

Frank Kehoe

[REDACTED]  
[REDACTED]  
[REDACTED]

Email: [fm.kehoe@rogers.com](mailto:fm.kehoe@rogers.com)

December 29, 2017

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, ON M4P 1E4

[boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)

Dear Ms. Wall,

**RE: BOARD FILE #EB-2016-0276**

In my opinion, the Hydro One attempt to purchase the Orillia Power Distribution Corporation is a decision that, I believe in law, must involve the Orillia electricity consumers (electorate).

Orillia's hydro electric project originated by a vote of the electors in 1898 – 8 years ahead of the Province of Ontario creating a provincial utility to be called Hydro Electric Power Commission of Ontario (H.E.P.C). This Orillia decision was made by visionary community leaders who could look to the future and recognize the need for hydro electric power within the manufacturing sector and beyond.

With the expansion of the provincial utility, H.E.P.C made an attempt to purchase Orillia's hydro asset with the scheduled closing of the deal to take place in 1916. Both the council and the Orillia Water, Light and Power Commission, that was established three years prior by a referendum vote of the electorate, recognized that any sale of the Orillia Power asset would require an amending referendum vote of the people to support or reject the H.E.P.C offer.

Bylaw #651 of the Town of Orillia was passed by council on the 6<sup>th</sup> day of April 1916 attaching the town's corporate seal. This bylaw set the process for the vote, appointed the poll clerks for the voting stations, and the pre-advertising of the referendum to be published in the Orillia Times newspaper commencing April 27<sup>th</sup> and weekly for the next three editions together with ensuring that a notice would be placed at four more public places within the town. The referendum vote is scheduled for Monday, the 22<sup>nd</sup> day of May 1916.

The Orillia Water, Light and Power Commission, under the date of April 24<sup>th</sup>, 1916, again requested that the agreement be submitted to a vote of the qualified ratepayers. This correspondence was also placed under the corporate seal of the commission. The commission was identified as a body corporate under the Power Corporation Act 1913 – Section 36 (1).

The revised Statutes of Ontario 1980, under Sections 38 (3), 38 (5), 45 (1) all make reference to the requirement of an assent of the electors to repeal or amend a bylaw initiated by the assent of the electors.

The Ontario Energy Board have appeared to put, correctly, their emphasis on ensuring that Hydro One meet a criterion so as not to disadvantage the Orillia electrical consumers. However, there has been no mention, to date, of Orillia City Council ignoring the legal requirement of having a referendum vote to amend or repeal an existing bylaw, that is part and parcel of our democracy.

The Orillia Water, Light and Power Commission operated as an independent entity for 54 years up until 1952. O.W.L.P. went back to the electorate with approval to build their Minden #2 plant to cover its future growth. H.E.P.C sent a large lobby group and advertised extensively to say that Orillia could never compete with H.E.P.C's massive post-war surplus of electrical energy. The vote of the electors then rejected O.W.L.P. from building the Minden #2 plant and the O.W.L.P. was forced into making a 42-year contract with H.E.P.C to buy its energy shortfall from them and now conform to H.E.P.C regulations. The vote of the electors was extremely close with H.E.P.C winning by only 1%.

In the 54 independent years, at different times, the Orillia hydro system held records of having the cheapest rates in North America, the cheapest rates in Canada and, for the majority of the period, the cheapest rates in Ontario which included H.E.P.C. There was, however, one exception of a utility that purchased all of its very cheap power from a manufacturer who just happened own the toll bridge from their community to the U.S.A.

We, at this time request, on behalf of the Orillia electorate, that the Ontario Energy Board stay any decision and request the Orillia City Council to place an amended bylaw for the people to approve the sale under Board conditions or reject the sale. This move, in all likelihood would, I expect, avoid any new or pending expensive litigation to decide that a referendum, voted upon by the eligible electorate, has status or is meaningless in our democracy.

