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September 27, 2021

Mr. Stuart Kidd,

Thank you for taking the time to provide your letter of comment. We at North Bay Hydro Distribution Limited ("NBHDL") can certainly appreciate your concerns surrounding the acquisition of Espanola Regional Hydro Distribution Corporation ("ERH") and the rise in the cost of electricity. We can also understand that during these unforeseen times, times are difficult for many.

Both the ERH purchase, as well as our rate applications, are public proceedings that allow for public participation and intervention. This industry is heavily regulated by the Ontario Energy Board ("OEB") and all elements of any type of application are transparent and overseen by a thorough due diligence process that includes a significant amount of evidence, an interrogatory process to question the evidence, and other steps as needed; all of which are designed to protect the ratepayer's best interest. For example, our current Cost of Service application is a fully public proceeding, is open to intervention and challenge by interested stakeholders, takes nearly 8 months of interaction and review, and is ultimately decided upon by OEB Commissioners.

The acquisition of ERH is a strategic decision to ensure the future sustainability of the NBHDL group of companies for many years to come. The acquisition involved thorough business analysis and was subject to a rigorous process, overseen by our regulator, that ensures there is no harm to customers with respect to price, economic efficiency, and cost effectiveness. After a fully transparent, public process, the acquisition of ERH was approved by the OEB in August 2019. The approval signifies that, after careful consideration, the OEB accepted that there is no harm passed on to customers in either the North Bay or Espanola service territories as a result of the acquisition. The acquisition was completed in October 2019.

Transparency is an NBHDL and industry mandate. NBHDL provides our annual audited financial statements to the public on our website (www.northbayhydro.com/financials). Electricity Distributor Scorecards are also posted on our website (www.northbayhydro.com/north-bay-hydros-regulatory-scorecard/). The Scorecard is a format that measures how well distributors are performing each year and is intended to create transparency for the customer. It is designed to encourage electricity distributors to operate effectively, continually seek ways to improve productivity, and focus on improvements for customer value.

NBHDL works very hard every day to keep the portion of the bill we have control over, as low as possible. However, in an effort to continue to distribute electricity safely and reliably over the next 5 years, we must invest in the renewal of assets and the ongoing maintenance of the system while meeting the evolving needs and expectations of our customers, resulting in the increase requested in our application.

Due to the pandemic we have taken steps such as deferring, and foregoing to collect, our OEB approved May 1, 2020 rate increase for 6 months to assist our community, we continue to waive late fees on accounts that are in arrears, and we are working closely with customers on customized and flexible payment plans that address their individual circumstances. We will continue to explore other options that may result in benefit to our customers.

Electricity costs continue to be a significant concern for most in Ontario. In an effort to address those concerns, several programs have been made available to ease the burden caused by their electricity bills.

The Ontario Electricity Support (OESP)

If you are a customer of an electricity utility and in a lower-income home, you may qualify for a reduction on your electricity bill. OESP will reduce the cost of your household electricity bill by applying a monthly credit directly to your bill. The credit amount will depend on how many people live in your home and your combined household income.

More information can be found here: OntarioElectricitySupport.ca 1-855-831-8151

The Low-Income Energy Assistance Program (LEAP)

The LEAP program is a year-round, province-wide emergency financial assistance developed by the Ontario Energy Board for low-income electricity customers who are experiencing difficulty paying their energy bills.

More information can be found here: www.lipinipissing.com 705-472-1337

NBHDL appreciates you taking the time to provide the feedback that helps shape the future of our business. Please know, we continue to prioritize keeping our rates as low as possible, while ensuring we deliver safe and reliable power to each and every customer in North Bay and meeting the necessary needs of the business.

Best regards,

Neil Russell
Communications Officer
North Bay Hydro Distribution Limited
Community Power