

From: [Vokes, Sharon](#)
To: [Warder, Tara](#)
Cc: [Weppler, Kevin](#); [Kelly, Michael](#)
Subject: FW: Letter from the Hon. Bob Chiarelli, Minister of Energy
Date: Tuesday, April 21, 2015 11:54:41 AM

Ministry of Energy

Office of the Minister

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Mr. Kevin Eccles
Warden
County of Grey

Dear Warden Eccles:

On April 16, 2015, the Ontario Government announced our intention to proceed with an Initial Public Offering of shares in Hydro One Inc. before the end of the current fiscal year. We further announced that Hydro One Brampton Networks Inc. would be merged with three other local distribution companies: Enersource Corporation, Horizon Utilities Corporation and PowerStream Inc.

These announcements are in response to advice from the Premier's Advisory Council on Government Assets, led by Ed Clark. As you know, the Council was tasked with finding ways to improve customer service and increase efficiencies in order to maximize the value of government assets and generate better returns for the people of Ontario.

An amount equal to the net proceeds of the sale of Hydro One shares will be put in the Trillium Trust. Our government's Moving Ontario Forward initiative commits nearly \$29 billion over the next 10 years for investments in priority infrastructure projects, including nearly \$14 billion earmarked for outside the Greater Toronto-Hamilton Area for investment in roads, bridges, transit and other critical infrastructure. The Trillium Trust will be an important source of funding for this commitment.

The Province will continue to be the largest shareholder in the new Hydro One, and the company's rates will continue to be regulated by the Ontario Energy Board (OEB). We are proposing new oversight powers for the OEB and the appointment of a dedicated Ombudsperson within the new Hydro One to further protect consumers, contain costs and ensure reliability of service.

I want to assure those in Hydro One's service territory that the reliability and affordability of power is our first priority. The sale of shares in Hydro One will not cause the price of electricity to rise and will not impact reliability of service. In fact, we agree with the

Council's assessment that changes at Hydro One will unleash new efficiencies and innovation that will reduce costs and benefit consumers.

I also want to assure you that we remain committed to the transmission projects outlined in the 2013 Long-Term Energy Plan, including to plan for a new northwest Bulk Transmission Line west of Thunder Bay and to work with the federal government to connect remote northwestern communities.

I want to draw your attention to the decision to merge Hydro One Brampton. The merger of four local distribution companies (LDCs) into a single, highly effective entity will create savings and efficiencies of scale that will benefit hundreds of thousands of households and create the second-largest LDC in the province. This is consistent with the recommendations of the Ontario Distribution Sector Review Panel and will hopefully serve as a model for other LDCs. While I have been clear that our government will not force consolidation of municipally-owned LDCs, I feel that further consolidation is in the best interests of the system and its customers.

If you would like to review the Council's report, it is available at www.ontario.ca/government/premiers-advisory-council-government-assets.

Sincerely,



Bob Chiarelli
Minister