

## Hydro One: No Power Yet

I haven't written about our electricity supplier since last spring so I thought an update was in order.

First, the hearings on the application by Hydro One for more increases in delivery rates for 2018-2022 are likely to conclude sometime this fall, about one year late, but typical for this utility. Most provincial regulators, unlike the OEB, can get applications for rate increases done before the new rate period.

Surprised that Hydro One is still looking for ways to pick your pocket? You thought our former premier had locked down Hydro One rate changes. At least you can rest assured that this increase in delivery rates will be swept under the rug for now in all likelihood by the new government.

And unlike the public press, including all of the national newspapers, the OEB as well as the intervenors who submit evidence on why Hydro One should be restrained from further increases understand that major progress has not been made since the change in CEO and Board in 2015. Productivity, performance metrics, compensation, customer focus all indicate that Hydro One is well behind its comparators and in many instances has gotten worse not better lately.

However there is no indication that the OEB will have the backbone to stand up and require Hydro One to make the changes that would save millions for its consumers. Given the OEB history with the utility over the past 10 years that I have watched, I don't expect it.

And we have a new CEO and a whole new Board of Directors...now remember that wholesale Board turnover is something the former Premier did as well when consumers started to get really mad about the poor performance of this utility and its cost to them. Didn't work then and won't work now. There is only one governance model that works to extract major performance improvements in a government utility. CN Rail and Air Canada proved that decades ago and today both are top quartile performers in their field. New Boards and CEO's are just political window dressing which tries to convince consumers that the core problems are being dealt with. They aren't.

Don't forget that it was Premier Harris who blew apart Ontario Hydro and created Hydro One, OPG, IESO, OPA all of which went on to hire highly paid CEO's. And while the last CEO at Hydro One, Mayo Schmidt, was paid about 10 times his predecessor, his job is just electricity delivery: Production, Supply Management, Strategic Planning all have highly paid CEO's so that the total cost of our electricity disaster at the CEO level is more like \$10 Million per year.

All three political parties in Ontario have proven they can bungle this file.

And the new Premier has not demonstrated he really understands the depth and breadth of the problem with his actions so far.

Finally, for cottagers in our area, despite written agreement by the OEB in early 2015 to eliminate the Seasonal rate and move these folks to the normal residential rate classes, the OEB has approved substantial improvements to the two main subsidy programs, the RRRP and the new DRP, to all classes

of residential customers except the Seasonal group. Consequently the gap with your R2 class neighbour has widened. And of course Hydro One doesn't mention this in their billing information to Seasonals.

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