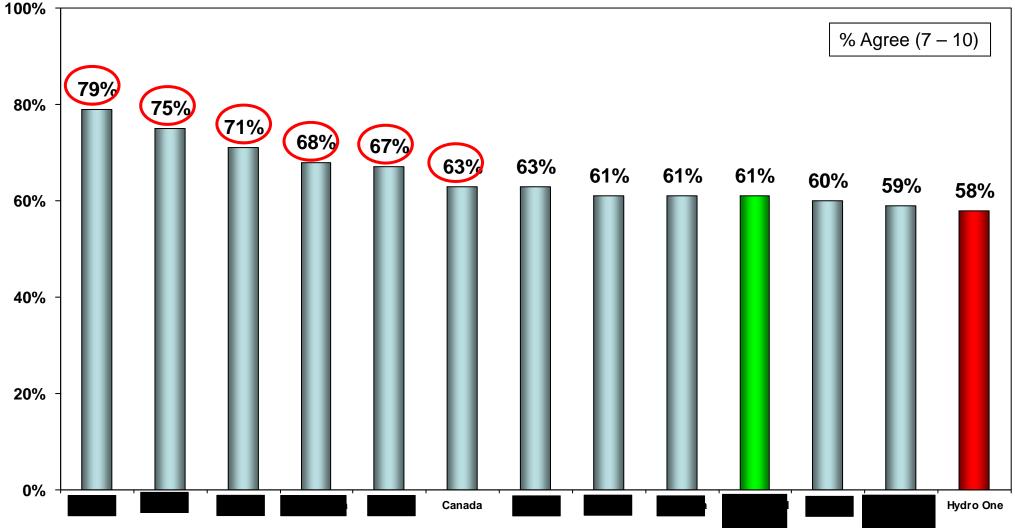






#### Lets You Know When Power Will Restored

O HON significantly lower than



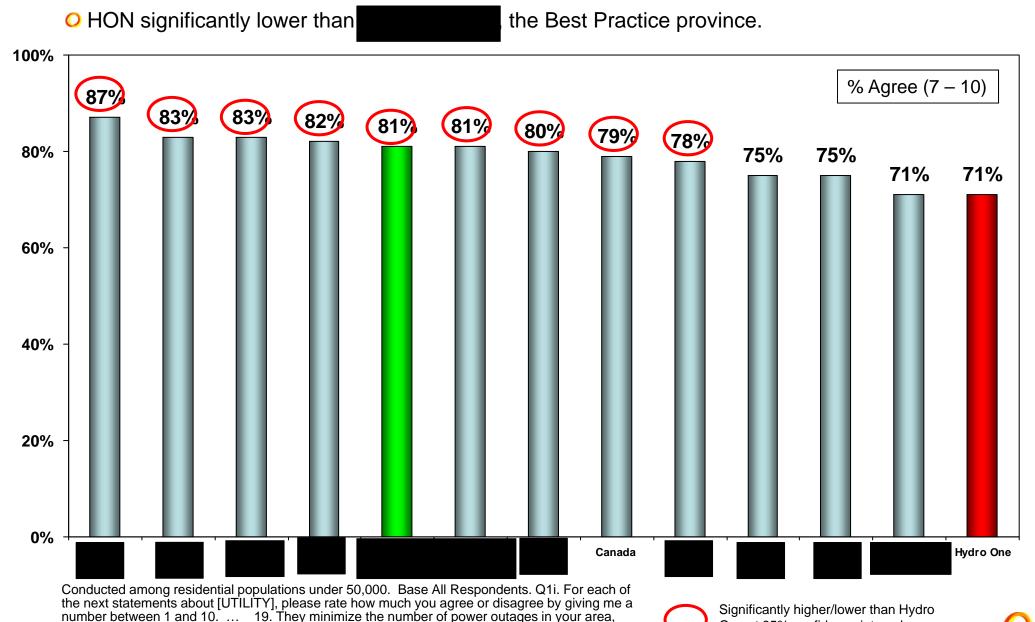
Conducted among residential populations under 50,000. Base: All Respondents Q.1i For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 16: They let you know when power will be restored.







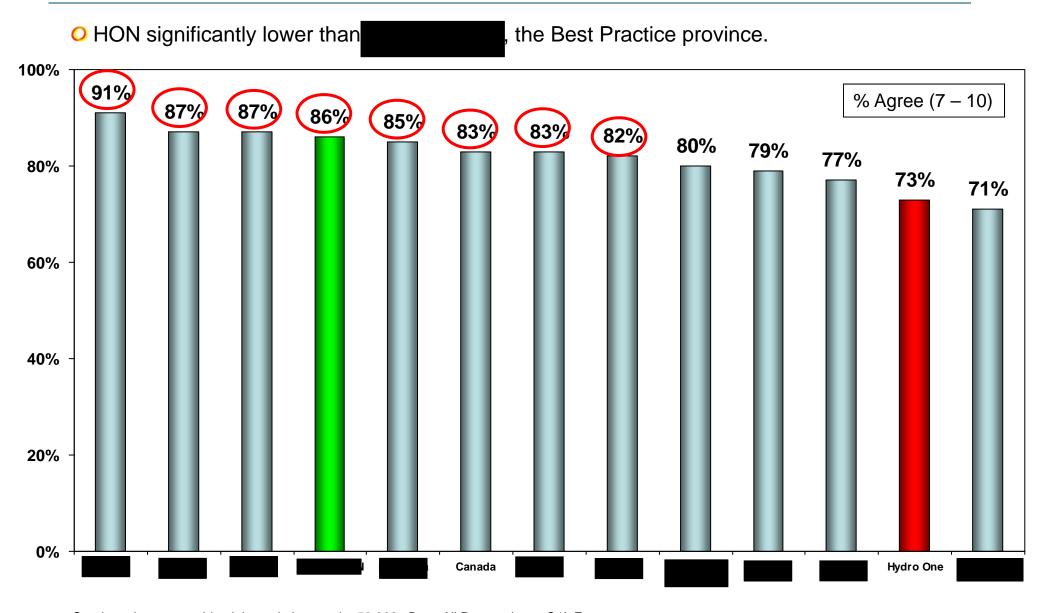
## Minimizes Number of Outages

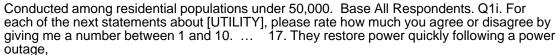


One at 95% confidence interval.



#### **Restores Power Quickly**



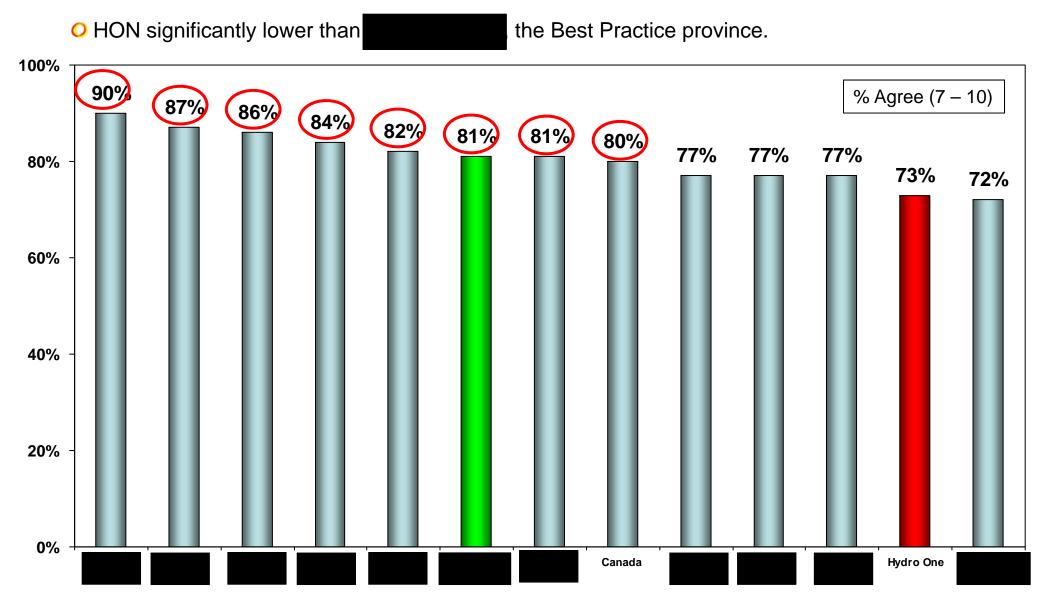


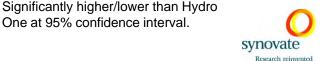






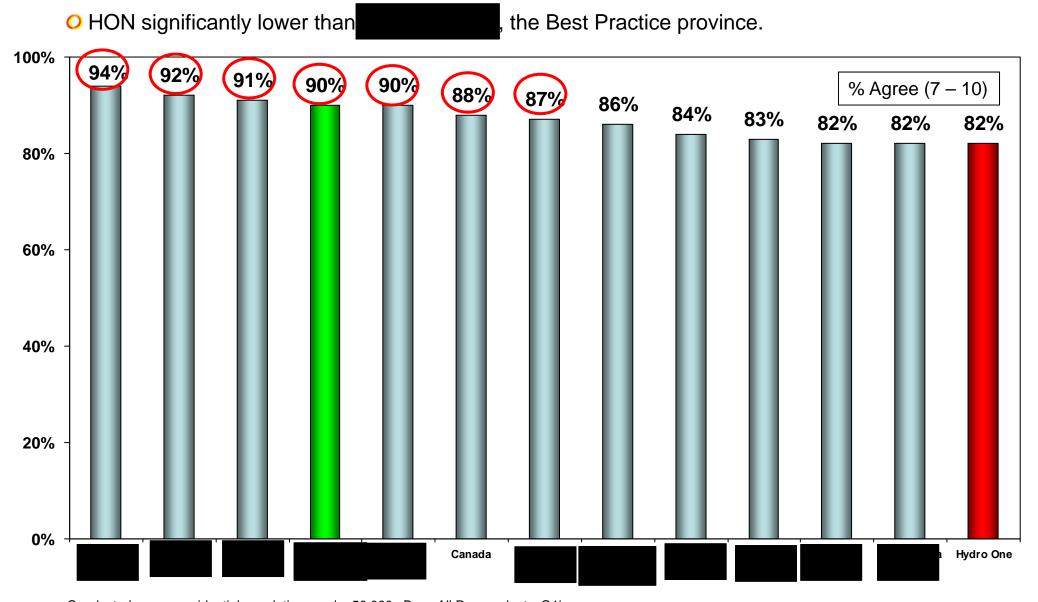
# Minimize Length of Outage







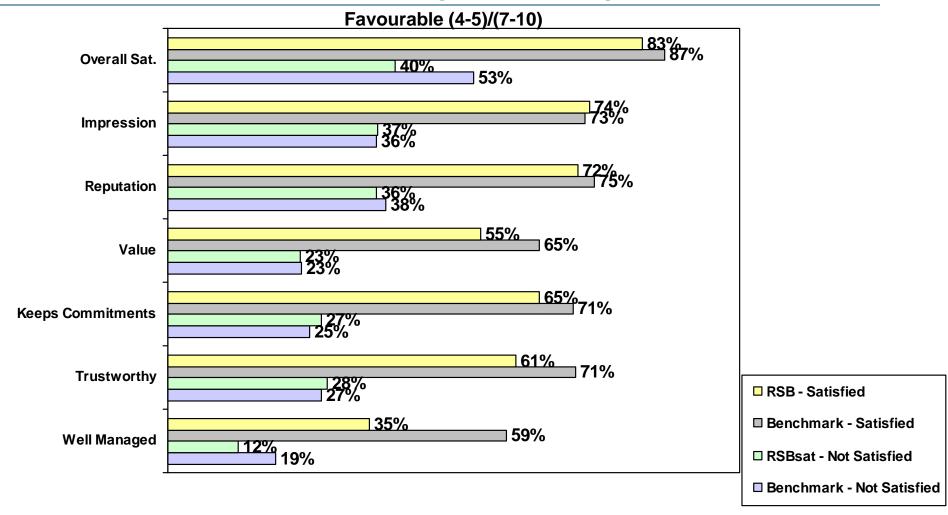
#### Have Reliable Supply of Electricity







#### Impact of Satisfaction with Outage Handling (Page 1 of 4)

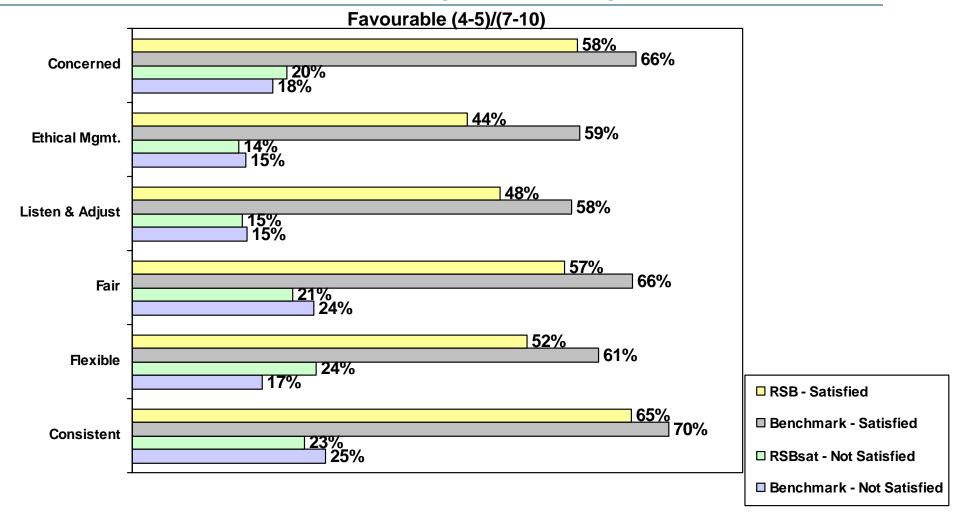


 Satisfaction with the utilities power outage handling has a bigger impact on overall satisfaction for Hydro One than the benchmark utilities.





#### Impact of Satisfaction with Outage Handling (Page 2 of 4)

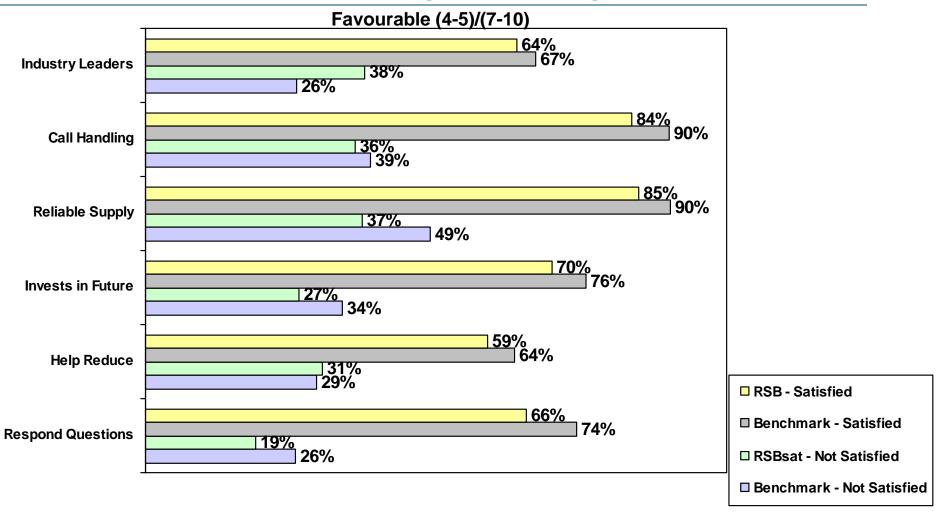


 Hydro One's flexibility score is less influenced by their ability to handle power outages compared to other utility companies.





#### Impact of Satisfaction with Outage Handling (Page 3 of 4)



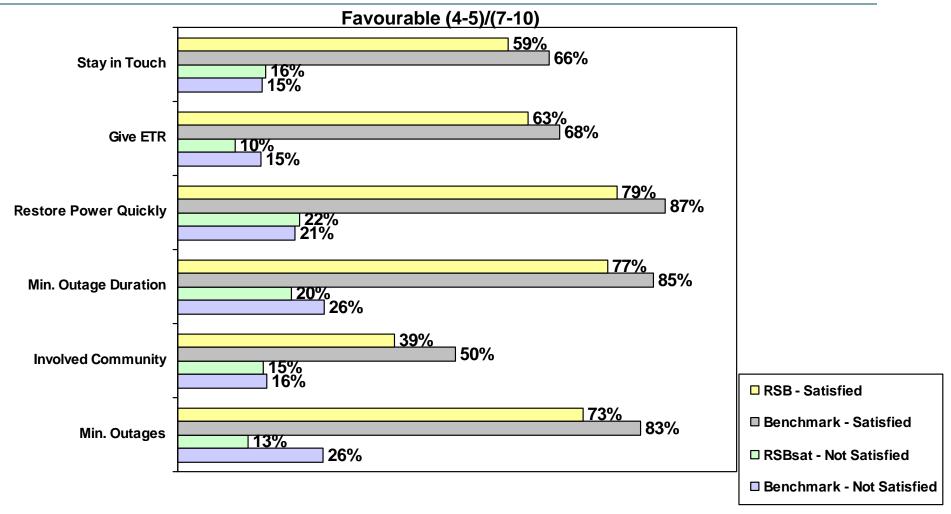
Respondents who are dissatisfied with Hydro One's ability to handle power outages are less likely to allow this to influence their opinion of Hydro One as an industry leader. Hydro One customers do however, have more negative opinions about its ability to provide a reliable supply of electricity and invest in electricity for the foreseeable future if they are dissatisfied

Base: All responitionits outage handling.

synovate



# Impact of Satisfaction with Outage Handling (Page 4 of 4)



 Satisfaction with outage handling impacts perceptions of both Hydro One and all benchmark utilities on the above attributes.

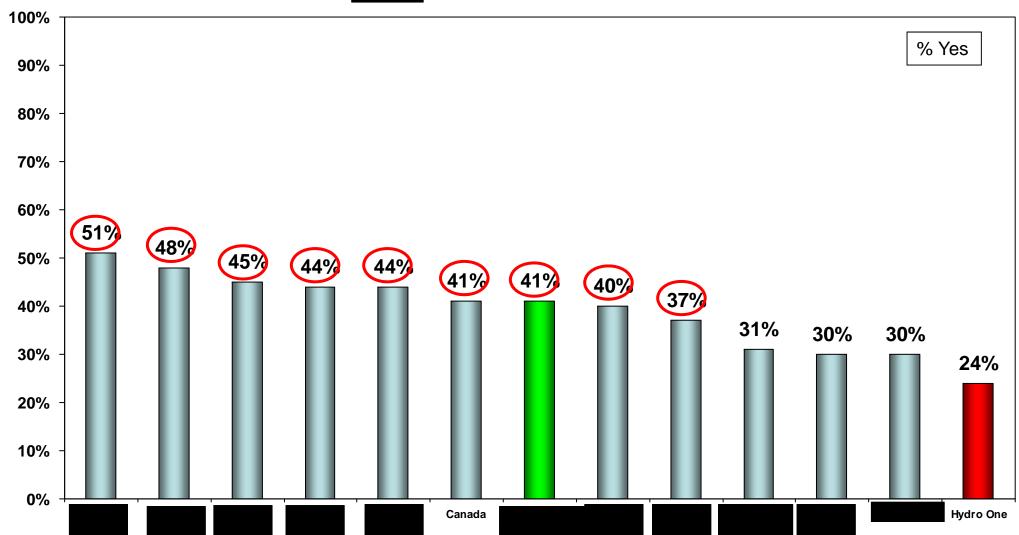




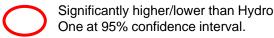


# Staff Checked That Meter Is Working Properly

O HON significantly lower than the Best Practice province.



Conducted among residential populations under 50,000. Base: All Respondents Q.8b Sometimes [UTILITY] staff come out to customer's properties. Which of the following services have staff come to your property to provide? 8b2: Check that meter is working properly.



