

## **NORTH BAY TAXPAYERS' ASSOCIATION**

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### **Letter to Editor: North Bay Nugget**

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Comments on Councillor Bain's defence of North Bay Hydro – May/2017

Councillor Bain replied to the North Bay Taxpayers' Association recent letter regarding North Bay Hydro and described it as a well-run corporation which is responsive to ratepayers today and in the future. This flies in the face of the issues that we have described on numerous occasions to Council. His response is all too often what passes for openness and transparency from City elected officials.

Councillor Bain attempts to redirect the conversation by ignoring the facts shown by Hydro's financial statements. Taxpayers are being forced to pay millions of dollars in excess taxes through their hydro bills and also, as proven by our Association, being forced to pay millions in interest and excess taxes because of the Mayor's Plan.

To put this in perspective, North Bay Hydro is a publically-owned and taxpayer supported monopoly required to deliver electricity to North Bay households and businesses in the most cost efficient manner. They are being very well paid to accomplish this task. Their duties do not, as they would have us believe, equate with curing cancer or eliminating world hunger. Hydro has approximately 50 employees with an average salary and benefit package of \$110,000 each per year. Wage and benefits have been rising at the rate of over 4.5% per year since 2010.

Hydro adds a needless surcharge amounting to \$2 to \$3 million per year to delivery rates. This takes money out of taxpayers' pockets which they could use to pay their, say, skyrocketing hydro bills. It also requires Hydro to pay approximately \$1 million per year in additional taxes. Does any of this suggest that North Bay Hydro as a well-run corporation which is responsive to its ratepayers. Of course, none on this unpleasantness is evident to readers of Hydro's financial statements or properly described on customers' billings.

Councillor Bain suggests that in approving the 2015 cost of service rate setting decision that I was agreeing to the rates set by North Bay Hydro. Councillor Bain's lack of comprehension of the application process can be excused since he has never attended a rate application.

In theory, dissenting parties can challenge settlements before the Board. In North Bay Hydro's case his would mean that the results obtain in the settlement conference would be null and void and the five year \$1 million per year reduction in delivery rates which intervenors achieved at the hearing, would need to be reargued. The other intervenors at the application suggested that their experience indicated that these savings may be lost entirely.

The main problem has with delivery charges at North Bay Hydro is the fact that they are ignoring the interests of taxpayers by adding a surcharge, which is not a requirement of any legislation, to delivery rates. By doing so they create taxable income which is costs taxpayers' approximately 25% in taxes.

Since this practice is allowed by, supported by and basically encouraged by the OEB, who would be the judge and jury in any hearing, the chances of obtaining a ruling forbidding North Bay Hydro to participate in the deception was almost not existent.

Acting on the advice of the professional intervenors at the rate application, I decided that adding wording to the decision describing the process and the effects of adding the surcharge was the best course of action. This decision saved taxpayers the extra legal costs and intervenor costs that would be associated with any additional hearing. In the meantime the Association has filed a formal complaint calling on the OEB on its own motion to deal with this regressive policy.

Sporadic letters to the editor by the Mayor and some council members are merely attempts to divert attention from the facts accomplish nothing except prove the facts as we have presented them.

See <http://nbtaxpayers.ca/wp-content/uploads/sites/34/2017/05/The-facts-about-Hydro-s-electricity-delivery-rates.pdf> for a detailed look at how North Bay Hydro is overcharging taxpayers for delivery of electricity.