June 16, 2009

All Ontario Municipalities

Attention: Clerk

Subject: Ontario’s 2009 Budget – Harmonized Sales Tax Affects Electricity Rates Starting July 1, 2010

Please be advised that Council for the Town of Innisfil adopted the following motion on June 3, 2009 under Council Resolution No. CR-249.09 and is seeking support from all Ontario Municipalities.

WHEREAS Ontario’s 2009 budget has proposed to harmonize sales taxes the implementation of which will apply to electricity rates starting July 1, 2010 having the effect of increasing electricity rates by 8% across the Province; and

WHEREAS The Electricity Act, 1998 has provided for the imposition of a debt retirement charge of .7 cents/kWh to be paid by consumers until the residual Ontario Hydro stranded debt is retired, likely to be achieve between 2014-2018; and

WHEREAS this double taxation will provide undue hardship to the residents and business of Ontario.

NOW THEREFORE BE IT RESOLVED THAT the Province of Ontario be requested to exempt electricity sales from the provincial portion of the single harmonized sales tax at least until the stranded debt of Ontario Hydro is fully retired; and

FURTHER THAT this Resolution be forwarded to all Ontario Municipalities for their support; and

FURTHER THAT this Resolution be forwarded to the Premier, Deputy Premier, Minister of Finance, Minister of Energy & Infrastructure, the Minister of Municipal Affairs and Housing and AMO.
The support of your Council for this resolution is requested.

Yours truly,

[Signature]

John D. Leach, MPA, AMCT
Clerk
JDL/kc

Cc  Mayor, Deputy Mayor & Members of Council
Premier Dalton McGuinty
Deputy Premier & Minister of Energy & Infrastructure Hon. George Smitherman
Minister Finance Hon. Dwight Duncan
Minister of Municipal Affairs & Housing Hon. Jim Watson
AMO