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To:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Attn: Ms. Kirsten Walli, Board Secretary

RE: EB-2015-0176

Application by HONI for an extension of exemption for TOU billing for selected ratepayers

As rural customers of Hydro One Networks Inc. (HONI) it is our opinion that the approval of application EB-2015-0176 will further alienate many thousands of rural Ontario ratepayers and add to the litany of broken business practices already plaguing the current business model of Hydro One.

Further, adopting such an amendment will only illustrate to ratepayers that the Ontario Energy Board fully endorses Hydro One in their attempt to exempt Hydro One from any accountability in proper billing practices; and shows no responsibility, towards making Hydro One accountable to ratepayers or the Ontario Energy Board as it relates to the Distribution System Code(s) sections 2.10.1 and 7.11.1 to 7.11.7.

We would submit that such an exemption, allowing Hydro One to abuse and disregard the rules as set out by the Ontario Energy Board in essence, is allowing Hydro One to engage in a business practice that would not be tolerated in the private sector and putting Ontario ratepayers and businesses at risk.

Arguments:

1. Connectivity Issues:

According to HONI, there are connectivity problems with “smart” meters in some rural locations that result in inaccurate or missing readings. These so called hard-to-reach customers have NO CHOICE but to frequently receive 'estimated' bills throughout the year, many of which are poorly estimated, most frequently grossly overestimated.

2. Due Diligence and Accountability:

HONI presented no evidence that they have attempted to find methods to connect those “hard-to-reach” customers. It does not matter what is the truth, it is the hubris of HONI that allowed them to decide that they did not have to demonstrate due diligence to get approval for the exemption.

3. Billing System:

The overestimated bills (from #1 above) not only affect the usage cost on customers bills but since the total kWh or the adjusted total kWh are used in calculations for the regulatory and delivery charges on customers' bills; customers are also being overcharged for these other charges. Add on the increased HST calculated on the total bill and this further increases the already outrageous charges on these hard-to-reach customer's bills.

These hard-to reach customers receiving estimated bills also are not receiving the advantage of TOU rates. They are charged the two tier rates instead which, especially for customers with higher kWh usage, are higher per kWh than with TOU rates. These customers are paying for the smart meters installed in their delivery charges but are not able to take advantage of the technology.

Currently these estimated bills are posted to customers accounts and sent to these customers seemingly with no checking by Hydro One customer service billing staff. Outrageous billing amounts like those reported in the Ombudsman's report of May 26, 2015, such as the Garrison case in Petawawa being billed \$50 MILLION for a \$4000 bill, should never have been sent to these customers. This would never be accepted in the private sector.

The current application from Hydro One also allows them to continue to charge late charges and to send out “reminder” letters if customers are unable to pay these overestimated bills. This allows Hydro One to further penalize customers for Hydro One's mistakes. Hydro One needs to take the responsibility for this and not force their customers to pay for Hydro One's errors. Both of these practices need to stop.

When Hydro One sends a bill with actual start and end meter readings and they have overestimated previous bills they simply add a credit “adjustment” to the bill. There is absolutely nothing on the bill detailing how this credit was calculated, and no way for the customer to dispute whether they have been credited the proper amounts for not only usage, but delivery, regulatory, HST etc and for possible subsequent late charges.

4. No Appeal Process:

When a customer receives a bill or bills with estimated readings they know are grossly overestimated and inquire to the customer service department at Hydro One they are told that that is what they owe. They then have to pay this outrageous amount all at once or establish a payment plan over a number of months. The customer then not only has to pay

this payment plan amount every month but also pay the monthly total for subsequent bills on top of that. This has caused extreme hardship for these customers.

