



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

**OEB STAFF SUMMARY OF
COMMUNITY MEETING**

EB-2016-0091

LONDON HYDRO INC.

Application for 2017 Distribution Rates

January 26, 2017

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1 INTRODUCTION

London Hydro Inc. (London Hydro) filed a cost of service rate-making application with the Ontario Energy Board (OEB) on August 26, 2016 seeking approval for changes to the rates that London Hydro charges for electricity distribution, to be effective May 1, 2017. For a typical residential customer beginning May 1, 2017, the proposed increase was \$1.13 per month.

A Notice of Hearing was issued on October 17, 2017.

Further to the Notice of Hearing, the OEB hosted a community meeting on November 15, 2016 in London Ontario regarding London Hydro's application.

This is an OEB staff report summarizing the outcomes of this community meeting. This report will be placed on the public record of the OEB hearing of this application along with copies of any written presentations made at the meeting. This report includes a summary of comments, questions and concerns raised during the community meeting by customers who attended the meeting. This summary is intended to capture the range of perspectives that were shared, rather than to provide a verbatim transcript of the meeting.

Customers are also able to submit individual written letters of comment with the OEB, either during a community meeting or any other time during the course of the OEB's review of an application. The OEB places written letters of comment on the public record of the specific proceeding. All comments must be submitted to the OEB before the decision-makers in that case begin to consider their decision on the application. In making its decision, the OEB considers everything on the public record, including all comments when determining whether to grant the requests made by London Hydro in this application.

2 THE PROCESS

The OEB convenes community meetings in the service territories of local distribution companies that have applied to the OEB to change their rates through a cost of service proceeding.

Community meetings are part of the OEB's process of reviewing a rate application. The OEB has established a [Consumer Engagement Framework](#) to ensure that the perspectives of customers served by rate-regulated entities are considered in the OEB's decision-making process.

Community meetings are hosted by OEB staff who inform customers about the role of the OEB in rate-setting and the processes involved. OEB representatives explain the various ways that customers can become involved in the adjudicative process. A copy of OEB staff's presentation is attached to this report as Schedule A.

To assist customers in better understanding the application, the utility makes a presentation explaining its proposals for capital, operations and other spending that result in the requested rate change. A copy of London Hydro's presentation is attached to this report as Schedule B.

Customers and municipal officials are also invited to make presentations outlining their thoughts on the utility's proposals.

Following the presentations, customers have the opportunity to ask questions of the OEB and the utility about the application and the regulatory process. The issues raised by customers in the community meetings are documented and used by OEB staff in reviewing the application, asking interrogatories and making submissions to the OEB panel hearing and deciding the application. Any verbal comments provided to OEB staff at the community meeting are summarized in this report with no attribution.

In addition to providing verbal comments to OEB staff, customers attending the meetings may express their concerns directly to the OEB by providing individual comments (with attribution) through an online form on the computers provided or by filling in a hard copy comment form, which is then submitted to the OEB by OEB staff.

3 SUMMARY OF THE MEETING

The London Hydro meeting was held at the London Public Library in London, Ontario on November 15, 2016 from 6:30 p.m. to 8:30 p.m. Approximately 60 customers attended the meeting (40 officially registered) to hear presentations from OEB staff and London Hydro. Prior to the presentations, OEB staff and London Hydro staff were available to informally talk to attendees and answer questions. OEB and London Hydro representatives responded to questions from attendees during and following the presentations.

The following OEB staff and London Hydro representatives attended the meeting:

OEB Staff

Harold Thiessen, Senior Project Advisor, Case Manager, EB-2016-0091
Maureen Helt, Counsel
Sylvia Kovesfalvi, Manager, Stakeholder Relations
Andrew Bodrug, Consultant

London Hydro

Vinay Sharma, Chief Executive Officer
David Arnold, Chief Financial Officer; Vice-President of Finance; Corporate Secretary
Syed Mir, Vice President Corporate Services & CIO
William Milroy, Vice President Engineering and Operations
Martin Benum, Director Regulatory Affairs
Richard Stainthorpe, Director Logistics and Operations Support
Nancy Hutton, Director of Public Relations & Corporate Communications
Katrina Reinhart, Corporate Communications Assistant

The OEB and London Hydro presented at the meeting. There were two customer presentations at the meeting.

Meeting participants had questions related to the general cost of electricity in Ontario, how costs are so high and other issues generally unrelated to the distribution rate application.

General Cost of Electricity

Questions revolved around large increases, the reasons for those increases and how often rates seem to be increased in a year. High rates are destroying the middle class, utility salaries are too high and rate applications should include provisions to cut costs by 25%. Conservation measures are taken yet bills continue to rise.

London Hydro Application

There was acknowledgement that London Hydro is only 18% of the total bill. Some questions on programs such as Green Button. Specific questions on how meters are calibrated, how many private contractors are utilized to do repairs and the debt retirement charge.

Customer Presentations

There were two customer presentations:

1) The Monthly Fixed Charge is too high and the calculation of the average kWh for a 'typical' customer. The Fixed Charge increase is too high – 24% and this leads to customers being disadvantaged.

The Return on Equity is too high as there is little risk for a monopoly utility.

There are also no long term cost control metrics. Also, the OEB/London Hydro says the typical customer uses 750 kWh, but the London Hydro actual average is 500 kWh per month.

Recommendations:

There should be an e-mail to all who have commented tonight.

Fixed rate increase should only be 5% at the most.

There should be more of a focus on Cost Control, where is the visibility and metrics on this, they should be applying cost efficiencies like 6 Sigma.

ROE is too high and this should be addressed.

2) Issues with London Hydro customer service

This was a general complaint about London Hydro's accounting and billing system and customer service. The customer advocated that there should be no price increases until the accounting and billing system fixed. The customer said that OEB rules are not followed with regard to disconnection notices and that London Hydro was wasting money, grinding customers into the ground. The Smart Meter technology is full of problems, smart Meters are dangerous. Finally, the customer felt that too many in the industry make too much money.

