

**YOUR FORMER ELECTED O.W.L.P. COMMISSION MEMBERS
CLEARLY STATE THAT A REFERENDUM VOTE BY THE CITIZENS OF ORILLIA
MUST TAKE PLACE TO APPROVE OR REJECT
THE SALE OF ORILLIA'S HYDRO DISTRIBUTION ARM TO HYDRO ONE**

September 29th, 2016

A great deal of time has been spent to try to put together a more realistic value of the Orillia Electrical Distribution that is the subject of the sale. The figures, prices, and location maps are available to support the accuracy of the former commission findings.

1. Orillia in the calendar year 2015 had 13,400 metered hydro customers.
2. On August 15, 2016 the city council called a special council meeting to consummate the sale of the Distribution Arm of the former utility. The price announced to the public was 26.35 million dollars.
 - a. There was no public input dealing in any way with the true value of this asset nor were there any chances for outside people knowledgeable in the utility distribution to give input. For the most part the entire process was done in secretive negotiations. Some members of council interpret that with the two open meetings where the council would highlight what they called the major pluses presented by Hydro One was what they considered input which was certainly never the case. Some members of the negotiating team attempted to try to give rationale for considering a sale of this nature.
 - b. No member of the negotiating team ever considered the serious effect that a sale would have on future electricity rates for this and future generations. The negotiating team at all times outlined to the public that this sale would have a major influence on creating many jobs and that the Hydro One promises were a deal of a lifetime. There was no mention what so ever that a sale of this nature would close all opportunity for any future benefit of Orillia creating additional generation or even introducing a link to other provincial distributors or even purchasing ties to Hydro Quebec and/or Manitoba Hydro.
In a recent article by A. Raymond he outlined that based on the use of 1000 kw the average bill for Ontario customers was \$226.03. Based on a monthly use of 1000 kw in the Province of Quebec this would be \$67.89, that is 70% lower than in Ontario. If you lived in Manitoba and consumed the same 1000 kw your bill would be \$81.09, that is 64% lower than Ontario. Both provinces have the capacity, within their systems, to service distribution customers in Ontario.

This misguided process prompted the last elected commission to try to take action to prevent or delay the sale until the citizens could, by referendum, reject or support a sale of this nature. The former commission depended somewhat that the legislature would side on democracy and support a vote of the people but this was never the case.

The local news media sided on the side of the City of Orillia revenue advertising stream and refused to publish anything that might negatively affect this ongoing revenue. So the people of Orillia were kept in the dark on many hydro matters – except for press releases from the city.

IN ORDER FOR THE FORMER ELECTED COMMISSION TO ATTEMPT TO PULL TOGETHER WHETHER THE 26.35 MILLION DOLLAR SALE WAS REALISTIC WE HAD TO DEPEND A GREAT DEAL ON MEMORY.

Poles and Equipment:

One member of the former OWLP remembered that within the corporate boundaries of Orillia we had just over 5,700 hydro poles at the time of dissolution. In the sixteen years following dissolution there had to be at least 300 more so we used the figure of 6,000 as our guide. We then used the figure of \$2,000 as a realistic price for each pole in the system to round the price out at **12 million dollars (\$12,000,000)**. The cost range for just the poles, using for the most part western cedar, ranges from a low of \$964.00 for a 40' class 3 pole to a high of \$7,000.00 for an 80' (HI) pole plus the manpower and equipment required for installation. In addition, one must consider the cost of polymer insulators, inline switches, disconnects, mid span openers, SNC load interrupter switches, isolator special, air break switches on the 44 kVa, etc.

Conductors (Wires):

To arrive at an accurate figure, it was necessary to use Google Maps to plot the circuits in order to arrive at 22.3 miles or 36.3 km of wire and divide that process into the amount of 3/0 triplex accompanying the circuits equaling 5.4 km (3.3 miles) and the possible kilometer of single phase primary in the city 16.5 km (10 miles). This was an item that we knew would be challenged so we calculated the majority of the meterage to number 336 conductor at a present day cost of roughly \$3.50 a meter and tried to get a realistic count on the location of 556 conductor which a little more than \$5.00 a meter. In other locations we knew there were 500 MCM copper in a great deal of the underground together with a smaller percentage of 1/0 copper and 1/0 aluminum. The total arrived at was somewhat downsized to **\$11,715,000**.

Transformers:

The transformers in residential areas were again low-balled in price to show a mix of 60 (kVa) and 75 (kVa) transformers for a rough total of 1,676 at \$2,500 and \$3,000 each FOB Orillia. We did not put a labour figure related to this item as the pole-mounted transformers could be erected and wired in a matter of hours. But the pad mounted transformers would be wired taking approximately three days. The pad-mounted transformers were roughly the same cost, however, there was a civil component requiring the concrete pad supporting the transformer. So the figure of **\$5,000,000** covered the cost for residential areas only. However, throughout the city in commercial, industrial, and schools, there is higher capacity pad-mounted transformers. Estimated in the range of **\$500,000** total.

Sub-Stations:

In the Orillia distribution we have nine sub-stations (one now under re-construction) which includes property, civil component, metal clad, breakers, transformer and underground each with a minimum value of 1.5 million dollars for a total of **\$13,500,000**.

Smart Meters:

There are 13,400 meters Smart Meters installed with a value of **\$8,040,000**.

Inventory:

As the former commission had no access to this dollar value we had to make an educated guess which included all equipment: trucks, Bombardies, pole trailers, special line equipment, chipping machinery, saws, line equipment, protective gear, poles, transformers, conductors, buildings and landholdings and a multitude of other equipment and spare parts - so our realistic guess has a possible error upwards or downwards of \$1,000,000 for a total of **\$5,000,000**.

With the lack of freedom of information there was no way that former commission members could gain access to what is still remaining and the value associated with the former 90 miles of transmission lines to know what portions have been previously sold and what ownership is still included and forming part of the sale. It is not possible to arrive at the value nor is it possible to obtain what buildings and land holdings are also included in the sale to Hydro One.

The one thing that we are however positive about is that any sale at 26.35 million dollars is an absolute betrayal of the peoples' ownership of this electrical asset that has been such an integral part of our heritage serving Orillia for 118 years. The six council members who voted for discarding this Orillia heritage asset at a fraction of its value will, if the sale cannot be reversed, forever carry this guilt with generations to come now forcing Orillians into sky-rocketing electricity costs after the province instructs Hydro One to sell to the private sector.

To summarize the true value with only a portion of the true costs available we arrive at:

12,000,000.00	Poles
11,715,000.00	Conductors (Wires)
5,000,000.00	Transformers (Residential)
500,000.00	Transformers (Industrial, Commercial, Schools, etc.)
13,500,000.00	Sub-stations
8,040,000.00	Smart Meters
<u>5,000,000.00</u>	Inventory
55,755,000.00	(Fifty-five million, seven hundred and fifty-five thousand dollars)

For the mass of equipment purchased during the period that HST came into existence the total of some of those items above would increase by 13%, which may possible extend the total to approximately \$57,000,000.

It's unbelievable to note that our grossly incomplete estimate of \$55,755,000.00 (Fifty-five million, seven hundred and fifty-five thousand dollars) is \$29,405,000.00 (Twenty-nine million, four hundred and five thousand dollars) more than the council's sale price to Hydro One of \$26,350,000.00 (Twenty-six million, three hundred and fifty thousand dollars) that six draconian members of council approved.

This City of Orillia had hired a top municipal law firm to give them a legal opinion on how to revoke Bylaw 557 (1913). To quote this legal opinion, it reads: "The procedure for revoking all or part of Bylaw 557 is interesting. From what we know now, it would appear that the Bylaw could only be revoked (in whole or in part) in the same manner in which it was instituted, namely by a Bylaw approved with the consent of the electors (Public Utilities Act, Sections 39 and 45). Under the Ontario Municipal Board Act, the OMB has certain powers to waive the need of putting a subject to the vote of the electors, but this appears to be only in cases which concern the issue of debentures for financing purposes."

However, the 2016 Council chose to ignore this legal opinion and not put the question directly to the electorate who, by referendum in January 1913, put the question to the electorate who voted to remove the management and control from council to the then, OWLP separately elected commissioners. Regardless of any legislation, the Council were duty-bound to respect the legal standing of Bylaw 557 of their own citizens. They did not have the right to sell any portion of their proud asset without a majority referendum vote approving it. The elected commission feel that they have a fiduciary obligation to act on behalf of the electorate.

Mayor Clarke in the four-page advertisement in the local daily makes mention that the distribution charge is to be reduced by 1% for a five-year period. To put this in perspective people have to look at their hydro bill under Delivery, the average of which on the customer's bill is in the range of \$35.00 per month. So a 1% saving is equal to 35 cents per month times 12 months is a yearly savings of \$4.20. Don't spend it all in one store!!

When dealing with a full distribution asset the purchaser should be paying the full related cost – related to the distribution asset - and the “so-called” double-book value should not enter the picture as this is strictly an internal accounting document generally by accountants used for tax purposes. The assets of the utility, for the most part, appreciate yearly in relation to the cost increases of materials, labour, etc.

ELECTRICITY IN GENERAL

Our provincial governments are off the chart in dealing with electricity matters. Democracy is no longer headed with a now attitude of “my way or the highway”. Provincial Auditor General Bonnie Lysyk, in her December 2015 report, gave a scathing report relating to an ill-conceived disaster and the huge waste of taxpayers' dollars, chasing industry out of Ontario and creating now non-competitive electricity rates - which are now the highest in North America. Her report is only the tip of the iceberg.

It is time to now look at the situation from the standpoint of a small utility of 13,400 customers owned by the citizens of Orillia. This utility came into existence in 1898 with a vote of the electors. For the record, this is eight years before the Province created their own utility called Hydro Electric Power Commission Ontario (H.E.P.C.) under the brilliant leadership of Adam Beck. The Provincial utilities model was power at cost to the citizens of Ontario and, certainly within Adam Beck's reign, the utility lived up to this model, up to and including the early 1960's.

Orillia, however, built its first hydro generation plant on the Severn River some 18 miles away from Orillia which, at the time, pioneered long distance transmission. This was a model that soon would be copied across the continent. From its inception Orillia industrialists agreed to back the borrowing debentures. The electricity rates alone were meant to pay off the borrowed money. It was discovered however that the municipality started to now-dip and divert contingency and maintenance funds of the power project to fund other municipal projects.

Provincial Promise #1:

The industrialists and key citizens, which included the father of Premier Frost, set up a meeting with the Premier and Adam Beck and received an absolute commitment that if the Orillia Council would establish a by-law that would be voted on as a referendum (plebiscite) and if carried by a majority of its eligible voters to create an elected commission, separate and apart from Council control, then the province would support it.

This vote of the people (referendum) January 1913 approved the complete separation and the setting up of an electrical commission to be elected by the citizens to now administer the hydro generation, distribution and sale of electric power. This referendum did not extinguish the right of a future council to make amendments nor try to sell the utility, **but no such maneuver could ever happen without calling another referendum for the people to approve or reject any such move.**

Provincial Promise #2:

The Province of Ontario in the **Town of Orillia Act, 1915** brought in legislation and under Section 11 of The Act which included the following:

“11(1) – subject to subsection 2, all the powers, rights and privileges with regard to the government of the Orillia Power Transmission plant or the generation, distribution and sale of electrical power and light heretofore or hereafter granted by any special Acts to the council or Corporation of the Town of Orillia shall, while the bylaw appointing such commission remains in force, be exercised by the Orillia Water, Light and Power Commission, and not by the council of the corporation.

11(2) – Nothing contained in this section shall divest the council of its authority with reference to providing the money required for such works, and the treasurer to the municipality shall, upon the certificate to the Commission, pay out any money so provided.”

This section has never been repealed. Now comes a sad day for democracy with an absolute betrayal of the citizens of Orillia and many other like municipalities when one or more provincial elected members secretly uses a brand new 225 page document of legislation described as an act to achieve fiscal savings and promote economic prosperity through public sector restructuring, streamlining and efficiencies and to implement other aspects of the government’s economic agenda (the short title of this act is the Savings and Restructuring Act 1996).

Our provincial leadership elite may still want to believe in abiding by democratic principles - they certainly profess that they do. In the case of electricity legislation, a small minority have shown themselves all too willing to violate their principles to gain or retain a certain power. So, in this new conspicuous act, certain draconian elected people secretly inserted a single clause to try to reverse the electoral power of the people of Orillia and other like municipalities who democratically cast their vote in a dually called and legal referendum to keep the people’s ownership by their elected representatives free of council involvement.

This oligarchy insertion into the new Savings and Restructuring Act Schedule M, Chapter 1, Item 33, page 172 introduces the following:

33. The Public Utilities is amended by adding the following section:

By-law waiving
the assent of
the electors

67. (1) A municipal corporation may pass a by-law to eliminate the requirement to obtain the assent of the electors before the corporation exercises a power under this Act.

Exception

(2) Subsection (1) does not apply to a municipal corporation exercising its power with respect to natural gas.

The insertion of this clause is a certain slap in the face and betrayal of the rights and freedoms of its citizens and represents a serious breach of democracy. This single clause is a betrayal of the absolute commitment and promise given Orillians and the legislation that was put in place to protect their utility.

Pursuant to Section 485, Section 482 came into force on January 1, 2003 and that is the date on which **section 67 of the Public Utilities Act was repealed.** This was after, of course, all the damage was done and the Electricity Act 1998 received royal assent.

The legislature as a whole must recognize that the distinguishing feature of a democracy is that government derives its authority from its citizens.

The word democracy comes from two Greek words “demos” (the people) and “kratos” (authority or power).

Direct democracy is defined as government in which citizens vote on laws. It is the writers' opinion that the provincial legislature, on its own, lacks the authority to alone discard legal referendums of its citizens.

With this single clause asserted in legislation and given royal assent it is the greatest distortion of fact that heads up as a background in the next piece of government legislation.

The Electricity Act 1998

Section 142 of the Act forces all municipal electric commissions to now incorporate and act under the Provincial Corporations Act. **The legislation appears to now give back the power to municipal councils and sadly corporations can now act in complete secrecy so there is no longer municipal transparency as the corporations do not fit into the legislation of freedom of information.**

New Ownership

The municipal corporation (**council**) or corporations that incorporate a corporation pursuant to this section shall subscribe for all of the initial shares issued by the corporation that are voting securities. 1998, c.15, Sched. A, s. 142 (4). The municipal council may, if not challenged, acquire, hold, dispose of and otherwise deal with shares of a corporation incorporated pursuant to this section that carries on business in the municipality. 2002, c. 1, Sched. A, s. 30. (*See Legislation attached*).

Not a local board, etc.

A corporation incorporated pursuant to this section shall be deemed not to be a local board, public utilities commission or hydro-electric commission for the purposes of any Act. 1998, c. 15, Sched. A, s. 142 (6).

This appears to now take away the people's democratic ownership and place it in the hands of some draconian members of council.

This legislation now gives the provincial utility Hydro One a simple opportunity to deal with municipal corporations (**councils**) to purchase the people's electrical corporations and merge them into Hydro One or package them up for an outside sale. This process has now been used to purchase multiple municipal utilities across the province.

The Drastic Financial Effect on Orillia's Electrical Consumers

As these former utilities are now corporations, the province has permitted them to create an alleged debt where no debt existed that will now pay alleged interest to the municipal council at a high rate of interest. The municipality can now dictate that they pay this interest over an exorbitant length of time before the electrical customers have any opportunity to pay off any of the principle. In the private sector, this is referred to as "loan sharking".

The second form of the municipal council benefits are now derived from the peoples' electricity bill of its consumers is a new corporation; dividends now payable to the municipality. For Orillians this amounts to \$1.1 million per year.

The third benefit to a municipal council is that they can derive an additional revenue of non-taxpayers from electrical customers who are renters and are required to pay their separate metered electricity.

Study of Orillia Electrical Customers

In the nineteen years that the writer was Chairman and Commissioner of Orillia's Public Utility I can say, with certainty, at the time of the alleged transfer to city council and their appointment their own selected Board of

Directors, the Orillia utility (O.W.L.P.) had close to \$7.2 million dollars in the bank and receivables and was absolutely free of all debt. The province allowed the newly formed corporations to create a debt payable to the municipal corporation of \$14,796,000 (fourteen million, seven hundred and ninety-six thousand dollars). \$9,762,000 of this figure related to distribution and \$5,034,000 was for generation. The initial borrowing rate was 7.5% which has now been reduced to, I believe, 6.5% - which is almost twice the borrowing rate of the city. The due date on this debt, where the utility customers can start to repay this alleged debt, is December 31, 2030 with no right to pre-pay any of the principle in whole or in part.

Corporation Dividends

The new corporations can now pay a dividend as part of the customers' electrical rates to the municipal corporation (city) equal to approximately \$1.1 million dollars yearly. The writer was able to obtain the following figures from a power corporation presentation to city council on April 13, 2015. In the report they show that Orillia council, over the fifteen-year period 2000 to 2015, received **\$37,100,000** dollars together with paying the city share to the hospital and university for an additional **\$4,325,000** dollars for a total of **\$41,425,000** dollars. As there are 13,400 Orillia customers identified, the math to arrive at an average is \$41,425,000 dollars divided by 13,400 customers is therefore equal to \$3,091.42 per customer. This is of course for 15 years so we divide \$3,091.42 by 15 years and arrive at \$206.09 per electrical customer per year. However, some will be higher and some will be lower based on their electrical consumption. Of course, the \$206.09 that the electrical customer pays to the City in interest and dividends is subject to HST.

Where is the democracy in our political system?

Electricity is in a Crisis

The majority of Orillia's population is made up of seniors, young families, people in low wage jobs, unemployed people and indigenous people. The horrendous increases that have happened in the Hydro One billing includes on peak, mid peak, off peak, regulator charges and other charges now representing close to a 300% increase over and above that which the customers were paying before the province forced the utility to incorporate. This is a serious situation for the people. Many in our community now have to sacrifice food for hydro, especially in the cold winter months.

The appropriate course, of initial action, is for the provincial government to recognize that this situation is directly related to the mismanagement in the Ontario Hydro family of corporations, as well as the drastic mistakes made by the legislature on hydro matters. **As six members of Orillia council have chosen to sell the people's distribution arm of the citizen owned utility, the only apparent avenue open is full litigation to thwart this inappropriate sale until the electorate can exercise their democratic right to vote on another referendum on this important issue.**

Respectfully submitted,



Frank Kehoe
On behalf of the elected members of the former
Orillia Water Light & Power Commission
fm.kehoe@rogers.com

Attachment: Section 142 of the Electricity Act

Section 142 of The Electricity Act 1998

Incorporation of municipal electricity businesses

142. (1) One or more municipal corporations may cause a corporation to be incorporated under the *Business Corporations Act* for the purpose of generating, transmitting, distributing or retailing electricity. 1998, c. 15, Sched. A, s. 142 (1).

Holding companies

(1.1) A corporation that one or more municipal corporations caused to be incorporated under the *Business Corporations Act* after November 6, 1998 and before May 2, 2003 to acquire, hold, dispose of and otherwise deal with shares of a corporation that was incorporated pursuant to this section shall be considered to be a corporation incorporated pursuant to this section. 2004, c. 31, Sched. 11, s. 7.

Conversion of existing electricity businesses

(2) Not later than the second anniversary of the day this section comes into force, every municipal corporation that generates, transmits, distributes or retails electricity, directly or indirectly, shall cause a corporation to be incorporated under subsection (1) for the purpose of carrying on those activities. 1998, c. 15, Sched. A, s. 142 (2).

Two or more municipal corporations

(3) Two or more municipal corporations may incorporate a single corporation for the purpose of complying with subsection (2). 1998, c. 15, Sched. A, s. 142 (3).

Ownership

(4) The municipal corporation or corporations that incorporate a corporation pursuant to this section shall subscribe for all the initial shares issued by the corporation that are voting securities. 1998, c. 15, Sched. A, s. 142 (4).

