

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

April 15, 2018

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TV TRANSCRIPTS

GLOBAL: PC LEADER UNVEILS CAMPAIGN BUS AND SLOGAN, CRITICIZES HYDRO ONE

Source: GLOBAL

Apr 15, 2018 6:14 PM (8)

Anchor: Well PC Leader Doug Ford says he's ready to take on Kathleen Wynne in debates. Today he unveiled the party's campaign bus, a new slogan "For The People". Ford criticized the Wynne Liberals for wasting taxpayer dollars and once again took aim specifically at hydro and the CEO of Hydro One, saying his salary is ten times that of others in similar roles and promised to fire him.

Doug Ford, Ontario PC Leader: They're bonus-ing out tens of millions of dollars in hydro of your hard earned tax dollars at the same time as giving you the highest hydro rates in North America. That's unacceptable.

Anchor: Ford was questioned about when the party would put forward a reworked policy. After pledging not to bring in a carbon tax that was part of the People's Guarantee, there is billions of revenue needed. Ford says he's expecting to unveil one in the coming weeks.

CKWS: PC LEADER UNVEILS CAMPAIGN BUS AND SLOGAN, CRITICIZES HYDRO ONE

Source: CKWS

Apr 15, 2018 6:04 PM (3)

Anchor: PC Leader Doug Ford says he's ready to take on Kathleen Wynne in debates. Today he unveiled the party's campaign bus and new slogan "For The People". Ford criticized the Wynne Liberals for wasting taxpayer dollars and once again took aim specifically at hydro and the CEO of Hydro One. He says his salary is ten times that of others in similar roles and he promised to fire him.

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ONLINE COVERAGE

GLOBE AND MAIL: *ONTARIO PC LEADER DOUG FORD'S ATTACK ON HYDRO ONE IS AMATEUR HOUR; FORD HAS PLAINLY IGNORED THE MOST BASIC RULES ABOUT WHAT GOVERNMENT CAN CONTROL WHEN PROMISING TO FIRE THE UTILITY'S CEO, BUT THAT MIGHT NOT MATTER TO VOTERS*

theglobeandmail.com

Sun Apr 15 2018, 8:01pm ET

Section: Business

Byline: Tim Kiladze

Ed Clark's frustration was palpable. Sitting on a podium in a drab government conference room one day in 2015, the newly retired chief executive of Toronto-Dominion Bank was fresh meat for the Ontario political press gallery.

As an adviser to Premier Kathleen Wynne, and as the provincial government's point person for its privatization of Hydro One Ltd., Mr. Clark was given the task of leading a press conference for the utility's \$1.8-billion initial public offering. The event quickly morphed into a miniature circus.

Mr. Clark was asked few substantive questions about the government's use of proceeds, or about plans to save ratepayers money. Instead, he was pressed over and over again to justify the pay package for Hydro One's new chief executive officer.

Calmly, he explained that Hydro One was about to be a public company, which meant that it needed to pay market rates for newly hired executives. But the political press gallery, which loves a good controversy, didn't buy it.

Fast forward three years. Doug Ford doesn't seem to either.

In a media briefing on Thursday, one that morphed into a circus of its own, Ontario's Progressive Conservative Leader attacked the pay of Mayo Schmidt, Hydro One's CEO, then said his first act as premier, should he win the June election, would be to fire Mr. Schmidt and replace all of the directors on Hydro One's board.

A premier has no power to fire the CEO. Even Mr. Ford's energy critic, Todd Smith, acknowledged this – in the same briefing.

Of course, runaway executive pay is no joke. But Hydro One's executive compensation isn't out of this world, not compared with pay at similar Canadian companies.

In its annual documents outlining executive pay, Hydro One lists nine companies as its utility peers. The average CEO pay last year for these nine was \$6.1-million. Mr. Schmidt's pay: \$6.2-million.

Mr. Ford's diatribe was politically calculated. That's understandable, because Ontario voters are angry about sky-high hydro rates. But the promise was so far-fetched, it was actually sad.

Ever since Hydro One's IPO was unveiled, Ontario Conservatives have been obsessed with the deal, spreading misinformation about the company. Somehow they've forgotten that they were the first party to try to privatize it, under former premier Ernie Eves.

The truth is that lowering hydro rates is unbelievably complicated. It is a convoluted system that has been mismanaged since the 1980s, when nuclear plant construction started to go way over budget. These plants, which are by far the biggest providers of Ontario's power, are now being refurbished at a cost of billions of dollars – vastly more than Hydro One's entire executive team makes.

Somehow, Ontario's opposition parties – including the NDP, whose union base is furious about the privatization because it has demanded more efficiency from workers – forgets that Hydro One doesn't set the rates it charges. It must get approval for any rate changes from the Ontario Energy Board, which factors in issues such as employee compensation when making its decisions.

These opponents don't like hearing that Hydro One's privatization was actually pretty successful. The government kept selling shares into a hot market before utility stocks tumbled, which means Ontarians got top dollar for the 53-per-cent stake that the government unloaded in successive share sales. It also found a way to pay Bay Street remarkably low fees for these offerings.

