Morning Media Scan: Hydro Rate Reduction Plan - April 26, 2017

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Morning Media Scan: April 26, 2017

MEDIA SCAN: HYDRO RATE REDUCTION PLAN

April 26, 2017

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Toronto Star: Hydro One extends relief policy until June; Customers get more time before disconnections resume; A7; 2017.04.26

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Hydro One extends relief policy until June; Customers get more time before disconnections resume

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Hydro One customers behind on their bills won't have to fear disconnections until June 1 as the utility extends its winter relief policy by a month.

The move comes as company officials continue contacting about 3,000 households "at risk" unless they can get on long-term payment plans their family budgets can handle.

"This gives us some time to go after some of our customers with larger arrears, to work with them more closely to get them on a plan," said Ferio Pugliese, executive vice-president of customer care.

Accounts considered the most serious owe $2,500 or more to Hydro One, which serves 1.3 million homes and businesses across the province.

About 60 per cent of customers in arrears are now on plans and 320 across the province were hooked back up to the grid over the winter, Pugliese said.

Other measures to improve service for customers who have been disconnected include waiving the $300 security deposit for residences and reducing deposits for eligible businesses.

The Ontario government passed legislation in February to ban winter disconnections by all utilities in the province, although Hydro One had already agreed to that in December and began reconnecting them.

Hydro One's disconnection extension will last until lower electricity rates start kicking in under Premier Kathleen Wynne's promised 25-per-cent rate cut, which includes the instant rebate of the 8-per-cent provincial HST on electricity bills that began Jan. 1.

Another 17 per cent, on average, will come off bills starting in June.

National Post: Endgame for Ontario's Liberals; FP9; 2017.04.26

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Endgame for Ontario's Liberals

I am reluctant to declare a politician "dead person walking" because elections can produce startling results, as Ontarians know only too well. Nevertheless, there are times when the portents are so ominous it becomes a virtual certainty, absent a black swan event. That is Premier Kathleen Wynne's doleful plight, with a pitiful 11 per cent approval rating and polls indicating the Liberals would lose official party status. So it is looking like endgame, with the government's mission reduced to saving the furniture. Indeed, its only faint hope is to find a new leader and fast. No less loyal a Liberal stalwart than Greg Sorbara, former finance minister, party president and campaign chair, recommended Wynne step down. However, she seems determined to hang on, so it could get ugly. Yet even with a new premier claiming to lead a transformed and contrite party that disavows the more egregious mistakes of his or her predecessor, survival is likely a bridge too far.

How did it get this bad? Set aside, if you can, the political scandals, broken promises and rank incompetence. The single issue that most enrages and worries voters is the doubling of hydro bills. Mind you, the electricity catastrophe is only the most blatant of the fiscal excesses that made Ontario the world's largest sub-national debtor. That dubious distinction resulted in credit downgrades, vulnerability to shocks like an inevitable economic downturn, annual interest obligations totalling $11 billion, funds diverted from healthcare, education and low-income housing and an oppressive debt load foisted on future generations.

On Thursday, Finance Minister Charles Sousa will boast that Ontario's budget is balanced, a dubious claim challenged by the auditor general and the Financial Accountability Office (FAO). In any event, and contrary to what most people understandably believe, a balanced budget does not preclude massively ballooning debt. Government accounting rules permit the province to amortize the cost of longterm assets, so only a small portion is recorded as an expense in any given fiscal year. However, the bill must be paid when the asset is purchased or the project built. The FAO projects that, over the next five years, net debt will increase by $64 billion, totalling a staggering $370 billion by 2020-21. The minister will not be boasting about that.

The question is superfluous, but I have to ask it anyway. Does the Ontario Liberal government have no shame? Wynne had the gall to pretend that intergenerational fairness justified subsidizing hydro users by adding $25 billion in interest payments down the road. Most people consider it terribly unfair to saddle children and grandchildren with debt. But not our premier.

Her deceptive cover is that the disastrous Green Energy Act creates longterm value, when in fact it will extend no benefits, environmental or other, now or later. Furthermore, ongoing maintenance is a large part of a project's total cost. More importantly, she is implying that when our sons and daughters become adults and invest in new infrastructure, the bill will be passed on to their kids, thereby perpetuating unfairness for generations to come. How sad is that? Mom and Dad want to bequeath prosperity to their children, rather than impose crushing indebtedness. That parental impulse is not only compassionate; it is integral to societal progress.

