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Talking Hydro with the Mayor: Sale will happen only if it's in Orillia's best interest

Mayor Steve Clarke



I'd like to take this opportunity to thank everyone who came out to the Jan. 12 public information session regarding the City's potential investment opportunity with Hydro One. The community showed a keen interest in learning more about what this potential deal could mean for Orillia and to express some of their questions and concerns to representatives from the City, Hydro One, and the Orillia Power Corporation (OPC). Many learned that night what this could mean for our City.

Since the City announced in September it was entering into negotiations with Hydro One, I've had the opportunity to speak with a lot of people about this opportunity, including visiting more than a dozen community groups and service clubs over the past few months. Three areas of concern that continue to be raised are: rates, customer service, and what's in it for Orillia?

Firstly, I'd like to reiterate - there is no deal at this time. Council is still negotiating with Hydro One to get the best possible deal for the City that protects the interests of OPC customers and Orillia residents. It's important to remember any potential deal does *not* include the sale of the generation side of Orillia Power.

Electricity rates in Ontario are going up. It's a fact. It does not matter if it's Orillia Power, Hydro One, or someone else owning our distribution system, rates will rise. However, Council is in a unique position to negotiate with Hydro One multi-year rate stability on the distribution portion of the utility bill, which accounts for approximately 22% of your total bill. In other municipalities where Hydro One has acquired the electric distribution companies, they have offered a slight reduction in the distribution cost and frozen that level for five years; Orillia Council is negotiating a similar benefit. Learn more about electricity rates at ontarioenergyboard.ca.

Another area of concern for some is the anticipated level of customer service provided by Hydro One compared to Orillia Power. At the public information session, Hydro One

made it very clear that the people serving you today from Orillia Power will likely be the same people serving you should a deal go through.

Orillia is often compared to our surrounding townships serviced by Hydro One. It's important to understand the distinction and challenges between servicing rural areas, such as the townships, versus urban areas, such as Orillia. Rural areas experience much more inclement and extreme weather compared to urban centres, which impacts the distribution system and its ability to be restored promptly during or after a storm event. It takes Orillia Power workers 11 minutes to get from one end of Orillia to the other, with switches required to restore power located extremely close together. Orillia has the ability for a quick recovery; rural settings do not. Ultimately, the service activity would remain the same within Orillia's boundaries should Hydro One acquire the distribution portion of Orillia Power.

At the information session, Hydro One officials also recognized past shortcomings, citing the 2013 billing system rollout that had as many as 10 per cent of their customers experiencing billing issues. However, through a series of ongoing improvements, Hydro One's 2015 billing accuracy rose to 99.7 per cent, and 85 per cent of customers said they were "satisfied" or "very satisfied" with Hydro One's level of customer service. Rob Quail, Vice President of Customer Service for Hydro One, vowed to everyone at the public information session that Hydro One is improving and will continue to improve. Learn more about Hydro One customer service at hydroone.com.

As for what's in this potential deal for Orillia? Council is looking very closely at this opportunity with Hydro One because of the significant economic impact it presents for Orillia now and into the future. Direct short and medium term economic impact is estimated at \$200 to \$300 million (with much more long-term), derived from the construction of an advanced technology hub in West Orillia, a significant number of highly-skilled jobs coming to Orillia, and an upgrade of telecommunications within the City. This type of development in Orillia could allow the City to attract other high-tech jobs and industry to Orillia. In the longer term, the investments and jobs Hydro One is contemplating for Orillia could help to moderate future tax increases for current and future residents.

Change is hard. Change causes uncertainty. Council gets that. That is why we will only agree to a deal that has the best interests of Orillians at heart and meets the negotiating principles established by Council. Learn more at orillia.ca/techhub.