Morning Media Scan: Hydro Rate Reduction - November 16, 2017

From: Electronic Media <cab.emedia@ontario.ca>

To: "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>, "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>, "Donelson, Philip (OPO)" <philip.donelson@ontario.ca>, "Bossin, Bryan (OPO)" <bryan.bossin@ontario.ca>, "Tomney, Genevieve (OPO)" <genevieve.tomney@ontario.ca>, "Jancik, Mike (OPO)" <mike.jancik@ontario.ca>, "@CAB-Trans CO" <cab-transco@msgov.gov.on.ca>, "Baker, Carys (ENERGY)" <carys.baker@ontario.ca>, "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Bodrug, Andrew (ENERGY)" <andrew.bodrug@ontario.ca>, "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Coker, Meaghan (ENERGY)" <meaghan.coker@ontario.ca>, "Den Heijer, Kevin (ENERGY)" <kevin.denheijer@ontario.ca>, "Esdaile, Trevor (ENERGY)" <trevor.esdaile@ontario.ca>, "Festeryga, Katherine (ENERGY)" <som.1katherine.festeryga@ontario.ca>, "McGrath, Jessica (ENERGY)" <jessica.mcgrath@ontario.ca>, "Moseley-Williams, Kate (ENERGY)" <kate.moseley-williams@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Olsheski, Mark (ENERGY)" <mark.olsheski@ontario.ca>, "Ramasra, Raynier (ENERGY)" <raynier.ramasra@ontario.ca>, "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>, "Thompson, Rachel (ENERGY)" <rachel.thompson@ontario.ca>, "Tresise, Landon (ENERGY)" <landon.tresise@ontario.ca>, "Tretiakov, Ilia (ENERGY)" <ilia.tretiakov@ontario.ca>, "Walman, Evan (ENERGY)" <evan.walman@ontario.ca>, "Hansen, Alice (ENERGY)" <alice.hansen@ontario.ca>, "An, Derrick (OPO)" <derrick.an@ontario.ca>, "Leisk, Madison (OPO)" <madison.leisk@ontario.ca>, "Porter, Maddy (OPO)" <maddy.porter@ontario.ca>, "Whittington, Margot (OPO)" <margot.whittington2@ontario.ca>, "Yaqubian, Farnaz (OPO)" <farnaz.yaqubian@ontario.ca>, "Bromm, William (CAB)" <william.bromm2@ontario.ca>

Cc: "Sumi, Craig (CAB)" <craig.sumi@ontario.ca>, "Di Giovanni, Robert (CAB)" <robert.digiovanni@ontario.ca>, "Law, Sally (CAB)" <sally.law@ontario.ca>, "Stinson, Jeffrey (CAB)" <jeffrey.stinson@ontario.ca>, "Nutter, George (ENERGY)" <george.nutter@ontario.ca>, "Halford, Gavin (ENERGY)" <som.gavin.halford@ontario.ca>, "Ma, Cesue (CAB)" <cesue.ma@ontario.ca>, "Selvadasan, Assumpta (CAB)" <assumpta.selvadasan2@ontario.ca>, Electronic Media <cab.emedia@ontario.ca>

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Morning Media Scan: November 16, 2017

MEDIA SCAN:HYDRO RATE REDUCTION PLAN

November 16, 2017

Click links below to view article:

Print Coverage

St. Catharines Standard: Hydro rates hurting Niagara hospitals; A1 / Front; 2017.11.16

PUBLICATION:	St. Catharines Standard
PAGE:	A1 / Front
DATE:	2017.11.16
SECTION:	News
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BYLINE:	Grant Lafleche
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ILLUSTRATION:	Bob Tymczyszyn, Standard Staff / Hotel Dieu Shaver Rehabilitation Centre in St. Catharines, above, has seen a spike in hydro costs in recent years, as has Niagara Health.; / Zangari;
WORD COUNT:	660

Hydro rates hurting Niagara hospitals

If Jane Rufrano can count on anything, it's that her hydro bill will rise each year like clockwork.

Many Ontario residents know the pocketbook pain of paying more for electricity, but for the chief executive officer of Hotel Dieu Shaver Rehabilitation Centre in St. Catharines the issue is more complicated than it can be for homeowners.

It's the math that becomes a problem.

The rehab centre has an annual budget of about $32 million. Of that, some $21 million is consumed by salaries and benefits, leaving only $11 million for operating costs for a centre that treats about 134 inpatients and has 40,000 outpatient visits annually.

In the past several years, hydro costs are eating an increasingly larger part of that $11 million.

In 2011, Hotel Dieu Shaver paid $296,240 for hydro. By 2016, that bill was $497,803.

"It is an issue because we don't have a lot of flexibility in our budget," said Rufrano.

To cope with the rising cost of power, Hotel Dieu Shaver had to be creative, Rufrano said.

In 2015-16, she said, Horizon Utilities said it had under-billed Hotel Dieu Shaver in the past and so the rehab centre owed the utility $240,000.

"I told them we couldn't afford that, so they reduced it to a $150,000 payment, which I told them was still too much," Rufrano said.

She eventually negotiated the utility down to $76,000 which is being paid in $25,000 instalments over three years on top of annual per kilowatt-hour rate increases.

