



**Hydro One Office of the Ombudsman**  
**Annual Report**  
**2016**

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To the Chair of Hydro One David Denison and members of the Board of Directors

Pursuant to the Ombudsman's Mandate and Terms of Reference, I am submitting the first Annual Report for the period March 14, 2016 to December 31, 2016.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sophie Petrillo', written in a cursive style.

Sophie Petrillo  
Acting Manager

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## 1.0 Opening Message

The Office of the Ombudsman is pleased to submit its first Annual Report to the company's Board of Directors. This report covers the period from the opening of the office on March 14, 2016 to December 31, 2016.

Hydro One is required by Ontario's *Electricity Act* to have an Ombudsman. The mandate for the Ombudsman was approved by the Board of Directors in October 2015. Fiona Crean was appointed as the company's first Ombudsman at the end of 2015 and held this position until March 2017. Ms. Crean's leadership and guidance during our first year of operation was invaluable and we thank her for all of her work in establishing an office dedicated to fairness and accountability in the administration of Hydro One's services. We will continue to build on this strong foundation.

The Office opened for business in March 2016, after hiring staff, building our website, and developing the standards and procedures for handling complaints. We have posted these standards on our website so that the public can know what we do, what we cannot do and what to expect from us.

Our focus is twofold. We respond to individual complaints and help senior managers identify and proactively make improvements to service. This collaborative approach is essential, as advising and giving feedback to management is the best way to solve problems before they happen. While independence from the management and operations of an organization is fundamental to the work of an ombudsman, independence alone will not ensure the Office's success. The hard work of the Ombudsman team is showing positive results for Hydro One. Our work has been aided by the many Hydro One employees who have helped us understand their responsibilities.

On a final note, we wish to thank the many members of the public who filed complaints and told us their stories.



Sophie Petrillo  
Acting Manager  
Hydro One Office of the Ombudsman

## 2.0 The Story by the Numbers

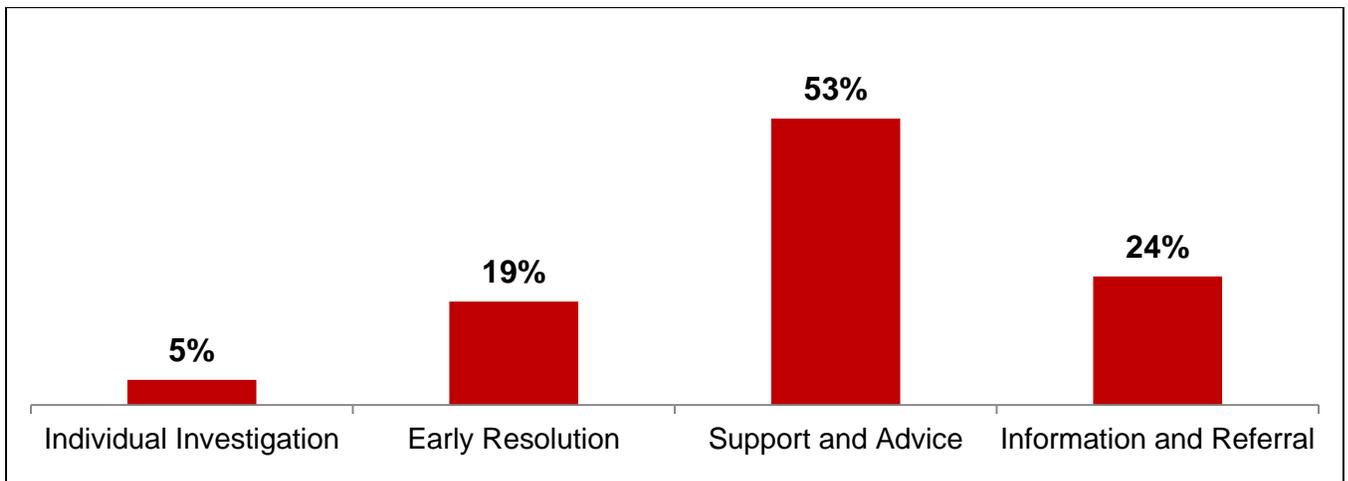
In 2016, the Office received 1,919 complaints. Of these, 112 were discontinued leaving the Office with 1,807 complaints that were addressed and brought to conclusion in 2016. Nine of these complaints were carried over into 2017.

Ninety-three percent of the complainants were identified as residential, while 3% were commercial.