4 COMMUNICATIONS AFTER THE OEB COMMUNITY MEETING

Following the meeting, customers that had attended the community meeting communicated with the OEB and raised the following issues:

LETTER 1

“What is missing from the OEB application process and review is operational efficiency and a medium term cost reduction plan. All applications from all aspects/components of the energy bulls to consumers should be rejected outright if they do not have a cost reduction plan.

The continual cost increases of hydro gas rates and unsustainable, high, and competitive rates are driving business out of the province and detracting from any new business growth in the province. Business will move to states or provinces or countries that have lower energy rates and meaning plans to reduce rates in the future. Depletion of business growth means declining jobs, higher unemployment, increased number of people requiring government assistance, decline in government revenues from business and consumers (ex: tax revenues), and increased poverty.

Increased utility rates and impacting the poor and destroying the middle class. The current situation is unsustainable and represents a continual cycle of decline for Ontario. Bloated salaries throughout the entire energy sector and massive inefficiencies are contributing to the unsustainability. This negative cycle must be stopped before it is too late. Ontario used to be a “have” province and we are a “have not” province and going down fast.

At the end of the day, if things don't change, there will be some rich energy sector employee who will have the lights on while all of the poor and large portion of the “former” middle class will have huddled around fire places (if they are lucky enough to have one) freezing and trying to read by candlelight.

The current situation can be transformed in five years. It will take courage, political will, and accountability (which is all currently lacking). Some ideas off the top of my head are:

1. All applications should be rejected outright if they do not include a 20% rate decrease within five years
2. All energy sector employees' salaries should be frozen for five years
3. All energy sector employees with salaries over \$130k/year should be reduced by 20%
4. Employees should be provided with incentives and bonuses up to 10% of their salary for recommending and successfully implementing cost savings initiatives

5. Full audits need to be done of all sectors and their results publicized
6. All members of management and executives need to be held accountable for efficient operations of their areas of responsibility.

This can be done. The time for positive action is now, before it is too late.”

LETTER 2

“I did not believe the typical client before. There was so much anger in that room. I felt like standing and screaming. Ontario is being destroyed; companies are leaving this province as fast as they can. The economy is being destroyed because energy costs are too high. People in control are making TOO much money! We are taxed to death (carbon tax). People at London Hydro are being given a bonus when 12,000 people in London cannot pay their hydro bills. We need to change immediately.”

LETTER 3

“My bills are budgeted 125 + 364. I own a small house in central London. The last Hydro bill I received was quite a shock! I am a widow living on a pension. What is the real reason for the excessive costs? Friends who live in some subsidized apartments tell me that the heat is turned so high they have to open their windows to tolerate being in them (apartments). This is a waste!

I know this is a city issue – still how much inefficiency is being passed along to tax payers? We are turning down the heat. We are turning off the lights, using energy efficient light bulbs, doing laundry in the middle of the night. All of these sacrifices are manageable for me because I am an unemployed senior – not so easy for young adults with 2 jobs and small children. I grew up in a farmhouse with a woodstove and we had a wood lot to supply the energy. Wood lots are very scarce today yet people want to revert to this form of heat. It is not a solution.

I have installed energy efficient windows and re-insulated my basement, all solutions that should lower my costs. This came at a big expense to me, yet my costs are not reduced.”

SCHEDULE A
ONTARIO ENERGY BOARD PRESENTATION
LONDON HYDRO INC.
DISTRIBUTION RATE APPLICATION
EB-2016-0091
NOVEMBER 15, 2016



Ontario Energy Board Commission de l'énergie de l'Ontario

About the Ontario Energy Board

OEB Community Meeting –
London, Ontario

November 15, 2016

Who We Are

- The Ontario Energy Board is an independent public agency.
 - Regulating gas since 1960 and electricity since 1999
- Our goal is to promote a sustainable and efficient energy sector that provides energy consumers with reliable energy services at a reasonable cost.



The OEB Sets Rates

- The OEB reviews the “rates” that a local utility can charge customers
- A rate is an amount that recovers:
 - a utility's costs of providing distribution service (e.g. operations, maintenance, administrative expense, capital projects)
 - a return on equity



