



ISSN 1180-4335

Legislative Assembly
of Ontario
Second Session, 38th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Wednesday 22 November 2006

Journal des débats (Hansard)

Mercredi 22 novembre 2006

**Standing committee on
government agencies**

Agency Review:

Hydro One

Liquor Control Board of Ontario

**Comité permanent des
organismes gouvernementaux**

Examen des organismes
gouvernementaux :

Hydro One

Régie des alcools de l'Ontario

Chair: Julia Munro
Clerk: Tonia Grannum

Présidente : Julia Munro
Greffière : Tonia Grannum

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Copies of Hansard can be purchased from Publications Ontario: 880 Bay Street, Toronto, Ontario, M7A 1N8.
e-mail: webpubont@gov.on.ca

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'Index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Des exemplaires du Journal sont en vente à Publications Ontario : 880, rue Bay Toronto (Ontario), M7A 1N8
courriel : webpubont@gov.on.ca

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 22 November 2006

Mercredi 22 novembre 2006

The committee met at 1004 in room 228.

AGENCY REVIEW

HYDRO ONE

The Chair (Mrs. Julia Munro): Good morning. I'd like to call the committee to order. If you look at your agenda, we're looking at the draft of the Hydro One report. I think we're on page 11. If we go to page 11, any questions?

Mr. John Milloy (Kitchener Centre): I apologize. I wasn't here last week. We're starting with recommendation 18, are we? I just wanted to get—

The Chair: Any comments or questions on that section?

Mr. Milloy: Sorry, Madam Chair. I'm just getting my head around where exactly we are. Recommendation 18, "That Hydro One recover the cost of upgrades to the transmission system that facilitate renewable access through system charges": Is that where we are? We're just going to start right in and talk about the recommendations? Okay. I have no trouble with the thrust of that recommendation, but the fact is that the Ontario Energy Board would have to be involved in terms of allowing Hydro One to have that sort of approach. I'm wondering whether we could just say, "That Hydro One work with the Ontario Energy Board to find ways to recover the cost of upgrades." That would be a suggestion to clarify the role the OEB would have to play.

The Chair: Comments?

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke): I'm not sure about working with the OEB, but it is within the authority of the OEB to determine how they're going to recover those costs. I'm not sure it's a directive making it Hydro One. John Wilkinson made comments that we were stepping outside the boundaries of Hydro One on a number of the recommendations in the report. I'm not sure how we go about it. Hydro One could certainly work with the OEB to analyze possible alternatives to generator hookup as the way to recover costs and report back to the committee with some suggestions perhaps. I don't think we're in a position to direct Hydro One on how to recover the costs, because we don't have that authority.

The Chair: Perhaps I could take us back to where we left off specifically on that recommendation. I'll ask Mr.

Johnston to give you the suggestion we had been discussing on that.

Mr. Yakabuski: That would be great.

Mr. Larry Johnston: I believe, when we ran out of time last week, the members were discussing changes to the wording to the effect that Hydro One examine the feasibility and cost of recovering the cost of upgrades to the transmission system through system charges rather than through generator hookup charges.

Mr. Yakabuski: That jogs my memory. I thought we had talked about this recommendation a little bit. I think we had almost agreed that we'd be satisfied with that recommendation.

Mr. John Wilkinson (Perth–Middlesex): I think that would solve the problem of the OEB.

Mr. Yakabuski: Yes.

The Chair: Any further comments? All right.

If we look further down the page, I'll ask staff to give us the background for recommendation 19.

Mr. Johnston: It is just continuing the discussion of Hydro One's standard offer program. Hydro One officials told the committee that since March there have been more than 400 requests and that there is a six-month backlog in processing these requests, despite a tenfold increase in the resources devoted to this area.

The possible recommendation is number 19, "That Hydro One dedicate more resources to meeting the response to the standard offer program and consider ways of streamlining the processing of requests."

The Chair: Any comments?

