Province a step closer to cashing in on Hydro One Brampton sale

Not buying sell-off

File photo
Bramalea-Gore-Malton MPP and New Democrat Deputy Leader Jagmeet Singh opposed to sell-off of Hydro One Brampton.
Brampton Guardian
By Roger Belgrave

The sale of Hydro One Brampton is drawing closer, despite political and public objections to selling Ontario's public assets.

During a special meeting last week, Markham Council approved the merger of PowerStream Holdings Inc. with Enersource Corporation and Horizon Utilities. Markham, Vaughan and Barrie are the three Powerstream shareholders.

The City of Mississauga, the majority shareholder of Enersource, has already approved the merger and Hamilton and St. Catharines, which jointly own Horizon Utilities, have also given the transaction stamps of approval.

Now, this new utility will seek to purchase Hydro One Brampton from the Ontario government for $607 million to create the province's second largest electric utility.

It would serve more than 900,000 customers in Peel, York, Hamilton, St. Catharines and Simcoe County.

Hydro One acquired Hydro One Brampton from the City of Brampton in 2001.

The local utility has more than 150,000 residential, commercial and industrial customers.

Mississauga MPP and Ontario Finance Minister Charles Sousa listed the sale of Hydro One Brampton as part of the government's commitment to "unlocking the value of provincial assets" to help pay for infrastructure projects such as roads, bridges and transit.

Critics have warned the Liberals against divesting the government of such valuable public holdings like Hydro One and Hydro One Brampton.

"It's one of the most absurd decisions this government has made," said Bramalea-Gore-Malton MPP and New Democrat Deputy Leader Jagmeet Singh of the Hydro One share sell off.

He considers the Hydro One Brampton sale akin to the Hydro One share sell-off that is expected to net the provincial government $9 billion.

Ontario's Financial Accountability Officer has said the province will ultimately be in a worse financial position after losing the annual revenue stream the utility provides, Singh noted, and warned utility rates will likely rise.

"We should control our electricity (assets)," Singh said.

According to the utilities involved in the merger, the new Local Distribution Company (LDC) will provide efficiencies that result in lower rates for customers.

Mississauga and BPC Energy Corp. (which is part of the Ontario Municipal Employees Retirement System) will own 31 per cent of the new company; Markham, Barrie and Vaughan will own 46 per cent; and Hamilton and St. Catharines will be 23 per cent shareholders.

The proposed merger and acquisition still requires approval by the Ontario Energy Board.