

# Markham OK's hydro deal in marathon meeting

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You could be getting a reduction on the distribution portion of your hydro bill, thanks to Markham’s approval of PowerStream’s merger deal.

Markham council voted narrowly in favour of the merger between PowerStream, Enersouce and Horizon Utilities, as well as the purchasing Hydro One Brampton from the province.

Last night’s marathon special meeting, which went into the early hours of the morning, ended with a 7-6 recorded vote in favour.

Councillors Alan Ho, Colin Campbell, Amanda Collucci and Alex Chiu along with regional councilors Nirmala Armstong, Jim Jones and Mayor Frank Scarpitti voted in favour of the merger deal.

While councillors Valerie Burke, Don Hamilton, Karen Rea and Logan Kanapathi along with regional councillors Jack Heath and Joe Li voted against the merger.

With the new deal, which was previously supported unanimously by PowerStream’s other shareholders Vaughan and Barrie, Markham’s share decreases from about 35 per cent of PowerStream to about 16 per cent of the new power distribution company.

Not to mention the purchase of Hydro One Brampton for \$607 million, of which Markham’s share would be between \$43 to \$47 million.

Part of last night’s approval also capped Markham’s investment at \$47.3 million. City staff are working on funding alternatives that could see Markham sell about 10 per cent of its stake in PowerStream.

The word of the night was synergies, with many residents expressing concern if the merger would actually result in savings for the customer.

One of the proposed synergies is a decrease in operation costs as well as a decrease in staff.

There could be a loss of about 250 to 270 jobs over three years. About 80 per cent of which could come fomr early retirements.

Through synergies, Markham residents can expect to see about \$24 to \$35 annual reduction on their hydro bills, but not until year five or six.

Mayor Frank Scarpitti argued while residents vote council in or out, council should also listen to local business owners who are also poised to save money on the deal.

Business can expect to see between \$70 to more than \$14,000 in savings on electricity costs, depending on the size of the business.

“We have to look at the businesses and their employees as our constituents as well,” Scarpitti said. “They struggle everyday to keep their doors open. They create jobs and they pay property taxes, too.”

Regardless of how you look at it, a savings is a savings, argued Regional Councillor Jim Jones, who was with IBM during the mergers of the 1980s and 1990s.

“Twenty four to \$30 is no big deal,” he said. “I get free coffee everyday. That’s 60 bucks a month. That’s a savings for me.”

Despite last night’s close vote in favour, the merger requires ratification by the Markham Enterprises Corporation (MEC), the city’s holding company that own the city’s PowerStream shares, as well the Ontario Energy Board.

The merger is expected to be finalized by March 2016



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