### Types of Complaints

When a complaint is filed, it is screened to assess which of four categories best capture the stage at which the complaint is and the level of effort required to resolve the matter. Investigations require an in-depth review while Early Resolution complaints lend themselves to less formal opportunities for resolution. The third category of Support and Advice is one in which we offer advice and help to enable complainants to resolve their concerns. Complaints of a non-jurisdictional nature are tracked separately and classified as Information and Referral.

### Distribution of Complaint Type



The Office conducted 85 (5%) investigations in 2016. Investigations are generally undertaken when the subject matter is more complex and the complaint has already been through the company's escalation process.

Twenty percent or 343 complaints handled were classified as early resolution. These included some premature complaints that were not considered efficient to re-direct back to Hydro One. Most complainants (38%) had already contacted Hydro One about their complaint and had been through the early stage of the complaint process.

Approximately one third (34%) had exhausted the complaint process and close to

another third (28%) had not contacted Hydro One at all about their complaint before coming to the Ombudsman.

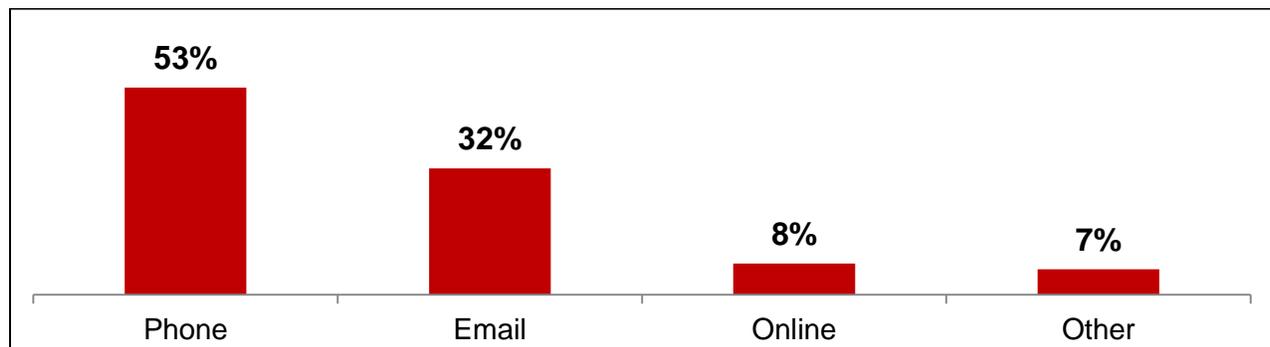
Fifty three percent of the complaints (952) submitted to the Ombudsman were provided with support and advice to help individuals resolve their issue with the company.

The bulk of complaints classified as Information and Referral concerned issues such as provincial electricity prices. There were a total of 318 such complaints (18%) in 2016. This group of contacts is standard for an ombudsman to receive and provide an opportunity to educate and inform individuals.

### **Origin of Complaints**

The majority (53%) of all complaints handled originated from the office's phone lines. A significant portion of complaints were filed electronically, of which 585 (32%) came through email and 145 (8%) from the online form available on the Office's website.

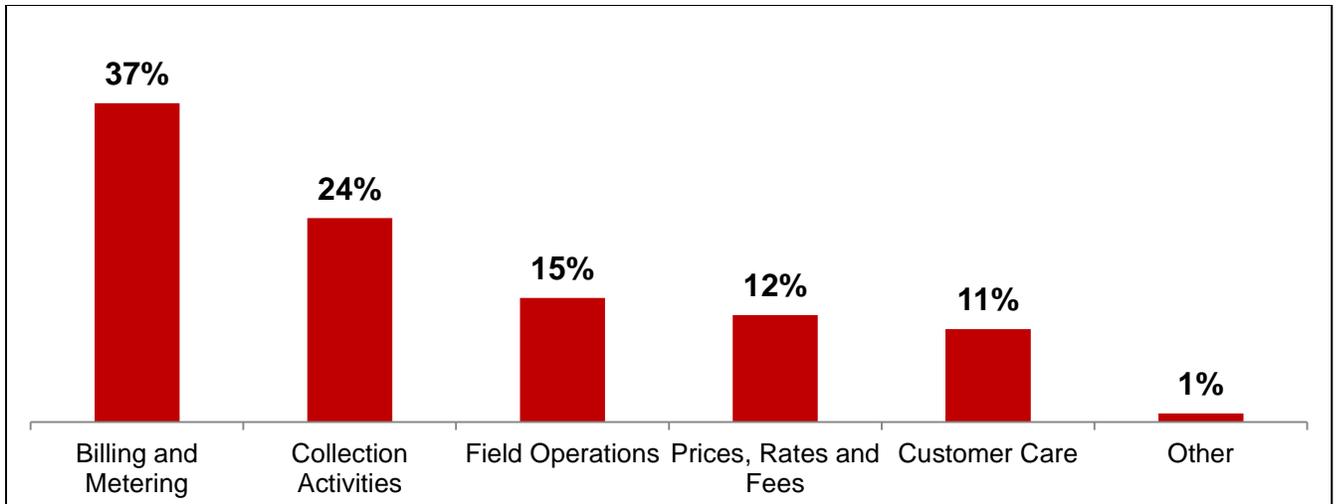
A number of complaints also originated from outreach and community meetings, by mail, elected officials, and through internal sources at Hydro One.



