

## Why Hydro selloff makes no sense

THE DISASTROUS CONSEQUENCES of the Harris government's decision to sell its only toll road to a private consortium should have been enough to deter them, but now we have fresh evidence of the need for the current Ontario government to abandon its plan to sell off Hydro One, the transmission and retail portion of once-proud Ontario Hydro.

That evidence came in the form of a report by Ontario's Ombudsman into the inept (or worse) handling of consumer complaints after it launched a new computerized billing system.

André Marin found that Hydro One issued faulty bills to more than 100,000 customers, lied to the government and regulators in a bid to cover up the problem, and then spent \$88.3-million in customers' funds to repair the damage.

His report detailed thousands of cases of over-billing, including a senior citizen in Timmins who had \$10,000 pulled from his bank account without warning, and a ski resort that got a bill for \$37 million.

“Like a lot of huge, monopolistic organizations, Hydro One lost sight of its duty to the public,” he told reporters Monday at Queen's Park. “It was so focused on the technical side of its new system, it failed to consider the impact it was having on customers.”

The investigation will be Mr. Marin's last into Hydro One if the government carries out its plan to privatize the utility.

Bad as such a lack of public oversight might be, in one respect the planned privatization would be even less in the public interest than the effective give-away of Highway 407.

After all, drivers can choose to use free alternative to 407, albeit routes that are invariably clogged during rush hours. There would be no such option for electricity consumers.

However, that's only one of several reasons we see the sell-off as inappropriate.

For one thing, disposition of any government asset does nothing whatsoever to meet the province's long-term infrastructure needs. At best it will mean even costlier electricity for all residents of the province, but particularly for those in Northern Ontario who already face higher costs because of the climate and long winter nights.

Come to think of it, we cannot think of a single good reason for the sell-off, or for that matter for the dismantling of Ontario Hydro, which left power planning in the hands of politicians and succeeded only in requiring multiple chief executive officers where under Ontario Hydro there was just one.

Accordingly, if anything should be done about the province's electricity system, the proper starting point would be to reunite Hydro One and Ontario Power Generation, effectively resurrecting Ontario Hydro and including power planning in its mandate.

And as for the obvious need to deal with the worsening gridlock in the Greater Toronto Area, a vastly preferable revenue tool would be the tax on motor vehicle fuels.

Nor could we imagine a more appropriate time to use the tax as the main means of improving and maintaining our transportation infrastructure, the collapse in world oil prices having left pump prices well below those of a year or two ago.

In our view, and one we hope would win all-party support in the Ontario Legislature, the existing taxes on gasoline, diesel oil, propane and natural gas should be raised 10 cents per litre in the GTA, and five cents elsewhere in southern Ontario, but kept at their present levels in Northern Ontario, where the added distance from the refineries has always meant higher retail prices.

If our proposed tax increases wouldn't be enough to finance the needed improvement in public transit, they could be supplemented

by a special tax on downtown parking of perhaps \$5 on vehicles parked for more than two hours in downtown Toronto.

And if even that wasn't enough to give Torontonians all the subways, light rail lines and commuter trains they want, perhaps there could be a special levy on properties, in recognition of the fact property taxes in the City of Toronto are well below those for comparably priced property elsewhere in the province.