Respectfully submitted,



Frank Kehoe (himself) and representing the last Commission and many of the Citizens of Orillia

c.c. Hydro One – Erin Henderson – [regulatory@hydroone.com](mailto:regulatory@hydroone.com)  
Orillia Power – Grant Hipgrave – [ghipgrave@orilliapower.ca](mailto:ghipgrave@orilliapower.ca)  
Orillia Power – Patrick Hurley – [phurley@orilliapower.ca](mailto:phurley@orilliapower.ca)  
Orillia Power – Gayle Jackson – [gjackson@orillia.ca](mailto:gjackson@orillia.ca)  
Canadian Energy Lawyers – Jay Shepherd – [jay.shepherd@canadianenergylawyers.com](mailto:jay.shepherd@canadianenergylawyers.com)

#### Attachments

- 1) Orillia Bylaw #651
- 2) April 24<sup>th</sup>, 1916 – O.W.L.P. letter
- 3) Orillia Times newspaper article listing the referendum tally
- 4) The Orillia Packet newspaper article and the Orillia Newsletter paper article covering the vote tallies
- 5) Orillia Times 1916 article entitled, “Orillia’s Use of Electrical Power”

# THE CASE FOR PREVENTING THE SALE OF ORILLIA HYDRO DISTRIBUTION

*By Frank Kehoe, Intervenor to the Ontario Energy Board Hearing*

Our provincial hydro system is a complete train wreck leading to a financial tragedy for electricity consumers. The provincial electricity rates are now among the highest in North America. This hydro disaster is the result of the former Ontario Hydro multiple corporations operating out of control and the provincial introduction of deregulation that was, at the time, promised to lead to a reduction on the rates for consumers.

With provincial deregulation all electrical commissions in the province were forced to incorporate and operate under the Provincial Corporations Act. With this new corporation regulation, the former commissions were completely eliminated and the municipal councils across the province, with the new Electricity Act, became the shareholder of record of the newly formed Orillia corporations. The Orillia City Council then enacted a process to redirect massive monies from Orillia citizens' proudest electrical asset into the city's general revenue account. The process used, although probably legal, meant that the city council, could then extract millions of dollars and ignore the founding fathers' rule that the electricity arm would be separate and apart from council involvement. Throughout the operation of the O.W.L.P., the electrical asset, from its inception, respectfully operated independently with the electrical rates alone with no money ever flowing out of the city's tax revenue.

## **DEBT CREATED**

The city council, within the new corporations, now created on the corporations' books, massive new debt that is to be paid to the city at extremely high interest rates. The Distribution Corporation now showed a debt of nine million, seven hundred and six-two thousand dollars (\$9,762,000) and the Generation Corporation five million and thirty-four thousand dollars (\$5,034,000) for a total of fourteen million, seven hundred and ninety-six thousand dollars (\$14,796,000). The initial interest rate, set by council, was 7.5% with interest only to be paid up to December 31<sup>st</sup>, 2030. This means that at the expiry, no principal will have been paid and the combined amount of \$14,796,000 would still be owing.

## **THE DIVIDENDS**

Throughout the latter years of the Orillia Water, Light and Power, in times of good water flows, and when the commission was free of debt, paid a dividend to all electrical consumers based on their metered use of electricity.

The dividend total generally ranged in the neighbourhood of one million to one million, fifty thousand dollars (\$1,000,000 to \$1,050,000). As of the transfer date, from commission to corporations, the Orillia Water, Light and Power Commission was completely debt free and had more than seven million dollars (\$7,000,000) in the bank and receivables prior to setting the next year's budget that was now the responsibility of the newly appointed corporation directors. The city council then enacted a process, built into the corporation structure, to pay to the city a much larger dividend which was not related, in any way, to water flows nor debt. The city council then enacted a process, built into the corporations' structure, by alleged promissory notes, to pay to the city, not Orillia's electrical consumers, a dividend which was not related, in any way, to water flows nor debt. The city then took one million, one hundred thousand dollars (\$1,100,000) (minimum) up to one million, six hundred thousand dollars (\$1,600,000) annually from the peoples' electrical asset (not shown on the consumers' electrical bill).

The affect of the newly shown corporation debt as well as the dividends and, other yet unidentified, city expenditures from the date of transfer (November 2000 to December 31<sup>st</sup>, 2016) is alleged to be in the neighbourhood of **forty-four million dollars (\$44,000,000)**. So, using this figure, which may be more or slightly less, it is best to make a calculation based upon the new electrical corporations having a published 13,400 metered consumers:

**\$44,000,000 divided by 13,500 consumers equals \$3,259.26 for the average of all the consumer, based on their metered consumption (Many, however, will be higher and many will be lower).**

The average consumer, from Year 2000 to December 31<sup>st</sup>, 2016, would have paid close to this amount plus the appropriate HST of 13% (GST of 8%).