Delivering Value – Ensuring Reliability

The OEB's job is to align various objectives to ensure reliability

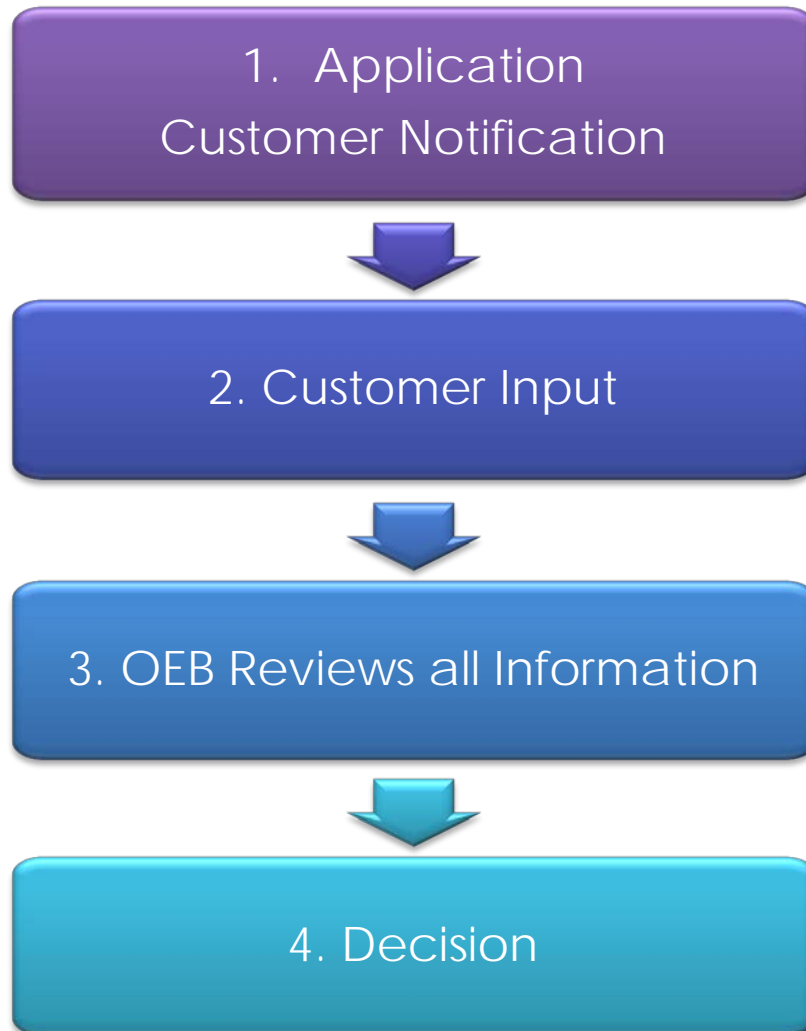


Prices, reliability
and quality of
service

Financially
viable
energy sector



OEB Rate-Setting Process: Hearing Steps



Oral or written

Number of activities at each stage

Various
Representatives

Timeline: ~ 9 months

Occurs every 5 years

Be Heard in the OEB's Process

1. Application
Customer
Notification



Social Media



Website



Newspaper Notice



2. Customer Input



Community Meeting



Write a Letter



Intervenor



Contact the OEB



3. OEB Reviews all
Information



4. Decision



Posted on OEB Website
& Sent to Participants



OEB Hearings

- Open to all
 - Evidence is public
 - All written hearing materials posted on OEB website
 - All oral hearings open to the public and broadcast through OEB's website



What Can You Do?

- OEB wants to hear from you. We encourage you to:
 - Ask questions
 - Provide comments (in hard copy or on laptops)
 - Attend or listen in on the hearings
 - Follow the proceedings
- Your voice helps the OEB do our job:

Ensuring utilities deliver value by focusing on what matters most to you



What Happens Next?

- The OEB Panel decides on written or oral hearing
- Then they consider the information
 - Utility's application
 - Your comments
 - Intervenor submissions

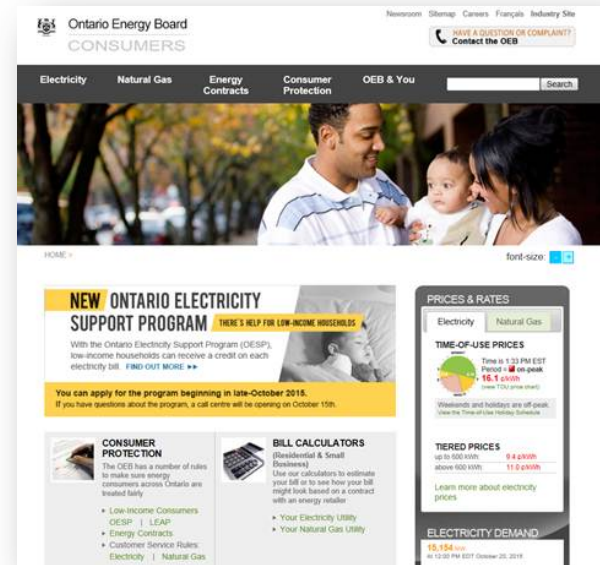


Contact OEB to Learn More

Visit our website



416-314-2455
Toll Free 1-877-632-2727



www.ontarioenergyboard.ca



Twitter: @OntEnergyBoard



Address: Ontario Energy Board, 2300
Yonge Street, Suite 2701, Toronto,
Ontario M4P 1E4



Ontario Energy Board
Commission de l'énergie de l'Ontario

Your Voice Matters – Thank You



SCHEDULE B
LONDON HYDRO PRESENTATION
LONDON HYDRO INC.
DISTRIBUTION RATE APPLICATION
EB-2016-0091
NOVEMBER 15, 2016



**London
Hydro**

OEB Community Meeting

251 Dundas Street

Tuesday, November 15, 2016

London Hydro

A white rectangular sign with a red lightning bolt logo on the left and the text "London Hydro" in a bold, sans-serif font.

