



# Oshawa Power

## 5 Year Infrastructure Investment Plan TownHall

**Event Transcript**  
**Monday, October 28, 2019**

Moderator Erik  
00:00

Hello, everyone, and welcome to Oshawa Power's Investment Plan Consultation Telephone TownHall meeting. We are live tonight with the President and CEO of Oshawa Power, Ivano Labricciosa. In addition, we are joined by hundreds of fellow residents from throughout the city listening in. To ask a question live tonight, simply press 3 on your phone's keypad. Once again, press 3 to ask a question at any time over the course of the TownHall. My name is Erik and I'll be the moderator of the TownHall this evening. During this live virtual TownHall, we encourage you to get involved and to ask questions and give your opinion on a few issues that we're discussing tonight. Oshawa Power chose this format as this is an interactive TownHall with you, which means we want to hear from you. Oshawa Power has made it a priority to engage and connect with you and fellow community members to get your input on our five-year investment plan. This TownHall was a way for us to receive your feedback and opinions and it's an opportunity for us to share information about the rate application process.

Moderator Erik  
00:57

Tonight, we will be talking about customer service technology, reliability, facilities, and infrastructure investment. Again, you can ask a question at any time by pressing 3 on your phone's keypad. Someone will take your name and place you in the question queue. Now again, for everyone just joining us, hello and welcome to Oshawa Power's Investment Plan Consultation Telephone TownHall meeting. We are live tonight with the President and CEO of Oshawa Power, Ivano Labricciosa. In addition, we are joined by hundreds of fellow residents from throughout the city listening in. We want to let everyone know that you have a chance to ask a live question by simply pressing 3 on your phone's keypad. Once again, if you would like to ask a live question, the number to press is 3 on your phone's keypad. Now at this time, I'm going to introduce Ivano so he can open up the TownHall. Ivano, welcome. This evening's Telephone TownHall is an important opportunity for Oshawa Power to connect directly with thousands of Oshawa residents and receive their feedback, opinions and ideas as it relates to the 5 Year infrastructure Investment Plan. So, we have a lot of people joining us. Ivano, please go ahead.

Ivano Labricciosa  
02:01

Good evening, Oshawa. This is Ivano Labricciosa, president and CEO of Oshawa Power, and on behalf of Oshawa Power and staff, I want to thank you for taking part of our Telephone TownHall conversation. It's important to us that we hear from you. Joining me this evening are two colleagues of mine: Phil Martin, our Vice President of Finance and Regulatory Affairs; and Matthew Strecker, who's our Vice President of Engineering and Operations. We're looking forward to answering your questions and hearing from you about our investment plan and our process in terms of the rate application. Just before we get started, I wanted to walk you through a bit of the process on how we created our investment plan before we open up to questions. Our investment plan is a five-year plan that we developed, and we filed in support of our rate

- application. Essentially, we keep updating the plan every year, but we develop it as a five-year running plan. The plan is based on meeting all the needs of the city, including its growth and replacement as well as customer expectations.
- Ivano Labricciosa  
03:05
- Things that are considered in terms of the plan are reliability in terms of how the grid is performing, equipment age and condition in terms of failures and end-of-life products, the future growth of the city, all the new connections that are coming in as part of new development, and obviously, staying current with technology and standards. Once we determine where we need to make our investments, we then use that plan and file it with the Ontario Energy Board to seek rates to support that plan. The rate applications are submitted to the Energy Board for approval, and that's why we're here with you today, talking about what our plans are going to inform our next rate application. Our rate application is only for Oshawa Power's portion of the bill, which is about 20%. The other 80% of the bill is driven by the province in terms of the other companies that support electricity in the province. That would be Ontario Power Generation, who generates electricity; Hydro One, which transmits electricity; and the IESO and other agencies like the Ontario Energy Board, who support the process of keeping electricity flowing throughout the province. That's a very quick overview and we look forward to hearing your questions. So, let's take our first question.
- Moderator Erik  
04:25
- Well, thank you very much, Ivano, for opening up the TownHall. We're still getting some questions in, and I do want to remind everyone that, if you have a live question for the TownHall this evening, we want to hear from you; press 3 on your phone's keypad at any time over the course of the TownHall and you'll have a chance to ask those live questions. So again, press 3 on your phone's keypad at any time over the course of the TownHall. Someone will take your name and place you in the question queue. Now, Ivano, before we get to our first live question, can you just quickly tell listeners what system access investments are and how they impact the budget and why they're mandated?
- Ivano Labricciosa  
04:59
- Sure thing, Erik. System access investments are the modifications we have to make to basically keep the system current and connect new customers that are looking to join our city or our power grid. It's basically connecting a group of customers or individual customers with access to electricity services to the existing grid. Oshawa is one of the faster-growing communities in the province and as such, we need to make investments to make sure we can accommodate those new growth connections. We have an obligation to connect everybody who wants to connect to the existing grid. In addition to new customers, because our infrastructure, our wires and our cables occupy the public parts of the city which are the road's shoulders, we have an obligation to move our equipment when the city or the region wants to widen roads. So therefore, these are mandated investments. We have no choices but to connect all customers or to

move our infrastructure if there are projects that it conflicts with, such as roads and sewer systems. So, these projects are not optional for Oshawa Power as they support the growth of the city, and we use the city's predicted growth to determine how much and when to invest in system access projects. While we do not have a choice in performing this work, we do manage the costs and efficiencies of these projects and look to partner up wherever we can with joint trenches and joint investments.

Moderator Erik  
06:30

We have our first live question coming up in just a second. Quickly, we're going to do a survey question. So, using your touch-tone phone, you can indicate your response on the following questions. Oshawa Power customers have indicated that they are satisfied with the service they've received from us. Many customers have indicated that they would like to see more automated, self-serve options allowing them to conduct their business with us at their convenience similar to the banking or retail shopping industry. Do you feel Oshawa Power should invest in new customer-facing technology that will give customers self-serve options to conduct their Hydro account business at their convenience? If so, press 1. Or would you say it is not necessary to invest in self-serve options at this time? If so, press 2. And if you're unsure or undecided, press 3. So again, Oshawa Power customers have indicated that they are satisfied with the service they've received from us. Many customers have indicated that they would like to see more automated, self-serve options allowing them to conduct their business with us at their convenience similar to banking or retail shopping. Do you feel Oshawa Power should invest in new technology, in customer-facing technology, that will give customers self-serve options to conduct their Hydro business at their convenience? If so, press 1. If you do not think it is necessary to invest in self-serve options at this time, press 2. And if you're unsure or undecided, press 3. Now, we have our first live question. It's from Tony. Tony has a question about the investments. Tony, welcome. You're joining us live.

