

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

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MEDIA SCAN: HYDRO RATE REDUCTION PLAN

October 26, 2017

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Print Coverage

Wallaceburg Courier Press Hiding debt par for the course; A6; 2017.

PUBLICATION: Wallaceburg Courier Press

PAGE: A6

DATE: 2017.10.26

SECTION: Opinion

EDITION: Final

BYLINE: Peter Epp

SOURCE: Wallaceburg Courier Press

KEYWORDS: astonishing, realize, politically, desperate, ontario, liberals

WORD COUNT: 398

Hiding debt par for the course

It's astonishing to realize how politically desperate the Ontario Liberals must have been earlier this year when they introduced their Fair Hydro Plan - a program ostensibly designed to lower electricity costs while hiding from the government's books the monstrous debt such a program would create.

Auditor General Bonnie Lysyk has revealed that money to carry the program's \$26-billion cost is being borrowed through Ontario Power Generation so as not to appear on the province's books.

She adds the accounting procedure is improper and the government is "wrong" in its approach.

"Anywhere else in Canada, you won't see this done," she said.

Ontario citizens should hardly be surprised with the Liberals' unorthodox approach to the province's electricity cost crisis. Improper accounting is par for the course for a government that has approved wind turbine projects to generate electricity it doesn't need, and for a government that during the midst of a general election cancelled work on a gas-fired generating station because it believed the facility's development would cost Liberal votes.

Yet cooking the books appears to be a new scheme. As the auditor general explains, the Kathleen Wynne government created a "needlessly complex accounting/financing structure for the electricity rate reduction program so as to avoid a deficit or an increase in net debt."

The scheme not only hides debt from the government, but also from the citizens it was elected to serve. While the Fair Hydro Plan has reduced average household electricity bills this year by 25 per cent, the eventual cost will be staggering. Lysyk estimates borrowing costs will amount to as much as \$4 billion, precisely because the cost of servicing the debt is being assumed by the OPG rather than by the government.

Moreover, the auditor general doesn't believe that lowered electricity bills can be sustained.

"From 2028 on, ratepayers will be charged more than the actual cost of electricity being produced in order to pay back the borrowings," she said in her report.

"The improper accounting also inappropriately transfers long-term accountability for significantly higher electricity bills to future governments," Lysyk writes. "Future governments will have to explain to ratepayers why electricity rates charged in 2028 and beyond exceed the actual cost of electricity."

It's difficult to comprehend that any government could survive this type of scandal. While Wynne thought the Fair Hydro Plan would help boost her and her Liberals' public standing, it may be their undoing.

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Sarnia This Week: Hiding debt par for the course for Wynne Liberals

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DATE: 2017.10.26

SECTION: Opinion

EDITION: Final

BYLINE: Peter Epp

SOURCE: Sarnia This Week

KEYWORDS: astonishing, realize, politically, desperate, ontario, liberals

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Kincardine News Ontario's flailing Liberals resort to desperate t

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BYLINE: Kelly Mcparland

SOURCE: Kincardine News

KEYWORDS: government, reason, thankful, recent, obsession, struggles

COLUMN: Postmedia

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Ontario's flailing Liberals resort to desperate tactics

Ontario's government has reason to be thankful for the media's recent obsession with the struggles of the federal finance minister: while it may involve ritual humiliation for a fellow Liberal, it has also provided a much-needed screen for the Ontario party's latest embarrassments.

Only a few months remain before the province is consumed by campaigning for next spring's election. It's a time Premier Kathleen Wynne's government would presumably like to spend building a case for yet another re-election. Instead, little new has emerged to lift the Liberals from the depths of unpopularity they've occupied for much of their latest mandate. Instead, they find themselves fighting newly emerging challenges, even as old ones remain unresolved.

Perhaps most representative of the core issue facing Wynne is the ongoing criminal trial against two former top Liberal aides, accused of deliberately destroying emails and documents related to a gas plant scandal that helped drive former premier Dalton McGuinty from office.

