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BY COURIER

Ms. Kirsten Walli
Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700, P.O. Box 2319
Toronto, ON.
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Dear Ms. Walli:

**EB-2008-0150 – OEB Consultation on Energy Issues Relating to Low Income Consumers:
Hydro One Networks' Final Comments**

In response to the request for comments by the Ontario Energy Board ("the Board"), Hydro One Networks ("Hydro One") is pleased to offer its concluding remarks on the issues relating to low income consumers.

Hydro One is sympathetic to the increasing plight of low income consumers and agrees that the issue of energy affordability must be addressed. Doing nothing is not an option, especially given the general trend, world-wide, in energy prices. Hydro One believes that a response to this issue, however, must consider a number of factors, noted below.

The Impact of the Commodity Price on Affordability

The cost of the electricity commodity is a significant portion of the bill which is passed to utility customers by distributors. The Distribution charges are typically less than a third of the total energy bill. While the Board has influence on the distribution charge portion of the bill, material changes to the customer's total bill must also consider the cost of the electricity.

Although the Board's regulatory oversight does not extend beyond electricity and natural gas, Hydro One believes that the matter of energy affordability should cover a broader scope of fuels.

Rural customers, who typically do not have access to natural gas, may use heating oil or propane for heating. Therefore these types of fuel must also be considered in the current review of energy affordability. Otherwise, customers may begin switching to electricity, for heating, and to qualify for low-income support – an unintended consequence that could exacerbate electricity utility operations.

Information Management Issues

Managing energy affordability presupposes knowledge of consumer income levels. To date, however, utilities have had no need to collect such information. Natural gas and electricity distributor operations are designed to deal with the physical delivery of energy to consumers' premises, so the billing and settlement processes that the utilities employ for collecting distribution charges do not require income data. Furthermore, income-related information is highly sensitive. Ontario utilities are subject to numerous privacy rules and regulations that would require protective systems to ensure compliance with confidentiality requirements respecting highly sensitive customer information.

Accordingly, the inclusion of income-related information in the portfolio of utility information requirements would require substantial changes to Hydro One's established processes for information collection and the management of its customer system, to ensure compliance with privacy requirements.

Optimizing the Use of Current Processes and Channels for Consistent Treatment

Regardless of the final form of the low income program, one issue which must be addressed is the need for consistent treatment across the many distributors in Ontario. Accordingly, the Board might consider enhancing the distributors' conditions of service to ensure greater consistency in utility customer service principles and practices (such as the treatment of disconnections and security deposit policy) with respect to their customers who have qualified for low income assistance.

Hydro One has had significant experience in dealing with customers who are having difficulty paying their bills, and can offer the following examples of arrangements it has typically (or more recently) undertaken, such as:

1. Budgeting / equal billing programs, payment arrangements, and extended special arrangements for those with extenuating circumstances, to assist customers who are having difficulty paying their bills.
2. A practice of no disconnection of residential customers due to non-payment during the winter months.
3. Working with many social service agencies which administer programs that assist low income consumers. Hydro One's efforts are complemented by the work of these agencies, with their access to income-related information and their experience and skills.
4. The inclusion of energy efficiency programs as a key element in addressing low income consumer issues. In 2007, Hydro One developed CDM-related low-income energy efficiency programs, some of which are now being launched by the Ontario Power Authority. Most jurisdictions couple energy efficiency programs with other assistance for low-income consumers, so efficiency is encouraged and energy-use waste (and therefore, the bill amount) reduced.

For the future, Hydro One is also currently reviewing the Winter Warmth Program in cooperation with the United Way, to determine its feasibility.

To conclude, Hydro One has appreciated the opportunity to participate in the consultation on this important issue and we trust that these comments will be helpful to the Board.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank