Evening Media Scan: Hydro Rate Reduction Plan - April 25, 2017

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Date:	Tue, 25 Apr 2017 21:00:39 -0400
Attachments:	20170425 - Media Scan - Hydro Rate Reduction (Evening Scan).doc (78.34 kB)

Evening Media Scan: April 25, 2017

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

April 25, 2017

Click links below to view article:

Online Coverage

[Toronto Star: Hydro One extends no-disconnection policy to June]
[Financial Post : Joe Oliver: It's not too late for Ontario's doomed Liberals to do something good for the province (but they won't)]
[St. Thomas-Elgin Weekly News: OEB hydro disconnect moratorium set to end April 30]

TV Transcripts
None

Online Coverage

Toronto Star *Hydro One extends no-disconnection policy to June*
thestar.com
Tue Apr 25 2017
Section: News | Toronto Star
Byline: Rob Ferguson

Hydro One customers behind on their bills won't have to fear disconnections until June 1 as the utility extends its winter relief policy by a month.

The move comes as company officials continue contacting about 3,000 households "at risk" unless they can get on long-term payment plans their family budgets can handle.

"This gives us some time to go after some of our customers with larger arrears, to work with them more closely to get them on a plan," said Ferio Pugliese, executive vice-president of customer care.

Accounts considered the most serious owe $2,500 or more to Hydro One, which serves 1.3 million homes and businesses across the province.

About 60 per cent of customers in arrears are now on plans and 320 across the province were hooked back up to the grid over the winter, Pugliese said.

Other measures to improve service for customers who have been disconnected include waiving the $300 security deposit for residences and reducing deposits for eligible businesses, the latter which had faced average costs of $1,700.

"This was really impacting the viability of small businesses," Pugliese said, noting the waiver is only for companies that can demonstrate good payment records in the past 12 months.

The Ontario government passed legislation in February to ban winter disconnections by all utilities in the province, although Hydro One had already agreed to that in December and began reconnecting them.

Hydro One's disconnection extension will last until lower electricity rates start kicking in under Premier Kathleen Wynne's promised 25 per cent rate cut, which includes the instant rebate of the 8-per-cent provincial HST on electricity bills that began January 1.

Another 17 per cent, on average, will come off bills starting in June.

"People will be in a much better position to affordability," said Pugliese, whose company is contributing another $2.2 million to the United Way's Low Income Energy Assistance Program.

Hydro One has been under intense scrutiny from opposition parties at Queen's Park in recent weeks for high executive salaries and the quiet departure of the giant utility's ombudsman, Fiona Crean.

Chief executive officer Mayo Schmidt's total compensation is $4.84 million.

Wynne's government is midway through a partial privatization of Hydro One to raise an estimated $9 billion for new infrastructure, such as transit projects, and to pay down debt in the electricity system.

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Financial Post *Joe Oliver: It's not too late for Ontario's doomed L good for the province (but they won't)*

Financial Post
Tue Apr 25 2017
Section: FP Comment
Byline: Special to Financial Post

I am reluctant to declare a politician "dead person walking" because elections can produce startling results, as Ontarians know only too well. Nevertheless, there are times when the portents are so ominous it becomes a virtual certainty, absent a black swan event. That is Premier Kathleen Wynne's doleful plight, with a pitiful 11 per cent approval rating and polls indicating the Liberals would lose official party status.

So it is looking like endgame, with the government's mission reduced to saving the furniture. Indeed, its only faint hope is to find a new leader and fast. No less loyal a Liberal stalwart than Greg Sorbara, former finance minister, party president and campaign chair, recommended Wynne step down. However, she seems determined to hang on, so it could get ugly. Yet even with a new premier claiming to lead a transformed and contrite party that disavows the more egregious mistakes of his or her predecessor, survival is likely a bridge too far.

How did it get this bad? Set aside, if you can, the political scandals, broken promises and rank incompetence. The single issue that most enrages and worries voters is the doubling of hydro bills. Mind you, the electricity catastrophe is only the most blatant of the fiscal excesses that made Ontario the world's largest sub-national debtor. That dubious distinction resulted in credit downgrades, vulnerability to shocks like an inevitable economic downturn, annual interest obligations totalling $11 billion, funds diverted from healthcare, education and low-income housing and an oppressive debt load foisted on future generations.

