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FYI – below is the transcript from the interview with CBC Sudbury yesterday.

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HEADLINE: Interview with Energy Minister Glenn Thibeault

CBC (Jason Turnbull): Well this week at Queen's Park, the Progressive Conservatives called into question the \$11 million in salaries and compensation received by the five member executive team of Hydro One. Last year, Hydro One CEO Mayo Schmidt took in more than \$4 million in benefits, and that includes a base salary of \$850,000. The New Democrats and the Progressive Conservatives say those salaries are a slap in the face to ratepayers who

are struggling to pay the bills. The annual Sunshine List is also due out this week, but Hydro One salaries of more than \$100,000 are exempt from that list. That's because the utility is being privatized, with thirty percent of the shares sold off so far. Sudbury MPP Glenn Thibeault is also the Energy Minister for the province. He is joining us this morning to talk a bit about these salaries. Hello Glenn.

**GLENN
THIBEAULT**
(Energy
Minister):

Hey Jason.

CBC:

So what do you think of that kind of compensation for the CEO of Hydro One?

THIBEAULT:

You know, it's one of those things, and I know the salaries are high especially when you compare it to, you know, to every day Ontarians, and you know, how people feel about that. But the way I'm also looking at it is, you know, the CEO salaries are big on paper, but there is value in it becoming a better run company. And as you mentioned, Mayo Schmidt came on last year. We have a whole new executive team. And they really have been under private ownership, trying to do right by their customers, which is I think the important thing to recognize out of all of this. They've advocated for, you know, cost reductions and conserving energy, the disconnection piece that we brought forward. They were the leaders on this. They brought that forward back in December. They did it of their own volition, recognizing that there's actually even cost savings for not disconnecting. So I get you know, that it's concerning for people, but really if we were to look at taking all of the salaries away of all of the executives, you know, we wouldn't even be addressing, you know, one cent on anyone's bill.

CBC:

Considering we were paying some of the highest prices for hydro in North America, is it fair to pay the CEO \$4 million in salary and benefits? I mean I know you said they're working on customer service but man, that must be some great customer service.

THIBEAULT:

Well, they're actually improving customer service because one of the things that Hydro One was not known for was their customer service, and so changing that around. Also when you say we have some of the highest rates in North America, that's an inaccurate comment, and that's not coming just from the government, that's also from the Financial Accountability Officer of Ontario. We're right smack dab in the middle of the pack when it comes to our electricity and our energy prices in North America. So you know, we have brought forward our Ontario Fair Hydro Plan to reduce everyone's bills by twenty-five percent because we recognize that bills are high for some families. And that is in relation to where most of our costs come from, which is in the generation and the transmission of our system. So you know, we're addressing those costs by bringing forward the Fair Hydro Plan, to make sure that, you know, we can help people with their bills. But like I said before, I do recognize that, you know, the \$850,000 salary, and then the other bonuses that they can get with savings, and part of that, I should mention, is you know, Hydro One made \$61 million, you know, found \$61 million in savings in their system last year, and one of the things that I'm hoping that they'll continue to do with this new executive is continue to find ways to reduce costs because we're not the manager, right? We're an investor, and we're the shareholder in that, and

we're, you know, wanting to make sure that we can continue to see those costs come down for the benefits of ratepayers.

CBC: Many people may be confused, and you alluded to this, as to why the executives would make millions when we've heard so much about the troubles impacting our power system though. You've also got the situation where people are, you know, struggling to pay their own bills, and make ends meet. So with the fact that we have a system where even I think you had said at one time, that the province is paying too much for power in the past, and the system is like a Rubik's cube, why would these executives be getting so much, considering those?

THIBEAULT: Well, we're looking, let's look at what Hydro One does as a company, right? So they've got hundreds of thousands of customers right across the province. They're the ones that manage the lines, you know, the electricity highway that actually gets us our electricity, plus all of the distribution to customers. So it's a very complex system. And I'm not, you know, as I said before, I recognize that these salaries are high, and you know, I understand that when people look at that, you know, they see it on paper. But the complexity of organizations like Hydro One need good, qualified people to run that. And they're not at, you know, when you're looking at the private sector, and on the top of the scale or on the bottom of the scale, you know, the board is the one that makes the decisions on their type of compensation, on their compensation packages. And so that's voted on, the Ontario Securities Commission requires that, you know, Hydro One will still disclose its compensation of its CEOs, all of the members of the board of directors, the chief financial officer, all of their highest paid executives, right? So now that they're, as you mentioned at the top, they're not going to be part of the Sunshine List because they're no longer a government entity, that they're a private company, but they still have scrutiny that they need to go through through the Ontario Securities Commission. And when it comes to rates, the rates are set by the OEB, the Ontario Energy Board. They're not set by, you know, the company. And so the salaries of the CEO, as I said before, has nothing to do with the rates that we're seeing on our bills. And making sure that, as I said, if we were to take all the salaries out, it still wouldn't even take one full cent off of everyone's bills. That's why we acted on the Fair Hydro Plan, because we're taking twenty-five percent off of everyone's bills.

CBC: You're saying the system is improving or we're working at improving the system, but Bonnie Lysyk said, the Auditor General, said in 2015 we have an energy system that's worsening while costs are increasing. So are we really getting bang for our buck with this \$11 million in compensation for the top executives?

THIBEAULT: So if you go back to 2003, we had rolling brownouts, we had that massive blackout. You know, we all seem to forget about that because it was over ten years ago. But we did have to rebuild the system. And when we rebuilt that system, we've made sure we rebuilt it with a clean and green energy grid. And it's something that we need to be proud of. We forget also that we no longer have coal in our energy supply mix. That is saving us, you know, billions of dollars in our health care system, you know, our air pollution deaths have dropped twenty-three percent, our air pollution hospitalizations have been dropped by forty-one percent. We have invested in a system that is clean,

that is green, and is reliable. And yes, there are occasional brownouts when you have someone, you know, smack into a hydro pole which we've seen in the past unfortunately, and you know, we have great power line workers who get back on that, and get it back going. You know, we do have, you know, the occasional power outage again when we see, you know, weather related instances, and we're seeing a lot of that because we're seeing more, you know, bad weather in a sense because of climate change. And so we're doing our part, we made sure that we built this clean, green, reliable system. And it did cost more, Jason, we acknowledge that. It did cost more to do that, and that's why we brought forward the Fair Hydro Plan, to make sure that we can actually help people reduce their bills by twenty-five percent. And folks I know in our listening area, in you know, Hydro One customers in those R1 and R2 areas, and places in like northern Ontario, in Kapuskasing for example or Chapleau, they're going to see their distribution rates dropped as well, so they'll be saving between forty and fifty percent once we get all of the regulations changed, and the legislation through by summer.

CBC: Alright Glenn, we greatly appreciate your time on this this morning. Thanks for answering our questions.

THIBEAULT: It was nice talking to you Jason.

CBC: That's Glenn Thibeault, the Ontario Energy Minister, and also the Liberal MPP for Sudbury. Like to know what you think about some of the things that Glenn had to say there with regards to compensation for Hydro One executives. Do you think we are getting bang for the buck for those millions of dollars in compensation? Your thoughts welcome on our talk back line anytime at 1-800-461-1138. You can also find us at CBC Sudbury on Facebook or at Morning North on Twitter.

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