

Letter of Comment - EB-2024-0115

-- Name --

Daniel Nichols

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

-- Comments --

I am writing to express my concerns regarding Hydro Ottawa's application EB-2024-0115, which proposes significant rate increases and several structural changes to electricity billing. While the proposal aims to establish a new rate framework tied to inflation and efficiency incentives, its potential impact on residential and business customers raises serious questions about its feasibility and fairness.

The proposed rate hike would result in substantial increases in monthly bills for both residential and general service customers.

These additional costs could disproportionately affect low-income households, seniors on fixed incomes, and small businesses already struggling with rising operating costs. As energy is a necessity, affordability should remain a priority, and these increases could contribute to financial strain for many customers.

The proposed increases do not only affect residential customers but extend to businesses as well. As businesses face higher electricity costs, they may need to compensate by raising prices for goods and services, cutting jobs, or limiting expansion efforts. In turn, this could negatively impact Ottawa's local economy and consumer spending power.

Hydro Ottawa is seeking approval for new rate riders to address balances in regulatory deferral and variance accounts. However, the lack of transparency regarding how these balances were accrued and the necessity for additional accounts raises concerns. Without clear justifications, customers are left questioning whether these financial adjustments are genuinely required or whether more efficient financial management could prevent such changes.

The custom rate framework proposed for 2027–2030 is intended to be tied to inflation and efficiency. While this may seem reasonable in theory, it does not account for economic fluctuations, unexpected crises, or broader financial instability. A rigid formula-based approach may inadvertently lead to unfavorable rate adjustments that do not accurately reflect the financial realities of customers.

Rather than implementing significant rate increases, Hydro Ottawa should explore alternative strategies to manage costs, such as:

- Investing in energy efficiency programs to help customers lower consumption.
- Strengthening oversight on financial planning and variance accounts.
- Seeking government subsidies or partnerships to reduce operational costs without burdening consumers.

While ensuring the reliability and sustainability of the electrical grid is important, the proposed rate increases and structural changes within Hydro Ottawa's application EB-2024-0115 pose financial risks to residents, businesses, and the local economy. Before approval, stakeholders must thoroughly assess the necessity of these changes and consider more consumer-friendly alternatives.

I strongly urge decision-makers to reconsider the impact of this proposal and seek a balanced approach that prioritizes affordability while maintaining operational efficiency.