Same

(5) A municipal corporation may acquire, hold, dispose of and otherwise deal with shares of a corporation incorporated pursuant to this section that carries on business in the municipality. 2002, c. 1, Sched. A, s. 30.

Not a local board, etc.

(6) A corporation incorporated pursuant to this section shall be deemed not to be a local board, public utilities commission or hydro-electric commission for the purposes of any Act. 1998, c. 15, Sched. A, s. 142 (6).

(7) Repealed: 2004, c. 23, Sched. A, s. 57.

REFERENDUM VOTE BY THE PEOPLE MUST STAND

Our provincial governments are off the chart in dealing with electricity matters. Democracy is no longer headed with a now attitude of “my way or the highway”. Provincial Auditor General Bonnie Lysyk, in her December 2015 report, gave a scathing report relating to an ill-conceived disaster and the huge waste of taxpayers’ dollars, chasing industry out of Ontario and creating now non-competitive electricity rates - which are now the highest in North America. Her report is only the tip of the iceberg.

It is time to now look at the situation from the standpoint of a small utility of 13,400 customers owned by the citizens of Orillia. This utility came into existence in 1898 with a vote of the electors. For the record, this is eight years before the Province created their own utility called Hydro Electric Power Commission Ontario (H.E.P.C.) under the brilliant leadership of Adam Beck. The Provincial utilities model was power at cost to the citizens of Ontario and, certainly within Adam Beck’s reign, the utility lived up to this model, up to and including the early 1960’s.

Orillia, however, built its first hydro generation plant on the Severn River some 18 miles away from Orillia which, at the time, pioneered long distance transmission. This was a model that soon would be copied across the continent. From its inception Orillia industrialists agreed to back the borrowing debentures. The electricity rates alone were meant to pay off the borrowed money. It was discovered however that the municipality started to now-dip and divert contingency and maintenance funds of the power project to fund other municipal projects.

Provincial Promise #1:

The industrialists and key citizens, which included the father of Premier Frost, set up a meeting with the Premier and Adam Beck and received an absolute commitment that if the Orillia Council would establish a by-law that would be voted on as a referendum (plebiscite) and if carried by a majority of its eligible voters to create an elected commission, separate and apart from Council control, then the province would support it.

This vote of the people (referendum) approved the complete separation and the setting up of an electrical commission to be elected by the citizens to now administer the hydro generation, distribution and sale of electric power. This referendum did not extinguish the right of a future council to make amendments nor try to sell the utility, **but no such maneuver could ever happen without calling another referendum for the people to approve or reject any such move.**

Provincial Promise #2:

The Province of Ontario in the **Town of Orillia Act, 1915** brought in legislation and under Section 11 of The Act included the following:

“11(1) – subject to subsection 2, all the powers, rights and privileges with regard to the government of the Orillia Power Transmission plant or the generation, distribution and sale of electrical power and light heretofore or hereafter granted by any special Acts to the council or Corporation of the Town of Orillia shall, while the bylaw appointing such commission remains in force, be exercised by the Orillia Water, Light and Power Commission, and not by the council of the corporation.

11(2) – Nothing contained in this section shall divest the council of its authority with reference to providing the money required for such works, and the treasurer to the municipality shall, upon the certificate to the Commission, pay out any money so provided.”

This section has never been repealed. Now comes a sad day for democracy with an absolute betrayal of the citizens of Orillia and many other like municipalities when one or more provincial elected members secretly uses a brand new 225 page document of legislation described as an act to achieve fiscal savings and promote economic prosperity through public sector restructuring, streamlining end efficiencies and to implement other aspects of the government’s economic agenda (the short title of this act is the Savings and Restructuring Act 1996).

Our provincial leadership elite may still want to believe in abiding by democratic principles - they certainly profess that they do. In the case of electricity legislation, a small minority have shown themselves all too willing to violate their principles to gain or retain a certain power. So, in this new conspicuous act, certain draconian elected people secretly inserted a single clause to try to reverse the electoral power of the people of Orillia and other like municipalities who democratically cast their vote in a dually called and legal referendum to keep the people’s ownership by their elected representatives free of council involvement.

This oligarchy insertion into the new Savings and Restructuring Act Schedule M, Chapter 1, Item 33, page 172 introduces the following:

33. The Public Utilities is amended by adding the following section:

**By-law waiving
the assent of
the electors**

67. (1) A municipal corporation may pass a by-law to eliminate the requirement to obtain the assent of the electors before the corporation exercises a power under this Act.

Exception

(2) Subsection (1) does not apply to a municipal corporation exercising its power with respect to natural gas.

The insertion of this clause is a certain slap in the face and betrayal of the rights and freedoms of its citizens and represents a serious breach of democracy. This single clause is a betrayal of the absolute commitment and promise given Orillians and the legislation that was put in place to protect their utility.

Pursuant to section 485, section 482 came into force on January 1, 2003 and that is the date on which **section 67 of the Public Utilities Act was repealed.** This was after, of course, all the damage was done and the Electricity Act 1998 received royal assent.

The legislature as a whole must recognize that the distinguishing feature of a democracy is that government derives its authority from its citizens.

The word democracy comes from two Greek words “demos” (the people) and “kratos” (authority or power).

Direct democracy is defined as government in which citizens vote on laws. It is the writers’ opinion that the provincial legislature, on its own, lacks the authority to alone discard legal referendums of its citizens.

With this single clause asserted in legislation and given royal assent it is the greatest distortion of fact that heads up as a background in the next piece of government legislation.

The Electricity Act 1998

Section 142 of the Act forces all municipal electric commissions to now incorporate and act under the Provincial Corporations Act. **The legislation gives back the power to municipal councils and sadly corporations can now act in complete secrecy so there is no longer municipal transparency as the corporations do not fit into the legislation of freedom of information.**

New Ownership

The municipal corporation (**council**) or corporations that incorporate a corporation pursuant to this section shall subscribe for all of the initial shares issued by the corporation that are voting securities. 1998, c.15, Sched. A, s. 142 (4). A municipal corporation may acquire hold, dispose of and otherwise deal with shares of a corporation incorporated pursuant to this section that carries on business in the municipality. 2002, c. 1, Sched. A, s. 30.

Not a local board, etc.

A corporation incorporated pursuant to this section shall be deemed not to be a local board, public utilities commission or hydro-electric commission for the purposes of any Act. 1998, c. 15, Sched. A, s. 142 (6).

This legislation now gives the provincial utility Hydro One a simple opportunity to deal with municipal corporations (**councils**) to purchase their electrical corporations and merge them into Hydro One or package them up for an outside sale. This process has now been used to purchase multiple municipal utilities and Hydro One have approached Orillia City Council and are in negotiations to purchase the distribution corporation (arm) of the people's former utility with the money from such a purchase being redirected to council's pet projects.

The Drastic Effect on Orillia's Electrical Consumers

As these former utilities are now corporations the province has permitted them to create an alleged debt that will pay interest to the municipality at a high rate of interest. The municipality can now dictate that they pay this interest over an exorbitant time before the electrical customers pay off any of the principle.

The second form of the municipal benefits derived from the electricity bill of its consumers is a dividend payable to the municipality.

The third benefit to a municipality is that they can derive an additional revenue from electrical customers that are renters and are required to pay the metered electricity.

Study of Orillia Electrical Customers

In the nineteen years that the writer was Chairman and Commissioner of Orillia's Public Utility I can say, with certainty at the time of the alleged transfer to city council and their appointment their own selected Board of Directors, the Orillia utility had close to \$7.2 million dollars in the bank and receivables and was absolutely free of all debt. The province allowed the newly formed corporations to create a debt payable to the municipal corporation of \$14,796,000 (fourteen million, seven hundred and ninety-six thousand dollars) with an initial

borrowing rate of 7.5% which has now been reduced to I believe 6.5% which is almost twice the borrowing rate of the city. The due date on this debt is December 31, 2030 with no right to pre-pay any of the principle in whole or in part.

Corporation Dividends

The new corporations can now pay a dividend as part of the customers electrical rates to the municipal corporation (city) equal to approximately \$1.1 million dollars yearly. The writer was able to obtain the following figures from a power corporation presentation to city council on April 13, 2015. In the report they show that Orillia council over the fifteen-year period 2000 to 2015 received \$37.1 million dollars together with paying the city share to the hospital and university for an additional \$4.325 million dollars for a total of \$41.425 million dollars. As there are 13,400 Orillia customers identified, the math to arrive at an average is \$41.425 million dollars divided by 13,400 customers is therefore equal to \$3,091.42 per customer. This is of course for 15 years so we divide \$3,091.42 by 15 years and arrive at \$206.09 per electrical customer per year. However, some will be higher and some will be lower based on their electrical consumption. Of course the \$206.09 that the electrical customer pays to the City in interest and dividends is now subject to HST.

Electricity is a Crisis

The majority of Orillia's population is made up of seniors, young families, people in low wage jobs, unemployed people and indigenous people. The horrendous increases that have happened in the Hydro One billing includes on peak, mid peak, off peak, regulator charges and other charges now representing close to a 200% increase over and above that which the customers were paying before incorporation. This is a serious situation for these people. Many now have had to sacrifice food for hydro.

The appropriate course, of initial action, is for the provincial government to recognize that this situation is directly related to the mismanagement in the Ontario Hydro family of corporations as well as the drastic mistakes made by the legislature on hydro matters. **As Orillia council is in negotiation to sell the people's distribution arm of the citizen owned utility, an appropriate move is for the government to put a cease and desist order on Hydro One until the electorate can exercise their democratic right to vote on another referendum on this important issue.**

Frank Kehoe
 Past Chairman & Commissioner (19 years)
 Orillia Water Light & Power Commission
 304 – 95 Matchedash St. N.
 Orillia, ON L3V 4T9
 705-325-6608 705-826-6608 (cell)
fm.kehoe@rogers.com

Attachment: Section 142 of the Electricity Act

Section 142 of The Electricity Act 1998

Incorporation of municipal electricity businesses

142. (1) One or more municipal corporations may cause a corporation to be incorporated under the *Business Corporations Act* for the purpose of generating, transmitting, distributing or retailing electricity. 1998, c. 15, Sched. A, s. 142 (1).

