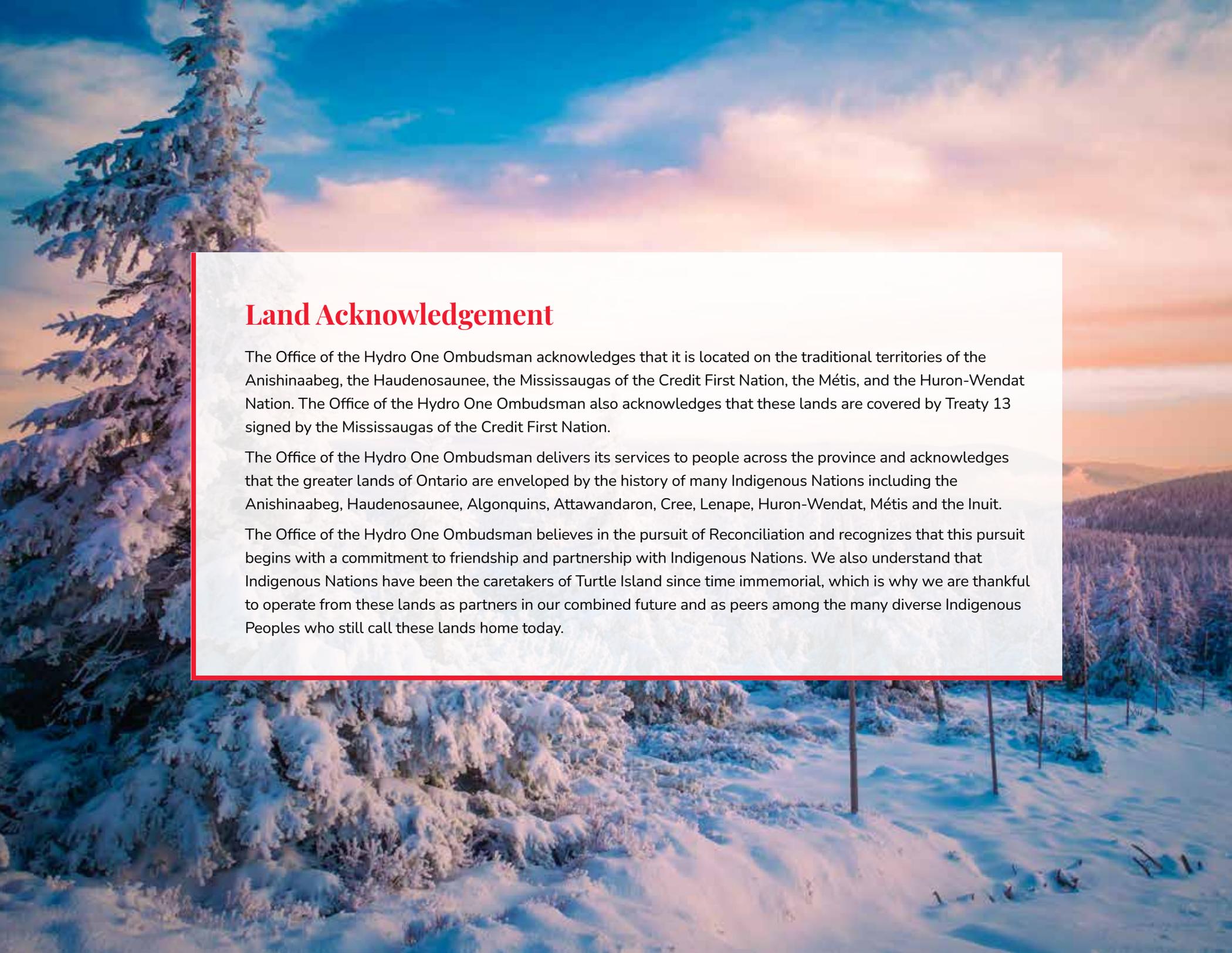


OFFICE OF THE HYDRO ONE OMBUDSMAN

ANNUAL REPORT

2025





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, Cree, Lenape, Huron-Wendat, Métis and the Inuit.

The Office of the Hydro One Ombudsman believes in the pursuit of 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, 2025 – December 31, 2025, 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.

The critical role electricity plays in our day-to-day lives was never more evident than during this past year when the March 2025 Ice Storm devastated much of central and eastern Ontario, leaving hundreds of thousands of people in the dark. The magnitude of this generational weather event will continue to shape customer experience, operational priorities, and grid resilience for years to come.

Against this backdrop, my Office received 914 complaints in 2025, representing a 25.5% rise from the 729 complaints recorded in 2024. This increase, while significant, was not surprising given that roughly 9% of complaints stemmed directly or indirectly from the Ice Storm. Despite this higher volume, our service performance remained strong with all complaints being acknowledged within two business days, and 99.7% being resolved within thirty.

The Ice Storm, which left more than 600,000 customers without power, brought a sudden and significant halt to “business as usual.” All scheduled work was suspended as crews were urgently redeployed to restore electricity to customers who, in some cases, were without power for several days. The longer term impacts were equally substantial. New connections and customer initiated expansion projects were delayed as Hydro One focused on essential restoration work. I want to add my thanks, echoing that of many Ontarians, to the Hydro One crews whose tireless efforts under extremely challenging conditions made that restoration possible. The operational impacts continued long after the

immediate emergency passed, as thousands of customers in the hardest hit regions sought to install backup generators in preparation for future events, creating a backlog of disconnection and reconnection requests that the company is still working through.

These challenges illustrate how a single severe weather event can ripple through operations long after the lights come back on. But they also highlight something equally important: major events can serve as catalysts for change. The 2025 Ice Storm reignited focus on the accuracy of Hydro One’s Estimated Time of Restoration (ETR), a long standing area of concern of my Office. I was pleased to see Hydro One take meaningful steps in 2025 to improve ETR accuracy, transparency and customer communication, and expect more progress in this area in the upcoming year.

Complaints, at their core, are opportunities to learn, listen and advance fairness in concrete and measurable ways. I am grateful to the members of the public who contacted us, entrusted us with their stories, and allowed us to support them when it mattered most. I also wish to thank the staff and leadership team at Hydro One for their willingness to seek our input, consider our views and act on our recommendations. It is only with ongoing collaboration and mutual respect that we can deliver on our mission to promote fairness, strengthen accountability, and help ensure that Hydro One provides fair and reasonable service to the people it serves.

About the Office

Our Vision

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

Our Mandate

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

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

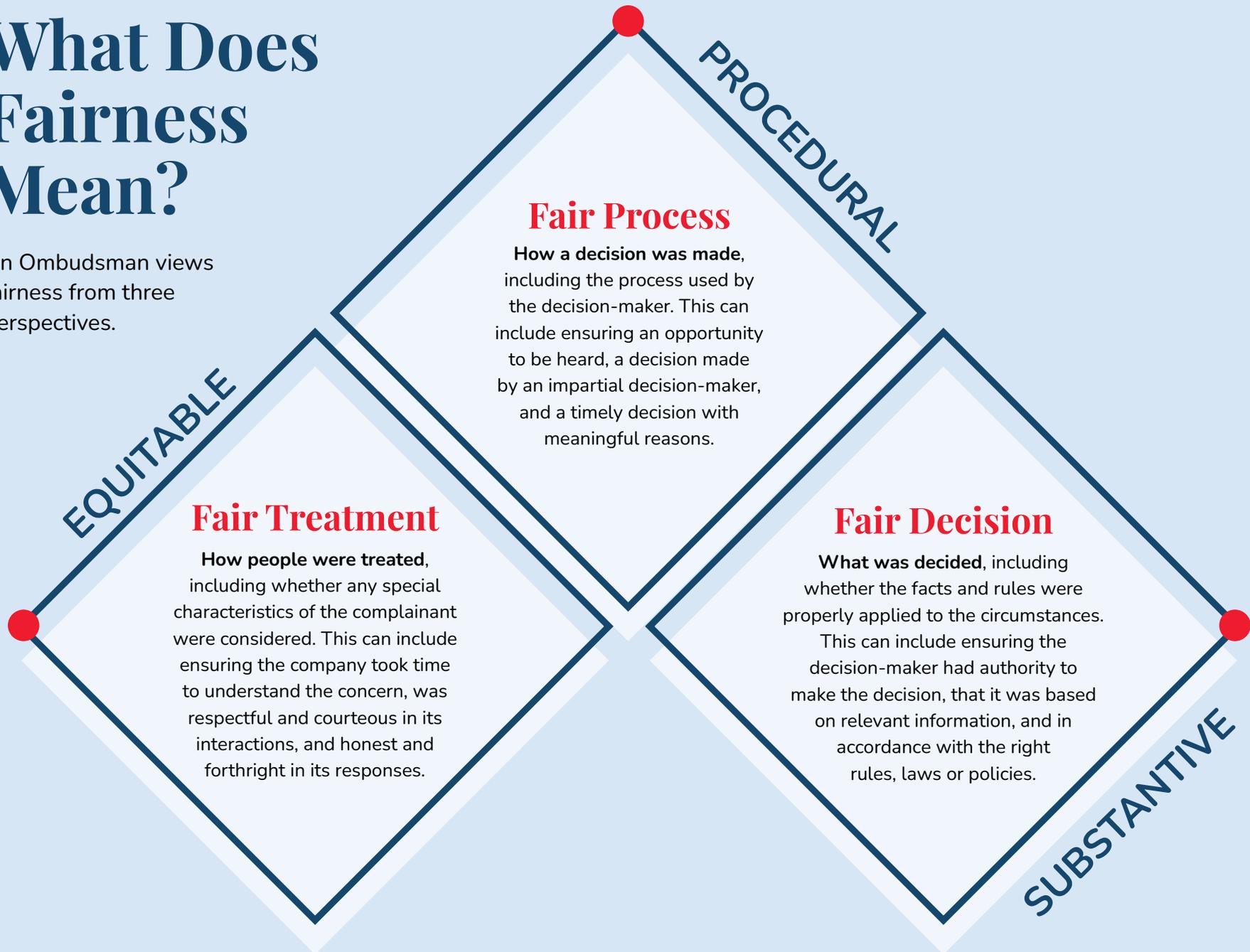
The Office acts as a last resort for complaints from anyone affected by Hydro One’s services, helping ensure Hydro One delivers just, fair and equitable services to its customers and the public.