London Hydro is

100%

**Owned by the
City of London**

YOU



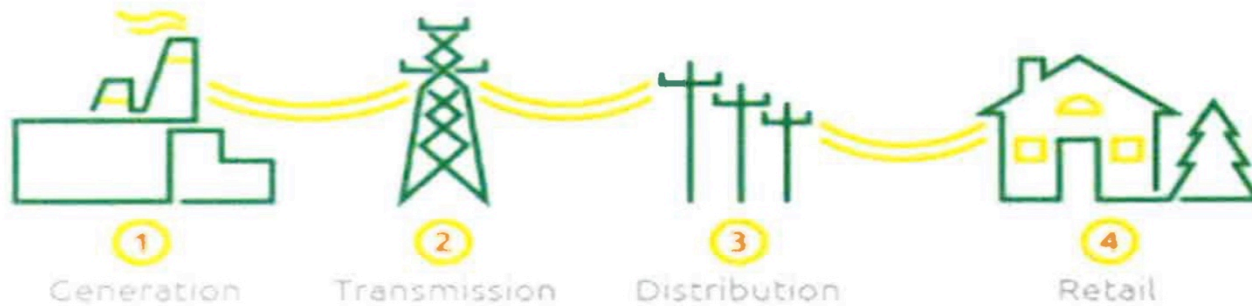
**London
Hydro**



**London
Hydro**

**Your Local
Electricity Distributor**

Ontario's Electricity Sector



1 – Generators

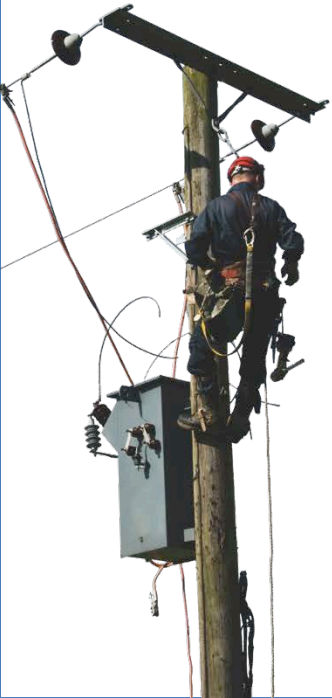
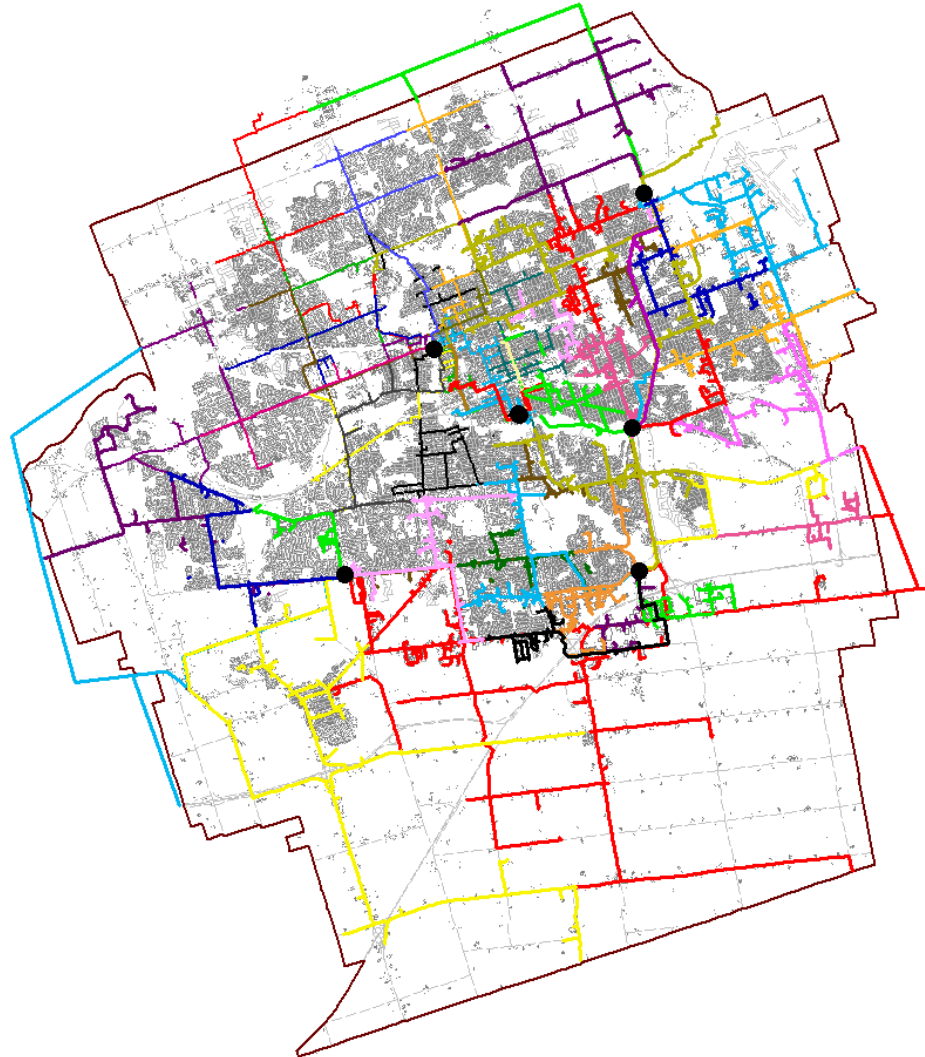
2 – Transmitters – Hydro One and others

3 – About 72 local electricity distributors

4 – About 5 million electricity customers



London Hydro's Distribution System





111 Horton St
P.O. Box 3060
London ON N6A 4J8

Billing Number : 1234567

Please use the billing number above when paying online.
This bill may be paid at most financial institutions.

Billing Date	Oct 20, 2016
Total Amount Due	\$194.15
Due Date	Nov 07, 2016
Payment Enclosed	

