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## Markham vote clears way for regional electricity merger

In a 7-6 vote, Markham council endorses merger that will see creation of a new provincial energy distribution company, MergeCo.



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Residential customers of the new company, MergeCo, are estimated to be in line for \$24 to \$30 of savings a year on average.

By: [Noor Javed](#) News reporter, Published on Fri Nov 20 2015

Markham council has voted to endorse a multimillion-dollar deal that will see the creation of the province's second largest electrical distribution company, which will serve almost a million customers in six municipalities.

At a marathon council meeting that started Thursday evening and ended early Friday, a deeply divided Markham council voted 7-6 to accept the plan to merge its local distribution company, PowerStream, with two others and invest up to \$47.3 million to acquire another and form MergeCo.

"I am going to support the merger," said regional Councillor Jim Jones, who broke the long-standing tie vote, while admitting he met with the provincial energy minister, Bob Chiarelli, two weeks ago to discuss the merger. "I am not a destroyer of deals, I'd like to think of myself as a builder."

In April, the province announced a plan to have PowerStream, Enersource and Horizon Utilities merge and acquire Hydro One Brampton for \$607 million. The merger required support from all parties. Barrie, Vaughan, Mississauga, Hamilton and St. Catharines had endorsed the deal earlier in the fall. Markham was the last vote remaining.

"I am pleased that each of the municipalities involved was able to recognize these benefits, and the value that this new company will bring to electricity consumers," said Chiarelli in a statement Friday.

"We will now proceed towards completion of the merger agreement and the associated application to the Ontario Energy Board for the creation of the new company."

Markham councillors and staff had been mulling the decision for months, and despite dozens of in-camera meetings, had failed previously to come to a consensus.

"We have to ask why have all the other cities approved this deal unanimously," said pro-merger Councillor Colin Campbell, who added that even small savings would be well-received by taxpayers. "If we say no, we will have others who say Markham doesn't reach for the top . . . and won't want to do business with us."

Most of those opposed said it just wasn't good enough for customers.

"From what I have learned, this is a huge and confusing deal," said deputy mayor Jack Heath, who sits on the PowerStream board. "And I don't think it brings enough benefit for the citizens of Markham."

The approved merger now requires approval from the Ontario Energy Board. The estimated closing date is March 31, 2016.