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 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.

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.

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.



Thank you so very much for taking care of my complaint with Hydro One so quickly after I had tried for so long. You are amazing! ...As a retired senior without a pension, I really appreciate it.”

HYDRO ONE CUSTOMER

CONTACT US



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.

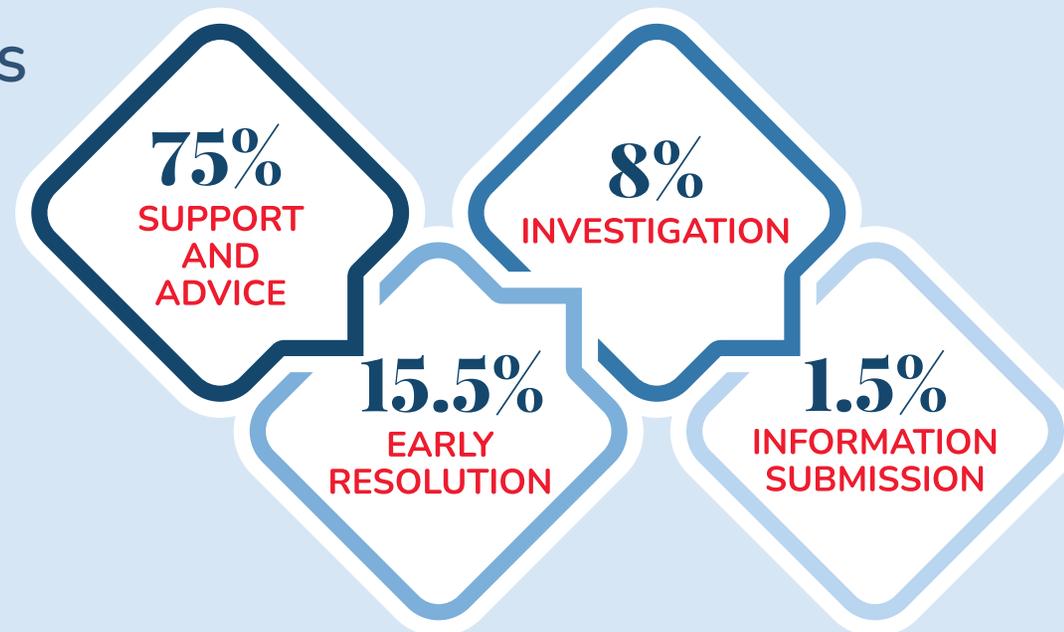
Wherever possible, complaints are addressed through the **early resolution** process. By providing answers and information, or engaging in informal discussions with the company, many complaints can be resolved quickly and effectively.

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 their complaint 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.

2025 CASE TYPES



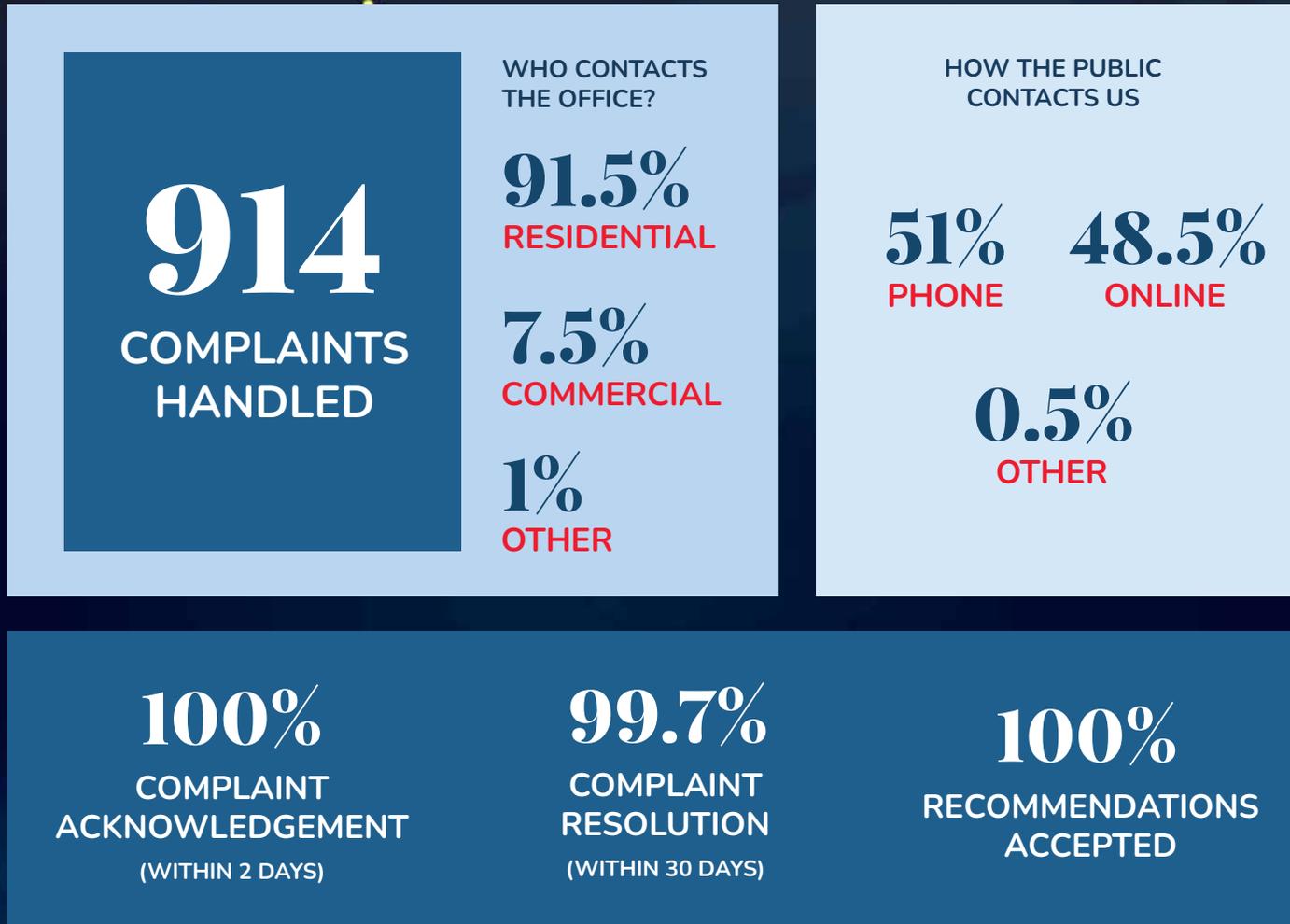


“

**You are incredible
to work with.
Thank you for all
you do.”**

HYDRO ONE EMPLOYEE

The Story in Numbers



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 2025, we received 77 complaints that were outside of our jurisdiction, representing 8 percent 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. Employee Behaviour

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

3. Human Resources

Inquiries that are often from current, past or prospective employees that are better dealt with by the HR department.