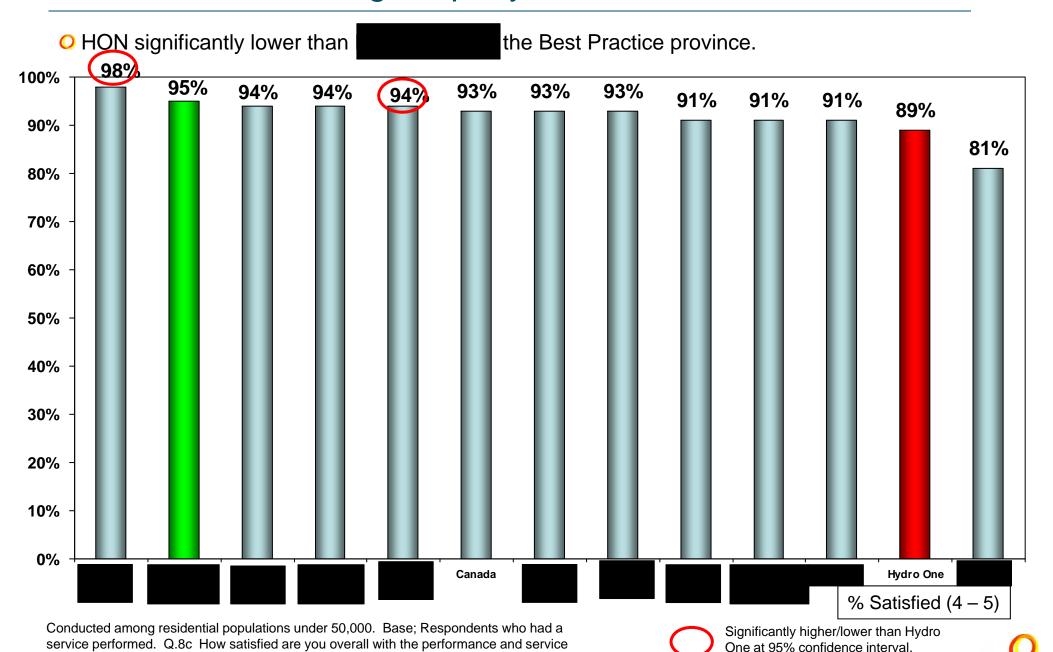


# Satisfaction with Utility Rep that Checked That Meter Is Working Properly

of the representatives who came out to your property (to do work mentioned in Q.8b)?

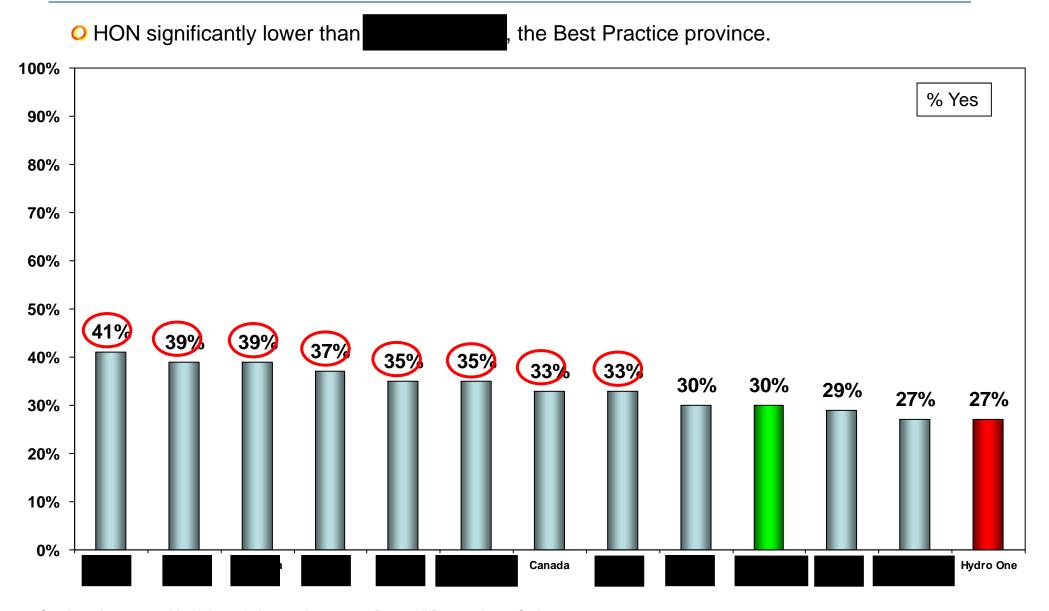


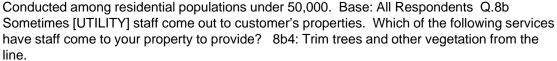
synovate

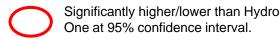




# **Trimmed Trees And Vegetation**





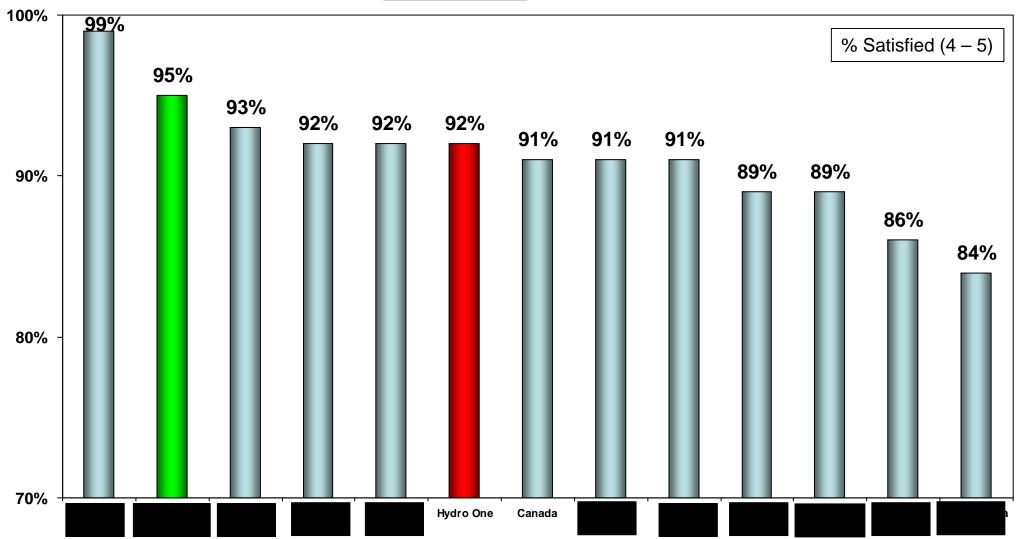




### Satisfaction with Utility Rep that Trimmed Trees and Vegetation



O HON not significantly lower than, the Best Practice province.



Conducted among residential populations under 50,000. Base; Respondents who had a service performed. Q.8c How satisfied are you overall with the performance and service of the representatives who cam out to your property (to do work mentioned in Q.8b)?

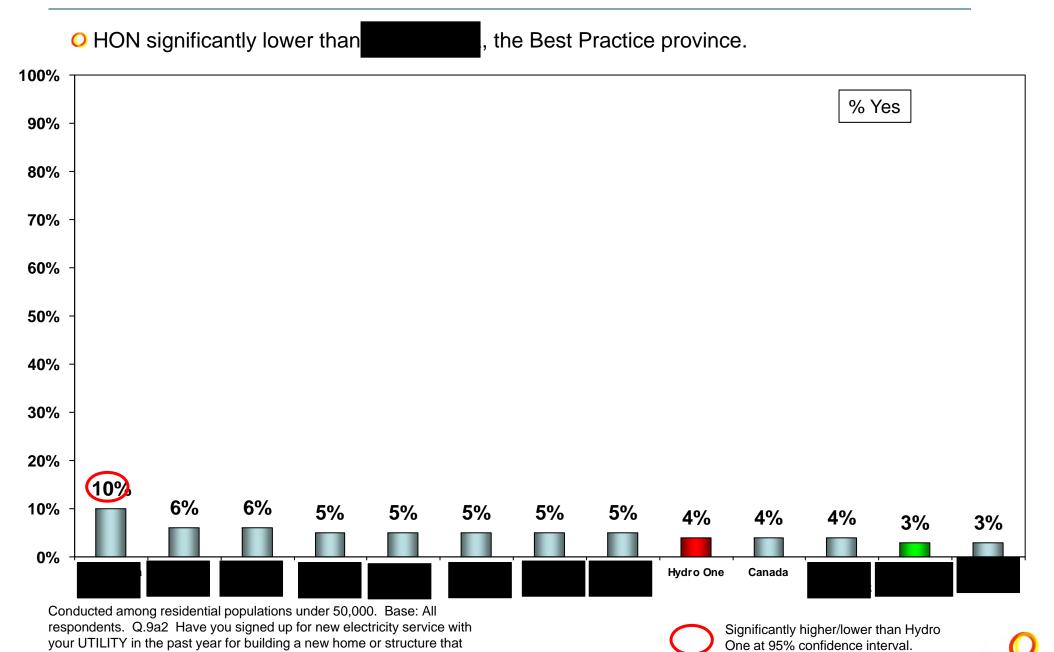








#### Signed Up for New Electricity Service



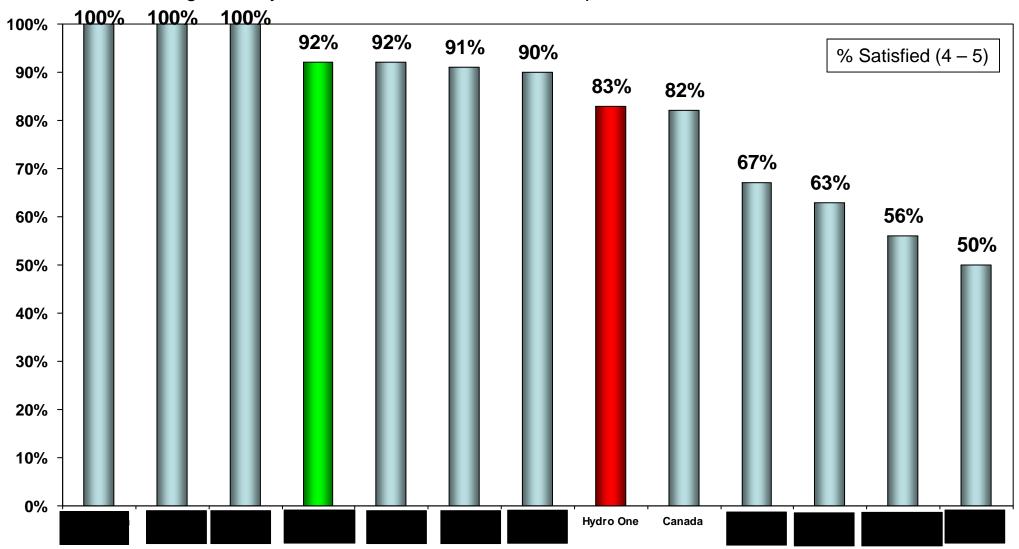
service upgrade?

needed electricity service to be hooked up or a new line run or to get a



#### Process To Set Up New Electricity Service

O HON not significantly different from the Best Practice provinces.



Conducted among residential populations under 50,000. Base: Signed up for new service. Q.9b1 How satisfied were you overall with the process to set up new service from [UTILITY]?



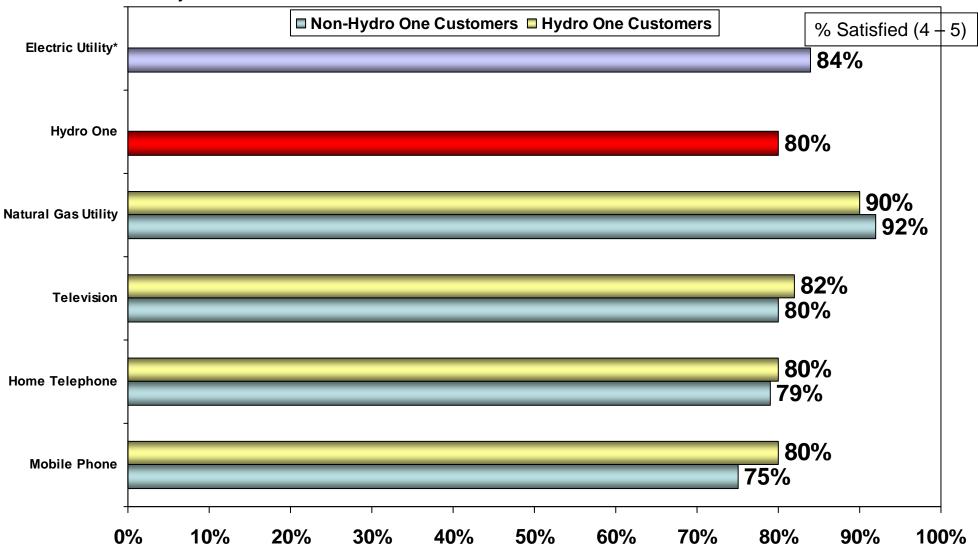




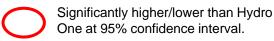


#### Satisfaction with Service Companies

O Hydro One receives lower satisfaction score than natural gas suppliers among non-Hydro One customers.



Conducted among residential populations under 50,000. Base: Have specified service. Q.11b2a-c. How satisfied are you with your SERVICE company overall? Would you say you are...?





<sup>\*</sup> Ontario non-Hydro One sample.

# Utility Perceptions by Province

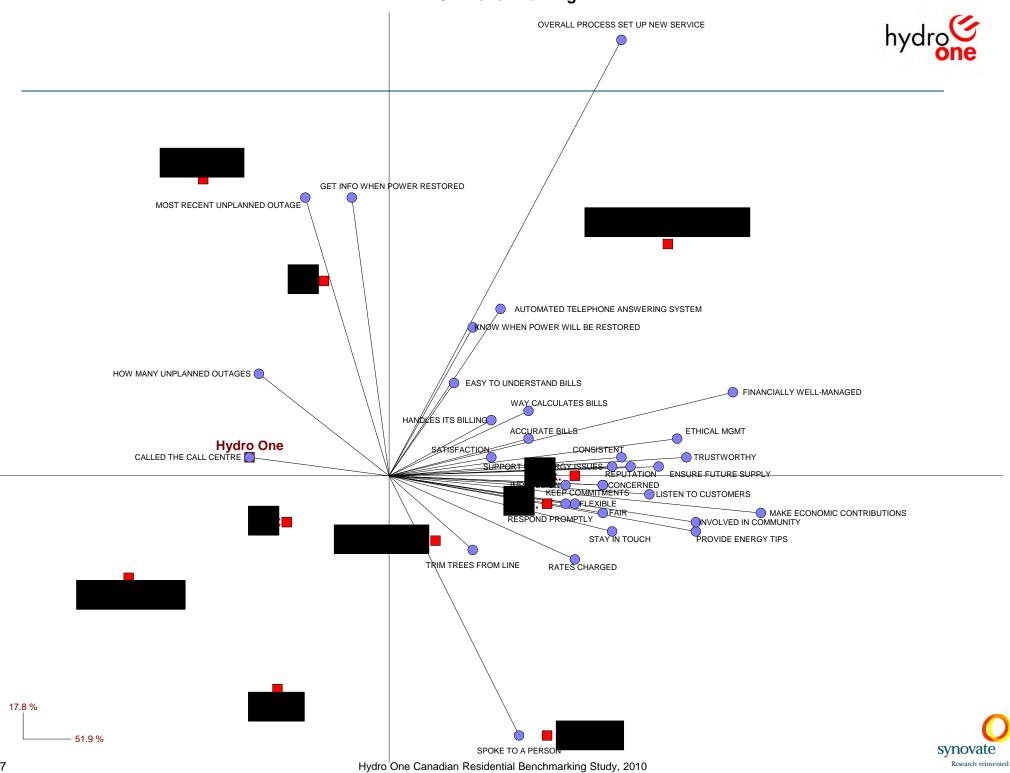


#### Utility Perceptions by Province

- The chart the following page displays the relative ratings for electric utilities by province.
- The length of each line indicates the relative discriminating power of that attribute across the provinces. In this case, the most discriminating attributes are:
  - Overall satisfaction with the process of setting up a new service
  - Spoke to a person when calling the call centre
  - Get information on power restoration
  - Length of time since the most recent unplanned outage
- The proximity of vectors indicates how closely correlated they are to each other. In this case, most of the attributes, especially the more imageoriented attributes, are highly correlated.
- O The position of each province indicates its strength along each attribute. In this case, Hydro One is most closely associated with having called the call centre and the number of unplanned outages. As well, Hydro One is associated much less than other provinces on those image attributes located to the right of the center point of the chart.



#### **HON Benchmarking**



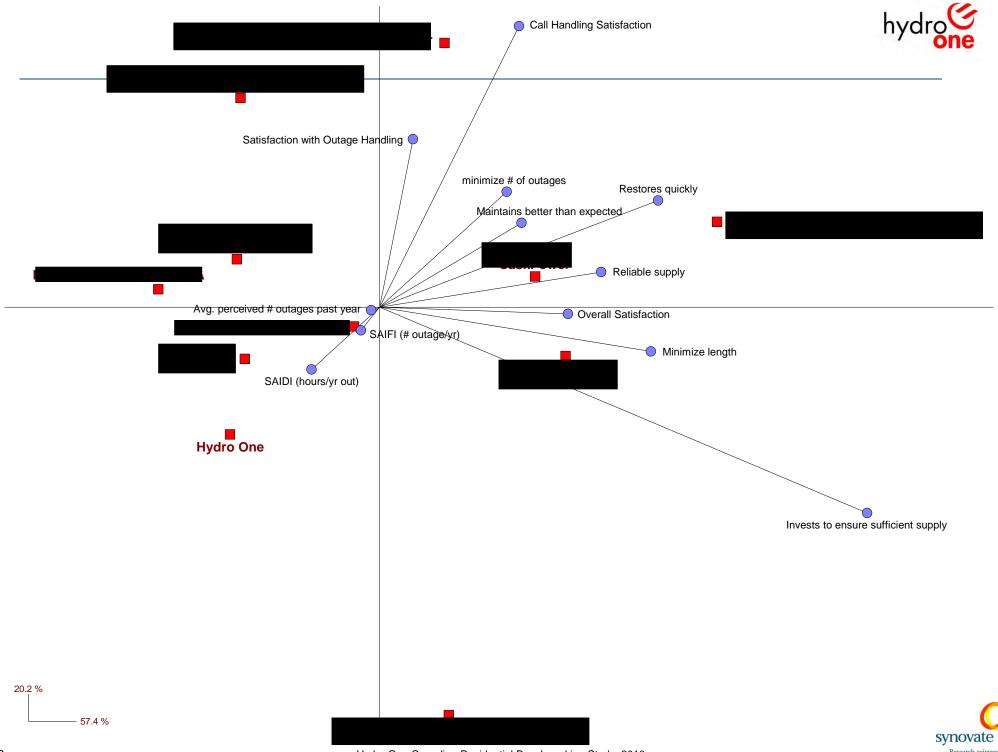


#### Outage-related Perceptions by Selected Utility

- The chart the following page displays the relative ratings for selected electric utilities on measures related to outages. Included here are attribute ratings from this Benchmark study as well as actual SAIFI and SAIDI data.
- The length of each line indicates the relative discriminating power of that attribute across the utilities. In this case, the most discriminating attributes are:
  - Invests to ensure a sufficient supply of electricity,
  - Call handling satisfaction
  - Restores power quickly
  - Outage handling satisfaction
- O The proximity of vectors indicates how closely correlated they are to each other. In this case, SAIDI and SAIFI are closely correlated with each other but not with any of the other attributes except for the perceived number of outages encountered.
- The position of each utility indicates its strength along each attribute. In this case, Hydro One is most closely associated with SAIDI and SAIFI. and are also strongly associated with these measures. is most strongly associated with the outage attribute ratings from the survey.



#### **HON SAIDI SAIFI**





## Customer Satisfaction Tracking Canadian Residential Benchmarking Study (Conducted Among Populations Under 50,000)

Prepared for Hydro One

Prepared by Synovate

Job number 10-0038

Date June, 2010







## CANADIAN RESIDENTIAL BENCHMARKING STUDY

Customer Satisfaction Tracking July – 2013



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#### **Executive Summary**





#### **Executive Summary**

- For most measures, is the Best Practice province.
  - and and have the next most Best Practice rankings.
- On most measures, Hydro One scores significantly lower than the Best Practice province.
- Hydro One is not the Best Practice utility for any of the attributes measured.