### **Most Common Complaints**

The main sources of complaint were meter accuracy and estimated billing; disconnections and collections; delivery charges; and high electricity prices. When the Ombudsman's Office looked into these complaints, it often found that internal practices contributed to the problems. The practices included:

- delays in handling the complaint
- complexity of the company's complaint process
- answers that customers were not able to understand
- insufficient information



Nearly 40% or 555 complaints within the jurisdiction of the office were about billing and metering concerns. There were 206 complaints about the issuance of bills (e.g., not receiving bills or bill produced late), payment options and refunds, budget billing, and issues about information on and responsibility for an account (e.g., landlord and tenant disputes).

There were 249 (23.4%) complaints about metering which related to accuracy of the customer's meter or complaints about estimated bills.

Collection activities made up 24% (355) of complaints made to the Ombudsman. They were for the most part about the conditions associated with reconnection.

Field operations made up almost 15% (216) of complaints. They concerned complaints about poles, wires and other physical assets required to safely and reliably operate the networks. Most complaints (56) were about vegetation management. Complaints regarding a service connection, delay in completing a service request or power quality also fell within this category.

Prices, rates and fees made up 186 (12.5%) complaints ranging in subject matter from delivery charges to rate classes.

There were 162 (11%) complaints about customer care. This category includes six complaints about rules and conditions in the utility sector; 55 complaints about programs such as conservation; and support programs delivered or advertised by Hydro One, such as the Low-Income Energy Assistance Program or the Ontario Electricity Support Program.

There were 39 complaints about Hydro One's mass market communications such as bill inserts and online tools. There were 62 complaints about the process involving insurance claims.

## **Complaint Themes**

A prominent theme in complaints received concern customers' communications with Hydro One. In those cases, customers did not believe Hydro One cared about their circumstances or would understand their story. They understand they must pay their bills but could not comprehend why some people were disconnected for small amounts, while others were allowed to continue accruing debt.

The company was often correct in its decision, but its explanations caused the customer to have mistaken assumptions about their situation. Take, for example, budget billing and installment plans for the payment of an account in arrears. Hydro One offers them as two separate services. When a customer on both plans calls with a bill problem, the company representative may respond to only one part of the underlying cause of the problem. This leaves the customer without a full understanding of their problem.

A number of customers complained about the accuracy of the readings and the estimated bills that occur when they do not have access to 'time of use' billing and smart meters. Those complainants often say they do not understand their bills and are confused by the way the information is presented.

The silos of some operations at Hydro One are a source of a number of complaints. For example, individuals were grateful when Hydro One employees removed unsafe vegetation and trees from around poles and wires but were frustrated when told it may be weeks or months before the debris is removed because another department is responsible for taking it away.

### **3.0 Meeting our Service Standards**

When the Office opened for business in March 2016, it set some service standards which are posted on the website. Like any new office, adjustments are being made as we become more familiar with the issues and gain experience on the ground.

#### **Complaint Handling**

The Office has a policy to acknowledge complaints. That policy states that i) phone calls are returned no later than 24 hours of receipt (except on weekends), ii) emails are acknowledged within 48 hours of receipt, and iii) regular mail is acknowledged within 72 hours of receipt.

While the Office does not have the capability to track those standards through its Case Management System, there is a high degree of confidence that staff met them in virtually every instance, in addition to the fact that the Ombudsman had no complaint or

concern raised. The website encourages individuals to raise complaints or compliments directly with the Office.

The Office also has internal guidelines regarding the time it takes to address complaints. Overall, the office met its standard 89% of the time and 97% of all complaints were resolved within 30 business days.

