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WATERLOO NORTH HYDRO INC.

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September 28, 2020

Dear M Nassar:

Thank you for your Letter of Comment submitted to the Ontario Energy Board with respect to Waterloo North Hydro Inc.'s (WNH) proposed Cost of Service Rate Application for rates effective January 1, 2021. We appreciate all customer feedback and the time you took to submit your comments.

You ask about the unexplained delivery charge and that you do not believe a rate change is required. The delivery charge that WNH charges is the portion of your bill used to build, operate and maintain a safe and reliable electricity distribution and transmission system. It is used to pay for provincial transmission lines and, closer to home, for new connections, road relocations and to service, rebuild and upgrade transformers, poles and wires that are used to deliver the electricity to your home. A significant portion of our system was installed in the 1960s and 1970s and these upgrades combined with our smart grid technology ensure a more reliable system and allow us to respond faster to outages. It also pays for metering, billing and collections of all electricity related charges.

WNH takes its obligations with regards to customer service seriously. WNH has met most of the customer focused performance targets established by the Ontario Energy Board (OEB) for connecting new residential/small business services on time, answering telephone calls on time and billing accuracy. WNH has met the customer performance targets for meeting scheduled appointments on time since 2015, with the exception of 2019 due to a factor not in control of WNH.

WNH has applied to the Ontario Energy Board for a 2.2% distribution rate increase beginning January 1. If the application is approved, it will mean a monthly increase of \$0.70 for the average residential customer using 750 kWh a month.

The OEB will only approve an increase in distribution rates if WNH can provide adequate evidence to support its underlying costs. The OEB's rate hearing process allows anyone to participate including customers and businesses. Various intervenor groups, acting on behalf of consumers, will review the details and may challenge the specifics of WNH's application. A final decision on the application is expected by the end of the year.

There is help available for customers struggling to pay their electricity bills such as the Ontario Electricity Support Program (OESP), the Low-Income Energy Assistance Program (LEAP) and the Affordability Trust Fund (AFT). I encourage you to call our office and speak to one of our Customer Service Representatives should you require such assistance.

In addition, the provincial government is making funds available through WNH for the COVID-19 Energy Assistance Program (CEAP) to help residential customers pay their energy bills. CEAP provides a one-time credit to eligible residential electricity customers to help them catch up on their energy bills and resume regular payments.

To learn more or to apply, please visit <https://www.wnhydro.com/ceap>

Thank you again for your comments and please contact us again should you have questions or concerns.

Yours truly,



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