

**Submission to the Standing Committee on Finance and Economic
Affairs relating to
Bill 91, *Building Ontario Up Act (Budget Measures)*, 2015**

Ontario Ombudsman André Marin

As a Legislative Officer entrusted with responsibility for ensuring that government administrators act fairly, responsibly and lawfully in their dealings with the public, I feel compelled to address Bill 91's proposal to eliminate oversight of Hydro One Inc. by various accountability officers, including my Office. In particular, I would like to see *Schedule 30*, which would amend the *Ombudsman Act*, withdrawn in its entirety.

As I understand it, the argument in favour of abandoning independent external scrutiny of Hydro One by the Legislative Officers is that it is necessary in order to attract investors as the corporation is partially privatized. It is also suggested that an in-house ombudsperson would ensure that customer concerns are addressed in future.

Perhaps this argument might have been more persuasive if I had not just completed an extensive investigation of Hydro One after receiving an unprecedented **10,565** complaints. I will be issuing my final investigative report on May 25th, but I have already reported publicly on some of the horror stories we have uncovered.

For instance, a Sudbury-area man was charged \$23,775 for using more than 100,000 kilowatt-hours at his cottage in 19 months – the amount of electricity that five full-time homes would normally use in two years. My Office determined that Hydro One's new computer system had triggered a meter "rollover," resulting in a large overcharge. It later corrected the bill and gave him a service credit of \$402.

Then there was the London-area father of two small children, who was frantic after being threatened with having his electricity limited or cut off in the coldest February on record for Ontario. Our staff confirmed with Hydro One that it never intended to disconnect his service. It was a tactic to get him to fork over some cash, which he did after borrowing money to pay part of the balance, and entering into a repayment plan.

And there was the widow from Renfrew County who had set up preauthorized payments, but suddenly found that \$5,500 had been withdrawn from her account, triggering \$89 in overdraft fees. Hydro One admitted it was a mistake, but said processing a refund could take two weeks. Hydro One told us that the woman's smart meter was not communicating properly and had been underestimating the power use on her property for two years. The overdraft and fees were eventually reversed. She also received a credit of

\$661 on her account and entered into a 48-month interest-free plan to pay her remaining balance.

It took months for Hydro One to admit that implementation of a new computerized billing system in May 2013 triggered a host of billing problems. On March 11, 2015, it acknowledged that at least 78,000 people had been affected by billing issues. Throughout the province, tens of thousands of individuals were distraught when they received a flurry of estimated bills, huge catch-up bills, bills with highly inflated amounts and, in some cases, no bills at all for extended periods. When they tried to get things straightened out, they were often faced with rude, insensitive and singularly unhelpful responses from Hydro One and its outsourced call centre. To compound the situation, Hydro One continued to treat its customers with disrespect, disingenuously threatening to disconnect electricity in the winter months, despite its policy never to do so. Since my investigation was launched and the billing and customer service mess at Hydro One was exposed, the company has been frantically trying to rehabilitate its reputation.

I have no doubt having closely examined Hydro One's inner workings that a company ombudsperson influenced by the prevailing internal culture would have simply swept this whole episode under the corporate rug. Without the prospect of external scrutiny, Hydro One's customers will once again be at risk. When a corporation provides a monopolistic service, without appropriate accountability safeguards, its customers are vulnerable to the profit motive and easily dismissed and disregarded.

Electricity is a vital service in Ontario. In some jurisdictions it has been recognized that utility customers need protections beyond what regulatory agencies, the courts and internal customer advocates and complaint departments can offer. For instance, the Ombudsman in Catalan is not only responsible for supervising public bodies but for ensuring that private electricity, telephony, water, gas and mail providers treat their customers fairly. Two state Ombudsman offices in Australia also have jurisdiction to investigate consumer complaints about energy retailers and providers.

In the case of Hydro One, the corporation will not even be fully privatized. The Government of Ontario will continue to hold a significant ownership interest and measures will be introduced to ensure substantial provincial control. Given the corporation's checkered billing and customer service history, the government's continuing investment in this major energy provider, and the overriding public interest in ensuring accountability and transparency, Hydro One should remain subject to oversight by the Office of the Ombudsman, and my fellow Legislative Officers.

**Complaints to Office of the Ontario Ombudsman:
Hydro One**

2014-2015: Approx. 3,500

2013-2014: 6,961

2012-2013: 328

2011-2012: 232

2010-2011: 306

Total from 2010-2015: 11,327