Tony 08:00

Hello? Hello?

Moderator Erik  
08:04

Hi, Tony. Welcome.

Tony 08:05

Hello? Hi, how are you? Hello?

Ivano Labricciosa  
08:11

Very good, Tony. Go ahead and ask your question. We're here for you.

Tony 08:16

Yeah, I'm just-- When you say investment, is this money that's been set aside by yourself to do this work, or is this going to be-- You're going to need to generate more revenue from the consumer to facilitate these tasks and improvements, if you will? And two, I'm just curious as to why developers aren't funding their own infrastructure?

- Ivano Labricciosa  
08:41 Those are two great questions.
- Ivano Labricciosa  
08:43 Sure. Those are two great questions, Tony. Let me answer the first one really quickly for you: unlike other agencies like the municipalities or the province, we don't operate on a reserve. We have zero reserves, so we have to basically fund all our investment projects through the rate application process. So essentially, we have to raise the money through every rate application, through rates, to basically do the work that we have planned. So, from that perspective, we don't rely on reserves; we have to basically raise all the money in the current years that we actually do the work. The second question you had was the developer fees. Again, unlike the municipalities where we could garner through development access fees; some funds to build that infrastructure, we can't do that. We basically have to look for the fees in the current years that the developers are building the infrastructure. Now, we have standards and there's some work they're accountable for. But all the infrastructure, the wires and the cables that feed that development that we have to put in the public space comes from these investment plans. That's what the rate application is about; we collect that money directly through rates and essentially build all the new connections.
- Moderator Erik  
10:01 Tony, thank you very much for that question. Now, again, I want to remind everyone joining us that we want to hear from you this evening. You have a chance to ask a live question on the TownHall by pressing 3 on your phone's keypad at any time over the course of the TownHall. We have our next live question now from Peter, who has a question about costs. Peter, welcome.
- Peter 10:22 How much is it going to cost us?
- Ivano Labricciosa  
10:27 Peter, that's a good question. From the perspective of percentages, we know that inflation is running at close to one and a half to two percent. And so just the natural cost increase through inflationary measures, we can at least expect something at the inflationary level. We are investing a little more in the next five years than we have in the past five, simply because we're replacing infrastructure that's come to the end of life. There's more and more of the infrastructure that needs attention and we definitely have to put those investments in. So, I would expect the cost increase to be slightly above inflation over that five-year period.
- Moderator Erik  
11:11 Peter, thank you very much for your question. We have another question coming up. Quickly, for everyone joining us, if you would like to ask a live question of your very own, press 3 on your phone's keypad. We'll now go to Karen, who has a question-- Karen, welcome. You're joining us live.
- Karen 11:28 Hi, I just had a question-- Again, it was regarding rates, like the other gentleman. But I want to make sure that our rates aren't going to be inflated-- My mom lives in Hamilton and my friend lives in Oshawa,

- and her rates are unbelievable. My mom spent a lot of time in the dark right now, and that's sad.
- Ivano Labricciosa  
11:48
- Karen, thank you for your question. I really appreciate it. We get a lot of feedback from people in Oshawa that want to make sure they're getting great value for the services we provide. We're very proud in Oshawa to keep the rates as one of the lowest in the province for our portion of the bill. As we mentioned earlier, we're only about 20% of the bill; the other 80% is controlled by the province. They set the time of use rate; they set the generation and the transmission rates and the support costs. So, for our 20%, we are one of the lower rates in the province. We work really hard to make sure that we stay at the lower end of that cost spectrum. So, we try to control rates through various ways in terms of how we operate our company. And so, we're still here to make sure that we continue to do that for you. So I guess in summary, in terms of the question that you asked, we feel very proud of the fact that we keep our rates one of the lowest in the province, but as Peter pointed out, he's worried about what the increases are, and as I mentioned, we do have to invest in the infrastructure so that no one's left in the dark. So, the challenge is always to balance reliability with rates. But thank you for that question, Karen.
- Moderator Erik  
13:00
- Karen, thank you again for that question. We have our next question coming up. It's going to be from Charlie who has a question about additional revenue sources. Charlie, welcome.
- Charlie 13:11
- Good evening and thank you for taking my question. Just curious as to whether Oshawa Hydro has any other revenue sources to help fund expansions into commercial, residential or industrial areas, or if the only revenue source is existing customers.
- Ivano Labricciosa  
13:28
- Thank you, Charlie, for that question. It's a great question. We get 100% of our funding directly out of rates. There are no other alternative sources that we can secure funding from. It's just the way the rules are in the electricity sector. As I mentioned earlier, we have to raise 100% of our funds in the year we spend it. We have no reserves and we have no other alternative revenue sources. When we deal with some technology projects, we do apply for some funding that is available at the province at the federal level to do some R&D projects. It's very minimal when it comes to the amount of funding, but it's to help offset what we call pilot projects, to test out some areas of technology. We do pride ourselves on innovation and trying to be a very creative company, and so we do test out technologies, things like solar, battery storage, electric vehicle chargers, where there is some public monies available to try and put those technologies or bring those technologies into Oshawa. But for the majority - and that's over 99% of the funds - they come directly from the rates that we set with the Ontario Energy Board.
- Moderator Erik  
14:42
- Charlie, thank you very much for that question. We're going to go to another question. Quickly, for everyone joining us, press 3 on your phone's keypad if you would like to ask a live question. We're now

going to go to Gordon, who has a question about weather and maintenance.

Gordon 14:59

Hello?

Ivano Labricciosa  
15:02

Hi, Gordon.

Gordon 15:03

Oh, hi.

Ivano Labricciosa  
15:04

Go ahead and ask your question.

