



Hydro One
Ombudsman

OFFICE OF THE HYDRO ONE OMBUDSMAN

ANNUAL REPORT

2024

Land Acknowledgement

The Office of the Hydro One Ombudsman acknowledges that it is located on the traditional territories of the Anishinaabeg, the Haudenosaunee, the Mississaugas of the Credit First Nation, the Métis, and the Huron Wendat Nation. The Office of the Hydro One Ombudsman also acknowledges that these lands are covered by Treaty 13 signed by the Mississaugas of the Credit First Nation.

The Office of the Hydro One Ombudsman delivers its services to people across the province, and acknowledges that the greater lands of Ontario are enveloped by the history of many Indigenous Nations including the Anishinaabeg, Haudenosaunee, Algonquins, Attawandaron, Huron-Wendat, Métis, and the Inuit.

The Office of the Hydro One Ombudsman believes in the pursuit of True Reconciliation and recognizes that this pursuit begins with a commitment to friendship and partnership with Indigenous Nations. We also understand that Indigenous Nations have been the caretakers of Turtle Island since time immemorial, which is why we are thankful to operate from these lands as partners in our combined future and as peers among the many diverse Indigenous Peoples who still call these lands home today.

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Message from the Ombudsman



Sophie Petrillo
Hydro One Ombudsman

This report presents the Office of the Hydro One Ombudsman’s results for the fiscal period of January 1, 2024 – December 31, 2024, in accordance with section 48.3 of the *Electricity Act, 1998*. It also provides valuable information about how we operate and how customers and members of the public can access our free dispute resolution services.

Complaints are not always a bad thing. They often provide opportunities to revisit existing policies, processes, and practices to identify possible areas for improvement. This may lead to efficiencies, greater customer satisfaction and higher employee engagement. However, there are costs to dealing with complaints. These might be indirect costs such as lost productivity or reputational loss, or direct costs such as staffing a complaint escalation group or the money paid to customers to “make it right.” For these reasons, the best complaint may be the one that can be avoided.

While the daily work of my team will always be to respond to individual complaints, we are always looking for ways to make meaningful improvements to reduce the number of complaints we receive. We seem to be making strides in this regard - in 2024, we received a total of 729 complaints, a reduction of 17 per cent compared to 2023.

Identifying, investigating and addressing systemic issues has proven to be one of our most effective ways at reducing complaints to my Office. For example, the introduction of new technologies, enhanced training and additional staffing, made in response to recommendations from my Office, led to an immediate reduction in complaints about the level of customer service at Hydro One’s Field Business Centres. Furthermore, our recommendations to more efficiently plan Transmission Line work on private property resulted in both cost savings and environmental benefits, while also reducing related complaints from landowners. These outcomes underscore the value of addressing issues at their source to achieve long-term improvements with wide-ranging benefits.

Such improvements are not made in isolation, but are always part

of a collaborative, cross-functional effort. While my Office can make recommendations, we rely on Hydro One to accept, implement and maintain them. To that end, my team held numerous in-person and virtual sessions with Hydro One employees across the province in 2024. We met with hundreds of employees across 15 different lines of business, explaining the role of our Office, our approach to handling complaints and providing examples of complaints we’ve received and how they were resolved. We also share detailed complaint statistics to identify trends and emerging issues with various lines of business so they can take proactive steps to improve operations before they escalate.

As a team, we also look for opportunities to improve our Office. We continue to strengthen relationships with other ombudsman offices and fair practice organizations to exchange best practices in a continuous effort to enhance our own approach. We also look for educational opportunities, like the bi-annual Forum of Canadian Ombudsman (FCO) Conference, or informal virtual “coffee chats” offered monthly by the FCO. These platforms for exchanging ideas and learning from colleagues across the country ensure we are staying at the forefront of our field, which in turn allows us to help Hydro One meet its commitment to customers by delivering its services in a fair and reasonable manner.

As we move forward, my Office remains committed to fostering collaboration, continuous improvement, and transparency in our interactions with Hydro One, the communities they serve and the people of Ontario.

A scenic sunset over a lake. In the foreground, a wooden walkway with railings runs along the rocky shore. The water reflects the vibrant orange and yellow colors of the sky. In the distance, a building is visible through the trees.

About the Office

Our Mandate

To facilitate the resolution of complaints that remain unresolved after having been through Hydro One's complaints handling process.

Our Vision

Ensure Hydro One delivers just, fair, and equitable services to its customers and the public.

Values

Fairness

Ensuring that Hydro One's services are delivered in a consistent manner, aligned with its regulatory obligations and the principles of natural justice. We examine what was decided, how it was decided, and how people were treated within the process.

Independence

Operating at arm's length from Hydro One, we are free from undue influence when making recommendations based on our thorough investigations and determinations on what is fair and reasonable in the circumstances.

Impartiality

Approaching every situation with an open mind, listening to what the complaint is, and allowing the facts to guide our work and outcomes. We are not advocates for either the complainant or the organization, instead we are champions of fairness.

Confidentiality

Holding all communications with the Office securely and in the strictest of confidence, we only share information with the company if given consent.

Accessibility

We strive to make it as easy as possible to work with us by eliminating barriers to our free dispute resolution services. Our goal is to ensure that anyone who wants to work with us, can work with us.

What is an Ombudsman?

The word “Ombudsman” is a non-gendered Scandinavian term that means “representative” or “proxy”. An Ombudsman is an individual who serves as a designated neutral within a specific organization, providing conflict resolution and problem-solving services for individuals affected by that organization. The principal concern of an Ombudsman is to ensure that organizations are acting fairly, and to shine light on issues of unfairness in an effort to resolve them.

Who we are

The Office is led by the Ombudsman, Sophie Petrillo, and supported by a team of investigators who use their expertise to manage the complaint process from intake to resolution. All our services are free and confidential.

What we do

The Office acts as a last resort for complaints from anyone affected by Hydro One’s services, helping ensure Hydro One delivers just, fair and equitable services to its customers and the public.

How we do it

The Office is independent from the company’s management and operations, reporting directly to Hydro One’s Board of Directors through its Governance and Regulatory Committee. The ultimate goal is fairness for all parties.

What Does Fairness Mean?

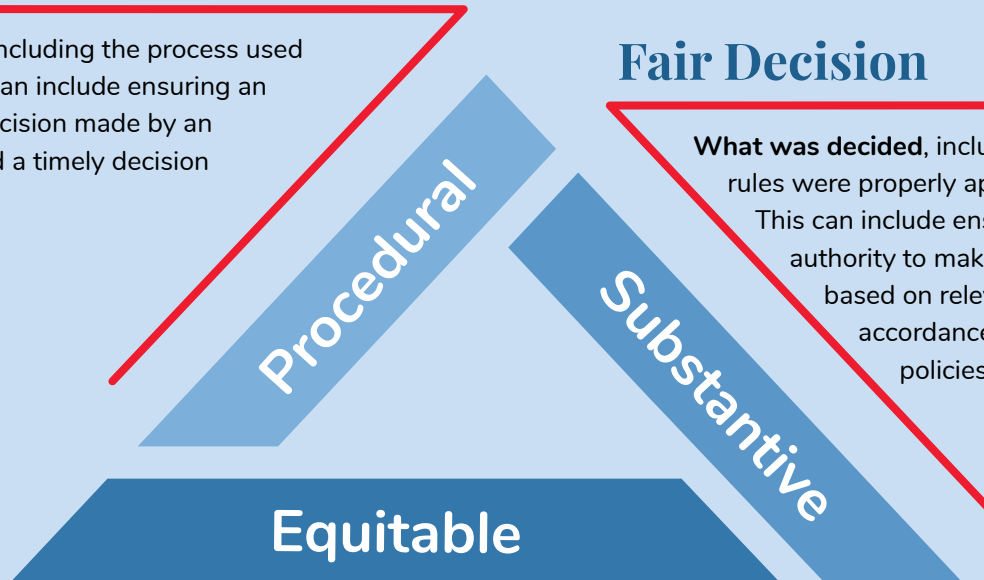
An Ombudsman views fairness from three perspectives.

Fair Process

How a decision was made, including the process used by the decision-maker. This can include ensuring an opportunity to be heard, a decision made by an impartial decision-maker, and a timely decision with meaningful reasons.

Fair Decision

What was decided, including whether the facts and rules were properly applied to the circumstances. This can include ensuring the decision-maker had authority to make the decision, that it was based on relevant information, and in accordance with the right rules, laws or policies.



Fair Treatment

How people were treated, including whether any special characteristics of the complainant were considered. This can include ensuring the company took time to understand the concern, was respectful and courteous in its interactions, and honest and forthright in its responses.

“ My issues were addressed, handled quickly and efficiently. Without the assistance of the Ombudsman, this matter would not have been resolved.”

— HYDRO ONE CUSTOMER



The Complaint Process

The Office of the Hydro One Ombudsman provides customers and members of the public with an office of last resort for complaints that remain unresolved after going through Hydro One's internal complaints process. The Office provides a way to raise concerns for anyone who believes they have been unfairly or unreasonably affected by Hydro One's actions or decisions.

Step 1: Contacting Hydro One

The first step for any complaint is to raise it directly with Hydro One and go through its internal complaint process. If a complainant has not exhausted all of Hydro One's complaint process, we identify and refer the complaint to the right Hydro One staff who can attempt to address the issue. In some cases the Office may intervene earlier, particularly if there has already been delay from the company, the person is vulnerable, or it is just the right thing to do.

Step 2: Understanding Hydro One's Response

If Hydro One makes a decision someone believes is unfair or unreasonable, the issue should be reviewed by a manager/supervisor or further escalated to the company's Customer Relations Centre. If there are any delays or problems escalating within Hydro One's complaint process, contact the Office.

Step 3: Making a Complaint

If an issue remains unresolved after going through Hydro One's complaint process, or the final resolution appears unfair or unreasonable, the next step is to make a complaint to the Office. Complaints can be made via email, phone, regular mail, fax, or through the Office's website. All complaints are confidential.

Step 4: Assessing the Complaint

A member of the Office reviews the details and contacts the complainant to learn more about their concerns. The complaint may be resolved by providing support, advice, or referring it to relevant external agencies or organizations. The Office may also resolve a complaint through its early resolution process, including through facilitating simple resolutions with the company where feasible.

Step 5: Investigating the Complaint

If the complaint is more complex or requires additional research, the Office starts an investigation. After collecting and reviewing all relevant information, the Office determines if the complainant was treated fairly by the company. The Office may also decide to launch a systemic investigation if the underlying issue has the potential to impact a significant number of customers or the public.

Step 6: Communicating the Findings

After concluding the investigation, the Office notifies the complainant of the outcome. Specifically, the Office shares its findings and conclusions, advises if any additional steps will be taken to resolve the complaint, and outlines if any recommendations were made to the company.

How We Address Complaints

The Office of the Hydro One Ombudsman takes every complaint seriously. When someone contacts the Office, the goal is to identify what we can do to help.

Wherever possible, complaints are addressed through the early resolution process. By providing answers and information, or engaging in informal discussions with the company, many complaints can be resolved quickly and effectively.

However, where complaints are more complex or involve potential systemic issues, we typically conduct an individual investigation. Regardless of whether a complaint goes through our early resolution process or a full investigation, the Office still provides Hydro One with recommendations to address any unfairness found and reports these outcomes directly to the complainant.

If a complaint is premature or falls outside the Office's mandate, we still do our best to provide the support and advice the complainant needs to move it forward. Sometimes it is referring them to the right person within Hydro One, and other times to the right external organization.

Occasionally, the Office receives information submissions from the public that are not attached to a specific complaint. We track these comments and, where appropriate, report on them to the Governance and Regulatory Committee of the Board of Directors.

2024 CASE TYPE PERCENTAGES



By providing answers and information, or engaging in informal discussions with the company, many complaints can be resolved quickly and effectively.



“ The Ombudsman team are without fail, informed, respectful, helpful and focused.”

— HYDRO ONE EMPLOYEE

The Story in Numbers

729 COMPLAINTS
HANDLED

WHO CONTACTS THE OFFICE?

89% RESIDENTIAL **10%** COMMERCIAL **1%** OTHER

HOW THE PUBLIC CONTACTS US

56% PHONE **42%** ONLINE **2%** OTHER

<p>100% COMPLAINT ACKNOWLEDGEMENT (WITHIN 2 DAYS)</p>	<p>99.6% COMPLAINT RESOLUTION (WITHIN 30 DAYS)</p>	<p>100% RECOMMENDATIONS ACCEPTED</p>
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Top Five Complaints Outside Our Jurisdiction

The Office of the Hydro One Ombudsman's jurisdiction includes complaints about Hydro One Limited and all of its subsidiaries.

In 2024, we received 65 complaints that were outside of our jurisdiction, representing 9 per cent of the overall complaints received. In cases where complaints are found to be outside of the Office's jurisdiction, we provide support and advice to those individuals on how to pursue their complaints further.

1 OTHER UTILITIES

We cannot address complaints about other distribution companies or utilities.

2 INQUIRIES

We receive various inquiries unrelated to Hydro One, including from people looking for other Ombudsman offices.

3 SUPPORT PROGRAMS

Electricity support programs like the Ontario Electricity Support Program are created by the Ontario Energy Board.

4 EMPLOYEE BEHAVIOUR

Complaints about specific employees are handled by Hydro One's Ethics Office.

5 ELECTRICITY PRICES

Electricity prices are set by the Ontario Energy Board.

