

ENERGY

# Consumers wary of huge Ontario Hydro debt

BY PATRICK CASEY  
Staff Writer

Consumers across the province will be sharing the pain of the former Ontario Hydro's estimated \$23-billion debt.

But to ease the impact of hydro restructuring on residents and businesses, 11 municipal hydro companies — including all of York Region — have amalgamated to form Ontario's third largest hydro purchaser.

In April, the province divided Ontario Hydro into four companies to end its monopoly over the electricity market.

But to erase the utility's accumulated debt, all residential, commercial and industrial users in Ontario will continue to pay a portion of the shortfall through their electrical bills.

Under the province's repayment scheme, 33 per cent of revenues from local hydro operations will be directed to the debt.

That has cities and towns examining whether or not to sell their hydro interests, but local municipalities opted to join in the Canada Energy Alliance instead.

"The alliance will buy the power and guarantee one of the lowest rates of electricity," said Markham Mayor Don Cousens.

"It's funny, you talk about amalgamation, but we received terrific co-operation and support for this over the last year. When you can see the benefits for ratepayers, the decision becomes so obvious, since you want to do what's right for a community.

"If someone came around with too much money, we'd sell Markham Hydro, but that is not going to happen," added Cousens.

Cousens said it could take 20 years to eliminate Ontario Hydro's debt.

"It's not easy, but the government has identified a way of paying it down and they will make everyone suffer through it," said Cousens. "At least they are starting to tackle it, where previously it was allowed to accumulate."

"Ontario Hydro just got too big and kept hiring more employees, while someone like Quebec Hydro had very few employees and did all their work by contract. Now you have to rein in that debt."

However, Markham Board of Trade president Ruth Burkholder raised concerns about the plan in a letter to Energy Minister Jim Wilson last week.

The board says if energy rates rise, it will impact the competitiveness of Ontario businesses against companies outside the province and may also prevent corporations from relocating here.

"If the government has to push those rates higher, we must caution them to make sure not to do too much at one time. They really have to space this out because it impacts the business community," said Burkholder.

"We know it has to be done, but take it easy on the business community. With that amount of money owing, you can't possibly recoup that over the short-term."

But Oak Ridges MPP Frank Klees said the only change consumers will notice once restructuring plans are finalized next fall is that their monthly statements will show how much of their bill is being directed toward the debt.

"Restructuring for Ontario Hydro is not creating new debt. The debt is not going to increase and once competition enters the market, the actual cost for electricity is going to go down," stressed Klees, the Conservative Party whip.

"Consumers will see no difference. The important thing to remember is there is no difference to how much they are paying for the debt. The debt factor is based on the percentage of consumption, so you will pay a portion as a residential user, and also as a business user if you own a company. It's simply related to the amount of energy you use."



**FRANK KLEES**  
MPP says consumers will not see a difference

MOLLER INSURANCE LTD. • MOLLER INSURANCE LTD. • MOLLER INSURANCE LTD.

## MOLLER INSURANCE LTD.

Personal Service with Quality Coverage

- HOME • BUSINESS • CONDOMINIUM
- LIFE • AUTO

Call and compare or drop in anytime

"SERVING ALL OF YORK REGION"



64 Sandiford Drive,  
Unit 1, Stouffville

**(905) 642-2745**

MOLLER INSURANCE LTD. • MOLLER INSURANCE LTD. • MOLLER INSURANCE LTD.

MOLLER INSURANCE LTD. • MOLLER INSURANCE LTD. • MOLLER INSURANCE LTD.

**FREE DESSERT!**  
WITH ANY EXTRA VALUE MEAL ALL YEAR ROUND!  
ECONOMIST & SUN  
294-2200 FOR MORE INFORMATION

**Dr. Estralita McCarthy & Dr. Carolyn Wong**  
are pleased to announce the opening of their new optometric practice at the Markville Shopping Centre, 2nd level by Sears.  
Call: (905) 940-1013 (for appointments)  
NEW PATIENTS AND WALK-INS WELCOME

**Severance Package Seminar**  
This workshop will give you insight into:  
Understanding Your Severance & Retirement Options  
Minimizing Tax  
Maximizing the Benefit Your Package Brings  
Financial Planning Solutions  
Wednesday, Sept. 29<sup>th</sup>, 7:00-8:00 pm  
ScotiaMcLeod Markham Office  
Reservations Required: (905) 947-0933  
Christina Cancy, Investment Executive  
**ScotiaMcLeod**  
Building Relationships for Life  
MEMBER C.I.F.F.