#### **Hydro One Not Different from Best Practice On:**

- Overall Satisfaction
- Agreement that UTILITY stays in touch when you are having problems
- Incidence of customers using the UTILITY's customer website
- Agreement that bills are accurate
- Satisfaction with how UTILITY handles unplanned outages
- Agreement that UTILITY minimizes the number of outages
- Agreement that UTILITY minimizes the length of time the power is off during an outage
- Comparison with satisfaction with cable or satellite television service company overall
- Comparison with satisfaction with home telephone company overall
- Comparison with satisfaction with mobile, wireless or cell telephone company overall
- Comparison with satisfaction with internet services





#### **Hydro One is Below Best Practice On: (Page 1 of 2)**

- Agreement that UTILITY is trustworthy
- Agreement that UTILITY has ethical, responsible top level management
- Agreement that UTILITY is fair
- Agreement that UTILITY keeps commitments
- Agreement that UTILITY is flexible
- Satisfaction with the quality of customer service
- Agreement that UTILITY takes care of problem upon first contact
- Agreement that UTILITY listens to customers and acts upon customer concerns
- Satisfaction with rates charged
- Value for money
- Satisfaction with the ways UTILITY communicates
- Satisfaction with ability to access UTILITY to discuss questions or problems
- Satisfaction for handling of most recent call to UTILITY's Call Centre
- Last call to UTILITY's Call Centre was handled by a person





#### **Hydro One is Below Best Practice On: (Page 2 of 2)**

- Did not call the Call Centre in the past year
- Incidence of subscribing to UTILITY online account
- Satisfaction with bill handling
- Satisfaction with the way bills are calculated
- Agreement that bills are easy to understand
- Agreement that bills are affordable
- Incidence of customers experiencing an unplanned power outage in the past year
- Most recent unplanned outage occurred in the last month
- Agreement that UTILITY lets you know when power will be restored
- Agreement that UTILITY restores power quickly
- Agreement that customer has a reliable supply of electricity
- Agreement that UTILITY helps to reduce monthly bills by providing conservation tips
- Considers UTILITY a trusted advisor on energy related matters
- Comparison with satisfaction with natural gas utility overall





Introduction



#### **Research Objectives**



Determine how the current level of Overall Satisfaction for Hydro One compares to that for other electricity utilities across Canada.



Determine Hydro One strengths and weaknesses in related areas compared to other electricity utilities across Canada.



#### hydro G

#### Methodology

- Owners of primary household residences or those who pay electricity bill for their residence directly to the electricity utility used were interviewed.
- Respondents for each provincial sample were called at random using a random digit dialing sampling approach from communities with fewer than 50,000 individuals.
  - The exception is and and where residents serviced by Hydro and Hydro respectively, were also interviewed.
- All interviewing conducted via computer-assisted telephone interviewing.
- Interviewing took place from May 8 to June 3, 2013, inclusive. A major ice storm occurred on April 12 in Ontario, causing wide spread power outages across Southern and Central Ontario, some lasting several days.
- Residential customers of local electrical utilities only were interviewed.
- The response rate for the entire sample is 9%.
- The average length of interview is 11 minutes.
- Results are compared here to those from the Residential customer segment group collected in the Hydro One Residential and Small Business Customer Satisfaction Study, 2012: Wave 1, conducted from April 15th to May 6th, 2013 inclusive. The response rate for the study was 22%.



#### Methodology (cont'd)

The number of interviews completed and the associated confidence interval for results for each provincial sample surveyed in this project are as follows:

Sample Group	Completes	Confidence Interval*
Canada	2150	2.1
	200	6.9
	300	5.7
	200	6.9
	200	6.9
	300	5.7
	200	6.9
	200	6.9
	200	6.9
	150	8.0
	200	6.9
	200	6.9
	200	6.9
Ontario (Hydro One)**	725	3.6

<sup>\*+/-</sup> given number of percentage points at the 95% confidence level.



<sup>\*\*</sup> From the HON 2013 Residential and Small Business Customer Satisfaction Study, Wave 1.

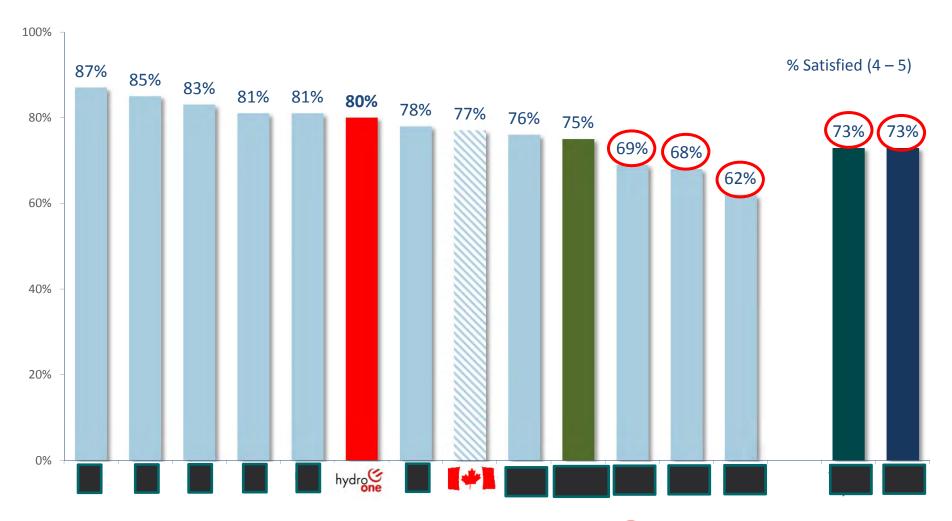
## Key Findings: Impression



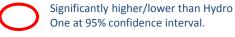


#### **Overall Satisfaction**

HON is not significantly different from the Best Practice province.





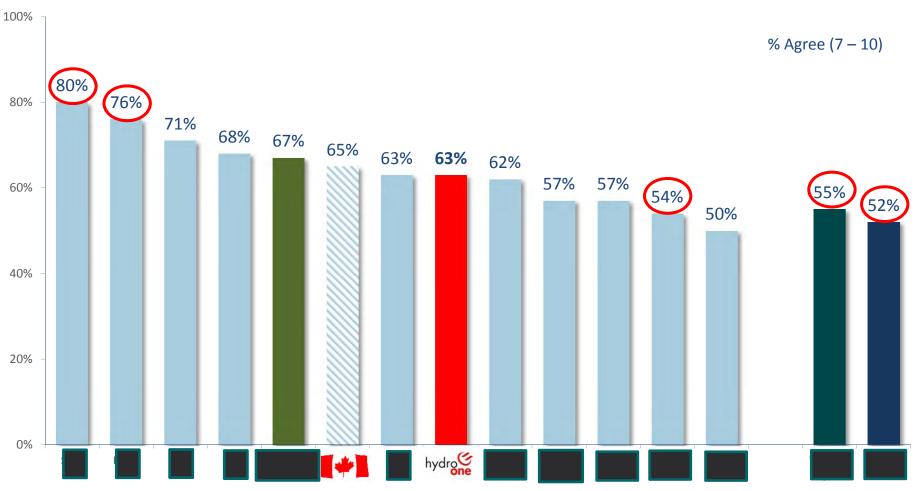




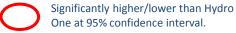
#### **Trustworthy**



HON significantly lower than the Best Practice province.



Conducted among residential populations under 50,000. Base: All Respondents. Q1i. please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree: Q.1iA1. They are trustworthy.



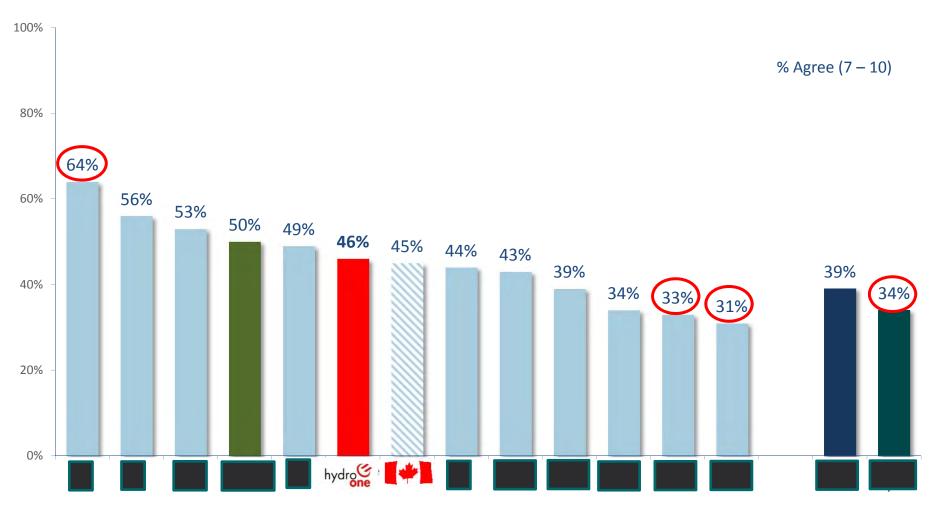




#### Has Ethical, Responsible Top Level Management

HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1iA3: They have ethical, responsible top level management.

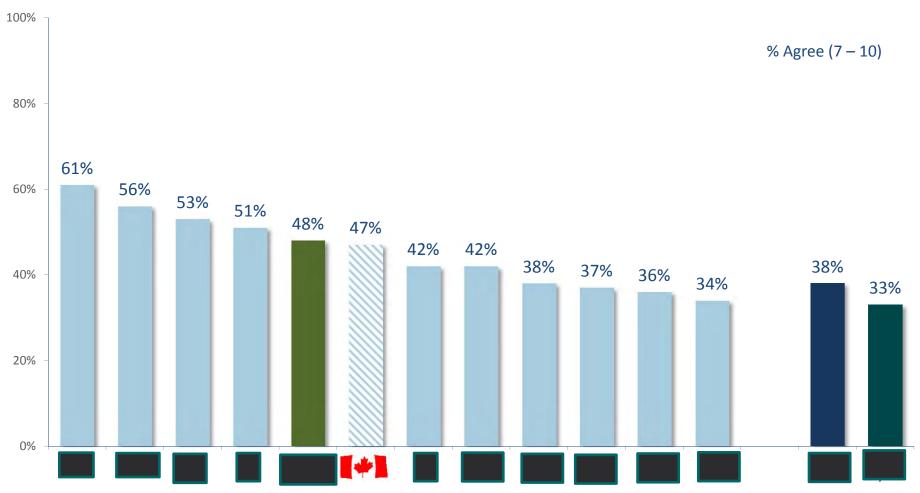






#### **Positive Impact on Local Community**

is the Best Practice province (question not asked of HON customers).



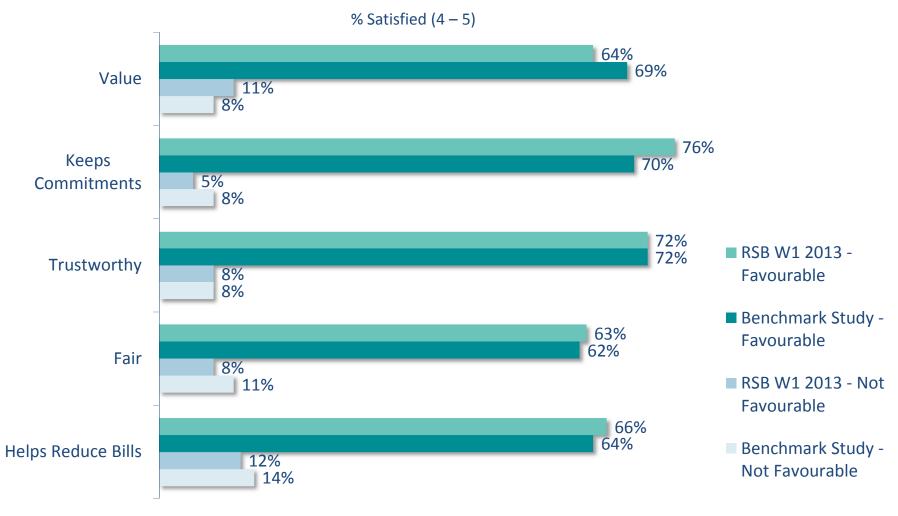
Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1iA4: They have a positive impact on your local community.





#### Impact on Overall Satisfaction (Page 1 of 2)

Keeps commitments has a bigger impact on Hydro One's overall satisfaction score than for other utility companies across the country.

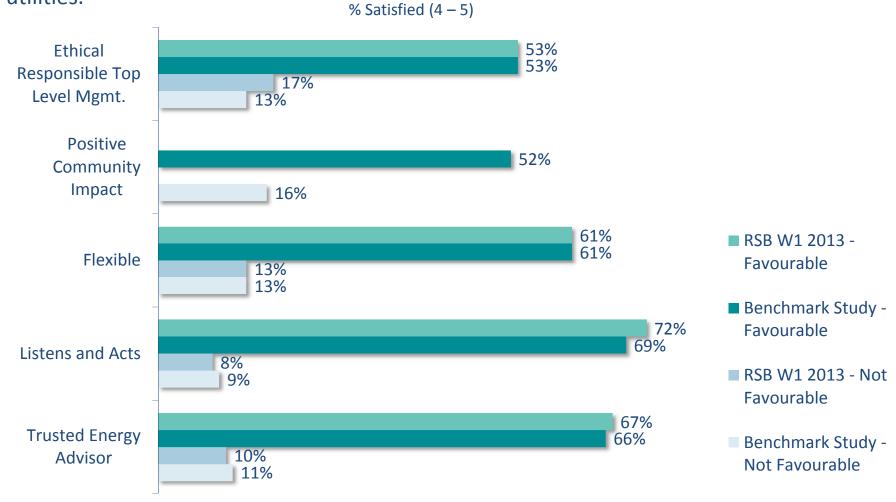






#### Impact on Overall Satisfaction (Page 2 of 2)

Ethical responsible management ratings have less of an influence on overall satisfaction for Hydro One, while listens and acts has more influence for both Hydro One and other utilities.





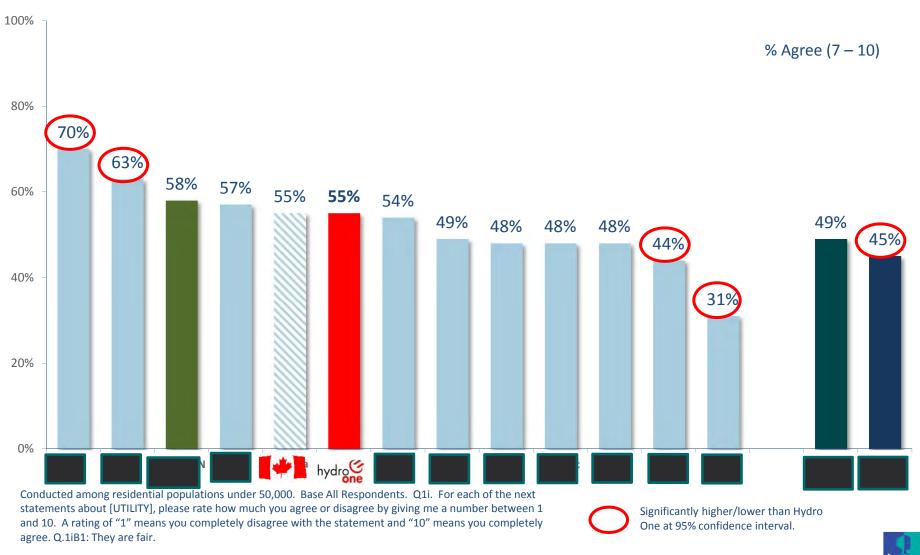




#### Fair

HON significantly lower than

the Best Practice province.

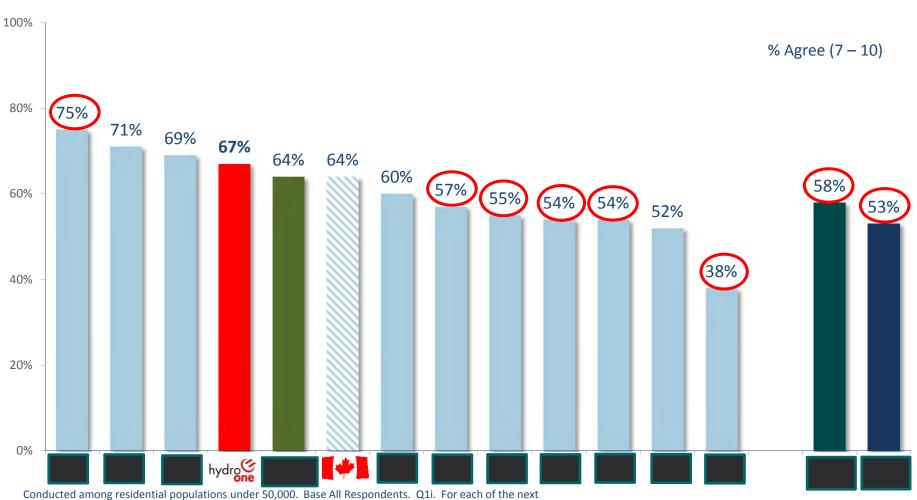




#### **Keeps Commitments**

HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1iB2: They keep commitments.

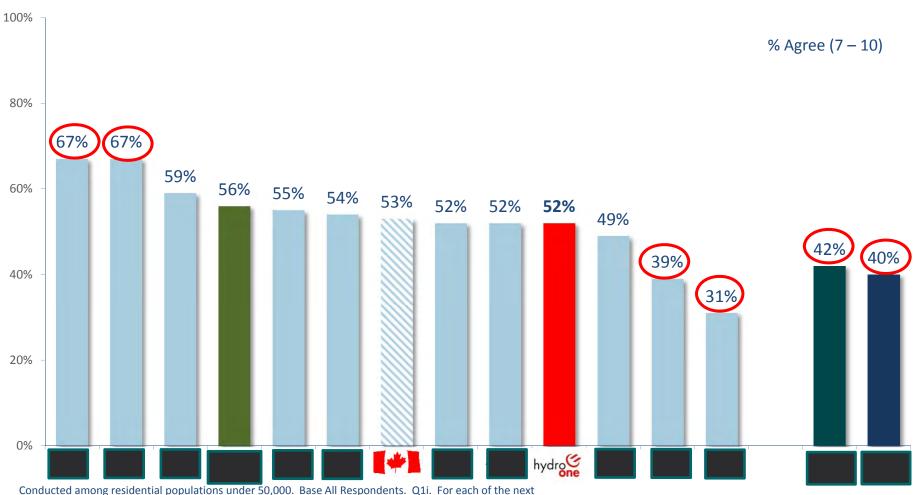




#### hydro G

#### **Flexible**

HON significantly lower than and and both Best Practice provinces.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1iB3: They have a flexible attitude towards their customers.



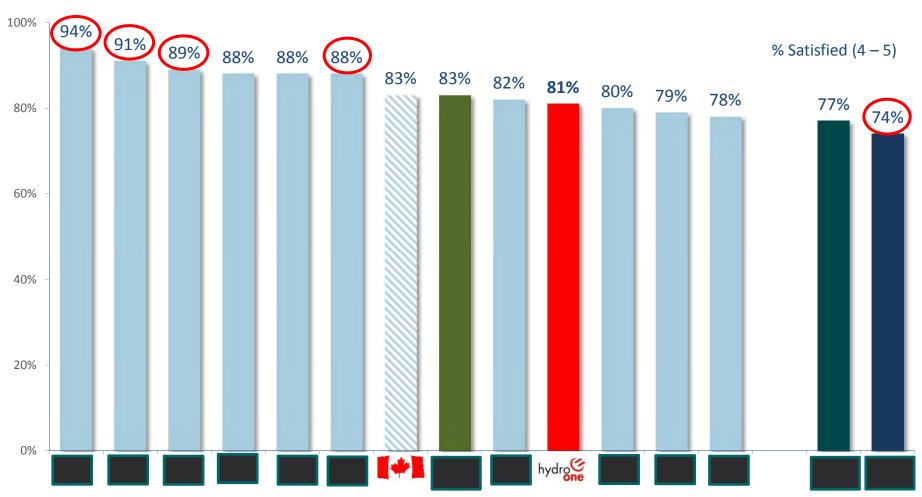




#### **Quality of Customer Service**

HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. Please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1g For each of the following statements, please tell me whether you are very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied or very dissatisfied. How satisfied are you overall with...Q.1g2: The quality of customer service.

