[redacted]

-- Name --
Moustafa Hassaballa

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

-- Comments --
FORMAL REGULATORY OBJECTION
Hydro One 2028–2032 Joint Rate Application
Ontario Energy Board Proceeding EB-2026-0164

Date: November 10, 2026

To: Registrar and Presiding Commissioners
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Re: Formal objection to Hydro One's proposed revenue requirements, capital investment program, operating expenditures, capital structure and resulting customer rates

Dear Commissioners,

I submit this formal objection as a Hydro One Residential Urban Density customer residing in Courtice, Ontario, directly affected by the rates proposed in proceeding EB-2026-0164.

I request that the Ontario Energy Board decline to approve the application as filed unless Hydro One demonstrates, through sufficient and independently reviewable evidence, that its proposed costs, financing arrangements and resulting rates are just and reasonable.

My objection is not to necessary infrastructure investment, system reliability, public safety or electrification. It concerns whether Hydro One has adequately demonstrated that the costs it proposes to recover from captive customers represent an economically reasonable means of meeting those legitimate requirements.

The distinction is fundamental.

A demonstrated need for infrastructure investment does not, by itself, establish the reasonableness of the investment selected, the timing of the expenditure, the efficiency of its execution or the amount customers should be required to pay.

I. Statutory basis for this objection

Section 1(1) of the Ontario Energy Board Act, 1998 establishes objectives that include protecting consumer interests

concerning electricity prices and service reliability, promoting economic efficiency and cost effectiveness, facilitating a financially viable electricity industry, encouraging conservation and demand management, and facilitating innovation.

These objectives must be considered together. Financial viability does not eliminate the obligation to examine efficiency, just as affordability cannot justify compromising essential reliability.

Section 78 of the Act establishes the Board's jurisdiction over electricity transmission and distribution rates.

In particular:

Section 78(7) authorizes the Board, where it is not satisfied that the rates applied for are just and reasonable, to fix other rates that it finds to be just and reasonable.

Section 78(8) expressly places the burden of proof on the applicant.

The Supreme Court of Canada, in Ontario (Energy Board) v. Ontario Power Generation Inc. , 2015 SCC 44, recognized that the just and reasonable standard requires a balance between protecting consumers against excessive costs and allowing utilities a fair opportunity to recover the costs of efficiently providing their services.

Although that judgment concerned regulated payment amounts under section 78.1, its discussion of the underlying regulatory balance is instructive.

I therefore submit that the Board should assess the present application against a central question:

Has Hydro One provided sufficient evidence to establish not merely that expenditures are desirable or beneficial, but that the costs proposed to be recovered through regulated rates are reasonable in light of available alternatives, service requirements and customer impacts?

Where material uncertainty remains, the statutory burden of proof must not effectively be transferred to ratepayers.

II. The proposed financial burden on Residential Urban Density customers requires particular scrutiny

The Board's November 2, 2026 Notice of Rate Hearing identifies the following proposed monthly distribution bill increases for a typical Residential Urban Density customer:

Year	Monthly increase
2028	$10.98
2029	$5.88
2030	$4.62
2031	$2.17
2032	$2.27

If these successive annual increases are implemented as proposed, the cumulative distribution impact reaches approximately $25.92 per month by 2032, equivalent to $311.04 annually relative to the pre-2028 baseline.

These amounts exclude additional transmission-related impacts.

The Notice also identifies Distribution Rate Protection applicable to qualifying medium-density and low-density residential customers. Residential Urban Density customers are not identified as beneficiaries of that protection.

I request that the Board examine whether the proposed rate design creates material differences in the effective customer burden between residential classes and whether those differences are adequately supported by the applicable cost allocation principles.

Specifically, I request a consolidated, year-by-year customer bill analysis showing the distribution and transmission

components, the cumulative impact through 2032 and the treatment of applicable rate protection mechanisms.

Customers should not be required to reconstruct the complete financial impact of a five-year application from separate rate schedules and illustrative tables.

