

RE: LTE responding re: InnPower

From: "McPhail, Blane (OPO)" <blane.mcphail@ontario.ca>
To: "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>
Cc: "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
Date: Tue, 21 Mar 2017 11:33:51 -0400

Thx, this is cleaner

From: Berry, James (ENERGY)
Sent: March-21-17 11:28 AM
To: McPhail, Blane (OPO); @OPO-Media Relations and Issues Management
Cc: Campbell, David (ENERGY); Nekolaichuk, Colin (ENERGY)
Subject: RE: LTE responding re: InnPower

Good call, thanks Blane. Attached are some revisions and pasted below is the adjusted first paragraph:

It's important to note that InnPower's current rate application will not impact the electricity bills of families in Innisfil. In fact, as part of Ontario's Fair Hydro Plan, electricity bills for families and eligible farms and small businesses in Innisfil will be reduced by 25 per cent on average starting this summer, along with additional relief when it comes to electricity delivery charges.

From: McPhail, Blane (OPO)
Sent: March-21-17 11:02 AM
To: Berry, James (ENERGY); @OPO-Media Relations and Issues Management
Cc: Campbell, David (ENERGY); Nekolaichuk, Colin (ENERGY)
Subject: RE: LTE responding re: InnPower

Thx James. Overall looks good but thoughts on editing the opening paragraph to make it a bit punchier? Think we can get right into saying how Innisfil residents will see bills go down

From: Berry, James (ENERGY)
Sent: March-21-17 10:22 AM
To: @OPO-Media Relations and Issues Management
Cc: Campbell, David (ENERGY); Nekolaichuk, Colin (ENERGY)
Subject: FW: LTE responding re: InnPower

Hi all: please see attached an LTE to respond to below piece in today's Barrie Examiner. We feel clarification is necessary – that customers in Innisfil will not see an increase on their electricity bills, as part of this application to the OEB.

Let us know if you have any edits/concerns.

Thanks,
James

InnPower seeking rate hike
The Barrie Examiner
Tue Mar 21 2017

Innisfil's electricity line distribution company has applied to the Ontario Energy Board (OEB) for permission

to hike electricity rates over the next five years.

Initially, InnPower's request - citing growth pressures and infrastructure needs - asked for a \$10.69 increase in the distribution costs on the average residential hydro bill, adding just over \$128 to the average homeowners' yearly costs.

By cutting back on staffing plans, and deferring some major capital expenditures planned to expand the wire network, InnPower announced that the requested monthly increase has been reduced to \$8.59, or \$103 annually, on the line distribution portion of the bill.

Homeowners, and especially commercial account-holders who face a potential increase of over 14% per month, were not impressed.

They recently shared their dissatisfaction with representatives of the OEB at two meetings in Innisfil. See RATES A2 In the evening, at the Lakeshore Library, more than 130 innisfil residents came out to ask questions, listen to a presentation by InnPower president and CEO Wally Malcolm, and comment.

Malcolm noted that InnPower services an area of 292 sq. km., comparable to Mississauga. While the latter has over 180,000 customers, InnPower has only 15,073 customers who bear the cost of the userpay system. He spoke of "strategic imperatives" and "value for customers," promising to stabilize hydro rates to heckling from the audience, who told the CEO, "You should be ashamed" of InnPower's \$12 million expenditure on a new headquarters, now sitting two-thirds empty.

Malcolm defended construction of the new offices, noted that InnPower had been housed in 5 buildings, all "in rough shape... When it rained outside, it rained inside as well." He cited health and safety issues.

Malcolm also explained that it was Innisfil council that made the decision to retain 100% ownership of InnPower, turning down an opportunity to partner with PowerStream (now Alectra), that could have saved homeowners \$40 per year their bills.

The comments led resident Steven Wells to call for an "independent focus group", to hold council to account.

"Where does the responsibility really lie? The responsibility lies with everybody in this room. Where we should be taking this fight is to council," said Wells. "This meeting tonight didn't have to happen. We have to take back Innisfil. We have to stand up."

Another resident agreed. "This is about fiscal responsibility of a hydro company that we supposedly own," the man said, referring to the fact that InnPower is 100% owned by the Town of Innisfil. "We have a major power source that we can't afford."

There were complaints over InnPower's new customer policy, that hand-delivers disconnection warnings to customers only days after a bill's due date and charges the customer \$16.90 for the letter. There were also

objections to InnPower's plans to recoup the costs of repairing wires after last April's major ice storm, as a special charge over and above the rate hike.

Onion farmer Boris Horodynsky spoke of the impact of the increase on commercial operations. Noting that he already pays \$20,000 per month for electricity, he asked Malcolm, "What's my increase going to be?" When the CEO replied that he was looking at an increase of 14.61%, Horodynsky demanded, "What do I get out of this?" Malcolm responded, "What you're paying for is to make sure the lights stay on."

"It doesn't do anyone any good, these high power rates," said Horodynsky. "We don't have any choice. We have a gun to our head."

"How many seniors get an \$8.59 increase a month?" asked another resident.

Councillor Stan Daurio, who has long advocated for a partnership with PowerStream, also addressed the crowd. While he praised InnPower for "doing a really good job, controlling costs," Daurio pointed out that InnPower customers are already paying the highest rates in Simcoe County, while Innisfil has the second-lowest per capita household income.

Partnering with PowerStream would lead to harmonization of rates and an immediate reduction, Daurio said, as well as generating dividends for the town and filling the InnPower office space.

There were calls for InnPower to "trim the fat," and find other ways to reduce costs. "Pay cuts all around," shouted one resident.

Deb Burton, owner of the Fork and Plate Restaurant in Innisfil, summed it up. "I'm a foodie. I'm really good at making food. You (addressing Deputy Mayor Lynn Dollin, one of a handful of Innisfil council members present at the meeting) are a Deputy Mayor - you're really good at being a Deputy Mayor... Is a municipality good at running a hydro company? "You're doing it on such a smaller scale, it doesn't make sense. Why are you buying trucks? You're not a trucking company. Why don't you lease them? The whole business model doesn't make any sense."

Burton concluded, "I'm hoping we're heard, because we cannot continue on this road."

From: Campbell, David (ENERGY)
Sent: March-21-17 8:33 AM
To: Berry, James (ENERGY); Nikolaichuk, Colin (ENERGY)
Subject: LTE responding re: InnPower

Hey guys,

See attached a draft of an LTE to respond to the story in the Barrie Examiner today about InnPower. Let me know what you think.

While correcting the record with the paper is important, it also seems like there is a more basic problem here of the OEB not communicating these anticipated policy changes in the rate hearing.

Perhaps we can chat about this again today?

Hope the Minister's speech is going well!

David

David Campbell

Legislative Assistant and Issues Manager

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