Hydro One Canadian Residential Benchmarking Study, 2013



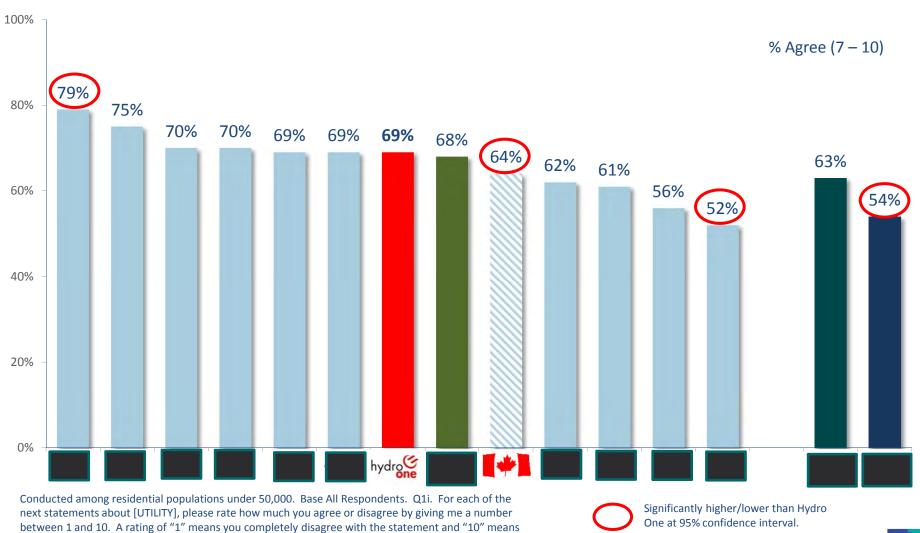




#### **Takes Care of Problem Upon First Contact**

HON significantly lower than

the Best Practice province.



Hydro One Canadian Residential Benchmarking Study, 2013

you completely agree. Q.1iB4: If you have a problem you can count on them to take care of it the first

time you contact customer service.

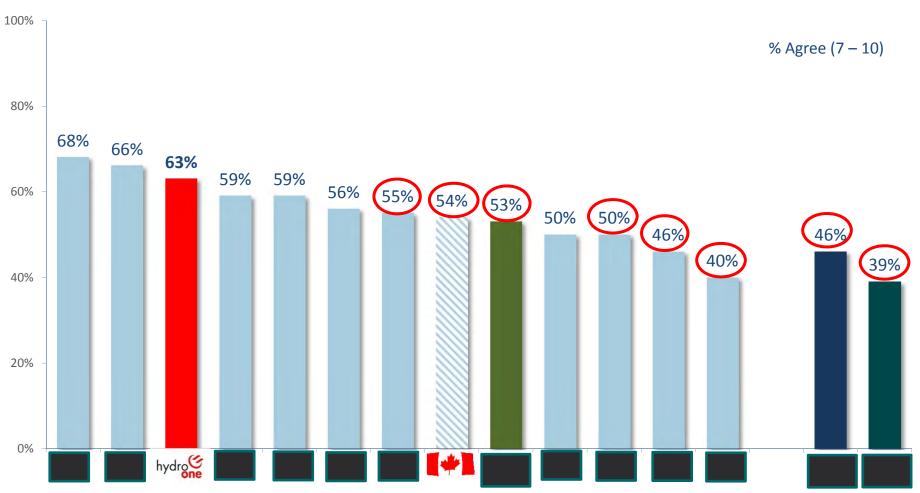




# **Stays In Touch When Having Problems**

HON is not significantly different from

, the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1iB5: They stay in touch when you are having problems.

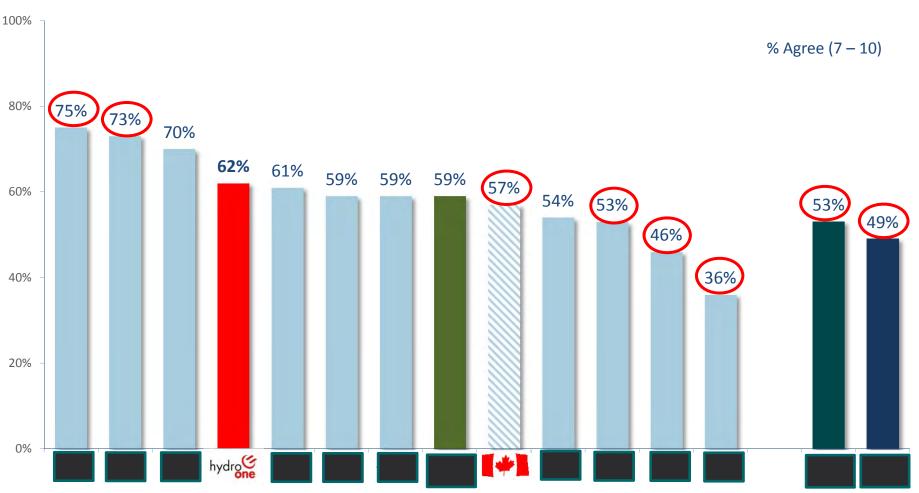






# **Listens To Customers and Acts Upon Customer Concerns**

HON significantly lower than the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. A rating of "1" means you completely disagree with the statement and "10" means you completely agree. Q.1iB6: They listen to and act upon customer concerns.





# Key Findings: Rates

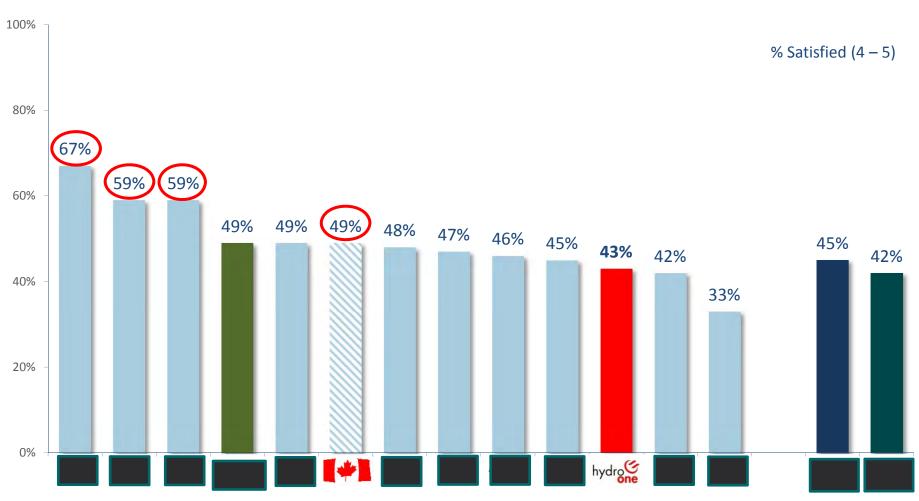






HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base: All Respondents Q.1g3 How satisfied are you overall with: the rates charged by [UTILITY].



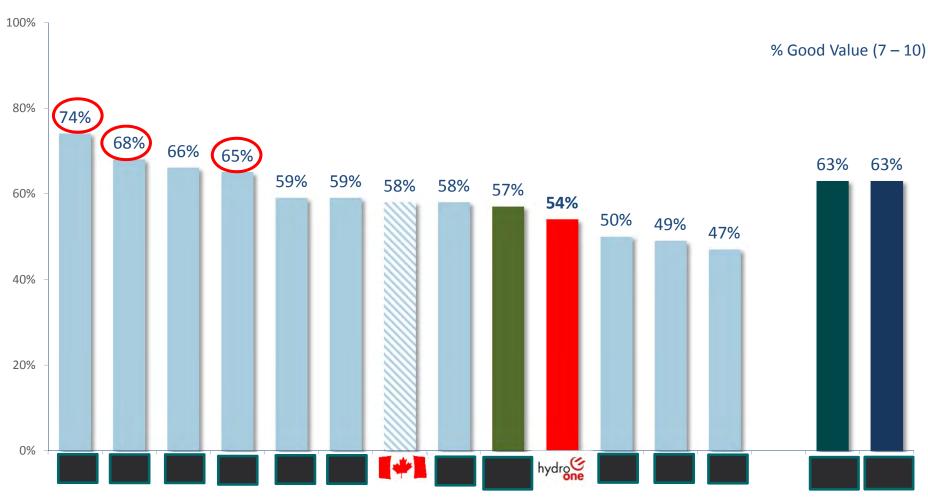




# **Value For Money**

HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1f. Considering the overall quality of the electricity service you get from Hydro One, how would you rate the value for the money provided by [UTILITY]. Please use a scale of 1 to 10, where a "10" means "excellent value" and a "1" means "poor value".

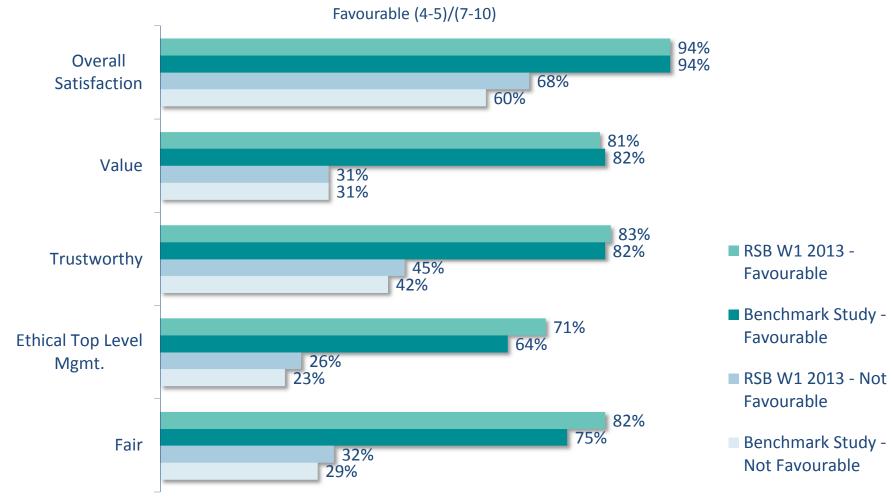






#### Impact of Rates Satisfaction (Page 1 of 2)

Rates satisfaction has the greatest impact on perceived value for both Hydro One and other utilities.

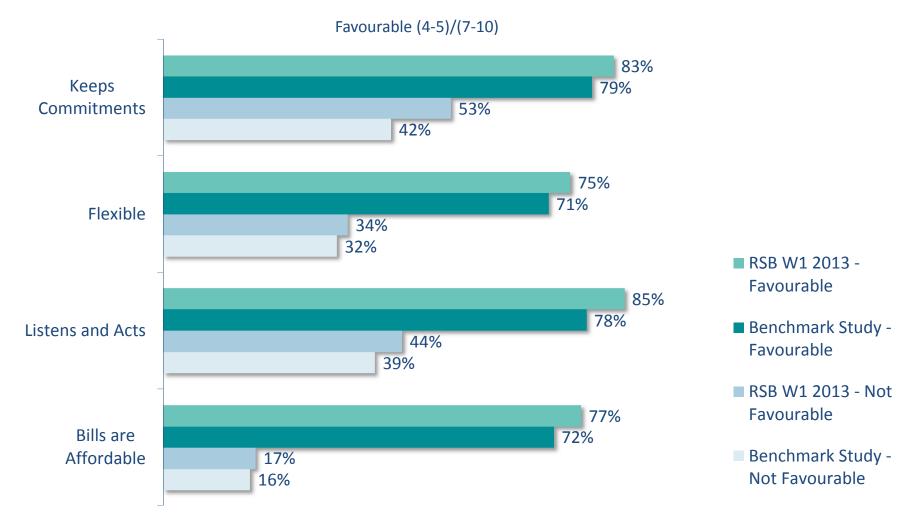






#### Impact of Rates Satisfaction (Page 2 of 2)

Rates satisfaction is strongly related to perceived bill affordability for both Hydro One and other utilities, with this influence slightly bigger for Hydro One.





# Key Findings: Communication

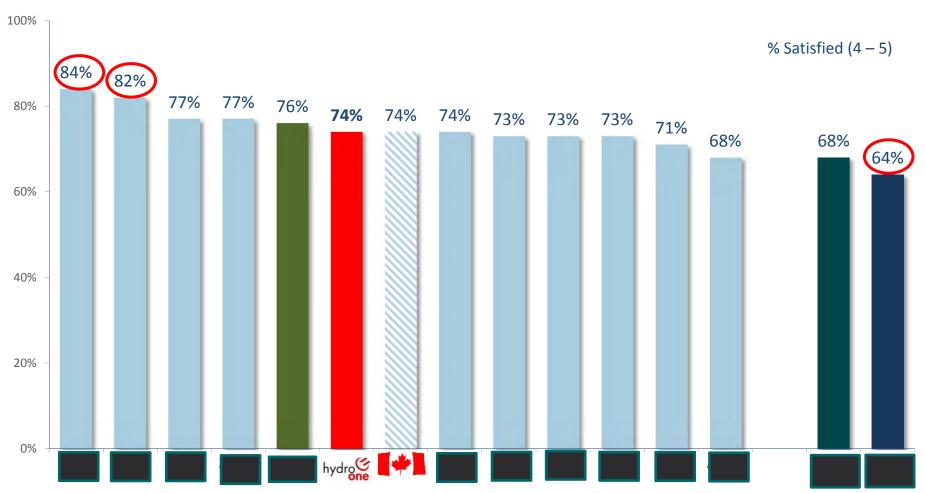




# The Ways They Communicate

HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base: All Respondents Q.5a1 Thinking now about the way your electric utility communicates with you. Please tell me whether you are very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied, or very dissatisfied with the various ways that your electric utility communicates with you.

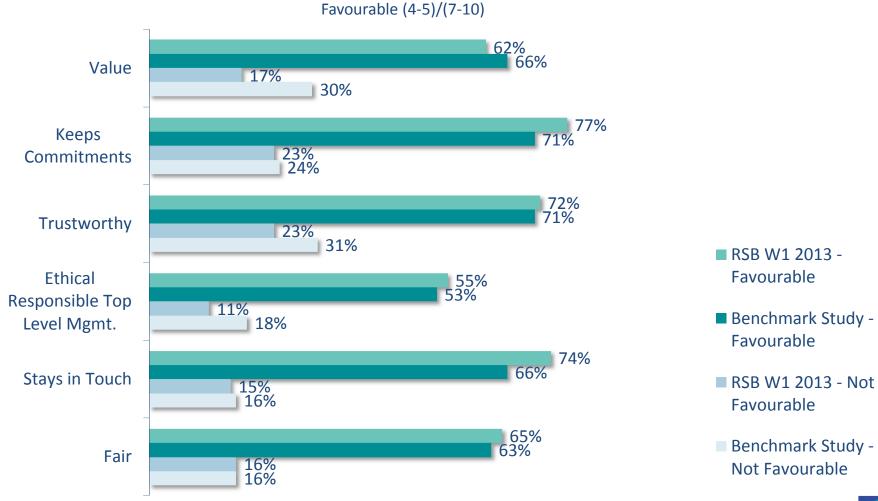






#### Impact of Communications Satisfaction (Page 1 of 2)

Satisfaction with communications has more of an impact on agreement that Hydro One stays in touch and keeps commitments compared to other utilities.



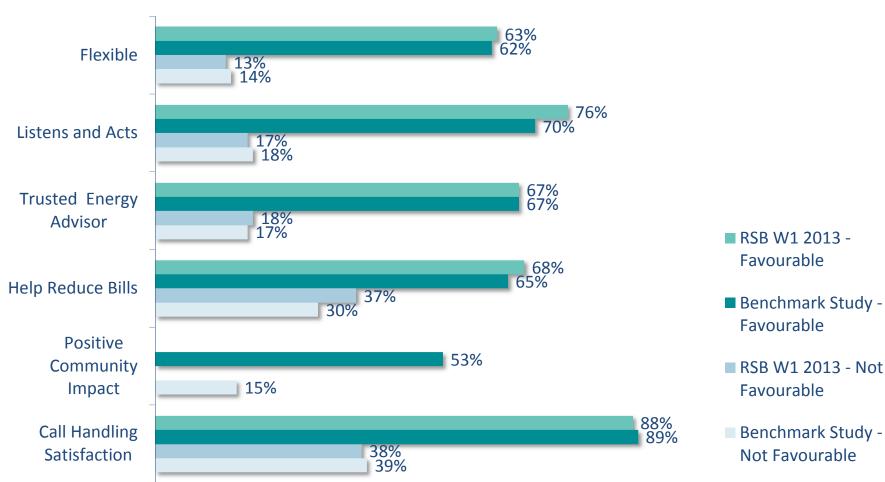




#### Impact of Communications Satisfaction (Page 2 of 2)

Satisfaction with communications has more of an impact on agreement that Hydro One listens and acts compared to other utilities.





Base: All respondents.

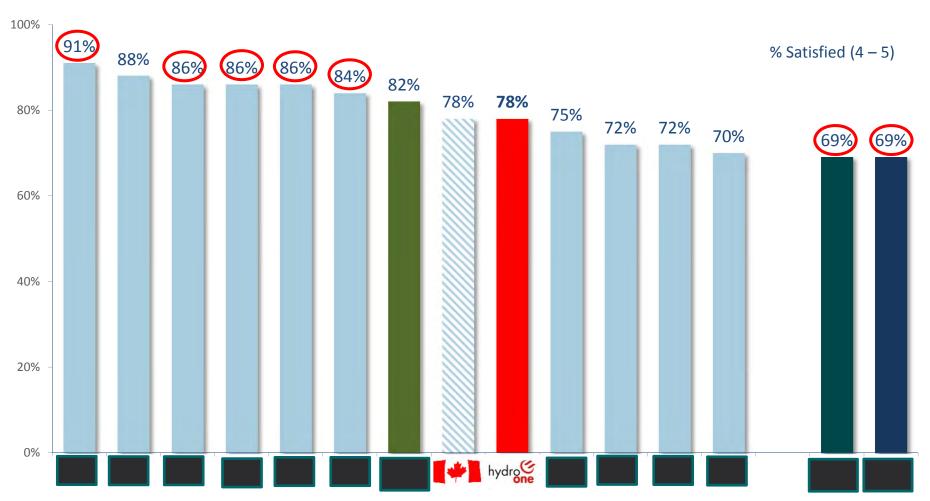






# **Ability to Access to Discuss Questions or Problems**

HON significantly lower than the Best Practice province.



Conducted among residential populations under 50,000. Base: All Respondents. Q.1g1 How satisfied are you overall with: your ability to access [UTILITY] to discuss your questions or problems.

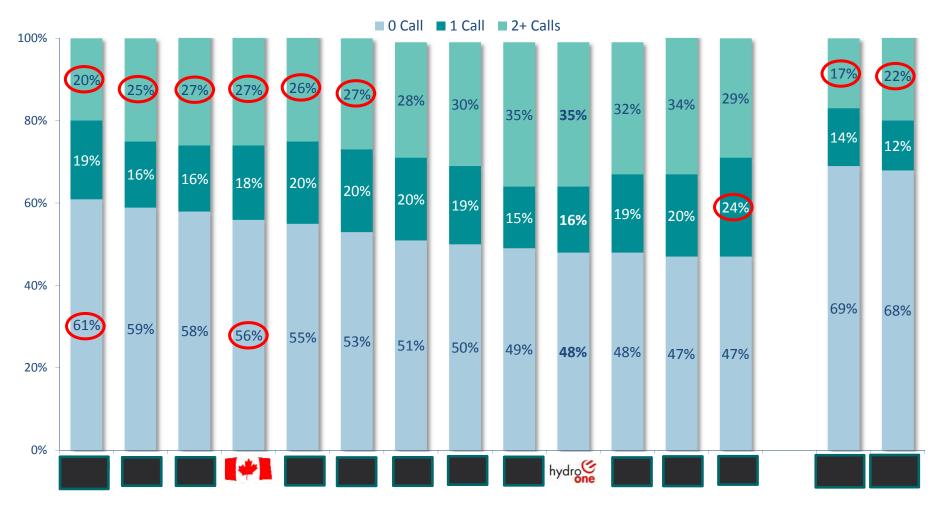






#### **Number of times Called The Call Centre in Past Year**

HON significantly lower than Non-HON Ontario, the Best Practice province.