III. The proposed capital program requires a demonstrable connection between expenditure, necessity and economic value

Hydro One proposes approximately $27.52 billion in transmission and distribution capital expenditures for 2028 through 2032.

Its Distribution System Plan includes approximately $2.76 billion in System Service expenditures, representing a 165.8% increase over the previously approved 2023–2027 level.

During the same general planning horizon, Hydro One forecasts that its reference distribution peak will increase by approximately 550 MW, or 8%, between 2026 and 2032.

I recognize that the expenditure categories and system peak figures are not directly comparable. Infrastructure requirements arise from several factors beyond incremental peak demand, including equipment condition, reliability, resilience, connection requirements and distributed resource integration.

Nevertheless, a 165.8% increase in a major capital category represents a material change requiring transparent and persuasive justification.

I request that Hydro One be required to establish, for material expenditure categories:

1. The specific engineering, reliability, capacity or regulatory requirement giving rise to the proposed investment.
2. The evidence supporting the proposed timing, scope and cost.
3. The alternatives considered, including deferral, rehabilitation, operational changes and non-wires solutions.
4. The expected measurable customer benefit and the consequence of not proceeding.
5. The sensitivity of the investment decision to changes in demand forecasts, project costs and implementation timing.

It would be insufficient to treat an investment as economically justified solely because it addresses a forecast requirement.

The relevant regulatory question must also include whether a materially less expensive, technically adequate alternative exists.

IV. Non-wires alternatives and operational optimization must be tested, not merely acknowledged

Hydro One identifies non-wires solutions across 16 projects, together with one ongoing project deferral, expected to defer approximately $103 million in conventional load-growth investments.

This represents approximately 6.9% of the identified conventional load-growth investment portfolio.

The presence of these alternatives is encouraging. However, their limited penetration of the identified portfolio raises legitimate questions about the screening methodology, selection criteria and economic assumptions used in choosing conventional infrastructure.

I recognize that Hydro One separately proposes investments in energy storage, automation and other grid technologies, and that non-wires solutions are not universally appropriate.

My objection concerns whether the application sufficiently demonstrates that alternatives were evaluated consistently, rather than merely identifying a limited number of opportunities after conventional infrastructure solutions had already been selected.

I request that the Board examine the following:

A. Alternative screening

Were all material load-growth projects systematically screened for technically credible non-wires alternatives, and what objective criteria excluded projects from further assessment?

B. Economic evaluation

Did the comparison use consistent lifecycle costs, including capital expenditure, operating expenditure, asset life, replacement requirements, reliable capacity contribution, implementation risk and discounted cash flows?

C. Technology and operational options

Were managed electric vehicle charging, demand response, distributed storage, targeted energy efficiency, network reconfiguration, advanced monitoring and other technically suitable operating strategies evaluated where relevant?

D. Avoided cost

Does the stated $103 million represent deferred conventional expenditure rather than net economic savings after the cost of implementing alternatives?

E. Future flexibility

Were the costs of overbuilding under uncertain growth scenarios considered against the value of modular, staged or reversible investments?

I request that the Board require sufficiently detailed evidence to determine whether Hydro One's proposed portfolio represents a reasonable lifecycle-cost outcome under the prevailing engineering and regulatory constraints.

Ratepayers should not be compelled to finance a higher-cost capital solution merely because it is conventional, familiar or administratively convenient.

V. Operating expenditure increases and accumulated maintenance deficiencies require a transparent accountability mechanism

Hydro One proposes approximately $958.7 million in Distribution operating, maintenance and administration expenditures for the 2028 test year.

The proposed increase over the 2023–2027 annual average is approximately $293.9 million, equivalent to 44.2%.

Hydro One also identifies a growing backlog of more than 400,000 distribution system deficiencies and proposes materially higher vegetation management and maintenance expenditures.

These circumstances require careful consideration.