Facts don't matter for some voters, though. Hydro rates were often discussed during the Conservatives' leadership debates this spring and candidate Christine Elliott was the proverbial adult in the room, promising to tackle them – but also being honest with voters, telling them that there's only so much that can be done because it's a very complicated system. She lost, by the slimmest of margins, to Mr. Ford.

Aspiring politicians tend to make all sorts of campaign promises that they miraculously forget about once they're in power. That's not the problem here. What's alarming was how cavalierly Mr. Ford made the pledge, plainly ignoring the most basic rules about what government can control.

Anyone who thinks that's just a campaign trick need only look south of the border to remember that bold, populist politicians don't change once they're in power.

TORONTO SUN: GOLDSTEIN: WYNNE'S LIBERALS, NOT DOUG FORD, RAN HYDRO ONE INTO THE GROUND

By: Lorrie Goldstein

Updated: April 15, 2018 2:42 PM EDT

<http://torontosun.com/news/provincial/wynnes-liberals-not-doug-ford-ran-hydro-one-into-the-ground>

Ontario Premier Kathleen Wynne and Energy Minister Glenn Thibeault say Progressive Conservative leader Doug Ford would cause chaos at Hydro One by replacing its board of directors, and firing its \$6.2-million-a-year CEO and president.

In reality, it's too late. The Liberals already caused it.

Their allegation Ford would impose Trumpian chaos on Hydro One through wanton firings is understandable in the sense it's the only political play they have.

That's because they can't defend their own abysmal record in managing the giant utility, which owns Ontario's electricity grid and directly serves 1.3 million residential and business customers, mostly in rural and northern Ontario.

But if Wynne and Thibeault want to talk about chaos at Hydro One, let's talk about the Liberal record of managing the utility before they sold majority control of it (53%) to the private sector last year in a \$9.2-billion fire sale.

This so Wynne could claim to balance the Ontario budget in the 2017-18 fiscal year, now heading back into deficit in 2018-19.

The sale itself was sharply criticized by Ontario's independent, non-partisan, Financial Accountability Office (FAO) as a fiscal train wreck, in which the Wynne government had to change provincial law to divert \$4 billion of the proceeds to government spending on infrastructure, as opposed to using all of the money to pay down Hydro One's debt.

The FAO said while the sale would temporarily boost government revenues, over the long-term it would cost taxpayers more, mainly because of the reduced revenue stream the government (meaning taxpayers) will now get from Hydro One.

Essentially, what the Wynne government did was to sell the furniture to pay the mortgage, the problem being you can only sell the furniture once, while the mortgage comes due every year.

Since the Liberals sold majority control of Hydro One to the private sector, the utility has done things the Liberals would never have done when they owned it.

For example, buying part ownership of a giant, polluting American coal-fired power plant (after the Liberals eliminated coal use in Ontario in 2014).

Or proposing to have people falling behind on their skyrocketing electricity bills — such as seniors on fixed incomes who already have to choose between electricity and food — pay in advance, at a time when service disconnections are increasing. (Hydro One says this "Collection Enhancements" scheme would be optional.)

But if the Liberals really want to talk about chaos at Hydro One, let's talk about their record of running the utility from the time they came to power in 2003, when the government owned 100% of it, until selling off majority control in 2017.

In 2015, the final year — forever — that Ontario Auditor General Bonnie Lysyk was able to scrutinize Hydro One's books, since with Wynne's fire sale the utility has now been freed of public scrutiny by the legislature's independent watchdogs, here's what she found.

"Hydro One's mandate is to be a safe, reliable and cost-effective transmitter and distributor of electricity. Instead, customers have a power system for which reliability appears to be worsening while costs are increasing.

"Customers are experiencing more frequent power outages, mostly because assets aren't being fully maintained, aging equipment isn't being consistently replaced and trees near power lines aren't being trimmed often enough."

Lysyk described Hydro One as one of the least reliable large electricity distributors in Canada, between 2010 and 2014, with its customers experiencing 24% more power outages lasting 30% longer, with maintenance costs increasing 31%.

Compared to Hydro One's power outages, those of other electricity distributors were, on average, 59% shorter and 30% less frequent.

The major cause of outages was broken power lines due to falling trees or limbs, because Hydro One used a 9.5 year vegetation-management cycle, compared to an average of 3.8 by similar utilities. Its own analysis showed this increased costs by \$84 million in 2014 alone, while also increasing the frequency of power outages.

In 2014, the Ontario Energy Board ranked Hydro One as worst and second-worst among Ontario electricity distributors for the duration and frequency of power outages in 2013.

From 2012 to 2014, Hydro One's backlog of preventive maintenance orders for transmission equipment increased by 47%, with the risk of increasing power failures because it hadn't replaced assets that had exceeded their service life.

The number of transformers, circuit breakers and wood poles in service beyond normal replacement dates ranged from 8% to 26%.