Suggested Solutions:

1. Connectivity Issues:

We would appreciate if HONI would take a more flexible approach to meter connectivity. There appears to be one method to connect, then the only option is tuning the wireless connection. Some brainstorming suggests a few possibilities: hard wired into existing phone or cable lines; data-loggers, perhaps connected to a willing customer's internal network or through an SD card that they could use to transmit during the reading window time; there is a pole line-of-sight to most buildings, could a repeater be placed on it to avoid most obstacles; is a mixed transmission type system with interfacing possible? We recommend that the OEB require HONI to implement such a feasibility project with minimal constraints for the engineers to work on, we expect they can find a relatively economical connectivity workaround where population density may warrant the expense.

2. Due Diligence and Accountability:

HONI should be required to submit a detailed action plan by region and community with fleshed-out details and target dates for implementation. Periodic progress reports should be required to be published. More remote individual customers may then be exempted from the universal connectivity mandate for the interval requested, with a new study near the end of that interval to determine if circumstances have changed.

3. Billing System:

To make estimated usage closer to each customer's actual usage; we suggest that Hydro One calculate the monthly kWh on customers' bills using previous month's or years actual usage. Hydro One could establish a standard multiplication factor to account for possible increases in the kWh rate from previous years i.e. add an additional 5% to each month's calculated average. The calculated kWh then could be billed to the customer every month that actual readings are not available and reconciled when actual readings are available. If these monthly averages are used on all the bills where actual readings are not possible this could reduce the number of times that technicians are sent to read meters, therefore reducing Hydro One's costs.

On estimated usage bills to make sure that these customers bills are more in alignment with regular customers' bills we suggest that they be billed time of use rates instead of the two tier rate system. The time of use could easily be calculated from the average total monthly kWh (suggested in No 1 above) by using the Hydro One established average percentages of 18% for On-Peak, 18% for Mid-Peak and 64% for Off-Peak kWh.

We further suggest that additional error checking be added to the customer billing application at Hydro One to report to the billing department any erroneous, large billing amount inconsistencies. When these errors are reported the customers account should be FROZEN and no bills will be issued until the account has been rectified. No bill will be recorded on the customer's account until the erroneous bill is corrected. This puts the onus on Hydro One to correct the bill BEFORE it is posted to the customer's account. This is a very typical

procedure for private companies to make sure that their customers will not receive obviously incorrect bills.

We suggest that Hydro One shows more accountability and transparency when reconciling a customer's bill. All bills should show all of the details of any adjustment made to a customer's account including how each of the credits/debits was calculated. All of the charges that were debited or credited need to be shown on every bill not just shown as one "adjustment" amount. Any billing system worth its salt will allow custom reports. A report of flagged invoices that are within, say 15% of the anticipated value, could be quickly evaluated, then the invoices released for print and distribution. Others would be held for investigation. A note to the customer would be appreciated if the investigation is to be lengthy. As connectivity is improved, the number of errant invoices should decrease. Those customers not scheduled for connection and those whose connection is sufficiently far in the future should be able to call in actual readings on or about the scheduled meter reading cutoff date. They can supply meter number and account number for validation. Since these meters are to be read quarterly by HONI staff, there is little incentive for cheating.

4. Appeal Process:

It has now been proven that HONI is not always correct when they issue an invoice. If a customer objects to an apparently errant invoice, then the matter needs to be subject to an investigation/arbitration process that does not necessarily involve threats if the customer does not pay in full. An "average" monthly value based on past history could be agreed upon for the customer to pay until the issue is resolved, without penalty to the customer.

Conclusion:

In closing, it cannot be denied that the current situation being addressed in this application has created and continues to create severe economic hardships, on Ontario families, farmers, rural communities and businesses.

Not only does Hydro One want the blessing of the OEB to continue to abuse the ratepayers living in these affected areas; they are asking to be further absolved of any responsibility for addressing the problem or providing a solution to an infrastructure situation they knew would not likely be resolved in the immediate future or in the years to come.

We would ask that the Ontario Energy Board take a bold step, one that would be applauded by ratepayers across the province and hold Hydro One accountable in finding a work around solution to the current problem and deny the HONI application EB-2015-0176 as presented.

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