4. Support Programs

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

5. Inquiries

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

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.

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 2025, the Office made recommendations in 27 complaints, resulting in a total of 37 recommendations – all of which were accepted by the company. Examples of the recommendations we made in 2025 include:

- ◆ Billing adjustments for a variety of reasons including improper billing of sentinel lights, improper late payment charges, mixed meters, and account activation dates.
- ◆ Reimbursement for a customer upgrade project where delays by Hydro One had directly impacted the customer's ability to address potential safety/clearance issues in a more cost-effective way.
- ◆ Reconsideration of damage claims that had been unfairly denied by Hydro One for a variety of reasons including known defects on the feeder not being addressed within a reasonable timeframe, and Hydro One failing to meet the regulatory requirements for inspection of its equipment and vegetation.
- ◆ Assessing the appropriate amount of interest to pay to a customer to compensate for Harmonized Sales Tax (HST) errors on their generation account.
- ◆ Compensation for damage to a customer's driveway caused by a Hydro One vehicle improperly entering onto the property.
- ◆ Off-cycle removal of vegetation under a transmission tower-base pending a review and clarification of the type and frequency of vegetation and maintenance Hydro One would complete.
- ◆ Clarification of a customer demarcation point and responsibility for maintenance and inspections going forward.
- ◆ An updated offer of compensation where additional unreasonable delay on the part of Hydro One was identified during our investigation.
- ◆ Hydro One to review and clearly define which vegetation maintenance activities under transmission towers are the responsibility of the property owner and which fall under the company's scope, prioritizing both the safety of the property owner and the protection of Hydro One's infrastructure.
- ◆ Improvements to the company's account opening practices and public website information to better educate customers about the General Service rate class and how it differs from the standard Residential rate classes.





I am 81 years old and have never had service or help better than I had with my Hydro Ombudsman. He was helpful and courteous in every way possible and treated me with respect. Whether the results of my claim were accepted or denied, I would have no complaints.”

HYDRO ONE CUSTOMER

RECOMMENDATIONS AT WORK

Large Vessel Moves

Transporting massive equipment, like pre-fabricated homes and large construction equipment, is not something that simply happens overnight.

These projects, which Hydro One refers to as Large Vessel Moves (LVM), often involves navigating oversized loads along public roads and through areas with power lines. This requires careful planning to ensure everything gets from point A to point B safely, without damaging infrastructure or disrupting power service. To ensure a successful outcome, the company must work closely with internal teams and external partners to coordinate every detail.

Under the current process, customers requesting a LVM receive a cost estimate that forms the basis

of their contract and is to be paid in advance of the work being completed. The requesting customer is also told they will be responsible for the actual costs involved. At project completion, Hydro One issues a final invoice - if actual costs exceed the estimate, the customer pays the difference; if actual costs are lower, the customer receives a refund. Because LVM costs can be substantial, maintaining accurate records is essential to ensure fair and transparent billing.

Our Office reviewed Hydro One's LVM process following a complaint from a transportation logistics provider responsible for moving large vessels through Hydro One's service area. The move in question required Hydro One to lift power lines and upgrade infrastructure to ensure the vessels could travel safely to their destination. After receiving the final invoice, the customer questioned whether



the actual costs charged were proportionate to the work performed. The customer also felt that the final invoice lacked sufficient detail to determine whether it had been overcharged.

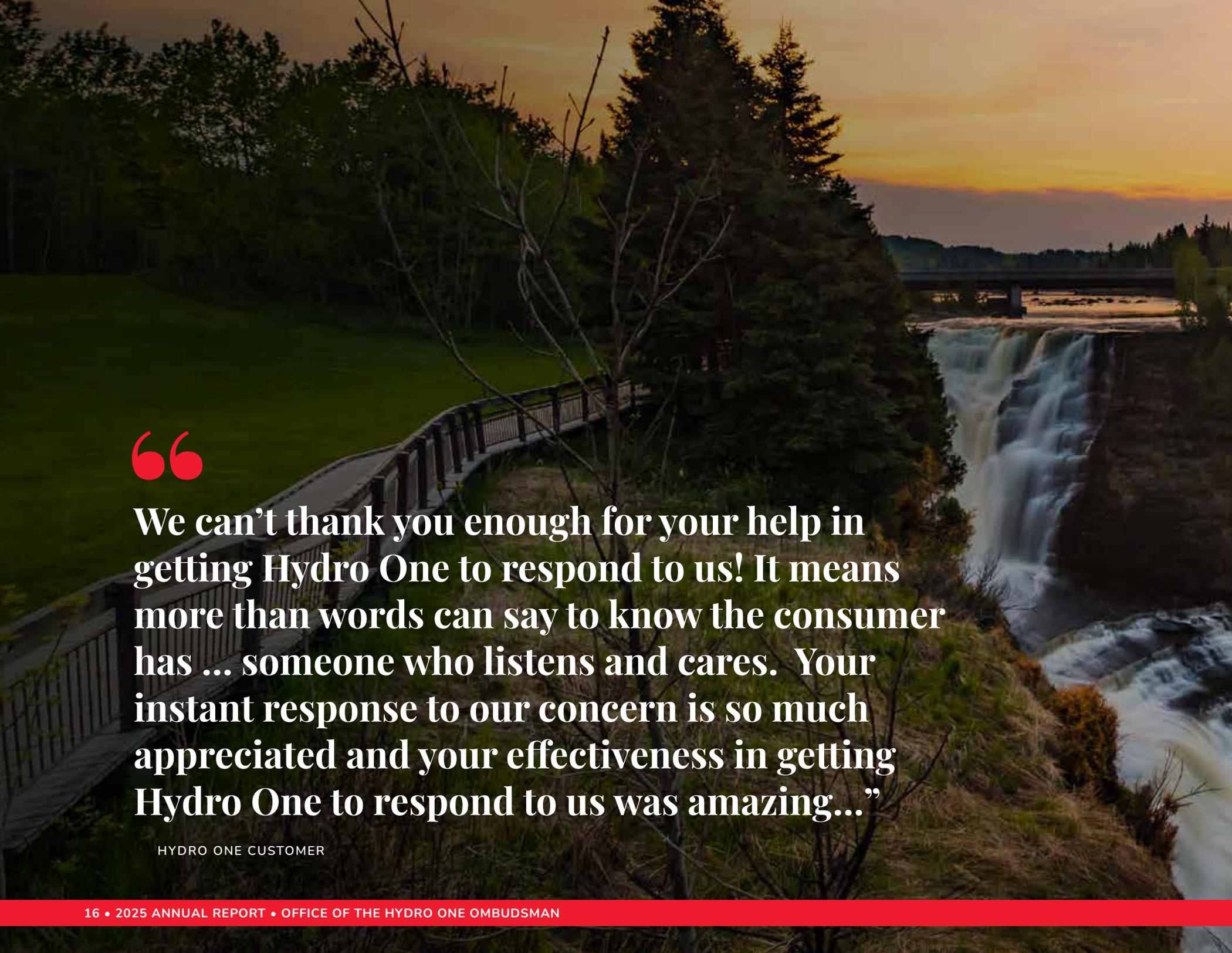
At the conclusion of our investigation, we determined that the customer's expectation for a more detailed invoice was reasonable. However, Hydro One's existing record-keeping and accounting systems did not allow for such detail to be easily provided at the time. Hydro One acknowledged these limitations and agreed to our recommendation to conduct an end-to-end review of its LVM process, with the goal of improving coordination, timelines, and costing transparency throughout.

In 2025, the company completed its review and introduced a new tiered LVM process that classifies each move as either basic or complex. This classification is based on factors such as vessel height and width, route distance, the number of vessels involved, and seasonal conditions.

Along with updated timelines, improved project management, and enhanced accountability measures, the accounting processes were strengthened by implementing the following:

- 1. Pre-Payment Teching Calculator** – A new tool designed to provide more accurate cost estimates for contract preparation.
- 2. Decentralized Reconciliation** – Responsibility for time and cost reconciliation shifted from a centralized office to the business units directly involved in completing the LVM.
- 3. Explanation of Variance** – For variances of $\pm 10\%$ (or \$1,000), customers will receive a detailed explanation with the final bill outlining why actual costs differed from the original estimate.

