

From: [Shelly-Anne Connell](#)
To: [Tamara Collins](#)
Subject: FW: EB-2018-0270 FW: Letter of Comment
Date: Tuesday, December 11, 2018 11:04:27 AM

-----Original Message-----

From: registrar <registrar@oeb.ca>
Sent: Monday, December 10, 2018 3:04 PM
To: Shelly-Anne Connell <ShellyAnne.Connell@oeb.ca>
Subject: EB-2018-0270 FW: Letter of Comment

-----Original Message-----

From: Webmaster <Webmaster@oeb.ca>
Sent: Friday, December 7, 2018 12:19 PM
To: registrar <registrar@oeb.ca>
Subject: Letter of Comment - [REDACTED]

The Ontario Energy Board

-- Comment date --
2018-12-07

-- Case Number --
EB-2018-0270

-- Name --
Dennis Rizzo

-- Phone --
[REDACTED]

-- Company --
n/a

-- Address --
[REDACTED]

-- Comments --

Re: EB-2018-0270

Hydro One Networks Inc. MAAD S86 to Purchase Orillia Power Distribution Corporation

Dear Ms. Walli

I am writing as a customer of Orillia Power Distribution Corporation [OPDC] to express serious concerns about the overall effect of this transaction on the customers of OPDC. Hydro One Inc., the owner of Hydro One Networks Inc., has applied to the Ontario Energy Board for approval to purchase all of the shares of OPDC for \$41.3 million, consisting of \$26.4 million cash and assumption of OPDC's stated \$14.9 million debt. The application before you is substantially the same application which the OEB found lacking this past summer. The entire process of this fire sale has been conducted behind closed doors and with only vague promises and assumptions as to the value to Orillia as we move forward.

I have looked through the application to the best of my ability. I am not an MBA or an engineer, but I cannot see where this purchase is in the best interests of the customers of OPDC. Rather, it represents a windfall for Hydro-One, which has been unable or unwilling to provide cost-effective localized services and has allowed its own debt to

soar out of control, resulting in substantial increases in rates.

OPDC has been in successful operation since 1914 when Orillia established the first long-distance power transmission system in Ontario. It was this local focus that made Orillia and the surrounding area a place to do business and raise a family. It is this local focus that will be irrevocably lost if the proposed sale is allowed. The OEB itself, in other rulings, has found that assumption of local services by Hydro-One did not improve costs or delivery. On the contrary, shortly after Hydro-One's assumption of other municipal systems, costs rose and service declined. Recently, Hydro One efforts to assume distribution systems in the USA have been disallowed for similar reasons and other municipalities in Ontario have shared this position. Only Orillia seems to be bent on giving away its legacy to the corporate giant.

It is my understanding that OPDC had, at last audit, a value of about \$55 million, including assets which the City of Orillia has subsequently chosen to write off as "debt". Neither Hydro-One nor OPDC have demonstrated that this transfer of ownership and responsibility will, in effect, improve or sustain the current levels of service and costs to consumers. The one percent rate reduction offered is spurious and laughable. The extension of rates through to 2030 represents an existing condition of the existing rate structure not a new offer by Hydro-One. These curious anomalies beg another look.

I am asking that OEB, at the least, require a new audit of OPDC by an independent entity to determine the process and price of this acquisition is above board, and in the best interests of all of the consumers of OPDC services. At the best, I am asking that OEB deny this purchase application.

Sincerely,

D Rizzo

-- Attachment --