



2020 Water and Wastewater / Stormwater Services Activity Report to the City of Hamilton

October 2020

Shelley Parker

2020 in Review

Alectra Utilities Corporation ("Alectra") services approximately one million homes and businesses across an 1,800 square kilometre service territory comprising seventeen communities. Our mission is to be the energy ally that our customers expect us to be. We are equipped to help our communities discover the possibilities that energy conservation and new technologies can have on enhancing the quality of life in the communities we serve

Alectra and its predecessor Horizon Utilities Corporation ("Horizon Utilities") has been providing water and wastewater/storm account management and billing services to the City of Hamilton ("City") since December 2001. Billing, payment and related customer services are provided to 155,000 water and wastewater/storm customers. Approximately 32,100 customers receive a stand-alone water/wastewater/storm invoice due to the customer premise being located within the City of Hamilton, but not within Alectra's electricity distribution service territory.

Alectra also provides water billing services to the municipalities of Guelph, Markham and Vaughan, serving a total of 410,000 water customers with combined electricity and water billing and related customer services.

In June 2020, Alectra and the City extended their water services related contractual relationship through to December 31, 2024. During the negotiations in December 2019, the City had raised a concern that Alectra had a privacy breach of customer information. In response to the concerns, Alectra completed an investigation which confirmed that a breach of customer data did not occur and provided a letter of explanation to customers with their bills. As a result, the Renewal Agreement not only includes minor changes to service provisions but enhanced language regarding confidentiality and privacy.

To further improve the customer experience, Alectra launched its new Contact Centre Solution in January 2020. This new omni-channel application is web based and replaces the legacy IVR systems which helps enable seamless customer support over voice, email, social media platforms, and self-service channels. Customers can now reach Alectra's Customer Care team at 1-833-ALECTRA.

In February and March 2020, Alectra complied with Ontario Energy Board regulation changes aimed at standardizing electricity services in Ontario and to ease payment pressures on consumers. This resulted in increased payment timelines for City of Hamilton water customers on Alectra's combined bill as the Due Date was increased from 19 days to 23 days from the date of bill issuance.

As a result of the COVID-19 pandemic, Alectra enacted its Emergency Operations Plan on March 20, 2020. Enacting Alectra's Emergency Operations Plan focuses the organization on safely delivering essential services to our communities including Control Room Operations, Emergency Response Crews and select teams that support emergency field operations. In parallel, Customer Service enacted its Business Continuity Plans, deploying teams to work from home on critical activities of billing, payments and customer support. Alectra lifted its Emergency Operations status in June, with line and metering crews returning to field work utilizing new health and safety protocols while the majority of Alectra's office employees continued to work from home.

In May 2020, Council approved interest free loans to cover the cost of private lead service line replacements for low-income homeowners. Alectra ensures that low-income customers that have qualified for other programs including Ontario Electricity Support Program ("OESP") or the Low Income Energy Assistance Program ("LEAP") are made aware of the City's enhanced support program.

In accordance with Council approved water billing policy changes effective June 2018, Alectra Utilities continues to transfer residential accounts into the registered property owner's name as tenants vacate properties. Property owners benefit through opportunities to save interest and administrative costs related to tenant arrears being transferred to the tax roll as well as having the ability of identifying and responding to potential leaks at their rental property. Alectra transitioned 2,500 accounts in 2020 to the property owners. Approximately 6,500 tenant-billed water accounts remain active.

In September, Alectra began piloting new Robotic Process Automation technology that uses "bots" to review and manage certain meter read exceptions. The bots are capable of issuing field activities and triggering customer notifications where required. Once fully operational, this automation can be expanded to increase customer outreach when customers are experiencing higher or lower water consumption than normal.

Alectra is following the City's new Water and Wastewater / Stormwater Backbilling Policy which came into effect in September. The Policy details how back billings are to be managed under various scenarios and clearly sets expectations for customers.

Alectra has added a Wastewater Abatement Account Arrears Report for the City. This new report commenced in October.

