

Ontario consumers getting little protection on rising electricity bills: auditor

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TORONTO - Electricity costs are going up in Ontario, but consumers are getting little relief because the agency charged with protecting ratepayers has no say over half the charges that make up a typical bill, the province's auditor general said Monday.

The Ontario Energy Board can only look at certain charges and set rates for certain types of power, such as nuclear and some hydro, even though electricity bills are expected to rise 46 per cent over the next five years, said watchdog Jim McCarter.

His annual report also found that part of the increase will come from billions of dollars of new wind and solar power projects that were approved without the usual oversight.

That helped to fast-track the projects, but it's "critical" that the government and its agencies have "good underlying information" to strike the right balance between promoting green energy and its impact on the price of electricity, he warned.

"Our point is, on a go-forward basis, you need better information in order to make some of these decisions," McCarter said.

The governing Liberals also need to do their homework on their job-creation figures, he said. They promised their green energy legislation would create more than 50,000 jobs, but 30,000 of them are likely to be short-term construction gigs.

He also took aim at the government's agreement with Korean giant Samsung — slammed by the Conservatives as the richest

sole-sourced deal in Ontario's history — saying that two key agencies were ignored when the Liberals signed the \$7-billion deal.

"On the Korean-Samsung arrangements, the Ontario Energy Board and the Ontario Power Authority were not in the loop, and that did surprise us," he said.

While those deals will likely push up electricity costs, consumers are also still on the hook for "the sins of the past" — namely the debt that was left from restructuring Ontario's electricity sector in 1999.

More than \$8 billion has been collected since 2002 to retire the debt, which shows up on bills as the debt retirement charge.

Still, the minister of finance has never said how much of the original \$7.8-billion debt remains, even though he's required by law to do so periodically, McCarter said.

"It's been a decade. It hasn't been done," he said.

"You know what? That's long enough. You need to come out and tell the people of Ontario where does this thing stand."

Retiring the debt is taking longer than anticipated, largely because of Hydro One and Ontario Power Generation's lower-than-expected earnings, which lowers the payments they're required to make, his report found.

However, the money collected from ratepayers to pay off the debt can also be used for other things, such as paying off interest.

Where that money is going is the "magic question," said NDP Leader Andrea Horwath.

"The fact that for 10 years, there has been no disclosure as to the status of debt retirement charge is, I think, the big story here," she said.

Finance Minister Dwight Duncan was tight-lipped on when he would provide an update on the debt, saying only that it would come "sooner rather than later."

Opposition Leader Tim Hudak, who vowed to get rid of the debt retirement charge during the fall election campaign, said he hopes the auditor's findings will spark a re-think of the province's poor energy policies.

"What the auditor has come up with today reinforces a lot of the things that we've been saying," he said. "That our hydro policy is an expensive mess and families are getting ripped off."