While appealing to selfishness, the government claims it is taking the moral high ground for the dishonourable act of having our kids pay for its profligacy. In the panoply of legerdemain, that merits a prize for chutzpah.

Granted, the Liberals are not looking to me for policy advice. Still, the sooner Ontario's economic malaise is addressed the better for Ontarians and indeed all Canadians. So here are a few prebudget suggestions to deal with some pressing issues. Ontarians have to start living within their means, enhance their competitiveness and take practical actions to encourage growth and employment, especially in depressed regions. Individuals and job-creating businesses are being crushed by taxes, fees and regulations. Relief is urgently needed. Government should get rid of impractical, ideologically driven policies, like the despised energy boondoggle that benefits a few companies and many Americans at the expense of Ontarians. The useless and harmful cap-and-trade scheme should be converted into a tax reduction plan, then cancelled as soon as possible. Finally, last week's politically motivated rentcontrol plan is a sure-fire fiasco that will freeze the supply of purpose-built rental accommodation and reduce rental condo units owned by investors. Unfortunately, no political party will revoke it for fear of alienating the very people whom it will hurt, but not today.

Ontario can resume its proud role in Confederation as a "have" province that contributes to national prosperity. However, barring a Liberal transmogrification, Ontarians will have to await a change of government. Less than 14 months and counting.

Joe Oliver is a former federal minister of finance.

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Sarnia Observer: Observers keen to watch balancing act unfold; A1 / Front; 2017.04.26

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Observers keen to watch balancing act unfold

Across Southwestern Ontario, the cost of balancing Ontario's budget - which the Liberal government is expected to do Thursday, for the first time in nearly a decade - is being carefully watched.
Balancing it through the onetime sale of provincial assets is a short-term solution like a homeowner selling the furniture to meet mortgage payments, said Gerry Macartney, general manager of the London Chamber of Commerce.
The move to sell assets of the Ontario Lottery and Gaming Corp.,, the Liquor Control Board of Ontario and some electrical operations are concerning, he said.
Together, those three areas deliver more than $435 million to Ontario's bottom line.
Soaring electricity rates, which have basically doubled over the last decade in Ontario, are also a hotbutton issue for many in the region heading into the budget.
The Liberals have made efforts to help households cope with soaring power bills - promising 25-percent relief despite bringing in a new cap-and-trade system that adds a carbon tax to bills - but not small businesses, said Macartney.
The long-term budget solution is cutting government spending and Macartney said he's seen no legitimate effort to do so as spending steadily rises.
Spending increases are welcomed by the Ontario Public School Boards'Association, an umbrella group for school boards.
The association sent a list of spending recommendations to the government in January. The recommendations dealt with the province's grants to boards for students needs and will be part of Thursday's budget.
The government recently announced a $879-million increase in the grants, bringing the total for the coming year to $23 billion, according to the association. The increased grants to school boards will aid special education, student transportation and school infrastructure.
Social program spending increases expected in the budget are all about boosting Premier Kathleen Wynne's poll numbers as next year's Ontario election nears, said Progressive Conservative MPP Monte McNaughton.
Wynne's polling numbers have been at record lows for a sitting premier.
Taxes will go up, as will spending on social programs, but the budget will be balanced due to the "fire sale" of Hydro One when some of that money should go to reduce Ontario's debt, said McNaughton.
"It's immoral to pass the burden on (to future generations)," said the Lambton-Kent-Middlesex MPP. Under the Liberals, Ontario's debt has more than doubled, to more than $300 billion from $139 billion when they took power 14 years ago. The government is selling off a majority ownership stake in Hydro One, the provincial power distributor.
Badly needed municipal infrastructure is the place for government spending, said Stratford Mayor Dan Mathieson.
A clearly defined energy plan is another of his budget wishes. Business will be looking for help to cope

with energy costs because they're a key factor in attracting and developing businesses, he said.
For Louis Roesch, the Ontario Federation of Agriculture director representing Essex and Kent counties, caution needs to be directed to revenue. The government's projected growth in Ontario's gross domestic product is set at 2.4 per cent in 2017.
Agriculture is a leading contributor to the GDP, and Roesch is wary of President Donald Trump's moves to increase tariffs on products like milk.
After announcing a tariff on softwood lumber imports from Canada, Roesch said he believes Trump will go after dairy, eggs, beef and pork - all, key sectors in Southwestern Ontario's farm belt.
The fallout for Ontario could put budgets from the municipal to federal levels out of whack, said Roesch.
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