On Thursday, Finance Minister Charles Sousa will boast that Ontario's budget is balanced, a dubious claim challenged by the auditor general and the Financial Accountability Office (FAO). In any event, and contrary to what most people understandably believe, a balanced budget does not preclude massively ballooning debt. Government accounting rules permit the province to amortize the cost of long-term assets, so only a small portion is recorded as an expense in any given fiscal year. However, the bill must be paid when the asset is purchased or the project built. The FAO projects that, over the next five years, net debt will increase by $64 billion, totalling a staggering $370 billion by 2020-21. The minister will not be boasting about that.

The question is superfluous, but I have to ask it anyway. Does the Ontario Liberal government have no shame? Wynne had the gall to pretend that intergenerational fairness justified subsidizing hydro users by adding $25 billion in interest payments down the road. Most people consider it terribly unfair to saddle children and grandchildren with debt. But not our premier.

Her deceptive cover is that the disastrous Green Energy Act creates long-term value, when in fact it will extend no benefits, environmental or other, now or later. Furthermore, ongoing maintenance is a large part of a project's total cost. More importantly, she is implying that when our sons and daughters become adults and invest in new infrastructure, the bill will be passed on to their kids, thereby perpetuating unfairness for generations to come. How sad is that? Mom and Dad want to bequeath prosperity to their children, rather than impose crushing indebtedness. That parental impulse is not only compassionate; it is integral to societal progress.

Wynne's deceptive cover is that the disastrous Green Energy Act creates long-term value

While appealing to selfishness, the government claims it is taking the moral high ground for the dishonourable act of having our kids pay for its profligacy. In the panoply of legerdemain, that merits a prize for chutzpah.

Granted, the Liberals are not looking to me for policy advice. Still, the sooner Ontario's economic malaise is addressed the better for Ontarians and indeed all Canadians. So here are a few pre-budget suggestions to deal with some pressing issues. Ontarians have to start living within their means, enhance their competitiveness and take practical actions to encourage growth and employment, especially in depressed regions. Individuals and job-creating businesses are being crushed by taxes, fees and regulations. Relief is urgently needed. Government should get rid of impractical, ideologically driven policies, like the despised energy boondoggle that benefits a few companies and many Americans at the expense of Ontarians. The useless and harmful cap-and-trade scheme should be converted into a tax reduction plan, then cancelled as soon as possible. Finally, last week's politically motivated rent-control plan is a sure-fire fiasco that will freeze the supply of purpose-built rental accommodation and reduce rental condo units owned by investors. Unfortunately, no political party will revoke it for fear of alienating the very people whom it will hurt, but not today.

Ontario can resume its proud role in Confederation as a "have" province that contributes to national prosperity. However, barring a Liberal transmogrification, Ontarians will have to await a change of government. Less than 14 months and counting.

Joe Oliver is a former federal minister of finance.

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St. Thomas-Elgin Weekly News: OEB hydro disconnect moratorium set

By: Mike Maloney
Apr 25, 2017 08:00

https://www.theweeklynews.ca/news-story/7258534-oeb-hydro-disconnect-moratorium-set-to-end-april-30/

The high costs of electricity has proven to be more than just a bone of contention for many people and businesses across the province. So much so that the Ontario government was forced to do something about it.

On April 20, the Ontario Energy Board (OEB) officially announced a rate cut that would see the cost of electricity go down as much as 17 percent for typical residential consumers.

While this is good news for many people, there are still those out there that have trouble paying their hydro bill, and customers with outstanding accounts continue to be an issue for the local electricity provider, St. Thomas Energy Inc. (STEI), said Duane Orth, manager of customer service with the utility.

In February, the OEB issued an order to hydro utilities across the province banning winter disconnections of residential customers until April 30.

Now that the warmer weather is here, as of May 1, that order is no longer in effect and customers with outstanding unpaid bills are once again subject to disconnection.

“It’s business as usual,” explained Orth. “The OEB put a temporary stop on it and are going to reassess it, but we are following our regulator's rules.”

That doesn’t mean the local utility is going to be heading out that day and cutting off anyone with unpaid bills he said.

He did add, though, that as per normal business practice, notifications of pending disconnection would be going out. ”We’re trying to be co-operative, just to let them know we’re coming at some point.”

In February, the OEB noted there were 930 residential premises across Ontario that had been disconnected at that time and roughly another 3,000 that had load limiting devices installed. As to the exact number of local customers currently subject to disconnection, Orth wasn’t able to say as that number can fluctuate.

“The number could be a 100 people right now that owe us money, and 75 of them could pay by then so the number is so subjective. In fact, I have no number,” said Orth.

TV Transcripts

None