

September 16, 2016

NDP Energy Critic response

Dear Paul, David and Tom

I understand that Andrea has already responded to your letter from July 15 2016, but as NDP energy critic I wanted to respond on my own as well.

You have hit upon an important point that the NDP has been trying to make for quite some time: the Ontario Energy Board is not looking out for the interests of consumers or the general public, including the customers of Toronto Hydro, and government oversight mechanisms that should be preventing the OEB from being “captured” by energy industry interests have completely failed.

Last year, during a Legislative committee meeting, I [said](#) “The terrain that we’re operating on will change very substantially in our dealings with Hydro One. The Premier has made it very clear that the OEB is the primary line of defence for the interests of ratepayers. The Auditor General is out of the picture; the Ombudsman is out of the picture; the privacy commissioner is out of the picture. All of those officers we depend on to protect the interests of ratepayers in dealing with a very central and powerful institution—a very necessary institution—are gone.

Members of the OEB will be the major line of defence for dealing with rates. So it behooves us, I believe, as a committee, to appoint people who have the defence of consumer interest’s primary in their mind.”

I said these words at the hearing into the appointment of Susan Frank, the former VP and Chief Regulatory Officer at Hydro One. That’s right: after insisting that the Ontario Energy Board would protect consumers from high rates sought by a newly-privatized Hydro One, the government appointed to the OEB a Hydro One executive, whose job had been to seek high rates from consumers.

The NDP and I have repeatedly argued that the OEB is “[stacked with energy industry insiders](#),” and cannot be trusted to look out for the interests of consumers without major reforms.

The need for major reforms was made even clearer with the release of the Auditor-General’s report into Hydro One late last year. The A-G found that Hydro One had made misrepresentations in its rate applications, demanding money for capital upgrades never took place, and then coming back to demand more money for the upgrades Hydro One failed to do with the money they had already been given for those same upgrades.

During another Legislative committee meeting in March earlier this year, I [asked](#) OEB Chair to explain why the Board did not verify the claims made by utilities seeking rate increases, or confirm that the money they are given is spent for the purposes it was given. She told me, “The OEB is not an auditor.”

On the last day of the spring session in June, I raised your concerns about the board's handling of questions concerning Toronto Hydro CEO Anthony Haines. [I asked](#): "When Torontonians called on the OEB to investigate whether Anthony Haines, the CEO of Toronto Hydro, had lied under oath about his credentials, the OEB dismissed them and apparently no investigation took place."

How can we believe that this sleepy watchdog will defend Torontonians from soaring rates based on any misrepresentation from Toronto Hydro?"

Minister Chiarelli responded by accusing me of trying to "smear" the OEB.

OEB reform is at the top of the NDP's policy agenda for the energy sector. At the AGM of the Association of Municipalities of Ontario in August this year, Andrea announced, "We will take a hard look at what needs to be done to fix the Ontario Energy Board, so it can protect consumers – and set rates that actually work for the people who pay the bills."

Please feel free to get in touch if you would like to discuss this matter further.

Yours,

Peter Tabuns
MPP Toronto-Danforth