Our Impact

The Office works diligently to establish a collaborative working relationship with Hydro One. From frontline staff working in the field, to the executives working in head office, our ability to have candid conversations about what we hear from complainants and what we discover during our investigations allows us to provide reasonable, practical, and actionable recommendations to improve Hydro One for the benefit of its customers, shareholders, and the public.

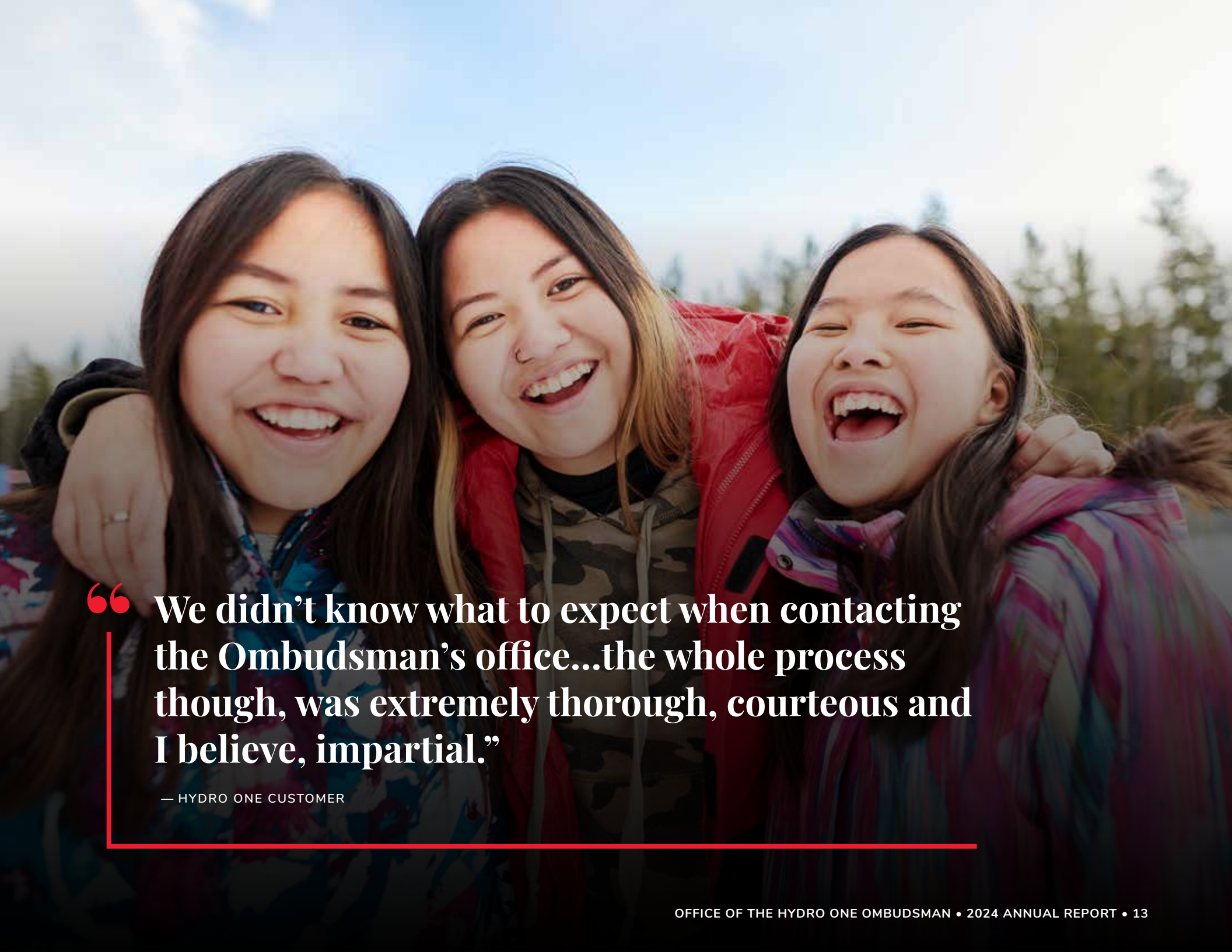
22

RECOMMENDATIONS
ACCEPTED BY THE
COMPANY

The recommendations we make often aim to address the specific unfairness experienced by an individual, but may also lead to recommendations for system-wide improvements that can affect many.

In 2024, the Office made recommendations in 19 cases, resulting in a total of 22 recommendations – all of which were accepted by the company. Examples of the recommendations we made in 2024 include:

- ◆ Providing a customer with a refund after our investigation determined that certain costs had been erroneously charged to their project.
- ◆ Reconsideration of damage claims where Hydro One's initial denial was based on incorrect business records showing defective equipment had been replaced when it had not, and also in instances where Hydro One had not completed the inspection of stations and lines as required by the Ontario Energy Board.
- ◆ Replacement of specific equipment known to be defective, which if not replaced could cause property damage to customers.
- ◆ Redesign of an incorrect connection upgrade layout and a corresponding reduction in the customer's costs.
- ◆ Providing a 12-month interest free installment plan to a customer who fell behind in their payments because of errors made by Hydro One when it was opening the customer's new account.
- ◆ An extension of the time for a customer to enter a contract for an expansion project where Hydro One had delayed in providing the contract to the customer.
- ◆ Providing service credits for customers where Hydro One failed to meet its own service standards, missed scheduled appointments, used incorrect contact information, failed to follow its internal processes, or provided incorrect or confusing responses to customer inquiries.



“ We didn’t know what to expect when contacting the Ombudsman’s office...the whole process though, was extremely thorough, courteous and I believe, impartial.”

— HYDRO ONE CUSTOMER


Vacant Premises

Every year Hydro One receives tens of thousands of move-in/move-out requests. All but a small percentage are handled without incident. However, there are some residents who fail to properly set up a new Hydro One account after a move-in. In these situations, although power is often still being delivered to the property for use by the occupant, Hydro One is unable to issue a bill since there is no active account. A property that falls into this category is referred to as a “vacant premise” (“VP”).

Sometimes a VP may arise innocently. For example, a property may be serviced by multiple meters unbeknownst to the occupant and not all meters are captured during the account setup. In these cases, the occupant will be billed for some, but not all of their consumption. Other times, occupants may intentionally avoid setting up their account to avoid paying for their electricity use.

When the company discovers that it has under-billed a customer, section 7.7.4 of the *Retail Settlement Code* allows the company to retroactively bill for a maximum of two years. While two years seems like a lot of time to identify the existence of a VP, determine the occupant, and issue bills for amounts owing, Hydro One faces many challenges when trying to collect unbilled VP amounts. These challenges include issues verifying some addresses, remote and inaccessible property locations, the expense associated with carrying out the collection activities when the amounts owing remain modest, and limited field resources impacting the timeliness of completing physical disconnections when needed.