Holding companies

(1.1) A corporation that one or more municipal corporations caused to be incorporated under the *Business Corporations Act* after November 6, 1998 and before May 2, 2003 to acquire, hold, dispose of and otherwise deal with shares of a corporation that was incorporated pursuant to this section shall be considered to be a corporation incorporated pursuant to this section. 2004, c. 31, Sched. 11, s. 7.

Conversion of existing electricity businesses

(2) Not later than the second anniversary of the day this section comes into force, every municipal corporation that generates, transmits, distributes or retails electricity, directly or indirectly, shall cause a corporation to be incorporated under subsection (1) for the purpose of carrying on those activities. 1998, c. 15, Sched. A, s. 142 (2).

Two or more municipal corporations

(3) Two or more municipal corporations may incorporate a single corporation for the purpose of complying with subsection (2). 1998, c. 15, Sched. A, s. 142 (3).

Ownership

(4) The municipal corporation or corporations that incorporate a corporation pursuant to this section shall subscribe for all the initial shares issued by the corporation that are voting securities. 1998, c. 15, Sched. A, s. 142 (4).

Same

(5) A municipal corporation may acquire, hold, dispose of and otherwise deal with shares of a corporation incorporated pursuant to this section that carries on business in the municipality. 2002, c. 1, Sched. A, s. 30.

Not a local board, etc.

(6) A corporation incorporated pursuant to this section shall be deemed not to be a local board, public utilities commission or hydro-electric commission for the purposes of any Act. 1998, c. 15, Sched. A, s. 142 (6).

(7) Repealed: 2004, c. 23, Sched. A, s. 57.

Frank Kehoe
 649 Driftwood Road
 Orillia, Ontario L3V 1C9
 (705) 325-6606
 Fax 325-3463

January 24, 1996

Hon. Donald S. Macdonald, P.C., C.C.
 Chairman
 The Advisory Committee on Competition
 in Ontario's Electricity System
 40 St. Clair Avenue West, Suite 401
 Toronto, Ontario M4V 1M2

SUBMISSION

Mr. Chairman and Committee Members:

I am faxing this submission and sending 10 copies under separate cover. Presently I am on vacation in Hawaii and was not aware of your deadline until the day of my departure. Being unable to assemble the Orillia Water Light and Power Commission until after the deadline for submission, consider this letter my personal position and not necessarily the position of Orillia's Commission.

Staff were requested to prepare a more detailed position relative to the distribution function to be forwarded to your Task Group in order to meet the deadline. I have received this by fax today and have given my approval as have the other Commissioners.

However, by this letter, I am requesting that the Orillia Water, Light and Power Commission be afforded the opportunity to formally meet with your Task Group in either the scheduled Peterborough or Toronto meetings.

MY PERSONAL POSITION SHARED IN PART BY THE MAJORITY OF ELECTED PROVINCIAL COMMISSIONERS

Three and a half years ago at the annual meeting of District 2 of the Municipal Electrical Association, I voiced my concerns to the most senior executive, that industry in Ontario could not in this economic downturn take the outlandish, announced increases and if senior managements did not recognize this then a portion of Ontario's industry would be forced into bankruptcy or as seen, relocate south of the border. From the podium, the President's reply to me and the full group of represented utilities was that "all is 'OK', the bonds are still selling." I knew then what I had long suspected that Ontario Hydro was out of control.

Personally, I wrote every newspaper and radio station in the Province (see attached letter to the editor). The media coverage of these conditions and the public's reply prompted the Legislature to try to direct Hydro to bring costs under control. The N.D.P. government, on a separate issue, gave the Power Workers Union more power in dealing with Hydro management which had the unfortunate effect of blocking many of the necessary changes in many areas. Fortunately, the Conservative government

have now made the right moves to level this playing field with the retraction of labour Legislation.

Ontario Hydro have made some progress in downsizing but stopped short of meeting the appropriate numbers relative to other well run utilities. The salary ranges well exceed the private sector and are almost twice that of private utilities south of the border.

UNBUNDLING ONTARIO HYDRO

A recommendation to dismantle an out of control monopoly weighs heavy, however, to leave it in place effects to a large extent, hundreds of thousands of existing jobs and the future growth of Ontario's economy. The wherewithal to carry on in Ontario Hydro's place already exists in municipal hydro organizations. The political will to do what must be done, will in a large part, be determined by your Committee's recommendation and the timing of a smooth transition to a workable solution.

NOT A SOLUTION

The proposal to break Ontario Hydro into ten or more business units, each taking over the roll of municipal utilities is one that should not ever be a consideration. This would be the tail wagging the dog. The result of the Idiocy of a move of this nature would forever be the demise of low power rates. Hydro could not now or ever compete with the private sector, let alone be compared to a well run small to medium size public utilities. Any consideration of this matter would defy business logic.

PRODUCTIVITY OF HYDRO

The productivity of Ontario Hydro amounts to only a fraction of the productivity of well run utilities. This in many cases is not necessarily the fault of the men or women in question but the fault of the union and its stewarts who will not let the men or women under their control be productive. The salary ranges are a third above utilities. The ratio of employees to customers I would estimate to be 40% higher in all but heavy urban areas which is almost certain to be higher again. (See comparison productivity studies).

THE ONTARIO HYDRO MONOPOLY MUST BE BROKEN UP

It is the writer's opinion that Ontario Hydro has been so mismanaged over the last two decades that management cannot comprehend the damage of high rates and the contributory roll that low electrical rates play in getting Ontario's economy rolling again.

ONTARIO HYDRO'S NEW ROLL

It is my recommendation that a new Ontario Hydro would be responsible only as a wholesale entity and be forced to compete on a cost basis to the grid corporation. Hydro would be the organization responsible for the export of electrical energy within the rules of N.A.F.T.A. The full retail responsibility would be handed over to the expanded municipal utilities. The generation, other than nuclear, be sold to municipal utilities, with the large plants over 100 MW going to the grid corporation, or in the interval,(rented not sold), to the private sector for its operation in direct competition on the grid. The research labs and equipment be assigned to the Universities, etc.

I do not believe it is possible to recover even 20% of the investment made in the nuclear power plants nor would I believe that any private sector organization would be remotely interested in these nuclear investments. For this reason, Ontario Hydro should continue to run the plants and market the energy on the grid together with looking for new and expanding markets south of the border. The smaller hydraulic plants should be sold off to municipally owned utilities who are prepared to refurbish and operate them. The larger hydraulic plants should be, for the time being, operated by Hydro or transferred to the grid corporation, or barring this, contracted and leased to the private sector to compete on the Provincial grid with a lease period of 40 to 60 years. The thermal plants that meet environment standards should be first offered for sale to municipal entities, or barring non-acceptance, be leased to the private sector.

THE WHOLESALE COST OF ELECTRICAL ENERGY

Ontario Hydro's costs to produce energy amounts to about 4.6 cents per kilowatt which is approximately 1.1 cents higher than it should be. Hydro sells a portion of energy to its direct customers at well below its cost. The remainder of usable energy is sold to municipal utilities at 6 cents to 6.5 cents per kilowatt. The utilities with 12,000 or more customers or large industrial users can at present purchase gas turbine units using aircraft engine technology and natural gas on a fixed long-term contract basis and produce the same electrical energy at 4 cents per kilowatt. If there is a steam host it could go to a combined cycle unit and lower the cost to 3.5 cents per kilowatt.

THE MONOPOLY PREVENT PROGRESS

The sole reason that more of gas turbine technology is not used is that Ontario Hydro, with its monopoly and massive surplus of energy, dictates a massive stand by charge when the gas turbine unit (less than 2% of the time) is taken down for service. If the monopoly were taken away from Ontario Hydro, municipal utilities, large hydro direct customers and the private sector could advantage themselves of this cheaper power and then there would be even a greater surplus of energy in Ontario for possible export to the U.S.A. The consumer will benefit greatly from lower rates which should in turn attract new industry and make existing industry more competitive.

THE GRID SYSTEM

The ownership to the grid system by the municipal utilities should be vested with the customers proportionally on their use of the grid. The wheeling charges and the buying and selling of energy should be by a private or crown corporation owned and controlled by the utilities under the direction of the Energy Board. The grid system should be that portion above 44,000 volts with some exceptions. The rates set by the grid company and Energy Board should reflect as close to power at cost, taking in consideration redevelopment and maintenance cost with all contracts for this service awarded to the private sector.

NEW ROLL OF MUNICIPAL UTILITIES

Recognize that the present number of utilities are far too many to take advantage of efficiency of operation and the inherent savings related to efficiency. The new boundaries must take into consideration not only the political existing boundaries but the size and location of energy producing plants, the transmission station locations and distribution systems, etc.

A CO-OP APPROACH

We in Orillia have had dialogue with other municipal utilities and township councils in our area and as a result of preliminary discussion, we find that a cooperative approach to arrive at maximum efficiency is a possible solution without having to give up political control. This approach would mean that within a co-op, the rates would vary as they do now. For this system to work in taking over Ontario Hydro's former rural distribution area there would have to be assurance that the existing rural rate structure of Hydro's four rates would be transferred to the utilities. Some, but not all of Ontario Hydro's personnel and equipment would be transferred to the new co-op providing they accepted the terms of transfer.

ONTARIO HYDRO'S 35 BILLION DOLLAR (35 THOUSAND MILLION DOLLAR) DEBT

The major portion of adjusted debt related to the nuclear plants with some leeway for proportionate adjustment would continue to be the responsibility of new downsized debureaucratized Ontario Hydro under the direction of the Energy Board with the ownership reconfirmed as the electrical customers of the Province of Ontario. The remainder of the debt related to the purchase of the grid and other assets, together with stranded assets, be paid for from the purchase by municipal utilities and the private sector based in part by depreciated costs. The remainder and major portion of debt be paid by the customer based on the metered cost of energy consumed. The end result of this process will result in an almost overnight reduction of rates to the end user.