Gordon 15:06

Yes, weather change. The ice storm seven years ago caught us unaware and we had major power outages throughout the city. What plan and what way is Oshawa Power preparing for the next weather event, whether it's in the wintertime or the summer? Have you been doing maintenance to make sure power lines are clear of potential hazards from falling trees? And have you doubled up power distribution lines? So i.e., if one transfer area gets knocked out, is there backups for parts of the city that could experience power outages? Basically, I'm asking what your plan is, because we are having weather change, and how is Oshawa Power preparing for that, for weather events? Thank you.

Ivano Labricciosa  
15:56

Thank you for your question, Gordon. It's a great question. We have learned from our mistakes given our last experiences during the ice storm. And we have been applying what we've learned and trying to ensure that we will not get caught again. A couple of examples: you've mentioned tree trimming or making sure that trees don't take down power lines. That's always a challenge, to get on people's properties to trim the trees back, and tree contacts, although we're getting better at it, it's always a challenge to get the permission to cut away and trim away at trees so they don't impact power lines. We're also doing things like line storm hardening, that is a program we've had, and there are some investments earmarked at that where we'll reinforce the power lines and, as you mentioned, even provide backup routes of power. In case one line goes down, there's a backup available. And we've made those investments and are continuing to make those investments going forward. And last but not least, I want to also talk about technology. Our own systems and our tools that we use to communicate with customers were not the best that we had back when we had the ice storm. If you look at our systems now, we have an outage map and we have online updates and we have a more modern phone systems where we can dial out as well as receive calls and handle the volumes that would come through during an ice storm. We do expect climate change to have an impact. We're seeing it firsthand that we're getting microbursts and we're getting high wind events. And so, we know we're going to have to plan for that. It's the reality of the day, and these investments we're asking for are aimed at trying to keep pace with what the changing patterns of weather and climate are, and the reliance that people have on electricity for sustainability in our city.

- But great question, Gordon. Thank you very much for asking it.
- Moderator Erik  
17:46
- Gordon, thank you again for that question. We're quickly going to do another survey question. So, using your touch-tone phone, you can indicate your response. The estimated useful life of distribution assets ranges between 10 and 50 years, with the average life of approximately 30 years. As distribution assets get near the end of life, reliability begins to decline. Do you feel Oshawa Power should invest in a 10 to 50-year lifecycle to maintain reliability, accommodate growth, and reduce outages? If so, press 1. If you would say that they should run equipment to failure which will result in more frequent power outages and longer restoration times, press 2. And if you're unsure or undecided, press 3. So again, the estimated useful life of distribution assets ranges between 10 and 50 years, with the average life of approximately 30 years. As distribution assets near end of life, reliability begins to decline. Do you feel Oshawa Power should invest based upon a 10 to 50-year lifecycle to maintain reliability, accommodate growth, and reduce outages? If so, press 1. Or should Oshawa Power run equipment to failure, which will result in more frequent power outages and longer restoration times? If so, press 2. And if you're unsure or undecided, press 3. We have another live question coming up from Don. Don, welcome. You're joining us live.
- Don 19:11
- Hi, my question is how is GM going to affect us when we're making these investments? Because we're going to get hit with a one-two punch here on this with GM cutting back their Hydro usage, and now you're going to give us these so-called investments that we have to make for the developers that are going in north Oshawa. I think there should be a one-time service fee or something for new hookups for these houses that people from Toronto are selling for a million bucks and moving out here. Being a 35-year resident out here, left from Toronto, I would hope that we would not have any more increases.
- Ivano Labricciosa  
19:41
- Don, thank you very much for that question. It's kind of two parts to the question: the first one is the impact from General Motors reducing the scale of their investment to the size of their operation in Oshawa. It's a great question. We get asked that several times. General Motors is not our customer in Oshawa. They're a direct-connect customer to Hydro One, and they're serviced from Hydro One simply because, way back when, when they built the plant, the demand for that power was too significant for Oshawa Power back then to service them, that they struck a deal with the province. There's a handful of contracts in the province because of the size of their load. When they first came into the province, they had this arrangement directly with the province or Hydro One. Well, it was Ontario Hydro at the time, but it continued on as Hydro One. Examples include Stelco in Hamilton and Ford in Oakville and, obviously, GM here in Oshawa. So, we don't expect any impact from GM vacating the premise or reducing the size of their operation. We actually think it will be beneficial to the city because any new

customer that comes in on that property will be a customer that connects to our grid and will therefore be [inaudible] the cost of great investments and sharing that cost with others who are already connected. So General Motors, we're not as worried about it from a utility standpoint simply because they're not our customer; they're the province's customer. But we think there's a better solution for us with new customers coming in that will connect up to our grid.

Ivano Labricciosa  
21:13

The second part of your question was, again, a new entrance to the system. People who move from Toronto and inhabit or locate here in Oshawa. They will pay their fair share once they connect onto the grid. For example, a customer like yourself who, you said, moved here 35 years ago, has been paying into the grid for the last 35 years. So eventually, those customers will pay. When they stay in the city, they will pay over the lifetime of their home or the lifetime that they're a customer of ours. And so, we do welcome the growth and they will pay their fair share over a period of time. Unfortunately, we have to make the investment now, and so the new entrance will eventually pay over a lifetime, but in the beginning, we have to make that investment. Hopefully, that answers your question, but thank you for asking it, Don.

Moderator Erik  
22:01

Don, thanks again for that question. We have another live question. Again, quickly, press 3 to ask a live question of your very own. We now have Scott joining us on the line. Scott, welcome.

Scott 22:13

Yes, hello.

Ivano Labricciosa  
22:16

Hi, Scott. Yep, hi, Scott. Go ahead. Ask your question.

Scott 22:21

I'm wondering who sets the rates, the high rate as opposed to low rates, during the 24-hour period of the day?

Ivano Labricciosa  
22:33

Good question. That is set by the province. So, you're talking about peak, mid-peak, and off-peak power rates that the province establishes that rates across the province.

Moderator Erik  
22:47

Scott, thank you very much for that question. We're going directly to another one, and this one is coming up from Anna-Marie, has a question. Anna-Marie, welcome.

Anna-Marie 22:57

Hi, good evening. I have just moved into the area into an older neighbourhood, and I noticed that our house is wired with overhead wiring [inaudible] newer neighbourhood, there are no visible wires. So, I just wanted to know, are there any plans in the restructuring to do an overhaul, to revamp and have these wires go underground? And especially in the [inaudible] somebody had mentioned before, where there's a possibility for ice storms and anything that can damage the overhead wires.

