

## **NBTA intervention in Hydro rate setting – February 2, 2018**

In a Sept 15, 2017 letter to the Nugget, Mayor McDonald suggested that the North Bay Taxpayers' Association's (NBTA) participation in North Bay Hydro's (NBHDL) rate application at the Ontario Energy Board (OEB) cost citizens an extra \$80,000 in legal fees.

The NBTA subsequently filed a freedom of information request regarding the details of this expenditure. The reply from NBHDL lawyers revealed that the participation of the NBTA in the rate review did not cost citizens \$80,000.

What it did reveal is that NBHDL paid lawyers over \$53,000 for other services related to the NBTA. NBHDL has claimed solicitor-client privilege and has refused to indicate the dates, extent or nature of these services.

NBHDL did try to prevent NBTA from appearing as an intervenor in the rate application process and did hire lawyers to prevent our participation. This attempt failed. This would not explain an expenditure of \$53,000. The NBTA suggests that citizens have a right to know what this \$53,000 expenditure was for and call on the Mayor to release those details.

The NBTA has, since 2010, been critical of the types of costs being included in the delivery rates set by NBHDL and council's failure to rein in those costs. They include deemed interest and investment returns, which are paid for by taxpayers who are the owners of the company. These funds produce a taxable income (not a profit) which is subject to taxation at an additional cost to us.

The response by the Mayor has been to attempt to silence us by refusing to discuss the issues and by characterizing any and all criticism as insults. It now seems that NBHDL, whether in collusion with the Mayor or not, has followed his lead by paying lawyers to conduct some sort of \$53,000 witch-hunt against NBTA which we consider another blatant attempt to shoot the messenger and avoid an in depth examination of the operations of NBHDL.

So what we have is a taxpayer owned company, controlled by City council:

- Charging owners over \$25 million per year for services not required to deliver electricity.
- Holding board meetings in secret while disallowing any participation by the press or public.
- Modifying the company shareholders' agreement to allow dividends which attract a 21% tax on every dollar.
- Attempting to block taxpayer participation in an OEB rate review process.
- Allowing NBHDL to enter into discussions to purchase Espanola Hydro with no explanation as to the benefits for current customers.

- Falsely accusing a taxpayers' group of being responsible for the expenditure of huge sums of taxpayers' money.
- In the face of factual criticism, falsely accusing a taxpayers' group of being insulting in an effort to avoid providing answers to this criticism.
- Instituting the so-called "Mayor's Plan" with a cost to taxpayers in the millions of dollars over the next 20 years.
- Authorizing a \$53,000 expenditure apparently to have lawyers investigate a taxpayers' group

If the Mayor would stick to his mandated duty which is to protect the interests of North Bay citizens instead of attempting to vilify the NBTA, the need for our organization would evaporate. We wait for an explanation from the Mayor with the details of this \$53,000 legal bill.