BACKGROUND OF ORILLIA'S POWER SYSTEM

Orillia is historically unique as it has been producing Municipally owned Electrical Energy to its customers and shareholders for 108 years. Orillia's first hydraulic plant went into production in March of 1902 which was the second and the then largest municipally owned hydraulic plant in North America. Orillia in 1902 pioneered long distance transmission of electrical energy. Officials of Orillia assisted Sir Adam Beck in the negotiation and purchase of Hydro Electric Power Commission's first hydraulic plant at Big Chute. Orillia transported over its high tension lines the electrical energy from H.E.P.C. first constructed plant at Wasdell Falls. By special order in council, Orillia was granted the right to service its customers outside the municipal corporate limits for a 25 mile radius.

Orillia presently owns three hydraulic plants located at Swift Rapids on the Severn River, Minden located at Horseshoe Falls on the Gull River and Matthiasville on the South Muskoka River. There are four large diesel generators located in Orillia. Four additional sites are allocated for future development. Orillia was self sufficient in its electrical energy for the greater period up to the 1950's.

The Orillia rate payers rejected, by referendum, the selling of its plants to H.E.P.C. From its inception, Orillia stood as a model of efficiency that a large monopoly like Hydro could not statistically compete with.

Since inception, Orillia has at one time or another, held the record of cheapest electrical rates in North America, the first organization to generate and transmit power over long distance, the brightest lit main street in North America, and at present, stands as one of the best technologically equipped power producing organization in Ontario.

Immediately after the Legislature put a stop to Hydro's spiraling rate increases Orillia

led the Province of Ontario in rate reduction by passing on an average of 7% across the board decrease in power rates. In December we again paid out a dividend of a further 5-1/2% to all our customers. No utility in the Province came anywhere close to this record. Within this calendar year all plants will be completely refurbished and fully-automated.

The Orillia Is utility is completely free of debt. Orillia has the second lowest municipal power rates in Ontario, second only to Ft. Francis that purchases its power by a political agreement involving other things outside of power from Boise Cascade.

ORILLIA'S GOAL TO BE SELF-SUFFICIENT IN ELECTRICAL ENERGY

It is Orillia's intent to be again self-sufficient in electrical energy. It is my fervent hope that the existing obstacles preventing this can be cleared by your Committee's recommendations to the Legislature.

In conclusion, I wish to state as a citizen of the Province and as a long time elected Hydro Commissioner dating back to 1964, I have shared the belief of other commissions and citizens at large that Ontario Hydro ownership is with it customers and not the corporation or even the Legislature. Ontario Hydro's only goal was to supply power at cost. In less than two decades this concept eroded to the situation that we are now in. I further recognize that the private sector would appear to be cheaper, but in considering that the private sector would be subject to tax and would be required to pay a large dividend to its shareholders, any savings would soon be eroded and the associated cost of electrical energy would escalate.

Once the assets are sold to the private sector then the customer is the loser and future generations do not have the means or wherewithal to put it back in public ownership. Hydraulic power plants do not depreciate, except on the books. They must be looked at in terms of their money making capabilities to hold rates down. It must also be considered that Sir Adam Beck III must be developed or the consumer will lose this opportunity to American interests. This should be addressed as part of your recommendations.

The expansion of utility boundaries to absorb Ontario Hydro's rural territory is a part of the answer.

Let's enter the 21st century with the renewed goal of power at cost and legislate so as never to have out of control monopoly.

Yours truly,

Frank Kehoe

Ontario Hydro out of control

To the editor:

The Ontario Hydro organization and its associated costs are out of control and operating well beyond its original mandate of supplying electric power at cost.

As a member of a municipal hydro system, it is my hope that the public and the media will let Ontario Hydro know in no uncertain terms that their escalating rate increases to cover these and future inflated costs will no longer be tolerated.

At a recent meeting of municipal and Ontario Hydro officials, executive members of Ontario Hydro announced that there will be a double digit increase in the wholesale cost of electricity and that electricity customers can expect more double digit increases commencing as early as next year.

Ontario Hydro has announced an average rate increase of 11.8 per cent for 1991, on top of 8.6 per cent for this year. This increase is the tip of the iceberg.

The public must become aware of Ontario Hydro's present policies which put an added strain on the economy by increasing costs and which will undoubtedly encourage increased movement of industry south of the border. These policies will also force smaller companies into receivership, increase farm costs, not to mention, the effect on individuals, rural and urban residential customers living close or below the poverty line.

Ontario Hydro is grossly over-staffed in senior and middle management categories attributed in part to the empire building that took place in the 1970's and 1980's. To be efficient and in line with organizations in the real world, Ontario Hydro should have less than half the number of employees in its head office and geographic regions.

This utility appears reluctant to implement the recommendations of the CRESAP report or even consider the cost cutting recommendations of the Ontario Energy Board.

For years Ontario Hydro marketed and promoted electricity with horrendously expensive media marketing techniques so as to encourage the use of electrical energy.

The reverse is now the situation, as Hydro's new plan is conservation to encourage, even financing a switch to gas from electric heat.

This new 2.7 billion dollar plan is geared to try to save power equivalent to the output of six Darlington size reactors by the year 2000.

Ontario Hydro is planning a large public relations program to try and sell this conservation as well cushion the rate increases required in part to promote it.

The first public relations program involves 100 transport truck loads of light bulbs. Ontario Hydro plans to mail through Canada Post, a package of two 52 watt light bulbs to 3.6 million Ontario households together with coupons that will subsidize the purchase of compact fluorescent and halogen bulbs from selected firms.

The people who are not in the front line who dream up these programs are obviously not experiencing the effects of the recession, or seeing the

suffering and hardships of many of the electrical customers.

This type of program is an insult to the intelligence of Hydro customers whose increased rates will be used to support this obviously transparent subterfuge.

Surely, an 11.8 per cent increase in itself an incentive to save.

The goal of power at cost was the founding principle of this utility under the chairmanship of Sir Adam Beck in 1906.

This goal is not being met in view of the following facts:

Ontario Hydro's debt as of June 30, 1991 is 30 billion, 547 million dollars. (30,547,000,000.00) Compare this to the Province of Ontario's debt 9.7 billion dollars or Canada's National Debt of 400 hundred billion dollars. (One billion dollars equals one thousand million dollars.)

Ontario Hydro has 35,846 employees on staff (end of August, 1991). Many are paid at wage levels higher than 20 per cent over the private sector.

Executive salaries listed below are totally out of line in comparison to the public service and do not include the many fringe benefits, cost of limousines and chauffeurs, foreign travel, etc.

To be efficient and in line with organizations in the real world, Ontario Hydro should have less than half the number of managers and something over half of the number of employees in its head office and geographic regions.

The wage scale excluding benefits for Senior Executives per annum are as follows: Chairman - \$352,000 to \$528,000; President - \$257,000 to \$386,000; 13 Vice Presidents each at \$124,000 to \$292,000.

Poor financial forecasts have forced management to use and partially deplete reserves.

In business since 1906, Ontario Hydro has a debt of 84 per cent, meaning of all its assets, only 16 per cent are debt free. How is this going to be paid by an aging population?

Ontario Hydro gave pension settlement to its employees giving them indexed pensions at a cost of \$228 million dollars.

Ontario Hydro (June 17, 1991) renegotiated its uranium supply contracts with Rio Algom Ltd. at a cost of \$160

million dollars. (approximately \$30 per pound which is \$20 per pound over uranium available from Saskatchewan.)

Ontario Hydro agreed to provide \$65 million to the Northern Ontario Heritage Fund to fund economic diversification to Elliot Lake and Blind River in retiring their municipal debt.

Ontario Hydro is to spend \$25 million on hydraulic contracts in Elliot Lake area which were low priority items in their original plans.

Ontario Hydro has spent approximately \$25 million on intervenor funding for its environmental assessment of its 25 year plan.

The Darlington Project was estimated originally at \$2.07 billion. The cost is now estimated at \$13.5 billion and rising. Would this happen in the private sector?

Darlington is "probably the biggest management screw-up in the history of Canadian Industry," said utilities analyst Tom Adams of Toronto's Energy Probe Research Foundation.

The current cost estimate is an increase of 4.7 per cent from the \$12.9 billion, 1990 forecast.

Darlington has turned into a massive sinkhole for Hydro spending. Its current price tag is more than 380 per cent greater, in real dollars, than the original estimate - and is still climbing. "The cost overrun on Darlington has been staggering, and is getting worse all the time," Adams says.

It would fill this newspaper if I were to list the waste and poor management decisions made by this utility.

When challenged by the writer, the sarcastic answer received from a Hydro Vice President was "The bonds are still selling".

After I pointed out the disastrous results that this out-of-control utility was contributing to the recession and the people's ability to pay, Allan Holt, President of Hydro responded that there is no intention to privatize any part of this organization.

Prior to writing this letter, I faced the fact that either I could sit back and do nothing or attempt to protest but I knew I would be powerless to initiate major changes without the power of the media and the public.

I have no affiliation with any provincial party, nor am I affiliated with any other group such as Energy Probe, Green Peace, etc. I am acting unilaterally and personally paying all the costs related to this letter to all the media.

By way of this letter I solicit through the media, you the energy consumers, individuals, businesses, municipal councils and municipal hydro commissions to write, telephone or fax your elected representatives in the Provincial Legislature with a copy to the Premier of Ontario and Chairman of Ontario Hydro, requesting them to bring this essential utility back to realistic control.

Without your help your Municipal Hydro Commissions are powerless to absorb any of the increase or the predicted 44 per cent increase over the next three years.