VP cases raise fairness issues for both individual customers and for the wider rate base. Individual customers could be back-billed for up to two years of unbilled consumption and face paying significant arrears, perhaps through no fault of their own, causing significant financial



hardship. On a larger scale, if VP amounts become uncollectable, the wider rate base could absorb a portion of the uncollected VP amounts in their delivery fees.

In 2024, the Office carried out a systemic investigation into Hydro One's VP process which had given rise to collection issues. Based on the evidence gathered, the Office made recommendations to the company which included: better tracking of VP amounts, reducing the inflow of new VPs, dedicating additional resources to ensure best efforts are used for the timely collection of outstanding VP amounts, and developing a long-term plan for managing VPs in the future by leveraging new meter technology and improved processes.

The company accepted all these recommendations and has already shown significant progress in this area.

In only one year, there has been a 45 per cent reduction in the number of outstanding VP files, a 57 per cent decrease in unbilled VP amounts, and approximately 75 per cent of all current VPs are less than two years old, allowing Hydro One to continue its efforts to collect.

The Office is pleased to see the positive improvements made to date and will continue to monitor the company's progress until all recommendations have been fully implemented.

A scenic view of a lake at dusk. The sky is a deep blue, and the water reflects the light. In the background, there is a dense forest of trees, some of which are illuminated by a warm light. In the foreground, a potted plant with yellow flowers is visible on the right side.

**“ The Ombudsman is tough and fair,
striking a good balance between
protecting customers and holding
management accountable.”**

— HYDRO ONE EMPLOYEE





“ Although the conclusion reached by your office was not what we wanted, thank you for your extensive work on our file.”

— HYDRO ONE CUSTOMER

Complaints Handled

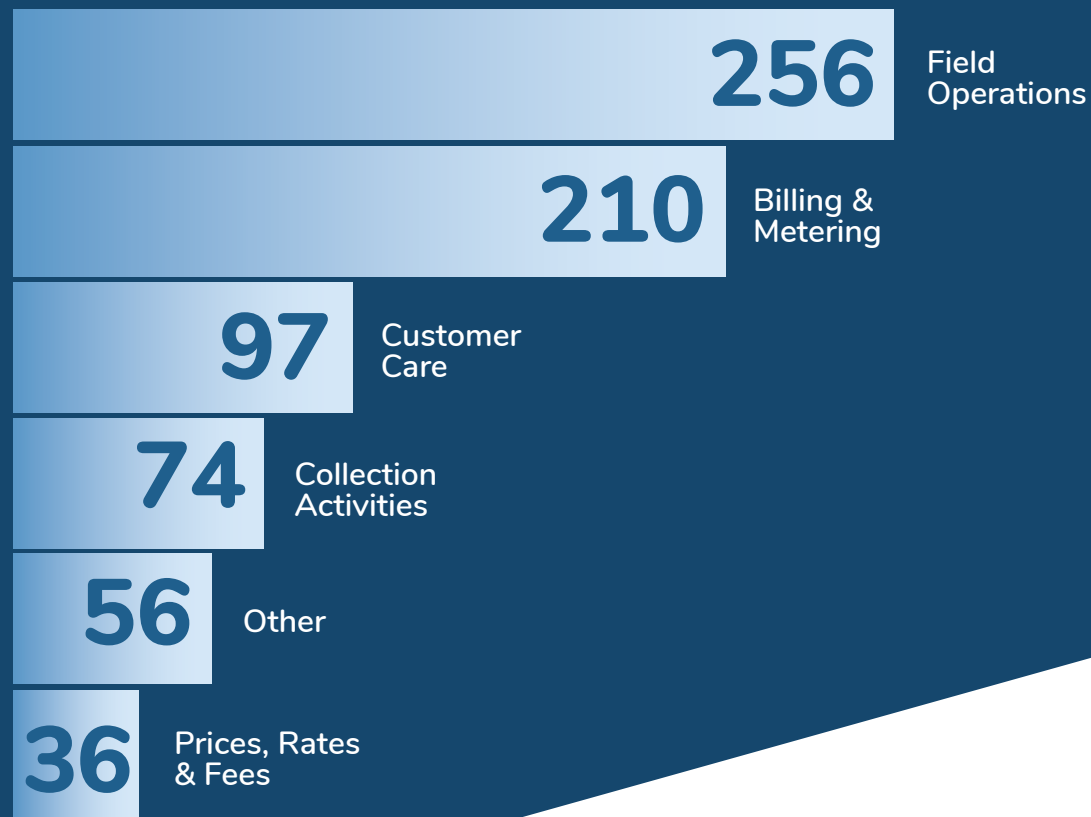
The 729 complaints handled by the Office in 2024 was 17 per cent lower than last year.

The only complaint categories that did not decrease in 2024 were Collection Activities and Other. Details about complaints in each of these categories follow on the next pages of this report.

As with past years, complaint numbers were lower in the first half of 2024, before increasing after the delivery of the Office's bill insert to all Hydro One customers in early winter. The complaints we received in the fourth quarter made it amongst the busiest in the past seven years. These levels of contacts continue to demonstrate the value our bill inserts play in raising awareness of the Office.

