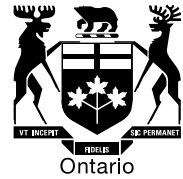


**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'Énergie
de l'Ontario**
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27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

November 11, 2016

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Canadian Niagara Power Inc.
Application for Rates
Board File Number EB-2016-0061**

Please find attached the Summary of Community Engagement by OEB Staff for this application.

Original Signed By

Martin Davies
Project Advisor, Rates
Major Applications

Attachment

cc: Parties to EB-2016-0061



Ontario Energy Board Commission de l'énergie de l'Ontario

SUMMARY OF COMMUNITY ENGAGEMENT BY OEB STAFF

EB-2016-0061

CANADIAN NIAGARA POWER INC.

Application for 2017 Rates: Community Meetings

November 9, 2016

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SCHEDULE A

SCHEDULE B

SCHEDULE C

SCHEDULE D

SCHEDULE E

1 INTRODUCTION AND SUMMARY

This is an OEB staff report on the community meetings held in conjunction with Canadian Niagara Power Inc.'s (CNPI) 2017 cost of service rate application. It will be placed on the public record of the OEB hearing of this application along with copies of written presentations made at the meetings and all letters of comment for consideration by the OEB in determining whether or not to grant the application by CNPI.

Further to the Notice of Application, the OEB hosted two community meetings regarding CNPI's application on September 13, 2016 in Port Colborne, Ontario and September 14, 2016 in Gananoque, Ontario. This report provides a summary of the events.

1.1 Port Colborne Ontario

The Port Colborne meeting was held at the Vale Health and Wellness Centre from 6:30 p.m. to 8:30 p.m.. Approximately 110 customers attended the meeting to hear presentations from OEB staff and CNPI. Prior to the presentations, OEB and CNPI staff were available to informally talk to attendees and answer questions. Councillor Marina Butler and Mr. John Robinson presented prepared remarks. OEB and CNPI representatives responded to questions from attendees during and following the presentations.

The following OEB staff and CNPI representatives attended the meeting:

OEB Staff

Ljuba Djurdjevic
Ceiran Bishop
Sylvia Kovesfalvi
Andrew Bodrug
Martin Davies

CNPI

Jie Han, VP Operations

Glen King, VP Finance and CFO

Kristine Carmichael, Director of Corporate and Customer Services

Greg Beharriel, Manager, Regulatory Affairs

Rodney Barber, Regulatory Analyst

Taylor Wilson, Energy Advisor

Courtney Bonito, Customer Service Supervisor

Jennifer Fretz-Joseph, Supervisor, IT Business Support

1.2 Gananoque Ontario

The Gananoque Meeting took place at the Royal Canadian Legion Branch 92 from 5:30pm to 8:30pm and was attended by approximately 100 customers. Prior to the presentations, OEB and CNPI staff were available to answer informal questions from attendees. OEB staff and CNPI representatives gave formal presentations and prepared comments were provided by customers Barbara Jones and Bill Webster. OEB and CNPI representatives responded to questions from attendees during and following the presentations.

The following OEB staff and CNPI representatives attended the meeting:

OEB Staff

Kristi Sebalj

Ceiran Bishop

Sylvia Kovesfalvi

Andrew Bodrug

Martha McOuat

CNPI:

Jie Han, VP, Operations

Kristine Carmichael, Director of Corporate and Customer Services

Greg Beharriel, Manager, Regulatory Affairs

Rodney Barber, Regulatory Analyst

Jennifer Fretz-Joseph, Supervisor, IT Business Support

Michael O'Reilly, General Manager, Eastern Ontario Power

2 THE PROCESS

The OEB convenes community meetings in the service territories of local distribution companies that have applied to the OEB to change their rates through a cost of service proceeding.

Community meetings are part of the OEB's process of reviewing a rate application . The OEB has established a Customer Engagement Framework to ensure that the perspectives of customers served by rate-regulated entities are considered in the OEB's decision making process. .

The meetings are hosted by OEB staff in order to inform customers about the role of the OEB in rate-setting and the processes involved. OEB representatives explain the various ways that customers can become involved in the adjudicative process. Customers attending the meetings are given the opportunity to express their concerns directly to the OEB through online comments on the computers provided or by filling in a comment form.

To assist customers in better understanding the application, the utility is invited to make a presentation explaining its proposals for capital, operations and other spending that result in the requested rate change. Customers and municipal officials are also invited to make presentations outlining their thoughts on the utility's proposals.

Following the presentations, customers have the opportunity to ask questions of the OEB and the utility about the application and the regulatory process. The issues raised by customers in the community meetings are documented and used by OEB staff in reviewing the application, asking interrogatories and making submissions to the OEB panel hearing and deciding the application.

3 SUMMARY OF THE MEETINGS

3.1 Port Colborne

In addition to the OEB and CNPI presentations (attached as schedules A and B, respectively), two customers also provided comments.

Councillor Marina Butler asked CNPI to explain the extent to which it had taken steps to find efficiencies in its operations and consider asset optimization strategies such as deeming some of its transmission infrastructure as distribution facilities. She expressed concerns regarding the movement of CNPI from the lowest rates in the Niagara peninsula to the highest in the last 15 years. She ended her presentation by questioning if CNPI has the ability to reduce rates for the people they serve.

Mr. John Robinson's presentation encouraged CNPI to consider ways to improve customer service by making its customer-facing activities friendlier to seniors, who represent a large portion of CNPI's customer base. Mr. Robinson submitted that seniors likely prefer in-person customer service rather than by electronic means. Accordingly, Mr. Robinson encouraged CNPI to re-open a customer service office in Port Colborne in order to better serve customers in that area.

Significant portions of the audience expressed dissatisfaction with many aspects of provincial energy policy and CNPI's application. Many attendees reported that they could not afford to pay for any further rate increases.

Specific Issues Raised

- CNPI's application – questions regarding current and future capital expenditures, OM&A, especially wages and salaries, customer service and particularly the associated bill impacts
- Electricity prices – general concerns regarding affordability, as well as provincial energy policy, including the partial sale of Hydro One
- The potential effectiveness of the government's rate relief program – 8% off the HST, rural rate rebates and additional support for business
- Renewable generation – exports of below-cost power to New York, the status of development of energy storage, the cost of renewable energy programs
- OPG – salary levels and nuclear cost overruns
- Electricity sector compensation
- Consideration of compensation in OEB's review of CNPI's application

- Extent of OEB oversight of increases in the cost of power, the regulated price plan, time of use rates, and the global adjustment.

3.2 Gananoque

Following the presentations by OEB staff and CNPI (Schedule C), there were two brief presentations from customers.

Barbara Jones stated that people were doing all they could to reduce their electricity costs and requested that the OEB more closely monitor service providers to ensure increased reliability and improved efficiency. Ms. Jones' comments have been attached to this document as Schedule D.

Bill Webster requested that the OEB should deny any increase in rates until CNPI addressed reliability issues.

Bruce Davis provided a handout with five suggestions for actions that could be taken to improve the energy situation by the Town of Gananoque and CNPI. These included funding for the promotion of generation and green energy solutions, developing a database of vulnerable citizens needing aid during power outages and securing access to the local power plant and dams. The handout has been attached to this document as Schedule E.

The primary focus of attendees' questions was the recent and ongoing power outages experienced in the area and the perception that CNPI and Hydro One had not undertaken sufficient action to resolve the problems.

Specific Issues Raised

- CNPI's application – questions regarding the inclusion of spending to address reliability issues; lack of segregation of Gananoque reliability data within the application; administration spending levels.
- CNPI efforts to engage Hydro One to address reliability issues
- Mutual aid agreements with neighbouring utilities to reduce response time during outages
- Overall efficiency levels of CNPI as compared with other utilities in the province, and how the OEB monitors and enforces efficiency and performance.

SCHEDULE A
TO SUMMARY OF COMMUNITY ENGAGEMENT
ONTARIO ENERGY BOARD PRESENTATION
CANADIAN NIAGARA POWER INC.
EB-2016-0061
NOVEMBER 9, 2016



Ontario Energy Board

Commission de l'énergie de l'Ontario

About the Ontario Energy Board

OEB Community Meeting –
Canadian Niagara Power Inc. (Fort Erie-Port Colborne)

September 13, 2016

Who We Are

- The Ontario Energy Board is an independent public agency.
 - Regulating gas since 1960 and electricity since 1999
- Our goal is to promote a sustainable and efficient energy sector that provides energy consumers with reliable energy services at a reasonable cost.



What We Do

- The Ontario Energy Board regulates natural gas and electricity
 - Consumer protection
 - Consumer education
 - Rates
 - Rules and Service Standards
 - Wires and pipes
 - Policy implementation



Ontario's Electricity Sector



1 – Generators

2 – Transmitters – Hydro One and others

3 – About 72 local electricity distributors

4 – About 5 million electricity customers



The OEB Sets Rates

- The OEB reviews the “rates” that a local utility can charge customers
- A rate is an amount that recovers:
 - a utility's costs of providing distribution service (e.g. operations, maintenance, administrative expense, capital projects)
 - a return on equity
- Distribution rates typically include a monthly fixed charge and a volumetric rate (a cost per unit of electricity used).



Delivering Value – Aligning Interests

The OEB's job is to align various objectives



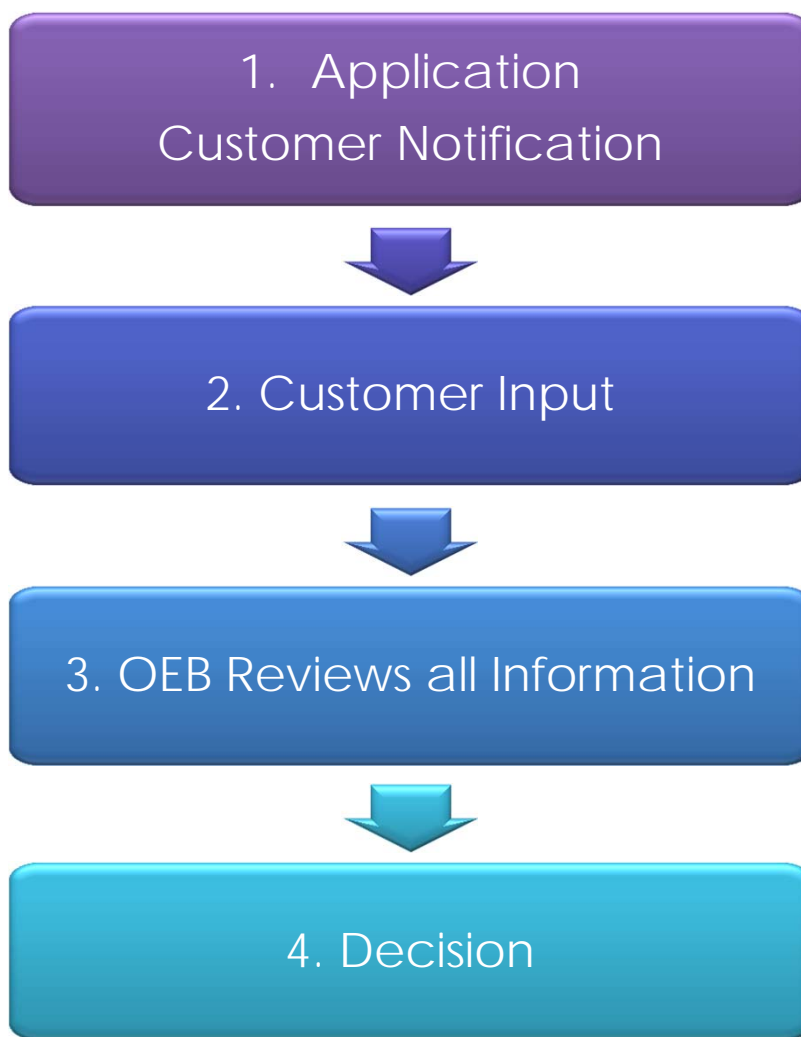
OEB Activities

- From April 1, 2014 to March 31, 2015, the OEB:
 - Responded to 15,000 customer inquiries
 - Reviewed 345 applications
 - Nearly 100 related to electricity rates
 - 14 detailed reviews

\$50 million in reductions



OEB Rate-Setting Process: Hearing Steps



Oral or written

Number of activities at each stage

Various Representatives

Timeline: Up to a year

Occurs every 5 years



OEB Rate-Setting Process: Focus of Review

1. Application
Customer Notification



2. Customer Input



3. OEB Reviews all Information



4. Decision

Distributor forecasts customers needs and costs to serve

Assess the costs and value to customers, taking customer input into account

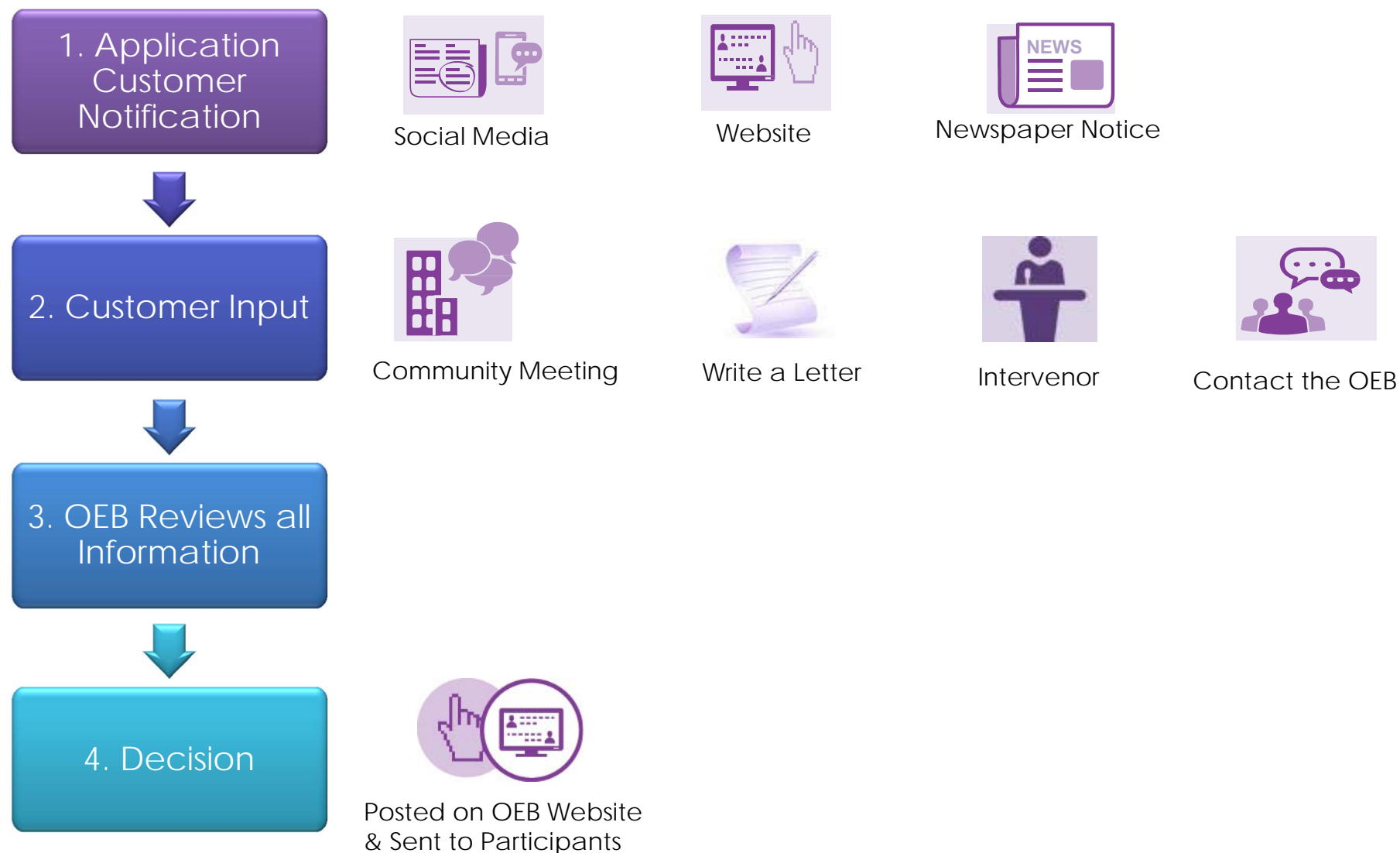
Test distributors' plans

Measure against other distributors

Determine what costs are reasonable.



Be Heard in the OEB's Process



OEB Hearings

- Open to all
 - Evidence is public
 - All written hearing materials posted on OEB website
 - All oral hearings open to the public and broadcast through OEB's website
 - Media welcome to attend



What Can You Do Tonight?

- The OEB wants to hear from you. Tonight we encourage you to:
 - Ask questions or provide verbal comments
 - Fill out a comment form either in hard copy or on one of the laptops at the back of the room
- You can also apply to become an active participant in our hearing
- Your voice helps the OEB do our job:

Ensuring utilities deliver value by focusing on what matters most to you



Contact OEB to Learn More

Visit our
website



416-314-2455
Toll Free 1-877-632-2727



www.ontarioenergyboard.ca



Twitter: @OntEnergyBoard



**Address: Ontario Energy Board, 2300
Yonge Street, Suite 2701, Toronto,
Ontario M4P 1E4**



Ontario Energy Board
Commission de l'énergie de l'Ontario

Your Voice Matters – Thank You



Ontario's Energy Agencies

Agencies

The Ministry of Energy works with many partners to develop Ontario's electricity generation, transmission and other energy-related facilities. It also has legislative responsibility for several agencies, including:

- [The Independent Electricity System Operator \(IESO\)](#) manages the reliability of Ontario's power system and forecasts the demand and supply of electricity. The IESO also operates the wholesale electricity market, while ensuring fair competition through market surveillance.
- [Ontario Power Generation \(OPG\)](#) is a provincially-owned electricity generation company — its hydroelectric, nuclear and fossil fuel stations generate approximately 60% of Ontario's electricity.
- [The Ontario Energy Board \(OEB\)](#) is an independent public agency that regulates Ontario's natural gas and electricity sectors. OEB's mandate includes protecting customers with respect to prices and the reliability and quality of electricity service.
- [Hydro One](#) is a partially government owned agency that operates the majority of Ontario's transmission lines. Hydro One also serves as an electricity local distribution company in some areas of the province.



SCHEDULE B
TO SUMMARY OF COMMUNITY ENGAGEMENT
CNPI PRESENTATION
FORT ERIE – PORT COLBORNE.
CANADIAN NIAGARA POWER INC.
EB-2016-0061
NOVEMBER 9, 2016



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

Community Information Session

2016 Cost of Service Rate Application

Jie Han, P. Eng.
Vice President, Operations
Canadian Niagara Power Inc.



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

- What is the relationship between Canadian Niagara Power (CNPI) and Eastern Ontario Power (EOP)?
 - ❖ CNPI provides power distribution services for Town of Fort Erie, City of Port Colborne, and Town of Gananoque
 - ❖ EOP is the brand name adopted for the services in Town of Gananoque and adjacent areas.
 - ❖ EOP is part of CNPI



CANADIAN NIAGARA POWER INC.

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Company

- What makes up CNPI?

Niagara Region	Eastern Ontario Power	Canadian Niagara Power Inc (CNPI)
Serves approximately 24,000 customers in Fort Erie and Port Colborne, Ontario	Serves approximately 3,600 customers in Gananoque, Ontario	Serves approximately 27,600 customers in total
Peak Demand—85 MW	Peak Demand—14 MW	Total Peak Demand- 99 MW
Distance of Lines—844 KM	Distance of Lines — 182 KM	Total Distance of Lines — 1026 KM



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

- What are our Core Values?
 - ❖ Respect for People
 - ❖ Safety and the Environment
 - ❖ Financial Success
 - ❖ Customer Service
 - ❖ Productivity
 - ❖ Community Involvement



CANADIAN NIAGARA POWER INC.

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Company

• Scorecard Performance (CNPI & EOP) - 2015

Performance Outcomes	Performance Categories	Measures	2011	2012	2013	2014	2015	Trend	Target	
									Industry	Distributor
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	97.70%	95.70%	93.10%	96.00%	94.40%	⬆️	90.00%	
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	↔️	90.00%	
		Telephone Calls Answered On Time	83.40%	84.60%	82.60%	78.20%	76.10%	⬆️	65.00%	
	Customer Satisfaction	First Contact Resolution				99.9%	99.80%			
		Billing Accuracy				99.92%	99.91%	⬆️	98.00%	
		Customer Satisfaction Survey Results			80.84%	79.59%	94%			
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness					81.00%			
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	NI	⬆️		C
		Serious Electrical Incident Index	0	0	0	1	0	⬆️		0
		Number of General Public Incidents Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.978	0.000	⬆️		0.137
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	1.82	1.89	3.22	1.95	2.36	⬆️		1.98
		Average Number of Times that Power to a Customer is Interrupted ²	1.63	2.21	2.72	2.07	2.78	⬆️		1.98
	Asset Management	Distribution System Plan Implementation Progress				Completed	Completed			
	Cost Control	Efficiency Assessment		4	4	4	4			
		Total Cost per Customer ³	\$727	\$679	\$726	\$749	\$778			
		Total Cost per Km of Line ³	\$20,204	\$18,790	\$20,275	\$21,202	\$21,726			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Cumulative Energy Savings ⁴					12.30%			28.48 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time			0.00%					
		New Micro-embedded Generation Facilities Connected On Time			97.78%	95.65%	100.00%	⬆️	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.65	0.33	0.34	0.33	0.35			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	2.97	2.53	2.30	2.02	1.72			
		Profitability: Regulatory Return on Equity	8.01%	8.01%	8.93%	8.93%	8.93%			
		Deemed (included in rates) Achieved	7.21%	9.42%	6.71%	8.31%	10.00%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the fixed 5-year (2010 to 2014) average distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
4. The CDM measure is based on the new 2015-2020 Conservation First Framework. This measure is under review and subject to change in the future.

Legend: 5-year trend
 ⬆️ up ⬇️ down ↔️ flat
 Current year
 ● target met ● target not met



CANADIAN NIAGARA POWER INC.

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Company

- How does CNPI listen to customers?
 - ✓ Annual Customer Telephone Survey
 - ✓ Customer Focus Groups
 - ✓ Community Involvement
 - ✓ Call center staffed with knowledgeable resources
 - ✓ Social Media channels

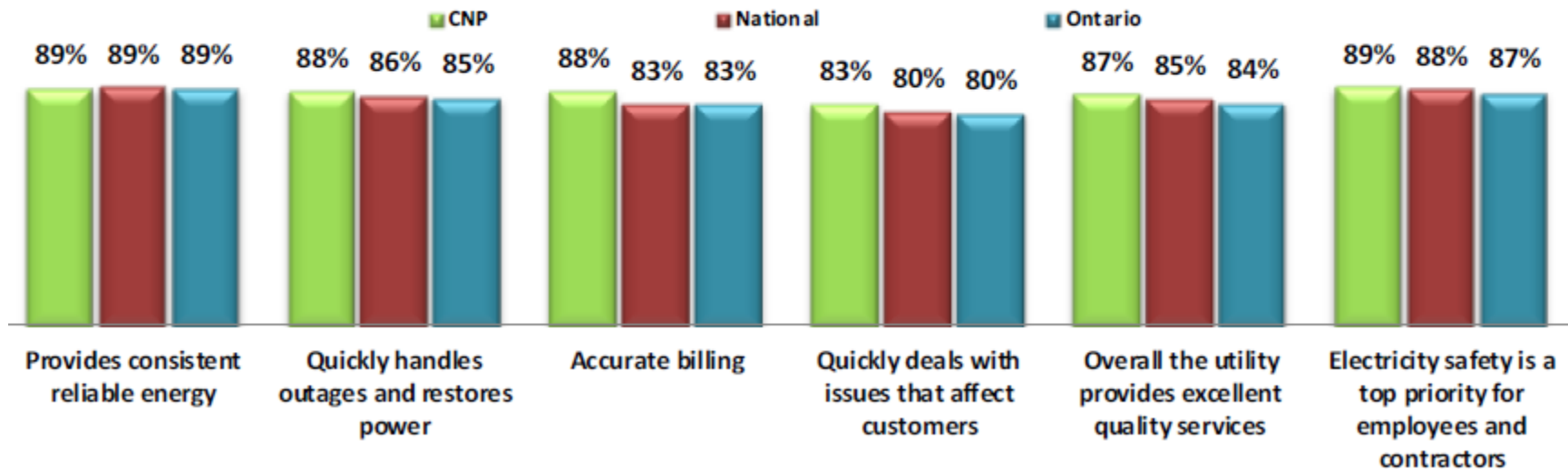


CANADIAN NIAGARA POWER INC.

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❖ Annual Telephone Survey Results

The Fundamentals...





CANADIAN NIAGARA POWER INC.

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❖ Customer Focus Groups

- Group sessions (residential and commercial)
 - Engage customers in dialogue to gain a better understanding of the findings from the telephone survey and capture their thoughts, ideas and recommendations when moving forward with the rate application process.





CANADIAN NIAGARA POWER INC.

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❖ Community Involvement





CANADIAN NIAGARA POWER INC.

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❖ Community Involvement

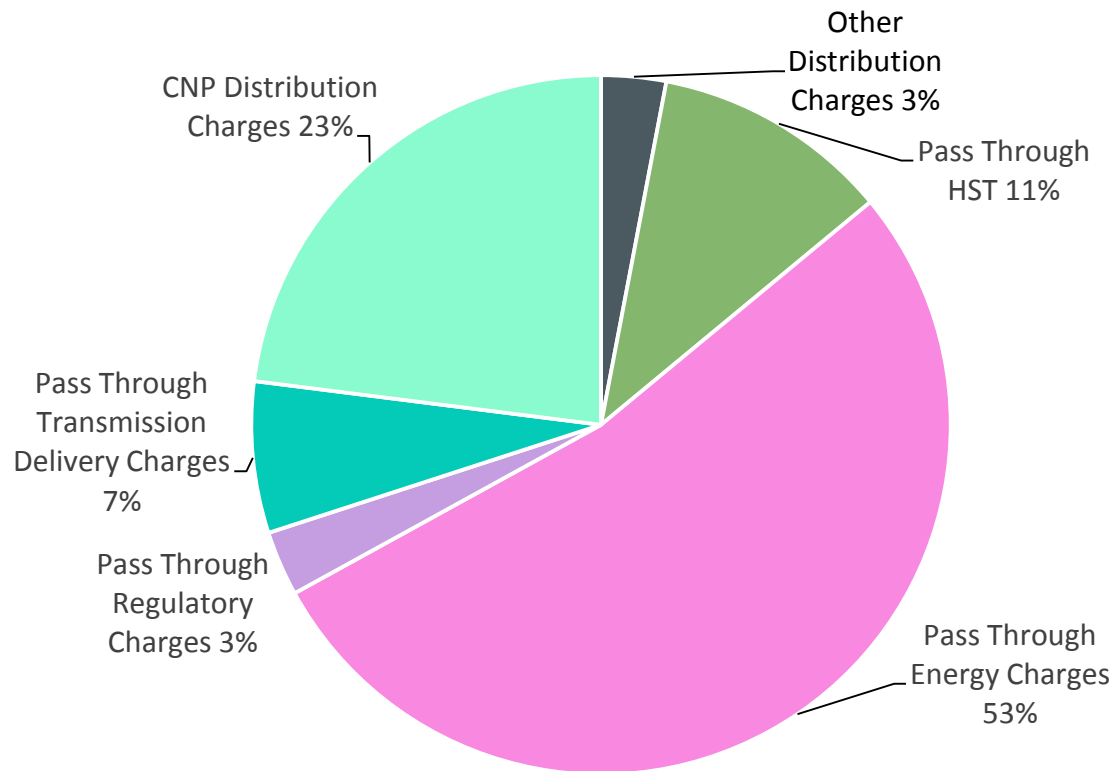




CANADIAN NIAGARA POWER INC.

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- What makes up your electricity bill?





CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

- What is the impact on residential customer bill in proposed rates based upon 750 kWh/monthly?

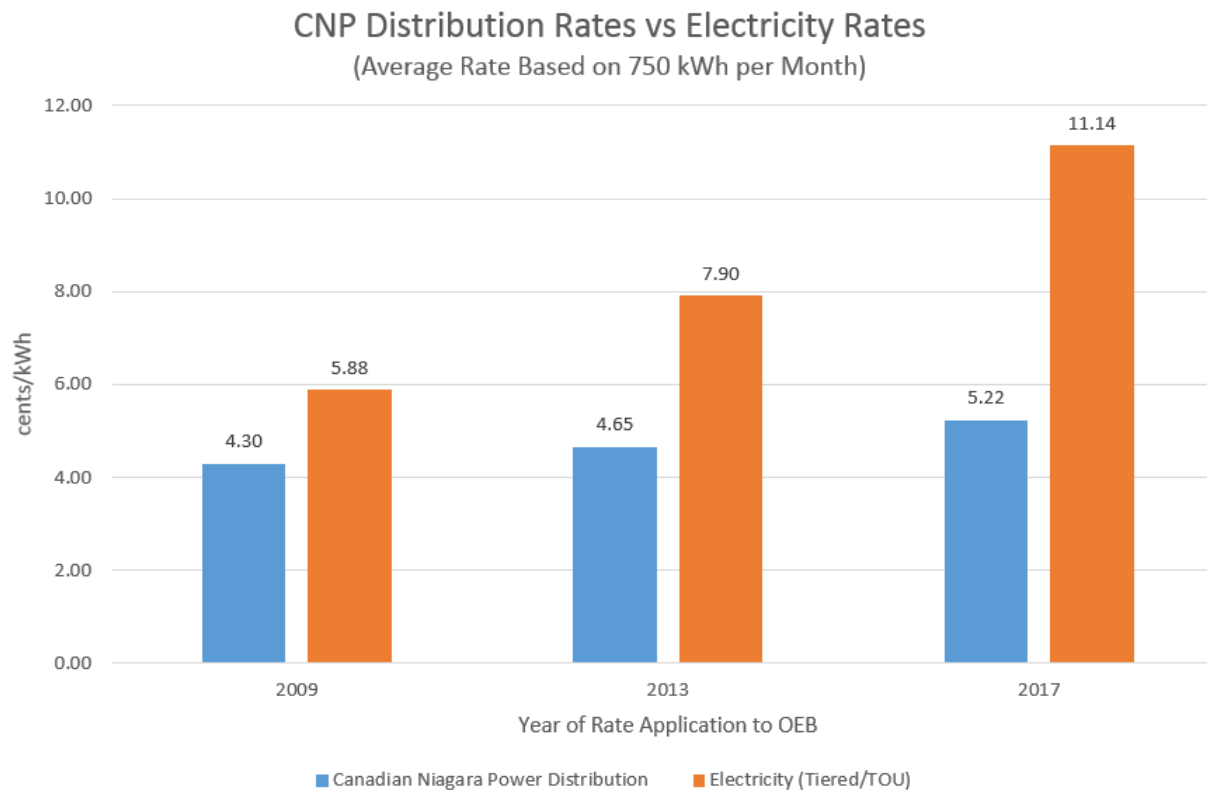
	Current	Proposed	\$ Change
Canadian Niagara Power Distribution	\$ 34.84	\$ 39.40	\$ 4.56
Other Distribution Charges	\$ 4.98	\$ 1.85	-\$ 3.13
Transmission Charges	\$ 10.28	\$ 10.11	-\$ 0.17
Sub-Total - Delivery	\$ 50.10	\$ 51.36	\$ 1.26
Regulatory Charges	\$ 5.00	\$ 4.99	-\$ 0.01
Electricity (TOU)	\$ 80.75	\$ 80.75	\$ -
Total Bill on TOU (before taxes)	\$ 135.85	\$ 137.10	\$ 1.25
HST	\$ 17.66	\$ 17.82	\$ 0.16
Total Bill on TOU	\$ 153.51	\$ 154.92	\$ 1.41



CANADIAN NIAGARA POWER INC.

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Company

- How does CNPI's increase compare to cost of power increases?

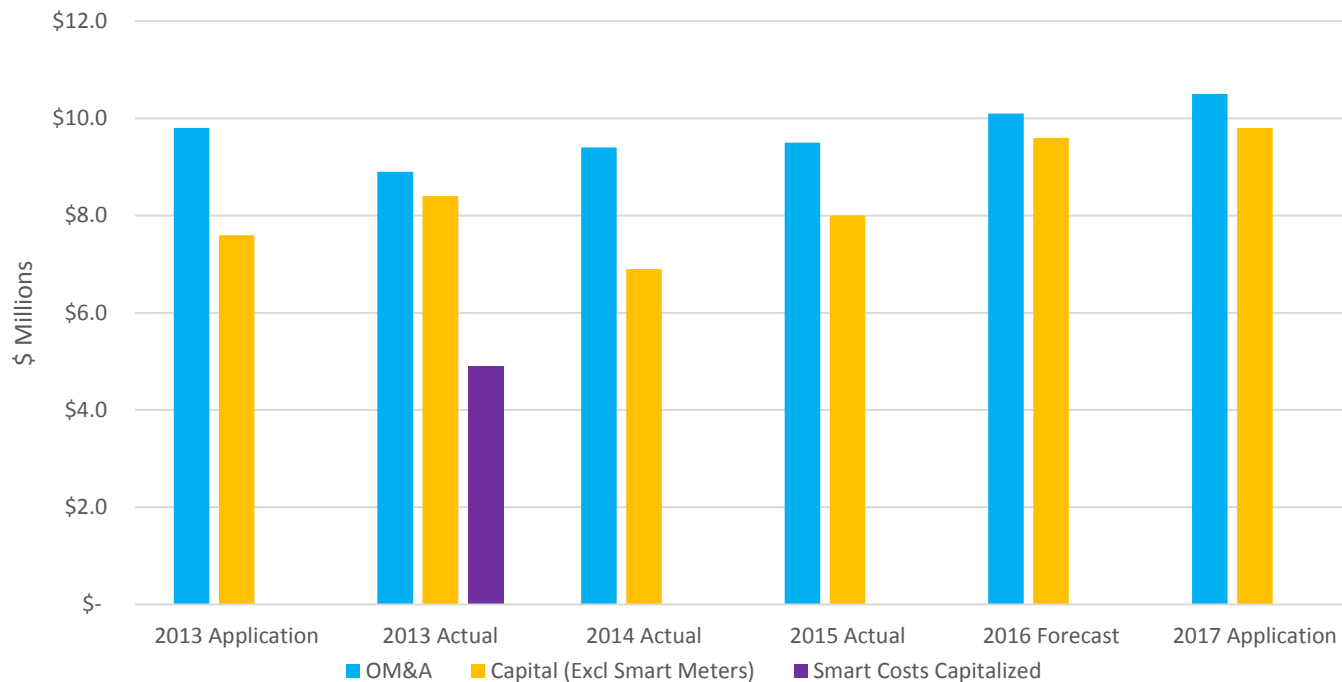




CANADIAN NIAGARA POWER INC.

