

Electric Utilities in Cleveland and Toronto

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Before the twentieth century, the political systems in Cleveland and Toronto placed few barriers in the way of private electric utilities. However, when those utilities became increasingly profitable and powerful, the governments initiated regulation and then, when this method failed, politicians sought to compete by developing municipally-owned plants.

Before World War I, the main users of electric power in both cities were businesses. Toronto businessmen trusted government to provide low electric rates while they distrusted control of power by private utility companies. Cleveland businessmen distrusted government control of enterprise more than privately-owned utilities.

Low-cost power from Niagara Falls was an important factor in the creation of the Hydro-Electric Power Commission of Ontario in 1906 which sold this power at cost to municipalities such as Toronto, which then took over the privately-owned electric company's facilities with only partial reimbursement for their investment. Despite the efforts of Cleveland Mayors Tom L. Johnson and Newton D. Baker, only small public power operations were authorized in Cleveland and with Ohio's Public Utility Commission, provided only modest regulation. The investor-owned Cleveland Electric Illuminating Co. remains to this day as the dominant supplier of electric power.