Legal counsel for former McGuinty chief of staff David Livingston spent much of last week trying to fend off testimony from Ontario's former top civil servant, Peter Wallace. Wallace testified that he had tried repeatedly to make clear to Livingston that the chief of staff had a legal responsibility to protect and hand over all material related to the case. Wallace testified that he emphasized, both orally and in writing, that Livingston had no option but to provide the documents demanded by a committee investigating McGuinty's billion-dollar decision to cancel two gas plants in midcampaign.

Livingston, Wallace said, dismissed his warnings as "political bullshit" and asked for the administrative password that would provide special access to computers in the premier's office. Soon after, a non-government IT expert - the spouse of Livingston's deputy - allegedly wiped clean computer hard drives in McGuinty's office. More than 630,000 files were deleted on 20 computers.

The trial continues, but however the eventual verdict goes, the testimony further adds to the notion that the 14-year-old Liberal government has become a cynical, self-serving political wrecking ball devoted to little more than self-preservation. The trial carries distinct echoes of Sen. Mike Duffy's successful argument that, in the absence of hard rules, politicians and their aides shouldn't be expected to let ethics or basic honesty get in the way.

While the Livingston trial was underway, Ontario's auditor general released yet another scathing report on Liberal accounting practices. Bonnie Lysyk noted that Wynne's government borrowed \$26 billion in new debt to finance its "Fair Hydro Plan," a subsidy scheme to cut the province's soaring hydro costs in the lead-up to the election. The government wants to claim that it has balanced the budget - a key promise it hopes will win votes - but needed to keep the \$26 billion off the books to do so. Its remedy was to borrow through Ontario Power Generation, the provincial energy utility, which will have to pay off the money with higher rates down the road.

The debt remains, and will fall on the shoulders of the same taxpayers, but thanks to accounting rules won't have to be included on the bottom line come budget time. "The government created a needlessly complex accounting/financing structure for the electricity rate reduction in order to avoid showing a deficit or an increase in net debt," said Lysyk. In addition, since OPG can't borrow at the same low rates as the government, Ontarians will face an additional \$4 billion in borrowing charges.

The government dismissed the report, as it has done with numerous critical reports from the independent bodies that monitor its finances. Judging by the Liberals' history, none of the official bodies set up to act as nonpartisan monitors of government activity can be trusted to get things right. They fought an extended war with the former provincial ombudsman, Andre Marin. They have habitually ignored warnings from the

Financial Accountability Office, which reported last week that the Liberals can't hope to keep their budget promises without higher taxes or dramatically reduced spending. And they regularly wave off Lysyk's criticisms as accounting gobbledygook.

Though the Liberals may yet have campaign surprises up their sleeve, its approach so far has consisted largely of trying to smear opponents, or to trap them into undermining themselves. Opposition leader Patrick Brown avoided another snare when Progressive Conservatives joined Liberals and New Democrats in denouncing Quebec's new face-covering law. Foiled in that attempt, Wynne - who recently testified in yet another Liberal corruption trial - had her lawyers serve Brown with a libel notice after he suggested that the premier herself (and not just Liberal operatives) were on trial.

"You have refused to retract or apologize for those defamatory statements, and have made further defamatory statements about Premier Wynne," the premier's lawyer complained in a letter to Brown.

Politicians always look particularly vapid when they start suing one another for the nasty things they say. As part of their effort against Brown, Wynne's Liberals have been running television ads portraying him as a hardline social conservative out to rob women of their right to choose. While Brown voted in favour of a new study of abortion while serving as an MP in Stephen Harper's federal government, he says he was merely obeying the party line as expected of backbenchers, and is firmly pro-choice. That Liberals see fit to continue the misleading ads while launching libel suits over some standard-issue political rhetoric suggests a government desperate for something to lift it off the bottom.

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