

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

April 4, 2017

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ONLINE COVERAGE

QP BRIEFING: MAJORITY OPPOSE WYNNE'S PLAN TO CUT HYDRO COSTS BY INCREASING DEBT, POLL SUGGESTS

By: Sabrina Nanji

There is little love among Ontarians for the Liberal government's hydro relief plan if it comes at the cost of increasing the province's debt load, suggests a Tuesday morning poll provided exclusively to QP Briefing.

Of the 884 people surveyed by Forum Research, more than half – 56 per cent – do not approve of the plan to reduce electricity bills by an average 17 per cent this summer if it means extending debt down the road.

Thirty-two per cent of respondents said they were in favour of the plan, and 12 per cent said they didn't know what to think of it.

Premier Kathleen Wynne's "fair hydro plan" will reduce hydro bills by an average 25 per cent overall, including the eight per cent sales tax cut that took effect in January. Rates will also be held to inflation for four years.

Wynne's relief package comes at a cost – an extra \$25 billion in interest charges over the next 30 years, the government expects. Ontario's net debt has surpassed \$300 billion.

When she introduced the package in early March – 15 months out from the next general election – the premier likened it to extending the term of a mortgage in order to lower the monthly payments.

"It's obvious that people like the idea of reduced hydro bills, as the cost of hydro is the main issue for many in the province, but the majority don't approve of the fact that their cheaper monthly hydro bill is going to cost them more in the long run," said Lorne Bozinoff, president of Forum Research, in a release.

Forty per cent of people who approved of the Liberals' plan said they would vote for the NDP, who have introduced a plan of their own to cut electricity bills by up to 30 per cent, including buying back shares of the now-privatized Hydro One.

The Progressive Conservatives, meanwhile, have yet to reveal details of their own relief package, but 72 per cent of their supporters are against the Liberals' plan, the poll said.

Wealthy, middle-aged men were also most likely to oppose the Grits' plan, while younger, lower-income people who said they would vote Liberal skewed toward it.

Support for the plan was highest in southwestern and eastern parts of the province, and people living in the 905 and 416 were more likely against it, according to the survey. The Liberals have said their plan would amount to more savings for rural and northern ratepayers, who pay high delivery charges on bills that have roughly doubled provincewide over the past decade.

Forum conducted the survey over the phone from March 28 to March 30, and the margin of error is 3.3 percentage points, 19 times out of 20.

GLOBAL NEWS: TORONTO-AREA FREEZIE COMPANY NOT ELIGIBLE FOR HYDRO RELIEF

By: Sean O'Shea

April 4, 2017

<http://globalnews.ca/news/3357391/hydro-rates-kisko-freezies/>

The Toronto-area company that makes the Freezie, a traditional summer frozen treat, won't get any piece of the Ontario Liberal government's recently-announced electricity rate relief plan.

"We get nothing back – we pay and pay," said Mark Josephs, president of Kisko Products, which make Freezies and other frozen foods.

With 85 full-time staff and 120 seasonal workers, he said his business does not qualify for a rate discount.

Last year, his family-owned company saw dramatic price increases for electricity.

"Our bill went up by \$100,000 between the 2015 and 2016 seasons," he said, adding electricity makes up about five per cent of the company's overhead costs.

"We had years we didn't even make \$100,000. Breaking even and surviving was a major challenge for us," said Josephs.

Kisko Products is among many companies worried about the effects of rising electricity prices. It's concerned that higher utility prices will make it difficult to hire staff, raise wages or expand operations.

Kisko was founded in 1977 by Leslie and Glenor Josephs. They originally introduced SNO CONES in Jamaica in 1968. Mark Josephs took charge of the business after his father's death in 2007.

Josephs said Kisko is committed to buying supplies, including plastic film and corrugated containers, from Ontario companies even though he said they could save money by purchasing materials from offshore companies.

"We believe it's important to support (Ontario) suppliers here," he said, adding it's a practice that is a core value.

But Josephs said if government policy doesn't change "more and more businesses are going to pack up and move to the United States where they're offering tax incentives."

"I don't know what the answers are, but someone has to come up with the answers to bring things under control where hydroelectric costs are completely out of whack."

With files from Alana MacLeod

TV TRANSCRIPTS (6 PM)

GLOBAL: ONTARIO FREEZIE BUSINESS STRUGGLING DUE TO HIGH HYDRO COSTS

Source: Global

Apr 4, 2017 6:18 PM (19)

Anchor: Back to our story on hydro rates now and who is and who is not getting a break on their bills this summer. In this case, we're talking about a Freezie company.

Anchor 2: They've been around for decades and like many other Ontario businesses, they're feeling the heat from soaring hydro prices. Sean O'Shea reports.

Reporter: It's a factory where they fabricate a staple of summer fun – that sugary, sweet wet treat known as the Freezie. For decades, Freezies have offered a cool way to beat the heat.

[Clip of Freezies Ad]

Reporter: But running a factory pumping out thousands of Freezies doesn't come cheap.

Mark Josephs, Kisko Products: One of the biggest things we face is the rising electricity cost.

Reporter: Mark Josephs runs the company his father started exactly 40 years ago.

Josephs: Our bill went up by \$100,000 from 2015 to 2016 season.

Reporter: Just about everything needs electricity here. As energy-efficient as they've worked to make it, it takes a lot of juice to power the Freezie factory. The Liberal government's energy policies led to the latest cost increases, tough for a small business to swallow.

Josephs: We had years in our business where we didn't even make \$100,000 in the past. You know breaking even and surviving was such a major challenge for us.

Premier Kathleen Wynne [clip]: The cut will go to all households that pay for electricity. There will be no asterisks, no loopholes, and no exceptions.

Reporter: Households were the big winner when Ontario's Premier promised hydro rate relief. Businesses like Kisko Products not so much. It won't get a piece of the promised savings. With 80 year-round employees, they're considered too big.

Josephs: We got nothing back. We just continued to pay and pay and pay.

Reporter: Josephs says his company is a proud Ontario company, choosing to pay more to buy from Ontario suppliers, even though it could buy it from Asia for less.

Josephs: We believe it's important to support our suppliers here.

Reporter: But with electricity prices spiking and other red-tape driving up costs...

Josephs: More and more businesses are saying, 'We're going to pack up and move to the States, where they're offering all sorts of tax incentives.'

Reporter: Josephs says his family is committed to doing business here, and is hoping electricity prices get reined in.

Josephs: Somebody has to come up with the answer that is going to help bring things under control, in a situation where hydro costs are just completely out of whack.

CKWS: BUSINESS CONSIDERS RELOCATING OVER ONTARIO HYDRO RATES

Source: CKWS

Apr 4, 2017 6:18 PM (14)

Anchor: Hydro rates may be coming down this summer, but they're still sending a chill through several businesses in Ontario. They won't be getting the same break as home owners. One company that makes frozen treats is thinking of moving south.

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