Ivano Labricciosa  
23:36

Anna-Marie, thank you for asking that question. We tend to get that question quite a bit from people who live in the older neighbourhoods who see the newer neighbourhoods going in

underground, and that is their current standard, our new standard, where the new development, it is a requirement to put those lines underground. Unfortunately, when we built in the older areas, the standard was overhead wires. And to convert from overhead to underground, it's about a three-times more costly endeavour. We're always open to suggestions and the neighbourhood's willingness to pay for their share of undergrounding those portions. Unfortunately, our standard today is like-for-like. So, when we go into a neighbourhood, we'll bring it up to the new overhead standard that exists, but we will keep it overhead. But again, we're more than happy to listen to our customers to see what it would be, whether they would be willing to pay the extra funding to make it underground and convert. But for the time being, it's like-for-like. So overhead stays overhead; underground stays underground.

Moderator Erik  
24:39

Anna-Marie, thank you for that question. We now have a question coming up from Sue. Sue, welcome to the TownHall. You're joining us live.

Sue 24:46

Hi, good evening. Two questions: one is, does Oshawa Power have any intentions of building or requiring any new substations to accommodate the growth? And also, is Oshawa Power intending on moving to a newer facility? I've heard up in the north end, to accommodate more space, etc., seeing as they're currently gridlocked where they're currently located.

Ivano Labricciosa  
25:13

That's a great question. Thank you for asking that, Sue. On your first question, in terms of substation for capacity, we just finished building a new substation up in the north to start accommodating the growth north of the 407, where it continues to grow. And we have enough capacity for the next roughly five to ten years, so we think the investment is still playing out. We just finished that this year or late last year, early this year. We don't think we're going to need a new substation for capacity growth for at least another ten years, but again, being planners and engineers, we have to take a look at where to place that and start thinking about that today. While we're not going to spend any money to get that capacity at this point, we are working on the plans to actually put that capacity addition in place in the next cycle. In terms of a facility, we have been in this building downtown, in Oshawa since 1931. We have outgrown this building and we are at the end of the useful life for this building, and we have plans to move out of this facility and relocate into another area of the facility, likely north where there's new development happening, simply because that's where the growth is taking place and where the majority of our customers are going to eventually be located. And so, at this stage, we are planning for a facility relocation and it's driven by the fact that we've outgrown the current facility, which is about 80 years old as we speak. Thank you for asking that question.

Moderator Erik  
26:48

Thank you again for that question. We now have a question coming up. Quickly, I do want to remind everyone that you can press 3 on

your phone's keypad at any time. We're going now to Wanda, who has a question about those reserves. Wanda, welcome.

Wanda 27:02

Hi, thank you. So, you said that there was no reserves or reserves are at zero. If you have a five-year plan, five years ago, you had money to build but didn't use. What happened to that money? So, where's your reserve? You can't really have a business and operate at zero reserve. Does that make sense?

Ivano Labricciosa  
27:26

Yeah, it's a great question, Wanda. Thank you for asking that. In essence, with every investment plan we file with the Ontario Energy Board, we have to come back after the fact, every year or every five years, and do an audit trail of insuring that what we said we were going to build and asked money to build, we actually audit it and make sure and demonstrate that we have built it. If we built it for less than required, we have to return those funds. If we did not build it - let's say we asked to do something and it either wasn't required or we just didn't build it - the Ontario Energy Board audits us to ensure that we only use the funds to do the building and the infrastructure that we ask for. If we decided not to do it, we have to return those funds. So, to your point, we don't have reserves. We basically do our application process for rates. We have to ask for the rates according to our plan; we have to execute that plan according to what we filed; and then we're audited afterwards to ensure that we did the work that we asked for and that we're left with zero dollars left at the end of-- until the next application. Hopefully that answers your question, Wanda. Thank you for asking that.

Moderator Erik  
28:41

Wanda, thank you very much for that question. Now, we're still having some new people join us and I do want to welcome them to Oshawa Power's Investment Plan Consultation Telephone TownHall meeting. We are live tonight with President and CEO of Oshawa Power, Ivano Labricciosa. In addition, we are joined by hundreds of fellow residents from throughout the city listening in. We're trying to take your questions this evening. Simply press 3 on your phone's keypad at any time over the course of the TownHall if you have a live question that you would like to ask. We have our next live question coming up from John. John, welcome. You're joining us live.

John 29:16

Hi, my question is, who owns the Oshawa Hydro? And if you have a similar setup that Toronto Hydro and the City of Toronto has, do you have to pay dividends to the city of Oshawa? And if you do, can those dividends be reduced so that you would have more money to put into infrastructure?

Ivano Labricciosa  
29:41

John, thank you for asking that question. Basically, when I get asked who owns Oshawa Power, I say the citizens of Oshawa. It's definitely owned by you, and the city is the proxy of ownership. So, they are the shareholder, and yes, in terms of answering your questions, the industry is defined as the shareholder can take a dividend payment. And much like all shareholders can, they can reinvest that dividend back into the company if they like or they can take it in cash in terms of a settlement. Our city decides to take the money in cash, and they

use that to offset, for their own purposes, either tax increases or operating funds. But they do have the choice to reinvest back in the company to continue to keep building the company as it goes forward. Thank you for that question.

Moderator Erik  
30:31

Thank you very much for that question, John. We have another live question coming up. This one will be from Vivian. Vivian, welcome.

Vivian 30:40

Hi, hi. Thank you very much for this opportunity. My question relates to the decision they've already announced to build a new facility, and I understand the older facility in downtown Oshawa is nearing the end of its lifespan. But how are you going to pay for it, and if you're requiring the city to forgo its dividend to facilitate that purchase, I guess there'll be a flow through that will potentially increase our property taxes. So how are you going to pay for it and what's the total amount you're budgeting for the new build, and will that all happen in a year or what's the planning stage for that?

