FW: Evening Media Scan: Fair Hydro Plan - March 30, 2017

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From: Electronic Media
Sent: Thursday, March 30, 2017 9:00 PM
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Subject: Evening Media Scan: Fair Hydro Plan - March 30, 2017

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MEDIA SCAN: FAIR HYDRO PLAN

March 30, 2017

Click links below to view article:

Online Coverage

Toronto Star: Hydro One CEO's $4.84M salary won’t affect promise
By: Rob Ferguson
Thu. March 30, 2017

https://www.thestar.com/news/queenspark/2017/03/30/hydro-one-ceos-484m-salary-wont-affect-promised-25-cut-to-hydro-bills.html

The “very large” $4.84 million pay packet of Hydro One boss Mayo Schmidt won’t stand in the way of a promised 25 per cent rate cut on electricity bills, says cabinet minister Liz Sandals.

As opposition parties howled in outrage over $11 million in salary and incentives shared by Schmidt and his four top executives, Sandals said Thursday that the cost has no impact on skyrocketing hydro bills.

That’s because the money is a fraction of the cost of operating Ontario’s multibillion dollar electricity system.

“The CEO’s salary is not part of the equation,” said Sandals, who controls the government’s purse strings as president of the treasury board for Premier Kathleen Wynne.

“We recognize that it is a very high salary . . . regardless of salary, we will be making a 25 per cent cut for the residents,” she added shortly before walking away from reporters.

Controversy over the Hydro One pay — released earlier this week as required under securities laws — foreshadowed Friday’s release of the annual “Sunshine List” of provincial public sector workers earning $100,000 or more.

That list, which grows every year as more workers cross the threshold, has become a lightning rod for concerns about levels of public sector pay.

The Liberal government has repeatedly refused calls from the Progressive Conservatives and New Democrats to force Hydro One to resume reporting the salaries of thousands of its employees earning $100,000 or more.

This will be the second year Hydro One is no longer on the Sunshine List because it became exempt when shares were first sold to the public.

The executive salaries are “proof just how out of touch the Wynne Liberals have become,” said Progressive Conservative MPP Todd Smith, his party’s energy critic.

NDP Leader Andrea Horwath said it is ironic the Liberals say on one hand that the government maintains majority control of Hydro One and yet Sandals acknowledges the CEO’s compensation is huge.

“What it truly shows is that the Liberals have been talking out of both sides of their mouth when it comes to control over Hydro One,” Horwath charged.

“It just shows the duplicity of this government.”

Hydro One issued a statement earlier this week saying the new executive team has cut $25 million in costs — more than double their annual compensation — and improved customer service.

Smith said a Conservative government would introduce legislation ordering Hydro One back on the Sunshine List if elected next spring, but acknowledged that would be impossible if the Wynne administration sells more shares to lower its stake to 50 per cent or less.

So far, the government has sold 30 per cent of the shares in Hydro One and is planning to sell another 30 per cent, leaving taxpayers with a 40 per cent stake.

The government says it will maintain majority control because no other shareholder is allowed to take more than a 10 per cent stake in the transmission utility.

Wynne is selling the shares to raise an estimated $9 billion to improve public transit and other infrastructure, as well as pay down debt in the electricity system.

CBC News: Hydro One CEO's $4.5M salary won't be reduced to he
By: Allison Jones
Last Updated: Mar 30, 2017 6:54 PM ET

http://www.cbc.ca/news/canada/toronto/hydro-one-ceo-s-4-5m-salary-won-t-be-reduced-to-help-cut-electricity-costs-1.4048675

The $4.5 million in pay received by Hydro One's CEO is not a factor in the government's plan to cut electricity costs for consumers, an Ontario cabinet minister said Thursday amid opposition concerns about the executive's compensation.

Treasury Board President Liz Sandals made her comments on the eve of the release of the province's so-called sunshine list.

The annual disclosure of public-sector salaries over $100,000 will be released Friday, but Hydro One salaries such as that of company boss Mayo Schmidt won't be on it.

Though the government still owns most of Hydro One — 30 per cent has been sold — the company is required to follow the financial disclosure rules of publicly traded companies, which means disclosing the salaries of its CEO, CFO and next three highest-paid executives.

New filings show that Schmidt was paid $4.5 million in 2016 — an $850,000 salary plus bonuses — and those top five executives were paid a total of about $11.7 million.

"Clearly that's a very large amount," said Sandals. Sandals wouldn't say whether or not she thought the pay was appropriate at a time when the government is trying to reduce system costs and cut people's hydro bills.
Mayo

Mayo Schmidt, President & CEO of Hydro One Limited and Hydro One Inc. (Hydro One)

But she suggested the CEO's salary was not a factor in efforts to bring down hydro prices. "The CEO salary is not part of the equation of will 'we be able to make the cut,'" she said. "Regardless of what those salaries are, we will make a 25-per-cent-off cut." The cut coming this summer is actually an average of 17 per cent -- the 25-per-cent figure factors in an earlier eight-per-cent rebate.

NDP Leader Andrea Horwath said the executive salaries are relevant to cutting hydro costs.

"All of this is cost of operating the electricity system, it's part of the operating of Hydro One and so of course those increased salaries are going to impact the cost of our electricity," she said.

Schmidt was appointed Aug. 31, 2015, and in the last four months of that year earned $1.3 million, but the former CEO was paid $745,000 in 2014. About 3,800 workers were paid over $100,000 that year, none of whom will be on the sunshine list this year.

Progressive Conservative energy critic Todd Smith has a private member's bill that would put Hydro One salaries back on the list.

"The Wynne Liberals don't want the people of Ontario to know that their rates have helped create a new millionaire's club at Hydro One," Smith said. "Hydro One is still under the majority ownership of the public, but Premier Kathleen Wynne has removed these salaries from the public's watchful eye."

The previous sunshine list showed 115,431 people were earning more than $100,000 — an increase of nearly 4,000 people despite the fact 3,774 Hydro One workers were not on the list for the first time.

Tom Mitchell, the former CEO at Ontario Power Generation who resigned last summer, topped the 2015 list at $1.59 million.

TV Transcripts (6 PM)

None