

ENERGY media calls

From: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
To: "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>
Cc: "Berry, James (ENERGY)" <james.berry5@ontario.ca>
Date: Thu, 08 Jun 2017 17:47:52 -0400

Hi all,

Below is a summary of media calls today. The Minister also spoke to Andrew Lawton about Patrick Brown's letter – I've included the transcript below. Let us know if you have any questions.

Thanks,
Colin

Ministry: 1 inquiry

Topic : Interview with the Minister

Reporter & Outlet : Kevin Bernard, Bayshore Broadcasting News

Response Type : Ministry spokesperson

Reporter's Questions:

We received a call from Kevin Bernard from CFOS Radio in Owen Sound.

He is looking to do an interview with the Minister live to tape, so that they can edit accordingly.

The interview is concerning Hydro One and a letter concerning Patrick Brown.

Response:

TBD

Minister's Office: 2 inquires

Topic : Interview with the Minister

Reporter & Outlet : Andrew Lawton, AM980

Response Type : Radio interview

Reporter's Questions:

Transcript below.

Topic : Interview with the Minister

Reporter & Outlet : Kenny Trenton, Moose FM

Response Type : Radio interview

Reporter's Questions:

Would like to speak with the Minister regarding Patrick Brown's letter.

Response:

TBD

Colin Nekolaichuk | Press Secretary
Office of the Hon. Glenn Thibeault | Minister of Energy
T: 416-325-2690 C: 647-504-4928
colin.nekolaichuk@ontario.ca

Transcript Delivery from J&A Media Services

To order audio/video clips, please email orders@jamedia.com
or call: 416-645-6902<

Program:	The Andrew Lawton Show	DATE:	2017-Jun-08 1:06PM	Time:	1:00PM - 3:00PM
Station:	CFPL AM (AM980)	Network:	Corus Entertainment Inc.	City:	London

HEADLINE: Ontario Energy Minister's response to Hydro One request

ANDREW
LAWTON
(HOST):

It's great to have you listening to the show here. Earlier in the week PC Party of Ontario Leader Patrick Brown sent a letter to Premier Kathleen Wynne calling on her to essentially say no to Hydro One's application to increase hydro bills by about a hundred and forty one dollars a year for Ontario families. The rate increase, which they requested and he called extreme unfair and unaffordable'. He is asking the Premier to immediately reject the application and all subsequent applications until executive compensation is reined in at Hydro One, and the government has stopped signing expensive new unneeded power contracts. Now in response to that letter, Energy Minister Glenn Thibeault sent one of his own to Patrick Brown, saying that his letter is a distraction and reveals willingness to misinform the public' and also says it's tantamount to grasping at straws. Energy Minister Glenn Thibeault joining me on the line here on the Andrew Lawton Show. Minister, great to talk to you again, thanks for your time today.

**GLENN
THIBEAULT**
(Ontario Energy
Minister):

Oh no problem Andrew, always a pleasure to come on your show and talk to you.

LAWTON:

So this is coming at a time when the Province has, and you and I have talked about this on the show, has said that it's going to be reducing hydro rates by a total of twenty five percent here. Yet now we have this request from Hydro One. How does this align with what the government has announced is it's priority right now is to reduce rates?

THIBEAULT:

Well I think the important thing for me to clarify on all of this is that the first thing with Hydro One, especially Hydro One customers that are in R1 and R2 designations, so those are not kind of like the towns, those are folks that are in kind of more the rural or northern parts, they are going to see a forty to fifty percent reduction come July 1st because of the Fair Hydro Plan. When it comes to the application that they sent in to the OEB, you know we need to be very clear on this. This is like a six to nine month process. This isn't an immediate increase. But even if this was to proceed, you know we are not even giving the OEB, Ontario Energy Board, an opportunity to do their due diligence when they are looking at an application. They've looked at applications in the past Andrew and they've denied Hydro One rate increases. In 2010, in 2012, when they asked for an increase they actually cut rates by nine percent. And that's why I thought it was paramount upon me to respond to Patrick Brown's letter, because again it was distracting and not really clear information. It was misleading information for people, because they need to know the actual process. They still have an opportunity to express their concerns to the OEB about any potential increase that Hydro One would bring forward, but let's not forget that you know putting freezes on rates is what got us into the problems in 2003, other governments have done that. We are not saying we are freezing rates, we are holding rates right now to the cost of inflation, and that's actually the facts that we wanted to bring forward to the people of Ontario.