Mr. Yakabuski: Is Hydro One getting these requests? That's not really how the standard offer program works. They don't directly request Hydro One, do they?

1010

Mr. Wilkinson: Actually, if I could provide some clarity to my good friend, the process is that the individual farmer, say, doesn't go to the OEB. He's got to go to Hydro One, because Hydro One's got to say, "Will your line work? If not, it needs to be upgraded. Where would you connect?" Sometimes there's disagreement about what the closest connection is, what line has to be upgraded. As a result, Hydro One is part of that process of telling the farmer, "This is what we need for you to connect into our grid in a sustainable way."

The good news for all of us from rural Ontario is that the demand is there, that our local, rural communities want to be part of providing green, clean renewable

energy into the grid. This recommendation—we probably have all-party support—is that Hydro One should not be stifling that by saying, “Well, we have a resource issue. We can’t get back to you on this. Get in the queue.” I support this.

Mr. Yakabuski: I understand. But the response to the standard offer program should be something in which the OPA is directing Hydro One, saying, “We’re going to have to dedicate more resources, whether they be human and/or financial, to be able to handle this.” Given that the standard offer comes out of the OPA, they should be directing Hydro One and preparing them for it. They know what the expected response is. I’m not sure it is our job to tell Hydro One how to handle the response to the standard offer program. That’s something that the OPA should be doing.

Mr. Howard Hampton (Kenora–Rainy River): Can I suggest a little different wording? I think the second part of this recommendation is the most germane: that Hydro One “consider ways of streamlining the processing of requests” related to the standard offer program. The second part of the recommendation I would make “and that Hydro One examine the feasibility and the cost of dedicating more resources to the processing of standard offer program requests.”

I keep going back to what we heard from Hydro One. They basically said, “We do not have enough trained people and we’re having trouble getting trained people.” You’ll remember the back-and-forth that got into with the Society of Energy Professionals, who said, “Yes, you don’t have enough trained people, and the trained people you’ve got you’re not treating right.” This issue here—what resources do you have and where do you put the resources?—to a large degree goes to the core of the challenge that Hydro One is having. I think we should ask them, how would you streamline the process and what’s the feasibility and cost of devoting more resources to this?

I think we’re well within our position as a legislative committee to ask for that information. They may come back and say, “This is going to cost a certain amount of money and it will require us to hire this many more engineers and this many more that,” but I think we would want to know that and the government would want to know that, and the public would probably want to know it.

Mr. Yakabuski: Have we got the wording of that recommendation? I didn’t sense any problem with that recommendation. Could I get the wording?

The Chair: We can ask Mr. Johnston to do that.

Mr. Wilkinson: Chair, just to add anecdotally, talking to my rural constituents, particularly some of our farmers who are behind us, there is an increasing awareness at Hydro One because of these requests. The initial response they were getting was, “What’s a standard offer contract?” Actually, out in the field they were getting that response. There has been a huge education process about matching supply and demand, I believe to the point about the need to have people who are getting qualifications in

how to interconnect a line that isn’t just going one way—in other words, bringing electricity to my farm—but actually sending it back. I believe we’re getting some resources into Lambton College, which is moving ahead on training up more electricians who understand the unique requirements of connecting to the grid. A lot of that’s coming back anecdotally from a lot of people in our riding who have been connecting small energy projects to it.

I find nothing wrong with the suggestion from my friend from Kenora–Rainy River. I think it gets under Hydro One’s purview and also helps bring our assembly focus that they need to be dealing with this.

The Chair: Thank you. I’ll just ask Mr. Johnston to highlight what the suggestion was.

Mr. Johnston: The recommendation, if I understand it correctly, would now read as follows: “That Hydro one consider ways of streamlining the processing of requests related to the standard offer program and examine the feasibility and cost of adding more resources to the processing of standard offer requests.”

The Chair: Okay? All right. We’ll move on to the next section: “Service to the Agricultural Community.” Mr. Johnston, you have a few words to say about that.