#### **4.0 Outreach**

If an Ombudsman is to be effective, members of the public need to know about the Office's role and its responsibilities. This is especially true when the office is new. A common consensus has to be created so that people know what the Ombudsman can and cannot do for them and when to use its services.

##### **Visiting Communities**

Hydro One serves communities in every corner of this province. Given the new office presence in 2016, the Ombudsman visited 20 towns and cities, participating in town hall meetings and talking with Hydro One customers. The meetings were at the invitation of MPPs, Chambers of Commerce and social service agencies.

##### **Meeting with Legislators**

In order to introduce the new office and because many constituents seek the help of their MPP when they have a problem with Hydro One, the Ombudsman travelled to six constituency offices and met individually with nine members of the Ontario Legislature. The Ombudsman also held an information session for the MPPs and their staff at the Ontario Legislature.

#### **5.0 Working across the Company**

Because of the good relationships the Office has developed with company staff, problems are being solved pre-emptively at Hydro One. Not only do the recurring conversations make it easier to find solutions, but they can also prevent difficulties from occurring in the first place. Sometimes the Office's advice reflects an understanding gained from existing complaints or comes from the Ombudsman's visits to communities and conversations with stakeholders. An example of this was the recommendation early in the spring to create a greater customer service presence across the company's service territories.

In order to facilitate a robust exchange of information, the Ombudsman met and conducted sessions with many groups of employees across the company.

In addition, the Ombudsman spent time in the field with the company's front-line staff, learning first-hand about field operations to better understand the causes of complaints.

Based on comments from the customers that came into contact with the Office that they want a bill that is easier to understand, the Ombudsman provided feedback to the company's management about simplifying the bill. The Ombudsman has also pointed out that the installment payment plans for customer arrears often cause confusion when they are combined with the budget billing program.

Other improvements suggested by the Ombudsman and adopted by the company include:

- Recommendations on the improvement of front line customer service
- The identification of delays and consequent improvements by the insurance adjuster in getting back to people and processing their insurance claims in a more timely manner
- Working with managers to simplify letters sent to customers, using plain language and communicating clearly
- Recommendations on measures that could be taken to repair relationships with communities and neighbourhoods once mistakes have been made
- Correction of information on the website and making the information in French clearer and more accessible
- Better coordination between the Forestry and Lines Service programs to ensure the more rapid removal of cut trees and branches
- Changes to how the company tells customers about planned outages
- Modifications in how managers in the field investigate complaints about service

## **6.0 Frequently Asked Questions**

### **Why are we here?**

To enhance Hydro One's fair, just and equitable treatment of its customers.

### **Who do we serve?**

Any member of the public who has dealt with Hydro One, including large and small customers, contractors and other stakeholders.

## **What do we do?**

- facilitate the resolution of complaints
- conduct individual and systemic investigations
- offer advice and referrals
- share knowledge and advice on issues of administrative fairness
- conduct education and outreach
- provide advice and recommendations to the company on how to prevent problems
- present reports to the Board of Directors on trends, issues and practices, along with recommendations for improvement

## **When can you complain?**

The Office of the Ombudsman is an office of last resort within Hydro One. That means a complainant is generally expected to go through the company's complaint system first.

There may be some exceptions to the principle of last resort. The Office may get involved when:

- there has been excessive delay in responding to the complaint
- the person or the group is highly marginalized or vulnerable
- the Ombudsman has initiated a systemic investigation
- it is just the right thing to do, given the circumstances

## **7.0 How the Ombudsman Can Help**

The Ombudsman's Office uses a number of different methods to resolve complaints.

### **Basic Complaints**

Many complaints can be quickly resolved by simply giving complainants a chance to identify and clarify the issues. This can be done when:

- the complaint is straightforward
- the complainant and decision-maker are both receptive to the approach
- the resolution fits within the existing policies and procedures

### **More Complex Complaints**

If a complaint cannot be resolved promptly, the Office may decide to conduct an investigation if:

- the complaint is complex and involves many issues
- site visits and interviews are required, and documents need to be reviewed
- the allegations are serious enough to require an investigation

## **Systemic Investigations**

The Ombudsman can also undertake systemic investigations when:

- the problem may be system-wide
- the problem could affect multiple groups or types of customers
- there are repeated or multiple complaints
- the complaint has a public interest that could affect many customers
- there appears to be a problem with a particular part of the system
- the case has compelling circumstances
- there is an apparent flaw in law, regulation, policy or procedure

### **8.0 How an Ombudsman Looks at Fairness**

The Office of the Ombudsman protects fairness by looking into complaints from people who feel they have not been treated fairly. We also promote fairness, and don't wait until we get a complaint. We work proactively, looking for policies and programs that need improvement.