Ivano Labricciosa  
31:34

Vivian, thank you for that question. We are still working on the plan, so it's in the development stages. And you've asked a couple of questions inside that line of thinking around the new building. The first one that you asked for is how does it get funded. It's like other infrastructure; we definitely have to raise money to actually put that building up, and the only way we raise money is through rates. And so that's part of operating the company. We have to collect monies to continue operating the company. In terms of working with the city, at this stage, we have been talking to other city agencies to think about cohabitating or collocating together as we all serve the North for the same reasons. We all have the same customers; we all provide the same types of services as we get out there to either bring electricity or water or snow removal or other aspects. We have some common areas and common needs. And so, with everyone looking to expand in service in the northern area as the city begins and continues to grow and develop, we are trying to find ways to control our costs and be more efficient with those dollars for facilities. And so, we've been talking to other-- the city and other city agencies to put together some common needs and develop some common space.

Ivano Labricciosa  
32:59

So, I call it a bit of a campus approach. There's got to be efficiencies to being able to put together common infrastructure, and so we're hoping to leverage that to ensure that we use your dollars wisely and that we minimize the impact of rates against the new facility. And again, if we think of this investment just like the last investment made back in 1931, we hope it's an investment that will continue to earn its values for the next 80 years for the next cycle. Thank you for that question, Vivian.

Moderator Erik  
33:30

Vivian, thank you again for that question. We have another live question. Quickly, we're going to do another survey question though. So, you can indicate your response on this question using your touch-tone phone. The condition of our assets needs to be addressed in a timely manner to maintain a reliable, safe electricity

distribution system. Investing in grid modernization technologies that will assist us in detecting, locating and determining the causes of outages will further reduce power outage duration, response times, and save resources. Do you feel Oshawa Power should invest in grid modernization technologies that will expedite power restoration by providing critical information of cause and location? If so, press 1. Should Oshawa Power invest only in replacing equipment as it reaches end of life and do not upgrade grid technology? If so, press 2. And if you're unsure or undecided, press 3. So again, the conditions of our assets need to be addressed in a timely manner to maintain a reliable, safe electricity distribution system. Investing in grid modernization technologies that will assist us in detecting, locating and determining the causes of outages will further reduce power outage duration, response time, and save resources. Do you feel Oshawa Power should invest in grid modernization technologies that will expedite power restoration by providing critical information of cause and location? If so, press 1. Do you feel Oshawa Power should invest only in replacing equipment as it reaches end of life and do not upgrade grid technology? If so, press 2. And if you're unsure or undecided, press 3. We now have a question from Gary. Gary, welcome. You're joining us now. Please go ahead.

Gary 35:13

Hello?

Ivano Labricciosa  
35:15

Hi, Gary. How are you? Go ahead and ask your question.

Gary 35:18

Oh, hey, man. So yeah, I'm basically-- More of a question I'm kind of spit balling out here. But some reason, I [inaudible] had any idea of where we're going to raise-- I don't think anybody wants the rates to go up anymore, and there's-- So you've got all these bikes, right? And if you have bikes that people can ride the bikes and they pay to rent the bikes, ride them around town, you can put them in Toronto and the bikes have batteries on them and the batteries get charged while people are out riding the bikes, and they're paying to do this. Then they bring the bikes back and they have energy. They can go back into the grid. And then the cost from these bikes and the energy we're saving, that could subsidize some of the putting the power under the ground.

Ivano Labricciosa  
36:08

Yes, Gary, I think-- I'm not sure if we lost you, but I think the question was aimed at a battery storage solution as people with mobile devices, like electric cars or electric bikes, the way you're referencing, they have to charge somewhere. And can you take advantage of that charge, both drawing power from the grid and having an opportunity to put power back into the grid. That's one of the future areas of technology that we're looking at and working with the province. There are a couple of people that are spearheading some projects to see what that would be like, and essentially, it's a research area of ours with other people in the industry to see if we can set up a rate structure or be able to pool

	those resources and bite it into the grid to take advantage of more efficient use of electricity, whether you're putting it back into the grid or drawing it off the grid when there's surpluses available. So hopefully, that answers your question, and thanks for asking that, Gary.
Moderator Erik 37:10	We have our next live question ready to go. This one's coming up from Wanda. Wanda, welcome. You're joining us live.
Wanda 37:17	Hello?
Ivano Labricciosa 37:18	Hi, Wanda. Go ahead.
Wanda 37:20	Hi. Okay, so next week, we will have a 1.8% provincial raise, right? Our Hydro bills will go up on November 1st?
Ivano Labricciosa 37:32	Yes, that's the cost of electricity, the generation fees.
Wanda 37:36	Was it 20% that is from Oshawa? Will that be included in that 1.8%? And then--
Ivano Labricciosa 37:47	No, Wanda, ours is separate. That 1.8% applies to part of that 80% portion of the bill. Our increase applies to only the 20% portion.
Wanda 37:58	So, yours will probably be more like a 2% raise, you said, little bit above--?
Ivano Labricciosa 38:04	Might be higher, yep.
Wanda 38:06	Okay, so that will be applied to only 20% of the bill.
Ivano Labricciosa 38:09	That's correct.
Moderator Erik 38:14	All right, thank you, Wanda, for your question. We have another live question. But again, for everyone joining us, if you have a live question you'd like to ask, you can do so by pressing 3 on your phone's keypad. We now have Tony for a question. Tony, you're joining us live.
Tony 38:30	Hi there, I just had a question. You spoke earlier about research and development and being aware of climate change. With all the residential development that's happening or will be happening north of Conlin Road here in Oshawa, I was wondering if there was any extra focus on some different initiatives in terms of renewable energy to try and modernize the way that we make and use power here in Oshawa.
Ivano Labricciosa 38:58	Thank you for that question, Tony. We always look for new and innovative ways to try and become more efficient with the use of electricity. In general, most of those new technologies like solar and battery storage, we've had a couple of pilot projects that were funded outside of this rate application. So, a lot of that project work, we have to attract that investment from other sources. The one I

think we had the best result in so far is the community energy storage project with solar and battery backup in about 30 locations throughout the city. We always look for those types of alternate resources or alternate ways of serving our customers, but again, it's dependent on monies coming from other areas. Certainly, if customers would like to make the investment, we're more than happy to help consult with them and look for ways that they can make that investment, or we could help find a way that we could coordinate that investment for them. But for the purposes of this particular TownHall meeting, those are held outside of this rate class and what we seek dollars for. What we're looking for is just infrastructure dollars today, and we cannot apply that to batteries and/or solar panels or other forms of energy generation technologies at this stage. But thank you for that question, Tony.