Mr. Johnston: I’ll just note that representatives of the farm community told the committee of the importance, that they comprise more than 10% of Hydro One’s distribution revenue base. They also told that committee that, in their view, Hydro One has become more customer-oriented, more open and transparent, and has changed in several important ways to better integrate the views of its customers. However, they did note that Hydro One does not have a farm account representative to serve the agricultural community, so recommendation 20 is “That Hydro One provide a 1-800 line for farmers to connect with service representatives who are familiar with farm issues.”

The Chair: Any concerns? Any comments?

Mr. Hampton: Could I just suggest an addition? There are farm electricity issues and there are rural electricity issues. They’re similar, but they’re not the same. Wide swaths of this province are rural but are not necessarily farm-oriented, and they have very real electricity issues. Many of them are at the end of the transmission and distribution lines, so there are issues of reliability. There are also issues of the quality of electricity in that many of them are single-phase power, which does not allow you to operate certain kinds of equipment. A lot of energy-efficiency equipment could not be operated on a single-phase electricity system.

I would urge that Hydro One provide a 1-800 line for farmers and rural residents to connect with service representatives who are familiar with rural and farm electricity issues. I don’t so much want somebody who knows the price of beef or somebody who knows how to get a moose tag—those are rural and farm issues—but I think Hydro One does need to have people who understand the electricity issues of rural and agricultural Ontario, and they don’t right now.

The Chair: Comments?

Mr. Wilkinson: If I could add to the discussion—in my opinion it is important for Hydro One reps to understand, since agriculture is such a big business. When you have a typical chicken barn with 25,000 chickens in it, the second the power goes out, they start dying within 38 seconds. That's a multi-million dollar investment. Of course, they all, wisely, have backup generators. No one is guaranteed a reliable source of power 100% of the time; it's just the nature of lightning storms and all that type of stuff. But it's their ability to understand that this isn't just some small operation down the street and they'd like to have the lights on, that this is huge economically. I have heard from my farmers some frustration at the other end, that they didn't understand that. But I take the point from Mr. Hampton about the fact that Hydro One serves rural Ontario. They should be sensitive to rural Ontario. It is their number one—

Mr. Yakabuski: Customer base.

Mr. Wilkinson: Customer base, absolutely.

Mr. Hampton: They also get to charge the big rates to rural Ontario.

1020

Mr. Yakabuski: I would concur with the recommendation.

The Chair: As it is or as it has been proposed?

Mr. Yakabuski: As amended.

The Chair: I'd just call your attention to number 21 on the next page.

Mr. Yakabuski: The only thing I would like to add is that there is no—oh, sorry. There is something in the next part about stray voltage.

The Chair: I only draw your attention to that in questioning whether recommendation 20 as it stands is appropriate, given 21, or if you'd want to change 21 to the suggestions Mr. Hampton has made.

Mr. Yakabuski: I think they're both fine. One establishes the ability for someone in a rural or farm setting to connect directly with someone who is familiar with their issues, and 21 is more general about how Hydro One addresses rural issues, both today and in forward planning. I think they're both fine.

The Chair: All right. Is it the wish of the committee to go with the adjusted recommendation number 20?

Mr. Yakabuski: Yes. We don't want somebody from rural Ontario calling in and being told, "Sorry. This is just for the agricultural community." We want the rural included in the 1-800.

The Chair: Thank you. We'll look at the text, then, leading up to the next recommendation.

Mr. Johnston: A variety of other issues were raised to the committee by representatives of the OFA. These included matters such as stray voltage, line losses, the possibility of allowing private suppliers to provide some types of service when Hydro One's own crews are backlogged and concerns about the need to add three-phase lines so farms can send power to the cities as well as draw it from large power plants. The recommendation that attempts to address all of these concerns is number

21: "That Hydro One be encouraged to include the needs of Ontario's farm and rural business sector in its forward planning, as well as the future capacity of Ontario farms as an important source of renewable energy."