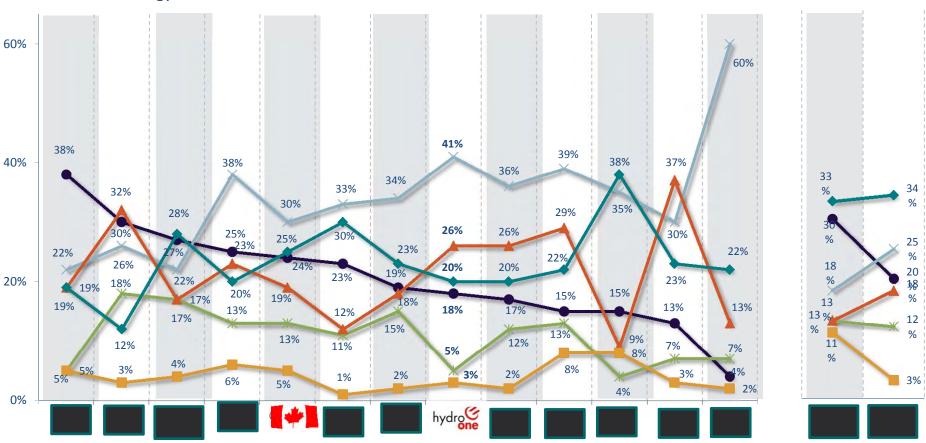


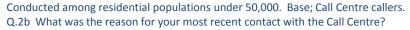


#### **Reasons For Recent Contact – Main Mentions**

Main mentions for reasons of Call Centre contact is outage related, similar across Canada.

- To resolve a problem with a bill
- ----Report an outage
- Get energy conservation advice or information
- Make bill payment arrangements
- → Get an estimate for how long to restore power
- **→**Other



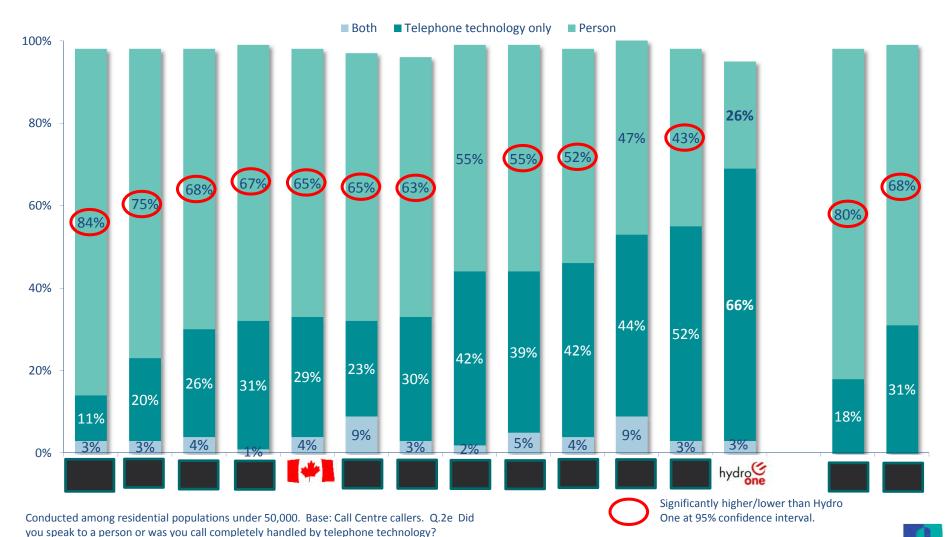






### Call Handled By Person Or Telephone Technology

HON significantly lower than Non-HON Ontario, the Best Practice province, in terms of having one's call handled by a person.



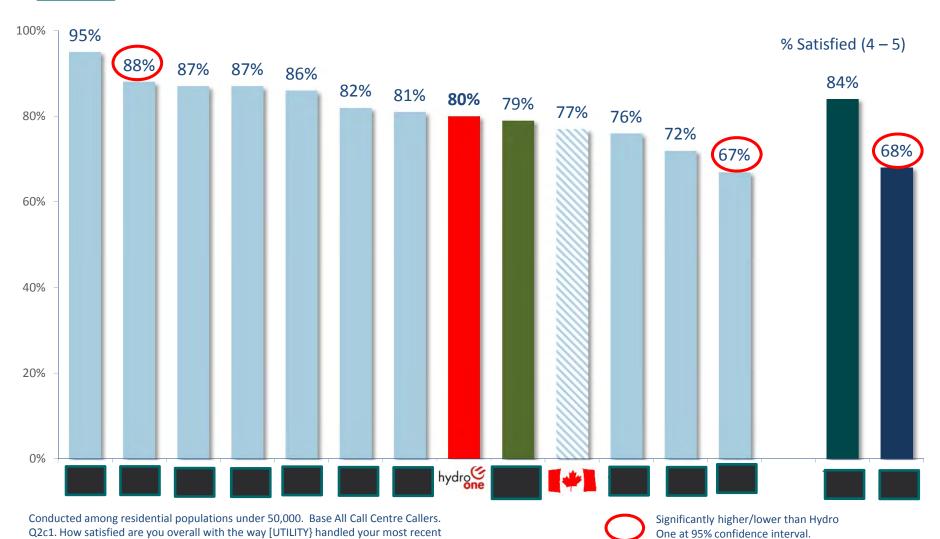




# **Handling Most Recent Call**

contact?

HON is not significantly different from the Best Practice province, but is lower than (second best).

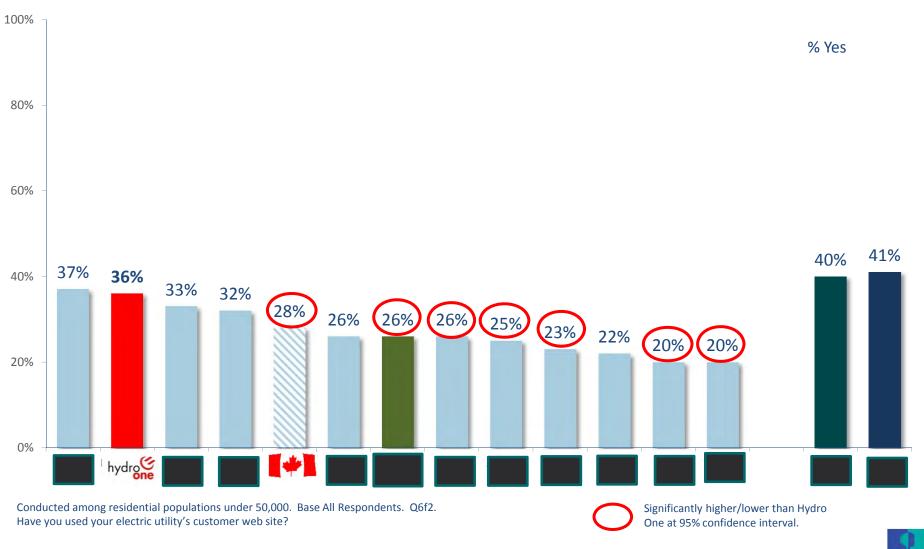






# **Used Utility Customer Website**

HON is not significantly different from the Best Practice province.



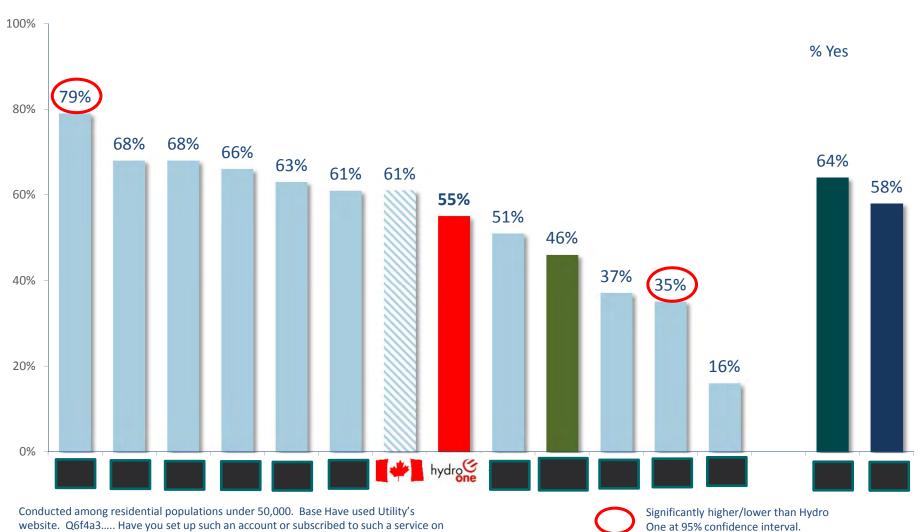


### **Subscribe to Online Account**

HON significantly lower than

your electric utility's web site?

the Best Practice province.

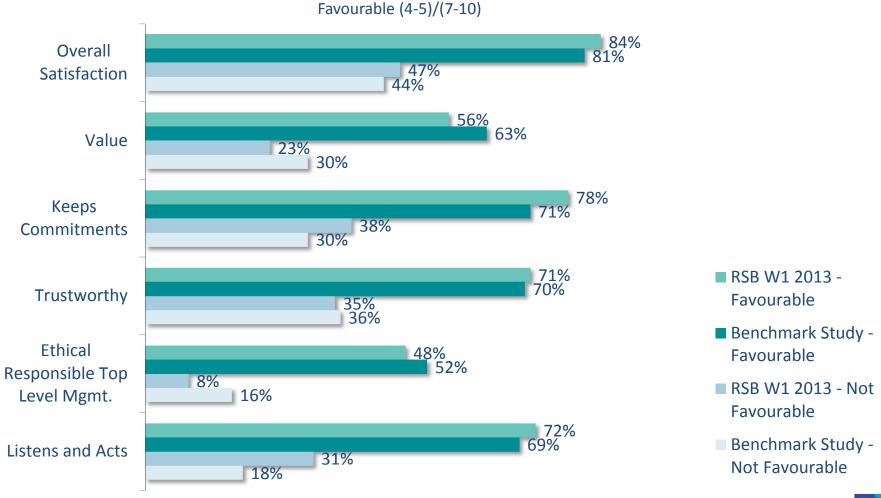


Hydro One Canadian Residential Benchmarking Study, 2013



#### Impact of Satisfaction with Call Handling (Page 1 of 2)

Respondents with a low level of satisfaction with call handling are more likely to give a lower score for perceived value and ethical responsible management for Hydro One compared to other utilities.



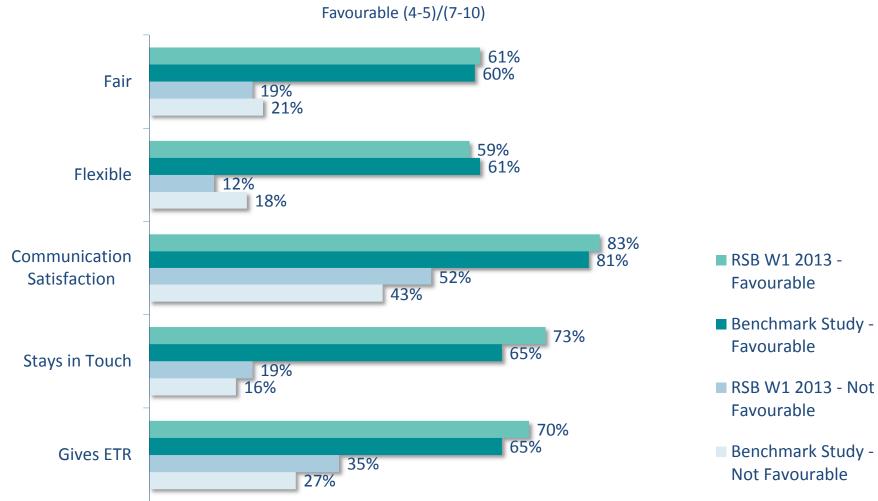
Base: All respondents.





#### Impact of Satisfaction with Call Handling (Page 2 of 2)

Respondents with a low level of satisfaction with call handling are more likely to give a lower score for agreement with the organization as flexible for Hydro One compared to other utilities.



Base: All respondents.



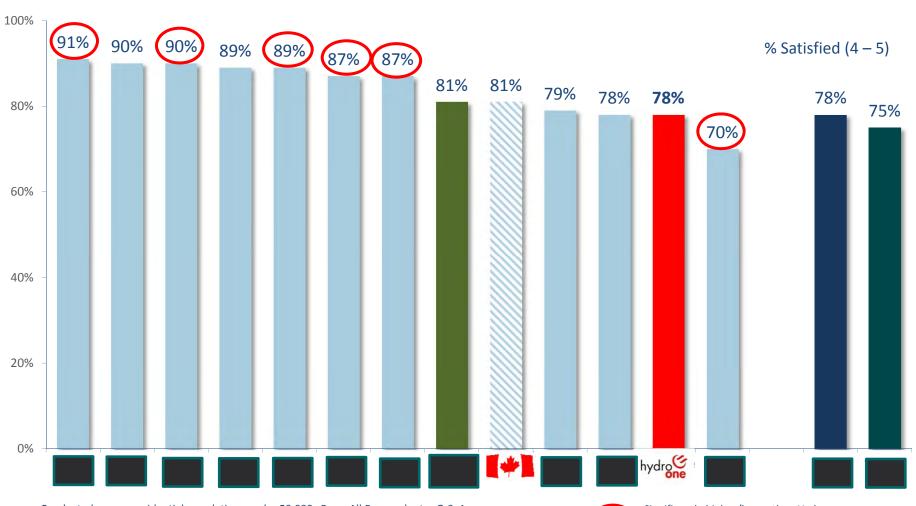




# **Bill Handling**

HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base: All Respondents. Q.3a1 How satisfied are you with overall with: the way {UTILITY] handles its billing.



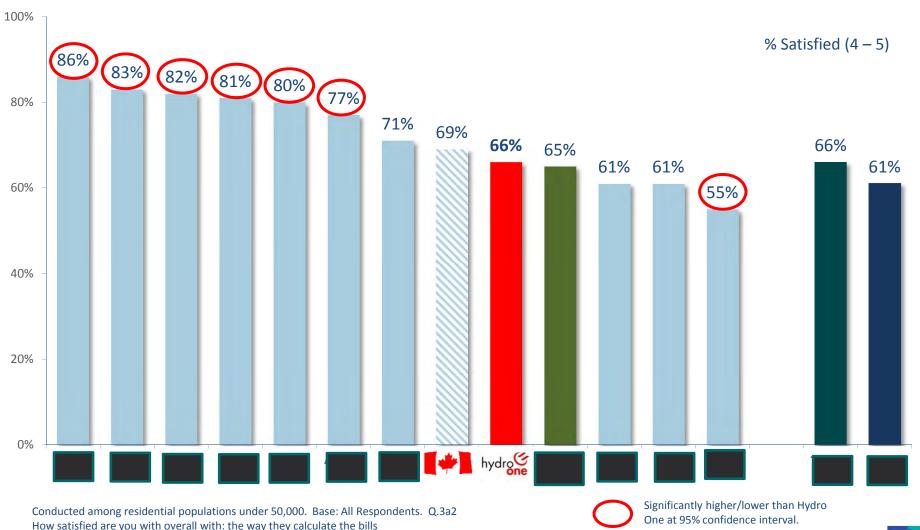




# The Way Bills are Calculated

HON significantly lower than to the term of the term o

the Best Practice province.

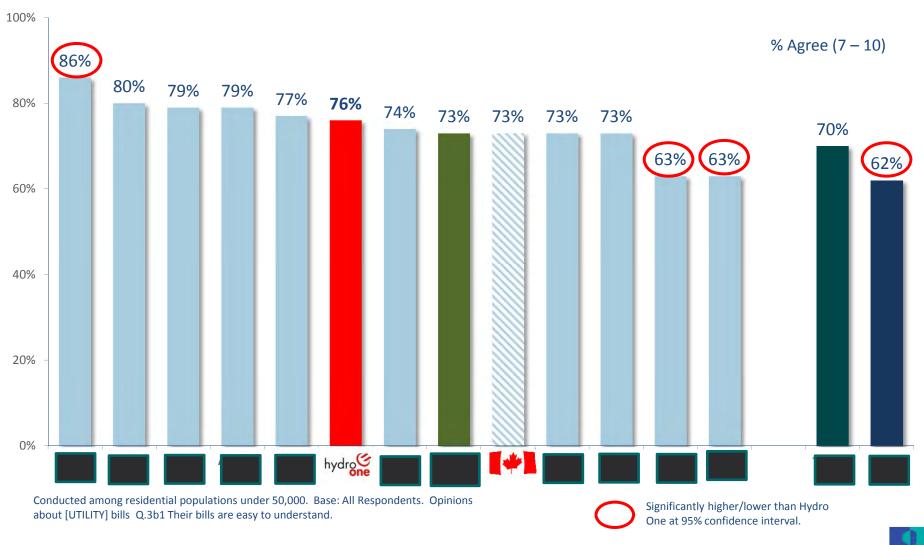






# **Bills Are Easy to Understand**

HON significantly lower than the Best Practice province.

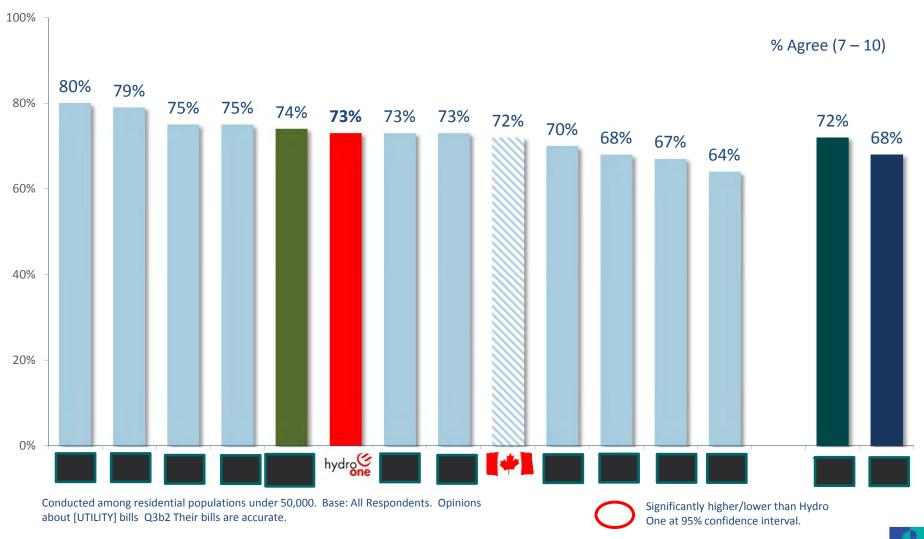






HON is not significantly different from

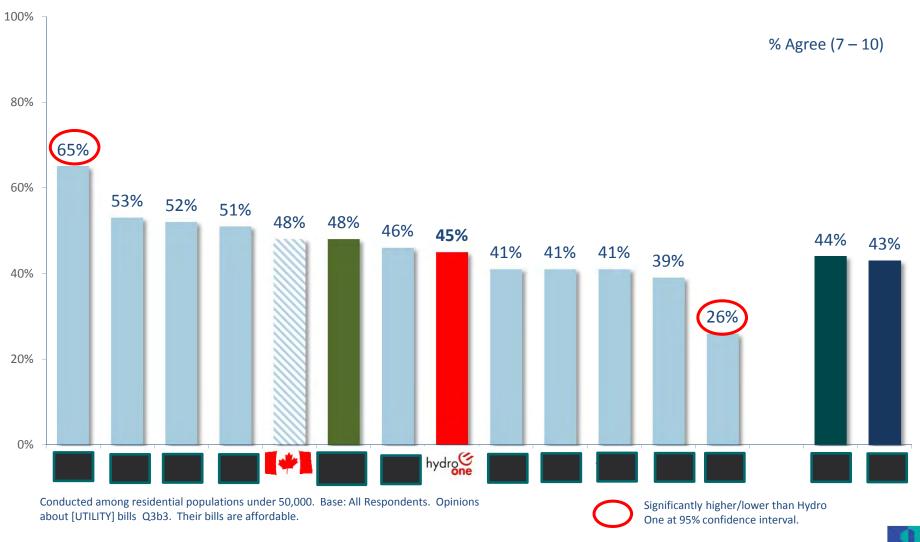
the Best Practice province.