The first LVMs scheduled under the new process began progressing through the system in late 2025. Once these projects are completed and the associated accounting and reconciliation activities are finalized, our Office will evaluate whether the deficiencies identified during our investigation have been addressed by the new process or if additional recommendations are required to resolve outstanding issues of fairness.



“

We can't thank you enough for your help in getting Hydro One to respond to us! It means more than words can say to know the consumer has ... someone who listens and cares. Your instant response to our concern is so much appreciated and your effectiveness in getting Hydro One to respond to us was amazing...”

HYDRO ONE CUSTOMER





“

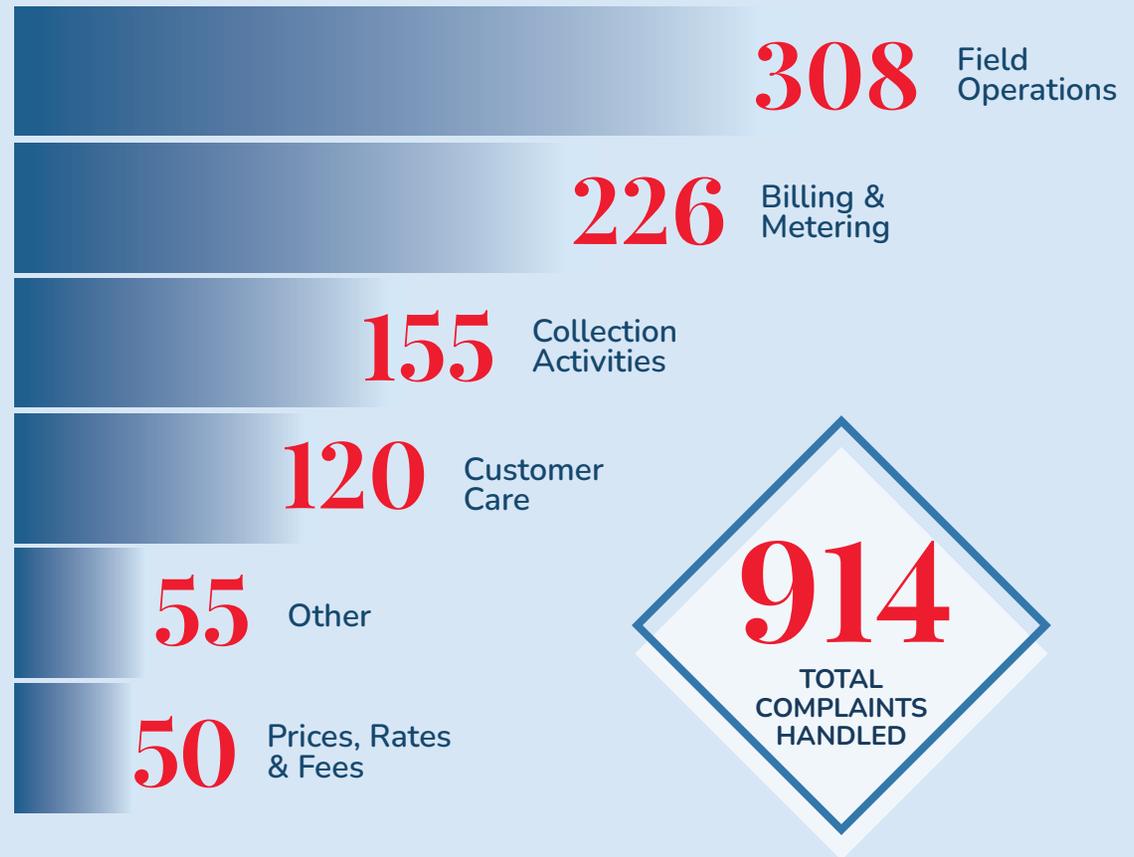
...Thank you for all your time and patience in assisting me over the past couple of months. All your efforts are greatly appreciated.”

HYDRO ONE CUSTOMER

Complaints Handled

The 914 complaints handled by the Office in 2025 was 25.5 per cent higher than last year.

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 2025, before increasing after the delivery of the Office's bill insert to all Hydro One customers starting in September. These levels of contacts continue to demonstrate the value our bill inserts play in raising awareness of the Office.



Field Operations

Last March's Ice Storm caused significant damage to Hydro One infrastructure, resulting in widespread and prolonged power outages affecting over 40% of Hydro One's customers across the province.

Given this significant event, it is unsurprising that Field Operations was our largest complaint category in 2025. While complaints in this category did increase, they grew by a smaller amount than total complaints overall.

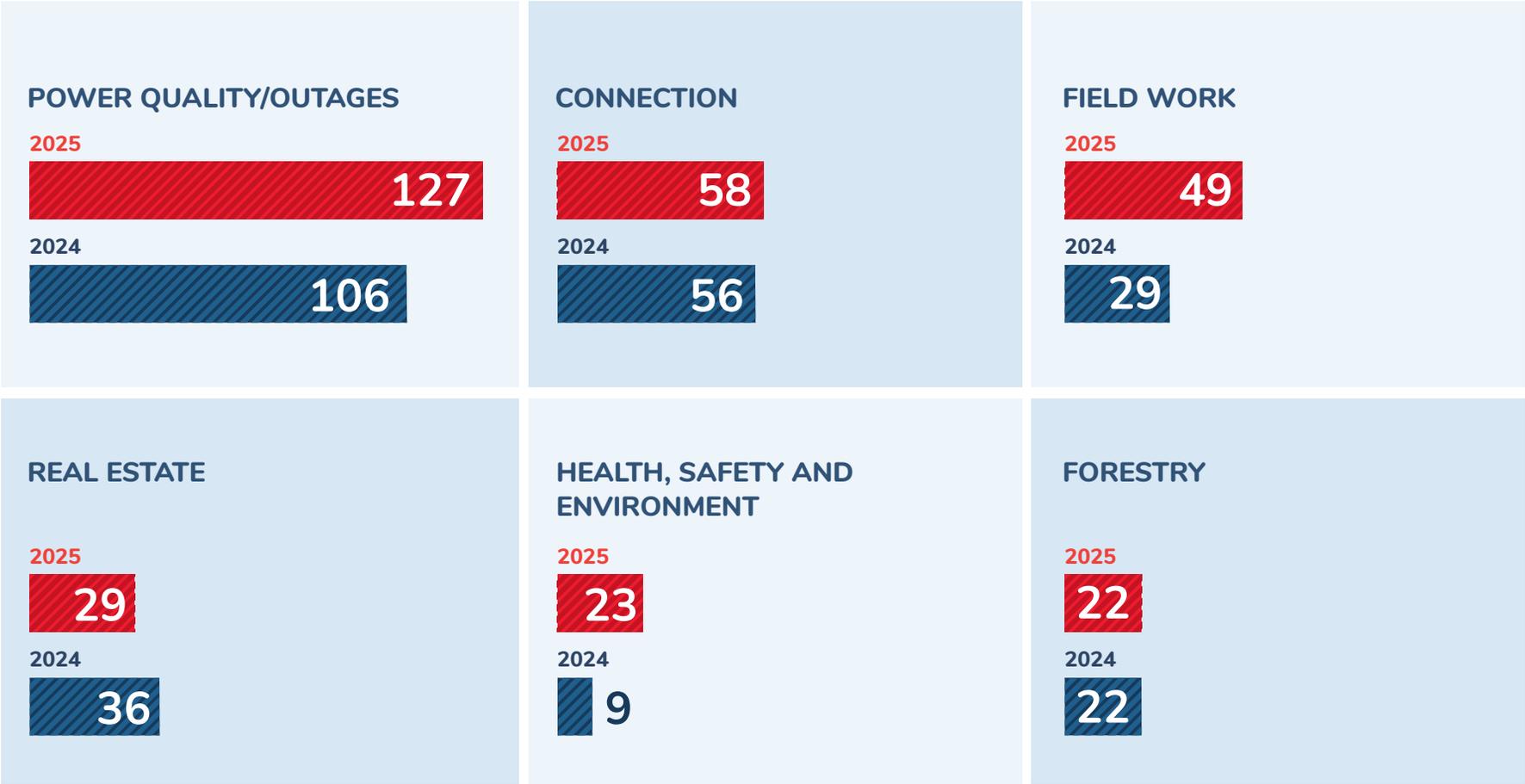
Hydro One deployed a massive response to the Ice Storm, with thousands of staff and crews working around the clock to restore electricity in the hardest-hit regions. The restoration was complicated by multiple waves of the storm, which saw some customers experiencing repeated outages before final restoration was ultimately achieved. Our Office experienced a substantial rise in complaints during the storm period, which resulted in outage-related concerns within the Power Quality/Outages sub-category more than doubling compared to 2024.

