

From: [REDACTED]
To: [REDACTED]
Subject: FW: Letter of Comment -
Date: August 18, 2017 12:42:09 PM

Original Message-----

From: webmaster@ontarioenergyboard.ca [<mailto:webmaster@ontarioenergyboard.ca>]
Sent: June-06-17 10:36 AM
To: registrar
Subject: Letter of Comment - [REDACTED]

The Ontario Energy Board

-- Comment date --
2017-06-06

-- Case Number --
EB-2017-0049

-- Name --
John Dellevoet

-- Phone --
[REDACTED]

-- Company --

-- Address --
[REDACTED]

-- Comments --

This is an increase of 25% over the five year period of the delivery amount on my June bill of \$45.95 or about 5% per year. The current amount of my bill should have renewal costs already included and they should be amortized over 25 years or 4%. New capital should be amortized over 40 - 60 years depending on the asset or 2% on average. Inflation is less than 2% now and for the foreseeable future. The requested rate increase over and above the current amortization and inflation is clearly excessive! The labor content of the current billing must be low - I would guess at less than 25% of the billing - which means that wage increases at a low annual increase of about 2% means that equipment cost increases must be at 6-7% per year in addition to the current amortization already included. Hydro One seems to be increasing the rate of equipment amortization or equipment replacement above and beyond a reasonable traditional rate of the past. If they used a 4% replacement rate previously as a monopolistic operation should have and I am sure your prior applications have asked for (even though average electrical equipment will last longer than 25 years on investment value replacement) there should not be a need now to add an incremental 25% increase on blended equipment and labour in the next five years. Most of the current capital should be for replacement purposes - not new-build (except for the occasional high power line for redundancy and system security). There should not be a great deal of new build - our recent growth rates have been minimal as lower usage offsets system growth. I don't expect it to continue indefinitely but for the near term it should be small annually.

I urge the OEB to review the facts and backup of the Application carefully and apply reason to the request for the increases as published because on first view and without the ability to demand corroboration as to why this level of investment and increase is required, the 25% increase is far beyond what should be allowed.

John Dellevoet

-- Attachment --

