

Ministry of Energy

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Dear **Ratepayer**:

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Our government has heard your concern that more can be done to reduce hydro costs, and we have taken action.

For too long, governments of all political stripes have made mistakes in the way we've structured Ontario's electricity system. That has resulted in steeply increasing electricity rates. It's time to fix those mistakes, in ways that work for today – and for the future.

The plan announced by Premier Wynne would lower electricity bills by 25 per cent on average for residential customers in the province, starting this summer. Those living in rural communities or with low incomes would see even greater reductions. And electricity rates won't increase beyond the rate of inflation for at least 4 years.

This is the largest cut to electricity rates in the history of Ontario.

So, how are we doing this – and why now? For decades we didn't pay our way. All governments bear responsibility for that: Liberal, Conservative and NDP. But by 2003, the system was in need of major rebuilding. There was a major price tag. And a lot of that money came in the form of rates – higher bills.

We chose to replace coal-fired generation with cleaner sources of energy, which will benefit our environment and the health of Ontarians. We invested more than \$50 billion in electricity infrastructure – including \$35 billion in new and refurbished clean electricity generation. These are assets that ensure a reliable electricity supply for the people of Ontario and that will serve us for many decades to come.

But the way we financed those investments was a mistake. We asked one generation – today's generation – to unfairly shoulder the burden of many of these costs. So we're refinancing the system and setting a new term that stretches over a longer period. Although it will cost more over the long-term, we believe it is fairer because it doesn't ask this generation of hydro customers alone to pay for everyone before and after. The burden will now be shared more evenly and more appropriately.

These changes are the right thing to do. We believe it's better for Ontario, and fairer for families.

As always, please let me know if you have further questions or ideas to share.

Sincerely,

Glenn Thibeault
Minister