

THE FACTS

Ontario's Public Utilities: Cost Less, Better Service

The Liberal's plan to sell Hydro One

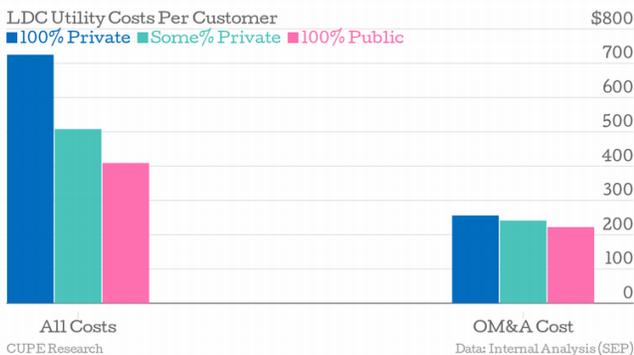
The Ontario Liberal's Advisory Council on Government Assets has outlined a plan to privatize publicly owned electricity companies and assets.

An earlier report released in November 2014 by the Advisory Council made recommendations to the Liberal government to merge local distribution companies (LDCs), privatize LDCs, break up and privatize Hydro One assets and privatize parts of Hydro One's transmission services. The report also recommended the partial or complete privatization of Hydro One Brampton to support LDC consolidation and privatization.

The Liberals have since voiced support for the Advisory Council's recommendations as a way to fund new infrastructure. However, privatization is more costly than keeping hydro public and will likely result in increased rates and reduced quality of service for Ontarians.

Private utilities cost more

Privatization will likely result in increased rates and a loss of control of provincial and municipal energy policy. Comparisons between Ontario's fully public utilities and partially or fully private electricity companies show public utilities are more likely to be better run and get power to homes at a lower cost.

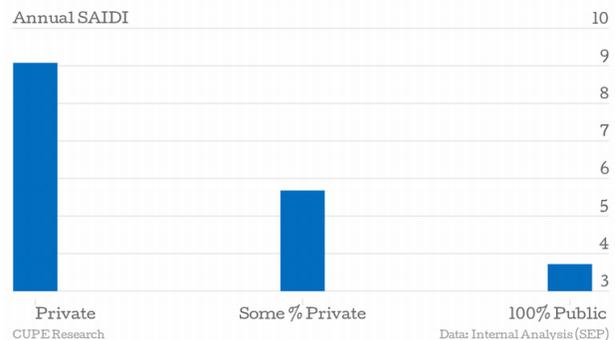


Comparing Ontario's publicly and privately owned LDCs in terms of total costs per customer, fully public companies averaged \$409 per year compared to fully private companies at \$725 per year. Costs specific to operating, maintenance and administration (OM&A) show public utilities are run less expensively than fully and partially private utilities.

This local comparison demonstrates that there is absolutely no evidence privatization will lower costs.

Public means quality service

In the government's own measurements of quality of service, privately owned utilities fared worse than 100 per cent publicly owned LDCs. Standardized measures of service quality for utilities, including the average number of hours of electricity outages in a year (known as the annual SAIDI, or System Average Interruption Duration Index) show public utilities in Ontario are more reliable and get the power back on sooner after a blackout.



Public utilities are not just cheaper for power customers, they provide a higher quality of service.

There is no evidence that privatization of Hydro One will result in savings for Ontarians. In fact, the evidence shows the opposite. Fully public utilities are better, cost less and give higher quality service than partially or fully private ones.