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Response to Mayo Schmidt, CEO of Hydro One

Dear Mr. Schmidt,

Recently you wrote a letter to residents in our area telling them you take your charges for electricity delivery in our area seriously. You and your team are working hard to get things figured out on how to do things better ? or at least make your charges understandable on the bill.

We think you need to dig a lot deeper when you say you are working to make your delivery charges affordable.

Folks in our area have heard this song many times before. Your predecessor promised better operating efficiency as did the CEO before him. Your board of directors and you (thanks to Premier Wynne) are new in your jobs as of last year. All of you newcomers to Hydro One have had more than a year to ?flip the light switch? that will illuminate much better results for your consumers.

You talked about the OEB approving lower delivery rates for 2017 for electricity. You explain this reduction (I am sure you are talking about the Wynne increase in the RRRP credit for R2 customers proposed) as though it were increased efficiency of your organization ? nothing could be further from the truth. This reduction, as with the 10 per cent ?clean energy benefit? from Dalton McGuinty, or the eight per cent reduction in sales tax announced by Premier Wynne, are simply political decisions whereby we get the reduction with one hand and the tax increase to fund them with another.

Let me repeat: if there is a reduction in electricity delivery costs for some customers in 2017 it has nothing to do with improved Hydro One operating efficiency, it is simple politics by Wynne trying desperately to get re-elected next year after having ignored the electricity debacle most of her term. And we know where consumer costs will go after the election if she is re-elected. We need to see substantive improvement in your costs to deliver our electricity.

While it is true that our electricity bills contain a number of items for which you are not responsible directly, your delivery charge is our focus these days.

And your results are dismal.

Despite Hydro One selecting the participants for benchmark comparisons the OEB asked you to conduct in 2015, you could find no electrical utility as inefficient as yours, as has been the case with past comparisons five years ago. I would be happy to provide you (or readers) with a copy of that report which is on the public record (the CN Utility Costing Report). It said ?Hydro One has the highest cost per managed kilometre in the peer group.? And you chose the comparator utilities.

And it's no surprise to me: when I did a 2016 comparison of delivery charges (service charge and volume charge) amongst those distributors of electricity who cover rural areas in Ontario (16 local utilities) on average Hydro One came in at double the cost of other providers.

So buck up, Mr. Schmidt, and quit writing us full page letters which we pay for in our hydro bills: get on with the heavy lifting, making your utility way more efficient at electricity delivery compared to your peers in Ontario and other provinces or states. I don't believe your board (and Wynne) know the facts about how much Hydro One is overcharging for electricity delivery in rural Ontario when compared with other providers.

We do. We feel the pain of your organization's poor record every time we open our bill.

Bill Cheshire
Baptiste Lake