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Michael Latimer
President and Chief Executive Officer
and
George Cooke
Chair of Board of Directors, OMERS Administration

One University Avenue
Suite 400
Toronto ON M5J 2P1

RE: OMERS Potential Investment in a Privatized Hydro One in Ontario

Gentlemen,

I write today as a member of the OMERS pension plan for _____ years, employed at _____ . I am proud and very grateful to be a member of a strong, defined-benefit, workplace pension plan, and I appreciate the due diligence and hard-work put in by many to ensure that the deferred wages of workers like myself are well invested and managed to provide for an big piece of my and so many other people's retirement security.

I am, however, concerned about reports in the media about the possibility of my pension plan using, in part, my money, to buy shares in a privatized Hydro One in Ontario.

As a public sector worker, as an Ontarian, and as a proud member of my community who understands the fundamental importance of our public hydro transmission and distribution system, I am wholeheartedly against the sale of Hydro One. Evidence from around the world shows that the current plan by the Liberal government makes no sense. The price of power for me and my friends, neighbours and family members, as well as businesses large and small, will increase. We'll lose control over this vitally important lever of our provincial economy. The reliability of our system that we take for granted today is at risk. And the economics behind the plan make no sense for us collectively as a province.

I understand that OMERS, as a private investor, is primarily concerned with returns on investment and delivering its pension promise. I understand why a guaranteed return of 8% or 10% could be seen to benefit our pension plan. But this kind of short-sighted thinking is exactly what has brought damage to our economy across the board. This isn't a matter of returns alone – there are much bigger issues at play.

OMERS owns or co-owns many business ventures in the province. What will happen to those investments when hydro prices spike as they have in every other jurisdiction in Canada and around the world after this kind of asset sale?

Many plan members work for local power distribution companies, like Toronto Hydro, Sudbury Hydro, London Hydro, etc. This proposal puts these municipally owned distribution companies in danger of being sold to the private sector next. And as Ed Clark himself has said, private sector discipline will be applied to make these workplaces more “efficient” and “effective”. These are code words for decreasing the number of workers employed by the utility, thereby decreasing membership in the OMERS plan itself. Aren’t there responsibilities that you and others in the plan share to grow the membership in our plan?

And there is very much the issue of reputational risk to be considered with any involvement or perceived involvement in purchasing shares in a privatized Hydro One. Many organizations, unions, community groups, municipal councils, federal and provincial politicians, and everyday Ontarians, have spoken plainly and strongly against the sale of Hydro One. Some of these groups have said they intend to fight the sale of Hydro One up to and including directing their attention to any potential investors in a system they, and I, believe should continue to be held collectively in the public’s hands. Why would OMERS risk its reputation being tied up in this political fight that, in the end, could damage the reputation of our plan?

For all of these reasons and more I ask you to keep OMERS far away from any possibility of investments in what might be an initial public offering in Hydro One, or in any way owning, directly or through any subsidiary, any shares in a privatized Hydro One.

Sincerely,

c.c.: Brian O’Keefe, CUPE SC Representative
Tim Maguire, CUPE AC Representative
Darcie Beggs, CUPE AC Representative
John Weatherup, CUPE AC Representative
Fred Hahn, CUPE Ontario President