Pandemic Response

Throughout the pandemic, Alectra has worked to meet the health and safety expectations of our employees and communities, support customers facing financial challenges, and meet time-sensitive pandemic-related regulatory requirements.

This includes:

- Implementation of new health and safety processes for employees as well as "Work from Home" and "Return to Work" protocols;
- Implementing a customer-focused approach for families and businesses facing financial challenges as a result of COVID-19, which includes:
 - Waiving of Late Payment Charges for residential and small business electricity customers from April 15, 2020 to August 30, 2020;
 - Waiving of Late Payment Charges to water, wastewater and stormwater customers from April 15, 2020 to August 30, 2020;
 - Committing to residential customers that electric service disconnections for non-payment of account will not occur in 2020;

- Introducing a multi-channel communication strategy for small and larger businesses customers to connect with the goal of establishing reasonable payment plans that are manageable; and
- Revising Alectra's Customer Credit Policy to enable security deposits held on commercial accounts to be applied towards arrears. The security deposits will be reapplied over future bills.
- Delivering upon the Government of Ontario's mandate for changes to electricity rates and support programs to provide financial relief to consumers:
 - Fixing Time-of-Use rates at the off-peak rate for all hours of the day (March);
 - Deferring a portion of the Global Adjustment charges for larger commercial and industrial customers (May);
 - Implementing a COVID-19 Energy Assistance Program to qualifying residential customers. Alectra has \$0.98MM available to disperse (July);
 - Implementing a COVID-19 Energy Assistance Program – Small Businesses to qualifying small businesses. Alectra has \$0.87MM available to disperse (August);
 - Instituting Time-of-Use / Tiered rate optionality which allows residential and small business customers to choose the electricity rates that is most beneficial to their circumstances (October); and,
 - Complying with upcoming regulation to provide financial relief to small businesses impacted by the pandemic. Details about the program are expected in November.

Despite the challenges presented by the pandemic, Alectra's Contact Centre remained open to support customers. A "virtual" Contact Centre was quickly established, and most agents were provided with the technology and tools to work from home within thirty days. Agents were provided with key messaging regarding the City of Hamilton's pandemic response and assisted in spreading awareness about available financial support mechanisms.

2020 Service Overview

In 2020, Alectra's suite of services for the City included:

- Meter reading
- Bill calculation, printing, mailing and electronic bill presentment options (paperless e-billing)
- Customer notifications
- Full customer call support, responses to inquiries and liaison between the customer and the City for escalated concerns including high consumption inquiries related to seasonal usage
- Oversight and administration of City procedures and programs relating to water and wastewater/storm services such as the Leak Adjustment Policy
- Payment processing
- Account collections including the administration of payment arrangements
- Customer web access to account information including account status and consumption information
- Monthly and annual statistical reporting
- Ad-hoc reporting upon request
- Completion of work orders; issuing service orders to Hamilton Water
- Transfers of water and wastewater/stormwater arrears to property tax roll

- Billing, invoicing, payment processing and management of Sewer Discharge Permits
- Billing and collection of loans related to the City's Lead Water Service Line Replacement Loan Program (as of May 2019)
- Managing Energy & Water Reporting and Benchmarking (EWRB) legislative reporting requirements for customers

In addition to the operational functions provided by Alectra to the City, Alectra also strives to bring value-added expertise and partnership through the support and delivery of other initiatives.

Meter Reading and Billing

The foundation of customer billing services is the receipt of accurate and timely invoices. Alectra Utilities manages its meter read schedules daily to ensure that water meter reads are available to support monthly water and wastewater/storm billing for all customer types.

Alectra Utilities and the City strive to obtain actual meter readings for billing. Where an actual reading cannot be obtained, the account is billed to an estimated reading based on the account's historical usage. Meter read request cards that alert customers an actual reading was not obtained are left at the property. Estimated reads are clearly identified on the customer's bill. Meter reads may be provided by calling Alectra Utilities Customer Service department, utilizing our automated Interactive Voice Response ("IVR") telephone system, sending a digital picture of their meter read via an email, or completing a form on the Alectra Utilities website. If three consecutive meter reading estimates occur, a separate notification letter and an automated IVR outbound call are provided as additional customer communications.