### **Bills Are Affordable**

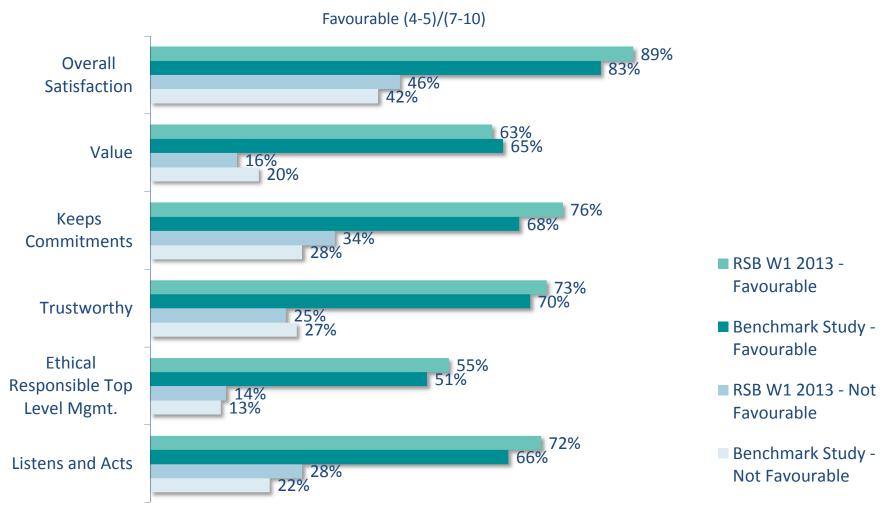
HON significantly lower than the Best Practice province.





#### Impact of Satisfaction with Bill Handling (Page 1 of 2)

Satisfaction with bill handling has the greatest impact on agreement with organization listens and acts for both Hydro One and other utilities.

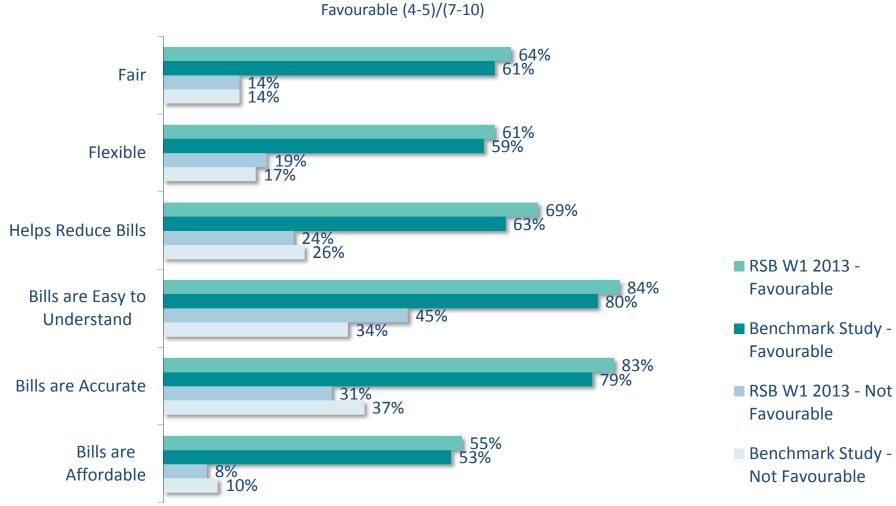






#### Impact of Satisfaction with Bill Handling (Page 2 of 2)

Satisfaction with bill handling impacts perceptions of the organization helping to reduce bills as well as bill accuracy and affordability more so for Hydro One than for other utilities.





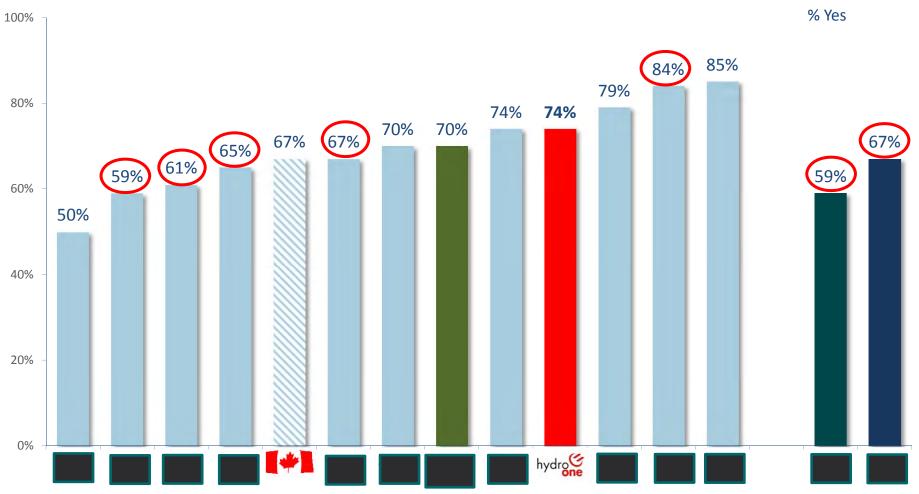


# Key Findings: System Maintenance



# **Experienced Unplanned Power Outage Last Year**

HON is not significantly different from the Best Practice province, but is lower than second best).



Conducted among residential populations under 50,000. Base All Respondents. Q.4a1 Now, please think just about the availability of electricity. In the past year, have you experienced any UNPLANNED power outages, that is, times when there was no electricity available at your home?

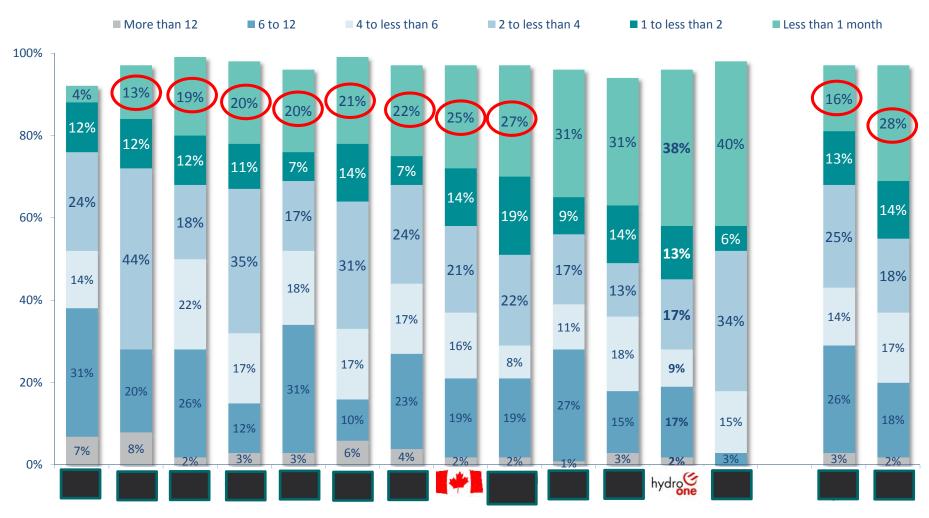






## **Time Since Last Unplanned Outage**





Conducted among residential populations under 50,000. Base All who have experienced an outage in the past year. Q.4b3. How long ago was your most recent unplanned outage that lasted longer than 30 seconds?



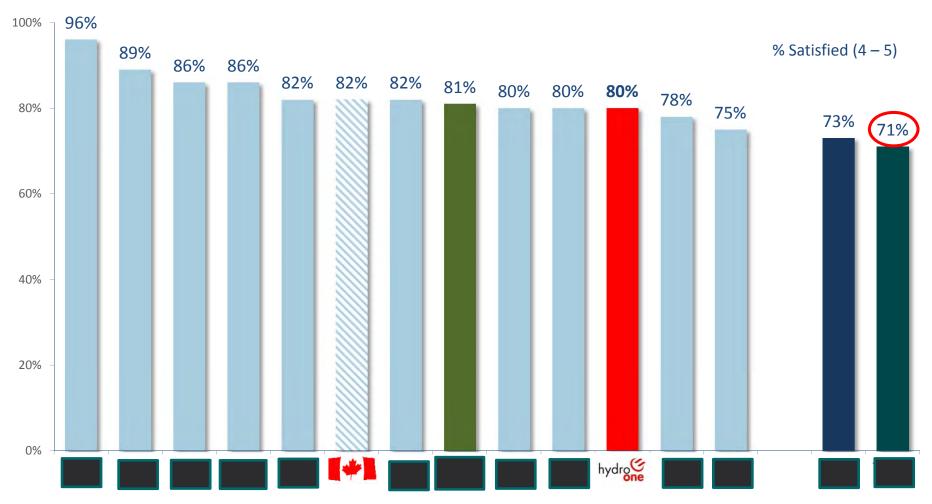




# **How They Handle Unplanned Outages**

HON is not significantly different from

the Best Practice province.



Conducted among residential populations under 50,000. Base: Respondents who had an unplanned outage. Q.4c1 How satisfied are you overall with the way [UTILITY] handled the unplanned outage?



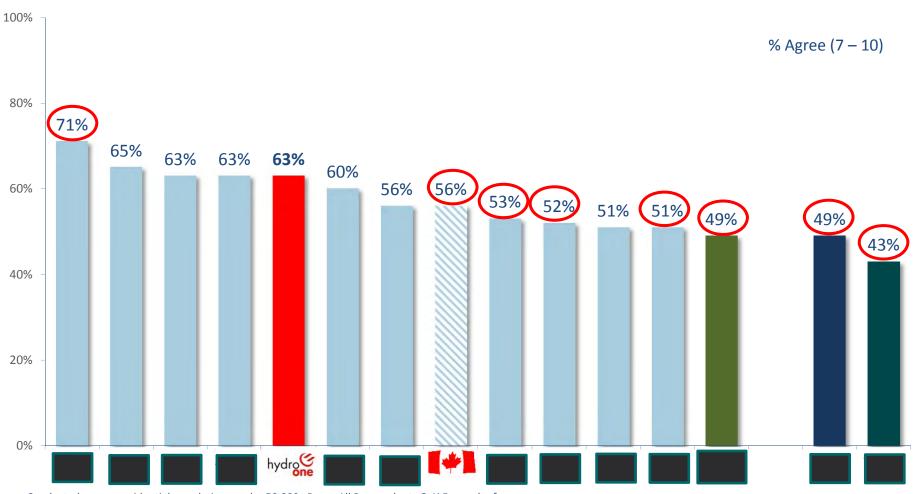




#### Lets You Know When Power Will Restored

HON significantly lower than

the Best Practice province.



Conducted among residential populations under 50,000. Base: All Respondents Q.1i For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 1iC3: They let you know when power will be restored.



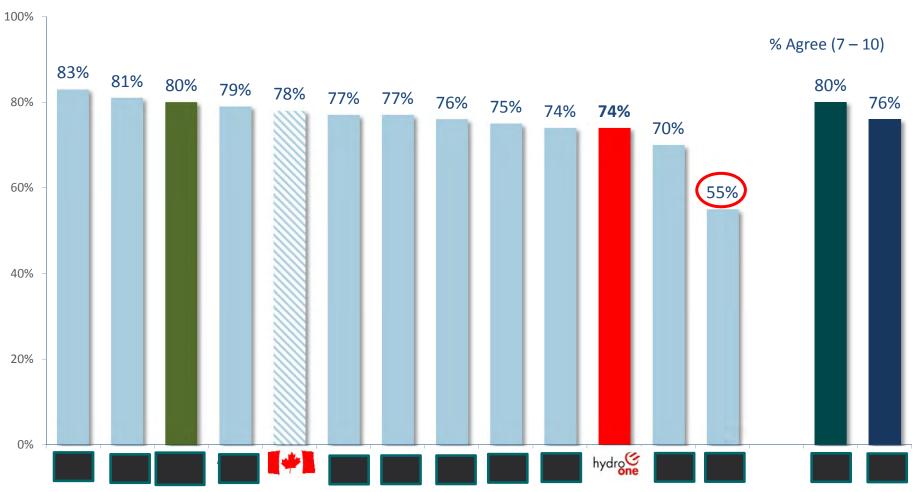




# **Minimizes Number of Outages**

HON is not significantly different from

the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 1iC4. They minimize the number of power outages in your area,

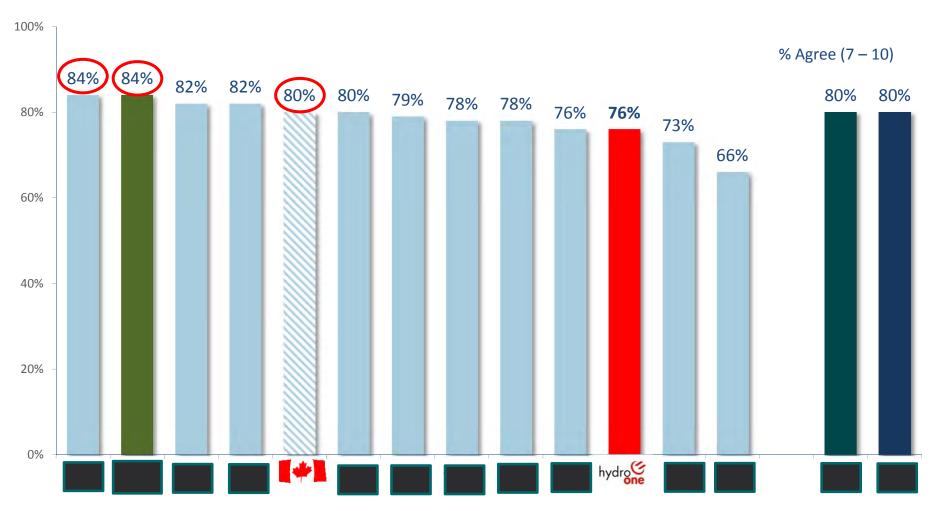






# **Restores Power Quickly**

HON significantly lower than and Non-HON Ontario, both-Best Practice provinces.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 1iC2. They restore power quickly following a power outage,



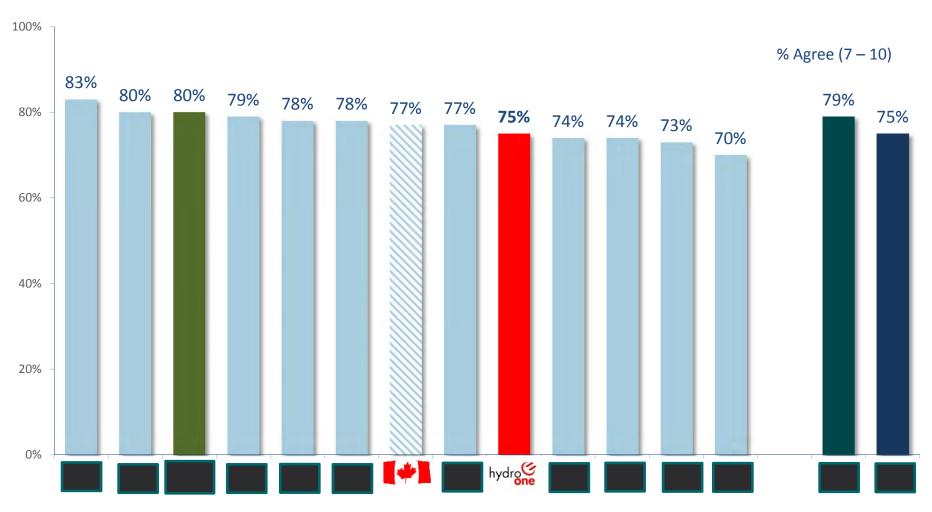




# **Minimizes Length of Outage**

HON is not significantly different from

the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 1iC5. They minimize the length of time the power is off during an outage.



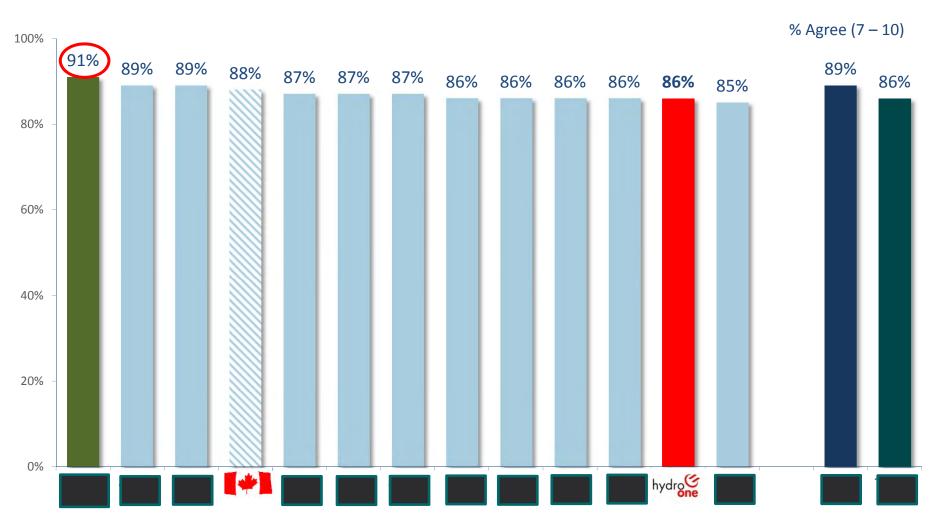
Significantly higher/lower than Hydro One at 95% confidence interval.





# **Has Reliable Supply of Electricity**

HON significantly lower than Non-HON Ontario, the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 1iC1. You have a reliable supply of electricity



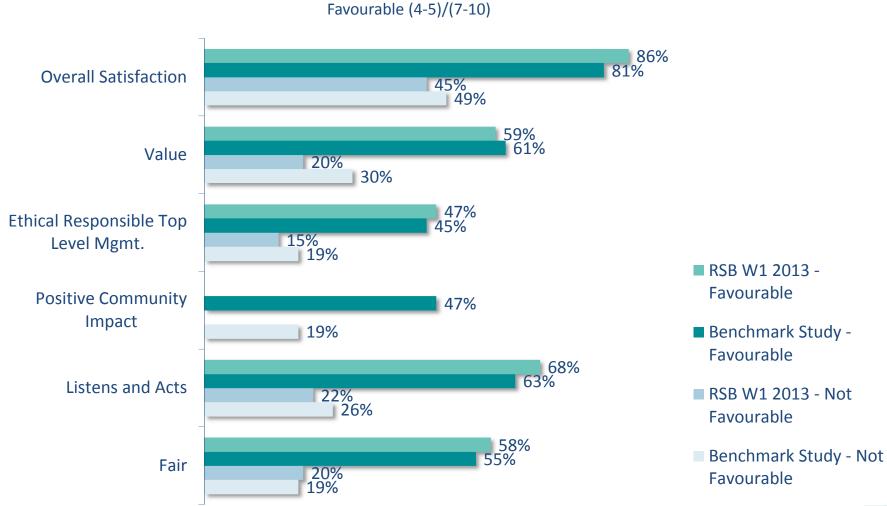
Significantly higher/lower than Hydro One at 95% confidence interval.





## Impact of Satisfaction with Outage Handling (Page 1 of 3)

Satisfaction with the utilities power outage handling has a bigger impact on overall satisfaction and the organization listens and acts for Hydro One than the benchmark utilities.





Base: All respondents.

