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Your morning briefing
12.12.2017

Headlines

A $500-million class action lawsuit has been launched against the Ontario government alleging horrific sexual, physical and psychological abuse committed against former students of provincially run "training schools" for more than 50 years, the *Toronto Star* reports.

Per the *Star*, federal Liberal **Jean Yip** declared victory last night in a by-election in Scarborough-Agincourt, a riding left vacant in September after the death of her husband **Arnold Chan**, who served as a former senior aide to **Dalton McGuinty** before becoming an MP.

And on his blog, **Steve Paikin** enumerates the highlights of a weekend vacay with his son in Moscow, making cultural observations about the city and its residents like "how rarely they seem to smile."

Our freshest stories:

- Ontario's fiscal watchdog warns of deficits ahead
- The premier is suing Patrick Brown for $100,000 over his comments on the Sudbury bribery trial
- Provinces, Ottawa pledge to split pot tax revenue 75-25
- PCs ask OPP to investigate energy company overcharging scandal
- Andrea Horwath moves to ban pre-paid hydro meters
- In Brief: An MPP's poem against partisanship, and Wynne's words on sick teachers and child care

In other news:

Ottawa has agreed to a deal that gives 75 per cent of the tax revenue from legalized marijuana to the provinces and territories, with the feds keeping the rest. Finance Minister **Bill Morneau** made the announcement Monday after a daylong meeting with his counterparts from finance departments across the country, and in the wake of blowback over an initial offer of a 50-50 split on reefer revenue, *The Canadian Press* reports.

And in case you missed it, the premier is suing her biggest political rival. **Kathleen Wynne** formally launched a lawsuit against PC Leader **Patrick Brown** on Monday, demanding $100,000 in damages. The defamation action — the latest move in a game of brinksmanship, which has escalated since Brown said in September that Wynne "stands trial" in the Sudbury bribery case when, in fact, she was a witness and not charged — also states she is also suing after being "debased and humiliated" by the experience.

The Tories are hoping the OPP will investigate nine energy companies that filed $260 million in ineligible expenses such as raccoon traps and scuba gear — which they claimed were related to firing up their plants.

A year-old accounting spat is back on the radar, with Ontario's fiscal watchdog warning that the provincial budget is not balanced — imbalanced, in fact, to the tune of $4 billion.

TVO tells a tale of mental illness and a man who lived in a ravine, raising questions around hospital detention and forced treatment.

For the fourth time this year, an inmate at a London prison has died, the *London Free Press* reports. Foul play is not suspected, but an inmate advocate says a combination of understaffing, overcrowding and insufficient mental health resources "belies" government promises of improvement.

At 10:30 a.m., tune into our liveblog of the ever raucous and rollicking Question Period.

From the opinion pages:

- **David Reevely** writes that the province may be plumbing "Trumpian depths of relative truthiness" in its finances.
- **John Ibbitson** says an increasingly unruly senate may mean a delay for legalized pot well past July 1.
- The *Star* editorial board writes that the province's former "training schools" were arguably dumping grounds for a generation of disadvantaged children or victims of neglect.
- **Lorrie Goldstein** says the Liberals are out of touch with small businesses.

Bills

Resuming the debate adjourned on December 6, 2017 on the motion for Third Reading of Bill 139, An Act to enact the Local Planning Appeal Tribunal Act, 2017 and the Local Planning Appeal Support Centre Act, 2017 and to amend the Planning Act, the Conservation Authorities Act and various other Acts.

Deferred votes

Third Reading of Bill 174, An Act to enact the Cannabis Act, 2017, the Ontario Cannabis Retail Corporation Act, 2017 and the Smoke-Free Ontario Act, 2017, to repeal two Acts and to make amendments to the Highway Traffic Act respecting alcohol, drugs and other matters.

Third Reading of Bill 160, An Act to amend, repeal and enact various Acts in the interest of strengthening quality and accountability for patients.

Committees

9 a.m.

The Standing Committee on Government Agencies will meet to consider intended appointments. Room No. 2, Queen's Park.

Events

7:30 a.m.

Premier **Kathleen Wynne** to meet with **Philippe Couillard**, Premier of Quebec. Main Legislative Building – Room 281, Queen's Park, Toronto.