To treat people fairly, an organization must make good decisions, use good practices while making those decisions, and treat people with respect in the process. We offer our services to managers and staff when they are developing programs and policies. We would rather give them our advice at an early stage so that fairness is embedded in policies and programs from the beginning, reducing the likelihood that problems will develop later.

#### **Different Types of Fairness**

##### **Substantive Fairness**

Substantive fairness is about the fairness of the end result – the fairness of the final decision itself.

##### **Procedural Fairness**

Procedural fairness refers to the process leading up to the decision – the steps that were followed after the first point of contact with the public and everything that came afterwards.

What is procedurally fair will depend on the significance of the decision to be made, the relationship between the organization and the individual, and the effect that the decision will have on that person's rights.

Procedural fairness gives a member of the public:

- the right to an unbiased decision
- the right to know that an adverse decision is going to be made
- the right to respond to the decision-maker

At a minimum, procedural fairness requires:

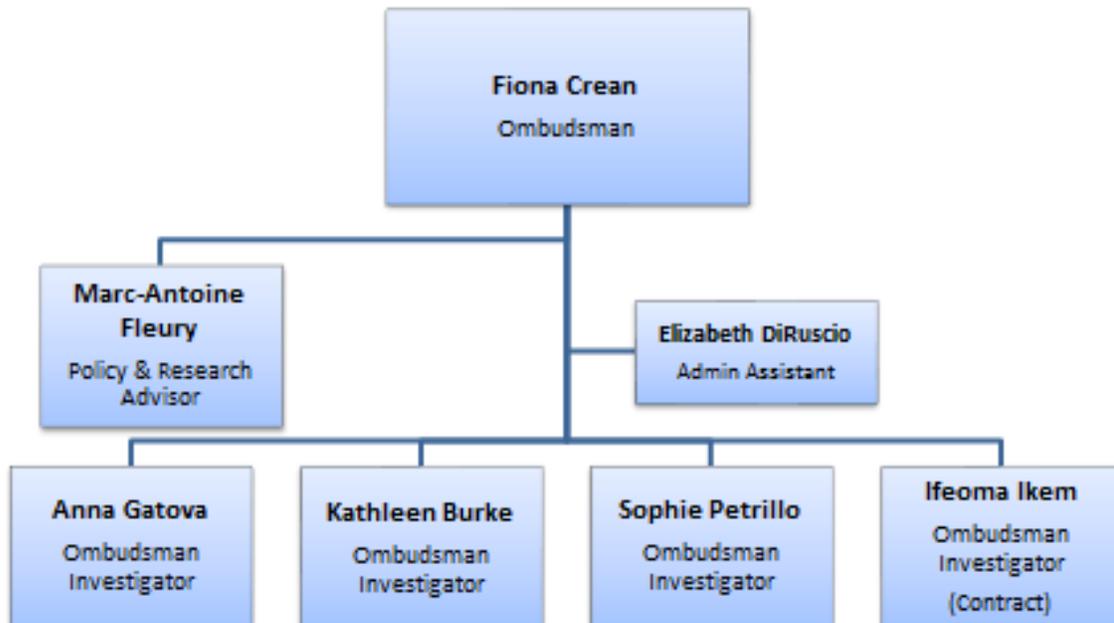
- clear communication
- proper notice
- an opportunity to present the case
- clear reasons
- timeliness
- accurate records

### **Equitable Fairness**

Equitable fairness is about how we treat parties to a complaint. To intend to be fair is important, but it is the result that matters. Equitable fairness is about more than just treating everyone the same. In order to deliver fair results for everyone, it is essential that barriers in the way of good service be removed.

Equitable fairness takes the complainants' circumstances into account when they are relevant. This might include their level of education and literacy, their culture, language or age, their socio-economic status and geographic location, their family status or their disability.

## 9.0 The Ombudsman Team and Financials (as at December 31, 2016)



Hydro One's Board of Directors approved a budget of \$1,483,551 for the operation of the Ombudsman's office in 2016. This included compensation for six staff, travel, communications, consulting expertise, creation of a website, development of a case management system, information technology and the cost of translation.

## 10.0 Six Things to Know About Your Ombudsman

- We are independent from the management and operations of Hydro One
- We respect your confidentiality
- We look into your complaints and give you answers you can understand
- We are advocates and champions for fairness
- We are an office of last resort
- We offer information sessions