

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1897

In the Matter of

HYDRO ONE LIMITED

Application for Authorization to Exercise
Substantial Influence over the Policies and
Actions of AVISTA CORPORATION.

NOTICE OF EX PARTE
COMMUNICATION
AND
NOTICE OF OFFICIAL NOTICE

On December 3, 2018, Commissioners Megan W. Decker, Stephen M. Bloom, and Letha Tawney each received an electronic mail message from Mark Ehlinger, a member of the public. The message contains information about a news article published by the *Toronto Globe & Mail*, and opinions that relate to the substance of this proceeding. No commissioner replied to the message. A copy of the message is attached as Appendix A.

Later that day, both Hydro One and the Oregon Citizens' Utility Board (CUB) contacted the Commission about the *Toronto Globe & Mail* article, as well as another newspaper article posted by the *National Post*. Hydro One sent copies of both articles to the Commission Staff to ensure that the Commission was apprised of the media activity. CUB contacted me to inquire about the procedural process to supplement the record with the two articles.

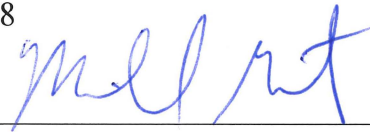
Based on these events, I take three actions. First, although Mr. Ehlinger is not himself a party to this proceeding, the substantive nature of the message indicates the message was sent on behalf of a party or a person with interests similar to those of a party. Accordingly, I deem the message to be an *ex parte* communication in this proceeding under OAR 860-012-0015 and provide notice of its filing to all parties in this docket. A copy of this notice will be made part of the official record in this proceeding.

Second, I take official notice of Hydro One's letter to Commission Staff under OAR 860-001-0460(1)(d). Because the letter was not sent to the Commissioners nor the presiding administrative law judge, it does not constitute an *ex parte*

communication. Nonetheless, for purposes of administrative efficiency and transparency, I find it appropriate to take official notice of the letter to supplement the record with both news articles. A copy of the letter and the articles is attached as Appendix B.

Third, given the state of the procedural schedule, I find good cause to shorten both the time period for parties to rebut the *ex parte* communication and to object to the official notice to 7 days. *See* OAR 860-001-0000(2).

Dated at Salem, Oregon, this 4th of December, 2018



Michael Grant
Chief Administrative Law Judge

Attachments

GRANT Michael

From: GRANT Michael
Sent: Monday, December 3, 2018 4:00 PM
To: GRANT Michael
Subject: FW: Avista/Hydro One Acquisition
Attachments: image.png

Begin forwarded message:

From: Mark Ehlinger <ehlingermark@gmail.com>
Date: December 3, 2018 at 8:34:40 AM PST
To: <megan.decker@state.or.us>, <stephen.bloom@state.or.us>, <letha.tawney@state.or.us>
Subject: Re: Avista/Hydro One Acquisition

Dear Commissioners Mrs. Megan Decker, Mr. Stephen Bloom, Mrs. Letha Tawney,

A well respected journalist at the Globe&Mail in Canada published another article on Friday titled "Independent Directors Fighting Doug Ford Over Who Will Be Hydro One's Next CEO". This article does an excellent job articulating the Province of Ontario (and Premier Doug Ford's) interference in the running of Hydro One. Please see below for the article.

Respectfully,
Mark

Independent directors fighting Doug Ford over who will be Hydro One's next CEO

ANDREW WILLIS AND KAREN HOWLETT
NOVEMBER 30, 2018

COMMENTS

Ontario Premier Doug Ford is in a standoff with independent directors on the Hydro One board over who will be the utility's next CEO. The outcome of the fight is expected to determine the future direction of the company that transmits electricity in the province.

The six independent directors on Hydro One's 10-person board want to select the next boss from one of three former senior executives at British Columbia's electrical utilities, according to government officials, industry executives and lawyers working for Hydro One.

The three candidates are all women. The strongest contender is said to be former B.C. Transmission Corp. CEO Jane Peverett. Other hopefuls include former BC Hydro executive Janet Woodruff and former BC Hydro CEO Jessica McDonald, who is currently an independent director on the Hydro One board.

Hydro One is looking for a new leader after Mr. Ford forced out former CEO Mayo Schmidt over what the Premier claimed was an outsized \$6.2-million annual pay package during Ontario's election campaign last spring. The entire Hydro One board, which included Ms. Peverett, resigned after Mr. Ford was elected. The new board, with four members chosen by the province and six directors named by Hydro One's institutional shareholders, was announced in August.

Mr. Ford has his own favoured candidates to lead Hydro One, including current Toronto Hydro CEO Anthony Haines, according to government and industry sources. Hydro One executives declined to comment on the CEO search. Mr. Ford is a former Toronto city councilor and worked closely with Mr. Haines in the past. Mr. Haines declined comment. He has been running Toronto Hydro for nine years – he was appointed by former Toronto Mayor David Miller – and made \$1.1-million last year.

Two sources familiar with the situation said Hydro One's board rejected Mr. Haines at a recent meeting, with all six independent directors voting against and the four government-appointed directors voting in favour. Despite the vote, the Premier's chief of staff, Dean French, continued to exert pressure on the board to appoint Mr. Haines as CEO, according to the sources.

"As a private corporation, the board of Hydro One is responsible for their own hiring decisions," said Simon Jefferies, the spokesman for Mr. Ford. In an e-

mail, he said: **"Following years of outrageous Liberal scandals and \$6-million salaries, the government for the people has taken measures to improve accountability and transparency at Hydro One. This includes a legislative provision to approve a responsible and reasonable compensation package for the CEO the board selects, which we will be proceeding with in the near future."**

Tiziana Baccega Rosa, a spokeswoman for Hydro One, said the company had no comment.

Hydro One's independent directors are looking at CEO candidates with Western Canadian experience at a time when the utility is in the midst of a \$6.7-billion takeover of Avista Corp. The U.S. company runs electrical and gas transmission networks in Idaho, Washington state, Oregon and Alaska, states that buy and sell power with British Columbia. The Ontario government owns a 47-per-cent stake in Hydro One after the utility was partly privatized by the previous Liberal regime.

Hydro One's six independent directors have hired Bay Street lawyer Vincent Mercier at law firm Davies Ward Phillips & Vineberg LLP, to advise them on dealing with Ontario's Progressive Conservative government. Mr. Mercier declined to comment on his role. He was also the lawyer to Hydro One's former directors, all of whom stepped down in July following Mr. Ford's election.

In addition to help on the CEO search, Hydro One board members want guidance on how to deal with potential political interference, according to lawyers who work for the utility and its employees. Mr. Ford and members of the Premier's staff are attempting to appoint a CEO and set strategy despite legislation put in place by Ontario's previous Liberal government that explicitly states the province will act as an investor in Hydro One, and not get involved in the company's affairs.

The Progressive Conservatives have already introduced their own legislation, known as the Hydro One Accountability Act, which gives the Premier a veto over executive pay. The new Act also requires the company to disclose what it

plans to pay senior executives, something the new board has not done. Government and industry sources say anyone agreeing to be Hydro One's CEO at the current time would be taking the job without knowing the compensation.

The PCs are said to favour offering the next Hydro One CEO a pay package in the \$400,000-to-\$600,000 range, according to sources in the government. That's in line with compensation paid to CEOs at Crown corporations Hydro-Québec and Manitoba Hydro.

On Tue, 13 Nov 2018 at 08:29, Mark Ehlinger <ehlingermark@gmail.com> wrote:

Dear Commissioners Mrs. Megan Decker, Mr. Stephen Bloom and Mrs. Letha Tawney:

A well respected journalist at the Globe&Mail in Canada published an article on Friday titled "Who picks the next Hydro One CEO, the board or Ford?". This article does an excellent job articulating some of the key risks that Avista ratepayers in Oregon will be assuming should Hydro One's acquisition be approved. Please see below for the article.

Respectfully,
Mark

Who picks the next Hydro One CEO, the board or Ford?



ANDREW WILLIS

PUBLISHED 5 MINUTES AGOUPDATED NOVEMBER 9, 2018

FOR SUBSCRIBERS

COMMENTS

The acting CEO of Hydro One Ltd., Paul Dobson, said all the right things last week, when Ontario's electrical transmission utility reported strong financial results and steady progress on its \$6.7-billion takeover of Avista Corp., a U.S. company that provides power in Idaho, Washington State, Oregon and Alaska.

No one took Mr. Dobson at his word. He's the lamest of lame ducks.

Everyone is waiting for the appointment of a new chief executive for Hydro One. Whoever steps into this meat grinder of a job will dictate the future of a company that keeps the lights on for 1.3 million Canadians, yet is stalled at the crossroads of politics and commerce.

Mr. Dobson is Hydro One's former chief financial officer, a veteran financier dropped into the top job in July after Ontario Premier Doug Ford turned ex-CEO Mayo Schmidt into his personal pinata. Ontario owns 47 per cent of the partly privatized company. After an election campaign that somehow managed to link rising power prices to executive compensation – the political equivalent of tying stock-market performance to the team that wins the Super Bowl – Mr. Ford forced Mr. Schmidt's retirement over a \$6.2-million pay package, a sum that is less than what CEOs take home at comparable domestic utilities.

After the election, Hydro One's board resigned, Mr. Dobson got a temporary promotion and new directors stepped up. The board is now split between nominees from Ontario's new Progressive Conservative government and the utility's institutional investors – groups with vastly different agendas. Because their differences are irreconcilable, one side is going to come out on top when the next CEO is announced while the other stands to be deeply disappointed.

Uncertainty around Hydro One's leadership and governance already hangs over the company's stock price, as do a series of regulatory setbacks in Ontario. Mr. Dobson announced a \$194-million quarterly profit on Thursday that exceeded analyst expectations. CIBC World Markets analyst Robert Catellier responded by knocking back his target price on the stock, to \$19.75 from \$20.50, saying strong operating results **“are largely masked by the machinations of the Avista takeover and concerns about the outlook in Ontario.”**

The choice of a new CEO will determine whose vision drives Hydro One – Mr. Ford's or that of the investor-appointed directors at a company that is majority-owned by the private sector. **Mr. Ford's priority is meeting an election promise to cut electricity bills by 12 per cent. Investors, on the other hand, want Hydro One to pump up profits and raise dividends.**

The Premier's ideal candidate is someone who delivers lower power prices for a pay packet in the \$400,000 to \$600,000 range, according to sources in the government. That's what the top dog gets at Crown corporations Hydro-Québec and Manitoba Hydro. To steal a phrase from Winston Churchill, at a large public company, for \$600,000 you get a modest CEO with much to be modest about.

Investors want the next CEO to keep building the business by closing the Avista takeover, then plowing the cash generated from a \$32-billion leader into expanding U.S. operations. **Achieving this goal means pushing regulators for higher rates.** It also means paying for a CEO with proven M&A skills.

The culture of Hydro One hangs in the balance. The current management team was hired with a growth mandate, as the Toronto-based utility knocked off more than 90 successful acquisitions on Mr. Schmidt's watch. Abandoning that strategy will mean more management turnover and will be expensive. **If the new CEO and board were**

to drop the Avista acquisition, Hydro One would have to pay a US\$103-million termination fee to the Spokane, Wash.-based utility.

Hydro One's internal goal was to announce a new CEO by the end of the year, according to sources who work for the Ontario government and at Hydro One. **But these sources say the board is still struggling to settle on a CEO compensation scheme that satisfies the Premier while making the job attractive to proven candidates, including internal ones.** After going public in 2015, Hydro One's goal was to become a major North American enterprise. Under this government, with a new boss, the company's strategy may be far more modest.

<https://www.theglobeandmail.com/business/commentary/article-who-picks-the-next-hydro-one-ceo-the-board-or-ford/>

On Wed, 31 Oct 2018 at 11:29, Mark Ehlinger <ehlingermark@gmail.com> wrote:

Dear Commissioners Mrs. Megan Decker, Mr. Stephen Bloom and Mrs. Letha Tawney:

I wanted to follow-up my previous email to you with some additional information I have discovered that could be impactful to your decision making process regarding the Hydro One's acquisition of Avista.

a) Premier Doug Ford has shown no regard for clean energy and a blatant disregard for the broader health of the environment which directly contradicts some of Avista's (and the Pacific Northwest's) environmentally friendly values. He has cancelled 758 renewable energy contracts and has campaigned around Canada (not just in Ontario) to scrap the carbon tax and related environmental regulation.

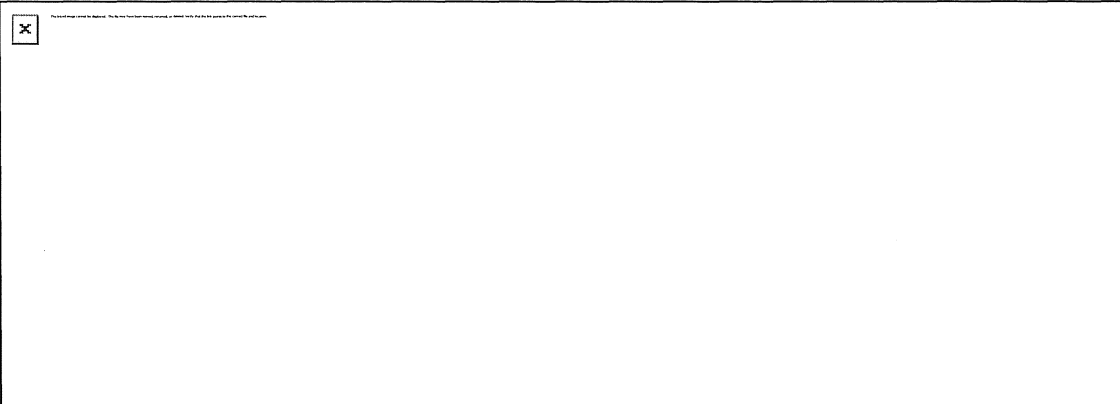
<https://www.cbc.ca/news/canada/toronto/758-renewable-energy-cancelled-1.4746293>

<https://www.ctvnews.ca/canada/ontario-government-moves-to-scrap-green-energy-act-1.4102549>

b) On Friday night (i.e. a few days ago), Hydro One applied for 2019 rate increases in Ontario (was issued Friday night in the hopes that few would see it).

https://www.hydroone.com/abouthydroone/RegulatoryInformation/txrates?utm_source=LM_BUTTON&utm_medium=TX_RATE_APPLICATION_PAGE&utm_campaign=2019_RATE_APPLICATION

Reading through the document (which is confusing), it looks as though Hydro One is seeking a 2.6% average transmission rate increase for 2019 and disposition of a \$37.6 million credit balance. Keep in mind that Premier Ford was elected just a few short months ago with the promise to lower hydro bills by 12% for the average household (<https://www.ontario.ca/page/premier>). Yet, only a few months after Premier Ford is elected, Hydro One is seeking transmission rate increases of 2.6% for 2019. How quickly will Hydro One / Premier Ford break promises to Oregon ratepayers (as well as Washington, Idaho, Alaska and Montana payers)?



Respectfully,
Mark Ehlinger

On Wed, 10 Oct 2018 at 09:46, Mark Ehlinger <ehlingermark@gmail.com> wrote:

Dear Commissioners Mrs. Megan Decker, Mr. Stephen Bloom and Mrs. Letha Tawney:

My name is Mark Ehlinger and I am writing this email in relation to Hydro One's acquisition of Avista Corp. I read through the PUC staff testimony that was recently posted on the website which I thought was well articulated. However, I believe it is important to further highlight that although Hydro One has made governance commitments, the Province of Ontario, through its ownership of Hydro One, has already disregarded many of the existing governance policies by firing the CEO and Board of Directors of Hydro One. Furthermore, new Ontario Premier, Doug Ford, spoke at an event called "Hydro One Accountability and Transparency" and effectively stated he will violate governance policies as he sees fit.

"Q: Loriggio: You've said many times – this is for the Premier – that you are pro-business and pro-market but you've now proven that you are willing to interfere quite dramatically with a private company. Is that the message you are sending to private business? They will be taking a strong arm approach for the next four years?"

Premier Ford: Let's be very clear. Hydro One is not a private company. We are the largest shareholder and our responsibility and the Minister's responsibility is to stand up and speak out for the shareholders. And that is exactly what we have done. As they continue to increase their salaries and people are struggling to pay their hydro rates and as we criss-cross this province and we talk to residents and we talk to business owners the number one issue was hydro rates. It made us uncompetitive in business. People were struggling to pay their hydro bills. As I said, they were choosing between heating and eating. And we made the appropriate changes. This is going to be great for the rate payers, business and residents across this province. There is going to be a lot more transparency and accountability. There is not going to be any more backroom deals that the compensation gets doubled, the compensation increases. Those days are done. The last cheques of the Wynne Liberals are done. There is a new day has dawned on Hydro One, as I said, and we are going to move in a positive direction and we will never forget to respect the taxpayers."

Link to event: <https://news.ontario.ca/opo/en/2018/08/ontario-acts-to-improve-accountability-and-transparency-at-hydro-one.html>

Link to tweet: https://twitter.com/bowker_john/status/1041473437179539456

To be crystal clear, Premier Ford is looking out for Ontario ratepayers and will have absolutely zero regard for Oregon ratepayers. If he needs to raise rates for Oregon ratepayers to subsidize Ontario ratepayers, he will clearly not hesitate to do so. Having Premier Ford in control of an Ontario owned public company that will also own a Oregon state utility company is dangerous for Oregon ratepayers. This transaction is not in the best interest of Oregon ratepayers and could lead to disastrous consequences down the road should you approve the transaction. I urge you, for the sake of Oregon ratepayers, to reject this transaction.

Respectfully,
Mark Ehlinger

*****Please use caution when opening links, attachments or responding to this email as it originated outside of PUC.*****

Hydro One Limited
483 Bay Street
8th Floor South Tower
Toronto, Ontario M5G 2P5

Tel: (416) 345 1366



James Scarlett
Executive Vice President and
Chief Legal Officer

December 3, 2018

SENT VIA EMAIL

Mr. Matt Muldoon
Ms. Johanna Riemenschneider
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088

Dear Mr. Muldoon and Ms. Riemenschneider,

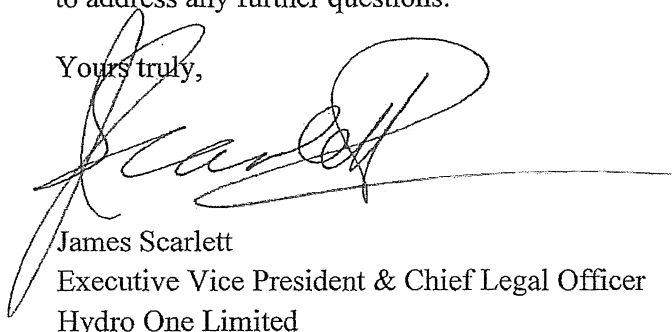
On the evening of Friday November 30th the Toronto Globe & Mail newspaper published an article related to Hydro One's CEO selection process. We have enclosed this article in the spirit of ensuring that the Public Utility Commission of Oregon (OPUC) is apprised of any media activity related to our merger application.

The article is based on anonymous sources who have clearly provided inaccurate information to the media. We have elected not to comment. The selection of the CEO is a highly confidential matter and our board of directors is in the final stages of our CEO appointment process and does not wish to engage in a public discussion before a candidate is selected.

Our submissions and testimony continue to reflect the fact that our board is independent and has not had any interference from the government since taking office in August of this year.

We are also including another newspaper article posted this morning by the National Post for ease of reference. We will continue to notify the OPUC of any further media developments and would be pleased to address any further questions.

Yours truly,



James Scarlett
Executive Vice President & Chief Legal Officer
Hydro One Limited

Ford, Hydro One at odds over CEO

The Globe and Mail

December 1st, 2018

Author: ANDREW WILLIS, KAREN HOWLETT

Ontario Premier Doug Ford is in a standoff with independent directors on the Hydro One board over who will be the utility's next CEO. The outcome of the fight is expected to determine the future direction of the company that transmits electricity in the province.

The six independent directors on Hydro One's 10-person board want to select the next boss from one of three former senior executives at British Columbia's electrical utilities, according to government officials, industry executives and lawyers working for Hydro One. The three candidates are all women. The strongest contender is said to be former B.C. Transmission Corp. CEO Jane Peverett.