The Chair: Comments? Any comments or concerns? Okay. Let's move on, then, to the text for "Planning for Climate Change."

Mr. Johnston: The Environmental Commissioner presented data that since September 2005, Ontario has experienced six severe storms with a total loss of service of 683,000 customers; the three storms in 2006 have averaged 140,000 customers with lost service. The Environmental Commissioner is clearly of the opinion that these kinds of trends will continue in the future and perhaps be exacerbated by other effects of a warmer climate. Therefore, in the Environmental Commissioner's view, Hydro One needs to do more planning to accommodate the effects of climate change.

Recommendation 22 reads "That Hydro One develop and adopt a strategy for adapting to climate change in order to increase the reliability of the system by taking proactive measures in anticipation of future problems."

The Chair: Any comments?

Mr. Milloy: This is more of a drafting comment. There's something about the use of the term "and adopt." If you said just that Hydro One "develop a strategy"—it's the "and adopt" makes it sound very static. I'm assuming that everyone on the committee thinks they should be constantly developing an ongoing strategy to deal with it. It's a minor change, but I just suggest dropping "and adopt," but more for drafting purposes.

Mr. Yakabuski: Sorry, John. I was reading an e-mail. I apologize.

Mr. Milloy: I just suggested that it say that Hydro One "develop a strategy" for adapting to climate. The "and adopt" seemed to be a bit—

Mr. Yakabuski: I can live with that.

The Chair: Okay. Let's move on, then.

Interjection: Is that the last one?

The Chair: That is the last recommendation. Are there any problems with any text on the last page? If not, this concludes the review of this draft of the Hydro One. We will be looking at reviewing it again as the next draft is available to us.

LIQUOR CONTROL BOARD OF ONTARIO

The Chair: We move on to look at draft 3 on the LCBO. We're looking at draft 3 and the inclusion of an introduction. I think the first change is on page 11, merely a reference being made to the source for the hierarchy of recycling. Then, if we go to page 12 and 13, we see the beginning of some changes. I'd ask Ms. Hull to walk us through some of these.

The Chair: I'm sorry. Ms. DiNovo?

Ms. Cheri DiNovo (Parkdale-High Park): Just a question coming out of our last discussion: I seem to remember that there was some discussion. Smith and myself and I think others were wondering about the

inclusion of this information at the front rather than in the index.

The Chair: That conversation was actually with regard to the lottery and gaming.

Ms. DiNovo: Oh, right. Sorry. The coffee hasn't kicked in. Thank you.

The Chair: Just as a reminder, of course we're looking at draft 3, so we have been through all of the text. But the conversation was on lottery and gaming.

Ms. DiNovo: Thank you, Madam Chair.

The Chair: Mr. Milloy?

Mr. Milloy: I had two quick comments that relate to the section before page 11. I'm looking for your direction about when I could make those. They're not huge comments, if now is the time.

The Chair: Now is the time.

Mr. Milloy: Actually, I'm picking up on my colleague's comments. The first is on pages 5 through 9, the section that ends with "Discussion and Recommendations," which has some background information: income statements, board of directors etc. To echo my colleague's point, perhaps referring to a different report, the question is whether that should be put in an appendix at the back so we move right to the "Discussion and Recommendations"—not to remove it from the report, but just to reorganize it. I had one other comment, but I'll hold it for a sec.

Ms. DiNovo: I know this is a form question, but I would tend to agree. In light of our conversation around the gaming commission, this is a very similar sort of report in some ways. If we took this piece out and put it at the back rather than the front, it would be more readable.

1030

Ms. Laurie Scott (Haliburton–Victoria–Brock): I don't think anyone here has done an agencies review. The researchers were going from the format they had used previously. Maybe we should leave this in the format in which they've set it up for now, and then as we go on and interview more agencies, maybe we can tell them ahead of time to change some of the format. I think it's difficult in the middle of the process, where we weren't clear before about where to put sections in the reports. Maybe it's for the next time when we do agencies and interview them. The researchers may want to comment on how to present it. The content is all the same; it's just creating a lot of extra work for them. Maybe it would be fair to say that from this point forward, we can change how we'd like the material presented and the order we'd like to present it in.

