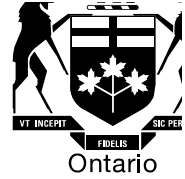


**Ontario Energy
Board**
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**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

February 26, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Essex Powerlines Corporation (Essex Powerlines)
Application for 2018 electricity distribution rates
Community Meeting Report
Ontario Energy Board File Number: EB-2017-0039**

Please find attached the OEB staff Community Meeting Report for the 2018 Distribution Rates application file by Essex Powerlines.

Yours truly,

Original Signed By

Donald Lau
Project Advisor – Rates Major Applications

Attach.



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

OEB STAFF SUMMARY OF COMMUNITY MEETING

EB-2017-0039

Essex Powerlines Corporation
Application for 2018 Rates

February 26, 2018

TABLE OF CONTENTS

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1 INTRODUCTION

Essex Powerlines Corporation (Essex Powerlines) filed a completed cost of service application with the Ontario Energy Board (OEB) on August 28, 2017 seeking approval for changes to the rates that Essex Powerlines charges for electricity distribution, to be effective May 1, 2018. For a typical residential customer beginning May 1, 2018, the proposed increase is \$0.90 per month.

A Notice of Hearing was issued on December 6, 2017.

Further to the Notice of Hearing, the OEB hosted a community meeting on January 18, 2017 in Essex, Ontario regarding Essex Powerlines' 2018 application.

This is an OEB staff report summarizing the outcomes of this community meeting. This report will be placed on the public record of the OEB hearing of this application along with copies of any written presentations made at the meeting. This report includes a summary of comments, questions and concerns raised during the community meeting by customers who attended the meeting. This summary is intended to capture the range of perspectives that were shared, rather than to provide a verbatim transcript of the meeting.

Customers are also able to submit individual written letters of comment with the OEB, either during a community meeting or any other time during the course of the OEB's review of an application. The OEB places written letters of comment on the public record of the specific proceeding. All comments must be submitted to the OEB before the decision-makers in that case begin to consider their decision on the application. In making its decision, the OEB considers everything on the public record, including all comments when determining whether to grant the requests made by Essex Powerlines in this application.

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 [Consumer Engagement Framework](#) to ensure that the perspectives of customers served by rate-regulated entities are considered in the OEB's decision-making process.

Community meetings are hosted by OEB staff who 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. A copy of OEB staff's presentation is attached to this report as Schedule A.

To assist customers in better understanding the application, the utility makes a presentation explaining its proposals for capital, operations and other spending that result in the requested rate change. A copy of Essex Powerlines' presentation is attached to this report as Schedule B.

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 assist OEB staff in reviewing the application, asking interrogatories and making submissions to the OEB panel hearing and deciding the application. Any verbal comments provided to OEB staff at the community meeting are summarized in this report with no attribution.

In addition to providing verbal comments to OEB staff, customers attending the meetings may express their concerns directly to the OEB by providing individual comments (with attribution) by filling in a hard copy comment form, which is then submitted to the OEB by OEB staff.

3 SUMMARY OF THE MEETING

The OEB's community meeting for Essex Powerlines was held at the Essex Centre Sports Complex in Essex, Ontario on January 18, 2018 from 6:00 p.m. to 8:30 p.m. Approximately nine people attended the meeting to hear presentations from the OEB and Essex Powerlines. Four of which were staff from Enwin Utilities', a neighboring utility. OEB and Essex Powerlines staff were available to speak with attendees before the meeting began. OEB and Essex Powerlines representatives responded to questions from attendees during and following the presentations.

The following OEB staff and Essex Powerlines representatives attended the meeting:

OEB Staff

Lynn Ramsay, Senior Advisor, Community Relations and Outreach
James Sidlofsky, Counsel, Legal Services
Donald Lau, Project Advisor, Major Applications

Essex Powerlines

Raymond Tracey, President & CEO
Joe Barile, General Manager
Lindsay Thiessen, Manager of Regulatory Accounting
Chris Carr, Customer Service Supervisor
Max Picco, Manager of Accounting
Monica Dupuis, Billing Supervisor
Brandon Chartier, Facility Operations & Risk Mitigation Supervisor
Dan Charron, Operations Manager
Mark Alzner, Engineering & Asset Manager
Kristopher Taylor, Director of Corporate Strategy

Ken Antaya, Board Chair and Mayor, Town of LaSalle
Bill Wark, Board Member

The OEB and Essex Powerlines presented at the meeting. There were no customer presentations.

Meeting participants asked about the difference between the regulated and unregulated companies under Essex Powerlines' holding corporation, and specifically wanted to know how the ratepayer benefits from the unregulated companies and where the profits from those companies go. There were also questions on Essex Powerlines' presentation regarding the conversion to a single voltage distribution system and who

provides the power at that voltage. Participants also asked if Essex Powerlines is obligated to purchase power from the Independent Energy System Operator or whether there were other possible sources.

4 COMMUNICATIONS AFTER THE OEB COMMUNITY MEETING

Two letters of comment were received after the meeting from customers concerned about the requested rate increase. One customer also noted that the size and complexity of Essex Powerlines' application makes it difficult for consumers to provide meaningful feedback and suggested that the rationale for the request be provided in a summary document.

SCHEDULE A
ONTARIO ENERGY BOARD PRESENTATION
ESSEX POWERLINES CORPORATION
EB-2017-0039
FEBRUARY 26, 2018



Getting Involved in OEB's Review of Essex Powerlines' Rate Application

OEB Community Meeting

January 18, 2018

Every Voice Matters

- The OEB wants to hear from you to ensure we take your concerns into account as we make a decision about this application.
- OEB Community Meetings are held to give you an opportunity to:
 - Learn more about your utility's costs and rate application
 - Find out how to get involved in the OEB's process
 - Provide your comments to us about your utility's application.