Other hopefuls include former BC Hydro executive Janet Woodruff and former BC Hydro CEO Jessica McDonald, who is currently an independent director on the Hydro One board.

Hydro One is looking for a new leader after Mr. Ford forced out former CEO Mayo Schmidt over what the Premier claimed was an outsized \$6.2-million annual pay package during Ontario's election campaign last spring.

The entire Hydro One board, which included Ms. Peverett, resigned after Mr. Ford was elected. The new board, with four members chosen by the province and six directors named by Hydro One's institutional shareholders, was announced in August.

Mr. Ford has his own favoured candidates to lead Hydro One, including current Toronto Hydro CEO Anthony Haines, according to government and industry sources. Hydro One executives declined to comment on the CEO search. Mr. Ford is a former Toronto city councilor and worked closely with Mr. Haines in the past. Mr. Haines declined comment. He has been running Toronto Hydro for nine years - he was appointed by former Toronto mayor David Miller - and made \$1.1-million last year.

Two sources familiar with the situation said Hydro One's board rejected Mr. Haines at a recent meeting, with all six independent directors voting against and the four government-appointed directors voting in favour. Despite the vote, the Premier's chief of staff, Dean French, continued to exert pressure on the board to appoint Mr. Haines as CEO, according to the sources.

"As a private corporation, the board of Hydro One is responsible for their own hiring decisions," said Simon Jefferies, the spokesman for Mr. Ford. In an e-mail, he said: "Following years of outrageous Liberal scandals and \$6-million salaries, the government for the people has taken measures to improve accountability and transparency at Hydro One. This includes a legislative provision to approve a responsible and reasonable compensation package for the CEO the board selects, which we will be proceeding with in the near future."

Tiziana Baccega Rosa, a spokeswoman for Hydro One, said the company had no comment.

Hydro One's independent directors are looking at CEO candidates with Western Canadian experience at a time when the utility is in the midst of a \$6.7-billion takeover of Avista Corp. The U.S. company runs electrical and gas transmission networks in Idaho, Washington State, Oregon and Alaska, states that buy

and sell power with British Columbia. The Ontario government owns a 47-per-cent stake in Hydro One after the utility was partly privatized by the previous Liberal regime.

Hydro One's six independent directors have hired Bay Street lawyer Vincent Mercier at law firm Davies Ward Phillips & Vineberg LLP, to advise them on dealing with Ontario's Progressive Conservative government. Mr. Mercier declined to comment on his role. He was also the lawyer to Hydro One's former directors, all of whom stepped down in July following Mr. Ford's election.

In addition to help on the CEO search, Hydro One board members want guidance on how to deal with potential political interference, according to lawyers who work for the utility and its employees. Mr. Ford and members of the Premier's staff are attempting to appoint a CEO and set strategy despite legislation put in place by Ontario's previous Liberal government that explicitly states the province will act as an investor in Hydro One and not get involved in the company's affairs.

The Progressive Conservatives have already introduced their own legislation, known as the Hydro One Accountability Act, which gives the Premier a veto over executive pay. The act also requires the company to disclose what it plans to pay senior executives, something the new board has not done. Government and industry sources say anyone agreeing to be Hydro One's CEO at the current time would be taking the job without knowing the compensation.

The PCs are said to favour offering the next Hydro One CEO a pay package in the \$400,000-to-\$600,000 range, according to sources in the government.

Kelly McParland: Ontario Premier Doug Ford should focus on the deficit and leave Hydro One alone

If Ford wants to prove allegations against him — that he's bully who wants his own way — he couldn't do better than to turn Hydro One into a political pawn



Ontario PC Leader Doug Ford announces his intention to fire the CEO as well as the entire board of Hydro One, in Toronto, Ont. on April 12, 2018. Stan Behal/Toronto Sun/Postmedia Network



Kelly McParland

December 3, 2018

8:39 AM EST

Ontario Premier Doug Ford has a really good chance to send his young government's reputation and credibility straight into the dumpster. Having inherited a provincial power system that was grossly mishandled by two previous Liberal governments, he seems intent on doing the same with his own, young Conservative regime.