The Chair: Any further discussion?

Mr. Milloy: Just to clarify, I'm just talking about taking from 5 to the end of 9 and putting it in an appendix, not rewriting anything. It would just be cut and paste and stick it in the appendix, not a rewrite. I don't know. If research is following a particular pattern or a particular—

Ms. Hull: I'd like to suggest keeping the structure and organization of the board in the front section, because then the appendix will be strictly financial information.

The Chair: Ms. DiNovo?

Ms. DiNovo: I would be fine with that. This just draws from our work in this committee on another report. Obviously, it certainly was the will of the committee at that point to make that move. If our legislative researchers are happy with—I don't want to weigh them down with more work, but if it can be done with a minimum amount of work, let's do it.

Ms. Hull: I would just like to add that one of the reasons for putting some of this in the front is because it's very positive information. Seeing the very high dividends paid by the LCBO to the province, we thought that was, in part, a way to respond to the concerns that the reports were too negative. OLGC and LCBO are obviously very profitable organizations for the province, and it's a way to draw attention to those facts.

Ms. Scott: I would like to leave the order of the report the way it has been prepared, for the reasons brought forward by the researchers, if that's possible.

Mr. Milloy: I see Ms. DiNovo nodding her head. If that's the will of the committee—it's just a matter of the organization, not the content.

I did want to raise one other point on page 9: "The LCBO is now frequently cited as a leading exponent." The word "proponent" might be more suitable. That's more just a—

The Chair: I'm sorry. Could you just say where that is?

Mr. Milloy: On page 9, the second-last paragraph, beginning with "The LCBO is now frequently cited..." I thought the word "proponent" might be more suitable.

The Chair: If I might exercise a little liberty as the Chair, I would just suggest that with the contents page we have in this particular draft, it's very clear: the differences of the first pages in terms of what they are, and then the second, beginning on page 9, the discussion and recommendations.

Ms. DiNovo: I'm not vested in this. I just thought, coming out of the other meeting looking at the other report, that there was some logical continuity there. But I like Ms. Hull's explanation. Of course we want to laud the work of the LCBO. I'm not vested in it and I'm happy to let it stand.

The Chair: Okay. Are we ready to go to pages 12 and 13, where we have changes made? Ms. Hull, I'll ask you to say a few words.

Ms. Hull: The remaining changes are really just for ease of reading. The change on page 12 was strictly because that sentence was quite awkward. It still is a bit awkward, but I think it's a bit better now.

The Chair: I'll just read the sentence. "The LCBO noted that the use of aseptic beverage alcohol containers, a reduce strategy, has only emerged in the past year and therefore no data yet exists on their recycling potential." Sometimes it does require a little attention to get through

that, but I think that reflects what our conversation was at the time.

Let's look at page 13, again rewording: "The committee therefore recommends that: Consideration be given to designating the LCBO as a prescribed agency under Ontario's Environmental Bill of Rights." Again, this is consistent with our discussion.

If we go to our next change, number 3: "Blue boxes be made available at LCBO retail outlets until a deposit-return system is in place across the province."

Mr. Milloy: Can I make a friendly suggestion? I apologize, because I don't have any specific wording, but I think we all agreed that the section "The committee may wish to give further advice when details..." be removed. I apologize that I don't have any specific wording, but should we have a few sentences acknowledging the fact that the announcement has been made and that we're moving forward on the LCBO deposit situation, just a few general sentences to acknowledge it? I pose that in a friendly way. I don't have any words that I'm wedded to. Perhaps for the next draft, if people don't object.

The Chair: Did you have a comment to make?