As a result of the pandemic, many schools and businesses were closed, rendering the meters inaccessible. Approximately 30,000 accounts have had estimated meter reads due to the current pandemic. Alectra will re-bill customers if the estimated meter read varies significantly from the actual meter read.

Electronic "smart" water meters have been installed in hard-to-reach locations and are read through Alectra's wireless telecommunications. Currently more than 600 electronically read water meters have been installed.

In 2019, Alectra began managing some aspects of the City's Lead Water Service Line Replacement Loan Program. This includes the billing and collection of loans provided to residential property owners who apply for the program. Previously, these loans were collected via the property owner's taxes. In 2020, the program continued to expand, and more than two hundred customers are now billing their loan repayment amount on their water bill. There has been a favourable response to Alectra billing the loan repayments as property owners find it easier to manage a monthly loan repayment with their water bill versus annual repayments through their property taxes.

Alectra's Customer Information System ("CIS") supports billing for a range of fees and charges required by the City including metered rates, various non-metered rates and fixed charges based on meter size. Complex billing scenarios such as water haulers, master/satellites, seasonal meters, compound meters

and electronic read water meters are all also managed within the CIS. Invoicing of the City's Wastewater Abatement Program, Private Fire Line user fees, Sewer Discharge Permit fees, back-billings and various Hamilton Water service charges are also applied through the CIS.

Note that the City's meter replacement and meter maintenance programs were put on hold due to COVID-19 protocol considerations.

Meter Reading and Billing Statistics

	2020	2019	2018	2017	2016
	Forecasted	Actual	Actual	Actual	Actual
Number of Invoices	1,870,000	1,865,340	1,794,337	1,503,629	963,699
Revenue	\$234 MM	\$223.0MM	\$206.3MM	\$199.5MM	\$195.4MM
Meter Reads	1,788,000	1,662,759	1,624,330	1,453,956	945,125
Meter Read Success Rate	96%	95%	95%	96%	95%
New Accounts Created	1,600	2,941	2,818	1,645	2,235
"Estimated Account" Letters	3,600	7,620	13,907	15,380	10,842
Touchpad "not working" Service Orders	240	879	2,554	2,735	1,553
Service Orders to relocate remote touchpad	60	278	625	446	302
Customers transitioned to monthly billing in 2017.					

Reporting and controls are in place and monitored as part of our daily operations.

Customer Service and Communications

Alectra's mission is to be an ally that our customers can rely on. For our Contact Centre, this is further defined by being "easy to do business with", solutions oriented, and appreciative of our customers. Our Contact Centre's daily goal is to meet or exceed its target of answering 75% of all in-bound calls within 30 seconds. In addition to telephone calls, Alectra's agents respond to requests received through email, its website, social media, self-service portals and the Alectra after-hours voice mailbox.

All interactions with our customers promote electronic payment methods and ebilling solutions as one of our value-added services.

Alectra's website has a section dedicated to water and wastewater/storm services and customer education including:

- Water and wastewater/storm billing explanations
- Understanding your water bill
- Water and wastewater/storm rates
- How to read a water meter
- Things you need to know before buying a home or going away
- Information regarding the City's Water Account Privacy Statement
- Information regarding various billing policies including the City's Arrears Policy, Backbilling Policy, Payment Arrangement Policy and Water Leak Adjustment Policy

- Information detailing who is responsible for water and wastewater/storm charges
- Information regarding Private Fire Line Charges and Sewer Discharge Permit Charges
- Water and wastewater/storm service user fees
- Frequently asked questions
- Water saving tips

Customers can access Alectra's My Account which is a secure portal to view their bills, understand historical water consumption and utilize account management features such as the paperless billing option.

The Customer Care team is knowledgeable about the billing and payment services that Alectra provides, including all components of water and wastewater/storm account management.