The storm restoration required redeploying staff from previously scheduled work, creating a ripple effect across the business and ultimately impacting Hydro One customers. Since then, we have continued to see lasting effects through increased Forestry, Field Work, and Connections related complaints, showing that the downstream impact of major storms can persist for weeks or even months.

Following the Ice Storm, many customers in heavily affected areas chose to install generators to protect against future prolonged outages. Although Hydro One does not install generators, its crews must disconnect service before a customer's contractor can begin the work and reconnect it once installation is complete. The resulting surge in disconnection and reconnection requests created a significant backlog and led to numerous complaints to our Office, contributing to the overall increase we saw in 2025.



NUMBER OF FIELD OPERATIONS COMPLAINTS



Shared Ground: Clarifying Vegetation Management Responsibilities

Ms. M contacted the Office about vines growing beneath a Hydro One transmission tower on her property. The vegetation had reached over 10 feet in height and extended into her garden. She first raised the concern with Hydro One, which advised that it only clears vegetation under transmission towers when it poses a clearance risk to the lines or obstructs staff access. Since neither condition applied, Hydro One indicated that early removal was Ms. M's responsibility. Ms. M believed it was unfair for her to be responsible for trimming vegetation at the tower base.

As part of our investigation, we reviewed the maintenance logs for this tower and determined that the company cleared vegetation underneath the tower during a 2019 inspection, but not during a 2022 inspection. We then looked at Hydro One's records to determine a cause for the different treatment of the vegetation. We confirmed that prior to 2020, Hydro One's process required the removal of all vegetation within transmission tower bases during routine vegetation inspections. In 2020, this was revised to limit removal to vegetation that could interfere with line operation. Any removal of vegetation before that point was identified by the company to be the responsibility of the property owner.

We were concerned that this shift in responsibility might result in a safety risk to property owners who may now be undertaking this type of work.

A further concern was that Hydro One's assets might be damaged by untrained people carrying out work in such close proximity to the towers. When we consulted various Hydro One Departments, there was no clear agreement on whether this new practice posed risks to the public or Hydro One's equipment. At the time, the company's standards did not address these concerns.

To resolve this ambiguity, we recommended that Hydro One:

- Update its standards to clearly define what vegetation work the company will perform within tower bases on private property, both during routine maintenance and in response to off-cycle requests (such as Ms. M's case).
- Communicate responsibilities to property owners, outlining Hydro One's obligations and what owners are expected to manage.

For Ms. M's situation, we recommended Hydro One clear the vegetation underneath the tower as a one-time measure, ensuring the area was manageable while the company reviewed its policy to address these issues going forward. The company accepted our recommendations.



“

I often get contacted to provide data to the Ombudsman Office and all of my interactions with them are fantastic. They are professional, honest, and straightforward. I admire the work they do.”

HYDRO ONE EMPLOYEE

Billing and Metering

Billing and Metering complaints totaled 226 this year, consistent with previous years. Notably, Billing complaints decreased in 2025, largely because there was no prolonged Canada Post strike such as the one that drove billing inquiries to the Office in 2024. While this remains one of the largest complaint categories, our Office has not identified any significant systemic issues of concern requiring further investigation at this time. Many customers contact us for simple requests, clarification, or to express frustration. A significant portion of these complaints follow our annual Bill Insert sent to all Hydro One customers beginning in September. While most cases are resolved by connecting customers to the Customer Contact Centre, these contacts also help us educate customers on our Office’s role and the services we provide should they have issues in the future.

This year we continued to receive a steady number of Meter Reading complaints. As noted in our 2024 Annual Report, these often arise when customers do not realize their bills are based on estimated rather than actual meter reads. While bills clearly indicate when they are estimated, customers are often surprised after an actual meter read leads to a billing adjustment. This is especially true when customers fail to review their bills carefully, or for those on Pre-Authorized Payments who may not check their statements at all. The company remains flexible in helping customers manage these catch-up payments, but reducing confusion around estimated reads remains an area for improvement.

Customers are often surprised after an actual meter read leads to a billing adjustment.

BILLING AND METERING COMPLAINTS

ACCOUNT



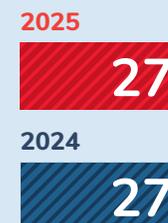
BILLING



METER ACCURACY



METER READING



Shining the Light on Shared Accountability

A sentinel light refers to a pole-mounted security or area light used to illuminate rural properties. Customers rent sentinel lights from Hydro One and pay monthly fees for supply, operation, and servicing. These lights are unmetered, so electricity charges are estimated based on lightbulb wattage and average operating time of streetlights in the particular area. While Hydro One is phasing out this program, it continues to service existing sentinel lights.

Mr. A alleged that his sentinel light had not worked since 2013 and he was unaware of ongoing monthly charges until communicating with the company about an unrelated bill concern in 2025. Hydro One offered a two-year refund of the sentinel light charges in accordance with section 7.7.7 of the Retail Settlement Code, which limits reimbursement for overbilling to two years. Mr. A felt the company's offer was unfair and asked the Office to review this decision.

Our Office investigated Mr. A's complaint and confirmed that every month, Mr. A received a bill from Hydro One which had a specific line item showing exactly how much he was being charged that month for his sentinel light, as required by Hydro One's regulator, the Ontario Energy Board (OEB).

Because sentinel lights are unmetered, Hydro One cannot automatically detect when a bulb fails. Although the company conducts routine pole inspections, these occur during daylight hours and since sentinel lights are activated by darkness, any malfunction would not be visible during these checks. As a result, Hydro One relies on customers to report sentinel light outages directly. In this case, there was no record of Mr. A notifying Hydro One that the sentinel light was not working.

Our review confirmed that Hydro One billed Mr. A correctly and that the company was not informed of the sentinel light issue, nor could have learned on its own.

Nevertheless, Hydro One offered to reimburse two years of payments as a goodwill gesture, exceeding regulatory requirements. On this basis, we concluded that Hydro One acted reasonably and made no recommendations.

Collection Activities

This year, Collection Activities rose to become our third most common complaint category for the first time. We received 155 complaints which were more than twice as many as last year. Most of this increase came from Disconnection complaints, which were nearly four times higher than last year and the highest we have seen since 2016.

Our Office found that the rise in Collection Activities complaints was not caused by more unfair actions by Hydro One, but rather by the company returning to more typical collection and disconnection practices. During COVID-19 and the period that followed, the company took a lighter approach to collections and disconnections, which was reasonable and understandable at the time. As the company has gradually resumed its standard practices, more customers have been affected, leading to more complaints to our Office.

These complaints often reflected recurring themes: customers struggling with affordability, customers trying to negotiate payment plans to avoid disconnection, and customers who were reconnected but felt the timelines to do so were unreasonable. While our Office cannot solve broader affordability challenges, we continue to encourage the company to offer fair, flexible repayment options that reflect individual circumstances. While it is not unreasonable to expect customers to pay for the electricity they use, using a one size fits all approach to collections can lead to unfair outcomes.

We continue to encourage the company to offer fair, flexible repayment options that reflect individual circumstances.

COLLECTION ACTIVITIES COMPLAINTS





CASE STUDY

A Tailored Approach to Collections

It is not uncommon for people to fall behind with some bills. When that happens, all electricity distributors are required to offer their customers alternative payment options like installment plans. The minimum requirements for these installment plans are set out in the Distribution System Code.

When Hydro One and a customer cannot agree on an installment plan, the customer may contact our Office. When they do so, we first review their payment history, the reasons they fell behind, and the steps already taken to resolve the issue. Some customers are making genuine efforts and may simply need additional support, and we can often facilitate a resolution. Others, however, make no effort to address their arrears, and in those cases there is little for our Office to identify as unfair.

In 2025, we had 155 complaints from customers already disconnected or were in the late stages of collections. As the following examples show, we aim to balance fairness to individuals facing disconnection, the company's responsibility to collect outstanding payments, and the interests of the broader rate base that would ultimately subsidize unpaid accounts.