Ford might not be premier if not for the inability of premiers Dalton McGuinty and Kathleen Wynne to keep their fingers out of the affairs of the electricity business. McGuinty saddled it with a great heaping mountain of bad environmental ideas, which continue to siphon money from the pockets over overcharged Ontarians. Wynne went further, mismanaging its affairs directly from the office of the responsible minister, then selling off majority ownership in Hydro One in a deal that sacrificed rich annual payments for a one-time sum the government could immediately spend on voter-friendly projects.

The uproar over Hydro One contributed substantially to the collapse of Wynne's public support and the annihilation of the Liberals in June, when they fell from 55 seats to seven and Ford marched into office after just a few weeks as Tory leader. Bizarrely, he seems to have interpreted the result as evidence that voters weren't opposed to the meddling, just the meddler.

A report Friday indicated that Ford and Dean French — the chief of staff whose heavy-handed tactics have already won him an ugly reputation — are butting heads with the Hydro One board over who gets to be the next chief executive. Six independent board members reportedly want one of three women who each have extensive experience in British Columbia, deemed important because Hydro One is in the midst of buying a U.S. power company with extensive activities in the U.S. west. Ford, via the four board members appointed by the province, wants someone else, possibly Anthony Haines, chief executive of Toronto Hydro.

If Ford deliberately set out to prove all the worst allegations against him by his most vociferous opponents — that he's a stubborn, impulsive bully who wants his own way no matter how ill-considered or under-informed — he couldn't do better than to turn Hydro One into a political pawn to be jerked around by a bunch of appointees linked to the premier's office.

He's already wandered a considerable distance down that path by allegedly allowing French to throw his weight around with all the subtlety of a crowbar. Alykhan Velshi, a former chief of staff to Patrick Brown, Ford's predecessor as Tory leader, was hired in September as a vice-president at Ontario Power Generation, the utility that produces the power Hydro One distributes. On his first day at work he was informed he'd been fired, and officially left the job

on Friday, reputedly at the insistence of French. Though Ford denied media reports of French's involvement, no alternative explanation has been offered, or details on the hefty severance Velshi is said to be due for a few weeks' work.

"As a private corporation, the board of Hydro One is responsible for their own hiring decisions," a spokesman for Ford insisted, though the premier says he hasn't asked French about the claims.

If Velshi's main crime was his association with Brown it would surprise no one. Ford is not fond of Brown, who was forced from the leadership after allegations of sexual misconduct he denies. When Brown tried for a quick political comeback with a run for office in Peel Region, Ford cancelled the vote. Instead Brown ran for mayor of Brampton, a thriving municipality west of Toronto, and won an upset victory in October. Just days after the election he publicly berated the premier for spiking a planned construction project in Brampton as part of the province's efforts to reduce spending.

If it all sounds like the plot line of a Netflix political intrigue, perhaps it's not a surprise. Ford came to office amid assertions — both from media and opponents — that he had little understanding of the office or the job, and was too used to getting his way. As a wealthy businessman in a family firm, he wasn't accustomed to being challenged, or listening to advice outside his circle of comfort. His short stint as a Toronto city councillor did little to challenge that view.

Treating Hydro One like an offshoot of caucus would go a long way to confirming the charges. Though the province owns a large minority share and has four seats on the 10-seat board, the utility is meant to operate independently, as well it should. Ford attacked it relentlessly throughout last spring's campaign, focusing his complaints on chief executive Mayo Schmidt, who he dubbed "the six million dollar man" over his healthy pay package. Axing Schmidt was one of his earliest actions as premier.

Schmidt served as proxy for Ontarians' belief that the power business had careened out of control after years of political meddling. The Liberals weren't the first to interfere with Hydro One and OPG, but they took the practice to new levels, with ambitious green energy plans that proved ill-considered and immensely costly, pushing up bills to thousands of customers. Ford is badly mistaken, though, if he thinks voters wanted to replace Liberal interference with Tory interference. What they want is a well-run, independent, professional operation that makes decisions based on the best and most effective means of providing affordable power. They don't want a premier who thinks he knows more about power generation than the people who spend their lives in the business.

Ford has his hands full trying to wrestle down the mammoth deficit he inherited. The outcry that has met his first few modest attempts demonstrates how tough it will be. He'd be better off focusing on the job he was elected for, rather than messing with utility that needs to be left to get on with the job.