



December 8, 2022

From: Enbridge Gas, Hydro One, Alectra, Toronto Hydro, Elexicon and OEC

To: Hon. Kaleed Rasheed, Minister of Public and Business Service Delivery

Cc: Renu Kulendran, Deputy Minister of Public and Business Service Delivery
Michelle Stock, Chief of Staff, Public and Business Service Delivery
Hon. Todd Smith, Minister of Energy
Jason Fitzsimmons, Deputy Minister of Energy
David Donovan, Chief of Staff, Energy
Hon. Kinga Surma, Minister of Infrastructure
Carlene Alexander, Deputy Minister of Infrastructure
Aryn Azzopardi, Chief of Staff, Infrastructure
Patrick Sackville, Office of the Premier
Zach Potashner, Office of the Premier
Kevin Lynch, Office of the Premier
Jim Keech, Interim Executive Director, Ontario One Call

Dear Minister Rasheed,

RE: Ontario Energy Leaders' Feedback for Regulations to Modernize Ontario One Call

On behalf of the undersigned group of Ontario's energy sector leaders, we write to provide feedback to support the modernization of Ontario One Call (OOC) and the delivery of priority infrastructure projects, including the expansion of broadband, transit and housing across Ontario. This letter outlines four areas of concern and proposes an alternative, staged approach that would make demonstrable improvements for the industry beginning with priority projects (i.e. broadband, transit and housing) while mitigating against safety, labour, affordability and OOC technical concerns.

We support the government's intent to modernize Ontario's One Call system. Across the undersigned organizations, we operate, maintain and are impacted by the rules for locating underground infrastructure in the province. Collectively, we respond to over a million locate requests every year across all of Ontario.

While industry has committed to partnership with government, there are concerns that the administrative monetary penalty regime proposed in draft regulations¹ would not achieve intended objectives while also impacting safety, labour availability, and consumer affordability. As the Ministry of Public and Business Service Delivery prepares to crystalize the new regulations for Ontario One Call, we ask that you consider the following issues to ensure a successful transition:

¹ Under proposal number 22-MGCS020.

1. **Safety** has been, and should continue to be, the top priority regarding underground infrastructure. Owners of underground infrastructure must have meaningful opportunity to understand and comment on any new regulations to assess their impact on work and allow time to plan and implement any operational changes required to ensure work is done without compromising safety. A staged approach as outlined below is the only way to ensure the industry is positioned to safely transition into the new regime.
2. **Labour** availability remains a key concern for construction projects where skilled trades and safety-trained/qualified locators are in high demand. It takes up to a year to properly train a new locator and provide the sufficient level of supervised in-field experience. Industry has been taking unprecedented action to attract and retain locators, and these investments will take time to build-up labour supply. Administrative monetary penalties that apply to all locates will add burden, red tape and cost. It will also likely create barriers for infrastructure projects as penalties on locates will result in protection of resources for peak non-infrastructure locate requirements.
3. **Affordability** is an overarching concern for the people and businesses in Ontario in today's high-inflationary environment. The draft regulations as proposed will introduce monetary penalties without realistic timelines and goals, which will result in millions of dollars in fines. These fines will not address underlying challenges, but in-fact could exacerbate those challenges.
4. **Systemic Issues** out of the control of One Call members contribute to late locates, including: OOC intake systems currently cannot distinguish locates by type (e.g. single homes have same 5-day timeline as projects that comprise an entire neighborhood), size and scope, complexity, or limits on the number of locates an excavator can request to ensure requests are appropriate and actionable. Members have also experienced discrepancies with OOC's reporting system where locates are incorrectly labelled "late". These discrepancies would wrongly trigger fines and penalties under the proposed regulations and lead to adverse outcomes for members. A compliance process must also be developed for infrastructure companies to validate tickets before fines and penalties are imposed.

Staged Approach for Modernizing Ontario One Call and Advancing Priority Projects

Ontario's energy leaders recommend your ministry consider an alternative, two-staged approach that will mitigate the above concerns while delivering meaningful action toward modernizing Ontario One Call and supporting the same subset of designated priority infrastructure projects the government has committed to accelerate.

Stage One: we propose that access to the dedicated locator model be limited to priority broadband projects and "shovel-ready" projects that satisfy criteria as prescribed by the Minister. The Ministry would work with OOC, industry members and municipalities to finalize an initial list of designated projects to ensure readiness by April 1, 2023. In tandem, these stakeholders can continue to discuss expanding the regulations to include AMPs for locate delays caused by dedicated locators only, to take effect on Jan 1, 2024. By doing this, Government would set clear expectations to industry while providing sufficient time

for locators, excavators and municipalities to align around a common set of priorities and prepare for implementation of penalties accordingly.

Stage Two: focus on longer term objectives for transforming public load locates. Under Stage Two, the Ministry would task the OOC Locate Solutions Working Group to define benchmark standards and develop a roadmap to address gaps and opportunities including feedback from the November 2022 consultations. The Working Group would report back to OOC and government on progress and include a proposed implementation plan for broader reforms.

As Ontario's energy sector leaders, we support your government's efforts to modernize Ontario's One Call system and we remain committed as partners that support priority infrastructure projects. We too see the opportunity to improve the industry, but we must get this right to ensure priority project outcomes are achieved without unintended consequences that could impact public safety and affordability.

Recommendation: we encourage the government to continue engaging with stakeholders through the Ontario One Call Working Group to inform the staged approach. Following formal recommendations from the Ontario One Call Working Group, we then respectfully request the government initiate a multi-corners process to understand the interplay across portfolios.

We appreciate your attention to this matter, and will continue to work together with your government and other partners to ensure a successful modernization process for the locate industry.

Yours truly,

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