The Contact Centre responds to queries such as:

- Notification of a change of address
- Requests to discuss payment options
 - Pre-authorized payments
 - Equal payment plans
- Queries about how rates and charges are calculated
- Payment arrangement options
- The City's Water Leak Adjustment Policy and related procedure
- Transfer of water/wastewater/storm arrears to the property tax roll
- Meter reading access issues
- Inquiries about high usage (including the provision of leak identification education) and meter accuracy inquiries

The Customer Information System provides variance reporting to ensure that bills are within a normal tolerance that supports the administration of the High Water Read Notification Program.

Residential customers are contacted by telephone before receiving a higher than normal bill to be advised that their bill has been calculated to be more than 175% greater than their norm (this notification trigger is lowered to 150% during the months of November to April). This timely notification allows customers to identify abnormally high water use, which assists with the identification of leaks and allows for corrective actions. Many customers had increased water consumption due to the record breaking dry summer temperatures as well as families isolating or working from home.

Timely customer communication supports positive customer relations. City bill inserts are included with invoices to advise customers of rate schedule changes or policy modifications. Additionally, special mail-outs can be coordinated for the City as requested.

The City's seventh annual newsletter was provided to residential customers as a bill insert accompanying their fall water bills. The insert provides information regarding the significant upgrades to the Woodward Avenue Wastewater Treatment Plant, prevention of pollutants being discharged into toilets and catch basins, the availability of the Service Line Warranties of Canada ("SLWC") program, and more. Additionally, Alectra also included billing inserts regarding the City's annual rate increases in January.

Alectra's Contact Centre remained open to serve customers despite the pandemic constraints through its transition to a work from home model, which was anchored by its new Contact Centre software system. In 2020, the number of customer calls answered within 30 seconds is anticipated to be 5% below Alectra's target of 75%. The lower than normal result is due to the unprecedented pandemic requirements which included transitioning employees to work from home, the implementation of new technology to support at home Contact Centre agents, pandemic-related resource constraints, and exceptionally high call volumes due to increased consumption.

Customer calls answered within 30 seconds:

	2020 Forecast	2019 Actual	2018 Actual	2017 Actual	2016 Actual
Incoming Calls	70%	76%	79%	77%	82%

The complexity of customer calls also continues to increase. Alectra's Customer Service Representatives ("CSR's") are having fulsome conversations with customers to understand their inquiry while ensuring the customer is receiving the information they need during the first interaction. In our most recent survey, 85% of our customers surveyed responded that their query or request was satisfied in a single call to the Contact Centre.

Payment Options and Collection Services

Alectra offers a variety of payment options tailored to each customer's unique needs. Customer payment options include:

- Automatic pre-authorized payment plans
- Equal monthly payment plans
- Cheque, money order, or bank withdrawal from most financial institutions
- Telephone banking
- Internet banking
- Credit Card Payment (with a Convenience Fee)

The Municipal Act, 2001, allows unpaid water and wastewater fees and charges to be placed on the City of Hamilton tax roll for the property to which the public utility was supplied, irrespective of who the consumer or account holder may be or have been.

In accordance with the City's Water/Wastewater Arrears Policy and in order to assist property owners who direct water and wastewater/storm billings to a tenant, Alectra endeavors to notify property owners of tenant/account holder arrears at 30 calendar days beyond the due date. If the account remains unpaid, the water/wastewater/storm arrears will be added to the property's tax roll when the account is 60 calendar days beyond the due date. Alectra manages the process of electronically transferring the outstanding fees and charges related to active and final billed accounts to the property tax roll.

