-- Name --
Daniel Goneau

-- Do you reside in the impacted service area? -- Yes

-- Comments --
Dear Ontario Energy Board Commissioners,

I am writing to express my strong opposition to Hydro Ottawa Limited's application EB-2024-0115, which seeks approval for significant electricity distribution rate increases effective January 1, 2026, and a new custom rate framework for 2027-2030. As a resident and small business owner within Hydro Ottawa's service area, I am deeply concerned about the adverse impacts these proposals will have on our community. This letter outlines my primary concerns regarding the affordability of the proposed hikes, the justification for Hydro Ottawa's financial requests, the utility's past performance, and the proposed future rate-setting mechanisms.

1. Severe Affordability Concerns in a Challenging Economic Climate

The timing of this application is particularly troubling given the current economic hardships faced by Ottawa residents and businesses. Ontario's economy is experiencing a slowdown, with real GDP growth forecasted at a mere 0.4% for 2024 and real GDP per capita falling below pre-pandemic levels . Inflation, while easing, has left a legacy of high costs for essentials, and unemployment is projected to rise, with Ottawa's rate expected to reach 6.2% in 2024 . Business confidence, especially among small businesses, is at a record low .

Against this backdrop, the proposed monthly increase of $6.08 for typical residential customers and $14.57 for small general service customers is a substantial new burden . These increases will disproportionately affect vulnerable populations, including seniors on fixed incomes and low-income families, potentially pushing more households into "energy poverty". Existing affordability programs like the Save on Energy Affordability Program and the Better Homes Ottawa - Loan Program highlight that energy costs are already a significant challenge.

2. Scrutiny of Hydro Ottawa's Financial Justifications

The justifications provided by Hydro Ottawa for its requested $298,975,000 revenue requirement for 2026 warrant close examination .

Hydro Ottawa proposes a placeholder ROE of 9.00% for 2026, to be fixed for the 2026-2030 period, based on the OEB's 2025 generic parameters . There is concern that utility ROEs have often been set above the true Cost of Equity, leading to overpayment by customers . A high ROE can also incentivize "capex bias," favoring costly capital projects over operational efficiencies . Hydro Ottawa's achieved ROE in 2023 was 6.15%, significantly below its deemed ROE of 8.34% , raising questions about fixing a potentially inflated ROE for five years.
The largest drivers for the increased revenue requirement are a $97.1 million increase in average net fixed assets (Return on Rate Base) and a $35.1 million increase in OM&A expenses . The necessity and prudence of these substantial increases, particularly in capital spending and operational costs, must be rigorously validated, especially considering Hydro Ottawa's 2023 efficiency assessment placed it in "Group 4" (fair, with actual costs 10-25% above predicted) .

The proposal to establish three new DVAs (Non-Wires Solutions, Large Load Revenue, Tariff Impact) raises concerns about future rate shocks and lack of predictability for consumers . These accounts, particularly for costs like "targeted marketing campaigns" for NWS , require stringent oversight to ensure only prudent and efficiently incurred costs are recovered.

3. Hydro Ottawa's Performance and Proposed Custom Framework

Hydro Ottawa's past performance presents a mixed record, which does not unequivocally support the requested rate increases.

While some customer service metrics are strong , reliability indicators like CAIDI and SAIDI have shown areas for improvement or missed targets. OM&A per customer has been increasing, reaching $308.67 in 2023 , and total cost per customer also rose . The utility achieved only 75% of its planned capital project spending in 2023 .

The proposed custom framework, described as tied to inflation and efficiency factors , needs careful scrutiny. The OEB must ensure this framework includes robust and challenging efficiency targets, meaningful KPIs that reflect customer priorities (reliability, affordability, service quality), and strong consumer protection mechanisms. It must demonstrably benefit ratepayers, not just provide the utility with a more favorable revenue stream .

4. Call to Action: Prioritize Consumer Interests

Given the prevailing economic hardships and the concerns outlined above, I urge the Ontario Energy Board to:

Deny or significantly reduce the proposed rate increase for 2026.
Rigorously scrutinize and adjust the proposed Return on Equity to reflect the true cost of capital.
Thoroughly challenge the proposed capital expenditure plans and OM&A expense increases, demanding clear evidence of necessity, prudence, and efficiency.
Impose strict conditions on any new Deferral/Variance Accounts to protect consumers from future rate shocks.
Ensure the custom rate framework for 2027-2030 is robust, transparent, and genuinely benefits consumers through measurable improvements in efficiency and service, with ambitious targets.
The OEB has a crucial role in protecting consumer interests. In the current economic climate, this means ensuring that any rate adjustments are absolutely necessary, just, and reasonable. The financial well-being of Ottawa households and the viability of our small businesses depend on it.

Thank you for your time and consideration of these serious concerns. I trust the Board will make a decision that prioritizes affordability and fairness for all Hydro Ottawa customers.

Sincerely,
Daniel Goneau