Frank Kehoe, Commissioner
Orillia Water Light and
Power Commission

A Chronological Condensed History of Orillia's Extraordinary Hydro Electric Utility and its Council-Controlled Demise

In November, 1898, Orillia Town Council had a public meeting to discuss a hydro generation proposal and present the facts such as:

1. To build a hydraulic generation plant, Orillia, if approved, would be only the second town in Canada to build a water powered generation plant with municipal ownership
2. Orillia would have to be a pioneer in long distance transmission as no other power plant in North America had ever tried such a feat and there was a strong possibility that this long transmission of 18 miles may not even work as planned
3. Orillia would be one of the first towns to introduce, in concert, street lighting powered by water generated electricity

In February, 1899, Orillia held a plebiscite and the people endorsed the proposal to build, on their own, a dam and power plant at Ragged Rapids on the Severn River and clear and build a transmission line through bush for 18 miles to Orillia. **86.7% of the electors gave positive support** to this proposal. The debentures for the project were to be all paid for from the generation revenue so as not to create a large tax burden on the people of Orillia.

When the proposal was presented to the Provincial Legislature they all laughed at the proposal, but at the same time, commended the town for its courage. The Provincial Secretary, Sir John Gibson, warned that the cost estimate of \$125,000 was much too low. However, legislative approval was given to Orillia. The plant was constructed at a cost of \$123,000 and Orillia took possession March 25th, 1902.

Four years later the Province of Ontario set up a crown corporation which was to be named the Hydro Electric Power ^{1915/24} Corporation (H.E.P.C.), referred to later as Ontario Hydro, to generate and sell power at cost. The C.E.O. of this project was Sir Adam Beck.

The town initially operated the plant, however, new councils decided that there should be little or no contingent funding, nor budget established for planned maintenance. The council then utilized these contingencies and profits for other non-related projects such as reducing the municipal tax burden.

In 1912, with an outcry from industry related to the mismanagement and the high number of outages of the generation, the town elected industrialists that included J.B. Tudhope and Erastus Long and other small industry leaders who recognized that the power asset, to work effectively, must be removed from council control. This new council then prepared a permanent bylaw to be approved by the citizens of Orillia and they ordered a referendum to decide this issue. On January 27th, 1913, the vote was certified and the referendum passed to create a separate elected commission (corporation), free of council, to administer and run both the generation and

distribution in trust for the people. This was endorsed by 65.8% of the electors and became the peoples' Bylaw 557 forming the Orillia Water, Light and Power Commission that could not be changed, nor amended without approval by the people through another referendum voted on and approved by the people.

In 1914, with the construction of the north branch of the Trent Canal, the Federal Government weighed the cost of bypassing the Ragged Rapids plant through a massive rock cut or, alternately, relocating the Orillia Power Plant downstream to Swift Rapids. With much negotiation with OWLP, the federal government chose the latter.

The Province of Ontario, in the Town of Orillia Act, 1915, brought in legislation and under Section 11 of the Act included the following:

“11(1) – subject to subsection 2, all the powers, rights and privileges with regard to the government of the Orillia Power Transmission plant or the generation, distribution and sale of electrical power and light heretofore or hereafter granted by any special Acts to the council or Corporation of the Town of Orillia shall, while the bylaw appointing such commission remains in force, be exercised by the Orillia Water, Light and Power Commission, and not by the council of the corporation.

11(2) – Nothing contained in this section shall divest the council of its authority with reference to providing the money required for such works, and the treasurer to the municipality shall, upon the certificate to the Commission, pay out any money so provided.”

Ontario Hydro, in 1916, lobbied the Orillia Town Council to sell the electrical assets and the Swift Rapids Plant. The council looked on this as being a large financial win fall and they commenced to finalize an agreement to sell these assets to Ontario Hydro.

The Orillia Water, Light and Power Commission advised town council that they did not have the authority to negotiate nor transfer these assets without first going to the electors, which was the intent of Bylaw 557 and to any attempt to do this transfer, without the approval of the electorate, would be illegal. The town council called another referendum on May 22nd, 1916 and the electors responded to this by a majority of **86.7% who voted not to sell the assets.**

In 1934, a third referendum was called for approval of O.W.L.P. to build a second generation plant at Minden and a power line to Orillia. The referendum covered a smaller plant (Minden #1) with having the rights to build a large plant at a later date to accommodate Orillia's population growth. The commission requested and received provincial approval and the Minden #1 plant, on the Gull River. The referendum was **approved by 95.45%** by the electors on July 20th.

A third hydro generation plant was voted on and approved on the South Muskoka River at Mathias. The plant was officially opened on July 6th, 1950 by Leslie M. Frost, Premier of Ontario whose father was a council member who initiated Bylaw 557 in 1912.

By 1952, with the industrial growth and larger population, there was a need to bring on additional Orillia generation. When this was contemplated and announced, Ontario Hydro intervened and ran radio interviews, newspaper ads and editorial comments to attempt to prove that the Minden Plant #2 could never compete with the surplus generation now available in the Ontario Hydro system. Thousands of dollars was spent by Ontario Hydro to lobby the people of Orillia to vote against the project. On September 14th, 1953, the electors of Orillia, with lobbying from Ontario Hydro, voted against building Minden Plant #2 by a **small majority of 52.2%**. In hindsight, millions of dollars were lost to Orillia in not building the second Minden plant. It is worthy to note that Sir Adam Beck, who was now deceased, was always an ally of Orillia. But the new Ontario Hydro management had taken a different tact when dealing with the town.

As Orillia could no longer supply 100% of the electricity supply required to tool its industry and customers, Orillia Water, Light and Power were forced to join the Ontario hydro bureaucracy under a long term contract that dictated new, and somewhat impossible, rules that the elected commission must operate by. These rules governed that the money the utility was able to borrow, denial of contingency funding, and not permit reserve accounts for additional generation. All expansion of Orillia's power system had to be approved by them and, if approved, come from borrowed money.

Despite all of the bureaucratic operational dictates flowing from Ontario Hydro, Orillia Water, Light and Power, prior to and through the duration of the hydro contract, had a unique history:

- From 1902 to 1907, the cheapest power rates for all of North America
- From 1908 to 1924, the cheapest power rates in all of Canada
- From 1925 to 1990, with the exception of a 6 year period, the lowest rates in Ontario, which, of course, included all Ontario Hydro customers.

During and at the end of World War I, with the town's electrical energy surplus, a massive number of industries moved into Orillia so that citizens could boast that Orillia had more industry within its borders than all of the remaining municipalities within Simcoe County.

In the early twentieth century Orillia had, for many years, sold its surplus electrical energy to H.E.P.C. for ridiculously low prices - from 1/16th of a cent to 1/3rd of a cent per kilowatt hour. This greatly assisted Ontario manufacturing sector throughout World War II.

At the time of the construction of the TransCanada Pipeline in Orillia Township (now Severn), Orillia Water, Light and Power, looking into the future, negotiated a possible hook-up on the high pressure side of the gas line and purchased a block of land abutting the pipeline at a location identified by pipeline officials where they would possibly, in the future, locate a boosting station. O.W.L.P. then located a sub-station on the adjacent property hoping, in future, to build a gas turbine unit or partner with TransCanada Pipeline for this additional generation.

Bill 35

When Bill 35 was introduced it was looked on, in part, as a sham which protected the then out-of-control provincial hydro utility saying that it would introduce competition and level the playing field between municipal utilities and their provincial counterparts. As the legislation advanced the O.W.L.P. wanted to expand its operation and take over the Coldwater (Severn) and Brechin Utilities. When O.W.L.P. negotiated this purchase the provincial utility stepped in and increased the price, well above its value, and acquired both utilities as they did with the majority of the smaller utilities throughout the province. **So much for leveling the playing field.**

With Bill 35 the then mayor, Ken McCann, with the approval of council, set up what he called "The Transition Committee" to deal with the legislation. The commission trusted that this committee would not impact on the processes in place with the elected commission and would act appropriately within the intent of Bylaw 557. The elected commission were told that this legislation was a mandatory provincial act and all commissions in the province must adhere to this new process and that the O.W.L.P. Commission had little to no involvement in the process other than to accept that the council, under the legislation, were in charge of incorporating three new corporations that would now act in place of O.W.L.P. and the council was empowered to appoint representatives to act in a similar manner as the present elected commission.

Using secrecy, deceit and misinformation and, on occasion, outright untruths to the elected commission, so as to distort the process keeping commission members improperly informed and not including the commission as part of the process was morally wrong. The Transition Committee made no mention that the Orillia Water, Light and Power Commission was a corporation that the legislation of the Electricity Act (1998), Section 142 empowered the commission as a corporation to form the separate corporations and partner with council to negotiate an acceptable bylaw replacing the O.W.L.P.

Fourteen years later a commissioner, after being given, by accident, a copy of the April, 2000 Transition Committee report started doing research. Part of the research was looking at the bylaw council had enacted (Bylaw 2000-144). The new city bylaw was an out-and-out betrayal of the intent of the peoples' Bylaw 557. The council, in the bylaw, named council the only agent of the shareholders and created massive debt on the books from the former O.L.W. P. **It is ironic that the O.W.L.P., at the time of the alleged transfer, was completely out of debt and had cash and recoveries of just over \$7 million.** With one resolution of a former council, as written in the minutes of the regular council meeting dated April 17th, 2000, **while Bylaw 557 was to prevent any council interference**, the council decided, on their own, to proceed on the council's transition committee's recommendations. There were 13 recommendations adopted by unanimously council in a recorded vote. **The council members were: Shaw, Spears, Gardy, Morano, Evans, Lauer, Kirby, Buchanan and McCann.**

With one vote, that would become their unfortunate legacy, nine members of council in violation of Bill 557, set in motion the ultimate destruction of the Orillia Water, Light and Power Commission and, what was always to be at arm's length of council control, and answerable entirely to the citizens of Orillia by way of referendum, now became a highly

revenue generating department for the city who was now able to take their profits at will and take back full control over the assets.

For 87 years the Orillia Water, Light and Power Commission operated as a corporation independent of council. **The commission was owned by the municipality (citizens of Orillia) and the O.W.L.P. was answerable directly to the citizens.** The commission meetings were open to all citizens and the operation and all finances were audited annually and this audit was always made available to all Orillia citizens. The press attended most meetings and kept the citizens of Orillia well informed.

