FW: Ministry of Energy Top Issues - October 25, 2017

From: "Teliszewsky, Andrew (ENERGY)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=teliszewsky, andrew (energy)4fe">
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Date: Wed, 25 Oct 2017 07:25:26 -0400

Hi.

See 2nd story.

"Millennial" Legislative Assistant just asked me to explain what a 'ticker tape parade' meant.

Sigh.

Andrew Teliszewsky

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Sent: October-25-17 7:01 AM
To: @ENERGY All
Subject: Ministry of Energy Top Issues - October 25, 2017

Good morning,

Here's what's making news:

- Canada's most secretive local government agency: Toronto Hydro -- Canada Newswire
- New energy program won't bring 'ticker tape parade,' but it'll help people: minister -- CBC.CA News
- Ontario energy program to help people save money through home retrofits -- Globalnews.ca
- New energy program -- CHCH News
- Fair Hydro Plan providing relief for Ontario families -- The Belleville Intelligencer, pg. B2
- 'Smoke and mirrors'; Campbell says AG hydro report shows Liberals not addressing root causes of high rates -- Daily Miner & News (Kenora), pg. A3
- MPP Rinaldi disappoints with hydro comments -- Northumberland Today.com, pg. B2
- Quebec urges calm in resource fracas; Politicians say 'reconciliation' needed as Energy East demise riles Alberta officials -- Calgary Herald, pg. A5
- Waterpower Confirmed as Key to Ontario's Electricity Future -- Canada Newswire
- Collingwood council voted 7-2 to sell remaining 50% stake in power utility Monday night -- thebarrieexaminer.com
- Collingwood utility looking for input on five-year plan -- Collingwood Connection, pg. 1
- Hamilton sees higher dividends and opportunities in proposed Alectra merger with Guelph, says

Mayor Fred Eisenberger -- Stoney Creek News, pg. 1

- Brampton and Mississauga electricity provider seeks another merger -- Brampton Guardian
- Kenora, Thunder Bay electrical utilities move closer to power merger -- Daily Miner and News

Canada's most secretive local government agency: Toronto Hydro

Canada Newswire

2017-10-25

TORONTO, Oct. 24, 2017 /CNW/ - Toronto Hydro is the 2017 recipient of the Code of Silence Award for Outstanding Achievement in Government Secrecy in the category of local government departments and agencies.

The Canadian Association of Journalists (CAJ), Centre for Free Expression at Ryerson University(CFE), News Media Canada and Canadian Journalists for Free Expression (CJFE) have joined forces to expand an award that the CAJ has for almost 20 years handed out to government departments, agencies or public bodies that put that extra bit of elbow grease into keeping any sunlight from reaching public attention.

The awards jury, which comprised representatives of the four press-freedom advocacy groups, "honoured" the Toronto Hydro with this citation:

Toronto Hydro has demonstrated remarkable resistance to openness and transparency in its long-running fight to block access to information requests regarding its communications and estimated costs associated with possible privatization. Toronto Hydro refused the initial request for this information, claiming it was frivolous and/or vexatious. Toronto Hydro vigorously fought the appeal of its refusal, even claiming that disclosure would constitute insider trading—despite the fact that Toronto Hydro is not publicly traded. Toronto Hydro subsequently refused two new information requests—regarding how much it had spent on contractors to fight the initial requests, stating it was unable to confirm or deny the existence of such records, and that the requests were frivolous and/or vexatious.

In light of this persistent determination to deny information to the public, Toronto Hydro has been selected as the winner of the 2017 Code of Silence Award for Outstanding Achievement in Government Secrecy in the category of Local Government Departments and Agencies.

The CAJ, CFE, News Media Canada and CJFE will announce the Code of Silence Award winners in the Provincial and Law Enforcement categories in the coming weeks. They had previously announced the Federal winner – the Treasury Board of Canada.

All four organizations will continue to advocate for substantive reform to Canada's federal access-to-information law.

New energy program won't bring 'ticker tape parade,' but it'll help people: minister

CBC.CA News
Tue Oct 24 2017, 2:34pm ET
Section: Hamilton

Ontario’s energy minister says he doesn’t expect a “ticker tape parade” for how the Liberals have handled the hydro file. But a new program helping low and middle-class homes with energy-efficient upgrades is still the right thing to do.

Glenn Thibeault launched the Affordability Fund in Hamilton Tuesday. The $100 million program will give residents LED lights, heat pumps and even energy-efficient appliances to offset their energy costs.

The program is available to those who don’t already qualify for low-income energy conservation programs. Thibeault foresees it helping “tens of thousands” of people.

Electricity rates have shot upward under Premier Kathleen Wynne. By Wynne’s own admission, they’ve become hard for most homes to manage.

This year, the Wynne government launched the Fair Hydro Plan, which has reduced the average Ontario household electricity bill by 25 per cent from the peak in the summer of 2016. The Affordabilty Fund is part of that.

Thibeault said he knows the program won’t fix people’s anger over energy rates.

“Am I expecting a ticker tape parade down the main street of Hamilton? Absolutely not,” he said.

“But is this the right thing to do, in many instances, for the people of Hamilton and right across the province? Yes, it is.”

Under the new program, Alectra and other utilities will install LED light bulbs, power bars, better insulation, energy-efficient refrigerators and other tools for free to people who qualify.

?Some will qualify for home energy kits, which includes light bulbs, power bars and/or faucet aerators they install themselves.

Others qualify for in-home visits, and possible energy-efficient appliances, thermostats and even heat pumps.

In a report this month, Auditor General Bonnie Lysyk criticized how the program is being financed, saying the province is “improperly” accounting for the $26 billion in debt it’s taking on to cut hydro bills in the short term.

The Liberals called the controversy an “accounting dispute” with the auditor.

“There were no fast ones being pulled at all,” Thibeault said this month. “We always said it’s going to take longer to pay off and it’s going to cost more.”

Ontario PC energy critic Todd Smith called the Liberals’ financing method this month “deceitful, dishonest and shady.”

In May, NDP leader Andrea Horwath said Ontarians can’t afford the plan, and called on the government to release all of its projections about how much the hydro plan will cost in the long run.

Ontario energy program to help people save money through home retrofits

Globalnews.ca
2017-10-24
Byline: Ken Mann, Reporter 900 CHML

The provincial government hopes to help people reduce their energy bills by improving the efficiency of their homes.

Energy Minister Glenn Thibeault was in Hamilton on Tuesday morning to launch the $100-million Affordability Fund.

The fund supports the installation of things like improved insulation, LED light bulbs and energy-efficient appliances.

Thibeault says the program is aimed at those who need support to pay for such improvements, but who don't qualify for low-income conservation programs.

As an example, he describes "the senior who has been living in the same home for 40 or 50 years, who has an okay pension but doesn't have one that they're living a life of luxury."

Thibeault adds that the Liberal government is not expecting the announcement to result in a "ticker tape parade down the main street of Hamilton, but he calls it the "right thing to do."

The Affordability Fund is part of the Fair Hydro plan that was announced earlier this year, and which has reduced the average Ontario household electricity bill by 25 per cent from the peak in the summer of 2016.

New energy program

CHCH News
2017-10-24
The province has launched a new program cost to help people reduce their electricity bills.

Minister of Energy Glenn Thibeault launched the Affordability Fund in Hamilton Tuesday. The new program is part of the province's fair hydro plan. Ontario will spend $100 million to support the free installation of energy saving LED light bulbs, power bars, improved insulation and energy-efficient air conditioners and refrigerators.

"The fund is designed for those families, seniors, and individuals that don't necessarily have the extra money in their budgets for energy-efficient upgrades, and don't quality for our other low-income conservation programs. So whether an electricity customer rents or owns, or lives in a house or apartment, it doesn't matter, they may be eligible." Glenn Thibeault.

The amount of money you'll save depends on what improvements you make. For example, the province says a home energy kit with two LED light bulbs and a power bar can help you save about $10 a year; while an energy efficient refrigerator can help you save about $90 a year.

Fair Hydro Plan providing relief for Ontario families

The Belleville Intelligencer

Wed Oct 25 2017

Page: B2

(Re: MPP Smith blasts Liberals on report, Saturday, Oct. 21 edition) I'm not surprised to see the Conservatives try to get in the middle of an accounting dispute between the government and the Auditor General for personal political gain. It's how they deflect without putting forward any policy ideas of their own.

When Ontario families were asking for help, the Conservatives didn't share a single credible idea on how to lower electricity rates. When the time came to vote for real relief through the Fair Hydro Plan, they sat on their hands again, and voted against it.

Ontario's Fair Hydro Plan is the largest rate reduction in the history of the province. The average residential ratepayer has seen a 25 per cent reduction in their electricity bill. This rate relief was absolutely necessary - the cost of electricity had become too much for many Ontario families.

When we designed the Fair Hydro Plan, our intention was to lower rates and increase fairness. Rates had gone up because of investments we made in our electricity system - investments that were desperately needed. As a result, we now have a clean, reliable electricity system free from the brownouts and blackouts we were experiencing in the early 2000s.

The Fair Hydro Plan operates under a financial and accounting framework that is appropriate for its intended purpose. It is in accordance with Public Sector Accounting Standards and ensures the goals underlying the program are achieved in a cost-effective manner.

The accounting practices in the Fair Hydro Plan are well-established, and well-recognized within the industry. In fact, six of eight other North American electricity system operators use this kind of accounting.

Additionally, world-renowned third party experts like KPMG, EY and Deloitte all agree that the structure of the accounting is legitimate.

While the Conservatives argue that these changes should be on the tax-base it is completely wrong headed. Electricity financing should remain within the electricity system. When electricity generators build hydro dams or power stations, we don't pay for them with provincial monies. So why should we start now? We need to ensure that we keep the cost of borrowing within the rate-base, not the tax-base, because that's the logical thing to do.

While we've lowered electricity bills by 25 per cent on average for all residential consumers and as many as half a million small businesses and farms, the Opposition has yet to present a credible or realistic plan for our energy system.

Glenn Thibeault Minister of Energy

'Smoke and mirrors'; Campbell says AG hydro report shows Liberals not addressing root causes of high rates

Daily Miner & News (Kenora)
Wed Oct 25 2017
Page: A3
Section: News
Byline: Kathleen Charlebois

The Liberal government has been put on the defensive after the province's auditor general said hydro cuts will end up being costly.

Kenora-Rainy River MPP Sarah Campbell is among the members of the opposition criticizing the Liberals after Bonnie Lysyk said last Tuesday that the province’s plan to cut hydro rates by 25 per cent will end up costing an estimated $39.4 billion over the next 30 years.

“Ontarians and especially people in the north know acutely how high hydro rates are and how unaffordable they are, so they were looking to the government to make some reductions in the rates,” she said in a phone interview. “But rather than do anything to address the root causes of hydro rates, [Premier] Wynne is rolling out a smoke and mirrors campaign that will artificially lower rates in the short term.

One example of the artificial reduction Campbell highlighted is that hydro bills will be lower, but power generators will still be owed the full cost of their electricity supply, so the government will have to borrow money. A new entity called OPG Trust with Ontario Power Generation will oversee the debt used to pay the difference.

Because of this, the auditor general and the financial accountability officer found the OPG Trust financing structure will cost an extra $4 billion because the trust will have to borrow at a higher rate.

Campbell called this manoeuvre “particularly awful” as she said it seems to hide the true cost of the hydro plan. “It’s so far off the mark. People have been crying out for some kind of hydro relief, and it’s really disgusting and a slap in the face to people who are struggling with genuinely high hydro bills, who are trying to conserve as much as they can and still can’t make ends meet,” she said.

Both the Ontario NDP and PC are “pretty well united” in their stance that the Liberal’s hydro deal is a bad one, Campbell added.

“There are so many things this Liberal government could do, short-term and long-term, to truly tackle the root causes of high hydro rates,” she said. “What we’ve found is that the reason we have such high rates is political interference. They’ve just been heaping on these poor political decisions.”

Since the auditor general is impartial and independent and said the government is “making up its own accounting rules,” Campbell said that should be cause for a lot of concern.

MPP Rinaldi disappoints with hydro comments

Northumberland Today.com
Wed Oct 25 2017
Page: B2
Section: Opinion
Byline: Todd Smith, Mpp

(Re: MPP Rinaldi says there's no hidden hydro debt, Oct. 19, 2017) In some manner or another I have known Lou Rinaldi for the past 20 years. So, I know he knows better. That's why it disappointed me this week when he took a partisan pot shot at the province's independent, non-partisan Auditor General Bonnie Lysyk.

The most astonishing statement my old friend, Lou, makes is that the $4-billion in extra costs associated with the government's electricity rate cut will come out of hydro rates and not taxes. Does he really have no understanding of how expensive electricity is in Ontario now? According to the Auditor General, this is $4 billion that will be added to already sky rocketing electricity rates in the future because "the Liberals are making up their own accounting rules."

Another independent watchdog, the Financial Accountability Officer, reported the same $4 billion number earlier this year. Lou concludes by saying that "this is no different than municipalities undertaking infrastructure and deferring payment over a long period of time."

Here's the difference, at the end of an infrastructure deal you have a new building, bridge or road.

In this case, you have nothing, except more debt, higher interest and record high electricity bills.

Todd Smith, MPP Prince Edward-Hastings PC Energy Critic

Quebec urges calm in resource fracas; Politicians say 'reconciliation' needed as Energy East demise riles Alberta officials

Calgary Herald
Wed Oct 25 2017
Page: A5
Section: City
Byline: JAMES WOOD

The Quebec government is reaching out to Alberta and calling for “reconciliation” in light of anger in the province over the demise of the Energy East pipeline project.

In an open letter, cabinet minister Jean-Marc Fournier said he understands the disappointment in Alberta over TransCanada Corp.‘s recent decision to cancel the pipeline, which was intended to pump oilsands crude across Canada to refineries in New Brunswick.

But he said the Quebec government is being unfairly blamed in some quarters for Energy East’s collapse as an “economic adversary” of Alberta.

“To present one society as a block opposed to the other is nothing more than taking a deliberate shortcut in order to divide and polarize,” said Fournier, the Liberal government’s house leader and minister responsible for Canadian relations.

TransCanada announced earlier this month it was scrapping the $15.7-billion Energy East project, citing “changed circumstances.”

One factor was the federal National Energy Board’s decision to consider downstream greenhouse gas emissions in its review of the pipeline. The decision was hailed by some politicians in Quebec, notably Montreal Mayor Denis Coderre.

But Fournier said the project had not even made it to the point of being considered under the seven principles the Quebec government had laid out for pipelines.

The celebratory reaction of some Quebecers to the end of Energy East has become fodder in the leadership race at Alberta’s new United Conservative Party.

Candidates Jason Kenney and Brian Jean have taken aim at Quebec politicians over the issue and both have doubled down on their call for changes to the federal equalization program in response.

On Tuesday, Jean - who has attacked Quebec Premier Philippe Couillard as a hypocrite - made no apologies for his approach.

“I believe the people of Alberta have been treated like a secondclass citizen under Confederation for some period of time in relation to the money we earn here and where it’s distributed,” he said.

“We’re a fair neighbour … but they do take advantage of it.”

Fournier said in his letter that there is significant misinformation being spread about equalization.

“We must engage in reconciliation.”

Waterpower Confirmed as Key to Ontario's Electricity Future

Canada Newswire
2017-10-24
Minister Glenn Thibeault Opens 2017 Power of Water Canada Conference

NIAGARA, ON, Oct. 24, 2017 /CNW/ - The Ontario Waterpower Association's (OWA) 17th annual Power of Water Canada conference and tradeshow, being held this week in Niagara-on-the-Lake, is now underway. Once again the conference is the largest gathering of the hydroelectric sector in Canada. This year's opening keynote speaker, the Honourable Glenn Thibeault Minister of Energy confirmed the increasing importance of waterpower to meeting the province's energy needs.

"We know there's plenty of opportunity to better leverage the existing waterpower assets that are found right here in Ontario, either through retrofitting existing dams, or taking advantage of new turbine technology such as the very low head turbines to capture more of the waterpower potential available in our province." said Minister Thibeault. "We also know that to better accommodate more flexible electricity system, we must better leverage the province's pumped storage potential."

The Minister also made the link to the government's environmental agenda in his remarks. "Waterpower, as the largest member of our renewable energy family, is helping us meet our greenhouse gas reduction targets in the province's Climate Change Action Plan."

"I am extremely pleased with the Minister's recognition of and support for waterpower," said Paul Norris, President of the OWA. "It is clear that waterpower expansion will play an integral role in the achievement of the province's energy and environmental objectives."

The Power of Water Canada Conference is an annual event attracting participants from across Ontario and Canada, the United States and around the globe.

Collingwood council voted 7-2 to sell remaining 50% stake in power utility Monday night

thebarrieexaminer.com

Tue Oct 24 2017

Section: Local

COLLINGWOOD — Town council voted 7-2 in favour of selling their remaining 50% share of the town's power utility on Monday night.

Collingwood sold 50% of the utility to PowerStream (now Alectra) in 2012 and over the past five years, some members of council have questioned the efficiency of the partnership.

In a presentation breaking down the process made by energy lawyer Mark Rodger on Monday night, the sale of the town's shares could bring in between $12.5 million to $13 million, considerably more than the $8 million paid by Alectra for their share of Collus five years ago.

An RFP process to sell the shares began in September of 2016 with nine parties responding but only two submitted a bid, one of which was EPCOR.

In the shareholders agreement with Alectra, there was a clause for first right of refusal to purchase the remaining shares. Alectra made an offer that Collingwood council refused.

Coun. Tim Fryer was the first to suggest that he has been disappointed.

“From my perspective, the past five years have not achieved desired outcomes specifically to grow on a regional utility basis and provide high dividends,” said Fryer.

The absence of dividends was a sticking point for a number of the councillors with Coun. Cam Ecclestone mentioning that since the beginning of the deal, the town has only received about a 2% return annualized.

Not everyone thought that selling the utility was a good idea.

“If council agrees to sell our share of 50% in Collus/PowerStream it will be a sad day for Collingwood,” said Coun. Kevin Lloyd. “This is, in my opinion, not in the best interest of taxpayers. I have never seen such a closed process.”

Lloyd complained that since last year there has been no public engagement, no consultation to speak of.

“So here we are, two and half years later with hundreds of thousands of taxpayer money trapped in the sales agreement. What happened to testing the waters and kicking the tires?” asked Lloyd.

The Unanimous Shareholders Agreement (USA) proved to be the cause of considerable tension for council, said Rodger.

USAs are used extensively in the private sector, but it’s unusual and restrictive for a municipal government to work with one because there is an expectation of transparency by the public into town business.

Council was instructed to keep all details of discussions confidential because of the nature of the USA, which was enacted when the initial 50% of the town’s shares in the utility were sold in 2012. This is why there was no public engagement on the issue.

“It couldn’t be avoided,” said Rodger.

A principal element of a Buy/Sell clause is the element of surprise and that’s important because neither shareholder knows when a Buy/Sell tender will be put forward, Rodger explained.

“An offer can be presented at any time and Alectra and the town have lived under this arrangement for five years,” said Rodger.

“No responsible shareholder would announce to the world what price and terms they would include in the buy/sell offer before it was issued because the other party could negate those terms which could contain less desirable conditions than you desired,” said Rodger.

If Alectra opts to buy the town’s shares at the same price as EPCOR has offered, Alectra will become the sole owner of the utility. If Alectra opts to sell the shares, EPCOR becomes the sole owner.

“Shotgun offers are unusual in a municipal sphere because there is a tension,” said Rodger. “One the one hand council has the goal of being open and transparent, but at the same time is restrained by the realities of basically the mechanism of private sector methods.”

Other terms of the sale include a 25-year lease of the Collus PowerStream property and operations centre from the town, job and location guarantees for Collus PowerStream employees, and a contribution of $150,000 toward the Waterfront Master Plan, one of the community’s biggest priorities as identified in the Community Based Strategic Plan.

Under the USA, Alectra must advise the town within 20 days whether they wish to sell their shares, or purchase the town’s shares.

At that time, the Ontario Energy Board will be asked to approve the transaction, something that could take between three months and a year according to Rodgers.

Collingwood council will hold a public session to provide further details of the agreement, once Alectra’s decision is known.

Rodger assured residents that their rates are protected by the OEB during this process.

In a recorded vote, council passed the bylaw 7-2 with Mayor Sandra Cooper and Lloyd voting against the sale.

Collingwood utility looking for input on five-year plan

Collingwood Connection
Mon Oct 23 2017
Page: 1
Section: News

Collus PowerStream wants to hear from you.

The local distribution company, which has about 17,500 customers in Collingwood, Clearview Township and The Blue Mountains, is looking for input on its five-year distribution plan.

The company made a presentation to members of the Collingwood Chamber of Commerce on Oct. 18 and will be holding public sessions in late November in Collingwood, Clearview and Thornbury to get feedback from the public.

The document outlines the overall plans for the utility from 2018-2022; key objectives and priorities as well as a capital plan.

According to the presentation by consultant Ted Wojcinski, and Larry Irwin, vice president of operations for Collus PowerStream, the plan has been guided by customer feedback and surveys.

The major objectives include safety, reliability, customer service, financial integrity, effective integration and improvement of processes, environmental stewardship and conservation management targets.

Irwin said the plan will be presented to the Ontario Energy Board for approval but can still be changed based on public input.

“It is only a draft plan,” he said. “Going forward it’s open to changes. The bottom line is, everybody wants reliability and for costs to either go down or not go up so that’s the goal of the plan. To sustain those two things, that’s what the plan has been devised around now.”

According to the document, Collus Powerstream is planning about $16 million in capital expenditures over the next five years. This includes about $3.1 million in 2018 with money being spent on a variety of initiatives including pole replacement and maintenance, a new bucket truck, and system maintenance.

Irwin said the company has a small amount of control over the rates, but must pitch the OEB on any changes.

Irwin said capital spending is traditionally around $3 million annually and that spending does impact the rates customers pay. However, he said they hope to determine the exact percentage by the next public meeting.

Irwin said they typically use the rate of inflation as a target for capital spending.

Hamilton sees higher dividends and opportunities in proposed Alectra merger with Guelph, says Mayor Fred Eisenberger

Stoney Creek News | Section: News | Page: 1
2017-10-24

Hamilton Mayor Fred Eisenberger expects Hamilton council would look favourably upon Alectra Utilities Inc. merging with Guelph Hydro.

“There are great synergies,” said Eisenberger, who along with Paul Benson represents Hamilton on the Alectra Utilities Inc. board of directors. “It would give Alectra a foothold in that market. There would be increased benefits and reduced pressure on costs.”

Alectra recently announced it will be negotiating with Guelph Hydro Electric Systems Inc. officials to merge their operations with the recently created Alectra Utilities. Guelph council is scheduled to vote on a proposed merger offer at its Dec. 13 council meeting.

Brian Bentz, president and chief executive officer of Alectra Utilities Inc. said he expects Alectra’s municipal shareholders would be “supportive of the benefits of this merger.”

He said discussions with Guelph Hydro began soon after Alectra was formed in January, when the Ontario Energy Board approved the merger of Enersource, Powerstream and Hydro One Brampton.

There had been a plan to merge the former Horizon Utilities with Guelph Hydro in 2008 but Guelph's politicians at the last minute voted 8 to 5 against the deal. Hamilton and St. Catharines councils had already approved the merger proposal.

"The majority of the council supported the Alectra process," said Eisenberger. "We'll see when (the merger details) comes out."

Eisenberger said absorbing Guelph Hydro wouldn't impact the Alectra board composition and there would only be a "marginal" change in terms of asset value to less than one per cent.

Guelph Hydro has about 55,000 customers, including in nearby Rockwood, which would join Alectra's estimated 1 million customers. Guelph would also get an operations centre and the creation of a Green Energy and Technical Centre. Guelph Hydro has about 130 employees.

Alectra is the second-largest municipally-owned utility in North America behind the Los Angeles Department of Water and Power.

"There would be additional opportunities for increased dividends," said Eisenberger. "I think it's a good news story."

Bentz said if Guelph council approves the deal in December, Alectra's shareholders - the various municipalities such as Markham, Barrie, Mississauga, St. Catharines and Hamilton - would soon follow with votes scheduled on the deal.

If all the shareholders approve the deal, then Alectra officials would seek approval from the Ontario Energy Board, which could take place sometime in mid to late 2018.

Bentz said Alectra has no further plans to seek out merger plans with other utilities. But Alectra is considering whether to buy the 50 per cent share of Collus Powerstream, which it co-owns with the Town of Collingwood.

The municipality announced Oct. 23 it was preparing to sell its share of the utility company. Under a 2012 agreement Collingwood has a requirement to offer the shares to Alectra. The potential cost to the municipality is upwards of $13 million.

"The town is reviewing its options there now," said Bentz.

Alectra officials promised Hamilton councillors in 2015 the merged company would be able to cut hydro rates by six per cent over the next 25 years, resulting in savings of about $40 for the average homeowner and increased dividends.

But Alectra officials acknowledge those dividends to municipalities, including Hamilton are potentially more than forecast. For instance, Hamilton was projected to receive about $4 million in the first year of the merger. This year city officials are budgeting for about $6 million.

"I said at the time (Horizon officials) were conservative in their projections," says Eisenberger. "This will benefit not only Hamilton but all across the municipalities. They will provide additional dollars for what municipalities want to do."

Hamilton is using about $3 million of its dividends this year to help pay for the mayor's 10-year, $50 million poverty reduction plan that involves building and maintaining affordable housing.

"Some people were saying we were taking the majority of the dividends," he said. "Not even close. Only half."

Bentz said the higher dividends are the result of the "synergies" of merging four utilities together.

He said the forecast now is for the utility company to provide larger dividends to shareholders over the next few years.

"We are working very diligently to activate those synergies to all the municipalities," said Bentz.

Brampton and Mississauga electricity provider seeks another merger

Brampton Guardian

2017-10-25

After completing a merger earlier this year to create one of the largest municipally-owned electricity providers in Canada, Alectra Inc. appears set to grow again.

Alectra formed with the merger of Enersource, Horizon Utilities and PowerStream and the acquisition of Hydro One Brampton.

Now the City of Guelph wants in — announcing it will begin merger negotiations with Alectra Inc. after more than a year of gathering community input, research and financial analysis.

Mississauga was the majority shareholder of Enersource, Markham, Barrie and Vaughan controlled PowerStream and Hamilton and St. Catharines were the principle shareholders of Horizon.

The provincial government acquired Hydro One Brampton from the City of Brampton in 2001.

The amalgamation and purchase of these utilities created North America's second largest municipally-owned electric utility company.

It serves some one million customers, including residents in Mississauga and Brampton.

Kenora, Thunder Bay electrical utilities move closer to power merger

Daily Miner and News

2017-10-24

Byline: SHERI LAMB

Only a handful of Kenora residents turned out to learn more about a possible merger between Kenora Hydro and Thunder Bay Hydro at the Clarion Lakeside Inn and Conference Centre on Thursday, Oct. 19.

Besides executives and board members from both utilities, Kenora Mayor Dave Canfield, Coun. Rory McMillan and city executives, the number of interested citizens who showed up during the first hour of the two-hour event could be counted on a person’s fingers. Among the citizens who were there everyone was positive and believed a merger was the right move for both utilities.

Moe Girard said the merger was “probably necessary because it’s becoming more difficult for any small hydro utility to operate independently under the current provincial regulations.”

Both Dave Sinclair, president/CEO of Kenora Hydro and Rob Mace, president of Thunder Bay Hydro, concurred that operating their businesses was getting more and more complex in the last several years from a regulatory perspective, not to mention the number of disruptive technologies that are being interjected into the market.

“It’s becoming much more difficult to run as a small utility particularly with no growth, which we don’t have because we’re bound by our service territory, yes, we may have additional customers from time to time if somebody puts in a new apartment building or condo complex, but we also see decreases in consumption through energy conservation,” said Sinclair. “We want people to use less, but at the same time it’s hurting our rate.

“Plus, disruptive technologies like electric cars, solar wind, microgrids, really changes the nature of the business,” he added. “It changes things like protection schemes, instead of having one source now it’s coming from multiple sources.”

Sinclair added the prospect of electric cars rolling through Kenora’s streets, even in its cold winters, is getting closer as several major vehicle manufacturers have said they’ll have a majority of electric cars by 2025 and technological advances keep improving so eventually starting these vehicles in the cold will become easier.

Both Sinclair and Mace pointed out their utilities have collaborated for years, since before the

Y2K scare in 1999 and they signed a letter of intent for a merger about a year ago. Sinclair said after conducting research to find the best option for the future of Kenora Hydro, which included selling the utility outright, staying with the status quo and merging with another company, they decided upon the latter and presented city council with a memo that merging with Thunder Bay Hydro was the most attractive option.

“It’s such a complicated industry now that bigger really is better. This will help us address the demands of the market,” said Mace.

Both utility presidents said customers shouldn’t experience too much change if the merger goes through - the tentative plan is to get a proposal to their respective city councils by the end of 2017 and hopefully have approval and a deal in place by the end of 2018.

Kenora Hydro has 12 employees who work to deliver electricity to 5,600 customers within the city of Kenora, while Thunder Bay Hydro has 130 employees dedicated to providing electricity to 50,700 customers in Thunder Bay.

“If the proposal goes through, initially they’ll be a transition period to try to work out all the details, like what do we do with billing, but Kenora Hydro customers will see very little change,” said Sinclair. “In the long term they’ll be some change, but their bill won’t look any different, their prices won’t look any different certainly for the near term, and the intent is to become more efficient with better resources so we’ll be able to provide additional services. Customers are demanding more and we’ll be able to provide additional services, outage maps, a 24-hour call centre, things we currently can’t provide.”

Sinclair encouraged any Kenora Hydro customers with questions or concerns about the proposed merger to contact him and he’ll answer any questions at 467-2075.