

LETTER OF COMMENT 1

From: [REDACTED]

Sent: September 19, 2010 12:26 AM

To: BoardSec

Cc: rgatien@wnhydro.com

Subject: Application EB-2010-0144 Waterloo North Hydro Inc.

To: Ontario Enenergy Board

In regards to the application for Electricity Distribution rate change by Waterloo North Hydro, I am requesting that you take into consideration the following factors in your decision.

a) Waterloo North Hydro is owned by the City of Waterloo, and Townships of Wellesley and Woolwich. Prior to 2010, Waterloo North Hydro handled the billing of water services for The City of Waterloo on the same account and invoice as hydro services that it provided. In 2010, this practice stopped with the City of Waterloo taking over billing for water separately. When the change occurred, Waterloo North Hydro did not change its. Waterloo North Hydro states on Page 19 of 220 in the application document Waterloo_APPL_rates_20180827.PDF that one of the reasons for the increase is in order to offset a "loss in revenue in excess of cost decrease" meaning that Waterloo North Hydro is looking to replace the profits it has lost in no longer doing the water billing services for the City of Waterloo. This appears to be a conflict of interest considering Waterloo North Hydro is also owned by the City of Waterloo; meaning that customers in Waterloo would need to pay more for internal matters for the City of Waterloo.

b) Also on the same page 19, Waterloo North Hydro states that it is seeking increases in order to offset capital assets that exceed depreciation levels. This 'deficiency' as described should not be offset by depreciation accounting practices but should be accounted for by increased efficiency in Waterloo North Hydro's operations; meaning they should see an improvement in operating costs or else the capital additions should not have been made. Decisions on increasing capital assets should not be made on the basis that they will be automatically covered by rate increases. These type of decisions should be made as in any other business based on good business sense.

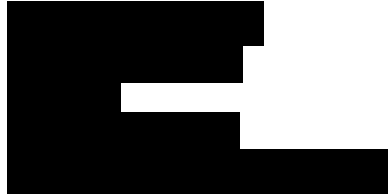
c) Waterloo North Hydro is asking for rate increases to cover economic wage increases. The Government of Ontario has requested that wages be frozen for the foreseeable future for Municipalities. Being that Waterloo North Hydro is owned by the City of Waterloo, the Ontario Energy board should not be approving such a change.

d) Waterloo North Hydro in their documentation package shows figures that the rate increase will result in an improved rate of return for its holders and predicts that a portion of its rate increase will result in income taxes to be paid. This organization is again owned by the City of Waterloo. It should be considered to be an organization granted a monopolistic position in order to provide public services. This should not mean that rate increases should be granted to provide more profitability than current levels.

e) On Waterloo North Hydro's website, there is information provided about the residential fees currently charged. The attached .jpg was taken from their website on September 18, 2010.

Under the delivery charge section, several services are detailed that define what is included in the delivery charge. The current Distribution Volumetric charge paid by customers in 2010 amounts to \$.0132 / kwh where the proposed 2001 rate is \$.0202 / kwh, an increase of over 53%. This increase is outrageous. The applicants cost impact calculation shows a lesser percentage impact because they take into consideration percentages based on total cost of electricity including energy, delivery, regulatory charges, debt retirement and HST. Of significant change is the applicants request to reduce the loss adjustment factor from 1.0505 to 1.0404 which lowers other costs charged to consumers; however the impact of the distribution volumetric charge increase is still a overall cost increase. The loss adjustment factors should be applied based on the actual data over the past few years which seems to merit a cost reduction to consumers based on a factor even lower than 1.0404 as proposed. In effect, the board should reduce the loss adjustment factors to reflect actual history but not award the 53% increase on the distribution volumetric charge as this is outrageously high.

Ernie Reiter



Waterloo North Hydro Corporation - Your Power. Our Priority - Windows Internet Explorer

http://www.wnhydro.com/residential/residentialrates.shtml#

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RESIDENTIAL COMMERCIAL / INDUSTRIAL ENERGY CONSERVATION STAY INFORMED SAFETY

RESIDENTIAL RATES

Effective May 1, 2010
The Ontario Energy Board has announced that electricity pricing for Regulated Price Plan (RPP) consumers is changing. If you buy your electricity through a contract with an electricity retailer, you will continue to pay their price.

Residential rates are based on a two-tier price structure.

The price for the first tier is changed from 5.8¢ per kWh to 6.5¢ per kWh. The price for electricity over this threshold is changed from 6.7¢ per kWh to 7.5¢ per kWh. Consumers pay the lower price for the first 600 kWh per month from May to October and for the first 1,000 kWh from November until April. The Ontario Energy Board reviews these rates every 6 months.

The rates associated with the **Delivery** line on your bill have also changed. The overall bill impact of the delivery and electricity line changes, based on usage of 800 kWh per month, is an increase of 4.9%.

[Click here](#) to view the Glossary of Terms appearing on your bill and the Residential Rate Chart.

1. ELECTRICITY (1) (2)

First 600 kWh/month	\$0.065 per kWh
Additional kWh/month	\$0.075 per kWh

2. DELIVERY

Distribution Service Charge	\$15.56 per month
Distribution Usage Charge	\$0.0132 per kWh
Deferral & Variance Account Rider	(\$0.0027) per kWh
Global Adjustment Rider – non-RPP customers	\$0.0003 per kWh
Line Transformation Connection (2)	\$0.0020 per kWh
Network Service (2)	\$0.0058 per kWh

3. REGULATORY CHARGES

Admin. Fee – Standard Supply Service	\$0.25 per month
Wholesale Market Charge (2)	\$0.0068725 per kWh

4. DEBT RETIREMENT CHARGE

	\$0.007 per kWh
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RESIDENTIAL CATEGORIES

- Residential Rates
- Request for Service
- Change of Address
- Payment Options
- Residential Deposit Guidelines
- Critical Customer Notification
- Understanding Your Bill
- Forestry Services
- Conditions of Service
- Your Meter
- Call Before You Dig – Cable Locates