TOTAL COMPLAINTS HANDLED

729

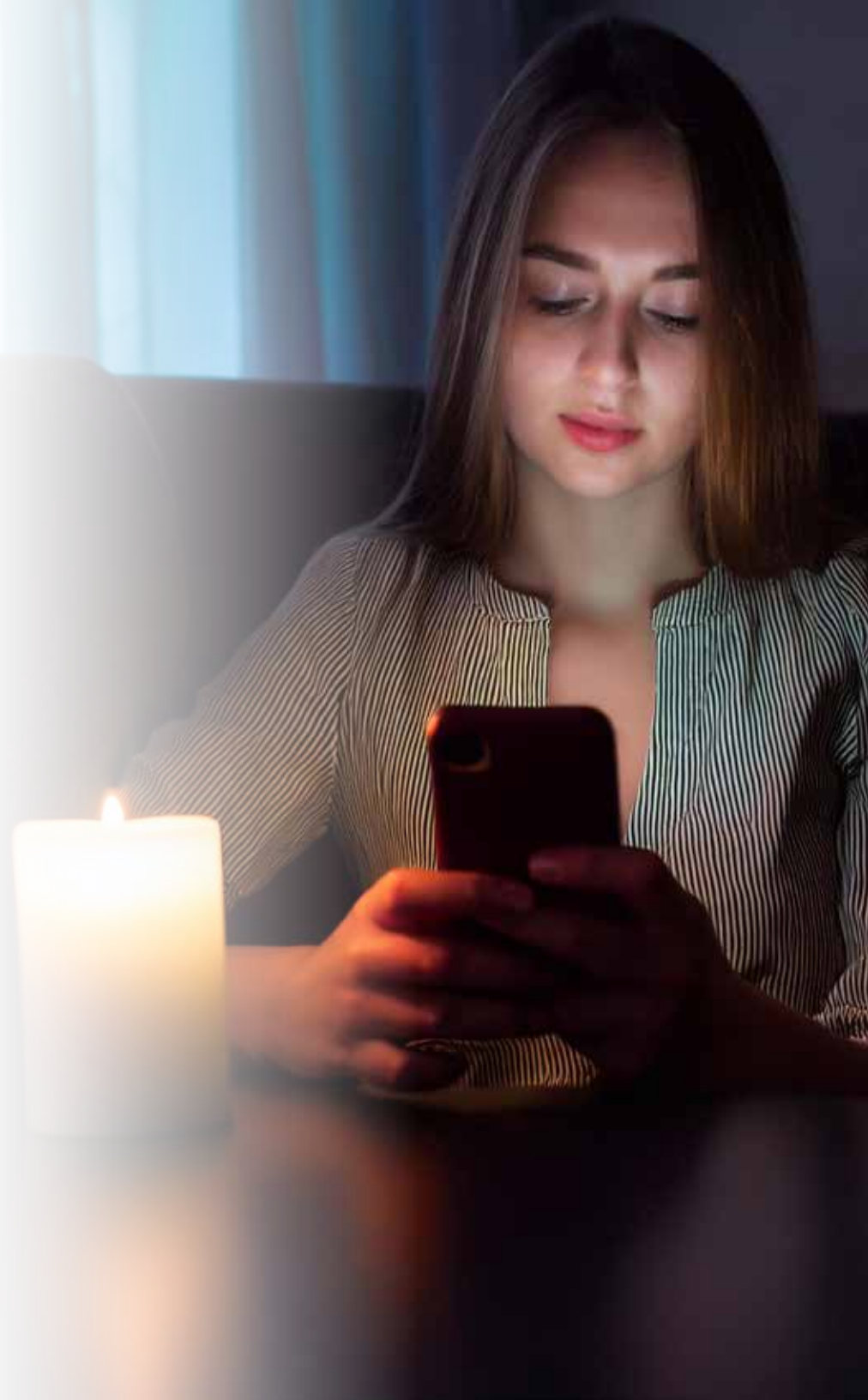


Field Operations

The Field Operations category includes a wide-range of areas of Hydro One's business. Whether it is connecting customers' new homes to the network, clearing away potentially dangerous trees, or dealing with power outages when they occur, it is unsurprising that Field Operations remained our largest complaint category in 2024. While there was 17 per cent reduction in complaints to the Office overall from last year, Field Operations complaints reduced by a total of 27 per cent. Of particular note, Forestry complaints were almost halved from 2023 and are at the lowest levels seen by the Office since 2018.

Complaints about the frequency of and duration of outages was almost 25 per cent lower than 2023 but nonetheless remains the largest single sub-category of complaints, not just in Field Operations, but across all categories. Although there was an overall decrease in Field Operations, complaints specifically about Real Estate related issues increased by 50 per cent. Complaints in this area include customer questions on the existence or validity of easements for Hydro One assets on private property, allegations that Hydro One staff trespassed on private property, concerns over the maintenance of Hydro One Rights of Way, and disputes over whether certain lines and poles are owned by Hydro One or privately by customers.

With the need for additional housing, Hydro One's traditionally rural service territory is undergoing extensive development, and it can be expected that these issues will remain a prevalent source of complaints to the Office in the years to come. Improvements by Hydro One to the management of its real estate records, streamlining of its Offer to Grant process for obtaining new easements, and the centralization of its real estate functions have helped to improve these functions within the company and will assist the company in dealing with complaints as they arise.

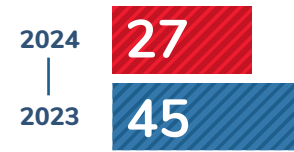


NUMBER OF FIELD OPERATIONS COMPLAINTS

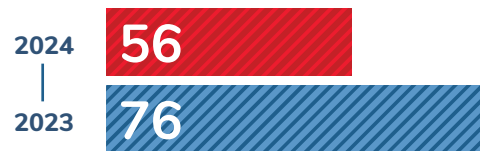
POWER QUALITY/OUTAGES



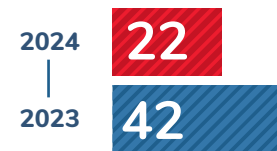
FIELD WORK



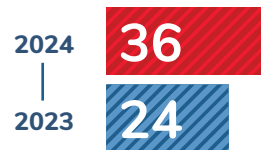
CONNECTION



FORESTRY



REAL ESTATE



HEALTH, SAFETY AND ENVIRONMENT



Clearing Up Ownership

The hydro lines and poles located on a customer's property are not always owned by Hydro One. In some specific cases the equipment may actually be owned by the property owner themselves, knowingly or not. This is significant because section 1.6.3 of Hydro One's *Conditions of Service* sets out that customers are responsible for all maintenance and vegetation clearance activities on their own customer-owned equipment.

Mr. A brought forward a complaint to the Office about who was ultimately responsible for clearing the overgrown vegetation surrounding the 90-meter-long overhead primary line ("Disputed Line") that was both located on and powering his property. When Mr. A had first contacted Hydro One, it had determined the Disputed Line was owned by Mr. A, and it was therefore his responsibility to clear the vegetation. Mr. A believed the company's decision was unreasonable and unfair, in part because he said historically Hydro One had always cleared the Disputed Line of vegetation.

When investigating these types of complaints, the Office examines a number of factors when assessing ownership of hydro equipment,

including but not limited to: current and historical maps, the presence of Hydro One barcodes, date nails on poles, ownership demarcation points, any records of Hydro One maintaining the line or clearing vegetation, and the existence of any easements. In reviewing the factors related to ownership in Mr. A's case, our investigation determined there was stronger evidence in favour of the Disputed Line being privately owned by Mr. A.

Despite the overall finding that Hydro One was reasonable in concluding the Disputed Line was privately owned, the evidence had also shown that the company cleared the Disputed Line of vegetation during previous forestry cycles. Accordingly, we certainly appreciated how Mr. A could have been confused as to line ownership and maintenance responsibility. To address this, we recommended Hydro One clear the Disputed Line of vegetation one final time, as acknowledgment of the company's role in Mr. A's confusion and providing him with the time to properly plan for the cost of doing so in the future, which would remain Mr. A's sole responsibility. The company accepted this recommendation.



“ The interactions with [the Ombudsman’s Office]...were professional, polite, respectful, thorough, knowledgeable, timely, objective and transparent.”

— HYDRO ONE CUSTOMER

Billing and Metering

The number of Billing and Metering complaints received in 2024 remained in line with the levels seen over the past three years. Since our Office saw a reduction in complaints this year, the Billing and Metering category grew as a proportion of our overall numbers. Most of the contacts were common customer service requests relating to accounts or bills. Unless the requests require action from the company, whenever possible, we provide answers to these inquiries and avoid referring them to the Customer Contact Centre.