Moderator Erik  
40:17

We have our next live question coming up now. It's going to be-- Our next live question's going to be from Sheryl. Sheryl, welcome to the TownHall. You're joining us live.

Sheryl 40:27

Thank you. I moved to Oshawa and a couple questions that I have are this: I'm from the [repeal region?] and I know that they've gathered together, different municipalities together, in order to have a surplus so that, instead of raising the rates of the individual homeowners either through property taxes or through Hydro, they actually have-- they created this surplus. Yes, it's a hit at the beginning, but this is something that will sustain us long term where we would have money that is a resource. We would have that, and we wouldn't have to keep going to the homeowners, because some of our homeowners are retirees and they're only living on a certain fixed income. And we're going to them and we're only keeping current year status of what money that we have. How do we expect these homeowners to stay in Oshawa? Because other than that, they're going to leave because they can't afford it. And so my question is, is there a way to join not only our Hydro, to join in infrastructure from building from anything that we can generate instead of keep going to the homeowners and expecting them to be able to help with the infrastructure - which they will and we all will - but what I'm saying is, we're right now kind of behind the ball on things. We're trying to play catchup, and the way that infrastructures work, they degrade faster than we can build. So how are we planning to, long term, fix this for elderly people living in Oshawa and generate people coming into Oshawa?

Ivano Labricciosa  
42:06

Sheryl, that's a great question and thank you for asking that. We're a heavily regulated industry. The Ontario Energy Board sets the rules by which we have to play and operate in the province of Ontario, and no utility is allowed to build a reserve. It's just part of the rules base. So, we're part of one of several utilities in the province that have to operate that way. It's unlike municipal and regional governments which are allowed to pool and create reserves for the future like you're describing. So unfortunately, the rules of the game for us here in the electric industry in Ontario is there is no

mechanism to pool your funding to create reserves. But as you point out, if a company fails to keep making its investments year after year, you're going to fall behind the eight ball and it eventually is going to catch up to you that you'll have to either, a, operate the grid in a way that creates many outages that people will not like, or b, have to raise rates to catch up on those investments to ensure you don't fall further behind.

Ivano Labricciosa  
43:07

One of the examples I point to today as a live example is happening in California, where, in order to stop this fire spread caused by the utilities equipment during high winds, the utility is turning the power off. And you can see that there's a huge uproar in many people responding back to those utilities, whether it's specific gas and electric or others, suggesting that they failed to invest properly to prevent that from happening. So I want to be absolutely clear with our customers and with our community in Oshawa: we are doing our damndest to make sure that these investments are prudent, timely, and the right technology so that we're not faced with either playing a catchup with increasing rates higher than needed in the future, or abandoning our ability to recover from power outages and delivering poorer service. So again, Sheryl, thank you very much for asking that question, and it's a balancing act with us for sure to make sure we're doing the investments in a timely way. Thank you again.

Moderator Erik  
44:18

Our next live question is going to be from Alex about electric vehicles. Alex, welcome. You're joining us live.

Alex 44:26

Oh, hi. Yeah, I was wondering about all of the push for electric vehicles coming throughout the-- because of the quote-unquote climate change, etc. And many car manufacturers are saying that they're going to not produce fossil fuel-driven vehicles anymore. So the question is, if all the vehicles that we drive in this city were converted to electric - I know that there is some technology of swapping out engines for electric engines in vehicles - but let's say that there was a huge shift in a matter of three to five years or it looks like ten years, where everybody puts it in their current cars, their fossil fuel and their buses and their trucks, and put them on the grid. Are you guys able to handle that load requirement? Or what kind of expansion of the system are you going to need in order to handle that kind of conversion?

Ivano Labricciosa  
45:28

That's a great question, Alex. Thank you for asking that. Electric vehicles are definitely part of the future. You know that, given all the noise all the manufacturers are making with respect to putting their investments in that future technology, we know that it's coming. We do a really good job making sure that we keep track of what's going on in the city. We track the electric vehicles that are showing up throughout the city. It has not reached a volume yet where we have to respond, but to your point, Alex, we want to be absolutely careful on two points: one, that the grid is ready and that we're able to supply whatever needs to connect to the grid, because that's our

value in being able to serve our customers; and two, that we're not over-investing too early or too much at a point where it hasn't matured and it's a stranded investment. And so, in our plan, we have to take into account for that kind of judgment that we would use to make sure that we don't fall behind and we're ready to serve and that we're not gold-plating or over-investing or stranding capacity or the investment. And so, this plan does have some of that built into it.

Ivano Labricciosa  
46:40

We don't think, in the next three to five years, that that huge investment's going to be needed. And so, we know, with the way it distributes itself throughout the city, that we have the ability to make sure that we can serve any of the new vehicles that are coming in for the time being. But after the three to five-year mark, most of the car manufacturers are showing a large investment and increase in production that we're going to have to be ready, and so we're going to have to make more investments, I believe, after the five-year mark in the five to ten-year range to ensure that the volume that's going to be connected is able to be served. Just to give your perspective, the size of a load, electrically, is about the same size-- for a car, it's about the same size as a house. So, the predictions are that you need to double the size of the supply to your house to satisfy a house and an electric vehicle. So, you can imagine that's a pretty large shift in electricity use and it's going to take a while to make sure that we're able to supply and serve that kind of volume. So we're relying on the fact that it's going to be distributed out there in a random, normal way, that it's not all going to be congregated in one part of the city or another, which will give us enough of a runway and a ramp to make sure that we're able to supply it successfully. Thank you very much for that question, Alex.