Mr. Johnston: This raises another issue on which I hope to ask the committee's advice, similar to the point raised last week dealing with the OLG report: "The committee was informed that one of the members of the board was deceased." My concern is that, at the time of the review, that was not the case. The question is, does the report reflect the situation at the time of review or do we continue to revise the report as we are drafting it through the subsequent weeks? Of course, much has probably changed with respect to more than one of the agencies. This raises a question, does the report reflect what happened at the beginning of September or what has happened since as well?

The Chair: This does require our due reflection. Ms. Scott?

Ms. Scott: I think the report we're providing should reflect what we heard at the time. That's maybe why this was taken out originally. I'm trying to remember back. I think we should not go down that path. No disrespect, but I think we should just leave it as the time at which the committee heard the agency's testimony.

Ms. DiNovo: I would support that, and Mr. Johnston's comments. We could be involved in an endless rewrite here, but I think we need to reflect where we were. We're making changes, but not substantive change at this point. I'd like to see it stand as written.

The Chair: Mr. Parsons?

Mr. Ernie Parsons (Prince Edward-Hastings): We would agree. I think the report is a snapshot in time on the day we met with the agency, otherwise we would be revising up to the minute we table it in the Leg.

The Chair: Thank you. There being no further comments, we can go to the change on page 14. That, obviously, is the preamble for the recommendations on page 15. I'll ask Ms. Hull to take us through.

Ms. Hull: It's not as bad as it looks. I just moved the red section—I had the recommendations positioned in a

different spot in the previous report. The text is the same. The committee is welcome to look it over, but it's the same as it was before. I just moved the recommendations to the end of the section.

The Chair: The recommendations remain the same? I'd just ask for any comments. This takes us over to the top of 16, that whole section. Mr. Milloy?

1040

Mr. Milloy: Madam Chair, if I could. This is an organization suggestion. Regarding the section on page 15, "LCBO officials noted that private operators risked losing their licence if they sell alcohol to minors or intoxicated individuals..."—that paragraph that ends with the words "e.g., underage"—I'm wondering if it would make more sense for that paragraph to be on page 14 after the discussion of OPSEU officials. OPSEU officials at that point are talking about some of these issues, and it just seems to flow that we then—OPSEU touched on the underage, and then you have the LCBO response. It would just be a question of moving that paragraph over.

The Chair: Any other comments on that? I agree with you about the OPSEU paragraph—it's the first whole paragraph on 14—but the ones immediately below it refer to the agency stores.

Mr. Milloy: I'm suggesting that the LCBO response to the issue of selling alcohol to minors or intoxicated individuals follow the OPSEU paragraph, so we'd move 15 over. Then the next paragraph would be "OPSEU officials"—it would turn to the subject of agency stores.

The Chair: Ms. DiNovo, did you wish to comment?

Ms. DiNovo: I'm not vested in the paragraph organization, but after the OPSEU paragraph, it does start by saying, "LCBO officials responded..." so there is that. They're responding to OPSEU and then it just goes on. We might say, "LCBO officials also noted" or something, but it starts off with a response from the LCBO officials, so I don't really see the necessity to move things around at this point.

Mr. Milloy: Now I'm lost. I think my colleague may have misunderstood what I'm suggesting. I'm just suggesting the first full paragraph on page 15, which begins "LCBO officials noted" and ends with the word "underage," be moved to page 14 and follow the first full paragraph on page 14, which begins with "OPSEU officials argued" and ends with the words "these allegations." It would just move that paragraph over underneath, and that's it.

Ms. Scott: I'm fine with that if research is fine. It's a small technicality.

The Chair: Okay. So we're ready to move on. The recommendation: Essentially nothing has changed from the previous draft except that we look at what is the new number 6, and that takes us over to page 16 and the removal of an earlier recommendation. Any further questions or comments on that section? We're now at the middle of page 16 unless there are comments on that section.

Okay. Let's look at page 17. This deals with domestic small producers. There has been the inclusion of infor-

mation here. I'll ask Ms. Hull to talk about that, as well as the change in the committee's recommendation.