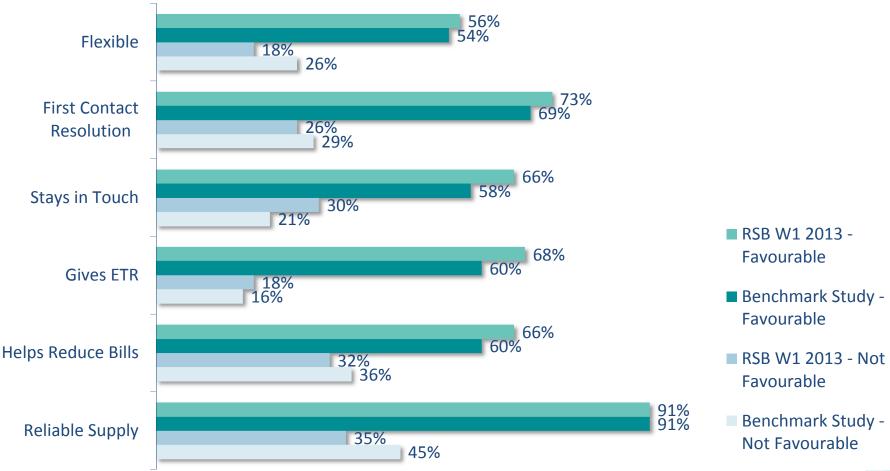


### Impact of Satisfaction with Outage Handling (Page 2 of 3)

64

Satisfaction with outage handling is more likely to be impacted by agreement with Hydro One is flexible, first contact resolution, and helps reduce bills for Hydro One than other utility companies.



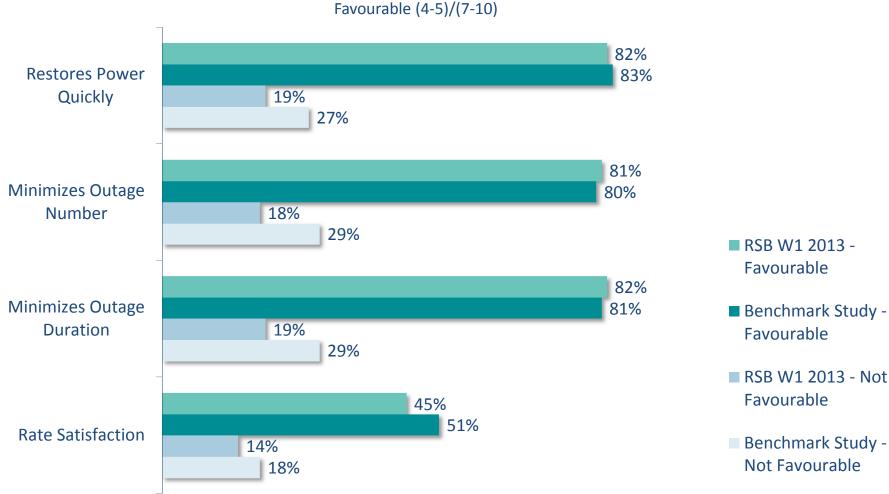






### Impact of Satisfaction with Outage Handling (Page 3 of 3)

Satisfaction with outage handling is more likely to be impacted by agreement that Hydro One restores power quickly and minimizes outage number and duration for Hydro One than other utility companies.







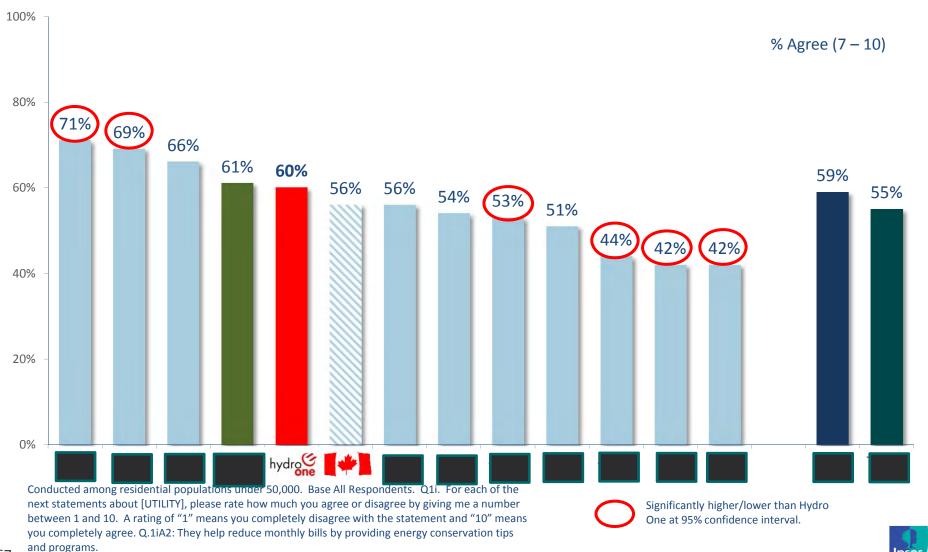
Key Findings:
Conservation &
Demand
Management



# Reduces Monthly Bills by Providing Energy Conservation Tips and Programs



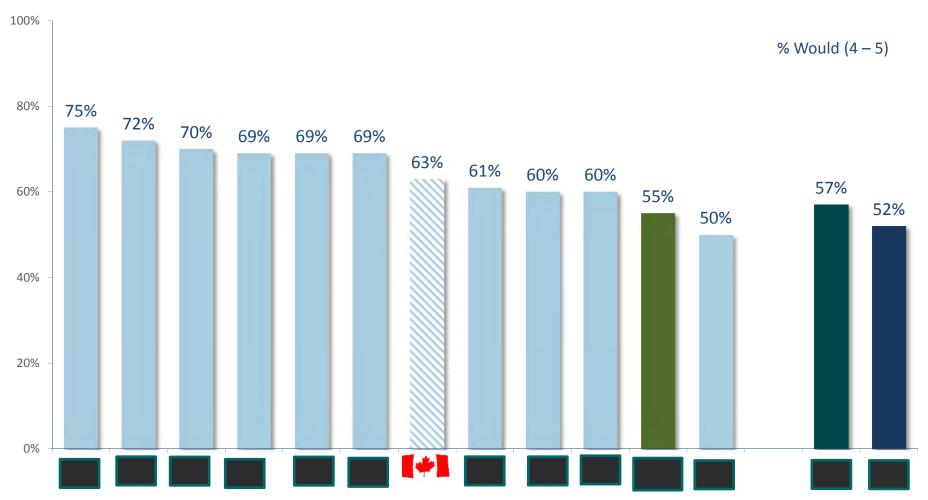
HON significantly lower than the Best Practice province.



# Sign up for Programs Recommended by Your Electric Utility to Help Reduce Household Energy Consumption



is the Best Practice province (question not asked of HON customers).



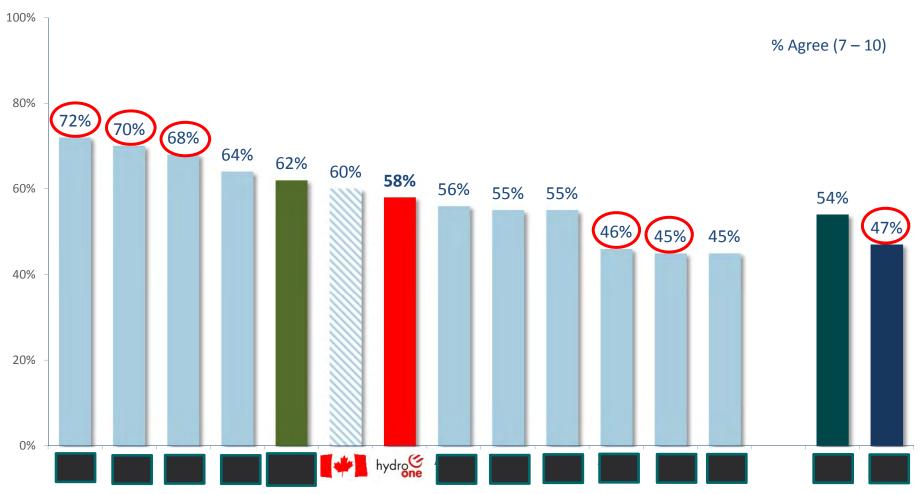
Conducted among residential populations under 50,000. Base All Respondents. Q10a. Based on your experience with your electric utility and what you have seen or heard about it, what is the likelihood that you would... Q.10a2 Sign up for programs or services recommended by your electric utility to help you reduce or manage your household energy consumption.





# **Consider Utility a Trusted Advisor on Energy Matters**

HON significantly lower than the Best Practice province.



Conducted among residential populations under 50,000. Base All Respondents. Conducted among residential populations under 50,000. Base All Respondents. Q1i. For each of the next statements about [UTILITY], please rate how much you agree or disagree by giving me a number between 1 and 10. ... 1iB7. You consider your electric utility a trusted advisor on energy-related matters.







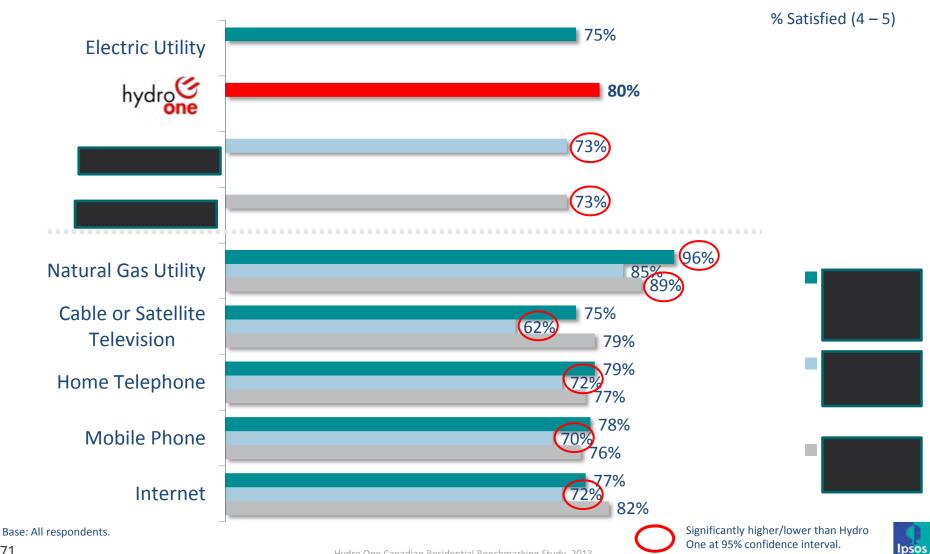
Other Industry Benchmarks

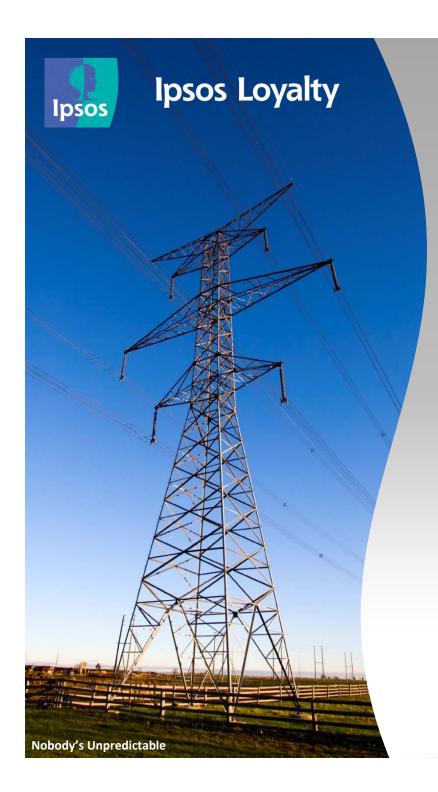




## **Satisfaction with Service Companies**

Hydro One receives comparable satisfaction score than other regional electricity utilities and other service providers among non-Hydro One customers.





Utility Perceptions by Province





# Relative Utility Perceptions by Province (Page 1 of 2)

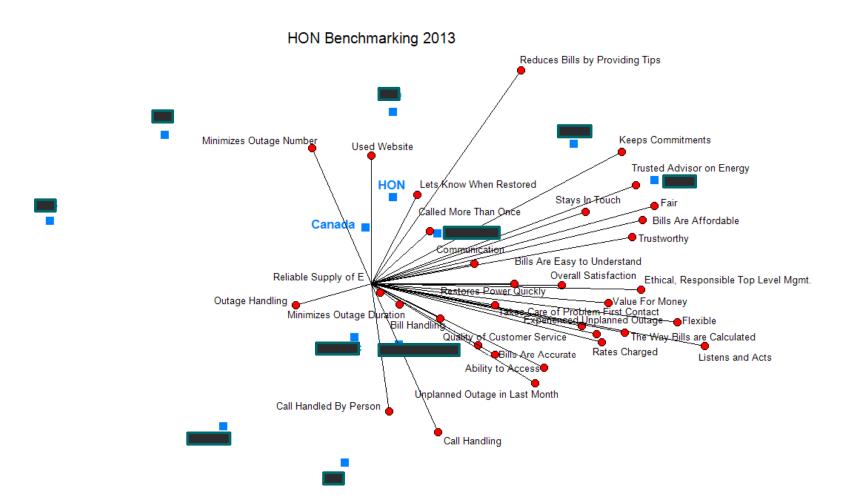
- The chart on the following page displays the relative ratings for electric utilities by province.
- The length of each line indicates the relative discriminating power of that attribute across the provinces. In this case, the most discriminating attributes are:
  - Reduces bills by providing conservation tips and programs
  - Listens and acts upon customer concerns
- The proximity of vectors indicates how closely correlated they are to each other. In this case, most of the attributes, especially the more image-oriented attributes, are highly correlated.
- The position of each province indicates its strength along each attribute. In this case, Hydro One is most closely associated with the number of times customers called the Call Centre and having used the customer website. As well, Hydro One is associated less than other provinces on those image attributes located to the right of the center point of the chart.

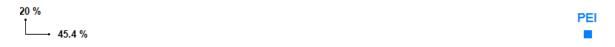


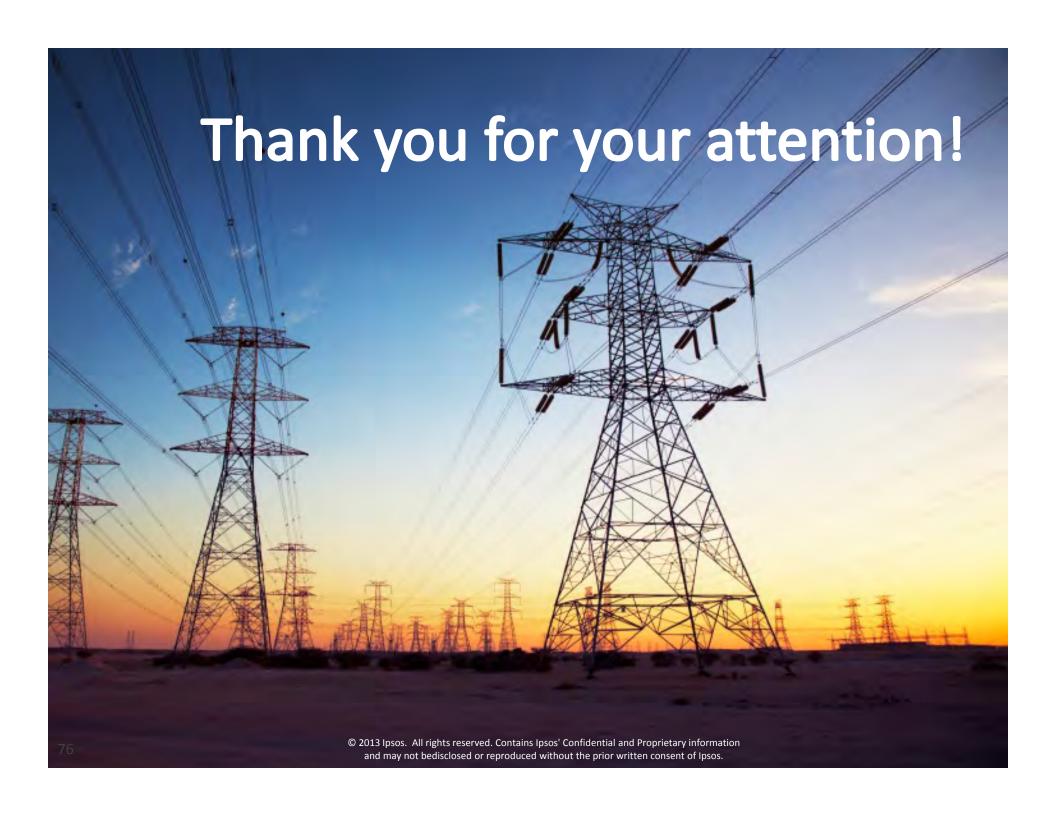
# Relative Utility Perceptions by Province (Page 2 of 2)

- and and both Best Practice provinces for majority of the measures, are both closely associated with:
  - Overall performance and relationship: trustworthy, fairness, flexible, quality of customer service, takes care of problem upon first contact, stays in touch, listens to and acts upon concerns.
  - Satisfaction with the way they communicate.
  - Bills are easy to understand.
  - Conservation related: reduces month bills with conservation tips, considers utility a trusted energy advisor.
- is also closely associated with:
  - Overall performance: has ethical responsible top level management, keeps commitments.
  - Cost: satisfaction with rates charged, good value for money, bills are affordable.
  - Bills are accurate.
  - Restores power quickly.
- is also closely associated with:
  - Ability to access to discuss questions or problems.
  - Bills: bill handling satisfaction, bill calculations.
  - Lets you know when power is restored.









Filed: 2014-07-04 EB-2013-0416 Exhibit I Tab 3.01 Schedule 9 SEC 21 Page 1 of 1

1		School Energy Coalition (SEC) INTERROGATORY #21
2		
3	<b>Issue 3.1</b>	Are the levels of planned operation, maintenance and administration
4		expenditures for 2015-2019 appropriate, and is the rationale for the
5		planning choices appropriate and adequately explained?
6		
7	<u>Interrogatory</u>	
8		
9	Reference: Exhibit C1/Tab 2/Schedule 7/p.4	
10		
11	Please provide a copy of the benchmarking review report of Inergi's fees.	
12		
13	<u>Response</u>	
14		
15	A paper copy of the benchmarking report will be filed in redacted form.	

Filed: 2014-07-04 EB-2013-0416 Exhibit I Tab 4.02 Schedule 1 Staff 63 Page 1 of 1

#### Ontario Energy Board (Board Staff) INTERROGATORY #63

Is the proposed level of 2015-2019 common corporate costs spending appropriate with an adequate demonstration of efficiencies over the 5-year period?

#### **Interrogatory**

Reference: Exhibit C1/Tab 2/Schedule 7 & Technical Conference #2 TR pp. 123-122

In Technical Conference #2, Hydro One discussed the Inergi outsourcing contract and indicated that a fees benchmarking study was performed.

- a) Please provide a copy of this study.
- b) Please provide an analysis of the findings and how these findings have informed Hydro One's plans for the future of this contract and the services covered under the contract.
- c) Please provide an overview of how the new contract will increase the cost effectiveness and efficiencies of how these services are provided to Hydro One customers.

#### Response

a) Consistent with past practice, a redacted copy of the benchmarking report will be filed in paper form.

b) A summary of the findings is provided in section 2.3 of Exhibit C1, Tab 2, Schedule 7. As indicated in that Exhibit, there will be no changes to the fees charged by Inergi. Hydro One will continue to perform its obligations under the contract in accordance with the terms and conditions contained therein.

c) As part of the re-tendering process, Hydro One has defined objectives to increase cost effectiveness and efficiencies in providing services to the customer. These objectives are service delivery to reflect global practices, flexibility for Hydro One to change volumes and scope and access to new technologies. The details of how the new contract(s) will increase cost effectiveness and efficiencies will not be available until the new contract(s) have been negotiated and signed.

Filed: 2014-07-04 EB-2013-0416 Exhibit I Tab 4.03 Schedule 11 EP 33 Page 1 of 2

#### Energy Probe Research Foundation (EP) INTERROGATORY #33

1 2 3

4

Are the methodologies used to allocate common corporate costs to the distribution and transmission businesses and to determine the overhead capitalization rate for 2015-2019 appropriate?