Mr. G had fallen behind on his bill payments and defaulted on three previous installment plans with Hydro One. After his service was disconnected, he contacted our Office for help. As a vulnerable customer

facing significant hardship but making sincere efforts to catch up, we recommended that the company offer him another installment plan. After Mr. G made payments and received additional funding from the Low-Income Energy Assistance Program (administered by the United Way), Hydro One matched his payments, further reducing his balance. The remaining amount was placed in a new installment plan, which Mr. G has successfully maintained.

In contrast, Ms. B had lived at her property for over five years without making any payments to Hydro One. Although eligible for an installment plan, she never contacted Hydro One to arrange payment. After her service was eventually disconnected, she reached out to our Office, but was still unwilling to make any payments or propose alternatives to address her arrears. Given her position, we were unable to assist and closed the file without making a recommendation to Hydro One.

Collection and disconnection complaints are among the most challenging cases our Office handles. It is reasonable for the company to expect customers to pay their bills, but applying a uniform "one-size-fits-all" collections strategy can lead to unfair results. Our Office sees the efforts Hydro One makes, and helps ensure an individual's circumstances are considered when customers show a genuine willingness to work with the company.

Customer Care

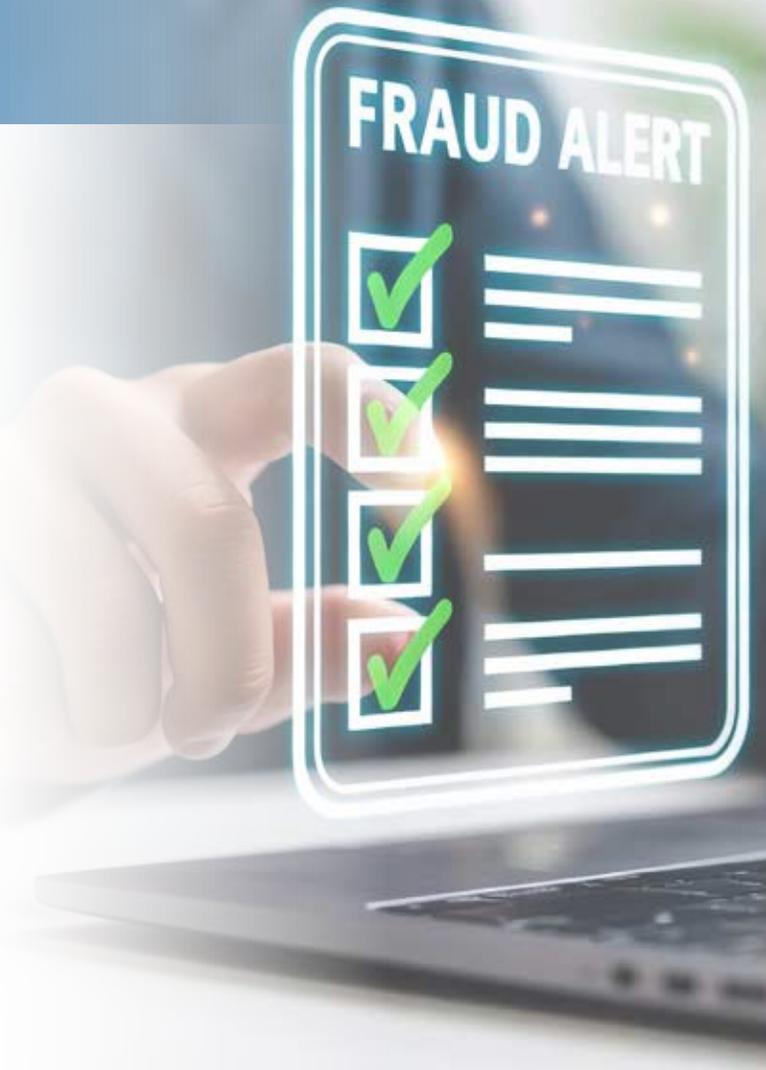
We received 120 complaints about Customer Care issues this year, a 23.5% increase from 2024. While this reflects the broader rise in complaints seen in 2025, Customer Care's proportion of overall complaints has remained stable over the past several years.

One area of growth seen this year was in Revenue Protection complaints. While the overall number of these complaints remain low, they more than doubled compared to 2024. These complaints generally relate to fraudulent account activity to avoid payment. This occurs when a consumer of electricity attempts to open an account under someone else's name to evade outstanding charges tied to the property, or declines to open an account in their own name to assume responsibility for future electricity consumption.

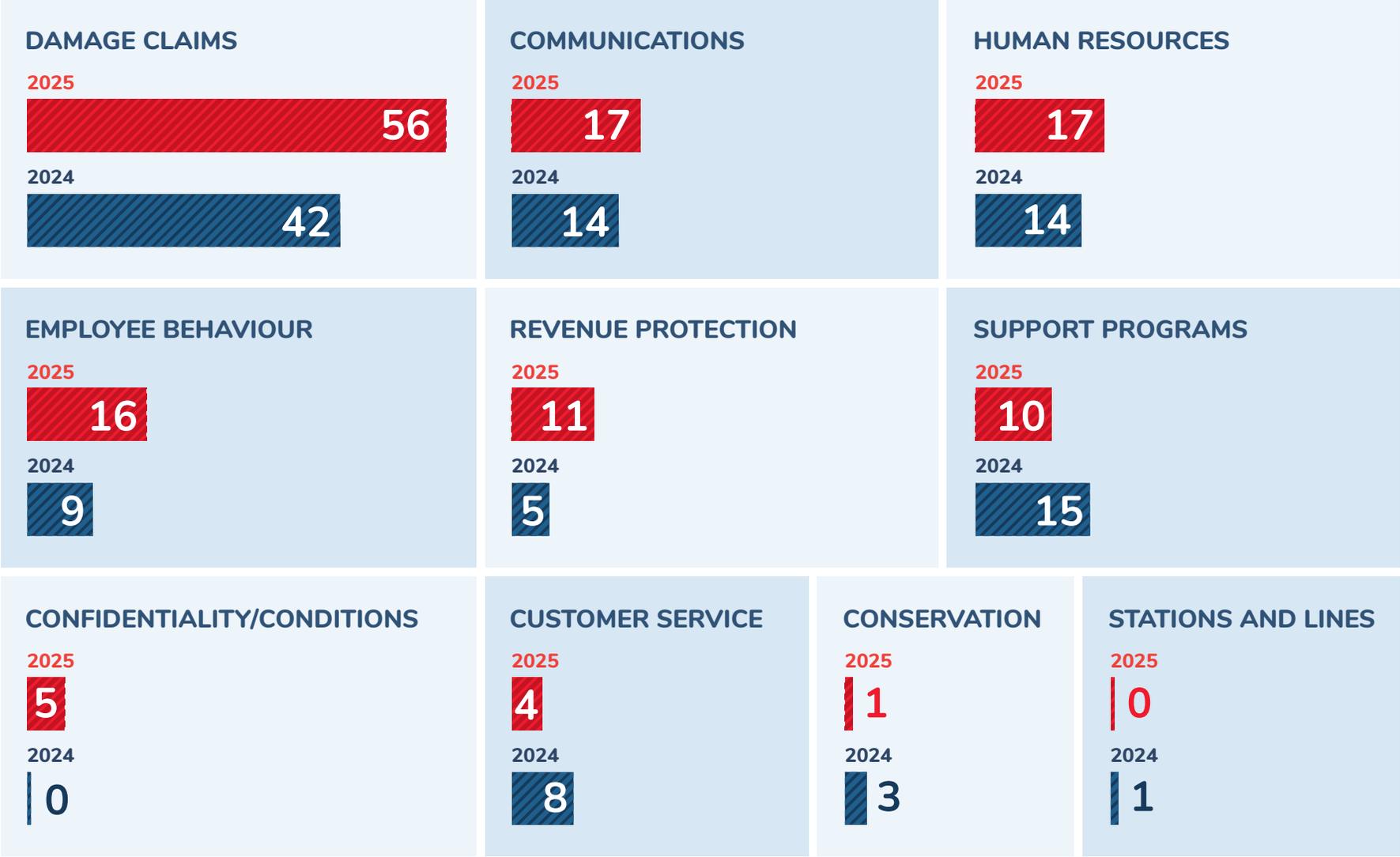
Revenue Protection activities play a critical role in maintaining fairness because unpaid, or "stranded", arrears are ultimately classified as bad debt by the company and absorbed by Hydro One's rate base through operational costs. Taking proactive measures to ensure those consumers of electricity are responsible for paying for what is used is therefore essential to ensure those customers who pay their bills are not subsidizing fraudulent activity.

