

Northern Ontario ratepayer puts Wynne on the hot seat during photo op...

From: Command News <fp.news.killornb@commandnews.com>
To: "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>
Date: Fri, 03 Mar 2017 19:13:45 -0500

Profile: KILLORNB / My Drawer / Kathleen Wynne - Clip 22 (limit 30)
Mar 03 2017 19:13:00 - Source: CP [The Canadian Press]

Northern Ontario ratepayer puts Wynne on the hot seat during photo op (Ont-Hydro)
By Allison Jones

THE CANADIAN PRESS

TORONTO _ Premier **>Kathleen Wynne<** was put on the hot seat Friday over her new hydro plan, not by reporters or opposition politicians, but by a ratepayer from Sturgeon Falls, Ont.

Wynne was making calls to people across the province who had written to her to complain about soaring electricity bills, a day after she announced an average 17-per-cent cut is coming this summer.

She made three of the calls with journalists in the room for a photo opportunity and while two of the people she called mostly thanked her for the announcement, a woman named Anita had some things to say.

Anita, who agreed to have reporters listen in on her call if her last name wasn't used, wanted to know why the 17-per-cent reduction is being achieved by spreading some costs over a longer period of time, akin to amortizing a mortgage over 30 years instead of 20, a move that will ultimately cost ratepayers billions of dollars in extra interest.

``That's like a mortgage on a house," she said. ``With that extension I'll be paying my house five times."

Wynne said current ratepayers were footing the whole bill for investments that needed to be made to upgrade the electricity system, and since people in 15 or 20 years will still be making use of those assets, it's more fair to share the costs.

``It does mean it takes a bit longer to pay it off, it does mean it costs a bit more, but that's how mortgages work and there will be a benefit to those kids tomorrow, but you're ending up paying for too much of it today," Wynne said.

``OK," Anita said. But she wasn't done.

``What about those peak periods?" she said, saying time-of-use pricing wasn't helping people to lower their bills. ``That's really a farce...People have done all they can, like washing at night and cleaning, whatever, turning down thermostats."

While time-of-use wasn't addressed in Thursday's announcement, Energy Minister Glenn Thibeault has said he is looking at changes to it as part of the province's new Long-Term Energy Plan, that he'll

introduce this spring. He has said it doesn't make sense that a retired couple in Sudbury is on the same plan as a worker living in a Toronto condominium.

Anita's local utility is Greater Sudbury Hydro, but she wondered why the CEO of Hydro One is making \$4 million at a time when people are struggling to pay their bills.

Wynne spoke about caps that her government is putting on executive compensation at broader public sector organizations _ only, since Hydro One was partially privatized, it is not subject to those rules. The premier's office later said Wynne thought Anita was talking about Ontario Power Generation _ which proposed a \$3.8-million earnings cap for its CEO _ and the premier would call her back to clarify.

Hydro One's corporate affairs executive vice-president said in an interview that they ``understand and respect the question" about the CEO's salary.

``What's important to understand with executive compensation is this has now become a publicly traded company and the scale of this operation is \$24 billion in assets, it's a \$15-billion market cap company with \$6 billion in revenue and growing," said Ferio Pugliese.

``What's important to know about executive compensation as well is that it's also anchored very much to performance, so I think what people are missing is that the CEO's compensation, 80 per cent of his compensation is tied to performance-based incentives, it's not just pure, base salary cash, he has to perform and deliver."

Hydro One CEO Mayo Schmidt earns a \$850,000 base salary that could rise to a maximum of \$4 million with bonuses.

Anita, who had Wynne on the phone for about 10 minutes, had some parting words of advice for the premier.

``One last thing: see that you get good advisers," she said.
``Like, you say '(high hydro bills are) my mistake.' It's not only your mistake. You've got a team there working and some of those are really bad advisers."

INDEX: UTILITIES ONTARIO POLITICS

Visit thecanadianpress.com for more services from The Canadian Press, Canada's trusted news leader.