Moderator Erik  
48:09

Alex, thank you again for that question. We're going to do another survey question. So, you can use your touch-tone phone to indicate your response on the following question. The current Oshawa Power building opened on December 2, 1931, when Oshawa had a population of 23,439. 88 years later, Oshawa has a population of 159,458, and Oshawa Power has the privilege of serving over 59,000 customers. In addition, there has been much technological change in the industry. As such, the current campus style building no longer can meet our daily operational needs. Determining whether Oshawa Power should retrofit or renovate an existing facility or build a new facility in Oshawa is a difficult decision. Oshawa Power currently does not own the facility at 100 Simcoe Street [sev?]. Do you feel Oshawa Power should invest and explore finding a more suitable facility that Oshawa Power would own and will accommodate the entire company to operate out of a single building and allow for future growth? If so, press 1. Do you feel Oshawa Power should invest and retrofit the existing facility even though it is not Oshawa Power's asset? If so, press 2. And if you're unsure or undecided. So again, determining whether Oshawa Power should retrofit or renovate an existing facility or build a new facility in Oshawa is a

difficult decision. Oshawa Power does not currently own the facility at 100 Simcoe Street South. Do you feel Oshawa Power should invest and explore finding a more suitable facility that Oshawa Power would own and will accommodate the entire company to operate out of a single building and allow for future growth? If so, press 1. Or do you feel Oshawa Power should invest and retrofit the existing facility even though it is not Oshawa Power's asset? If so, press 2. And if you're unsure or undecided, press 3. We have our next live question now coming from Patrick. Patrick, welcome. You're joining us live.

Patrick 50:06

Thanks for taking my call. My question is two parts. The infrastructure's aging. To what do you refer to as large transformers and stations, lines-- Could be a little clearer on that. There's obviously a large range of expense there and actually, the question we just had was referencing what I'm going to ask, is that-- Have you looked into repurposing the building? Is that cost-effective or are-- We do have one building that's a large building that's becoming empty soon. Or have you looked anywhere else? Or are we just going to build brand new? Thanks for taking my call.

Ivano Labricciosa  
50:39

Thank you, Patrick. You have two questions there. The first one is, what's the kind of infrastructure we're investing in or what's coming due in terms of age or condition. I think earlier, we talked about the range in asset lifecycle for most of the equipment on the grid ranges from 10 years to 50 years. And you pointed out correctly, bigger substation equipment is obviously more expensive, but it also lasts a little long. So that's more toward the 50-year life, and there's some of those coming due. And the shorter-term life items like cables, underground cables and other equipment are also coming due, and they're again-- need more frequent investment. And so, there's a bit of that as well. We do have details and I'm sort of giving you a generic response to that, but there's assets in all those categories that require investments, the proportion of which is detailed out in our investment plan, and it ranges in terms of percentages. There's fewer, more expensive things, and much more of the least expensive things, all adding up to basically create the investment plan.

Ivano Labricciosa  
51:43

The second part of your question was repurposing the building or looking for existing building space. And the answer is yes, we've looked at both. In terms of the geographic footprint, this space here in our current location at 100 Simcoe, we have about 85 staff that we have to support out of this location with about 25 large pieces of equipment, and we're just over top of each other all over the place. And love to show you how we're using the entire footprint; it's just too small. We've outgrown it to be efficient. So, reinvesting in the current location would only make sense if we split our operations and we don't want to do that because we find we're very efficient when we work together out of one space. We did look at available properties, and unfortunately, in the city of Oshawa, in the existing spaces, it's hard to find a piece of property that fits exactly what we need. It's either too big or too small and there's just not enough

industrial commercial space for us to operate the utility out of in the current situation. But as you mentioned, you have space becoming available and we'd definitely like to take a look at what's coming up in the marketplace. So, we keep an eye on that to make sure we stay current. But the better places to look is obviously the green land or green field spaces up in the North where you can get a sizable footprint that matches what you need or carve up a piece of space that matches the footprint you need and then build on that. And when we looked at our facility plan, we looked out for the next lifecycle, for the next 25 to 50 years, to ensure that we're able to pick something that matches the lifecycle of another building. We don't want to run into what we're running into here 80 years later, not being able to expand or do anything that's cost-effective for our purposes. But thank you very much, Patrick, for that question. It was very good.

- Moderator Erik 53:41 We have another live question coming up now from Robin. Robin, welcome. You're joining us live.
- Robin 53:47 Hello.
- Ivano Labricciosa 53:49 Hi, Robin. Go ahead.
- Robin 53:50 Thank you. The last survey question answered my question, but it brought up another question that I want to ask you. Out of 120,000 clients in Oshawa, only 59,000 are served by the Oshawa Hydro. How is that? That doesn't make sense.
- Ivano Labricciosa 54:10 Yes, that's a great question. It's the number of households that we serve. There are about 60,000 households in the city of Oshawa, and you're right, because there's roughly about 180,000 residents. So roughly three residents per household is what we're averaging in terms of the difference between number of customers versus the population of Oshawa. Hopefully that answers your question, Robin.
- Moderator Erik 54:34 Thank you very much, Robin, for that question. We have our next question coming up from Dick. Dick, welcome. You're joining us on the line.
- Dick 54:43 Oh, yeah, I asked a question about electric cars, and I think that's been answered. Thank you.
- Ivano Labricciosa 54:50 Thank you, Dick.
- Moderator Erik 54:53 We have our next live question coming up now from Larry. Larry, welcome. You're joining us live.
- Larry 54:59 Hello there.
- Ivano Labricciosa 55:01 Hi, Larry. Go ahead.
- Larry 55:02 Yeah, my question was about the electric car or the coming electric car, and I think this has been mostly answered already. But I just

wanted to mention that, by my guesstimates, by 2030, some 25 to 50% of all cars in Oshawa will be electric. And you said you're planning for a large expansion in that timeframe, so I guess you've got it covered. I have a secondary question though, is that Canada doesn't have optimum weather for electric vehicles. Batteries have to be kept warm, and they use electricity to do that. So, it may be a common feature in the future to have, say, electrical block heater stands or something like that, even at the parking slots on the side streets. So, I'm just wondering if that was also something in your consideration.

Ivano Labricciosa  
56:07

Thanks for asking that question, Larry. I'm going to hand that over to one of my colleagues here, Matt Strecker, who is our Vice President of Engineering Operations, who can speak a bit of the technical parameters. We do talk quite a bit, both Matt and myself, in terms of how to locate these plug-ins and where to put them and how to be timely with it. So Matt, over to you.