I acknowledge that deteriorating assets, vegetation risks and deferred maintenance may justify substantial expenditures. Compromising safety or reliability to achieve an artificial reduction in rates would not be an appropriate outcome.

However, the existence of an accumulated maintenance backlog creates additional questions about the effectiveness of previous maintenance planning, resource allocation, expenditure prioritization and execution.

The Board should determine whether the requested increases reflect unavoidable new requirements, temporary backlog recovery costs or expenditures that should reasonably have been anticipated and managed through existing asset management programs.

Accordingly, I request a reconciliation of:

1. Previously approved maintenance funding against actual expenditures and completed work.
2. Maintenance activities deferred or reprioritized during 2023–2027 and the reasons for those decisions.
3. The age, severity, distribution and progression of recorded deficiencies.
4. The portion of the requested increase required to eliminate temporary backlogs versus the portion forming a permanent operating-cost baseline.
5. Demonstrable productivity improvements and the expected cost per completed maintenance intervention.

I further request that the Board consider whether incremental funding intended to correct accumulated deficiencies should be accompanied by measurable and independently reportable outcomes.

The existence of a maintenance backlog may justify corrective investment. It should not automatically justify converting the cost of correcting that backlog into an indefinitely higher operating-cost baseline.

VI. The proposed increase in deemed equity thickness must meet the statutory burden of proof

Hydro One proposes increasing the deemed equity component of its transmission and distribution capital structure from 40% to 45%.

The stated justification includes increased business and financial risks, credit quality and continued access to capital.

These are legitimate regulatory considerations.

Nevertheless, the equity component is not economically neutral for customers. Depending on the allowed return on equity, the cost of debt and other applicable financial assumptions, increasing deemed equity thickness can increase the regulated revenue requirement.

In a rate-regulated monopoly, such a change must be supported by evidence establishing that the proposed financing structure is reasonable and consistent with the interests of both customers and the utility.

I request that the Board require a quantified comparison under three scenarios:

Scenario	Deemed equity
Existing structure	40.0%
Intermediate structure	42.5%
Proposed structure	45.0%

Each scenario should identify the resulting weighted average cost of capital, revenue requirement, customer bill impacts and relevant credit metrics.

The analysis should also establish whether the proposed increase is supported by material changes in underlying business risk and whether any claimed financing benefits reasonably justify additional customer costs.

I further request scrutiny of the proposed earnings-sharing mechanism, including the threshold of 100 basis points above the approved return on equity and the proposed 50% customer share of qualifying excess earnings.

The Board should consider whether the mechanism adequately protects customers in light of the requested capital structure and proposed five-year rate framework.

The existence of a fair-return entitlement does not eliminate the need to demonstrate that the requested capital structure is appropriate.

VII. Growth-related infrastructure costs must be allocated on a defensible basis

Hydro One identifies increasing requirements arising from population growth, industrial development, electrification and new electricity connections.

Supporting such growth is an important public and economic objective.

However, the resulting infrastructure costs must be allocated in accordance with applicable regulatory requirements and justified cost allocation principles.

I request that the Board examine whether existing customers are being asked to bear growth-related costs that should appropriately be funded, in whole or in part, through connection contributions or other applicable mechanisms.

The review should clearly distinguish between expenditures that improve service for existing customers, expenditures required primarily to accommodate future connections, and investments providing shared system benefits.

I am not suggesting that all growth-related costs must be recovered exclusively from new customers. Rather, the allocation should be demonstrably reasonable and should avoid unjustified cost transfers.

VIII. Customer consultation cannot replace regulatory proof

Hydro One reports that more than 100,000 customers participated in its engagement process and that substantial majorities supported investment at or above the draft plan.

I acknowledge the scale of this consultation.

However, customer willingness to support system reliability is not equivalent to technical or economic validation of a particular investment portfolio.

A respondent may support improved reliability without possessing the information necessary to assess the appropriate capital expenditure, financing structure, operating-cost baseline or cumulative rate impact.