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- How do the expenditures year-over-year compare?





CANADIAN NIAGARA POWER INC.

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Company

- What are Capital Investments?
 - Investments in long term assets
 - New poles
 - Wires
 - Transformers
 - Others
- What is Operation, Maintenance & Administration (OM&A)?
 - Day-to-Day expenditures
 - Maintenance on our assets
 - Customer Service
 - Human Resources
 - Others



CANADIAN NIAGARA POWER INC.

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Company

• How are planned capital investments categorized?

System Access

Definition: Investments that respond to customer requests for new connections or new infrastructure development. These are high priority, “must do” projects, as Canadian Niagara Power is mandated to connect new customers to the distribution system.

Projects Include: new subdivision and business customer connections, and relocating assets based on infrastructure needs.

System Renewal

Definition: These projects are a mix of planned end-of-life replacement and emergency replacement investments.

■ **Projects Include:** station upgrades, and underground cable, overhead wire and pole replacements

System Service

Definition: These investments consist of projects that improve system reliability and customer service.

Projects Include: automated switches and improved distribution system monitoring equipment

General Plant

Definition: These investments, such as tools, vehicles, buildings, and the information technology (IT) systems used to manage financial and customer information, are required to operate and maintain the distribution system efficiently and service customers.

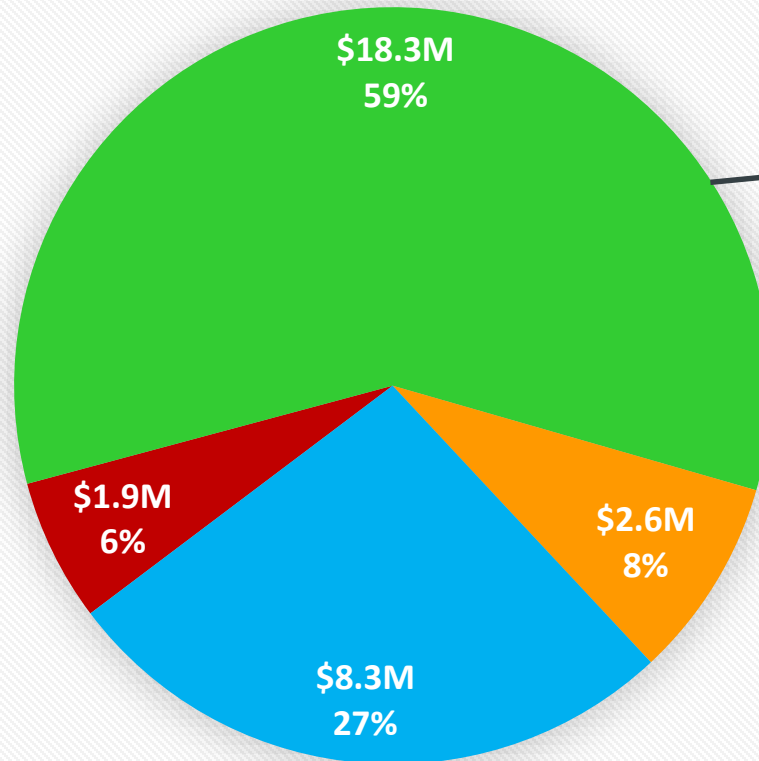
Projects Include: financial and customer information systems, and vehicle replacements, facility relocation



CANADIAN NIAGARA POWER INC.

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Company

- How has CNPI invested in Fort Erie and Port Colborne during 2013-2016 (\$31.1M)?



Includes one-time investments in Smart Meters of \$4,269,000

■ System Access (net of CIAC) ■ System Renewal ■ System Service ■ General Plant



CANADIAN NIAGARA POWER INC.

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Company

What were some major capital projects completed in 2013-2016 for Fort Erie and Port Colborne?

- Major Voltage Conversions (4.8kV Delta to 8.3kV Wye)
 - \$1.40M: Voltage Conversions (Retire Barrack DS, Port Colborne)
 - \$1.47M: Ridgeway Area and North of QEW (Fort Erie)
- Distribution Substations (DS)
 - \$1.45M: Fielden DS Expansion (Port Colborne)
 - \$2.12M: Gilmore DS (Fort Erie)
- Other Distribution System Upgrade Programs
 - \$4.27M: Smart Meters
 - \$6.17M: Distribution Upgrades (Fort Erie)
 - \$2.24M: Line Relocations/Distribution Upgrades (Port Colborne)
- New Residential Subdivisions

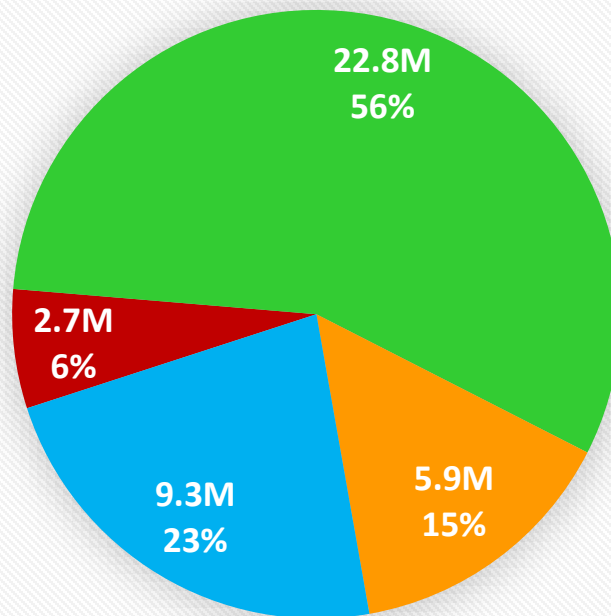


CANADIAN NIAGARA POWER INC.

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Company

- What are CNPI's planned capital investments (\$40.7M)?

CNPI Total Investments (2017-2021)



■ System Access (net of CIAC) ■ System Renewal
■ System Service ■ General Plant



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

- What are some major capital projects in the current 5-year plan for Fort Erie and Port Colborne?
 - Major Voltage Conversions (4.8kV Delta to 8.3kV Wye)
 - \$4.90M: Fort Erie - North of QEW
 - \$3.69M: Fort Erie - Ridgeway Area
 - New Distribution Substations (DS)
 - \$1.69M: Port Colborne South
 - \$1.70M : Fort Erie South-Central
 - Other Distribution System Upgrade Programs
 - \$6.17M: Fort Erie
 - \$2.24M: Port Colborne
 - New Residential Subdivisions

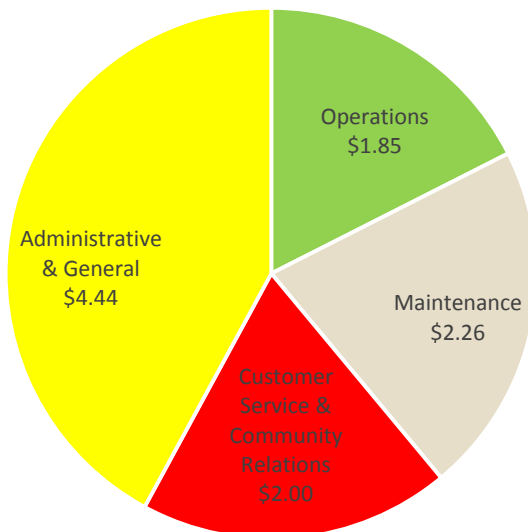


CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

- What does CNPI* plan to spend on Operations, Maintenance and Administration?

2017 OM&A Forecast (\$ Millions)



Highlights in 2017 Application:

- Pole Testing Program
- Emerald Ash Borer Program
- MIST Meters

* These are the total CNPI costs, which includes both Canadian Niagara Power (Fort Erie, Port Colborne) and Eastern Ontario Power (Gananoque area)



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

- Feedback & Discussion

SCHEDULE C
TO SUMMARY OF COMMUNITY ENGAGEMENT
CNPI PRESENTATION
GANANOQUE (EASTERN ONTARIO POWER)
CANADIAN NIAGARA POWER INC.
EB-2016-0061
NOVEMBER 9, 2016



Eastern Ontario Power

A **FORTIS** ONTARIO
Company

Community Information Session

2016 Cost of Service Rate Application

Jie Han, P. Eng.
Vice President, Operations
Canadian Niagara Power Inc.

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- What makes up CNPI?

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Serves approximately 24,000 customers in Fort Erie and Port Colborne, Ontario	Serves approximately 3,600 customers in Gananoque, Ontario	Serves approximately 27,600 customers in total
Peak Demand—85 MW	Peak Demand—14 MW	Total Peak Demand- 99 MW
Distance of Lines— 844 KM	Distance of Lines — 182 KM	Total Distance of Lines — 1026 KM

- What are our Core Values?
 - ❖ Customer Service
 - ❖ Respect for People
 - ❖ Safety and the Environment
 - ❖ Productivity
 - ❖ Financial Success
 - ❖ Community Involvement

Eastern Ontario Power

A FORTIS ONTARIO
Company

• Scorecard Performance (CNPI & EOP) - 2015

Performance Outcomes	Performance Categories	Measures	2011	2012	2013	2014	2015	Trend	Target	
									Industry	Distributor
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	97.70%	95.70%	93.10%	96.00%	94.40%	⬇️	90.00%	
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	⬆️	90.00%	
		Telephone Calls Answered On Time	83.40%	84.60%	82.60%	78.20%	76.10%	⬇️	65.00%	
	Customer Satisfaction	First Contact Resolution				99.9%	99.80%			
		Billing Accuracy				99.92%	99.91%	⬇️	98.00%	
		Customer Satisfaction Survey Results			80.84%	79.59%	94%			
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness					81.00%			
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	NI	⬆️		C
		Serious Electrical Incident Index	0	0	0	1	0	⬆️		0
		Number of General Public Incidents Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.978	0.000	⬆️		0.137
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	1.82	1.89	3.22	1.95	2.36	⬆️		1.96
		Average Number of Times that Power to a Customer is Interrupted ²	1.63	2.21	2.72	2.07	2.78	⬆️		1.98
	Asset Management	Distribution System Plan Implementation Progress				Completed	Completed			
	Cost Control	Efficiency Assessment		4	4	4	4			
		Total Cost per Customer ³	\$727	\$679	\$726	\$749	\$778			
		Total Cost per Km of Line ³	\$20,204	\$18,790	\$20,275	\$21,202	\$21,726			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Cumulative Energy Savings ⁴					12.30%			28.48 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time			0.00%					
		New Micro-embedded Generation Facilities Connected On Time			97.78%	95.65%	100.00%	⬆️	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.65	0.33	0.34	0.33	0.35			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	2.97	2.53	2.30	2.02	1.72			
		Profitability: Regulatory Return on Equity	8.01%	8.01%	8.93%	8.93%	8.93%			
		Deemed (included in rates) Achieved	7.21%	9.42%	6.71%	8.31%	10.00%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).

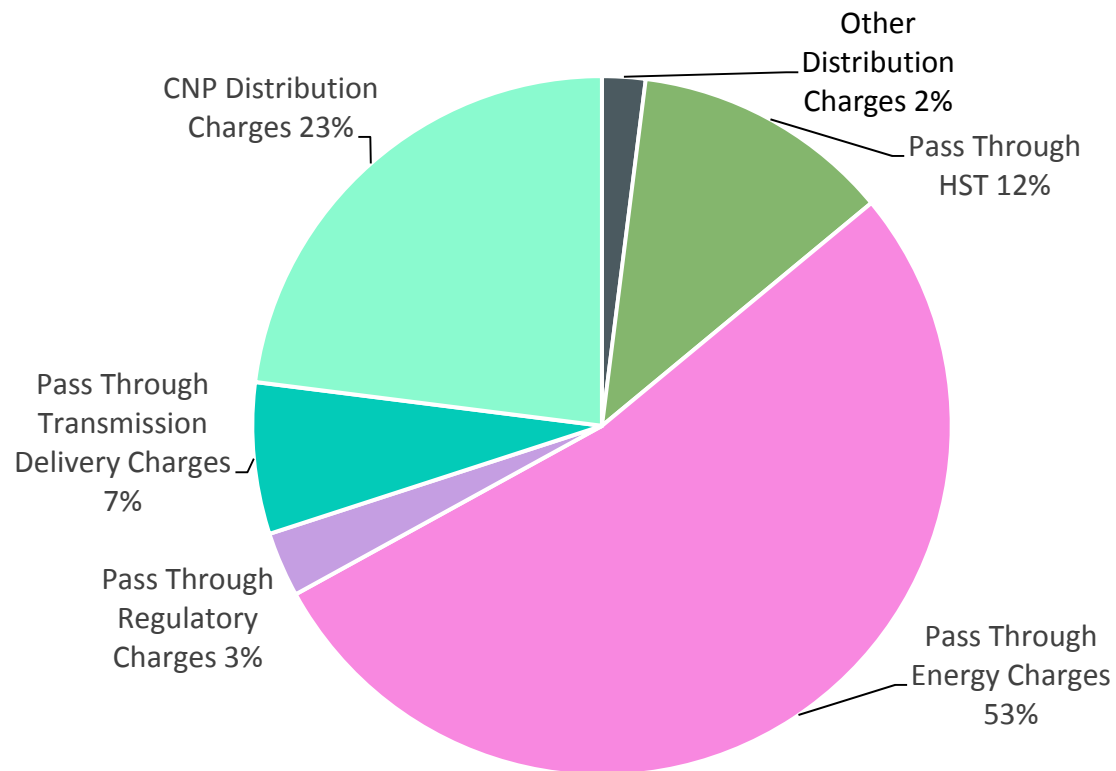
2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the fixed 5-year (2010 to 2014) average distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.

3. A benchmarking analysis determines the total cost figures from the distributor's reported information.

4. The CDM measure is based on the new 2015-2020 Conservation First Framework. This measure is under review and subject to change in the future.

Legend: 5-year trend
 ⬆️ up ⬇️ down ⬆️ flat
 Current year
 ● target met ● target not met

- What makes up your electricity bill?





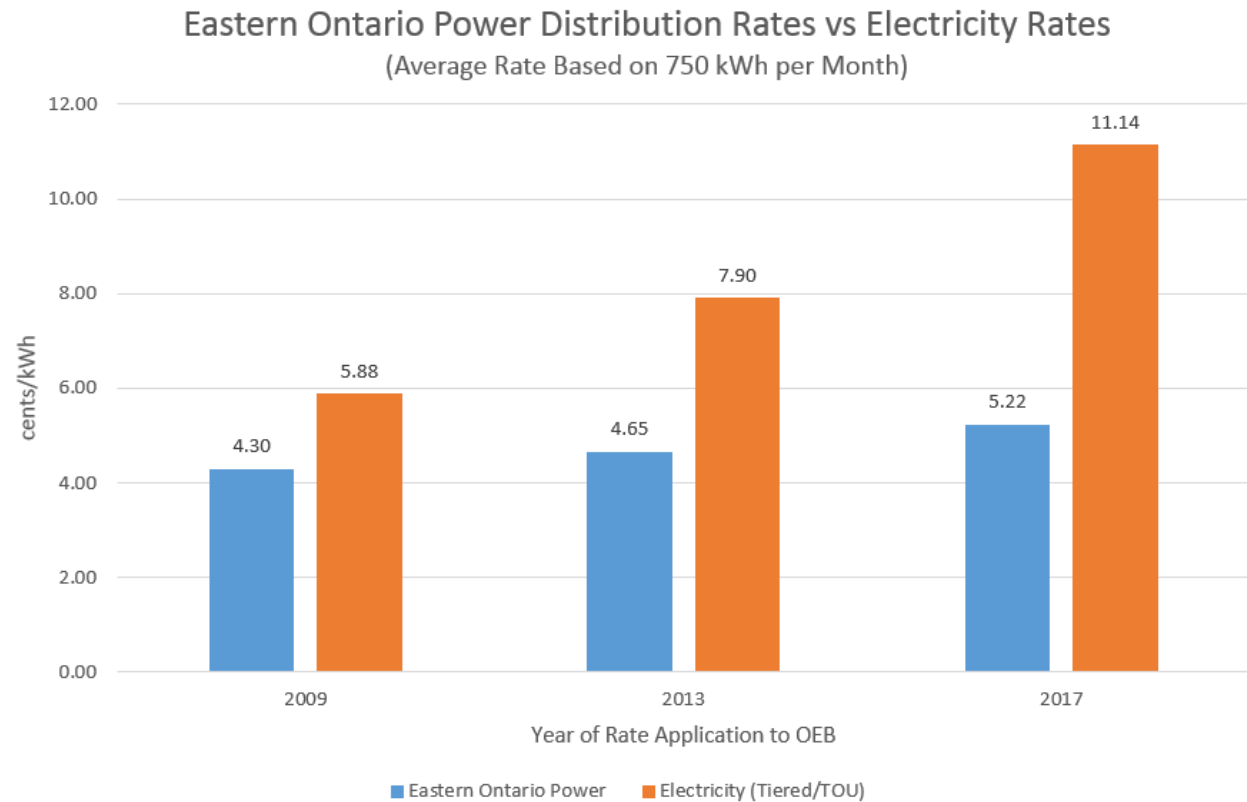
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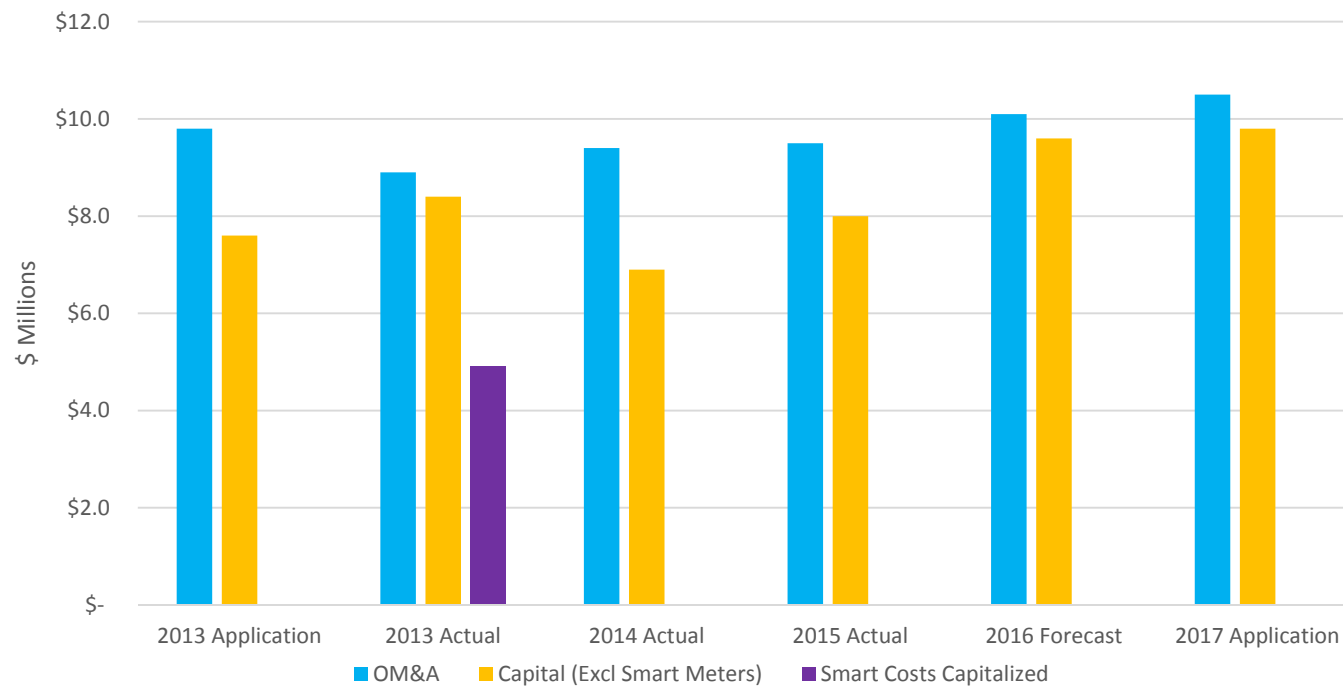
- What is the impact on residential customer bill in proposed rates based upon 750 kWh/month?

	Current	Proposed	\$ Change
Eastern Ontario Power Distribution	\$ 34.84	\$ 39.40	\$ 4.56
Other Distribution Charges	\$ 3.52	\$ 1.85	-\$ 1.67
Transmission Charges	\$ 10.28	\$ 10.11	-\$ 0.17
Sub-Total - Delivery	\$ 48.64	\$ 51.36	\$ 2.72
Regulatory Charges	\$ 5.00	\$ 4.99	-\$ 0.01
Electricity (TOU)	\$ 80.75	\$ 80.75	\$ -
Total Bill on TOU (before taxes)	\$ 134.39	\$ 137.10	\$ 2.71
HST	\$ 17.47	\$ 17.82	\$ 0.35
Total Bill on TOU	\$ 151.86	\$ 154.92	\$ 3.06

- How does Eastern Ontario Power's increase compare to cost of power increases?



- How do the expenditures year-over-year compare?



- What are Capital Investments?
 - Investments in long term assets
 - New poles
 - Wires
 - Transformers
 - Others
- What is Operation, Maintenance & Administration (OM&A)?
 - Day-to-Day expenditures
 - Maintenance on our assets
 - Customer Service
 - Human Resources
 - Others

- How are planned capital investments categorized?

System Access

Definition: Investments that respond to customer requests for new connections or new infrastructure development. These are high priority, “must do” projects, as Canadian Niagara Power is mandated to connect new customers to the distribution system.

Projects Include: new subdivision and business customer connections, and relocating assets based on infrastructure needs.

System Renewal

Definition: These projects are a mix of planned end-of-life replacement and emergency replacement investments.

- **Projects Include:** station upgrades, and underground cable, overhead wire and pole replacements

System Service

Definition: These investments consist of projects that improve system reliability and customer service.

Projects Include: automated switches and improved distribution system monitoring equipment

General Plant

Definition: These investments, such as tools, vehicles, buildings, and the information technology (IT) systems used to manage financial and customer information, are required to operate and maintain the distribution system efficiently and service customers.

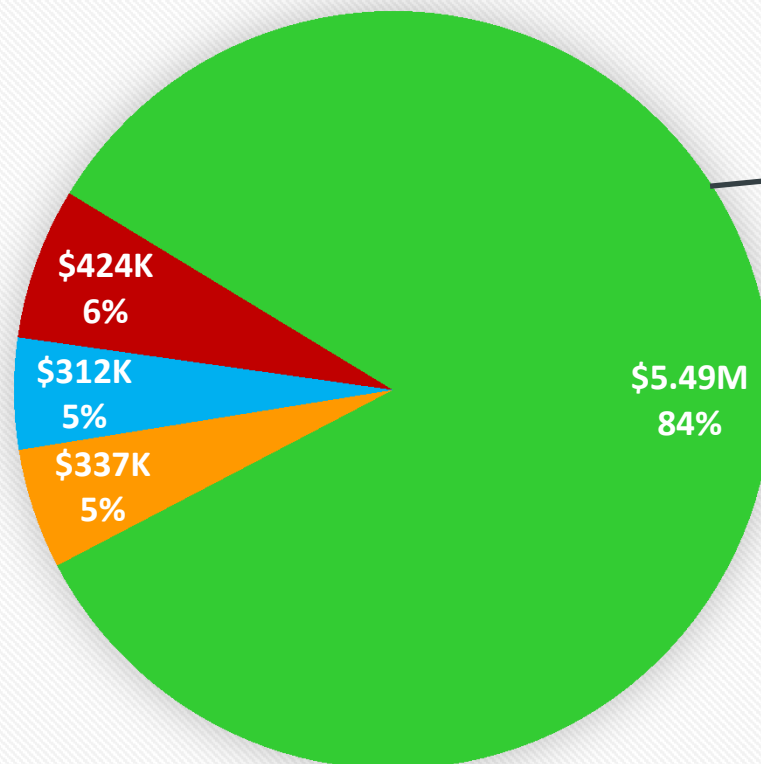
Projects Include: financial and customer information systems, and vehicle replacements, facility relocation



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- How has CNPI invested in EOP during 2013-2016 (\$6.6M)?



Includes one-time investments in Smart Meters of \$610,000

■ System Access (net of CIAC) ■ System Renewal ■ System Service ■ General Plant



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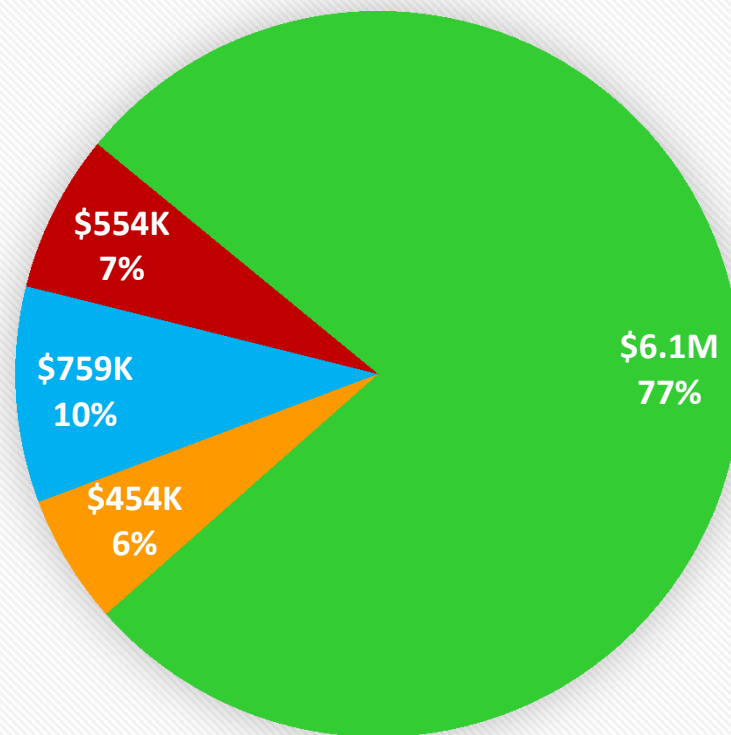
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What were some major capital projects completed (or underway) in 2013-2016 for Eastern Ontario Power?

- Station/Feeder Interties
 - \$555k: Oak Alley / Pine St
 - \$380k: Herbert DS to Gananoque DS
- Distribution Substations (DS)
 - \$328k: Retirement of three obsolete stations (West Line)
- Other Distribution System Upgrade Programs
 - \$2.33M: Distribution System Upgrades
 - \$610k: Smart Meters
- New Residential Subdivisions

- What are EOP's planned capital investments (\$7.8M)?

EOP Total Investments (2017-2021)



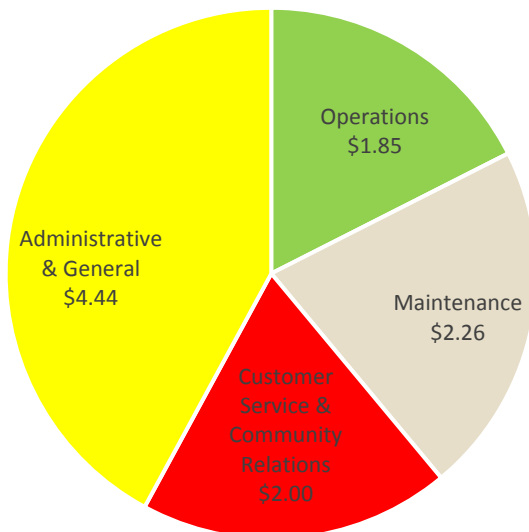
■ System Access (net of CIAC) ■ System Renewal ■ System Service ■ General Plant

- What are some major capital projects in the current 5-year plan for EOP?
 - \$750k: Main Substation Delta to Wye Conversion
 - \$1.12M: North Line Rebuild Program
 - \$2.87M: Distribution System Upgrade Program

- All costs shown are estimates only

- What does EOP* plan to spend on Operations, Maintenance and Administration?

2017 OM&A Forecast (\$ Millions)



Highlights in 2017 Application:

- Pole Testing Program
- Emerald Ash Borer Program
- MIST Meters

* These are the total CNPI costs, which includes both Canadian Niagara Power (Fort Erie, Port Colborne) and Eastern Ontario Power (Gananoque area)



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- Feedback & Discussion

SCHEDULE D
TO SUMMARY OF COMMUNITY ENGAGEMENT
PRESENTATION BY BARBARA JONES
CANADIAN NIAGARA POWER INC.
EB-2016-0061
NOVEMBER 9, 2016

Gananoque Community Meeting
September 14, 2016
Presentation
Barbara Jones

A few weeks ago, after a day-long power outage, a letter of mine appeared in the local paper in which I suggest that Hydro One and Eastern Ontario Power should issue rebates to its users for the hours their companies fail to deliver electricity.

The next week's paper quoted the mayor of Gananoque as saying the town has had 8 significant outages in the past year alone.

In the same issue, there's the energy board's announcement that our electrical provider wants to raise our rates.

And a few weeks later we had another significant outage.

Just before I left home to come here this evening I read in the paper a report on a recent town meeting at which the manager of our local electrical company, EOP, referred to the plethora of blackouts as "unbelievable", "unacceptable" and a "run of bad luck"--for which he claims no responsibility and offers only the very expensive fix of a separate line which he proposes that we, I presume, will pay for.

I understand that Ontario has highest electrical bills in the entire country. Could it have to do with the enormous piece of the pie spent on Administration? And the ongoing inefficiency?

Everyone I know in this area already does everything possible to keep energy use low. Even so our bills are high and our service unreliable.

Does the OEB know if our servers use best practices? Are they pro-active? E.G. do they have a program to make regular inspections of lines to identify and request removal of potential hazards BEFORE Nature send them crashing onto the lines?--which is exactly what happened in our latest outage.

Maybe rather than granting the requested increase, the Energy Board could more closely monitor the providers; could insist that they offer ways to increase their efficiency and lower the costs--beginning with Administrative costs. Insist they demonstrate reliable service before taking more money from people who can ill afford it, thereby rewarding the companies who are increasingly failing us. The OEB might help us all by holding these companies accountable.

SCHEDULE E
TO SUMMARY OF COMMUNITY ENGAGEMENT
GANANOQUE HANDOUT PREPARED BY BRUCE DAVIS
CANADIAN NIAGARA POWER INC.
EB-2016-0061
NOVEMBER 9, 2016

Here are five things we can do to improve the energy situation in Gananoque

What	Who	When
<p>1. Eastern Ontario Power (a unit of Canadian Niagara Power Inc.) should withdraw its Ontario Energy Board application for a rate increase and completely revise its business plan to focus on restoring reliability to customers in Gananoque.</p> <p>Their current five year business plan places little or no emphasis on establishing a second power supply to Gan, it anticipates no major renewable energy projects and its reliability numbers and customer satisfaction data completely hide the disastrous situation in Gan. The application is indefensible.</p>	CNPI / EOP	<p>Immediate</p> <p>New plan should be presented in 2-4 months</p> <p>New capital infrastructure 1-3 years</p>
<p>2. The Town of Gananoque has a \$200,000 economic development capital reserve fund that it can and should use to support major employers and the BIA to improve power reliability and green energy use. For example, the town can provide ten year interest free loans to employers so they can procure generators or install solar panels or wind turbines. Employers could cost share a portion. Eastern Ontario Power should immediately add \$250,000 to this fund.</p>	<p>Town of Gan</p> <p>Big employers</p> <p>BIA / Smaller businesses</p> <p>CNPI / EOP</p>	6-12 months
<p>3. The Town of Gananoque receives \$10,000 a year from the solar panels on the roof of the 1000 islands Playhouse. (The energy from these panels is sold to the provincial grid). It should dedicate this revenue to create energy back-up systems for the playhouse so that shows are not interrupted.</p>	<p>Town of Gan</p> <p>1000 Islands Playhouse</p>	1-2 months
<p>4. The Town of Gananoque and Eastern Ontario Power should develop an emergency contact database (voluntary) of seniors or frail individuals who need access to a cooling or warming station in the event of a prolonged crisis. The Town of Gananoque should develop the Lou Jeffries Recreation Centre and the Firehall Theatre as cooling/warming stations in the event of prolonged power outages.</p>	<p>Town of Gan</p> <p>CNPI / EOP</p>	<p>1-2 months for database development</p> <p>6 months for cooling station</p>
<p>5. The Town of Gananoque should negotiate with the City of Ottawa to secure emergency and long-term access to the run-of-river power plant in Gan and the dams in the area that are owned by Ottawa. It is crime that our town has a 600kW plant that is selling power across Ontario but not to local customers.</p>	<p>Town of Gan</p> <p>City of Ottawa</p>	3-6 months