LAWTON:

But as the Minister you're looking at the numbers, you're familiar with the rates. As an MVP you're hearing concerns from people. Given what you know about the Energy Portfolio in Ontario would you like to see the OEB reject this application?

THIBEAULT:

You know what, you know of course when I see stuff like that it's a little bit of a face palm right. Because the last few months for me have been quite busy in the sense of trying to make sure that we can find ways to reduce rates for everyday citizens in the Province. But I also understand that every LDC in the Province, from London Hydro to Greater Sudbury Utilities, to Hydro One will put in an application for a rate increase for maintenance, or you name it, all of those things that anyone would need to see. And that's why we have the OEB there Andrew to make sure that they can review these applications. And they've reviewed hundreds of applications over the last little while, in terms of major rate applications, and they've reduced these rate increases by an average of about forty percent every time they've come in. So, you know, it was misleading on Patrick Brown's point to say that this was something that was coming that was imminent. It's not imminent. The OEB needs to do its due diligence. I encourage folks that want to have their say to, you know, go to the OEB and let them know their concerns. You know the OEB knows where we stand. We like seeing the rates lowered, that's what we've done, but we also recognize that we can't freeze rates like they did in the past because

that's how you get into the problem that led to all of this.

LAWTON: But why is it that when it comes to a rate increase we have to stand back and let the OEB do its due diligence, but when it comes to a promise from your government to reduce Hydro rates that's something where you can go full steam ahead?

THIBEAULT: The OEB is a quasi judicial organization. They are a regulator. So we need to ensure that we let the regulator do what it needs to do. I can't go in there and start telling the OEB that you need to do this, you need to do that, otherwise you're politicizing the regulator. None of us would want to do that, no matter what party is in power and who's in it. The OEB needs to be that quasi judicial regulator. When it comes to moving forward on the reductions that we brought in place, when it comes to the Fair Hydro Plan, we had heard loud and clear from people right. I tried with the eight percent reduction initially, and some of the changes to you know the Triple RP that helps the rural folks initially, but they told me very clearly that wasn't enough, and so we had to move forward and come up with the Fair Hydro Plan that brought more relief for people in Ontario.

LAWTON: But Minister, you just said a moment ago that it's not your job to go into the OEB and tell them how to consider it. I'm looking at a letter that you sent to the CEO of the OEB on April 10th asking her to do exactly that. Asking the OEB to consider reducing rates for you to allow the Fair Hydro Plan, that you and I have talked about to go through. So, again why is it that you can ask the OEB to consider all these things when you want a decrease, but with an increase it's hands off and they've got to just do their due diligence on their end.

THIBEAULT: Oh I'm sorry. I misunderstood your first question. Of course I can still communicate with the OEB, but in that letter that you're talking about I'm asking them to consider, I'm not directing them. So, you know I'm not going to direct them to actually consider decreases or to consider increases, I'm sorry to implement it. I will ask them to consider it. I have asked them to consider many things, to consider doing studies, that's the role of the Minister, but to actually give them a clear direction on saying you must do this' that's not the rule. I can't do that as the Minister, that's very clear, but what I can do is ask them to consider those type of things which I have in the past (overlap)-.

LAWTON: Will you be asking them to consider rejecting the Hydro One application then?

THIBEAULT: Pardon?

LAWTON: Will you be asking them to consider rejecting the Hydro One application?

THIBEAULT: So right now I'm not going to ask them to consider rejecting anything, because they've got to do their due diligence first, right, and so we're still six to nine months away before any of that would be considered. They've still got to do their public consultation. So, you know, part of this whole process is allowing it to unfold. We asked them to consider moving forward on the Fair Hydro Plan because we really wanted to see those rate increases, the rate decreases, happen as quickly as possible, and now they're going to happen before summer, before July 1st so that's good news for the people of Ontario.