The rehab centre is doing what it can to make its facility more energy-efficient, Rufrano said, including by installing LED lights and other measures. But ultimately, rising rates continue to take a bite out of operational costs that would otherwise go toward patient care.
The situation is similar, albeit less dire, at Niagara Health, which has seen hydro bills rise from $3 million in 2011 to $6.4 million in 2016.
Angela Zangari, Niagara Health executive vice-president, finance and operations, said the increase is due in part to rising rates - she said the hospital system had faced a 26 per cent increase in hydro rates from an average of $0.12 to $0.16 per kWh across all their sites - but also because of energy-intensive equipment.
The St. Catharines hospital's radiation machines for cancer treatment use an enormous amount of power, which will naturally drive up the institution's bills.
Zangari said a large hospital system will feel the sting of rising hydro rates less than a smaller institution such as Hotel Dieu Shaver simply because of its scale. Niagara Health's annual budget is about $500 million, with some 62 per cent going to salaries and benefits.
"We face several inflationary costs each year, and hydro is one of them. But is it the largest or most important? No," said Zangari, noting the increases in the costs of drugs, equipment and supplies can outpace hydro rate increases.
It's why hospitals co-operate via bulk purchasing agreements that can reduce some costs, she said.
The hospital system also benefits from having the relatively new St. Catharine site, which despite being significantly larger than the older Garden City hospitals it replaced, is a more modern, energy-efficient building. Niagara Health has also upgraded its older facilities.
The impact of Ontario's rising hydro rates has become part of the Canadian Taxpayer Federation's campaign against high energy costs. Last week the organization issued a news release about Hotel Dieu Shaver's costs as part of a series of freedom of information requests on hospital budgets it made this year, said spokesperson Christine Van Geyn.
Rufrano said the federation's release is accurate save for how many beds the rehab centre could buy. The release said the rehab centre could buy 156 patient beds for the difference in its 2011 and 2016 bills. Rufrano said in reality Hotel Dieu Shaver could buy 40 beds for the more than $200,000 difference.
glafleche@postmedia.com

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Niagara Falls Review: Hydro rates hurting hospitals; A3; 2017.11.16

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KEYWORDS: rufrano,count,anything,hydro,clockwork,ontario
ILLUSTRATION: Bob Tymczyszyn, Postmedia News / Hotel Dieu Shaver Rehabilitation Centre in St. Catharines, above, has seen a spike in hydro costs in recent years, as has Niagara Health.;
WORD COUNT: 662

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glafleche@postmedia.com twitter.com/grantrants

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The Brockville Recorder & Times: BGH hydro not highest; Canadian Taxpayers Federation denies 'cherry-picking'numbers; A3; 2017.11.16

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BGH hydro not highest; Canadian Taxpayers Federation denies 'cherry-picking'numbers

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The Canadian Taxpayers Federation (CTF) is "cherry-picking" hospital data to go after the Ontario government's hydro policies, a provincial government spokesman said.
It's a charge CTF Ontario director Christine Van Geyn rejected on Wednesday, arguing the advocacy group's research points to even higher increases in electricity costs elsewhere in the province.
She made the comments after a spokesman for Energy Minister Glenn Thibeault questioned the CTF's claims about hydro costs hurting health care at Brockville General Hospital.
On Tuesday, Van Geyn issued a statement citing data she received from a freedom of information request, which shows electricity costs increasing steadily over the past five years at BGH, from $769,826 in 2012 to $1,138,733 in 2016, or an increase of 48 per cent.
During the same period, actual electricity use fell by 30,501 kilowatts, it adds.
Nick Vlacholias, BGH's president and chief executive officer, confirmed the veracity of the advocacy group's numbers, adding management is working on its budget to minimize the cost of electricity and its impact on patients.
In an email to The Recorder and Times, Colin Nekolaichuk, a spokesman for Thibeault, criticized the CTF's claims.
"The Canadian Taxpayers Federation is cherry-picking from hospital hydro bills, while failing to see the bigger picture on both the health care and energy systems in Ontario," Nekolaichuk wrote.
He added the Liberal government has increased hospital funding, including a 4.4 per cent increase, for a total of $53 million, in funding for BGH since coming into office.
"Meanwhile, we've made investments in our electricity system that have left it significantly cleaner, having eliminated coal generation in our province," he added.
"The Taxpayers Federation ignores the fact that eliminating coal has saved billions in health care costs over the years and will continue to do so, for generations to come.
"The reality is that hospitals spend an average of only 1.6 per cent of their total operating budgets on electricity bills."
Van Geyn said Wednesday her research on Ontario hospitals has been comprehensive.
"I'm not cherry-picking," she said.
"I'm requesting this from basically every hospital in Ontario."
The CTF is issuing press releases in a series, targeting the local markets where the hospitals are located.
Van Geyn acknowledged not every hospital is included because some of the data that came back was not useable.
Not every hospital has experienced a hydro cost increase as high as BGH, she said.
"For the most part ... a small increase would be 13 per cent."
But she pointed to more serious cases, such as the St. Thomas Elgin General Hospital, which experienced a 75 per cent jump in hydro costs over the last five years, while the William Osler Health System in Brampton experienced an increase of nearly 126 per cent in that same period.
While the CTF's Tuesday statement pointed to the impact of hydro costs on health care delivery at BGH, Van Geyn on Wednesday said health care is not the primary focus of her campaign.
"This is an electricity story," she said.
"At the end of the day, it's a crisis in costs that the government has created."
The CTF is urging the government to do away with what it considers the root causes of this crisis, such as the Green Energy Act and the cap and trade system, added Van Geyn. @Rzajac@postmedia.com

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