Ms. Hull: I was asked to make clearer the trade agreements that prevent the issuance of more off-site winery retail store licences, so I took this information—I don't know if you recall that I answered a number of questions in a separate document on the LCBO. I just took the information that had been presented to the committee there; that's in the middle of page 17, and that supports the now amended recommendation 8.

Mr. Milloy: Just a very minor suggestion, again a question of moving something. I suggest that the sentence "The CEO also highlighted the misconception that Ontario wine is 100% Ontario grown, when it is often blended" follow the information on the various trade agreements. It's just to move that down. It's just a question of organization.

Ms. Hull: It's the CEO of the Grape Growers of Ontario, though, not the CEO of the LCBO, so it follows from the grape growers' presentation.

Mr. Milloy: I was just saying to move that below the red, after "In response to the committee's request for further information...." section.

Ms. Hull: The point the CEO of the Grape Growers of Ontario is making, though, is a criticism of the LCBO. I could make it more explicit, but if it follows what the LCBO said, I don't see how it flows.

Mr. Milloy: Oh, that's the CEO of the grape growers.

Ms. Hull: Yes.

Mr. Milloy: Maybe we should say "The CEO of the Grape Growers of Ontario" in that sentence.

The Chair: If you look at the bottom of 16, it says, "However, the CEO stated that several outstanding issues prevent Ontario wines...." and then it lists those. That is the context in which that sentence stands. But I agree that changing it to "The CEO of the Grape Growers of Ontario" clarifies it. Any other comments?

So we're looking at the next section, dealing with the craft brewers. That's 18 and 19. The issue of space allocation is obviously the key one here. Ms. Hull?

Ms. Hull: Once again, all I've done here is move the sections in red on page 19. They had originally followed the recommendations because the recommendations had been made by Ontario Craft Brewers. Now that they're committee recommendations, I've just moved everything prior to the recommendations.

The Chair: Again, the recommendations themselves have not in any way changed. Any comments or concerns? Okay, let's move on to page 20. Very simply, what is now recommendation 13 becomes "That the LCBO continue to improve its social responsibility programs." The next one, 14, is "That the LCBO consider increasing the percentage of its budget devoted to social responsibility, approximately \$2.5 million at present." Any comments or concerns?

Then let's look at the top of page 21. Ms. Hull?

Ms. Hull: Once again, it's the same issue as before. I just moved the text to prior to the recommendation.

The Chair: Okay. The recommendation then is "That the LCBO develop a strategy to address the long-

standing problem of the sale of large quantities of alcohol to known bootleggers, in partnership with the Ontario Provincial Police and First Nations' police services."

On 21, recommendation 16 is just a numbering change.

1050

Then we're looking at page 23 and the recommendations as a summary. Any questions? I think there have been two or three changes from this—

Ms. Hull: Yes, right.

The Chair: I would just ask the committee, with regard to directions on the final changes, whether they would be satisfied to have this report go to the Chair or the subcommittee or the full committee.

Interjection.

The Chair: Yes, there are four relatively small changes. What would be your preference?

Mr. Parsons: Subcommittee.

The Chair: That's fine. Good.

Following on that, shall the final report be translated and printed? All in favour? Agreed.

Upon receipt of the printed report, shall the Chair present the committee's report on the Liquor Control Board of Ontario to the House and move the adoption of its recommendations? Agreed.

For the sake of Hansard, I need to ask you, shall the draft report on the Liquor Control Board of Ontario, as amended, be adopted? Then we're going to do the final checking through the subcommittee. All those in favour? Thank you.

COMMITTEE BUSINESS

The Chair: The other business we need to discuss is the question of timing for agency reviews during the winter recess. You may recall that the committee has chosen a number of other agencies to look at, so we need to seek the approval of the House to meet during the intersession period. I would ask you to consider when you might want to sit and how many days. Might I suggest, to begin the discussion, that we look at February as opposed to January?