I request that the Board examine whether the consultation presented respondents with sufficiently quantified alternatives, including lower-cost investment scenarios, differing reliability outcomes and cumulative bill impacts.

The results should be assessed by relevant customer class where practical, with particular consideration given to Residential Urban Density customers.

The consultation should inform the Board's analysis. It should not substitute for it.

IX. Specific regulatory relief requested

Pursuant to the Board's authority under the Ontario Energy Board Act, 1998 , I respectfully request that the Board:

1. Decline to approve the application as filed to the extent that Hydro One has not discharged its statutory burden of demonstrating that the resulting rates are just and reasonable.

2. Require additional evidence concerning material capital expenditure increases, including the demonstrated need, proposed scope, forecast cost, project timing and evaluation of technically viable alternatives.

3. Require transparent non-wires alternative assessments for material load-growth investments, including the economic assumptions and exclusion criteria used to select conventional infrastructure.

4. Require a reconciliation of the proposed operating expenditure increases with historical spending, deferred maintenance, deficiency backlogs, cost drivers and measurable productivity outcomes.

5. Require a comparative capital structure analysis quantifying the revenue requirement and customer impacts at deemed equity ratios of 40%, 42.5% and 45%.

6. Examine the proposed allocation of growth-related costs and determine whether the proposed treatment is

reasonable for existing residential customers.

7. Require a consolidated analysis of Residential Urban Density customer bill impacts , including cumulative distribution and transmission changes over the proposed rate period.

8. Consider appropriate performance conditions, reporting requirements and accountability measures linking material expenditure approvals to measurable infrastructure and customer service outcomes.

9. Disallow, reduce, defer or otherwise address inadequately substantiated costs , as appropriate within the Board's statutory authority, while preserving essential safety, reliability and regulatory compliance requirements.

10. Require Hydro One to address the substantive issues raised in this submission on the proceeding record , consistent with Rule 23.05 of the OEB's Rules of Practice and Procedure.

X. Closing submission

Hydro One operates essential infrastructure. Its financial viability, engineering capability and access to capital are legitimate matters of public interest.

So is the financial capacity of the households required to pay for that infrastructure.

Rate regulation exists precisely because customers do not have the same competitive options that constrain costs in ordinary markets.

The absence of competition must be matched by effective regulatory scrutiny.

The central issue is not whether Hydro One can identify projects that offer benefits. It is whether the proposed revenue requirements and resulting rates have been adequately justified under the statutory standard.

Customers should not be required to disprove the necessity of an expenditure before the utility is required to establish its reasonableness.

Section 78(8) places the burden of proof on the applicant. That allocation must have practical meaning in the Board's examination of this application.

I therefore request that the Board exercise its statutory jurisdiction to require persuasive and transparent justification for the costs proposed, and that it decline to approve any unsupported component of the requested rates.

I also request that these objections and the applicant's response be considered as part of the public record before the Board reaches its decision.

Respectfully submitted,

Moustafa Hassaballa
Residential Urban Density Customer
Courtice, Ontario

Submitted in a personal capacity, not on behalf of an employer or other organization.

Supporting authorities and references

1. Ontario Energy Board Act, 1998 , S.O. 1998, c. 15, Schedule B, sections 1(1), 78(7) and 78(8).
2. Ontario (Energy Board) v. Ontario Power Generation Inc. , 2015 SCC 44, particularly paragraphs 18–20 and 76–82.
3. Hydro One Networks Inc., 2028–2032 Joint Rate Application , EB-2026-0164, Exhibit A, Tab 3, Schedule 1, Executive Summary, filed October 7, 2026.
4. Ontario Energy Board, Notice of a Rate Hearing , EB-2026-0164, issued November 2, 2026.

5. Ontario Energy Board, Rules of Practice and Procedure , revised November 13, 2025, particularly Rules 23.03–23.05.
Disclosure pursuant to OEB Rule 23.03: Generative artificial intelligence was used to assist in editing this submission.

-- Was AI used for the letter of comment? --
Yes