ENERGY media calls

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Hi all,

A couple items to share with you today.

Today, Hydro One posted its annual report, which includes executive compensation disclosure for 2017. We shared a prepared statement with the Canadian Press, Toronto Star, Toronto Sun, and QP Briefing. The statement is included below.

On Tuesday, the Ontario Chamber of Commerce will be issuing a release regarding a study on the extended operations of Pickering GS, which was put together by the Canadian Centre for Economic Analysis. **Findings indicate continued operations at Pickering Station until 2024 would be a benefit to Ontario's economy, its local communities and the stability of its energy system. A near-final draft of the release is attached here. The OCC has independently offered this to Kris Rushowy of the Toronto Star as an exclusive.**

Let me know if you have any questions.

Have a great long weekend.
Colin

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Statement from Glenn Thibeault, Minister of Energy, on Hydro One Executive Compensation:

We recognize that executive salaries are high compared to the vast majority of Ontario salaries, and we remain committed to Hydro One's regulation, accountability and transparency. That said, Hydro One is now a publicly traded company, not a government entity, and this means it is subject to different oversight and disclosure rules. We remain confident in the role of the independent Ontario Energy Board, to regulate Hydro One's rates and protect the interests of Ontarians.

Hydro One reports that 80 per cent of the company's CEO compensation is paid out only if aggressive performance targets are met – targets that lead to more affordable bills for customers. In the first two full years since broadening the ownership of Hydro One, the company's leadership announced it delivered $114 million in productivity savings which ultimately lower costs to electricity consumers.

Hydro One's leadership team has continued to demonstrate its commitment toward enhancements to customer service, driving innovation and improving reliability. Take for example that Hydro One ended the practice of requiring security deposits for new customers, and has increased choice by introducing new e-billing options and billing cycles. The company was also the first utility in the province to voluntarily ban winter disconnections. Hydro One leadership has the responsibility of overseeing the province's largest electricity transmission and distribution network with more than $25 billion in assets and 2017 annual revenues of nearly $6 billion.

Hydro One rates continue to be set by the Ontario Energy Board. The Board is the energy sector's independent regulator with a mandate to protect the province's electricity consumers and it continues to deliver on its mandate. For instance, last Fall in its decision on Hydro One transmission rates, the Board capped the portion of incentive plan costs that Hydro One electricity customers are required to fund at 10 per cent of base salaries – saving ratepayers approximately $30 million over two years.

We understand that affordability is critical for families and businesses, which is why we launched Ontario's Fair Hydro Plan – reducing rates by 25 per cent on average for residential consumers and holding increases to the rate of inflation for four years. The plan includes the eight per cent rebate, which is equivalent to the provincial portion of the HST, introduced in January 2017 and builds on previously announced initiatives to deliver broad-based rate relief on all electricity bills. As many as half a million small businesses and farms are also benefitting. Lower-income Ontarians and those living in eligible rural and Northern communities are receiving even greater reductions, as much as 40 to 50 per cent.

Taken together, these changes have delivered the single largest reduction to electricity rates in Ontario's history.