5 6 7

#### **Interrogatory**

8

Reference: Exhibit C1, Tab 2, Schedule 7, Outsourcing-Inergi Contract and Renewal

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#### Preamble:

In the fourth quarter of 2013 Networks exercised its right to a benchmarking review of Inergi's fees under the current agreement. Networks anticipates that a report will be completed by February 2014. The reviewer will be TPI Sourcing Consultants Canada Corp (TPI) an affiliate of Information Services Group Inc.

16 17

a) Please provide a Copy of TPI Report and

18 19 20

b) Discuss HO action(s) and evidence to be filed.

21 22

c) Please provide a Status Report on Termination Transition Plan and Renewal (OAR Project).

232425

d) Please provide a schedule that details the Residual Obligations to Inergi employees (former HO employees).

262728

e) Please provide the Date for New Contract (June 2014) and indicate required Regulatory Approvals including treatment of Cost Consequences during MY Cos plan if Service Costs Higher /Lower than Forecast.

303132

29

f) Confirm renewal/replacement of contract affects both Tx and Dx and affects allocation of common costs to DX and TX.

333435

g) What Evidence will HO provide on the updated Outsourcing costs and the allocations to Dx and Tx.

363738

h) When will this occur? Please provide how this will be addressed from a regulatory perspective.

39 40

#### **Response**

41 42

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a) Please refer to Hydro One's response to Exhibit I, Tab 4.2, Schedule 1 Staff 63.

Filed: 2014-07-04 EB-2013-0416 Exhibit I Tab 4.03 Schedule 11 EP 33 Page 2 of 2

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2324

- b) As stated in Exhibit C1, Tab 2, Schedule 7, there will be no changes to the fees charged by Inergi.
- c) Regarding the Termination Transition Plan, Hydro One has informed Inergi LP that it will require their termination and transition services beyond the expiration of the current agreement. The nature and extent of the services will be identified once new contract(s) are in place. The status of the retendering process remains largely unchanged from what was stated in the rates application.
- d) The only residual obligation is for certain post-retirement benefits that were accumulated prior to the commencement of the original agreement. These payments are made after the affected Inergi employees retire.
- 14 e) The date(s) of new contract(s) will be determined once the new Supplier(s) are selected, as approved by the Board of Directors. Hydro One is unaware of any regulatory approvals required associated with these new contracts.
- 18 f) It is confirmed that the new contracts will affects both Hydro One's Distribution and
  19 Transmission Businesses. The cost allocations set out in Hydro One's rates
  20 application will remain unchanged for the purposes of rate-setting.
  - g) Hydro One does not intend to submit new evidence referred to as Hydro One anticipates the new contracts will be signed after the Board hears this application.
- 25 h) See response to g) above.

Filed: 2014-07-04 EB-2013-0416 Exhibit I Tab 3.02 Schedule 9 SEC 25 Page 1 of 1

#### School Energy Coalition (SEC) INTERROGATORY #25 1 2 Is the level of planned capital expenditures appropriate for the period Issue 3.2 3 2015-2019 and is the rationale for the planning and pacing choices 4 appropriate and adequately explained? 5 6 7 **Interrogatory** 8 9 Reference: Exhibit D1/Tab 1/Schedule 2/p.3 10 11 Please provide a table showing for each year between 2010 and 2014, actual versus 12 Board approved/budgeted in-service capital additions. 13 14 Response 15 16 Refer to Exhibit D1, Tab 1, Schedule 2, Page 2, Table 1. Board approved in-service 17 capital additions are only available for 2010 and 2011 in EB-2009-0096, as provided in 18 Table 1. 2012 to 2014 were IRM years and thus the Board did not set in-service capital 19 addition levels for those years, under the Board's 3<sup>rd</sup> Generation Incentive Regulation. 20

Filed: 2014-07-04 EB-2013-0416 Exhibit I Tab 4.02 Schedule 9 SEC 35 Page 1 of 1

#### School Energy Coalition (SEC) INTERROGATORY #35

Is the proposed level of 2015-2019 common corporate costs spending appropriate with an adequate demonstration of efficiencies over the 5-year period?

#### **Interrogatory**

#### Reference: Exhibit C1/Tab 2/Schedule 8/p.25

Please provide copies of all Internal Audit reports from 2010-2014 for all material OM&A expenditures.

#### **Response**

As stated in Exhibit C1, Tab 2, Schedule 8, Internal Audit's accountability at Hydro One is to provide independent assurance to management regarding controls over processes in areas of high risk and accordingly the internal audits focus on processes and internal operations across all aspects of Hydro One. The reports are for internal use only and are intended to help management improve the effectiveness of process. See Attachment 3 of Exhibit A, Tab 1, Schedule 2 for information on Hydro One's Audit and Finance Committee Mandate.

Filed: 2014-07-04 EB-2013-0416 Exhibit I Tab 6.01 Schedule 9 SEC 48 Page 1 of 1

#### School Energy Coalition (SEC) INTERROGATORY #48 1 2 Issue 6.1 Is the rate base component of the revenue requirement for 2015 as set 3 out in the Custom Application appropriate? 4 5 **Interrogatory** 6 7 Reference: Exhibit C1/Tab 2/Schedule 8/p.25 8 9 Please provide copies of all Internal Audit reports from 2010-2014 for all material capital 10 projects. 11 12 **Response** 13 14 Please see Hydro One's response in Exhibit I, Tab 4.2, Schedule 9 SEC 35. 15

# B

#### **Mark Rubenstein**

From: Erin.Henderson@HydroOne.com on behalf of regulatory@HydroOne.com

July-28-14 1:46 PM Sent:

mark.rubenstein@canadianenergylawyers.com To:

regulatoryaffairs@torontohydro.com; belmorem@thesociety.ca; Cc:

pcavalluzzo@cavalluzzo.com; c.w.clark@sympatico.ca; paul.clipsham@cme-mec.ca;

ncopes@sympatico.ca; ted.cowan@ofa.on.ca; markgarner@rogers.com;

vderose@blg.com; kdullet@blg.com; bohdan.dumka@gmail.com; pfaye@rogers.com;

mgarner@econalysis.ca; jgirvan@uniserve.com; shelley.grice@rogers.com;

bharper@econalysis.ca; spainc@rogers.com; phurley1@cogeco.ca; mjanigan@piac.ca; bkidane@elenchus.ca; tom.ladanyi@opg.com; jennifer.lea@ontarioenergyboard.ca; davidmacIntosh@nextcity.com; carlton.mathias@opg.com; mcgeejs@csolve.net; gord.mcguire@hamilton.ca; KMckenzie@elenchus.ca; pmcmahon@uniongas.com; wmcnally@opsba.org; kai@web.net; dpoch@eelaw.ca; powerv@thesociety.ca; trees@foca.on.ca; dionisio.rivera@live.com; don.rogers@rogerspartners.com;

jay.shepherd@canadianenergylawyers.com; spracket@pwu.ca; richard.stephenson@paliareroland.com; siaontario@gmail.com; harold.thiessen@ontarioenergyboard.ca; pthompson@blg.com; anita.varjacic@rogerspartners.com; rwarren@weirfoulds.com;

bradyyauch@consumerpolicyinstitute.org; susan.e.frank@HydroOne.com;

allan.cowan@HydroOne.com; regulatory@HydroOne.com

RE: EB-2013-0416 - HONI Dx Custom Rate Application - Tech Conf Documents Subject:

Good afternoon,

Hydro One will not be providing an unredacted copy of the customer satisfaction benchmarking surveys.

**Erin Henderson** 

**Hydro One - Regulatory Affairs** 

Office: 416-345-4479

**From:** Mark Rubenstein [mailto:mark.rubenstein@canadianenergylawyers.com]

**Sent:** Saturday, July 26, 2014 1:51 PM

To: CHAPMAN Robert

Cc: regulatoryaffairs; BELMORE Mike; pcavalluzzo@cavalluzzo.com; c.w.clark@sympatico.ca; paul.clipsham@cme-mec.ca; ncopes@sympatico.ca; ted.cowan@ofa.on.ca; Vincent DeRose; kdullet@blg.com; bohdan.dumka@gmail.com; Peter Faye; mgarner@econalysis.ca; Julie Girvan; Shelley Grice; bharper@econalysis.ca; <spainc@rogers.com>; phurley1@cogeco.ca; Michael Janigan; bkidane@elenchus.ca; tom.ladanyi@opq.com; jennifer.lea@ontarioenergyboard.ca; David MacIntosh; carlton.mathias@opq.com; mcgeejs@csolve.net; gord.mcguire@hamilton.ca; KMckenzie@elenchus.ca; pmcmahon@uniongas.com; wmcnally@opsba.org; kai@web.net; <dpoch@eelaw.ca>; powerv@thesociety.ca; trees@foca.on.ca; dionisio.rivera@live.com; don.rogers@rogerspartners.com; Mark Rubenstein; Jay Shepherd; spracket@pwu.ca; Richard Stephenson; siaontario@gmail.com; harold.thiessen@ontarioenergyboard.ca; Peter C. P. Thompson; anita.varjacic@rogerspartners.com; rwarren@weirfoulds.com;

bradyyauch@consumerpolicyinstitute.org; FRANK Susan; COWAN Allan; REGULATORY AFFAIRS

Subject: Re: EB-2013-0416 - HONI Dx Custom Rate Application - Tech Conf Documents

In the amended response to 2.6-Energy Probe-23, Hydro One has provided redacted copies of a number of customer satisfaction benchmarking surveys. Is Hydro One seeking confidentiality status over the redacted

portions of these documents, or is it only filing them on an redacted basis, similar to its position in regards to the Inergi fees benchmarking report?

Mark Rubenstein

On Fri, Jul 25, 2014 at 5:29 PM, < Robert.CHAPMAN@hydroone.com > wrote:

Good afternoon,

Please find attached Hydro One's Technical Conference Exhibits, Undertaking Responses, Amended Interrogatories, and Confidentiality Request for 3.1-SEC-22.

This document was filed with the Board today via RESS.

Sincerely,

Robert Chapman / Regulatory Affairs / Toronto / Hydro One

Office: <u>1 416-345-6513</u> / <u>www.hydroone.com</u>

483 Bay St. Toronto, Ontario, M5G 2P5

Email: Robert.Chapman@hydroone.com

# 

Filed: 2014-03-19 EB-2013-0321 Exhibit L Tab 4.7 Schedule 17 SEC-051 Page 1 of 1

#### SEC Interrogatory #051

2 **Ref**:

3 4 **I** 

1

Issue Number: 4.7

**Issue:** Are the proposed nuclear capital expenditures and/or financial commitments reasonable?

7 8

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6

#### Interrogatory

9 10

11 12 Does OPG have any reports from its Internal Audit section/division which review the processes and practices? If so, please provide details. Please also provide any reports on any nuclear capital projects closing to rate base for 2014-15 or nuclear capital projects being undertaken in 2014-15.

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#### Response

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Since 2010, there have been five audits completed by OPG's Internal Audit ("IA") Department, which after May 1, 2012 included the Nuclear Oversight Department, that address the "processes and practices" used to manage OPG's nuclear capital projects. These are listed below. Confidential versions of these documents will be filed in accordance with the OEB's practice direction on confidential filings.

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- 1. Nuclear Contractor Time/Cost Reporting and Payment Process January 2011 (Attachment 1);
- 26 2. Darlington Refurbishment Project Preliminary Planning Phase [2011-Q4] May 2012 (Attachment 2);
- 28 3. Project Management NO-2012-009 May 24, 2012 (Attachment 3);
- 29 4. Darlington Campus Plan Infrastructural Projects [2012-Q1: 12-06] October 2012 (Attachment 4);
- 5. Contractor Applications for Payment Audit Nuclear Projects [2013-Q2:13-19] February 2014 (Attachment 5).

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34 Attachment 5 includes some projects that are closing to rate base in the 2014-15 timeframe.

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EB-2013-0321

**IN THE MATTER OF** the *Ontario Energy Board Act,* 1998, S. O. 1998, c. 15, Schedule B;

**AND IN THE MATTER OF** an application by Ontario Power Generation Inc. pursuant to section 78.1 of the *Ontario Energy Board Act, 1998* for an order or orders determining payment amounts for the output of certain of its generating facilities.

# DECISION AND ORDER ON CONFIDENTIAL FILINGS AND PROCEDURAL ORDER NO. 8

May 6, 2014

Ontario Power Generation Inc. ("OPG") filed an application, dated September 27, 2013, with the Ontario Energy Board under section 78.1 of the *Ontario Energy Board Act,* 1998, S.O. 1998, c.15, Schedule B seeking approval for increases in payment amounts for the output of its nuclear generating facilities and the currently prescribed hydroelectric generating facilities, to be effective January 1, 2014. The application also seeks approval for payment amounts for newly prescribed hydroelectric generating facilities, to be effective July 1, 2014.

#### **Confidential Filings**

In correspondence filed on April 4, 2014, OPG requested confidential treatment for certain information that was requested in 18 interrogatories. Confidential copies of the responses to the 18 interrogatories were provided to the Board on April 8, 2014. The specific interrogatory responses are:

- 1. Board staff Interrogatory #4 Attachment 1(Exh L-1.2-Staff-4)
- 2. Board staff Interrogatory #49 (Exh L-4.9-Staff-49)
- 3. Board staff Interrogatory #50 (Exh L-4.9-Staff-50)

- 4. Board staff Interrogatory #139 Attachment 1 (Exh L-6.10-Staff-139)
- 5. Association of Major Power Consumers in Ontario ("AMPCO") Interrogatory #4
  Attachment 1 (Exh L-1.2-AMPCO-4)
- 6. AMPCO Interrogatory #71 Attachment 1 (Exh L-6.10-AMPCO-71)
- 7. Environmental Defence ("ED") Interrogatory #11 (Exh L-4.12-ED-11)
- 8. Consumers Council of Canada Interrogatory #22 (Exh L-6.8-CCC-22)
- 9. School Energy Coalition ("SEC") Interrogatory #13 (Exh. L-1.2-SEC-13)
- 10. SEC Interrogatory #17 (Exh L-1.2-SEC-17)
- 11. Society of Energy Professionals Interrogatory #4 (Exh L-6.1-SEP-4)
- 12. Board staff Interrogatory #76 (Exh L-6.3-Staff-76)
- 13. Board staff Interrogatory #176 (Exh L-7.1-Staff-176)
- 14. Board staff Interrogatory #181 (Exh L-8.2-Staff-181)
- 15. AMPCO Interrogatory #81 (Exh L-8.1-AMPCO-81)
- 16. ED Interrogatory #3 Attachment 2 (Exh L-2.1-ED-3)
- 17. SEC Interrogatory #51, Attachments 1-5 (Exh L-4.7-SEC-51)
- 18. SEC Interrogatory #119, Attachment 1 (Exh L-6.8-SEC-119)

In accordance with section 5 of the Board's *Practice Direction on Confidential Filings* ("Practice Direction"), OPG provided the reasons why it requested confidential treatment and the reasons why public disclosure of the information would be detrimental to OPG. In Procedural Order No. 6, issued on April 10, 2014, the Board made provision for submissions on the request for confidential treatment for these interrogatory responses. The School Energy Coalition ("SEC") filed a submission with respect to responses 12 and 17 in the list above, and OPG filed a reply.

The Board has reviewed interrogatory responses 1 to 11 in the list above and is satisfied that the information for which OPG seeks confidential treatment is similar to information for which the Board granted confidential treatment in the Decision and Procedural Order No. 4 issued on March 21, 2014. The Board has also reviewed responses 14 and 15 relating to Bruce Power information and response 16 which relates to financial information which is still to be negotiated. The Board grants OPG's request for confidential treatment with respect to responses 1 to 11 and 14 to 16 in the list above.

SEC submitted that the response to Board staff Interrogatory #76 (Exh L-6.3-Staff-76) which is number 12 in the list above should be placed on the public record in fully unredacted form. SEC noted that the nuclear fuel related costs for which OPG seeks

confidential treatment are part of a 10 year supply contract that runs until 2021, and that it cannot be asserted that public disclosure would prejudice future negotiations. OPG replied that disclosure of the costs would allow for determination of unit prices paid to the vendors and would disadvantage the vendors in negotiations with other customers. Further OPG is under a contractual obligation to keep this type of information confidential.

The Board has determined that it would like further explanation of the rationale for the confidential treatment of response 12 in the list above and the potential for harm in the event of public disclosure. Similarly, the Board would like further explanation of response 13 (Exh L-7.1-Staff-176) relating to hydroelectric ancillary services revenue which OPG states it is bound to maintain in confidence according to its contracts with the IESO. The Board will require OPG to provide that rationale at the motion hearing scheduled on **May 9, 2014**.

The response to SEC Interrogatory #51, Attachments 1-5 (Exh L-4.7-SEC-51) which is number 17 in the list above, relates to project management audits completed by OPG's Internal Audit Department. OPG has requested confidential treatment for these attachments in their entirety as it is their position that public disclosure would likely discourage OPG employees from disclosing problems in future audits. SEC submitted that the audit reports appear to be regular audits conducted by OPG Internal Audit, not whistleblower type audits. SEC submitted that the audit reports provide important information and should not be confidential. OPG replied that employees whose areas are being audited may feel reluctant to participate if the reports were publicly disclosed. Even though individual employee names are not disclosed, employees may be concerned that individual or small group attribution could be inferred. The Board has reviewed the audit reports filed as Attachments 1-5 and proposes that it is possible to file public versions of these audit reports that are free of potential attribution. OPG shall file such documents for the Board's consideration on May 8, 2014 and/or address the matter at the motion hearing scheduled on May 9, 2014. The Board will only permit redactions that are designed to prevent attribution; all other elements of the documents are to be made public.

In the Decision and Procedural Order No. 7 issued on April 17, 2014, the Board found that response 18 in the list above (Exh L-6.8-SEC-119 Attachment 1) should receive confidential treatment, but that some of the information relating to the overtime cost analysis should be placed on the public record for context. On April 24, 2014, OPG filed

a version of the attachment that complied with the decision issued on April 17, 2014, for the public record. The full confidential version of Exh L-6.8-SEC-119 Attachment 1 will be made available to persons who have signed the Declaration and Undertaking under the Practice Direction, but will not be made available to the Power Workers' Union or the Society of Energy Professionals.

#### **Motions**

On May 1, 2014, SEC filed a notice of motion seeking full and adequate response to nine interrogatories. SEC requested that the motion be dealt with orally.

Environmental Defence filed a notice of motion on May 5, 2014 seeking full and adequate response to eight interrogatories and three technical conference undertakings. The Association of Major Power Consumers in Ontario also filed a notice of motion on May 5, 2014. It seeks full and adequate response to two interrogatories.

The Board will not order the production of the documents at this time. The Board will make provision for submissions on these matters, and will hear the motions on **May 9**, **2014**.

The Board considers it necessary to make provision for the following matters related to this proceeding.

#### THE BOARD ORDERS THAT:

- 1. Parties that are in support of the motions shall file their submissions and motion materials on the matters with the Board and deliver them to all other parties on or before **May 6, 2014**.
- 2. Parties that oppose the motions shall file their submissions and motion materials on the matters with the Board and deliver them to all other parties on or before **noon on May 8, 2014**.
- 3. The motions will be heard in the Board's hearing room at 2300 Yonge Street, 25<sup>th</sup> Floor, Toronto, on **May 9, 2014**, starting at 9:30 a.m.
- 4. OPG shall file redacted versions of SEC Interrogatory #51, Attachments 1-5 (Exh L-4.7-SEC-51) by **May 8, 2014**.

All filings to the Board must quote the file number, **EB-2013-0321**, be made through the Board's web portal at <a href="www.pes.ontarioenergyboard.ca/eservice/">www.pes.ontarioenergyboard.ca/eservice/</a>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <a href="www.ontarioenergyboard.ca/OEB/Industry">www.ontarioenergyboard.ca/OEB/Industry</a>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Violet Binette at <a href="mailto:violet.binette@ontarioenergyboard.ca">violet.binette@ontarioenergyboard.ca</a> and Board Counsel, Michael Millar at <a href="mailto:millar@ontarioenergyboard.ca">michael.millar@ontarioenergyboard.ca</a>.

#### **ADDRESS**

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**DATED** at Toronto, May 6, 2014

#### **ONTARIO ENERGY BOARD**

Original signed by

Kirsten Walli Board Secretary