

Subject:

FW: Letter of Comment Submitted: EB-2015-0004

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From: webmaster@ontarioenergyboard.ca [mailto:webmaster@ontarioenergyboard.ca]

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To: BoardSec

Subject: Letter of Comment Submitted: EB-2015-0004

LETTER OF COMMENT

Comments:

re: APPLICATION FILE NUMBER: EB-2015-0004

June 8th, 2015

I'm writing to you as a long-time residential customer of Ottawa Hydro regarding its recent rate increase application.

As noted in a recent Ottawa Citizen piece (written by Don Butler, dated June 3, 2015), "Hydro Ottawa has applied for an increase in distribution charges totaling nearly 24 per cent for residential customers over five years, starting in 2016. Those charges account for about one-fifth of a typical monthly hydro bill. If approved by the OEB, the increase would raise the monthly cost for an average residential customer from \$28.39 to at least \$35.15 by 2020."

That is a appalling increase given the economic times we live in. While there has been much talk of an economic recovery over the past number of years, it is my belief that for most ordinary people the recession hasn't eased. Indeed, economist Jim Stanford recently noted, "Canada's first-quarter GDP report was not just "atrocious," as predicted by Stephen Poloz. It was downright negative: total real GDP shrank at an annualized rate of 0.6% (fastest pace of decline since the 2008-09 recession). Nominal GDP fell faster (annualized rate of 3%), as deflation took hold across the broader production economy (led, of course, by energy prices)." (June 4, 2015, <http://www.progressive-economics.ca/2015/06/04/judging-the-odds-for-an-election-recession/>).

In light of this, it is my contention that this rate increase would hit ordinary residential consumers of electricity very hard. And certain vulnerable populations (low income consumers, those on fixed incomes, so-called marginal workers, single parents, etc...) would be suffer greatly. As further proof,

I also can't help noticing that the kWh assumptions presented in the chart on the Notice of Application site (800 kWh per month) is well BELOW the estimates of a "typical" residential consumer in the United States (for example, the U.S. Energy Information Administration noted that "In 2013, the average annual electricity consumption for a U.S. residential utility customer was 10,908 kilowatthours (kWh), an average of 909 kWh per month. Louisiana had the highest annual consumption at 15,270 kWh, and Hawaii had the lowest at 6,176 kWh."

<http://www.eia.gov/tools/faqs/faq.cfm?id=97&t=3>). While my own electricity consumption does fall below this average, I'm aware that I am an outlier; many of my friends and neighbours do consume more energy for all kinds of reasons. And certainly not because they are negligent; a single parent with a young child or two may have a much higher daily kWh consumption simply because they're at home. It is hard to imagine that such a person should pay such a significant increase in distribution charges simply because of their circumstance.

I also can't help noticing Ottawa Hydro's lack of empathy; for example, where are the credits for such a parent as I just described? Or for someone living on social assistance? Or a pensioner? For that matter, why is Ottawa Hydro's business model based on a “for profit” model rather than as a service to residents of their community? Would these rate increases even be on the table if Ottawa Hydro ran as a “break even” enterprise rather than a “for profit”?

Lastly, I also wanted to echo comments made by Ronald Eade in his letter to the Ontario Energy Board dated May 12th, 2015. Mr. Eade noted, “The underlying problem is that Ottawa Hydro, like the city water and sewer utility, is operated as a tax-generating revenue stream and not a business that prudently plans and sets adequate money aside for maintenance and upgrades (as you and I might have rainy day money set aside for a new furnace, or roof). Ottawa City Council has come to expect generous annual dividends paid by Ottawa Hydro to help with the city's endless cash-flow needs, which precludes any effective and long-term prudent function as a utility.”

In regards to all of these points, I urge the Board to reject this increase.

Thanks very much for your time,

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