8:30 a.m.

Steven Del Duca, Minister of Transportation, joined by **Chris Ballard**, MPP for Newmarket-Aurora, **Wayne Emmerson**, York Region Chairman and CEO and **Phil Verster**, President and CEO of Metrolinx, will make an announcement. Aurora GO Station, 121 Wellington St. E., Aurora.

9 a.m.

Wynne to attend the Confederation of Tomorrow 2.0 Conference hosted by the Mowat Centre and participate in a fireside chat alongside Couillard. Design Exchange, 234 Bay St., Toronto. Media availability to follow at 10:30 a.m. in the main lobby. Livestream available here.

9:15 a.m.

MPP **Monique Taylor** will announce the tabling of a motion in the legislature to address severe waitlists for children and youth needing mental health services. Media Studio, Queen's Park.

10 a.m.

Yvan Baker will announce a private member's bill that would make the consumer experience more transparent in Ontario. Media Studio, Queen's Park.

10 a.m.

Paramedics protest at Queen's Park, saying province is courting death and disaster with changes to Ambulance Act.

10 a.m.

Eleanor McMahon, Minister of Tourism, Culture and Sport, will make an announcement. Royal Ontario Museum, 100 Queen's Park, Toronto.

12 p.m.

Wynne to attend a Caucus Meeting. Main Legislative Building – Room 247, Queen's Park.

3:30 p.m.

Wynne to deliver remarks at the Agri-Food Summit alongside Minister Leal. Royal Ontario Museum, Bronfman Hall, 2nd Floor, 100 Queen's Park.

PCs ask OPP to investigate energy company overcharging scandal

11.12.2017

The Progressive Conservatives called on the Ontario Provincial Police (OPP) to investigate nine energy companies that filed ineligible expenses such as raccoon traps, scuba gear and car washes that they claimed were related to firing up their plants.

Saying that the OPP has the independence necessary to investigate the situation, energy critic **Todd Smith** said, "With no other options available, I've written (OPP) Commissioner **(Vince) Hawkes** to ask that the OPP look into this matter."

Smith argued that the government had ample opportunity to prevent the overcharging before it became a major problem.

"The government never acted to reform or discontinue the program despite repeated warnings from the ratepayers."

The government ignored five warnings from the Ontario Energy Board (OEB) about the Independent Electricity System Operator (IESO) program that was used for ineligible claims, according to the auditor general's report released last week.

Smith was particularly concerned that Crown-owned Ontario Power Generation (OPG) financially benefitted from this lack of action, as it was one of the nine companies that took advantage of the loophole and lack of oversight.

OPG would not say how much it paid back, and those details are confidential due to the rules that govern the IESO audit process. In a statement, the company said:

"OPG did not intentionally misuse the market rules, and OPG was not sanctioned as a result of our participation in the program. The audit did determine that there were differences in understanding of what constituted eligible costs under the program, particularly given the uniqueness of OPG's coal stations compared to the other participants in the program, which were natural gas generators.

"In respect of some of what were thought to be eligible costs, OPG repaid certain claimed amounts after discussions concluded on what constituted eligible costs. OPG promptly repaid the amount to the IESO in full in 2015, and the matter was concluded."

The ineligible claims, filed from 2009 to 2015, cost ratepayers hundreds of millions of dollars. While the auditor general claimed last week the items were worth $260 million, the Independent Electricity System Operator told *QP Briefing* that its estimate is $200 million. The IESO reached settlements with nine companies worth $168 million. Brampton's Goreway gas plant, the worst offender, paid $100 million of that money, including a record $10-million fine.

Companies were able to take advantage of a program first introduced in 2002 that paid the start-up costs for plants to fire up and respond to peak-demand energy use. But there was little oversight. Companies filed non-itemized invoices with few controls over what was acceptable. Following an investigation by the OEB and a subsequent audit by the IESO, itemization and new price controls have been introduced. Annual claims have steadily declined since 2014, and totalled $23 million in 2016 — less than 40 per cent of the amount two years earlier.

Asked if he still has confidence in the IESO, Smith said he does, and proceeded to blame the Liberal government for its handling of the energy file.

Energy Minister **Glenn Thibeault** said the responsibility for investigating the nine companies should rest with the IESO.