Ms. Scott: February seems fine, but the subcommittee can make the final selection of dates to meet. Is that the process?

Mr. Parsons: We're leaning towards February 30 and February 31.

Laughter.

Ms. Scott: Excellent. I could be in favour of that.

The Clerk of the Committee (Ms. Tonia Grannum): We need to determine whether you're going to give the Chair authority to write to the House leaders to ask for time in the recess. If you want, then you can have a subcommittee meeting to determine those actual dates and report back to the committee, if that's what you wish.

Mr. Parsons: But in general parameters, we're looking at February. Yes.

Ms. DiNovo: If that needs a motion, I so move.

The Chair: Okay. I will write to the House leaders, and then we'll have a subcommittee meeting to look at actual dates, if that's fine.

Mr. Parsons: It's what we did last time.

The Chair: Yes.

On the other item, I call your attention to the two memos you have received: "Additional Information on 'Report Back' Mechanisms Employed in Previous Agency Reviews," as well as "Recommendations in Previous Agency Reviews." Take a couple of minutes to look at those. We'll look at the question of recommendations and then at the report-back. Do people have any comments with regard to the whole issue of recommendations based on previous agency reviews?

The Clerk of the Committee: I'd just like to mention—if I'm looking at the LCBO report, most of the recommendations are that the LCBO report back to the committee. In practice, I know that in the public accounts committee, when the report is tabled we send a copy to the agency and we would also send a copy to the minister. The clerk would send a letter to the agency saying, "Here's your copy of the report. Please note the recommendations contained in the report and please provide

responses to all the recommendations contained in the report to the committee by such and such a date." That seems to work really well. If there were recommendations for the minister to respond to, we would do the same thing, send the letter to the minister and flag that there are recommendations and that on all recommendations they should respond to the committee by a certain date." They seem to follow that practice, especially in the public accounts committee, so that would probably work really well in this situation as well.

The Chair: Any comments?

Mr. Parsons: That's fine.

The Chair: So we'll do that.

The other one is the memo you received—the ministry's on recommendations. That's a very similar kind of direction there, so I just wondered if you have any comments on that particular memo. All right. Then next week we'll go back to the OLG and look at the next—

Mr. Johnston: Draft 3.

The Chair: Yes, draft 3. We'll be looking at the OLG draft 3 and the Hydro draft 2 next week.

The committee stands adjourned.

The committee adjourned at 1058.

CONTENTS

Wednesday 22 November 2006

Agency review	
Hydro One	A-397
Liquor Control Board of Ontario.....	A-399
Committee business	A-402

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Chair / Présidente

Mrs. Julia Munro (York North / York-Nord PC)

Vice-Chair / Vice-Présidente

Ms. Cheri DiNovo (Parkdale–High Park ND)

Ms. Cheri DiNovo (Parkdale–High Park ND)

Mr. Michael Gravelle (Thunder Bay–Superior North / Thunder Bay–Superior-Nord L)

Mr. John Milloy (Kitchener Centre / Kitchener-Centre L)

Mrs. Julia Munro (York North / York-Nord PC)

Mr. Ernie Parsons (Prince Edward–Hastings L)

Ms. Laurie Scott (Haliburton–Victoria–Brock PC)

Ms. Monique M. Smith (Nipissing L)

Mr. Joseph N. Tascona (Barrie–Simcoe–Bradford PC)

Mr. John Wilkinson (Perth–Middlesex L)

Substitutions / Membres remplaçants

Mr. Jim Brownell (Stormont–Dundas–Charlottenburgh L)

Mr. Howard Hampton (Kenora–Rainy River ND)

Mrs. Linda Jeffrey (Brampton Centre / Brampton-Centre L)

Also taking part / Autres participants et participantes

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke PC)

Clerk / Greffière

Ms. Tonia Grannum

Staff / Personnel

Mr. Larry Johnston and Ms. Carrie Hull,
research officers, Research and Information Services