In 2024, complaints about both the Billing and Meter Accuracy sub-categories increased, although the Office found no evidence of any systemic issues with Hydro One's processes and procedures. Instead, the increase in Billing inquiries was attributable to the Canada Post strike. Despite the company's efforts to increase paperless billing among its customer base, a significant number continue to receive their monthly bills by mail, prompting customers to contact the Office to ensure their payments were being received and applied appropriately, with no improper late payment charges being applied to accounts in error.

There is often a difference between what customers perceive their consumption to be and the actual amount of electricity used which leads to complaints about Meter Accuracy. We hear the common refrain of, "There is no way I used that much electricity." In reality, smart meters are rarely wrong. In 2024, Hydro One investigated 3,100 high bill complaints that required meter accuracy verification. In every case the meters passed the required accuracy standards. Customers who continue to question their meter's accuracy, even after Hydro One conducts their tests, can have the meters independently tested by Measurement Canada, the federal agency responsible for ensuring accuracy in the selling of measured goods. Five requests were made last year, and of the four completed investigations, all met the accuracy standards. The Office did not see any evidence to question the accuracy of Hydro One's meters.

BILLING AND METERING COMPLAINTS

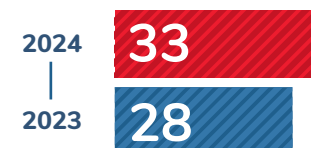
BILLING



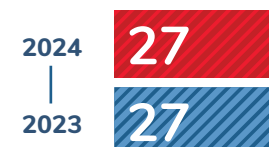
ACCOUNT



METER ACCURACY



METER READING



Mysterious Multiplier

Ms. L contacted the Office after noticing her electricity consumption was being multiplied 20x on her Hydro One bills. Despite several discussions with Hydro One, Ms. L remained concerned she was being over-charged for her electricity usage and sought our assistance.

The first step for this type of Billing and Metering investigation is to determine the customer's electrical service, which in Ms. L's case was 300-amp. This is important because a standard meter can only record usage for services up to 200-amp, which means additional equipment is necessary to record all of Ms. L's consumption.

To ensure accurate usage recording for Ms. L's 300-amp service, the company installed a Transformer-Rated Meter. Unlike a standard Hydro One meter that connects directly to the building it is servicing, a Transformer-Rated Meter connects to a device that lowers or "steps down" the electricity by a specific ratio to ensure the meter can accurately capture and record the stepped down usage. That usage then needs to

be multiplied by that same ratio to obtain the customer's actual usage for billing purposes. The use of Transformer-Rated Meters is permitted by Measurement Canada, the federal agency that ensures accuracy and fairness of measurements used in trade and commerce (like electricity meters) and is a standard practice by Hydro One for these types of services.

In Ms. L's case, the installed Transformer-Rated Meter was designed to measure electricity that had been stepped down to 1/20. This means, when Ms. L consumed 100 kWh of electricity, the meter would only capture and record it as 5 kWh. Hydro One conducted a field test which confirmed Ms. L's meter was only recording 1/20th of her actual usage. We explained these findings to Ms. L and confirmed the 20x multiplier applied to the usage on her bill was indeed correct. Since we found no unfairness by the company, no recommendations were made.

Customer Care

Customer Care complaints received by the Office were 25 per cent lower than last year - the lowest we have seen since 2019. While complaints about denied Damage Claims continues to be the largest driver of complaints in this category, even these complaints saw a reduction of almost one third from 2023. Damage Claims complaints remained the largest area for investigations by the Office, totaling almost half of all investigations completed in 2024, but there were far fewer instances where our investigations resulted in recommendations that the underlying denials be reconsidered by the company.

For the second straight year we also saw a significant decrease in complaints about Hydro One's Field Offices, with these complaints dropping 60 per cent from last year and are down a total of 90 per cent from their height in 2022. These results are a direct testament to efforts made by the company to improve the training, tools and technology necessary for this function to operate efficiently and effectively after our Office identified gaps in the Field Business Centres processes for handling of customer service requests.

Lastly, there was also a notable increase in complaints about Support Programs this year. An increase in these types of complaints is often an indicator that customers are struggling to pay their bills and need help. Since most support programs are offered by outside organizations, including the United Way and the Ontario Energy Board, we are limited in what is within our jurisdiction to review. While the Office cannot make recommendations on eligibility requirements, or the application of those requirements when approving or denying access to these supports, we can ensure that any involvement by Hydro One in administering these programs is both fair and reasonable. No issues of that sort were identified by the Office in 2024.



