

Text of letter to editor re OEB dishonesty – Nov 3, 2016

John Bozzo, vice-president, public affairs for the Ontario Energy Board (OEB), recently attempted to defend OEB's reputation by suggesting that the OEB was independent and unbiased.

What independent means in this case is that they are unelected and not subject to outside influences. In practice this means that the OEB interprets government legislation and regulations, sets its own policies, interprets those policies and reviews any issues raised by consumers while rendering and enforcing all decisions on those issues. For all intents and purposes, the OEB is judge, jury and executioner.

Understanding that the OEB is run by bureaucrats, the majority of who would appear on sunshine lists if that information was publicly available, you can decide for yourself if being independent is really that much of a benefit.

The OEB's number one mandate as set out in the Ontario Energy Board Act is to protect the interest of consumers with respect to prices. The OEB has consistently ignored that mandate by encouraging local distribution companies, like North Bay Hydro, to increase customer delivery rates and include millions to pay dividends to municipalities. Prior to paying out these dividends taxpayers must pay 26.5% in PIL's fees to the Hydro Financial Corporation for the privilege.

These dividends are clearly not collected for nor required to delivery electricity but designed to confiscate money from taxpayers under the guise of preserving the quality of the electricity delivery service. In addition, to abusing its powers to allow this excess collection of funds, the OEB avoids mention of this fact in all public literature.

North Bay Hydro customer invoices contain a section titled "Glossary of Terms". The glossary, using OEB approved language, suggests that items included in the delivery charge are "costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems." This description omits any mention of dividends being paid to the City plus no mention of the 26.5% in fees paid the Hydro Financial Corporation.

Here is a quote from the latest OEB application of North Bay Hydro asking for a change in delivery rates for the next five years.

"NBHDL has included an amount for ROE equal to \$2,187,380 or 9.30%. This is allowed in accordance with Board policy but it is not a legal requirement of the Board. This results in an increase in taxable income and the amount of taxes included in rates. This increases customer delivery charges on a yearly basis by the amount mentioned above."

The \$2.1 million yearly excess income will attract a yearly additional \$780 thousand in taxes due to the Hydro Financial Corporation for a total cost of \$2.9 million per year to taxpayers on their hydro bills.

Did anyone notice that \$2.9 million in excess revenue being mentioned in the delivery charge definition in the "Glossary of Terms" on your invoice from North Bay Hydro? Clearly they are attempting to hide this fact from consumers.

In spite of Mr. Bozzo's protestations to the contrary, the OEB is the most insidious type of bureaucratic organization in that it was established to and purports to be a champion of consumers when in fact it is doing everything in its power to maintain the status quo of exorbitant and unnecessary electricity delivery charges.