88132432232
SAMPLE CUSTOMER
1234 MAIN STREET

1234 MAIN STREET

Your Electricity Charges

13th Oct / Sep 20, 2016 - Sep 19, 2016

The average residential

bill is

\$143.01/month

for 750kWh



London
Hydro

Electricity supplied by London Hydro

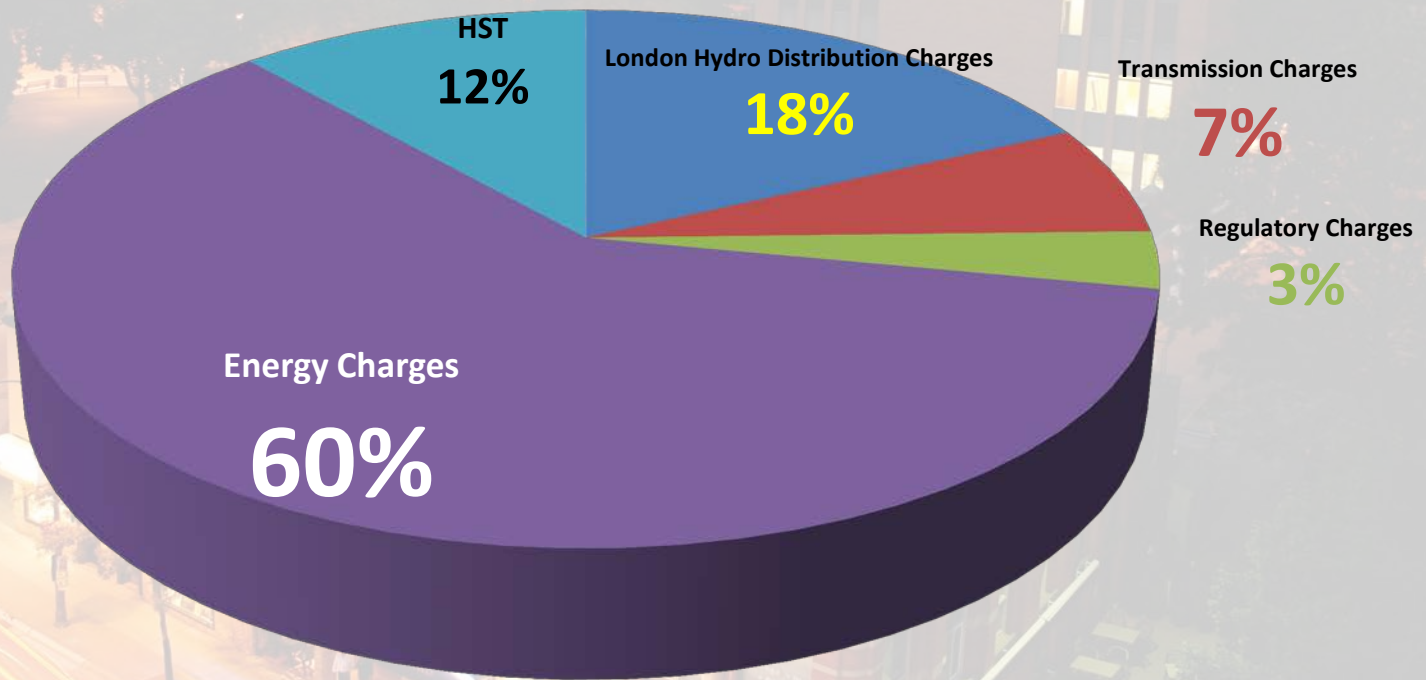
On-Peak 135.00 kWh x \$0.18/kWh	\$	24.30
Mid-Peak 225.00 kWh x \$0.075/kWh	\$	16.83
Off-Peak 487.50 kWh x \$0.087/kWh	\$	42.41
Delivery	\$	38.11
Regulatory Charges	\$	4.91
Debt Retirement Charge	\$	0.00
HST (#86483 7430)	\$	16.45
Total Electric Charges	\$	143.01



London
Hydro

Powering London.
Empowering You.

London Hydro operates your local distribution system on only 18% of the total bill



Our Application for Cost of Service Rates

\$0.83

~~\$1.13~~ increase in OEB's ad

- This increase **does not** include efficiencies & other adjustments

Overall, we are actually **reducing bills by 79¢**



London
Hydro

Our Application for Cost of Service Rates

What is the change on Residential customer bill based on 750 kWh per month?

	2017	Thereafter
Current Bill	\$143.01	\$142.22
Change in:		
Base Delivery Charges	\$ 0.46	\$ 0.46
Revenue True-up	\$0.37	
System Efficiency	(\$0.29)	(\$0.29)
Other adjustments	(\$1.24)	
HST Changes	(\$0.09)	\$0.02
Total Proposed Changes	\$ (0.79)	\$0.19
Proposed Bill	\$142.22	\$142.41

