

From: [registrar](#)
To: [Janet Sakauye](#)
Subject: HPE CM: EB-2018-0165 Letter of Comment
Date: Friday, November 30, 2018 7:51:46 AM

From: Webmaster <Webmaster@oeb.ca>
Sent: Thursday, November 29, 2018 5:10 PM
To: registrar <registrar@oeb.ca>
Subject: Letter of Comment
The Ontario Energy Board

-- Comment date --
2018-11-29

-- Case Number --
EB-2018-0165

-- Name --
Bill Gaw

-- Phone --
[REDACTED]

-- Company --

-- Address --
[REDACTED]

-- Comments --

Thank you for the opportunity to hear about and question Toronto Hydro's Rate Application for 2020-2024 at the Scarborough Civic Centre Community Meeting on November 26.

I have no issue with the proposed cost recovery rates, but I notice a couple of elements in the application that seem odd and might bear close examination by the Board.

"approximately a quarter of the utility's asset base continues to operate beyond useful life..." and "continued investment is required to ensure there is no deterioration in recently stabilized system performance" do not suggest a strong plan to eliminate the "beyond" part, but simply to maintain the current level of stuff "past their useful life" and accept whatever level of outages that implies.

I think it would be more appropriate to declare an ambition to reduce the "population of assets beyond their useful life" to less than 1% by 2024, and plan to drive it down from that level going forward until we bump into the structural minimum.

In section D 3.1.2 Asset Replacement Policy, "Toronto Hydro does not have a dedicated proactive renewal strategy for overhead conductors. Where appropriate conductors are replaced as part of a planned area rebuild or reactively upon failure due to age..."

Given the illustrated property damage, and potential personal injury risk due to "porcelain pothead failure" plus the know-how to replace "legacy porcelain insulators with new polymeric equivalents", a "dedicated proactive renewal strategy" could be a good thing - perhaps it would even reduce the maintenance expense of "washing the porcelain insulators every six months."

Similarly, if we recognize "below ground rotted poles" and "car accidents" as known risks of catastrophic pole failures, replacement of old wooden poles with new wooden poles rather than composite, concrete, or steel poles, and leaving the new poles unprotected by concrete-steel guard posts, are questionable practices. Those new wooden poles are subject to Toronto's belligerent woodpeckers, unnecessarily reduce our forest carbon absorption somewhere in Canada, and maintain a continuing risk of pole fires.

I did not see a compelling justification for choosing wooden poles going forward.

The argument that "removed assets are typically refurbished and kept as spares due to the scarcity of these obsolete asset types" seems seriously dubious. It might make at least as much sense to chuck the obsolete stuff and invest the savings from refurbishment expenses into fixing the next repair with current standard equipment. That might also conveniently drive down the inventory of obsolete assets that will need continued investment in the future.

-- Attachment --