Ontario Energy Board

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OEB – Regulating Ontario’s Energy Sector

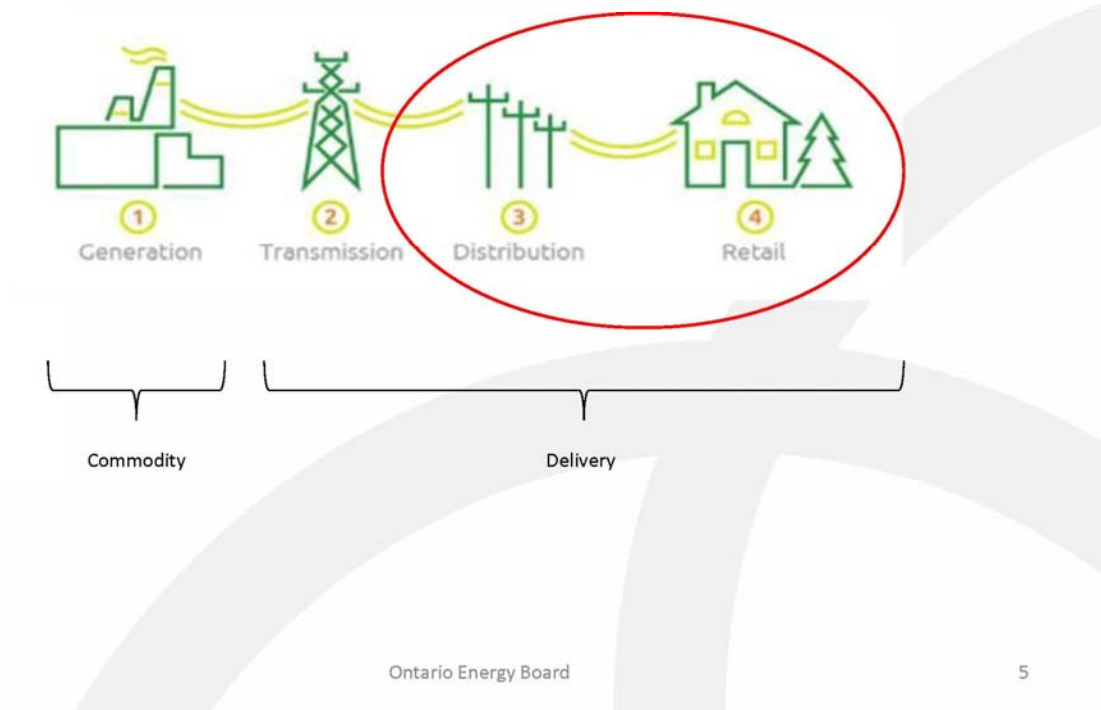
- **The OEB is Ontario's independent energy regulator.** We work to ensure a sustainable, reliable energy sector that helps consumers get value from their natural gas and electricity services – for today and tomorrow.



Ontario Energy Board

4

Reviewing Distribution Rates



Ontario's Fair Hydro Plan

- The *Fair Hydro Act, 2017* came into effect on June 1, 2017.
- This Act, together with proposed new regulations, will enable the government to move forward with initiatives that it has stated will:
 - Lower electricity bills by 25% on average for all residential customers and hundreds of small business and farms
 - Hold increases to the rate of inflation for four years
 - Provide additional electricity bill relief for:
 - residential customers in rural and remote areas
 - on-reserve First Nations residential customers
 - Fund electricity-related programs such as OESP through taxes



Delivering Value – Ensuring Reliability

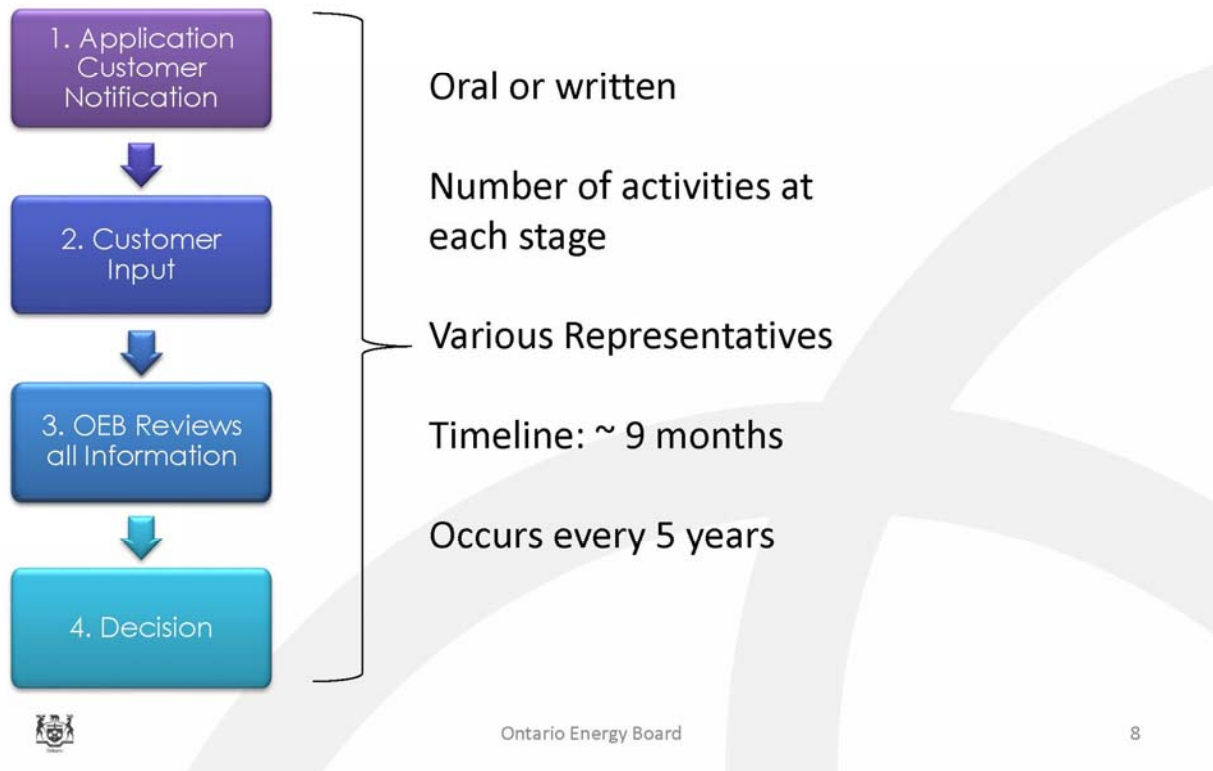
The OEB's job is to align various objectives to ensure reliability



Ontario Energy Board

7

Be Heard in the OEB's Process



Be Heard in the OEB's Process



What Can You Do?

- OEB wants to hear from you. We encourage you to:
 - Ask questions
 - Provide comments (via post or email)
 - Follow the proceeding
- Your voice helps the OEB do our job:

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



Ontario Energy Board

10

Your Voice Matters – Thank You

Visit our website

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

www.oeb.ca

Twitter: @OntEnergyBoard

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

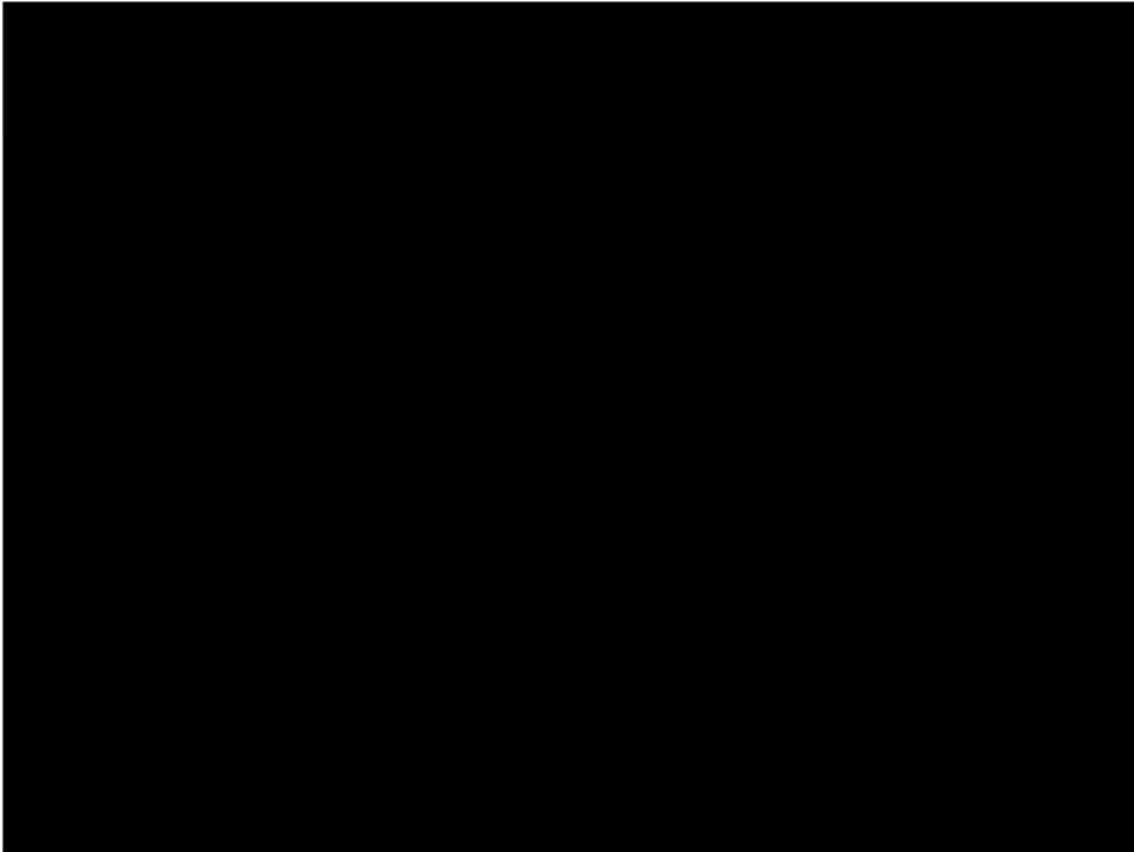
Ontario Energy Board

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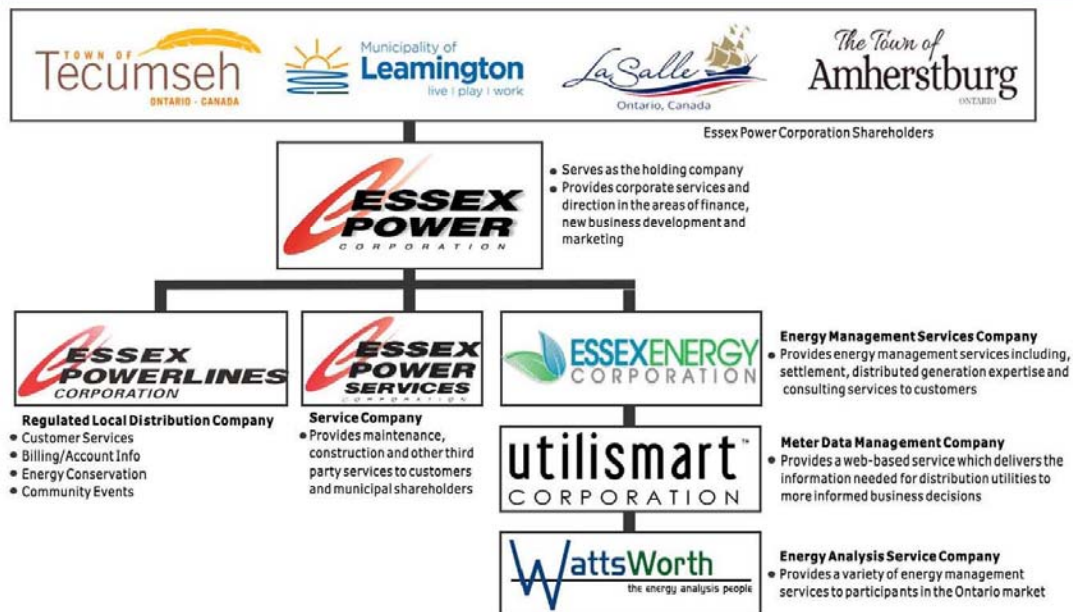
SCHEDULE B
ESSEX POWERLINES CORPORATION PRESENTATION
ESSEX POWERLINES CORPORATION
EB-2017-0039
FEBRUARY 26, 2018

Essex Powerlines Corporation **YOUR COMMUNITY PARTNER** 2018 Cost of Service Application





Who We Are



Essex Powerlines' Core Values

Mission Statement:

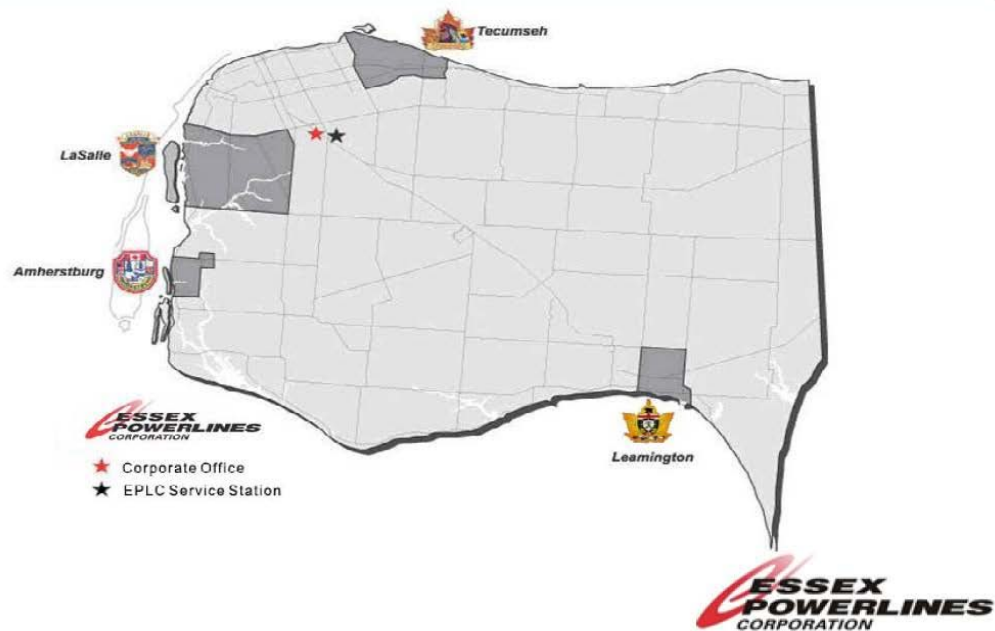
Essex Power Corporation is a dynamic energy company that provides safe, reliable and economical energy supply and services to our customers. Our commitment to innovation, performance management and leading by example has built the foundation at Essex Power and our affiliates to establish a diverse set of energy products and services that are valued by our customers. At Essex Power, *"Your Power Is Our Priority"*.

Vision Statement:

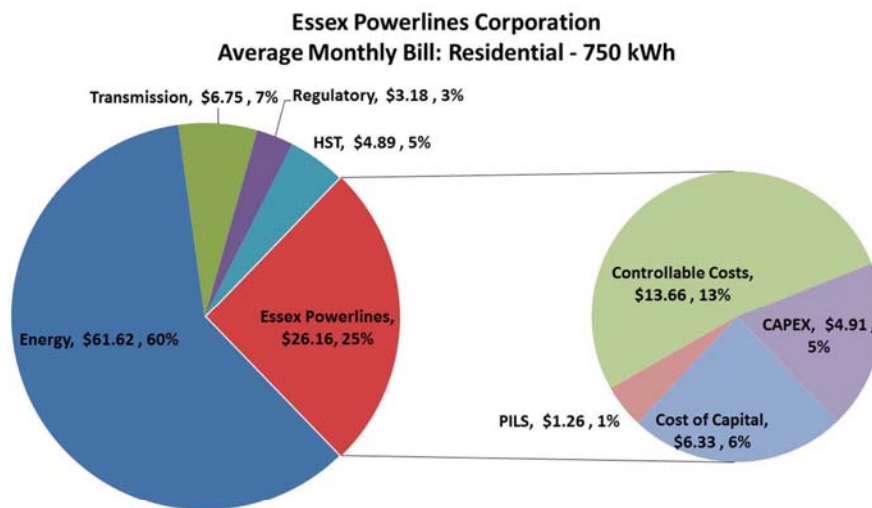
Essex Power Corporation's vision is to be an Energy Provider that utilizes "best in class" people, processes, and technology to lead the market place in sustainable energy solutions. Our customers will receive the greatest value by integrating an economic and environmental balance to the products and services we will deliver to them. As an Energy Provider we will be a community leader in ensuring that environmental stewardship is a vital component of our services to increase customer awareness of proper energy utilization and management.



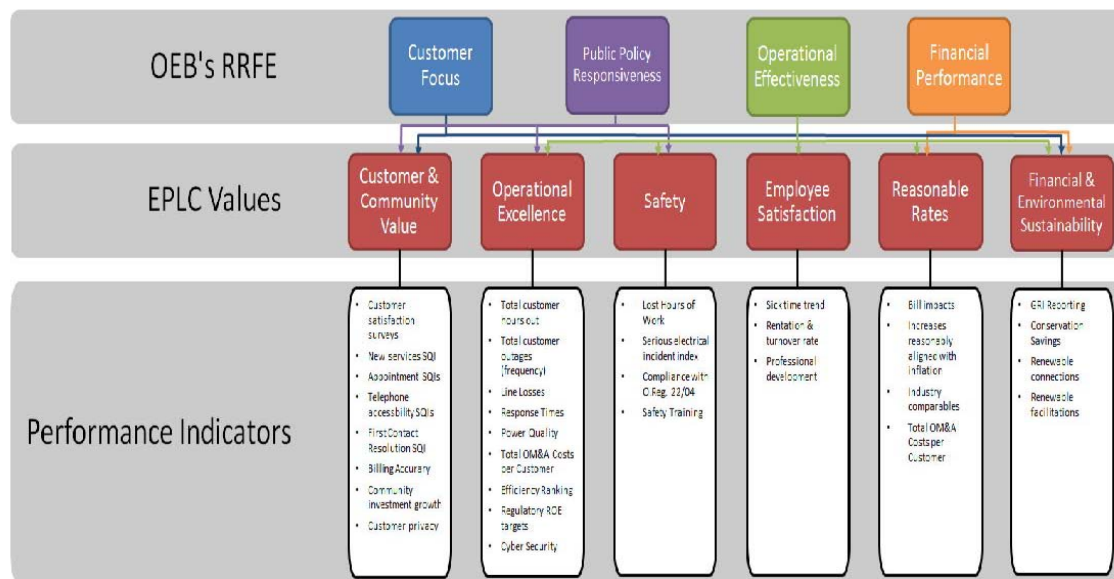
Service Territory



What Makes Up EPL's Portion of the Bill?



Alignment with OEB RRFE



Customer Value: Perception of Overall Service



Source: Convergys Survey 2017



Customer Value: Scorecard

Scorecard - Essex Powerlines Corporation

9/24/2017

Performance Outcomes	Performance Categories	Measures	2012	2013	2014	2015	2016	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	93.20%	92.70%	93.00%	92.30%	90.50%	↑	90.00%	
		Scheduled Appointments Met On Time	95.70%	94.30%	94.70%	94.80%	90.80%	↑	90.00%	
	Customer Satisfaction	Telephone Calls Answered On Time	66.50%	66.40%	78.00%	79.20%	73.60%	↑	65.00%	
		First Contact Resolution			99.6%	99.28	96.25%	↑		
		Billing Accuracy			99.84%	98.05%	99.90%	↑	98.00%	
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved, and distributors deliver on system reliability and quality objectives.	Safety	Customer Satisfaction Survey Results			81%	81%	81%	↑		
		Level of Public Awareness				83.00%	83.00%	↑		
		Level of Compliance with Ontario Regulation 22/04 ¹	C	NI	C	C	NI	↔		C
	System Reliability	Serious Electrical Incident Index	0	0	0	0	0	↔		0
		Number of General Public Incidents	3.000	0.000	0.000	0.000	0.000	↔		0.000
		Rate per 10, 100, 1000 km of line						↔		
	Asset Management	Average Number of Hours that Power to a Customer is Interrupted ²	0.89	2.34	1.16	1.34	0.53	↑		1.77
		Average Number of Times that Power to a Customer is Interrupted ²	0.61	1.12	0.66	0.83	0.50	↑		0.91
	Cost Control	Distribution System Plan Implementation Progress			100.8%	107.00	94.16%	↑		
		Efficiency Assessment	2	2	2	2	2	↔		
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	Total Cost per Customer ³	\$491	\$482	\$524	\$538	\$541	↔		
		Total Cost per Km of Line ³	\$30,851	\$29,323	\$32,562	\$34,680	\$35,323	↔		
		Net Cumulative Energy Savings ⁴				12.15%	40.09%	↑		31.43 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%	100.00%	100.00%	100.00%	↑		
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	94.74%	↑	90.00%	
Financial Performance Financial viability is maintained, and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.00	1.01	0.91	0.85	0.70	↓		
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.33	0.96	0.97	0.95	0.91	↓		
		Profitability: Regulatory Return on Equity	9.85%	9.85%	9.85%	9.85%	9.85%	↔		
		Deemed (included in rates) Achieved	8.15%	11.20%	9.73%	11.70%	7.25%	↑		

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.

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

Operational Excellence: Single Voltage Utility

- EPLC has been working on converting its 4kV & 8kV systems for more than a decade;
- Results are a significant saving to EPLC customers;
- Affects the total bill and not just EPLC portion

Line Loss Category	2017 (Actual)	2018 (Proposed)	Variance
Secondary Metered Customer	1.0602	1.0355	-0.0247
Primary Metered Customer	1.0496	1.0251	-0.0245

Rate Class	Total Reduction	Reduction as % of Total Bill
Residential	\$ (0.86)	-0.68%
GS<50	\$ (2.25)	-0.70%
GS>50	\$ (31.84)	-0.51%
USL	\$ (0.55)	-0.42%
Sentinel Light	\$ (0.03)	-0.29%
Streetlight	\$ (0.03)	-0.29%



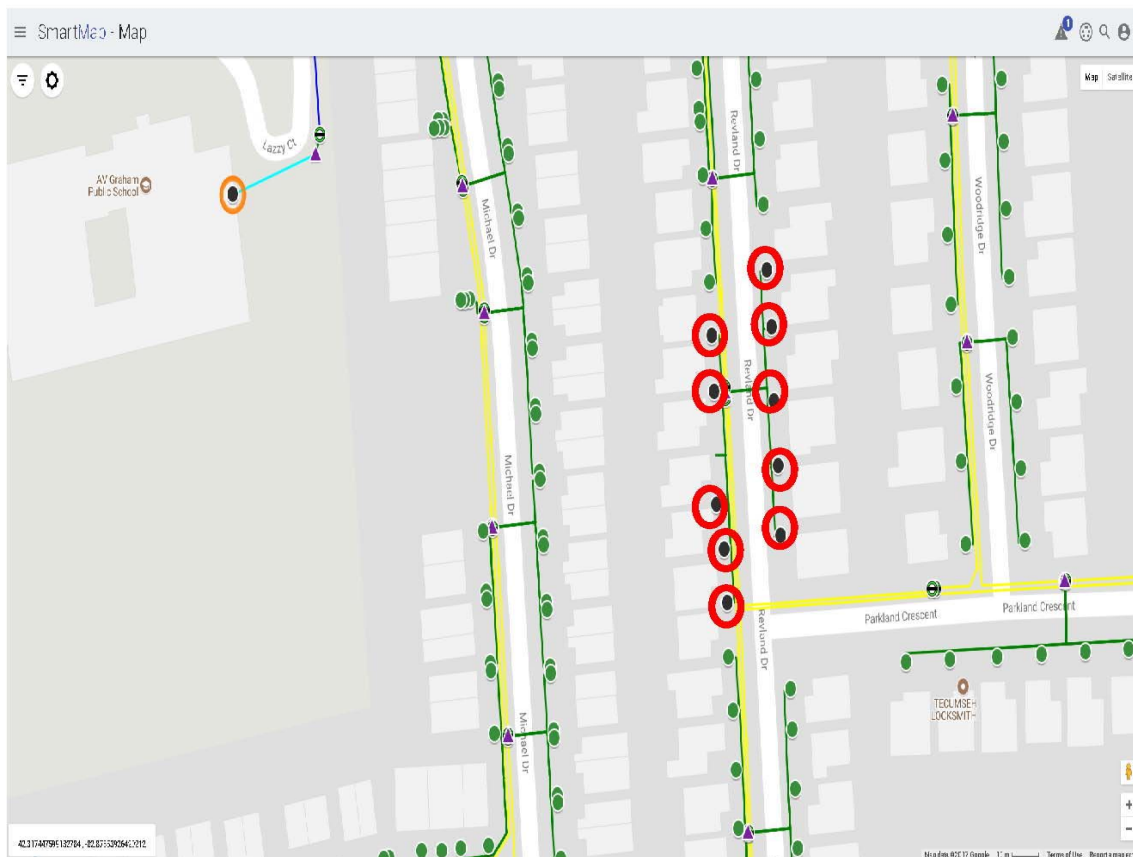
Operational Excellence: Best-In Class Solutions