OEB Notice
\$0.83

The rate change would take effect on
May 1, 2017

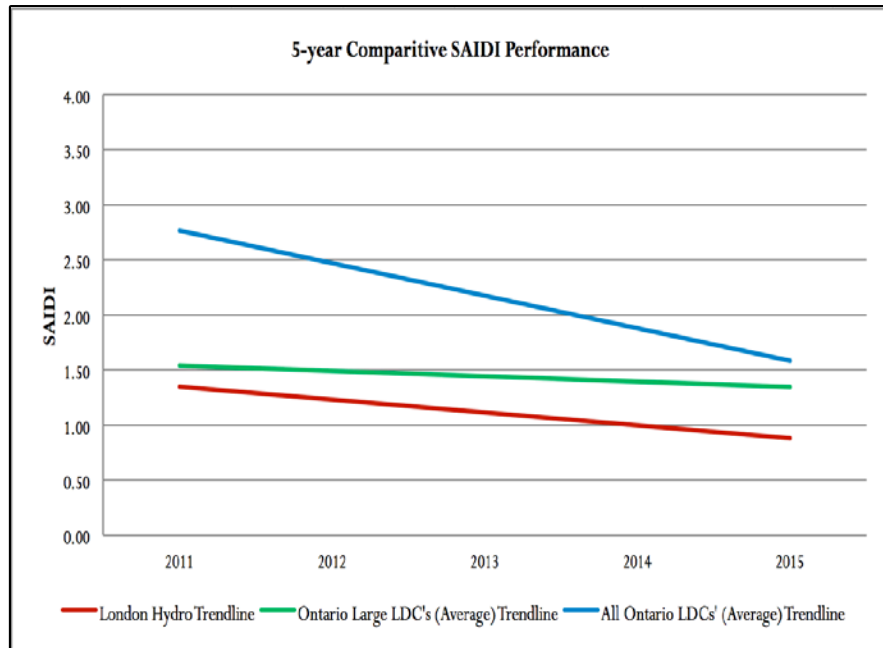


London
Hydro

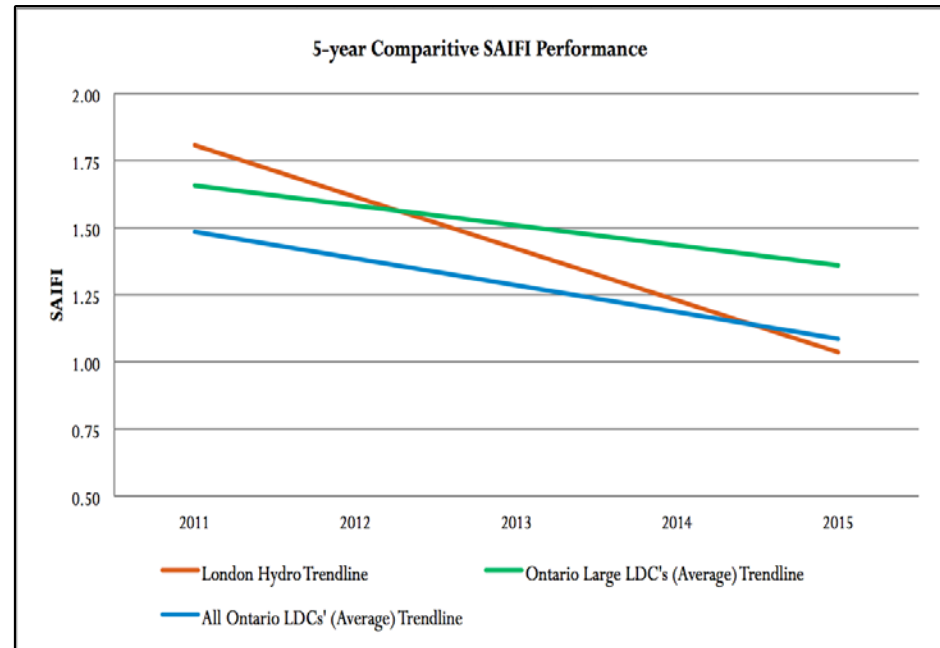
Value to Our Customers

London Hydro provides a high level of reliability to you

Duration of Interruption



Frequency of Interruption



Notes:

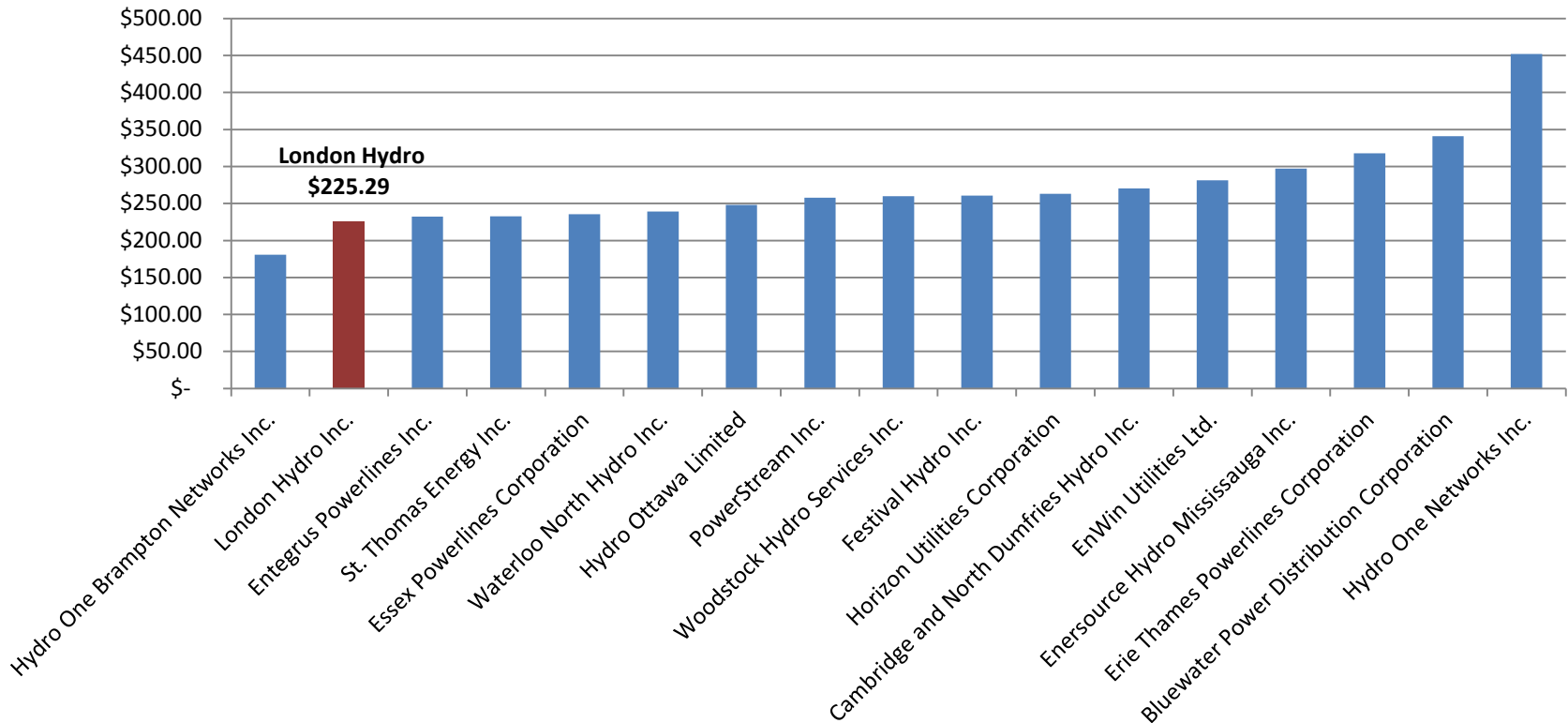
SAIDI = System Average Interruption Duration Index

SAIFI = System Average Interruption Frequency Index

Value to Our Customers

Our reliability is high and our costs are low

OM&A per Customer



We invest to provide services to you

- **Revitalizing Our Downtown**

- New Nelson Transformer Station & Network Upgrade

- **Rebuilding Where We Live**

- Silicone Injections
- Replacing & Rebuilding Overhead Powerlines
- Repairing Failed Underground Cables

- **Growth & Development**

- Commercial & Industrial as well as residential growth

- **Making the Electrical Grid More Robust**

- To enhance contingency & security of supply

An Example:

Our Silicone Injection Initiative

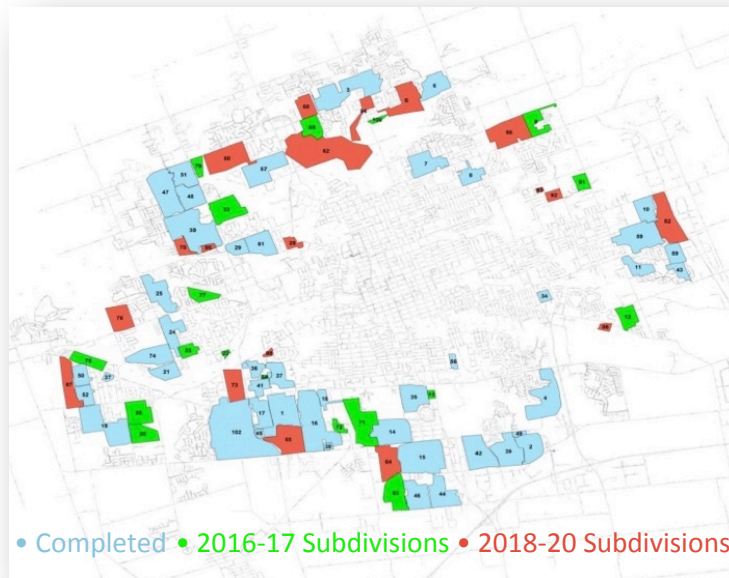
This program is to rehabilitate primary cables through silicone injection.

Instead of replacing the underground cable which involves “open trench” methods the injection process minimizes the impact to our customers yards while still achieving increases in the lifespan of polymeric cable by adding another 40 years of service.

We have rehabilitated approximately 400 km of cable.

Average cost per meter replacement is \$54 versus injection cost of only \$31

On average, injections result in a \$1 Million saving each year.



Customer Outreach

We continually listen to you

- **London Home Builders Association Lifestyle Home Show**
- **London Spring Home & Garden Show**
- **Focus Groups**
 - With commercial, industrial & London Property Management Association
 - Personal meetings with large customers
- **Power of Collaboration Conference**
 - Commercial & Industrial information session
- **Community Events**
 - Westmount Mall; Byron Library; Argyle Library; Cherry Hill Village Mall
 - Speaking engagements, ie. LEDC, Chamber of Commerce, Rotary Club, and community groups
- **Western Fair**
- **Annual General Meeting** – open meeting at City Council

Low-Income Energy Assistance Program to help manage energy costs for customers facing financial hardship. Distributed through the Salvation Army (\$200,000)



**London
Hydro**

Energy Efficiency Upgrade Program for municipally owned Social Housing apartments and homes will give 3,245 homes access to energy efficient upgrades and tenants will see a combined total of \$400,541 energy cost reductions per year

Energy Cost Reductions Per Year

Tenants \$400,541

LMHC \$62,289



**London
Hydro**

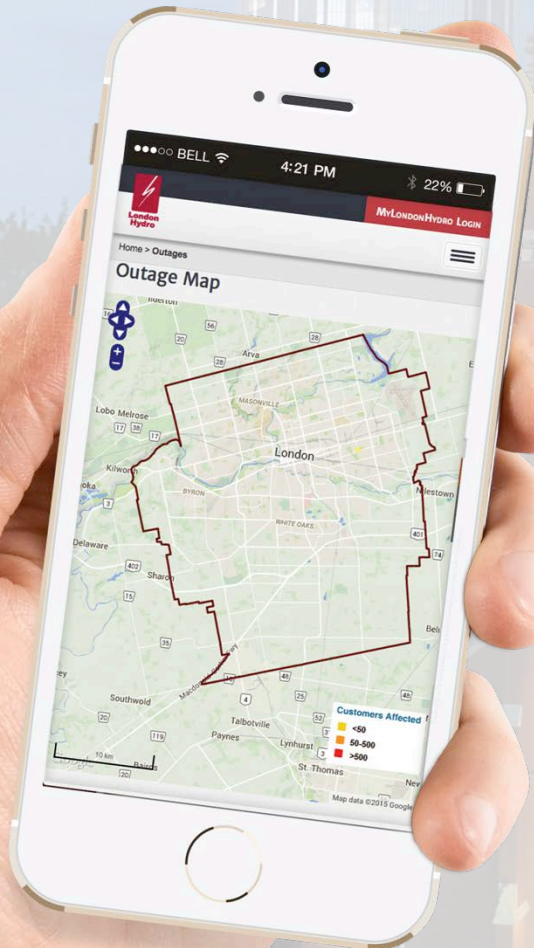
Benchmark Performance

Your London Hydro is a Top Performer

Distributor	Customer Satisfaction Survey Results	Average Number of Hours Power to Customer is Interrupted	Average Number of Times Power to Customer is Interrupted	Efficiency Assessment (1 = most efficient 5 = least efficient)
Bluewater Power Distribution Corporation	74% Good	3.28	2.09	3
Cambridge and North Dumfries Hydro Inc.	A	1.08	1.36	3
ENWIN Utilities Ltd.	Good	1.06	1.88	4
Erie Thames Powerlines Corporation	89%	0.73	0.48	3
Festival Hydro Inc.	79	1.02	1.21	4
Hydro One Networks Inc.	85%	12.22	3.07	5
London Hydro Inc.	A	1.04	1.22	2
St. Thomas Energy Inc.	B+ A A	0.35	1.04	3
Woodstock Hydro Services Inc.	96.4%	0.43	0.80	4

London Hydro is a highly efficient utility as rated by an OEB appointed 3rd party

Innovation: Smart Apps for You



- Outage Management System (OMS)
 - Email notifications
 - Twitter
 - Phone

Contact London Hydro to sign up today!
- Commercial/Industrial Customer Energy Management Tool

Innovation: More Convenience for You (and Efficiency in Operations)