Matt Strecker  
56:26

Yeah, great question. I actually spent some time living outside of Ontario, and I can tell you that most of the provinces, especially out West, everybody has a block heater. So, it's kind of unique that, here in Ontario, we do experience warm enough weather that that hasn't become the norm. But it's a great point that you've made. We do need a lot of energy spent and that will be consumed from an electric vehicle battery to warm the vehicle. So, part of our plan - and I thank you for the feedback - it isn't standard, and we haven't actually seen any standards developed to have widespread electric heaters made available. But I think we will take that into consideration. And as we're kind of working with the municipality and the region on what a new electric vehicle paradigm shift would look like for us and what our pending standards would be, I think that's a great consideration for us to look at and potentially provide it as an offering to customers as electric vehicles do penetrate our system. So, I'd like to thank you again for that question. We are constantly monitoring the grid and looking for where electric vehicles are coming onboard and within the city, and we're going to be doing our best to make sure that we do provide the capacity that is required and certainly we'll look at options of providing additional load if, for example, there is a lot of interest and benefits providing the capacity for block heating as well. So, thank you again. Great question.

Ivano Labricciosa  
57:58

Thanks, Matt, and thanks, Larry, for asking that question. We've had a couple of questions on electric vehicles. Matt and myself and the team talk quite a bit about planning for electric vehicles, and electric vehicles are tricky in that they're mobile devices. In other words, it's not necessarily looking at who's buying one in the City of Oshawa; it's trying to find out-- and again, we've got Highway 407, Highway 401, Highway 412, Highway 416 sort of surrounding us in the city, and that means a lot of visitors. And again, we're a city that is welcoming to our visitors from both a business perspective and making sure that we can service them. And so, for us, it's not only

planning for existing customers within the city; it's who's going to need the support of electric vehicles who visit the city or drive through the city. And so, it's one of those tricky ones that we're trying to figure out-- it's not just the volume of people within the city; it's moving around, and we don't want to lose that business. We want to service them. So, we're able to think through that, and we think we have a good handle. But time will tell. As Matt says, we're always prepping and consulting with other agencies to make sure we got it right. So, thank you for those questions, everyone who's asked the electric vehicle questions.

Moderator Erik  
59:13

We have another live question coming up now from John. John, welcome. You're joining us live.

John 59:21

Hi, there.

Ivano Labricciosa  
59:23

Hi, John. Go ahead.

John 59:26

Yeah, the question I have is-- I'm hearing that you're saying we're a public company. So, with the new building that you're looking to do, do we have any say in the building whatsoever? I hear you're doing a lot of talking here and I know that the government-- Or does the city have any say in it too? And if so, how do we get to see these plans so that we can kind of say-- And that if you have a budget for it and you don't meet that budget, you don't go over it, where does that money go back into? Does it come back to us, the people, and lower the rates? Or how does it work?

Ivano Labricciosa  
01:00:07

Good question, John. I'm going to ask Phil Martin from our Finance team to really chime in and respond to that question. And Phil and I talk a lot about the new building and he certainly can identify what happens if we underspend for that building and where that money would go. Phil, do you want to go ahead and give it a shot?

Phil Martin  
01:00:29

Yeah, thanks, John. So, we are in the-- While we have decided that the relocation is necessary over the next five-year plan, we are still in early stages in determining what those plans actually will end up being. But as far as going through the rate application process, we will have to put a fair amount of evidence forward to the Ontario Energy Board to support whatever investment is to be made on the facility, and to the extent that, the OED will approve those rates. To the extent that, there are significant, or material savings associated with that, in terms of the budgeting process, there will be, likely, a recovery through the rates for the rate payers upon the next rate application, which would take place in 2025 or 2026.

Ivano Labricciosa  
01:01:35

Thank you, Phil. And John, just to give you certainty in terms of feedback, we are working with other agencies as I've described earlier, and they have-- again, similar to us, they will likely go out to the public and seek feedback on the plan. So, you'll get a chance to input and have a look-see I would suspect, just to make sure that we're building something that suits our customer base and what our customers think is appropriate for us. But the challenge is always

trying to get that feedback, and again, the TownHall process is one way, but I would suspect when it comes to a building, whether we'll do something online or something around the city-- I thank you for that feedback and we're always challenged to find new ways to communicate with our customers. But we will definitely be seeking some feedback from our customer base. So, John, thank you very much for that question.

Moderator Erik  
01:02:28

Thank you very much, John, again, for that question. Now, Ivano, Matt, and Phil, we're just about reaching the end of the TownHall. We had a lot of great questions this evening. With the last couple minutes, are there some closing remarks you would like to share with the listeners?

Ivano Labricciosa  
01:02:41

Well, first of all, Erik, I'd like to thank the residents of Oshawa who did dial in and took the time to listen and/or ask questions and provide some feedback and for participating. Tonight's been a real excellent opportunity to start engaging and having a conversation with you, our customers, and the residents of Oshawa. Before we end the evening, I want to encourage you to continue to participate in our online survey, and that's located at [www.opuc.on.ca](http://www.opuc.on.ca). And again, that's [www.opuc.on.ca](http://www.opuc.on.ca). Or come visit us at some of our face-to-face town hall meetings that we're going to have on November the 5th from 5:30 to 7:30 PM at the McLaughlin library. And we're going to be doing other sessions and having face-to-face conversations, but we're starting at the library, so we're hoping we can see you there. And again, your questions this evening and other feedback that we've received will be summarized and shared with staff and considered-- factored into our future investment plan that we'll file with the Ontario Energy Board. Again, I want to thank you very much, and really appreciate you joining us this evening and a recording of tonight's TownHall will be available online and also posted to our website. So, thank you again, residents of Oshawa.

Moderator Erik  
01:04:08

Thank you to Ivano, Matt and Phil. Just to restate what Ivano mentioned, in addition to hearing questions and opinions, in tonight's Telephone TownHall, Oshawa Power is hosting an in-person public town hall on Tuesday, November 5th, at the McLaughlin library from 5:30 PM to 7:30 PM. You can also participate in Oshawa Power's online survey at [www.opuc.on.ca](http://www.opuc.on.ca) and click on Cost of Service. If you have any questions or any feedback that you would like to share, I also want to remind you that you can do so by emailing them to Oshawa Power at [ceo@opuc.on.ca](mailto:ceo@opuc.on.ca). Again, please email your questions and feedback to [ceo@opuc.on.ca](mailto:ceo@opuc.on.ca). In addition, you can also leave a voicemail at the conclusion of the TownHall, so if you still have a comment you'd like to make, stay on the line and once the TownHall's completed, you'll have a chance to leave a voicemail. Thank you again to everyone for joining us this evening and have a great night.