

IN THE MATTER OF an application made by Hydro One Inc. for leave to purchase all of the issued and outstanding shares of Orillia Power Distribution Corporation, made pursuant to section 86(2)(b) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation seeking to include a rate rider in the 2016 Board-approved rate schedules of Orillia Power Distribution Corporation to give effect to a 1% reduction relative to 2016 base distribution delivery rates (exclusive of rate riders), made pursuant to section 78 of the *Ontario Energy Board Act, 1998*

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation for leave to transfer its distribution system to Hydro One Networks Inc., made pursuant to section 86(1)(a) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation for leave to transfer its rate order to Hydro One Networks Inc., made pursuant to section 18 of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation seeking cancellation of its distribution licence, made pursuant to section 77(5) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Hydro One Networks Inc. seeking an order to amend its distribution licence, made pursuant to section 74 of the *Ontario Energy Board Act, 1998*, to serve the customers of the former Orillia Power Distribution Corporation.

AND IN THE MATTER OF Procedural Order No. 6 issues in the within proceeding on July 27, 2017.

AND IN THE MATTER OF sections 8 and 40 of the OEB Rules of Practice and Procedure.

AFFIDAVIT OF GRANT HIPGRAVE

I, **GRANT HIPGRAVE**, of the City of Barrie, affirm as follows:

1. I am the Interim President and Chief Executive Officer of Orillia Power Distribution Corporation (“Orillia Power”) and Orillia Power Generation Corporation (“Orillia Power Generation”) and as such I have knowledge of the matters to which I hereinafter

depose. Where I do not have direct knowledge, I state the source of my knowledge, information or belief and I verily believe it to be true.

2. I have been employed by these corporations for eleven years. Prior to my current position, I was the Director of Generation at Orillia Power Generation. Prior to that I was the Controller of both Orillia Power and Orillia Power Generation.
3. I make this affidavit in support of Orillia Power's motion to the Ontario Energy Board ("OEB") to reconsider its Procedural Order issued on July 27, 2016.
4. In summary, the OEB's decision to hold in abeyance the approval of Hydro One's amended application filed on October 11, 2016 under section under section 86(2)(b) of the *Ontario Energy Board Act, 1998, S.O. 1998 c. 15 (Schedule B)* (the "*Act*") requesting, among other things, the approval to purchase all of the shares of Orillia Power (the "Application"), pending the OEB's decision in an application brought by Hydro One Network's Inc. ("HONI") in another matter under OEB File No. EB-2017-0049, has caused uncertainty at Orillia Power that has affected the morale of employees and is leading to staff shortages in important areas of operation.
5. The notice of hearing in this matter was issued on November 7, 2016. While Orillia Power may not have known exactly when the OEB would approve the Application, based on previous, similar transactions approved by the OEB, we would have thought that the Application would be approved within six to nine months. The OEB's performance standards for processing applications provide that for a written hearing under section 86, the timeline for processing would be expected to be 130 days.¹
6. Since August 2016, there have been four departures of staff, including two senior staff, and one more that is pending. Orillia Power and Orillia Power Generation combined, had less than fifty employees and so the departure of five employees has an effect on how we operate.

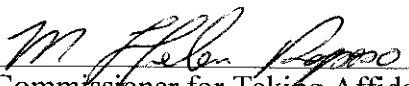
¹ <https://www.oeb.ca/industry/applications-oeb/performance-standards-processing-applications>

7. As I discuss below, since the departures were announced, we have not filled these positions as we anticipated that the Application would be approved within the OEB's standard timeline. Furthermore, it would be extremely difficult to find qualified employees who were willing to make a significant career move to a position with an unknown future. The work previously done by the departing employees has been redistributed among existing employees in the short-term. However, if the OEB continues to hold the Application in abeyance indefinitely, it will become more difficult to operate on a short staffed basis.
8. In order to protect the privacy of the employees who have departed, I have not used their names.
9. The first departure was of our former President and Chief Executive Officer of Orillia Power, who left in August 2016 to join another utility. I have been acting as Interim President and Chief Executive Officer since his departure.
10. Our Manager of Human Resources and Health and Safety Officer left in July 2017 to work for another utility. She told me, and I verily believe, that she was leaving as a result of the uncertainty regarding her position pending the merger. She managed human resources herself and did not have a junior who worked under her that could assume her functions. We have not tried to fill her position as we do not believe it would make sense to hire a human resources manager for a short period of time. Human resource duties have been dispersed amongst various staff, including myself and we also have the assistance of a summer student until the end of August. However, as the time stretches out indefinitely for the approval of the Application, this becomes more difficult. In terms of her responsibilities as safety officer, I have redistributed those responsibilities to the operations managers at Orillia Power and Orillia Power Generation.
11. My Executive Assistant retired in May 2017. She was responsible for the secretarial duties of the Board of Directors. She was instrumental in overseeing the filing and organization of contracts and critical documents. For example, when we were populating the data room for Hydro One, she ensured that all the relevant contracts

were provided. She also coordinated resolution of IT issues with our external IT provider. Again, we have not tried to fill this position as we had believed that the OEB would issue its decision on the Application shortly.

12. Our senior billing clerk gave her notice the week of August 14, 2017. She had already planned to retire before the share purchase agreement was entered into but she delayed that plan in order to assist with the transition to Hydro One. The senior billing clerk has been with Orillia Power for thirty years and has extensive experience related to the customer information and billing system. She has given Orillia Power nine months of working notice. Her work at Orillia Power is crucial and her employment during the merger would be greatly beneficial for a smooth transition of the billing system and integrating the customer data for the new entity.
13. One of our control room operators retired in July 2017. The control room operator position at a utility is a highly skilled position that requires extensive training. The control room operator monitors the electrical system and is the first line of response whenever there is a system problem or an outage. The control room operator coordinates repair crews and oversees the safety of the crews in the field. The control room function is currently being fulfilled by another retiree on a contract basis, as well as a relief operator.
14. Orillia Power and Orillia Power Generation jointly occupy our current premises. Pursuant to the share purchase agreement, the Orillia Power Generation employees and operations were required to be out of the shared premises as of the date of closing. As a result, Orillia Power Generation has leased another site for its operations. The lease start date for these premises was May 1, 2017. However, as the merger with Hydro One has not closed, those premises sit empty while Orillia Power Generation pays for the lease.

Affirmed before me at the City
of Orillia in the Province of Ontario
this *16* day of August, 2017.



Commissioner for Taking Affidavits
(or as may be)

Maria Helen Raposo, a Commissioner,
etc., County of Simcoe, for
The Corporation of the City of Orillia.
Expires June 15, 2018



GRANT HIPGRAVE