LAWTON: But I'm having trouble understanding why in some cases there's this urgency, where you're allowed to go to the OEB and make a request right out of the gate, versus in other cases when there is an increase on the table. And a request for an increase, that I'm sure you and I would both agree would be very difficult for some families to deal with financially, it's all about letting the process unfold. Because if you're promising, and you're working on reducing hydro rates and then the OEB for some customers is considering a very steep hike for Hydro One customer specifically, how would that not be within your purview to tell them hey this doesn't align with what we think is important for hydro customers in Ontario.

THIBEAULT: But I think that goes back to one of my initial points Andrew, where I was saying you know we don't want to interfere with the utilities ability to maintain a reliable system. And that's how we got into the problem in the past, way back in 2003, every government of every stripe right, red, orange and blue, all made sure that you know they froze rates, and we made a choice not to freeze rates like other parties have done in the past. As I said, that leads to under-investment and puts reliability at risk, and I think that's the wrong policy. That would be irresponsible. So I think for us it's making sure that you know LDC's, no matter if it's Hydro One or any other local utility, still has the opportunity to apply for a rate increase. But we are going to hold that to the cost of inflation. It's not that we're going to see anyone's rates go up, we're actually holding those costs to the cost of inflation. So, people are actually going to see a forty to fifty percent reduction if they are Hydro One customers, especially the R1 and R2 customers. So, you know, we're talking about the same thing but on a different plane, in the sense that we still need to allow for rates increases to happen, so we can still have a reliable system, and you know that clean system that we have built, but at the same time we as the government have said that we are holding that to the cost of inflation for the next four years. And those rate applications have still got to go through their processes and do their due diligence.

LAWTON: How can Ontarians feel confident that their rates are going to be kept in those constraints that you've just talked about if we have this process that is unfolding completely independent of the Premier's government and the cabinet in which you're a member?

THIBEAULT: Because the OEB, their mandate is to protect the ratepayer, and as I said earlier right, they've denied, and I know off the top of my head there are two denials from Hydro One rate increases in 2010 and 2012. But you know they see hundreds of applications from other utilities, because we have sixty eight in the Province, we used to have three hundred and change but now we're down to sixty eight. And utilities rarely get all that they ask for. In the last eight years the OEB's reviewed as I said over a hundred major rate applications, and they've reduced those requested rate increases by an average of about forty percent every time. So, you know we've got to allow our regulator, the OEB, to do their due diligence when it comes to these applications, and we've brought forward the Fair Hydro Plan that is going to make sure that we hold any of these costs, or any of these rate increases, to the cost of inflation for the next four years.

LAWTON: Ontario Energy Minister Glenn Thibeault joining me on the line here. Minister what's the most important thing you'd like people to understand about Patrick Brown's letter. Because I know that this got a fair bit of traction from people that are, as you know, very

concerned with this. What is the big take away you want Ontarians to really draw from this?

THIBEAULT: So for all Ontarians they need to know that they are getting that twenty five percent reduction by July 1st. We voted that through the House last week. You know the Conservatives voted against it, and it's very odd in the sense that what Patrick was asking for in his letter is what he voted against last week. But all of that, let's be very clear. Hydro One customers that live in the rural and you know northern areas, but especially the rural area in your part of the Province, they are going to be seeing a forty to fifty percent reduction on their bills come July 1st. This OEB application that Hydro One has submitted, that is going to take six to nine months to be reviewed, and in that time-frame you can still put your two cents in on where this should go, and we will continue to find ways to take costs out of the system to continue to make this as affordable as possible for everyone.

LAWTON: Minister Glenn Thibeault always a pleasure Sir, thanks for your time today.

THIBEAULT: No problem. It's always nice talking to you Andrew.

LAWTON: Alright. Thanks a lot Sir.

- 30 -

REPORTER: Andrew Lawton

Length: 12:00

Province: Ontario

MEDIA 20170608R-0071

Words: 2368

Reach: Local

LOG ID:

Material is copyright and may be used for internal review, analysis or research purpose only
J&A Media Services · 94 Laird Drive · Suite 200 · Toronto · Ontario M4G 3V2