NUMBER OF CUSTOMER CARE COMPLAINTS

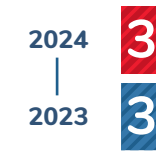
DAMAGE CLAIMS



CUSTOMER SERVICE



CONSERVATION



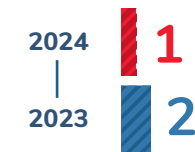
SUPPORT PROGRAMS



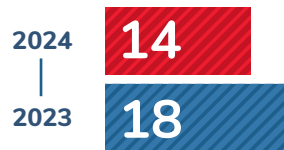
EMPLOYEE BEHAVIOUR



STATIONS AND LINES



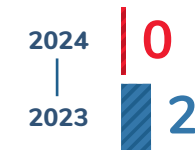
COMMUNICATIONS



REVENUE PROTECTION



CONFIDENTIALITY



CASE STUDY

Spa-tacular Claim

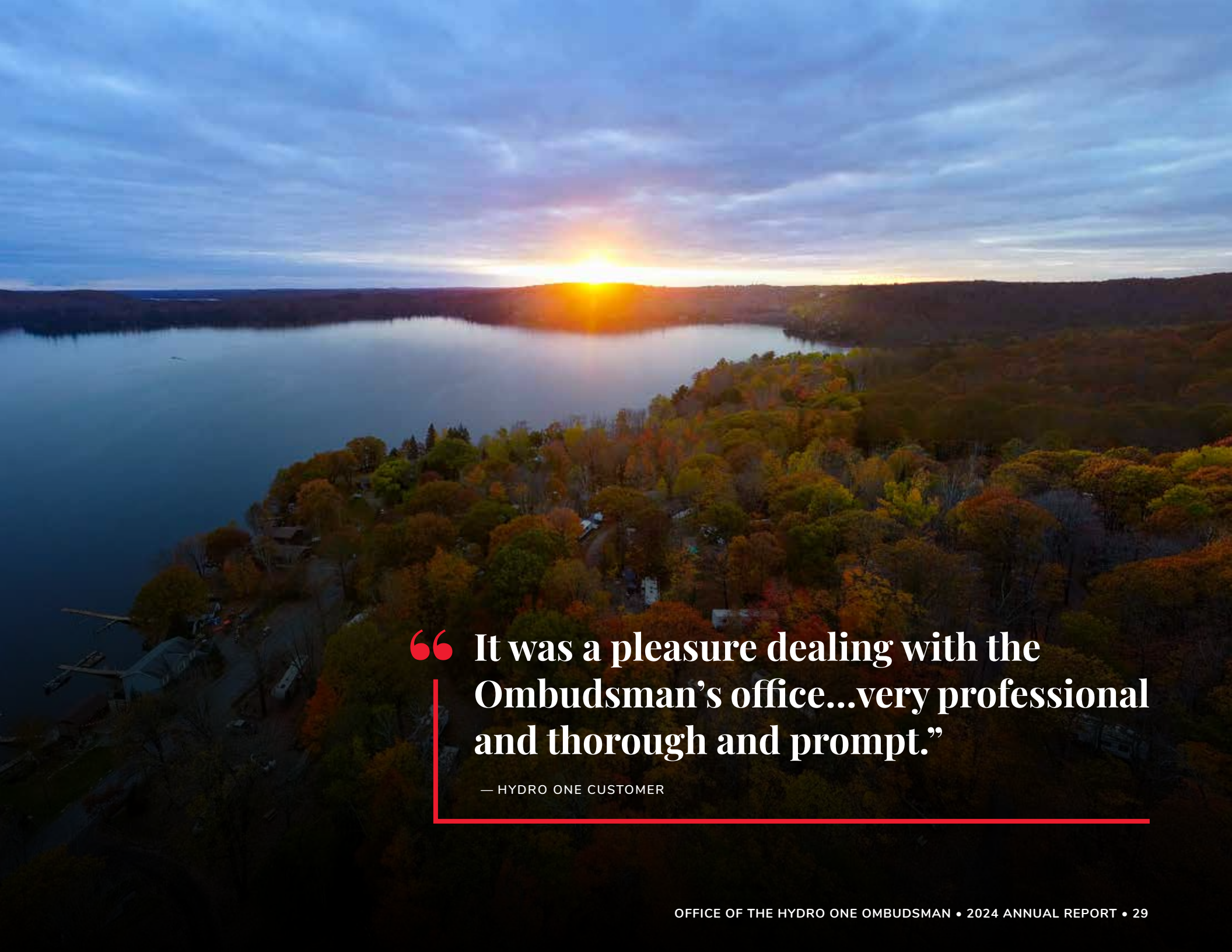
Ms. J is the owner and operator of a spa who experienced an unexpected power outage in September 2023. A Hydro One crew restored power that same day and determined a failed insulator to be the cause of the outage. An insulator is a piece of safety equipment that prevents electricity from flowing through the hydro pole itself. Unfortunately, after the power returned, Ms. J observed damage to various pieces of equipment at the spa and made a claim to Hydro One for the repair costs. After considering the claim, Hydro One concluded the outage was due to unexpected equipment failure and therefore it was not responsible. Ms. J felt it was unfair and came to the Office asking for a review of this denial.

In accordance with Hydro One's Conditions of Service, although the company is unable to guarantee a constant supply of electricity, it is nonetheless required to make reasonable efforts to do so. When equipment fails and causes damage to a customer's equipment, one of the key questions asked is what the company knew or ought to have known about the state of that equipment beforehand. This includes findings from any prior equipment inspections and the timing of when those inspections occurred.

The required equipment inspections are set out in the Ontario Energy Board's *Distribution System Code*. In this case, the poles and equipment were required to be inspected once every six years. The most recent inspection before the September 2023 outage was November 2022. The records from that inspection recorded no issues were detected, and it was on this basis that Hydro One had determined it was not liable.

While the November 2022 inspection noted no issues, our investigation found a previous inspection in April 2012 had identified certain insulators as needing replacement. Despite Hydro One's records indicating the defective insulators had been replaced in March 2015, our investigation determined this was not the case.

Given that there were known issues with the insulators which were not addressed prior to the September 2023 outage, the Office determined Hydro One's denial was not reasonable. We recommended Hydro One both reconsider the denied claim and replace any defective insulators remaining on the pole. Both recommendations were accepted by the company.



**“ It was a pleasure dealing with the
Ombudsman’s office...very professional
and thorough and prompt.”**

— HYDRO ONE CUSTOMER

Collection Activities

Collection Activities deal with the company's efforts to collect on unpaid customer bills and its pursuit of disconnections for those unpaid bills where warranted. Overall complaints in this category remained the same as 2023, ending two years of increases. However, there was a shift in the distribution of the type of complaints received. Collection complaints almost doubled as compared to last year whereas Disconnection related complaints decreased by almost half, marking the lowest levels since 2021.

These changes in complaint levels directly reflect changes in Hydro One's overall collections activities. Between 2023 and 2024, Hydro One increased the overall delivery of collection letters, better utilized email and text notifications for those with outstanding bills, and employed dedicated email and phone campaigns focused on collecting outstanding amounts owing. Through these increased efforts, more customers were bringing their accounts up to date before a disconnection, which should always be the last resort. This strategy proved effective as the volume of Hydro One disconnections for non-payment dropped by over 25 per cent from 2023 to 2024.

Whenever we receive Collection or Disconnection complaints, the Office looks to help customers identify underlying issues that may be causing or contributing to their payment challenges, identify potential community or government supports available, and work with Hydro One to find a workable solution that can avoid the need for disconnections. As with past years, we continue to find Hydro One eager to work with those customers who are willing to work with them.

COLLECTION ACTIVITIES COMPLAINTS

COLLECTION



DISCONNECTION



Best Estimate

Mr. J took possession of his new cottage property in the spring of 2021 (“the Property”). Since the Property is designated as “Seasonal”, Mr. J’s electricity bills are delivered once every three months. Due to the Property’s remote location, the electricity meter at the Property is unable to automatically send his recorded usage directly to Hydro One. As a result, three of the four bills Mr. J receives each year are actually estimated bills based on his historical consumption at the Property. In May of each year, Hydro One staff physically attends the Property to obtain the meter reading and subsequently issues a catch-up bill to Mr. J. The May catch-up bill acts to “true up” Mr. J’s account, after which he has fully paid for the actual usage at the Property for the preceding year.

The issue arose in the winter of 2023, when Mr. J began constructing a new cottage and used space heaters to warm the Property. When Mr. J received his May 2024 “true up” bill, reflecting the higher consumption, he was surprised by how high it was. Mr. J did not think it was fair for him to pay the entire amount because he did not know how expensive the space heaters were to run, and because the earlier bills were estimates, he had not had the chance to moderate their use or explore different

heating options. When Mr. J contacted Hydro One with his concerns, the company offered to waive the late payment fees on the amount owing, but otherwise maintained he was responsible for the full amount.