Payment Information Options

	2020 Forecasted	2019 Actual	2018 Actual	2017 Actual	2016 Actual
Water/Wastewater accounts on Pre-Authorized Payment **	49,700	40,794	40,044	39,215	38,020
Percentage of customers on Pre-Authorized Payment	32%	26%	26%	26%	26%
Water/Wastewater on Equal Payment Plan	9,800	8,524	8,911	9,049	9,124
30 day Notification Letters sent	52,600	54,415	56,583	56,006	40,402
Number of Accounts Transferred to Tax Roll	19,500	20,151	15,875	11,681	6,221
Arrears Value	\$3,830,000	\$4,230,069	\$3,038,740	\$2,266,225	\$1,480,000

Administration and Management of City Programs and Special Requests

Arrears Certificates: Upon request from a solicitor, water and wastewater/storm arrears certificates are sent advising of any outstanding charges that remain at the time of closing for real estate transactions.

Service Orders: Alectra Utilities processes a variety of service orders from Hamilton Water's Customer Service and Community Outreach section related to activities such as new meter installations, meter replacements and account transfers.

High Water Read Notification Program: On behalf of the City, Alectra provides notification to account holders who experience higher than average historical water consumption. This timely notification provides customers the opportunity to identify and repair any leaks or identify usage that would affect the amount of water consumed.

Water Leak Adjustment Policy: The City of Hamilton's Water Leak Adjustment Policy provides residential, not-for-profits and institutional customers who utilize City of Hamilton water services with financial assistance under certain circumstances. The Policy provides a one-time opportunity for customers to request adjustments to water/wastewater/storm charges where repair(s) of water leaks within private property occurs, excluding any water leaks in the water service pipe.

Customers may request adjustments to water and wastewater/storm charges by completing a Water Leak Adjustment Request form (available on the Alectra Utilities website) and submitting it to the Alectra's Customer Service department. Any adjustments greater than \$500 require City review and approval.

Billing of Seasonal Accounts: Reads and their related work orders completed by the City are forwarded to Alectra Utilities twice per year and the information is used to reconcile seasonal accounts.

Billing of Sewer Discharge Permits: On a quarterly basis, Alectra bills sewer discharge permits with the City's annual budget for these revenues of almost \$9.4MM. Monthly reporting of unpaid accounts is forwarded to the City for tracking purposes.

Program Management Information

	2020 Forecast	2019 Actual	2018 Actual	2017 Actual	2016 Actual
Water/Wastewater Arrears Certificates	N/A	N/A	4,215	4,685	4,488
Service Orders Completed	21,300	21,877	13,559	12,389	13,259
High Water Notification Letters	22,000	34,642	12,340	9,844	10,403
Leak Adjustment Request Forms Received	55	53	41	90	106
Leak Adjustment Credits applied to accounts	\$24,000	\$26,768	\$66,930	\$55,700	\$49,700

Reporting

Alectra has reporting to manage the water and wastewater/storm billing activities including exception handling. A variety of statistical and summary reports are sent to the City each month to enable analysis and program oversight, including:

- Monthly billing detail report
- Adjustments detail report
- Leak Adjustments summary
- Wastewater Abatement summary
- Non-metered account listing
- Large water user billing report
- Meter read accuracy report
- Rate types and meter size
- Sewer Discharge Permit billing report
- Fire Line Services
- Summary of aging arrears and current account receivables
- Revenue report by rate class
- Trial balance for all account receivable transactions
- Adjustments by type

Energy & Water Reporting and Benchmarking (EWRB) legislative regulations require property owners that have facilities greater than 100,000 square feet to report annual energy and water consumption and performance data to the Ontario Ministry of Energy. Alectra provides both electric and water consumption information to our customers for them to comply with the mandatory reporting for these large buildings. In 2020, Alectra provided EWRB information to approximately 75 large customers and condominium corporations.

Looking Ahead to 2021

- In partnership with the City, develop Key Performance Indicators to establish incremental measurements and standards / targets
- Planned transition of the City of Guelph Customer Information System to Alectra's CIS platform (completion target Q3 2022)
- Development of automated "Smart Forms" with improved digital engagement platforms to enable increased opportunities for customers to self-serve and further digital relationships
- Continued promotion of ebilling as a convenient option for our customers
- Ongoing coordination with the provincial government and local communities to provide customers with support as part of our COVID-19 response.