"They have the authority to audit these expenses and they can look into those and bring forward fines if necessary."

Thibeault cited Goreway as a prime example of the IESO properly exercising this authority.

"I know (the IESO) takes this seriously. I take it seriously as well."

Speaking last week to *QP Briefing*, the IESO's **Terry Young** said the agency never contacted the police for further investigation over the issue, and added that resolving the ineligible claims through settlements represented a quick and cost-effective strategy to protect ratepayer interests.

The OPP told *QP Briefing* that it just received the Smith's letter earlier today and has not had a chance to review it in detail.

"It will be looked into," said spokesperson **Carolle Dionne**.

Dionne did not put a timeline on the preliminary review of the PC request, noting that such work "depends on complexity" and "everything is relative to the situation." The preliminary review could be sent to a relevant OPP branch like fraud or anti-rackets, Dionne said.

Andrea Horwath moves to ban pre-paid hydro meters

11.12.2017

Andrea Horwath proposed to ban pre-paid hydro meters on Monday as part of an attempt to head off an application from the province's largest electricity provider.

The third party leader introduced a bill (see below) in response to Hydro One's Ontario Energy Board (OEB) application, which includes in its section on delinquent payments a request to introduce pre-paid meters.

Horwath charged that the proposal represented a workaround for Hydro to collect funds from overdue accounts in winter, despite the moratorium program which the company voluntarily introduced.

"Make no mistake. If pre-pay meters are allowed in Ontario — if **Kathleen Wynne** lets that happen — Hydro One customers — families, seniors — will lose their power automatically if they can't afford to feed the meter," she said in a Monday morning presser.

"I think this is a ploy by Hydro One to install the meters in homes where people are struggling to pay the bills."

Horwath added that pre-paid meters represent a Margaret Thatcher-style policy, pointing to U.K. policies in the 1980s that led to the technology eventually being banned.

But Energy Minister **Glenn Thibeault** rejected the NDP leader's calls to ban pre-paid meters.

"There's nothing to ban at the moment," he said. "(The NDP) is jumping the gun." Thibeault said that the request to introduce the pre-paid meters was a small part of a large OEB application submitted by Hydro One, and the regulator has not made any decision to introduce the technology.

If pre-paid meters gain approval, Thibeault says ratepayers would be able to choose whether to opt-in to the devices, which have been framed by Hydro One and the government as a matter of choice for ratepayers, who, the rhetoric goes, may find the devices useful.

Adding confusion to the issue is that the pre-paid hydro meters were originally included in the application section on delinquent accounts and the technology could be used for consumers who were deemed a "high collection risk." Through a spokesperson, Hydro One claimed at the time that the NDP were taking that part of the application out of context.

In an OEB hearing last Thursday, Hydro One executive vice-president of customer care **Ferio Pugliese** said the following:

"Our intention with looking at the prepaid meter option is strictly to add it to the plethora of options we want to give to customers. I want to just underscore that in no way, shape, or form would we ever be forcing a pre-paid meter option onto any customer. It would never be used to circumvent our collection policies, our winter moratorium or our winter relief programs; that is not the intention of that service. What we are trying to do is offer as many menu items for our customers so that they can choose which they feel is best in their level of service. And in fact, some customers have asked for prepaid meters."

Asked whether Hydro One is customer-focused in line with its company goals for the past two to three years, Horwath criticized executive pay and application for rate hikes.

"That's not ratepayer-focused, that's Hydro One-focused."

Text of Horwath's motion:

An Act to amend the Electricity Act, 1998 and the Energy Consumer Protection Act, 2010 respecting prepayment meters

Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Electricity Act, 1998

1. Section 29 of the Electricity Act, 1998 is amended by adding the following subsection:

Prepayment meters prohibited

(3.1) A distributor shall not install or require the installation of a prepayment meter with respect to a residence.

Energy Consumer Protection Act, 2010

2. Section 34 of the Energy Consumer Protection Act, 2010 is amended by adding the following subsection:

Prepayment meters prohibited

(8) A suite meter provider shall not install or require the installation of a prepayment meter with respect to a residence.

Commencement

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. The short title of this Act is the Protecting Hydro Consumers Act (Prepayment Meters), 2017.