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**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs



October 3, 2008

BY COURIER

Ms. Kirsten Walli  
Secretary  
Ontario Energy Board  
2300 Yonge Street  
Suite 2700,  
P.O. Box 2319  
Toronto, ON.  
M4P 1E4

Dear Ms. Walli:

**EB-2008-0150 – OEB Consultation on Energy Issues Relating to Low Income Consumers  
Hydro One Networks Response to request for information**

In response to the information requests made by members of Ontario Energy Board (“the Board”), Board Staff and participants to the consultation meeting held from September 22 to 25, 2008 and the subsequent e-mail of September 26, 2008 formulating the information request, Hydro One Networks’ (“Hydro One”) is pleased to provide the following responses to the questions posed in the Board’s e-mail:

**Disconnections**

Hydro One works hard to avoid disconnecting any of its customers and has implemented several processes that provide opportunities for customers to settle their outstanding amounts and thus avoid disconnection. However, there are circumstances where Hydro One has not option but to carry out a disconnection upon exhausting all available means to do so. As a matter of rule Hydro One does not disconnect customers during the winter period.

1. The number of disconnection notices issued per year for the past three years:
  - 135,347 for 2006
  - 137,221 for 2007
  - 91,468 to August 31, 2008
2. The number of customers disconnected in a year
  - 9,266 in 2006
  - 8,614 in 2007
  - 9,462 to August 31, 2008
3. Is that rate (of disconnection) going up year over year

- Based on the response to Q2 above the rate of disconnections appears to be somewhat lower for the 2007 over 2006 period, but appears to be reversing for the 2008 over 2007 period.

4. How many of the disconnections relate to inability to pay (if such data is available)

- The disconnection statistics presented herein are related to non-payment of electricity bills. However, these statistics do not break down information into non-payment due to inability to pay or due to other reasons. Hydro One does not collect or track data at that level of detail.

### **Security Deposits**

As a general rule Hydro One does not request security deposits from residential customers. These customers are given the benefit of doubt when establishing new accounts. Should customer good payment history deteriorate after twelve months then Hydro One will require a security deposit.

1. The number of customers for whom security deposits are held at one time
  - As of August 31, 2008 there are 30,070 residential customers for whom security deposits are held by Hydro One
2. The total dollar amount held currently of security deposits
  - As of August 31, 2008 the total amount held as security deposit is \$15.5 million
3. The average balance
  - As of August 31, 2008 the average balance of security deposit per residential account is \$515.00
4. Of the total held, how much, on average, is applied to outstanding accounts in a year (both number of deposits and the dollar amount)

Hydro One does not have the information to provide the breakdown requested. In the absence of a numerical response Hydro One provides an indication how security deposits are used in settling bills

- The deposit amounts are applied towards customer outstanding amount owing automatically, unless customers notify Hydro One they want a cheque.
- Deposits will be automatically applied to final bill accounts. Automatic cheque will be issued for any net credit balance (e.g. final bill is \$50.00. Deposit refund = \$100. Cheque will be issued for \$50.00)
- Deposits will be refunded if customer can provide Hydro One with an acceptable form of deposit alternative such as: Letter of Credit etc. Again, the refund will go towards the account as a credit, unless customers notify they want cheque.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank