

KOSKIE MINSKY

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Via Courier

Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Alectra Utilities Corporation and Guelph Hydro Electric Systems Inc. –
OEB File No. EB-2018-0014**

As you are aware, we are counsel to the International Brotherhood of Electrical Workers, Local 636 (the "IBEW") in the above referenced matter. These are the IBEW's written submissions filed in accordance with the OEB's Procedural Order No. 2 dated July 12, 2018.

IBEW opposes this application for approval to amalgamate Alectra Utilities and Guelph Hydro into a combined distributor and continue operations as Alectra Utilities and submits that the Applicants cannot satisfy the OEB's "no harm test". The cost savings the Applicants are proposing taken on a whole are highly speculative.

The IBEW acknowledges that in considering this application the OEB considers whether the proposed transaction will have an adverse effect on the attainment of the OEB's statutory objectives including protecting the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service.

The majority of savings are proposed to be achieved through synergies reducing the underlying cost structures which include significant staff reductions. The OM&A and capital synergies categories were redacted and not disclosed to the IBEW. The IBEW is unaware of the specific synergy savings initiatives the Applicant plans to enact. The IBEW has knowledge of the labour force in this industry, and without any further ability to comment on the specific initiatives simply submits that a significant staff reduction will have an effect on the reliability and quality of electricity service, and will directly impact consumers who are employed by Guelph Hydro. These expected labour savings do not take into consideration the costs associated with losing skilled and knowledgeable workforce throughout this process. Further these savings do not consider the actual growth of the company that would require an increase in staff. These efficiencies are speculative, not fully explained and should not satisfy the OEB that the underlying cost structures for the acquired entity are no higher than they would have been had the consolidation not occurred.

The Applicants have indicated that four regions will be served by seven service centres, including the Guelph Hydro operational centre for a minimum of ten years. If this service centre is moved after 10 years this will affect the quality of service to the Guelph consumer who will no

longer have local construction, maintenance, trouble response, logistics, fleet services and metering. Response times will be degraded.

As such, the IBEW submits the OEB should not approve this application.

Yours truly,

KOSKIE MINSKY LLP



Ernie A. Schirru
EAS:lm

c. IBEW Local 636
Attention: Mr. Brian Manninger, Business Representative

Ontario Energy Board
Attention: Ms. Saleh Lavaee, Case Manager & Mr. Ian Richler, OEB Counsel

Alectra Utilities Corporation
Attention: Ms. Indy Butany-DeSouza

Guelph Hydro Electric Systems Inc.
Attention: Ms. Cristina Birceanu

Alectra Utilities Corporation and Guelph Hydro Electric Systems Inc.
c/o Torys LLP
Attention: Mr. Charles Keizer

Chrysalis Consulting
Attention: Ms. Evelyn (Lin) Grist

Mr. John Barker & Ms. Barbara Barker

Power Workers' Union
Attention: Mr. Paul Reece

Power Workers' Union
c/o Paliare Roland Rosenberg Rothstein LLP
Attention: Mr. Richard Stephenson

Power Workers' Union
c/o Elenchus Research Associates Inc.
Attention: Mr. Bayu Kidane & Ms. Kim McKenzie