

## NOMA EXPRESSES OPPOSITION TO THE SALE OF HYDRO ONE ASSETS

**May 25, 2015 (Thunder Bay, ON)** - The Northwestern Ontario Municipal Association (NOMA) wrote to Premier Wynne today asking that the Government of Ontario reconsider its plan to sell off Hydro One assets.

As announced in the Provincial Budget, the Government of Ontario will begin selling up to 60% of the value of Hydro One starting this fall. The government projects that it will receive \$9 billion as a result of the sale and that \$5 billion will go towards reducing outstanding debt and \$4 billion will be allocated towards transit, transportation and other priority infrastructure projects across the province.

The NOMA board passed a resolution in opposition to the sale on May 13, 2015. Since that time, the majority of NOMA member municipalities have also passed resolutions in opposition.

“The majority of NOMA member communities are customers of Hydro One and there is grave concern as to how the sale of assets will impact northern communities,” said Mayor David Canfield, President of NOMA.

“Currently these communities pay exorbitant prices to receive hydro. There has been no consultation with these communities which is in our opinion unfair given that we will likely feel the greatest burden as a result of this decision, added Canfield pointing out that “We often do things in our communities that are short-term pain for long-term gain however, we feel that this decision to sell off Hydro One assets is merely short-term gain for long-term pain.”

NOMA pointed out that the \$4 billion the province would secure for infrastructure represents less than 13% of the amount the Province has committed to investing in infrastructure over the next 10 years. The Province will still have to borrow money in order to pay for much of the remaining infrastructure costs.

It has been estimated that Hydro One Networks will see a return on investment in the range of 9 to 11% per year. It does not make sense to turn over 60% of its profits of 9% to 11% to the private sector when it could retain 100% ownership of Hydro One Networks, and borrow at less than 3% to pay for necessary infrastructure with a life span of 20 to 40 years.



**For More Information:**

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**The NOMA Resolution in opposition reads as follows:**

WHEREAS the public electricity system in Ontario is a critical asset to the economy; and

WHEREAS much of the economy of the province, including Northwestern Ontario, hinges on a solid, sustainable and reliable electrical transmission and distribution system, and

WHEREAS Hydro One Networks has recorded profits of \$2.297 Billion over the last three years and paid dividends to the Province of Ontario in the amount of \$588 million in 2012 and 2013 combined, and

WHEREAS the Government of Ontario has announced that it will begin selling up to 60% of the value of Hydro One starting this fall, and

WHEREAS the Government of Ontario has projected that it will receive \$9 billion as a result of the sale and that \$5 billion will go towards reducing outstanding debt and \$4 billion will be allocated towards transit, transportation and other priority infrastructure projects across the province, and

WHEREAS the amount of \$4 billion represents less than 13% of the amount the Province has committed to investing in infrastructure over the next 10 years, and

WHEREAS the Province will have to borrow in order to pay for much of the remaining infrastructure costs, and

WHEREAS it has been estimated that Hydro One Networks see a return on investment in the range of 9 to 11% per year, and

WHEREAS the Ontario Government is paying less than 3% on current borrowing, and

WHEREAS it does not make sense to turn over 60% of its profits of 9% to 11% to the private sector when it could retain 100% ownership of Hydro One Networks, and borrow at less than 3% to pay for necessary infrastructure with a life span of 20 to 40 years, and

WHEREAS the privatization, partial or whole, of electricity has led to higher rates and less control; and



WHEREAS both Progressive Conservative and Liberal Government have in the past cancelled plans to sell all or parts to electrical infrastructure, and

WHEREAS the selling of all or part of Hydro One Networks to relieve a temporary fiscal shortfall is a short-sighted one time fix that will have a detrimental effect on the Citizens of Ontario forever,

THEREFORE BE IT RESOLVED that NOMA call on the Government of Ontario to:  
stop the sale of any part of Hydro One, and maintain Hydro One Networks as a wholly owned public asset for the benefit of all Ontarians; and

That this resolution be forwarded to the following:

Hon. Kathleen Wynne, Premier of Ontario, Hon. Charles Sousa, Minister of Finance, Hon. Michael Gravelle, Thunder Bay – Superior North, Hon. Bill Mauro, Thunder Bay – Atikokan, Sarah Campbell, MPP, Kenora-Rainy River, Federation of Northern Ontario Municipalities and Association of Municipalities of Ontario.