Our Office plays an essential role in promoting fairness and transparency in these matters. Customers who dispute allegations of fraudulent account activity have the right to bring their concerns to the Ombudsman for an independent review. By providing this avenue for resolution, the Office helps maintain trust and accountability by ensuring that the company's practices continue to align with principles of fairness.

For the Customer Care category as a whole, Damage Claims remain the leading source of complaints, accounting for nearly half of complaints. This is primarily due to Hydro One proactively informing denied claimants they can request a review by our Office. Making customers aware of our services demonstrates Hydro One's support for fairness and transparency. In 2025, we received 56 Damage Claims complaints, 35 of which were investigated, representing almost half of all investigations. About 20% of these investigations led to recommendations Hydro One reconsider its denial.



NUMBER OF CUSTOMER CARE COMPLAINTS





CASE STUDY

Paving the Way to a Fair Repair

In November 2024, a Hydro One truck accidentally damaged the edge of Ms. K's three-year-old paved driveway. When she reported the issue, Hydro One acknowledged responsibility and offered a nominal amount to patch the damaged strip. Concerned that such a narrow patch would not hold up over time, Ms. K declined the offer and requested Hydro One to compensate her for a full driveway replacement. When Hydro One denied the full replacement, Ms. K contacted our Office for assistance.

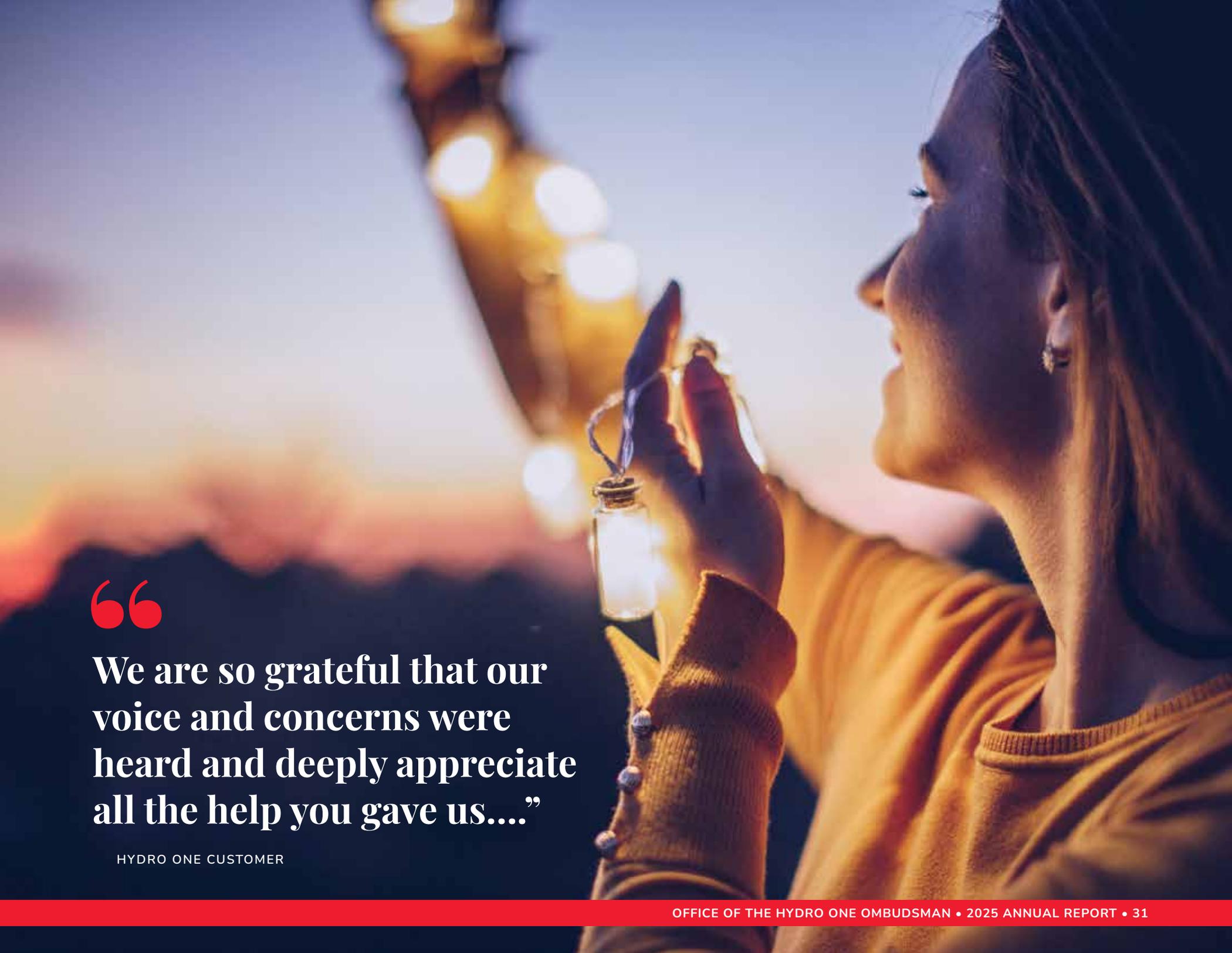
This case highlights a common challenge when Hydro One's work impacts someone's private property—what is the proper remedy to address that situation? One of the key roles of our Office is to ensure Hydro One's decisions are fair and reasonable. Part of that is ensuring consistency with Hydro One's obligations under its Conditions of Service, and the Ontario Energy Board's Distribution System Code which sets the rules for all electricity distributors in Ontario. Under these rules, Hydro One's liability is restricted to only restoring damaged property to its original state. They do not permit upgrades or compensation for indirect losses, including inconvenience or pain and suffering. Although designed to promote fairness and consistency for all electricity customers in the province, their practical application can be difficult and often requires nuanced assessment.

With property remediation claims, one significant challenge is that time may pass before the concern is raised, making it difficult to confirm the

exact nature of the damage that occurred. Even more so, there is often a lack of evidence demonstrating the property's original state before the damage occurred, making it hard to determine what repair will truly restore the property without going beyond what was lost. Factors such as depreciation and wear will oftentimes influence what is considered fair and reasonable in the circumstances as well.

During our investigation, we consulted Hydro One's contractor, who confirmed that a basic patch in this situation would likely fail. Based on this, Ms. K obtained a quote for a targeted repair that would reinforce the damaged area and ensure durability, without replacing the entire driveway. Our Office determined that this approach was reasonable and aligned with both regulatory requirements and the overarching principle of fairness. Our Office recommended Hydro One compensate Ms. K for the minimum effective repair, and the company agreed to this recommendation.

This resolution ensured Ms. K's driveway was restored in a way that addressed her legitimate concern without going beyond what was truly needed to remediate the damage. By recommending the minimum effective repair, we upheld Hydro One's obligations while delivering a fair and practical outcome for Ms. K.



“

We are so grateful that our voice and concerns were heard and deeply appreciate all the help you gave us....”

HYDRO ONE CUSTOMER

Damage Claims and Liability: Why Limits Exist and How the Ombudsman Can Help

When a Hydro One customer experiences losses during power outages or voltage fluctuations, it is natural to ask whether the company should be compensating them for those damages. Such events can cause direct losses, like damaged electronics or appliances, or indirect losses, such as spoiled food.

All of Ontario's electricity distributors are regulated by the Ontario Energy Board (OEB), which sets rules through the Distribution System Code (DSC). Section 2.2 of the DSC limits distributors' liability for events beyond their control, such as unexpected equipment failures or damage from storms, animals, or vehicle accidents. Property damage claims will only be successful where there is clear evidence of negligence or willful misconduct on the part of distributor. Liability limits in the DSC exist to help keep customers' electricity costs manageable. Compensating every customer for losses that a distributor could not have known about or prevented would lead to enormous costs that would ultimately be passed on to all ratepayers through higher electricity bills.

That does not mean that Hydro One could never be responsible for direct damages. Both the DSC and Hydro One's own Conditions of Service (CoS) stipulate that Hydro One will be responsible for a customer's loss where there is negligence or willful misconduct by the company.

If a customer believes Hydro One is or may be responsible for damages that occurred, it is important to do the following:

- 1. Document the Incident:** Take photos, gather receipts, document discussions or timelines, and get technician assessments.
- 2. Complete the Hydro One Damage Claim Form:** Available on the Hydro One website.
- 3. Submit the Form:** Include all information and supporting documents to Hydro One's Damage Claims Group.
- 4. Wait for Claims Investigation:** Hydro One aims to respond within 60 days.