Replacements would cost almost \$4.5 billion, over 600% more than Hydro One's \$621-million capital sustainment expenditure for 2014.

After spending \$660 million installing 1.2 million smart meters, Hydro One used them mainly for billing customers, ignoring their capability to remotely identify locations of power outages before customers had to call to report them. Making use of that feature would have made dispatching work crews timelier and more efficient, with improved customer service and cost savings.

From 2014 to 2015, former Ontario ombudsman Andre Marin investigated Hydro One's billing practices, after receiving more than 10,000 complaints from its customers, the last time Hydro One will ever be subjected to such public scrutiny.

Marin concluded the utility had issued more than 100,000 incorrect bills, including outrageous over-billing and inaccurate “catch-up” bills, as well as cases where Hydro One raided customer bank accounts for thousands of dollars it wasn’t owed, then refused to give the money back when the mistake was found, offering only to apply the overpayments to future bills.

Trying to get straight answers from Hydro One about its horrendous billing practices, Marin said, was like “wrestling with a slippery pig,” while the utility treated its customers “abominably” and used “deflection and deception” in communicating with its own regulators about the problems.

Given their abysmal record of running Hydro One before they sold majority control of it to the private sector, the allegations by Wynne, Thibeault and the Liberals that Ford, who says he wants to rein in the utility, might turn the place into chaos, is absurd.

They did that all by themselves.

CBC NEWS: IT JUST GOT PERSONAL: PC SUPPORTERS, LIBERALS ROLL OUT PRE-ELECTION ATTACK ADS

CBC.CA News

Sun Apr 15 2018, 5:00am ET

Section: Toronto

Byline: CBC News

The writ has yet to drop, but it seems that the gloves already have.

Attack ads targeting Ontario Premier Kathleen Wynne and Ontario Progressive Conservative Leader Doug Ford are rolling out now, setting the tone for the battle for votes leading up to the June 7 election.

Two ads criticizing Wynne that started airing this week are being paid for by Ontario Proud, which started out as a Facebook campaign and has grown to more than 350,000 followers since it launched in February 2016.

"With the spending limits and the rules it's imperative that we do everything we can right now to spread our message," said Jeff Ballingall, founder of Ontario Proud.

"We still want to reach the one third who are not on Facebook, so people will see our message on their phones, they'll see it on their computers, they'll hear us on their car radios and they'll see us on TV."

- The most popular political Facebook group in Ontario targets Kathleen Wynne

The first of two ads airing on CP24, depicts an exclusive dinner party with Kathleen Wynne's so-called "insider friends."

The spot criticizes what it calls "cash for access" and accuses the government of giving tax breaks to Liberal Party corporate donors.

"It showcases how Liberal insiders have been getting rich. We've seen hydro executives making obscene amounts of money giving themselves million-dollar raises," Ballingall told CBC Toronto.

The second ad plays out like a fast-paced promo for a greatest hits album, listing off what it calls the "highlights" of years of Liberal mismanagement, including the gas plants cancellation, e-health failure and skyrocketing hydro bills.

"It's satire. It's parody. It's a review of those greatest hits albums [on] those great K-Tel ads. We thought it was a great way to add some humour into the mix," Ballingall said.

It's the first time in recent memory that anti-Liberal attack ads have been produced and airtime paid for by a third party. Ads attacking then-Ontario PC leader Tim Hudak were paid for by the Liberal-friendly Working Families coalition of unions during the 2014 campaign.

Meanwhile, not to be outdone, the Ontario Liberal Party is launching a pre-election attack ad campaign of its own called: "The Real Doug Ford."

It evokes the spectre of public sector workers layoffs of teachers and healthcare workers to pay for promised corporate tax cuts. The second ad uses statements made by Ford on topics, such as autistic children, abortion and race.

"It's really Doug Ford in his own words," said Liberal campaign co-chair Deb Matthews, who denied the ads show the party is desperate because it lags in popularity in most recent polls.

"We didn't start this," said Matthews. "At this moment he is winning. But we need to make sure people understand the consequences of that."

It's a big contrast to ads from the last election campaign, which featured Wynne prominently, such as the one that showed her on a long-distance run.

Matthews denies the shift to the attack is because the premier is personally unpopular.

"The premier is out every day doing media availability, unlike Doug Ford," she said, adding the PC leader is trying to avoid public scrutiny.

In a statement, the Ontario NDP says leader Andrea Horwath's first campaign ad focuses on her positive vision for the province, and how she will replace the cynicism people are feeling about politics right now with hope.

"A lot of people have become cynical about politics and politicians," says Horwath in the 30-second Facebook spot. "It absolutely does not have to be this way."

The party says it will run its biggest campaign ever in Ontario, and that will include television advertisements.

Meanwhile a guerilla campaign called "Not Doug," which says it's run by a group of volunteers who live in Ontario and is paid for with their own personal funds, denies any association with any political party

The group says some its members have even supported the PCs in the past. "Not Doug" has yet to register as a third-party group with Elections Ontario.

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