

NBHDL buying Espanola Hydro - January 16, 2018

A recent announcement indicates that North Bay Hydro (NBHDL) is in talks to purchase Espanola Hydro.

NBHDL is a provider of services established to deliver electricity to the citizens and businesses of North Bay. NBHDL is a municipally-owned monopoly with captive customers who are also its owners. There is no profit element in its operations since all funds are provided by the owners. Legislation has allowed NBHDL and other local delivery companies to produce taxable income which merely serves to enrich provincial coffers and to delude some into thinking that these funds are a profit.

There are approximately 70 municipally owned local distribution companies in the Province. The Province's attempt to reduce this number is of no concern to North Bay taxpayers and should not be a factor in the decision.

Where is North Bay council in this matter? Where did the initiative for this proposal come from? Who thought this would be a good idea and what evidence did they bring forward to promote it? Why are North Bayites only hearing about this now as a result of a news release by Espanola Hydro?

From an operational standpoint this amalgamation/purchase/sale makes no sense to North Bay hydro customers. There are zero operational benefits to be gained by NBHDL and its customers. Not only are there are no benefits to be realized by this action, it will result in higher delivery charges immediately and in years to come as we subsidize the infrastructure upgrades that, according to Espanola Hydro, are required. We can empathize with Espanola residents on this issue but North Bay citizens are in the same predicament regarding poor financial decisions made by NBHDL which have been encouraged and supported by our Mayor and council and cannot afford the cost of this largesse.

This is another in a long list of bad decisions made by an organization that does not allow the public or press to attend any of its meetings. North Bay council members are all directors of NBHDL and as such exercise complete control over and have the authority to direct the actions of the company, it is their responsibility to protect the interests of the citizens. They can begin by nipping what amounts to an empire building idea in the bud.