

From: BoardSec

Sent: September 4, 2014 10:17 AM

Subject: FW: letter of comment, app: EB-2014-0116

Follow Up Flag: Follow up

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From: Richard Cassel [mailto:]

Sent: September-04-14 9:40 AM

To: BoardSec

Subject: Fwd: letter of comment, app: EB-2014-0016

Attn: Ms Kirsten Walli, Board Secretary

re: Letter of Comment, Toronto Hydro Application EB-2014-0016

Dear Members, OEB,

I write as a residential consumer of the services of Toronto Hydro. There is no reasonable alternative supplier of my electricity needs. Like a million or so other consumers, we are at the mercy of this utility and can only trust that they act in our best interests.

It is impossible for me or the typical lay person to decipher and analyze the projected costs and overheads of their system; I won't even try. Neither do I wish to comment on the system of management and governance.

My only reason for this letter is to question Toronto Hydro Management's year end bonus formula. I don't agree with their ability to award extra money to themselves. Yes, exceptional performance does deserve a reward. However, the measure of that performance should be taken by an impartial, third party.

The latest period included interruptions partly caused by old or poorly maintained equipment. In accounting terms that is called "deferred expense". Simply, by deferring the expense of maintenance and upgrades the Utility showed a higher 'profit' which resulted in larger Management bonuses. There is too much potential for abuse of my money with this model. Other industries, in particular US Banks and Utilities have abused similar trust and even broken the law when calculating their executive bonus.

Please, when granting any Public Utility some or all of their application increases, do so with the provision that Management bonuses be determined by an independent third party, based on a broader formula including maintenance standards, safety record, profit and customer satisfaction.

In summary, the Management and Directors of Toronto Hydro are generously paid their base salaries and benefits for doing their job. I expect them to have to jump much higher before giving them a bonus.

Thank you for considering this issue. I trust that you will give it due weight as if every consumer had taken the time to voice same thought.

Sincerely,

Richard Cassel [REDACTED]
[REDACTED]