During the course of the 87 years operating under the name of O.W.L.P., the commission (corporation) was considered Orillia's greatest asset. Within the planning scope, that was soon to be implemented when monies became available, some of the projects were as follows:

1. Building Orillia's own Transmission Station

The commission was paying a much higher wholesale rate for energy purchased from Ontario Hydro that the cost could be reduced if the commission were to build its own transmission station and take its power directly from Ontario Hydro's 230,000 volt line instead of purchasing the power at 44,000 volts from Ontario Hydro's transmission station. The pay-back on this transmission station, if Orillia was to build it, would be less than ten years and at a cost in the range then of \$1 to \$1.5 million and would serve Orillia for many years and for any future annexation.

2. O.W.L.P. Growth Potential on Additional Power Sites

O.W.L.P. had the provincial legislation in place and the flood rights to three additional power sites:

- a) Minden #2 at Horseshoe Falls
- b) Cooks Falls on the South Muskoka River
- c) Crozier Falls on the South Muskoka River
- d) Sandy Gray on the Musquash River

The O.W.L.P. had spoken for generation sites at Farm Rapids on the Magnetewan River consisting of 5 additional power sites where the civil engineering costs of building dams (power stations) were advantageous. Negotiation had commenced with the First Nations and agreement could follow.

Ontario Hydro offered little to no care of how they operated their plants downstream from Orillia's Mathias Plant on the South Muskoka River. In order to increase capacity Orillia was prepared to purchase and redevelop these plants. Ontario Hydro, starved for energy, could have been forced to either develop them properly or sell them to Orillia Water, Light and Power.

Had the Bill 35 transfer been done in an honest and appropriate manner then certainly, by this date, the utility would be sitting with both a surplus of debt free energy and adequate reserve for

the future, as well as paying dividends back to its shareholders, the municipality (the people of Orillia). All would benefit and the utility could continue to attract industry.

The Council's Transfer of the O.W.L.P. Assets into Three Corporations

It is important to recognize the effect that this transfer had on the people of Orillia. The council enacted the Bylaw 2000-144 and broke up the former assets of Orillia Water, Light and Power into three corporations, which was a requirement of the provincial legislation. But since O.W.L.P. was a corporation, they could have, if they had known at the time, set up these corporations so as to remain arm's length from council, as Bill 142 permitted it. This would then involve direct negotiations between the O.W.L.P. commission and city officials to jointly construct a bylaw that would still have abided by the provincial legislation. This did not occur as council had another confidential agenda and did not have any discussion, whatsoever, with the elected commissioners.

The new corporations, approved by council in Bylaw 2000-144, were as follows:

- 1) **Holdco**, the administrative arm, which would be a somewhat of a puppet of council, responsible for applying for rate increases and work through the Ontario Energy Board so as to produce as much revenue from rates as possible directly back to council
- 2) **Distco**, the corporation responsible for the distribution of hydro (the wire's company)
- 3) **Genco**, which would administer the power generation arm

When these three corporations were set-up, the certificates are all dated October 26th, 2000. There is now a name change from Bylaw 2000-144 to Orillia Power Generation Corporation (Genco), Orillia Power Corporation (Holdco), and Orillia Power Distribution Corporation (Distco). The corporation numbers are: 1446921, 1446922, 1446923.

To deal with this topic it is necessary to repeat that, at the time of O.W.L.P. was being dissolved, there was **\$7+ million in the bank and receivables, with absolutely no debt**. The elected commission has no idea as to where the money disappeared to, and with the disclosure clause, cannot get any answers. So what happened in this transition is that the city created debt and **Distco was to show that it now owed the City of Orillia \$9,762,000.00 (nine million, seven hundred and sixty-two thousand dollars) and a promissory note was issued under the following terms:**

1. Principal Amount
\$9,762,000.00
2. Interest Rate
7.5% per annum to December 31, 2005 and thereafter the interest rate will be changed for each subsequent 5 year period to be equal to 2% plus the annual rate paid by the Royal Bank of Canada (RBC) as set by the RBC head office in Toronto on December 31st of the year immediately preceding the commencement of each 5 year period on 270 day term deposits exceeding \$8,000,000.00 (such \$8,000,000.00 amount to be adjusted from time to time after December 31st, 2000 to reflect the impact of inflation as measured by the

Consumer Price Index). For greater certainty on October 11, 2000 the rate paid by RBC on 270 day term deposit for \$8,000,000.00 was 5.5%.

3. Payment of Interest
Payments of interest shall be quarterly on the last days of March, June, September and December in each year. Interest shall commence to accrue on the date that the initial Performance Based Regulation rates for Distco become effective, and the first payment of interest shall become due on the first quarterly payment date next following the date that interest commences.
4. Due Date
The due date is December 31, 2030. Distco shall not have the right to prepay the principal in whole or in part.
5. Prepayment of Principal at Option of the City
The City, at its option, and upon giving to Distco at least 6 months written notice, may require the prepayment of up to 20% of the original principal amount of the Promissory Note on March 31st, in any calendar year.
6. Acceleration on Default
In the event that Distco defaults any payments due under this Note and such default not having been corrected within 30 days after the City, having given written notice to Distco of such default, then the City may demand immediate payment of all principal and interest due under the Promissory Note.

And Genco, a second promissory note of \$5,034,000.00

1. Prinicpal Amount
\$5,034,000.00
2. Interest Rate
7.5% per annum to December 31, 2005 and thereafter the interest rate will be changed for each subsequent 5 year period to be equal to 2% plus the annual rate paid by the Royal Bank of Canada (RBC) as set by the RBC head office in Toronto on December 31st of the year immediately preceding the commencement of each 5 year period on 270 day term deposits exceeding \$8,000,000.00 (such \$8,000,000.00 amount to be adjusted from time to time after December 31st, 2000 to reflect the impact of inflation as measured by the Consumer Price Index). For greater certainty on October 11, 2000 the rate paid by RBC on 270 day term deposit for \$8,000,000.00 was 5.5%.
3. Payment of Interest
Payments of interest shall be quarterly on the last days of March, June, September and December in each year commencing 2001. Interest shall commence to accrue November 1, 2000, and the first payment of interest shall become due December 31, 2000 for the 2 month period

- 4. Due Date
The due date is December 31, 2030. Genco shall not have the right to prepay the principal in whole or in part.
- 5. Prepayment of Principal at Option of the City
The City, at its option, and upon giving to Genco at least 6 months written notice, may require the prepayment of up to 20% of the original principal amount of the Promissory Note on March 31st, in any calendar year.
- 6. Acceleration on Default
In the event that Genco defaults any payments due under this Note and such default not having been corrected within 30 days after the City, having given written notice to Genco of such default, then the City may demand immediate payment of all principal and interest due under the Promissory Note.

Could you imagine doing this in the private sector and not being arrested for it? The elected commission might refer to this as "loan sharking". It becomes hard to believe, but one only has to ask for Bylaw 2000-144, from city hall to authenticate it.

Now, of course, there has to be some protection for the parties involved as too much information to the people, who own the asset, is contagious. So the city included, in the bylaw, a confidentiality clause:

13. CONFIDENTIALITY

The Shareholder and the Directors and Officers of the Corporation and the Subsidiaries (each a "receiving party") will ensure that no confidential information of the Shareholder or the Corporation or the Subsidiaries is disclosed or otherwise made available to any person, except to the extent that:

- a) **Disclosure to a receiving party's employees or agents is necessary for the performance of any receiving party's duties and obligations under this or any other Shareholder Declaration;**
- b) **Disclosure is required in the course of judicial proceedings or pursuant to law; or**
- c) **The confidential information becomes part of the public domain (other than through unauthorized disclosure by the receiving party).**

As this report is lengthy, and the citizens can, on their own accord, access the full bylaw, (Bylaw 2000-144) at city hall, it will not be necessary to show the vast changes affecting both the running of the utility and the affect it has on the citizens in Orillia.

In summary, after the destruction of the O.W.L.P., it is necessary to show where, exactly, the money is coming from. In the aforementioned recorded vote, (by: **Shaw, Spears, Gardy, Morano, Evans, Lauer, Kirby, Buchanan and McCann**) contained 13 items. Item #10 reads as follows:

additional dividends on top of the artificial debt. The people's bylaw is still alive, as is your last elected commission.

The investigation on the transfer of Orillia's power utility did not commence until one member of the commission was inadvertently given the city council's Bill 35 Transition Committee document covering the recommendations on the future of Orillia's hydro utility. The majority of the recommendations were adopted by city council on April 17th, 2000. The dissolving bylaw happened five months later in September of 2000. When the other members of the commission were made aware of it, they, having never seen this document in this format, decided to write mayor and council by letter dated September 23rd, 2014 and had it hand delivered. This letter was meant to go on the agenda of city council at its next meeting. However, for reasons unknown, two additional meetings elapsed and no member of city council has yet to see it.

In the interval, another document was discovered that, again, no member of the elected commission was aware of. This was Bylaw 2000-146, a bylaw to dissolve Orillia Water, Light and Power Commission dated October 16th, 2000. The bylaw reads as follows:

“WHEREAS the Orillia Water, Light and Power Commission (the ‘Commission’) was established by special legislation and is deemed to be a commission established under Part III of the Public Utilities Act (Ontario);

AND WHEREAS The Corporation of the City of Orillia (the ‘City’) proposes to transfer the assets and undertaking under the control and management of the Commission and owned by the City to corporations incorporated pursuant to Section 142 and Section 145 of the Electricity Act, 1998 (Ontario);

AND WHEREAS upon the completion of the said transfer the Commission is no longer required.

NOW THEREOFRE THE COUNCIL OF THE CORPORATION OF THE CITY OF ORILLIA HEREBY ENACTS AS FOLLOWS:

1. ***THAT the City is authorized to accept a General Conveyance, Assignment and Bill of Sale from the Commission with respect to any assets which it owns, has registered title to, or uses to provide public utility services on behalf of the City.***
2. ***THAT any By-laws heretofore passed by the City or any predecessor thereof establishing the Orillia Water, Light and Power Commission are hereby repealed.***
3. ***THAT Chapter 524 of the City of Orillia Municipal Code is hereby repealed.***
4. ***THAT the Commission is hereby dissolved and ceases to exist.***
5. ***THAT this By-law shall take effect 12:00 a.m. November 1, 2000.***

BY-LAW read a first, second and third time and finally passed this 16th day of October, 2000.”

