

Letter of Comment - EB-2024-0115

-- Name --

Iyad Kandalaft

-- Do you reside in the impacted service area? -- No

-- Comments --

Dear OEB,

I am writing as a concerned resident of Ottawa to formally express my opposition to Hydro Ottawa Limited's application for electricity rate increases. Upon reviewing the available information, I believe that the proposed increases are unwarranted and would place an undue financial burden on consumers, especially during a period of economic recovery and ongoing affordability challenges.

Hydro Ottawa's recent financial disclosures indicate a stable and profitable position. In 2023, the company reported a consolidated net income of \$24.1 million and paid a \$20 million dividend to the City of Ottawa, its sole shareholder. This financial performance suggests that the company is not in immediate need of additional revenue through rate hikes.

The proposed rate increases are part of a five-year plan to upgrade aging infrastructure. While infrastructure improvements are necessary, it's crucial to ensure that such investments are made efficiently and do not disproportionately impact consumers. Hydro Ottawa's current liquidity ratio stands at 0.94, indicating a healthy ability to meet short-term obligations.

Moreover, Hydro Ottawa operates under a Custom Incentive Rate-setting (Custom IR) framework, which includes mechanisms like the Custom Price Escalation Factor (CPEF) to adjust revenues annually. This framework is designed to balance the company's revenue needs with consumer protection, making additional rate increases beyond these adjustments unnecessary.

Ontario residents are already facing significant financial pressures due to inflation and rising living costs. Increasing electricity rates at this time would exacerbate these challenges, particularly for low- and middle-income households. The proposed increases could lead to higher monthly bills, making it more difficult for families to manage their expenses.

Rather than seeking additional revenue through rate increases, Hydro Ottawa should focus on improving operational efficiency and cost management. Investments in automation and innovative solutions should lead to long-term cost savings. These savings should be passed on to consumers, not offset by higher rates.

In conclusion, I urge the Ontario Energy Board to carefully consider the financial implications for consumers and the current economic climate before approving any rate increases. Maintaining affordable electricity rates is crucial for the well-being of Ontario residents and the overall economic health of the province.