Hydro One will investigate the root cause and determine if reimbursement for the damage is warranted under the DSC and its CoS. Customers should also consider contacting their own home insurance company to alert them to the possibility of a claim if Hydro One is not liable.



If Hydro One denies your claim and you believe the decision was unfair, you can request the Ombudsman's Office to review it.

As an independent oversight office, when we investigate damage claim denials, our focus is on whether that outcome was reasonable.

Our investigation will focus on issues such as:

- Was the decision-making process fair and transparent?
- Did the customer have the opportunity to provide all relevant information to support its position?
- Was the information provided by the customer fully considered?
- Did the claim investigation look at the underlying reasons for the loss and any actions that Hydro One took or should have taken to prevent the incident from occurring in the first place?
- Did Hydro One apply its policies fairly and consistently?
- Was the customer given clear reasons for the denial?
- Was the claims process completed in a timely manner?

If our investigation finds that Hydro One's decision was unreasonable, then our Office can recommend Hydro One reconsider the claim. In cases where the denial was reasonable, but the process took too long, our Office would not recommend the denial be reconsidered, but it could provide the basis for a recommendation of a service credit to address the delay. In 2025, approximately 20% of Claims investigations completed by the Office resulted in a recommendation that the claim be reconsidered or that the customer receive service credits.

Hydro One cannot guarantee an uninterrupted electricity supply or perfectly stable voltage, though the OEB requires the company to use reasonable efforts to maintain reliability. Hydro One does not operate like an insurance company, so customers are encouraged to protect their own equipment with measures such as surge protectors.

The DSC sets a high bar for customers seeking compensation from Hydro One. If a claim is denied, customers can ask our Office to review it. While we cannot guarantee the outcome, our services are free so there is nothing to lose and a chance for a different result.

Prices, Rates and Fees

Despite a significant increase in Prices, Rates and Fees complaints in 2025, this category remained our lowest for the third straight year.

The main driver continued to be Delivery complaints, with customers expressing frustration at the delivery fee portion of their bill. Many people who contact us do not appreciate how the regulated electricity sector works in Ontario, and while there is nothing our Office can do to change these delivery fees, these types of complaints provide an excellent opportunity for us to share this information and help educate customers.

Complaints about Rate Class classification nearly doubled this year compared to 2024. Hydro One assigns customers to rate classes based on property location, customer density, and how electricity is used. The rate class matters because it determines the delivery rates a customer pays. Many Rate Class complaints came from customers in the General Service (GS) rate class who believed they should have been in the Residential class. Residential rates apply to homes, while the GS covers non-residential or mixed-use properties. GS charges are typically higher than capped residential rates.

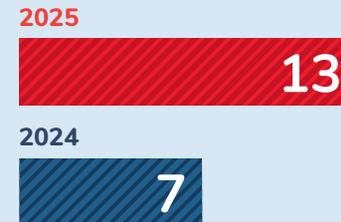
Often, customers are unaware of these rate class differences and fail to notify the company about changes that could qualify them for reclassification and lower bills. To address this gap, we recommended improvements to the company’s account opening practices and clearer website information to help customers better understand GS versus Residential rate classes. These changes aim to increase customer awareness and reduce cases where customers remain in GS rate class unnecessarily.

PRICES, RATES AND FEES COMPLAINTS

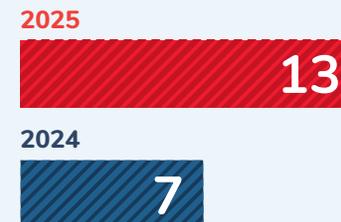
DELIVERY



MANDATORY CHARGES, MISC. FEES



RATE CLASS



ELECTRICITY PRICES



CASE STUDY

A Tale of Two Rate Classes

For more than 20 years, Ms. L paid higher home electricity rates because her property remained classified under the General Service rate class intended primarily for businesses. When she purchased the property in 2000, this classification was correct due to its prior use solely as a farm. In 2002, after building a home and living there full-time, she did not notify Hydro One of the change.

In January 2025, Ms. L contacted Hydro One about a high bill and learned what her General Service rate class meant. Hydro One's General Service rate class can lead to higher electricity costs compared to Residential rates because it does not qualify for government rebates, such as Ontario's Rural or Remote Rate Protection program, that help reduce residential electricity costs in rural areas.

Upon being advised of Ms. L's updated use of the property, Hydro One reclassified her rate class to Low Density Residential and offered credits, reflecting 11 years of billings corrections during which she should have been billed under that rate. Ms. L contacted our Office, stating that the offer was unfair and requesting credits for the full difference dating all the way back to 2002.

Our Office reviewed Hydro One's regulatory obligations, including those under the Retail Settlement Code which allows utilities to correct billing

errors for up to two years. Given that Ms. L had not notified Hydro One about the change in use of her property, the bills issued by the company were not done so in error. Even so, Hydro One had already offered far more than would have been required by regulation if it applied, and our Office did not find any unfairness to Ms. L warranting an additional recommendation.

While we did not find the Ms. L had been treated unfairly, we did make recommendations that would require Hydro One to clarify and better explain the General Service rate class, and its implications, to its customers.

In response to our recommendations, Hydro One developed a comprehensive plan to make rate classes clearer and easier to understand.

This includes providing plain-language explanations when customers open accounts, ensuring forms and bills clearly describe each rate class, and improving online resources so customers can easily access this information. These changes aim to help customers understand rate classes and avoid similar issues in the future.

End of Life Poles

To service approximately 1.4 million distribution customers, Hydro One owns, operates, and maintains a complex distribution grid spanning over 123,000 circuit kilometers long and supported by 1.6 million poles.

Under the direction of the Ontario Energy Board (OEB), Hydro One replaces its assets, including poles, based on condition rather than age. This condition-based approach ensures that rate payers are not burdened with unnecessary costs for equipment that remains functional and safe. Poles are assessed through regulatory inspections and enhanced testing. Those deemed end-of-life because of reduced structural integrity that may negatively impact performance, are replaced with

new structures meeting current standards. These proactive replacements both enhance safety and are more cost-effective than emergency fixes after pole failure.

A customer's service upgrade or new connection request may require replacing a pole that Hydro One has already identified as end-of-life but not yet replaced. The question is how to allocate the cost of that replacement. Historically, Hydro One's policy was to credit the customer for a like-for-like pole, since customers should not pay for infrastructure Hydro One is already obligated to replace itself. However, if current standards would require a taller or upgraded pole to replace that end-of-life pole, what credit should the customer receive in that situation?



Our Office received a complaint from Mr. L that allowed us to formally consider this issue. His upgrade required a 45-foot pole, while the existing end-of-life pole was 35 feet. Hydro One credited him for a 35-foot pole, following its policy of like-for-like credits, even though Hydro One would have installed a 45-foot pole to meet current standards regardless of Mr. L's upgrade.

The OEB's Distribution System Code (DSC), sets out the minimum obligations all distributors, including Hydro One, must meet. The DSC requires that when replacing end-of-life assets as part of a new connection, Hydro One must determine the appropriate capacity (e.g. height of a pole) of the replacement asset first. When the asset is replaced, the distributor must either:

- (a) Cover the full cost of the replacement if the new asset has the same or lower capacity than the replacement asset.
- (b) Charge the customer for the incremental amount for any extra capacity required for the customer's project beyond the replacement asset.

Although the DSC only addresses new connections, Hydro One applied the same end-of-life credit policy to service upgrades as well. In applying this policy, Hydro One relies on the Electrical Safety Authority's definition of replacement asset, which in many cases allows the original pole size/class to continue to be defined as the minimum standard. Our review found that this approach seemed out of line with the intention of the DSC and may result in customers receiving less credit than they are entitled to when an end-of-life pole is replaced as part of their project.

Following a recommendation from our Office, Hydro One conducted a regulatory review of this issue and updated its policy to ensure credits reflect the capacity of the Hydro One replacement asset under current standards, rather than simply the size of the end-of-life pole being replaced. This change of policy will result in credits that more fully align with the spirit and intention of the DSC.



...Overall, I believe that the Ombudsman's Office provides a very necessary and valued service to Hydro One and I have appreciated it greatly.”

HYDRO ONE EMPLOYEE

How Can We Help?



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**Ensuring equity.
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