This bylaw alleges, again, partial distortion as the Orillia Water, Light and Power Commission was established by the council of the day and voted upon and passed by the electorate, as Bylaw

557, (Municipal Act and other legislation). **Since the bylaw was by referendum, it requires that, for the bylaw to be amended or appealed, it would have to be done following the same process as it was enacted (another supporting vote of the electors).** The elected commission suspects that the purpose of Bylaw 2000-146 was to be able to swear that council had now acquired the authority to set up the three corporations under the Provincial Corporation Act without any transfer document originating from the commission. Item 1 of the bylaw makes mention of a "general conveyance, assignment and bill of sale from the commission". **The elected commission was the only party that could enact a legal transfer.** However, they would never put themselves in this position as this would be betraying the people's bylaw that they had a fiduciary obligation to protect for the citizens of Orillia.

For 20 years or more, the O.W.L.P. Commission made representation to the province that the province must address the out of control provincial utility or manufacturing in the province would move or shift south of the border.

The pre-engineering that would restore the Orillia utility back to self-sufficient mode was in place. 14 years have been lost and, with the new appointed board, unable to act in this regard as the objective of council was to increase rates to the people (the owners) and create a large cash flow for council's pet projects.

CONDUCTOR SURVEY

349

NOTES:

- Total Meterage for 44K.V. and 3 PH (13.8 K.V. or 4 K.V.) Circuits:
36,300 Meters or 36.3 kms (**22.3 miles**)
- Possible amount of 3% triplex accompanying the circuits: 5.4 km (**3.3 miles**)
- Possible kms of single phase primary in the city: 16 km (**10 miles**)

1. West St. N., 47-49 West St. N. to 490 West St. N.: 2.2 km x 7 conductors = 15 km 400m
2. West St. S. to Colborne St.: 4x290m = 1 km 160m
3. West St. S. at King St. to James St. and West St. S.: 7x 800m = 5 km 600m
4. From James and West St. S.: 4x1.2 km = 4 km 800m
5. Skyline Drive to West St. and to Lift Station on Commerce Road: 7x500m = 3 km 500m
6. Fittons Road and West St. to Murphy Rd.: 7x 2.1km = 14 km 700m
7. Murphy Rd & Hwy 12 across West Ridge Blvd. to University Ave. to Old Barrie Rd: 7x3 km = 21 km
8. Monarch Dr. – Hwy 12 to West Ridge Blvd. 7x 800m = 5 km 600m
9. From Metering on Uthoff Line across Hwy 11 = 7x 650m = 4 km 550m
10. Progress Pk. Sub. – West on Memorial Ave. to Forest Home, up 15th Line North to Old Barrie Rd, to Harvie Settlement Rd. at Water Tower: 7x6 km = 42 km
11. Harvie Settlement Rd. (Water Tower) to University Avenue: 7x1.1 km = 7 km 700m
12. Hunter Valley Rd.: 7x190m = 1 km 330m
13. Mulcahy Court: 7x160m = 1 km 120m
14. Westmount Dr. N. to Coldwater Rd., including Highwayman Inn Run-off: 4 km. 830m
15. Westmount Dr.; Coldwater Rd. to Barrie Rd.: 7x1.7km = 12 km
16. Harvie Settlement Rd. at Water Tower, across Hwy 11 to Barrie Rd. & Walker Ave: 7x1350m = 9 km 450m

TOTAL KMS: 154 km 760 metres

17. North St. E.; West St. to 198 North St. E.: 7x1km = 7 km
18. Laclie St., Sundial Dr. to Laclie St., between North St. & Cedar St.: 7x2km = 14 km
19. Sundial Dr. to Hyundai & South to North St. E. = 7x1260m = 8 kms 820m
20. North St., West St. to Leonard: 4x450m = 1 km 800m
21. Park St., Fittons Rd. to Gerald Ave.: 4x850m = 3 km 400m
22. Rosemary Rd., Westmount Dr. to Water Reservoir: 4x230m = 920m
23. Mary St.; Westmount Dr. to Quinn Ave.: 4x800m = 3 km 200m
24. Coldwater Rd.; Westmount Dr. to First Baptist Church to Collegiate Dr.: 4x800m = 3 km 200m
25. Brant St. W., West St. to Patrick St., to Nottawasaga St.: 4x630m = 2 km 520m
26. West St.; Colborne St. to King St.: 4x280m = 1 km 120m
27. West St. S.; James St. to Olive Crescent: 4x1.2km = 4 km 800m
28. Barrie Rd., & Walker Ave. to Westmount Dr.: 7x870m = 6 km

- 29. Memorial Ave.; Woodland Dr. to opposite East Side Marios & A&W: 7x1.9km = 13 km 300m
- 30. Westmount Dr.; Barrie Rd. to Rear of East Side Marios & Hwy 12 Bypass: 10x800m = 8 km
- 31. United Dr.; Memorial Ave. to end: 4x260m = 1 km 100m
- 32. Progress Dr.; Memorial Ave., North end to Progress Dr. south end: 7x1150m = 8 km
- 33. Ontario St.: all of: 4x500m = 2 km

TOTAL KMS: 67 km 180 metres

- 34. Nottawasaga St.; Andrew St. to O'Brien St.: 4x500m = 2 km
- 35. O'Brien St.; Nottawasaga St. to Mississaga St.: 4x290m = 1 km 200m
- 36. Huronia Rd.; Hughes Rd. to Brammer Dr.: 4x740m = 3 km
- 37. Brammer Dr. off Hughes Rd.: 4x280m = 1 km 200m
- 38. Fittons Rd. E.; from West St. to Bay St.: 4x1.4 = 5 km 600m
- 39. North St.; From West St. to Bay Street: 4x1km = 4 km
- 40. Peter St. N.; Fittons Rd. to Borland St.: 4x950m = 3 km 800m
- 41. Borland St.; Peter St. to Matchedash St. N.: 4x180m = 720m
- 42. Matchedash St. N. from North St. E. to Brant St.: 4x600 = 2 km 400m
- 43. Matchedash St. N.; Brant St. to Mississaga St.: 4x550m = 2 km 200m
- 44. Circuits from North & Bay Sts. To Terminal Station (Atherley Rd.): 7x1850m = 13 km
- 45. Mississaga St.; Westmount Dr. to Albert St. N.: 4x1230m = 5 km
- 46. Dallas St.; Mississaga St. to Barrie Rd.: 4x600m = 2 km 400m
- 47. McKinnel St.; Dallas St. to Frederick St. to Medical Office Run-off: 4x210m = 840m
- 48. Colborne St. W.; Andrew St. to Hospital: 7x400m = 2 km 800m
- 49. Andrew St.; Colborne St. to Royce Ave.: 7x690m = 2 km 760m
- 50. Wyandotte St.; Mississaga St. W. to Barrie Rd.: 4x450m = 1 km 800m
- 51. Dunlop St.; Mississaga St. W. to Elmer Ave.: 4x450m = 1 km 800m
- 52. Victoria St.; Andrew St. to Dufferin St.: 4x550m = 2 km 200m
- 53. Memorial Ave.; Barrie Rd. to East Side Marios: 4x700m = 2 km 800m
- 54. Dunn Ave.; Westmount Dr. to Carleton St. to down Glencoe Ave.: 4x510 = 2 km
- 55. Colborne St.; Andrew St. to Lakeview Ave.: 4x700 = 2 km 700m
- 56. Elgin St.; West St. to Peter St.: 4x180m = 720m
- 57. King St.; West St. to Cedar Island Rd.: 4x650m = 2 km 600m
- 58. Queen St.; West St. to Terminal Station: 7x1250 = 8 km 750m
- 59. Forest Ave.; Hwy 12 Bypass to Victoria Crescent: 4x1.5km = 6 km
- 60. Heyden Ave. and Victoria Crescent: 4x2250m = 9 km
- 61. Cochrane St.; West St to Matchedash St. and south to James St.: 4x630m = 2 km 520m
- 62. James St. W.; West St. to East Street: 7x1.1km = 7 km 700m
- 63. East St.; James St. to Terminal Station: 7x500m = 3 km 500m
- 64. Gill St.; James St. to Atherley Rd.: 4x550m = 2 km 200m
- 65. Gill St.; James St. to Victoria Crescent: 4x900m = 3 km 600m

TOTAL KMS: 59 km 890m

66. Shannon St.; West St. to Victoria Crescent: 4x900 = 3 km 600m
67. Kitchener St.; West St. to Waste Water Treatment Plant: 4x450m = 1 km 800m
68. 44 K.V. Circuit to Waste Water Treatment Plant from James St.: 3x800 = 2 km 400m
69. Atherley Rd.; East St. to past Bayview Parkway: 4x800 = 3 km 200m
70. Atherley Rd.; West to past Millard St. and up Millard: 4x700 = 2 km 800m
71. Oxford St.; Forest Ave. to St. Bernard's School: 4x350 = 1 km 400m
72. Raymond Ave.; James St. to past Franklin St.: 4x140m = 560m
73. Forest Ave. N.; Atherley Rd. to past Cedarmere Rd.: 4x500m = 2 km
74. Forest Ave.; James St. to Hwy 12 Bypass: 4x550m = 2 km 200m
75. Bayview Parkway; Atherley Rd. to Oxford St.: 4x350m = 1 km 400m
76. Orchard Point Rd; Atherley Rd. to end: 4x350m = 1 km 400m
77. From rear of Terminal Station east to Forest Ave.: 3x315m = 1 km
78. From Forest Ave. to Broadview Ave.: 7x1.8 km = 12 km 600m
79. From Broadview Ave. to Bridge Port Marina: 4x450m = 1 km 800m
80. Couchiching Point Rd. to Broadview Ave.: 4x600 = 2 km 400m

TOTAL KMS: 27 km 960m

TOTAL OVERALL KMS = 36.3 km or 36,300 metres

