

Open Ontario electricity rates fastest rising in North America

(February 29, 2016) How fast have they risen? Hydro prices in Ontario have gone up three times faster than the price of other goods and services.

[This article, by Brady Yauch, first appeared in the Toronto](#)

[Sun](https://ep.probeinternational.org/2016/03/01/ontario-electricity-rates-fastest-rising-in-north-america/)<https://ep.probeinternational.org/2016/03/01/ontario-electricity-rates-fastest-rising-in-north-america/>

Energy Minister Bob Chiarelli. (Veronica Henri/Toronto Sun).

It has been a bad nine years for electricity customers in Ontario.

Hydro prices for residential customers have increased at a faster rate than anywhere else in North America.

But you wouldn't know it by listening to Energy Minister Bob Chiarelli, who said Ontario ratepayers are seeing power bills "increasing slower than they are in neighbouring jurisdictions."

In fact, no typical residential customers in any of the 50 U.S. states or Canada's nine other provinces have seen the price of power increase at a faster rate than Ontario customers.

In addition, hydro prices in Ontario have been going up three times faster than the price of other goods and services.

We examined the average price paid per kilowatt hour (kWh) for residential customers of a few of Ontario's largest utilities — Hydro One, Toronto Hydro and Hydro Ottawa — after all fees, levies and other charges are included.

We then compared them to averages for all 50 U.S. states.

Collectively, Toronto Hydro, Hydro One and Hydro Ottawa account for nearly 50% of all household customers in Ontario.

Toronto Hydro's residential customers now pay 72% more per kWh than they did in 2006 — marking the fastest increase in power prices anywhere in North America.

For Hydro One's residential customers — divided into urban, semi-rural and rural rate classes — hydro prices have increased, on average, by 68% over the last nine years.

Hydro Ottawa residential customers pay 71% more per kilowatt than they did in 2006.

By contrast, the average increase in power prices for customers in the U.S. was 22%.

Not a single U.S. state or Canadian province has seen power prices increase as fast as Ontario's over the past nine years.

While many electricity customers in the U.S. benefited from falling natural gas prices in the last year — which resulted in power prices falling or remaining the same for nearly one-third of U.S.

ratepayers — some customers in Ontario saw prices increase as much as 11% compared to a year earlier.

Comparing the price increase of power to other goods, services and wages in Ontario over the past nine years paints a similarly grim picture.

Food and shelter costs have increased by 30% and 20%, respectively — far below the 70%-plus increases for many hydro customers.

Wages in Ontario have increased by only 25% over the last nine years.

The blame for the dramatic increase in power prices largely rests with the province, but poorly performing utilities share the blame.

The provincial government's mishandling of the electricity sector has been detailed by the auditor general, who in her most recent report concluded Ontario's energy planning process is "broken" and that elected officials have repeatedly ignored the advice of experts.

The result has been billions of dollars in unnecessary charges on hydro bills.

Meanwhile, electricity utilities, rather than looking for ways to become more efficient and productive, have instead applied to have billions of dollars in additional spending approved by the Ontario Energy Board.

Hydro One wanted to hike customer charges by more than 6% a year, yet its own evidence showed its employees were overpaid compared to other companies and it was ranked as one of the least reliable distributors in North America.

Toronto Hydro's costs are significantly higher than other utilities across Ontario and North America, yet it wanted to increase rates by 8% annually to finance a record capital spending program.

Ontario's energy minister may try to convince power customers in this province that it's worse elsewhere, but the numbers tell a different story.

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