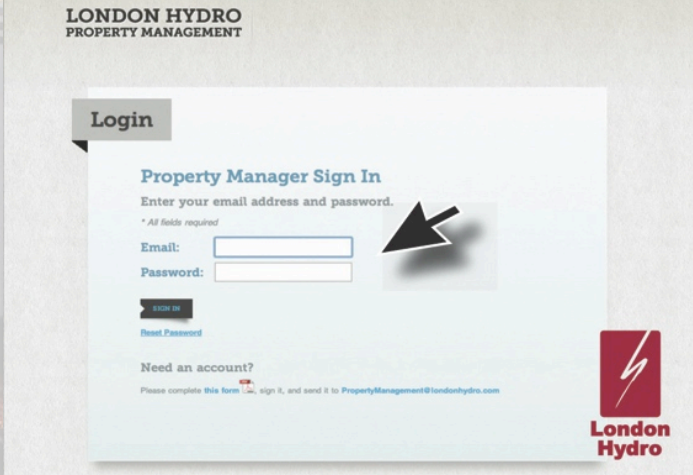
- **Online Self Services**
- **MyLondonHydro** – secure online access to account information and services 24/7
 - There are currently over **74,400** MyLondonHydro users
- **Paperless Billing/Aeroplan**
 - **43,500** customers are on paperless billing with **5,430** collecting Aeroplan Reward Miles
- **Move-in/Move-out** – convenience of requesting new service or ending of service



**These services help us become more efficient
and keep your costs low**

Innovation: More Convenience for You Cont'd

- Phone/Online Self Service Features
- Payment/Reminder Alerts
- We deliver energy conservation programs
- Property Management Portal (PMP)
 - PMP allows multi-unit residential customers to manage their properties with features such as move-in/move-out
 - There are over 18,000 locations registered in the PMP



LONDON HYDRO
PROPERTY MANAGEMENT

Login

Property Manager Sign In
Enter your email address and password.
* All fields required


Email:

Password:

SIGN IN

[Reset Password](#)

Need an account?
Please complete [this form](#), sign it, and send it to PropertyManagement@londonhydro.com


London Hydro

**These services provide you
convenience 24/7**



Extraordinary Service to Our Customers



INTERVAL DATA CENTRE

Manage your energy with IDC, a web-based data analysis system designed to help you monitor your energy usage

CONTACT US ILC@londonhydro.com

My Interval Usage

Select Report - Detail Profile

Billing #: 000000

Channel: kWh RollClock: 15 Minutes CLOCK Period: Aug 15, 2015 to Aug 11, 2015

WASTE SYSTEMS

125 BROADVIEW ST. E. LONDON ON N6A 2M6 Meter #: 000000

Multiple Account

Dashboard

Interval Data

ANNOTATION

Add and drag on chart to zoom in

Aug 15, 2015 18:45 EST to Oct 11, 2015 07:30 EST

Lighting LED Lighting project completed

Tag your data to illustrate or remind you of important activities that impact your load

Multi-franchise customers or customers with multiple meters can easily compare how each facility is performing.

Meters can also be configured in groups to display or export an aggregate or total load.

For more information please contact: Paul Kilbourne, London Hydro kilbours@londonhydro.com Phone: 518-861-5300 Ext. 5940

“...enables our School Board to view the electricity usage data for over 150 schools across seven LDCs. This service saves time and money...”

- Michael Colquhoun, Energy Management Coordinator, TVDSB

“Thank you as always... I am always proud to tell my Energy colleagues that Western has the best LDC in the Province”

- Paul Martin, Director Business Operations, Western University

“The knowledge we can gain from the data is enormous and having it online is a great asset for us.”

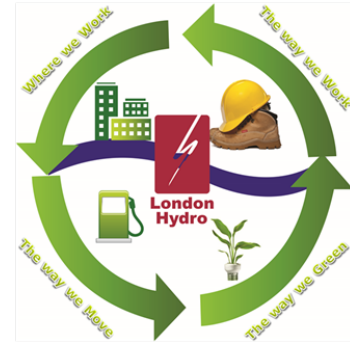
- Mary Quintana, Compliance Coordinator and Energy & Water Projects, Facilities Management, Western University

“Event Assist will help Budweiser Gardens better understand hydro usage by the size, type and configuration of each event... Working with the team at London Hydro has shown me what a truly professional organization they are from top to bottom.”

- Gary Turrell, Director of Operations, Budweiser Gardens

London Hydro's Sustainability Program Results

- Electricity reduced by 1.8%
- Natural Gas reduced by 12%
- Water reduced by 2.7%
- 6.4% (litres/100 km) reduction in fuel use in 2015
- 174 refurbished transformers
- App. 2,390 tonnes recycled in 2015
- Waste to landfill reduced by **12.8%**



We are a socially responsible & sustainable company



**London
Hydro**

**Your Local
Electricity Distributor**

London Hydro

CUSTOMER ENGAGEMENT SOLUTIONS

Residential

<p>1 Can you tell me when there's an outage ?</p>  <p><i>YES ! Our real time notification lets you decide how you receive messages re: ongoing outages and Restoration times.</i></p> 	<p>2 Can you help me manage my electricity costs ?</p>  <p><i>YES ! - Our automated Payment Arrangements & powerful Time of Use disaggregation software will help you shift and reduce your consumption.</i></p> 
<p>3 Can you help me manage my parent's or kids account ?</p>  <p><i>YES ! Our "delegation" feature allows relatives and partners to share accounts remotely.</i></p> 	<p>4 Can you help me conserve ?</p>  <p>Paperless Billing</p>  <p>GreenHome</p> <p><i>YES ! London Hydro is a leader in providing you access to many powerful solutions to help you conserve e.g. Paperless Billing.</i></p>
<p>5 Can I earn reward points ?</p>  <p><i>YES ! You can earn one-time plus on-going Aeroplan points when you sign up for various conservation programs like paperless billing.</i></p> 	<p>6 Can you help me with my move ?</p>  <p>Move In ! Move Out !</p>  <p><i>YES ! Our self serve Move In / Move Out functionality takes the hassle and the time out of changing locations.</i></p>

hydro