Our Investigation confirmed that Hydro One’s Conditions of Service details the company’s ability to issue estimated bills for Seasonal properties, so long as there is at least one actual read per year. Our Investigation confirmed this had occurred, and found it was not unreasonable for Hydro One to bill Mr. J in the manner that it had. In this case, Mr. J had owned the property for over one-and-a-half years, and should have been aware that all his bills, other than May 2024, were estimated.

In cases where a meter does not automatically transmit the usage to Hydro One, the usage is still being accurately recorded. Any customer with a non-transmitting meter can call Hydro One and arrange to provide meter readings to avoid this sort of situation from arising during the estimated bill periods. While this was an unfortunate situation for Mr. J, the Office found no unfairness on the part of Hydro One in seeking payment for the bill and no recommendations were made.

Smart Meters & Estimated Billing

Hydro One's interconnected system of Smart Meters not only record a customer's electricity consumption and the time of day it was used, but the vast majority are also able to automatically transmit that data back to Hydro One.

This system saves the company labour costs on meter readings, but also enables real-time information on usage that can be helpful to customers, especially now with customers increased choice of different rate options between Time of Use (TOU), Ultra Low Overnight (ULO), and Tiered.

However, with Hydro One's operations spanning the entire province, there are naturally going to be some meters that end up too far from the Smart Meter communications infrastructure for real time transmission. In these cases, Hydro One staff must physically attend those properties to obtain a manual meter read. Due to the remoteness of many of these properties, this is not something Hydro One is required to do every month. Instead, as set out in section 2.3.7.4 of its *Conditions of Service*, Hydro One is required to obtain at least one actual meter read per year and visually inspect the meter.

But what happens when a customer's bill is being issued and Hydro One does not have access to the actual meter read? Well, in cases like those the company produces an "estimated reading" for that bill's usage. These



estimated readings are based on the customer's historical usage, or if that is not available, the average usage for the rate class in that geographic area. Any bills including estimated readings are detailed in the "Meter reading details" section of a customer's bill.

Once Hydro One has access to an actual meter reading, a customer will then receive a reconciliation bill. This reconciliation bill serves to balance any differences between the bills using estimated readings and the actual meter read. Where the estimates were high, a credit can be applied, and where the estimates were low, the missing usage is added. It's members of the latter group who are more likely to contact the Office, especially after receiving a larger than expected reconciliation bill. In most cases,

there was a change in their consumption patterns (e.g. the addition of a pool or hot tub, renovations, etc.), that led to the higher usage.

In situations where a customer is aware of these sorts of changes, they can contact Hydro One to make arrangements to provide the meter readings to the company themselves, thus avoiding the large reconciliation bill altogether.

Prices, Rates and Fees

The Prices, Rates and Fees complaint category was over one third lower than last year and remained our lowest category of complaints in 2024. This reduction was driven by far fewer complaints about Delivery fees, which has always been, and remains the principle driver of complaints in this area. As with all electricity distributors in Ontario, Delivery fees are approved through a public application process that takes place at the Ontario Energy Board (OEB), the regulator that oversees the entire energy sector. Once these Delivery fees are established by the OEB, there is nothing our Office can do to modify its amount or application. It is through these monthly Delivery fees that Hydro One recovers its costs for delivering the electricity to its customers' homes, including activities like storm restoration, customer service, and system upgrades to improve reliability.

The majority of Delivery fee complaints received by the Office continue to be from customers who own seasonal properties that are primarily used only during summer months. Since the delivery charge a customer pays is comprised of a flat rate fee, plus an additional amount based on consumption, during the winter months when cottages are closed up and breakers turned off, seasonal customers think it is unfair that they still have to pay the flat rate fee portion of the delivery fees since no power is being "delivered". Despite this, Hydro One has to have power readily available to all seasonal customers, even if they are not using the property during certain months of the year. The monthly service charge portion of the delivery fee is necessary to cover the costs for a customer to be connected to and able to draw electricity from the distribution network when it is needed.

We also continue to see a decline in complaints about the actual price of the electricity itself. The Electricity Prices that Hydro One charges is set by the OEB, but unlike for Delivery fees, the amount Hydro One collects is remitted back to the producers of that electricity. The ongoing reduction in these sorts of complaints may be reflection of the limited regulated increases to these prices relative to the broad inflationary pressures people have seen on many other aspects of their lives.



NUMBER OF PRICES, RATES AND FEES COMPLAINTS

DELIVERY



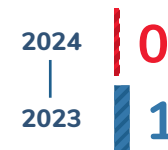
ELECTRICITY PRICES



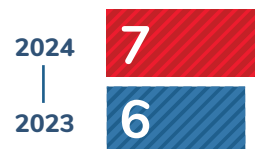
RATE CLASS



RETAILERS



MANDATORY CHARGES, MISC. FEES



Corrected Costs

Mr. D contacted Hydro One to begin the process for upgrading his service from 100-amp to 200-amp. Hydro One technicians visited Mr. D's property to see what work would be required to achieve this, and then issued him a design and contract ("Contract One"). Mr. D signed and paid Hydro One the amount owing for Contract One, however he later noticed he was being charged to replace a pole that Hydro One had previously identified as being set for removal. After speaking about this to the company, Hydro One agreed to issue Mr. D a credit for the costs he had been charged relating to the replacement of that pole.

The credit owed to Mr. D was set out in a second Hydro One contract ("Contract Two"). However, Hydro One calculated the tax incorrectly, resulting in Mr. D getting a larger discount than he was actually entitled to. Hydro One subsequently realized this mistake and sought to correct the amount of the credit set out in Contract Two. Mr. D complained to the Office, stating that Contract Two was a binding contract and the company was legally required to pay him the full credit, notwithstanding the clear error that had been made.

In responding to Mr. D's complaint, we noted Contract One mistakenly included a pole that was already set for removal, and it would not have been fair for him to have been required to pay for that work despite him already signing Contract One. Similarly, we found it would not be fair for Mr. D to benefit from the company's mistake when calculating the credit under Contract Two, simply because that error had been in his favour.

With respect to Mr. D's position that Contract Two was a binding contract and Hydro One was legally obligated to pay him the full amount, we confirmed that the Office cannot and does not provide legal advice or make legal determinations. If he wished to pursue the matter legally, the proper venue would be through the courts. We recommended Hydro One provide Mr. D with a service credit for the poor customer service he experienced with the mistakes in Contracts One and Two. The company accepted this recommendation and issued the credit.



“ I’m very happy that [the Ombudsman’s Office] got the ball rolling with Hydro One, something that I wasn’t able to accomplish on my own. I am grateful to know that there is an Ombudsman for Hydro One complaints...”

— HYDRO ONE CUSTOMER



“ The Ombudsman involvement should be mandatory throughout any government and business organizations. The Ombudsman makes organizations accountable for all services provided.”

— HYDRO ONE CUSTOMER

How Can We Help?



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Delivering fairness.**

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