



Frequently Asked Questions

On April 30, 2020 the sale of Orillia Power Distribution Corporation (OPDC) to Hydro One Inc. was approved by the Ontario Energy Board (OEB). The City of Orillia and Hydro One are committed to providing a smooth and seamless transition for current Orillia Power customers. The sale legally closed on September 1, 2020.

When will I become a Hydro One customer?

All Orillia Power customers will receive advanced notification prior to becoming Hydro One customers.

Orillia Power will be working closely with Hydro One to ensure customers' current service options, such as equal billing and pre-authorized payments are transferred appropriately for ease of service.

Orillia Power will continue to work with Hydro One through this process to ensure a smooth and seamless transition.

How will this affect my electricity rates?

The existing rate structure will be maintained for Orillia Power customers transferring to Hydro One, and additionally customers will benefit from a one per cent reduction to their current base distribution rates. Distribution rates account for approximately 20 per cent of the overall bill (the remainder is set based on market costs at the provincial level). These reduced rates will be frozen for five years, with only increases at less than inflation from years six to 10. Distribution rates after year 10 will need to be reviewed and approved by the OEB.

IMPORTANT NOTE: The cost of electricity that is delivered through the wires by the distribution system (the remaining 80 per cent portion of the bill) is not determined locally, and is based on market costs at the provincial level. This is the case now, and will be the case after Orillia transfers its distribution system to Hydro One. For more on how electricity rates are set in Ontario visit ontarioenergyboard.ca.

What will happen to service levels once I become a Hydro One customer?

As a Hydro One customer, you can expect the same great service you receive from Orillia Power. The same staff currently serving Orillia as Orillia Power will continue with Hydro One. OPDC employees are guaranteed employment and receive a one-year location guarantee with Hydro One

As for service levels, Orillia is often compared to surrounding townships serviced by Hydro One. It is important to understand the distinction and challenges between servicing rural areas, such as the townships, versus urban areas, such as the City of Orillia. There are many hundreds of miles of wires and poles scattered over large distances in the surrounding townships, which impacts the distribution system and its ability to be restored promptly during and after a storm event. It takes very little time to get from one end of Orillia to the other. With switches and other equipment required to restore power, located extremely close together, Orillia has the ability for a quick recovery when compared to more rural settings. Orillia can expect comparable service to what they experience now when they become Hydro One customers.

What is Hydro One building in Orillia?

Hydro One plans to construct a provincial warehouse and a regional operations centre in Orillia's Horne Business Park. This is in addition to the state-of-the-art primary Ontario Grid Control Centre already under construction on the site; the company anticipates moving approximately 150-250 high-quality jobs to this facility.

Hydro One has already purchased 16.41 acres of the land required to build the primary Ontario Grid Control Centre portion of the development for approximately \$3 million – validated as fair market value by a third-party valuator. Construction of the three buildings is estimated at more than \$150 million. The construction of the primary Ontario Grid Control Centre is expected to be complete in 2021, and requires an upgrade to fibre optics in the area. It is expected that the acquisition-related commitments will be constructed within four years.

What are the economic benefits of this deal to the City of Orillia?

In the short term, the economic impact of the construction of the buildings and related activity is anticipated to inject \$200 to \$300 million into the Orillia economy. Once all the facilities are operational, significant new dollars in payroll/incomes will be injected into the Orillia economy year after year. This will result in economic spin-offs through the creation of new jobs and additional spending in housing construction, retail, restaurants, personal services (i.e. dentists, taxis), schools and colleges, and many other fields throughout the Orillia economy. Additionally, the City anticipates that this technology investment by Hydro One will likely create improved infrastructure for other businesses, open up opportunities to entice investment in related businesses and suppliers, and send a signal to other corporate entities that Orillia is a great place to build a technology platform.

How does this benefit me as a resident or business owner in Orillia?

- **Increased municipal tax assessment** contributed by Hydro One through annual taxes paid to the City helps relieve the overall tax burden on residents.
- **Lower distribution delivery rates for 5 years.** Current Orillia Power customers will benefit from a 1 per cent reduction to their current base distribution rates. Distribution rates account for approximately 20 per cent of the overall bill (the remainder is set based on market costs at the provincial level). These reduced rates will be frozen for five years, with only increases at less than inflation from years six to 10. Distribution rates after year 10 would need to be reviewed and approved by the OEB.
- **Strengthens the local economy**, bringing more jobs to Orillia and creating spin-off benefits that improve the overall quality of life in Orillia.
- Approximately **\$36 million deposited into a Legacy Fund** will generate investment income for years to come, which will help pay for necessary improvements throughout the City.
- **Upgrade to fibre optics** in the Orillia area is expected to open up opportunities to attract other businesses and suppliers to the area.