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FOR IMMEDIATE RELEASE

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HYDRO ONE PRIVATIZATION THREATENS FARMERS

Gananoque, Ont. - "If the Ontario government were to sell Hydro One assets, farmers could anticipate that new owners will raise rates for rural customers," said Peter Dowling, Ontario Coordinator, National Farmers Union.

In a written submission to the Standing Committee on General Government, the NFU pointed out that private owners will probably argue that it costs more to maintain far-flung rural lines than it does to maintain urban lines. "In a privatized, deregulated environment, corporate owners will move to 'recover' costs. Those who can't pay, won't get service," said Dowling.

The Ontario legislative committee has been conducting hearings on Bill 58, Reliable Energy and Consumer Protection Act, 2002.- a bill that would allow the province to sell all or part of our electricity grid to private interests.

The NFU brief predicted that a privatized Hydro One would give reduced rates to large commercial and industrial users while raising rates for rural and remote customers. "Electricity is not just another commodity. It's not a luxury. Like health care and education, electricity is vital to our quality of life. Ontario residents, both rural and urban, need equitable access to electricity, and that means affordable, equitable rates," said Dowling.

"If we had left it to private companies, rural residents would not have power. Natural gas distribution is in private hands and many rural residents don't have gas. The only reason we have power lines down rural roads is because Ontario Hydro was a public utility," the NFU brief stated. "Now that government and citizens have done the hard and costly work of building the rural power network, government wants to turn that network over to private corporations for their benefit."

Dowling noted, "Inequitable electrical rates would increase the cost of living for farmers and rural residents and the cost of doing business for rural businesses. This situation will accelerate the loss of rural employment opportunities, population, and infrastructure - outcomes the province is trying to avoid with its other programs.

The NFU also asked: "If the distribution system is privatized and there is another billion-dollar storm, will private owners be able to quickly repair the damage or will they leave taxpayers to foot the bill? The 1998 ice storm caused over \$600 million in damage to the power-lines in Quebec and Ontario.

"The NFU supports a publicly owned and operated Hydro One," the NFU told the committee.

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