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MAY 12 2017

May 8, 2017

The Honourable Kathleen Wynne, Premier of Ontario
Room 281, Main Legislative Building, Queen's Park
Toronto, ON M7A 1A1

Subject: Hydro Costs
- City Comments

③ FYI

PC% Pickering mayor copies
minister on letter to
Premier requesting
Ontario's Fair Hydro Plan
include measures to
help municipalities lower
municipal service hydro costs.

We are pleased to hear the announcement of Ontario's Fair Hydro Plan, which will provide residents with an average 25 per cent reduction in hydro bills. We understand the difficulty in developing a pricing plan that meets the residents' needs while also being mindful of the Provincial budget.

S-Electricity
Prices

Similarly, we are concerned about the rising cost of hydro and its impact on our budget as it relates to the City of Pickering's corporate owned assets (i.e. facilities, public works, and street lighting). We note that the Fair Hydro Plan has no provision for municipalities to receive a similar hydro cost reduction. From 2014 to 2016, the City has seen a year-over-year increase of 12 per cent in total hydro expenditures. Consequently, we have had to budget for a 15 per cent increase in our 2017 budget (see City of Pickering Utility Expenditures – Hydro 2014 - 2017).

Over the past few years, the City has implemented several energy conservation projects at its facilities, which has resulted in a decrease of hydro consumption. Moreover, the City is in the midst of converting all of its street lights to LED which is expected to be completed by the end of this year. While we have made active efforts to decrease our hydro consumption, our yearly hydro expenditures have still increased commiserate with escalating hydro costs.

As you may appreciate, the municipal service model does not permit municipalities to turn off hydro consumption due to resident safety concerns and/or program needs. For example, a municipality cannot delay the start time for its streetlights in the winter months from 5:00 pm to 11:00 pm without impacting resident safety. In addition, the chiller machine that keeps arena surfaces cold cannot be turned on and off in the fall and spring months, and still meet the demand for ice rink users.

Municipalities have unique customer needs, and we are asking the Province to consider introducing a municipality friendly pricing plan. We hope this feedback will help the Provincial government address the economic challenges faced by the City of Pickering and its sister municipalities.

Yours truly

A handwritten signature in black ink, appearing to read "Dave Ryan", with a stylized, cursive script.

Dave Ryan
Mayor, City of Pickering

AS
Enclosure

Copy: The Honourable Tracy MacCharles, MPP, Pickering-Scarborough East
The Honourable Glenn Thibeault, Minister of Energy

Members of Council
Chief Administrative Officer

City of Pickering				
Utility Expenditures - Hydro				
2014 - 2017				
	2014	2015	2016	2017
	Actuals	Actuals	Actuals	Approved
				Budget
Culture, Recreation & Facilities				
2711 Cult. & Rec. Admin.	\$12,726	\$12,745	\$10,367	\$0
2124 Civic Centre	\$115,335	\$136,032	\$165,846	\$189,824
2572 Senior Citizens Centre	\$17,037	\$23,067	\$27,800	\$32,302
2715 Don Beer Arena	\$187,427	\$224,463	\$270,921	\$308,848
2719 Community Centres	\$93,248	\$104,144	\$119,327	\$141,187
2731 Recreation Complex - Central Core	\$234,819	\$249,808	\$263,816	\$307,714
2733 Recreation Complex - Pool	\$166,092	\$176,693	\$186,601	\$216,798
2735 Recreation Complex - Arenas	\$171,819	\$182,786	\$193,036	\$224,791
2744 Museum	\$13,651	\$14,857	\$21,221	\$25,692
Public Works				
2500 Operations Admin	\$0	\$0	\$99,454	\$110,855
2315 Fleet Services	\$86,900	\$97,196	\$0	\$0
2718 Parks	\$97,105	\$120,290	\$118,732	\$146,527
Legislative Services Division				
2293 Animal Services	\$5,138	\$5,815	\$7,622	\$9,148
Engineering Services				
2325 Street Lights	\$710,169	\$782,307	\$895,637	\$1,023,131
Fire Protection				
2240 Fire Protection	\$60,778	\$68,732	\$76,291	\$89,210
Libraries				
2745 Libraries	\$141,753	\$167,297	\$196,491	\$227,302
TOTAL	\$2,113,997	\$2,366,232	\$2,653,162	\$3,053,329