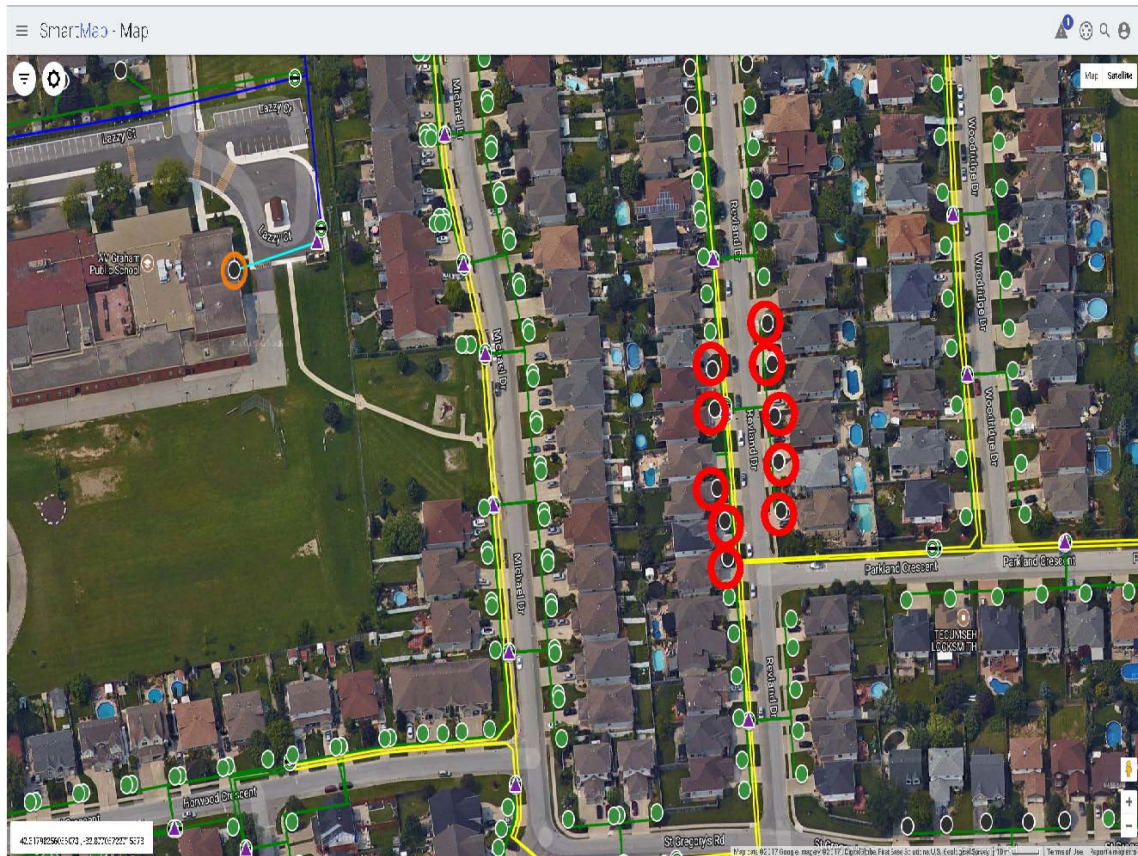
- EPLC strives to use Best-In Class solutions to provide cost effective value to its customers;
- One such example is SmartMAP

SMARTMAP











Operational Excellence: Self-Healing Grid

- Over 75% of EPLC outages are Loss of Supply related;
- This means that outage root causes are outside of EPLC control;
- EPLC is installing Line Monitors, Reclosers & upgrading Wholesale Meters to reduce the impacts of Loss of Supply events;
- These devices will allow EPLC's Smart Grid to automatically attempt to resolve outages and isolate/minimize the impact of outages;



Operational Excellence: Cyber Security & Control Room Services

Cyber Security Compliance



EPLC Cost: \$286,463
Customer Value: Data integrity

24/7 Control Room Services



EPLC Cost: \$186,000
Customer Value: Enhanced
24/7 customer service



Safety: Public Safety Awareness Survey Results

83% of residents within Essex Powerlines service territory are familiar with key electrical safety precautions including:

- Safety around live wires
- “Call before you dig”
- Tampering with electrical equipment

Source: Utility PULSE Public Awareness Survey 2016



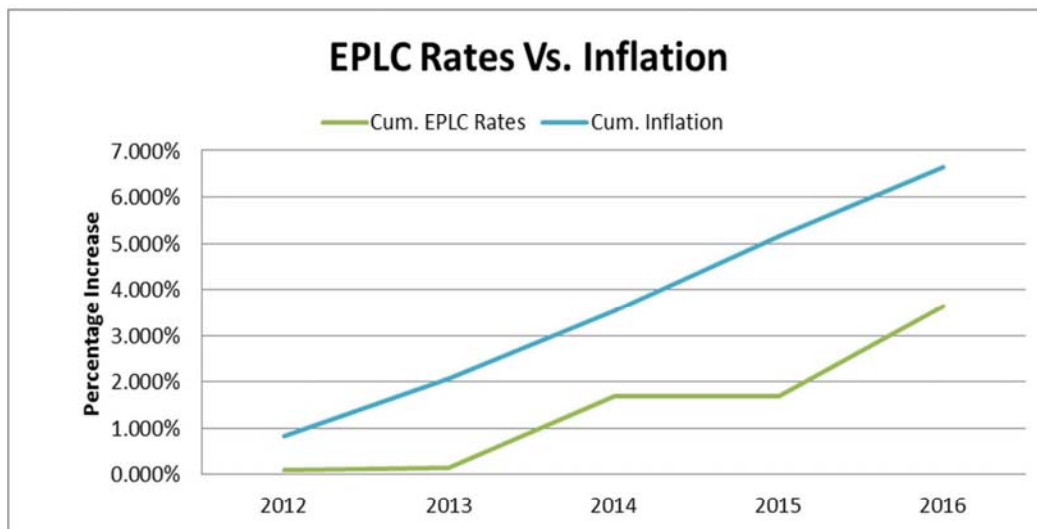
Essex Powerlines
@essexpowerlines

Even Sparky wants to learn about electricity safety!! @TECFD



ESSEX
POWERLINES
CORPORATION

Reasonable Rates: Distribution Rate Impacts –Historical



Reasonable Rates: Bill Impacts – By Customer Class

Distribution Rate Impacts

Rate Class	\$ Increase (Decrease)	% Increase (Decrease)
Residential	\$ 0.90	3.35%
General Service Less Than 50 kW	\$ 1.61	2.70%
General Service 50 to 4,999 kW	\$ 11.99	2.65%
Unmetered Scattered Load	\$ (1.60)	-5.30%
Sentinel Lighting	\$ (0.12)	-2.80%
Street Lighting	\$ 0.11	2.53%
Embedded Distributor	\$ (179.99)	-13.45%

Total Bill Impacts

Rate Class	\$ Increase (Decrease)	% Increase (Decrease)
Residential	\$ (0.51)	-0.40%
General Service Less Than 50 kW	\$ (2.14)	-0.66%
General Service 50 to 4,999 kW	\$ (390.64)	-5.92%
Unmetered Scattered Load	\$ (9.50)	-6.80%
Sentinel Lighting	\$ (0.39)	-3.81%
Street Lighting	\$ (0.11)	-1.07%
Embedded Distributor	\$ (342.63)	-0.68%



Reasonable Rates: OEB OM&A Provincial Ranking

Lowest Cost Per Customer

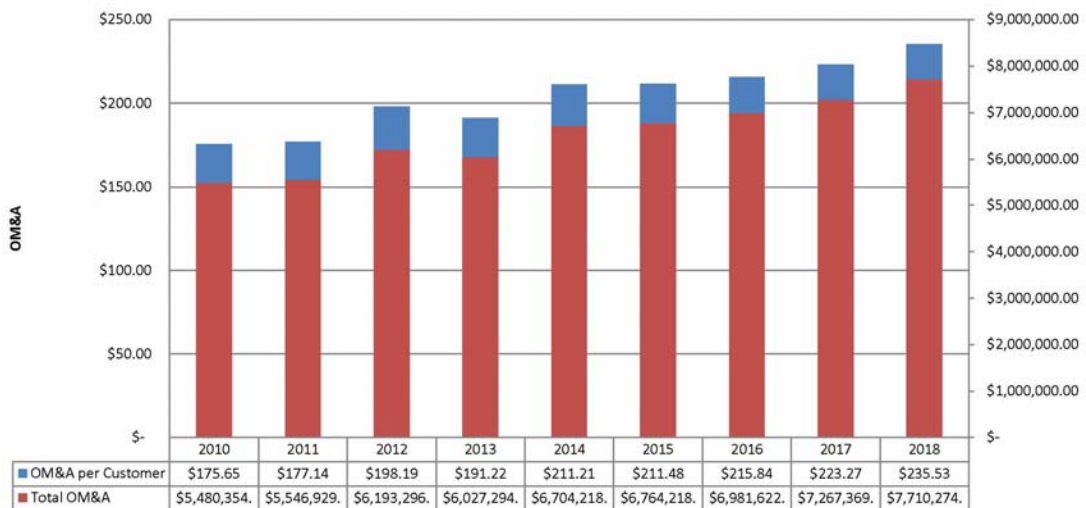
LDC Name	OM&A per Customer	Customer Count
Hydro Hawkesbury Inc.	\$ 182.91	5,531
Kitchener-Wilmot Hydro Inc.	\$ 186.10	94,058
Hydro One Brampton Networks Inc.	\$ 197.76	158,630
E.L.K. Energy Inc.	\$ 216.77	11,794
Newmarket-Tay Power Distribution Ltd.	\$ 218.43	35,465
Oshawa PUC Networks Inc.	\$ 220.83	56,811
Wasaga Distribution Inc.	\$ 228.90	13,346
Veridian Connections Inc.	\$ 229.61	119,533
Lakefront Utilities Inc.	\$ 231.50	10,214
London Hydro Inc.	\$ 233.81	155,496
Essex Powerlines Corporation	\$ 235.44	29,327
Waterloo North Hydro Inc.	\$ 236.41	56,230
North Bay Hydro Distribution Limited	\$ 241.69	24,070
Westario Power Inc.	\$ 249.61	23,168
PowerStream Inc.	\$ 251.71	364,505
Peterborough Distribution Incorporated	\$ 251.79	36,574
Horizon Utilities Corporation	\$ 252.61	244,114
Hydro Ottawa Limited	\$ 252.97	327,880
Entegrus Powerlines Inc.	\$ 257.89	40,833
Kingston Hydro Corporation	\$ 259.57	27,541

Highest Cost Per Customer

LDC Name	OM&A per Customer	Customer Count
Algoma Power Inc.	\$ 1,020.32	11,707
Atikokan Hydro Inc.	\$ 667.53	1,639
Chapleau Public Utilities Corporation	\$ 602.27	1,247
Sioux Lookout Hydro Inc.	\$ 549.11	2,790
West Coast Huron Energy Inc.	\$ 478.96	3,829
Wellington North Power Inc.	\$ 470.06	3,739
Fort Frances Power Corporation	\$ 467.12	3,746
Hydro One Networks Inc.	\$ 431.35	1,307,544
Espanola Regional Hydro Distribution Corporation	\$ 422.35	3,283
Northern Ontario Wires Inc.	\$ 417.52	6,007



Reasonable Rates: Historical OPEX



Environmental Sustainability: Conservation & Demand Management



Essex Powerlines was one of 32 LDCs (out of 76) to accomplish their 2011-2014 targets;



Essex Powerlines is on pace to meet its conservation targets for the 2015-2020 framework;

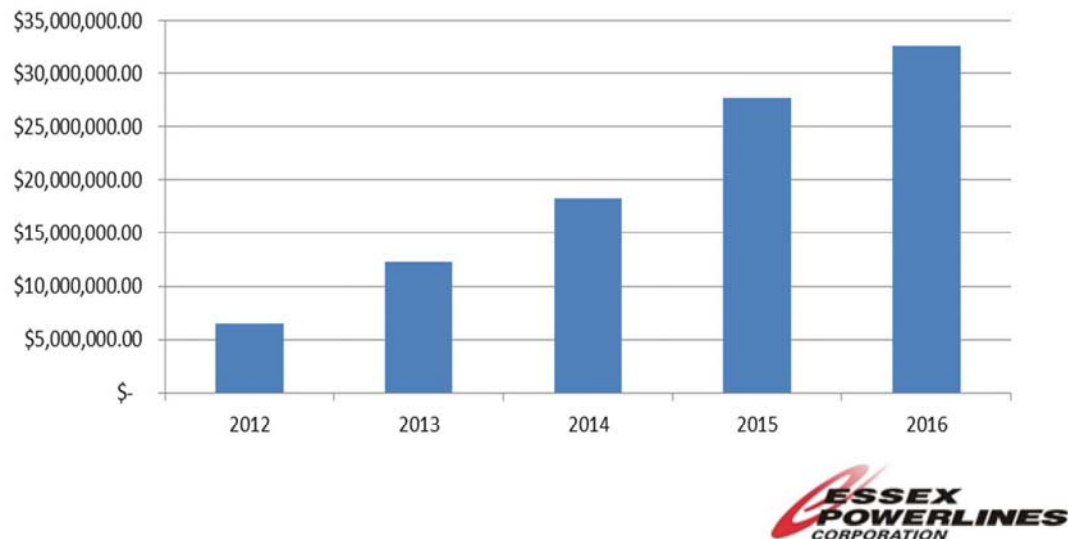


Essex Powerlines on track to spend **\$8.4M** between 2015-2020 to help its customers conserve energy and lower their electricity bills;

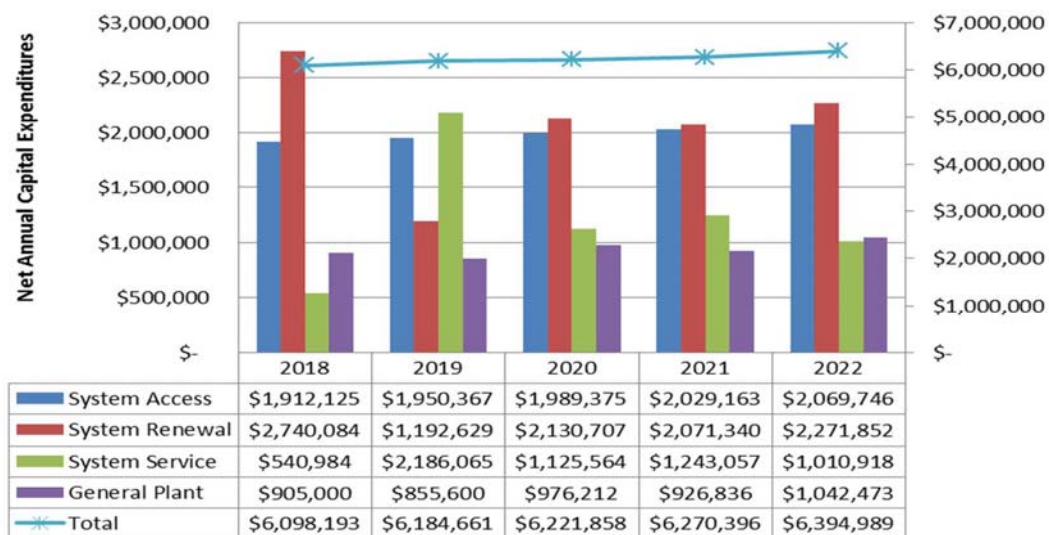


Financial Sustainability: Re-Investing In Our Infrastructure

Cumulative Capital Spend



Financial Sustainability: Re-Investing In Our Infrastructure



Essex Powerlines Supporting Community Youth



Essex Power continues to donate **\$40,000** annually, divided equally amongst each municipality. **To date \$160,000** has been given to the youth initiatives throughout EPL's distribution area.

Some of the Youth events and organizations the fund helped are:

- Essex Power Energy Zone
- Amherstburg Wildcats Gymnastics Program
- Jingle Bell Rock Youth Dance
- Free Youth swims
- Free Youth skates
- The Essex Empowerment Corporation Girls Group

Essex Powerlines Your Community Partner



- Essex Power and staff have donated over \$5000 yearly to each community that we proudly serve.
- Essex Power has been a proud sponsor of our Community Festivals such as the annual Rib Fest, Strawberry Fest, Corn Fest, Harvest Fest and more



Thank You! Questions?