When the consumer looks at the \$3,259.26 figure and divides that by 16 years, the average Orillia electricity consumer would be paying \$203.70 annually plus \$26.48 (HST) for a total of \$230.18 to the City of Orillia **over and above their municipal tax levy**. Renters, who pay for their electricity separately, may be considered to be "municipal tax payers". None of the aforementioned appears on the consumer's electricity bill. No member of the last elected electrical commission, and I would expect the electrical consumers up until the year 2014 were aware of this unrelated electricity process brought on, in part, by provincial deregulation and decisions made by city council.

### **A PROCESS TO ENSURE SECRECY**

The Orillia Electrical consumers, as well as the formal press, are all barred from access to information related to the finances or operation of the Orillia Electricity Corporations. The corporations are now excluded from "Freedom of Information" legislation, as well as having to conform to a city council bylaw which now introduces a secrecy (confidential) clause that bars

the utility staff from providing any information on the operation or finances of Orillia's utility corporations.

In the Ontario Energy Board public hearing submissions by the appellant, Frank Kehoe has included a book of the pertinent documents comprising 351 pages and a 14-page additional document entitled "Book Two". These include the referendum documents (solicitors' opinions), pertinent city bylaws, letters to and from council and other documents that are all meant to be appeal exhibits and not just correspondence and can be all accessed on the Ontario Energy Board website: <https://www.oeb.ca/participate/applications/current-major-applications/eb-2016-0276>.

### **DEMOCRACY AND LAW**

To properly explain, I have included sections of our Ontario Energy Board Book Two submission to highlight a major segment of the appeal, namely:

***The appellant recognizes that the distinguishing feature of our Canadian democracy, that contains our rights and freedoms of Canadians, highlights that all Canadian governments: federal, provincial and municipal - derive their authority from their citizens.***

### **DIRECT DEMOCRACY**

***Direct democracy is clearly defined as government in which its citizens, under certain circumstances, are permitted to vote on laws. The common version of this process is done, for the most part, in the legal form of duly called referendums to decide and entrench a legal issue or question. The result of a duly called peoples' referendum voted upon by its citizens is then binding and law.***

***A binding referendum issue can, however, be changed or amended at any time as long as the process used is the same manner as it was enacted (a vote of the eligible electorate) and if the people vote against such change or amendment, the original referendum law stands.***

### **ORILLIA REFERENDUM ESTABLISHING O.W.L.P.**

***The substance of the Orillia citizens' 1913 referendum that established the Orillia Water, Light and Power Commission, forms two distinct purposes: 1) The total removal of the peoples' owned electricity asset from any and all council involvement or control; 2) The responsible nominated or eligible people shall be elected, not appointed, using the same process used for municipal elections and the tenure of such directors will be decided by an appropriate electoral vote at election time.***

## CANADIAN DEMOCRACY

*In a democratic society, lawmakers must recognize that the electorate, in a referendum, has rights which are guaranteed. Government representatives must always clearly recognize that they have responsibilities which are not to be evaded and always recognize and protect appropriate legal referendum outcomes. The experience of now a century and a half of Canadian democracy has demonstrated that our system of free government functions best when the maximum degree of information is made available to the people. In fact, free and candid discussion of vexing problems is the bedrock of democracy and may be the surest safeguard for our electricity solutions.*

***The only thing wrong with our democratic process is the failure to use it.***

*The visionary people of the past always had rigid democratic convictions, while we now, in this day and age, appear to be just considered moderns with many options that do not fit into appropriate democratic practice. An example of this is the failure to recognize what, they call, "old referendums" and think wrongly that they have the authority to override a democratic vote of past Orillia citizens.*

## THE 1916 REFERENDUM TO SELL (OR NOT TO SELL) THE PEOPLES' ELECTRICAL ASSET

The, then, new provincial utility, **Ontario Hydro Electric Power Commission**, lobbied the Orillia council to purchase the Orillia electricity arm at the, then, very high price. The council, of the day, was somewhat in favour, but recognized that the only way to accomplish this sale was to place the approval to sell in a duly called citizens' referendum. The referendum vote took place on Monday, May 22<sup>nd</sup>, 1916 at which time, **THE CITIZENS OF ORILLIA, BY A LARGE MAJORITY, REJECTED THE SALE.**

The Orillia Peoples' Referendum is not unlike the great published decision in support of Brexit, Britain's June 23<sup>rd</sup>, 2016 decision by referendum to leave the European Union. The appellant Frank Kehoe can clearly recall other referendums relating to prohibition, conscription, conservation lands, the famous Charlottetown Accord of 1992, the naming of Thunder Bay, and Orillia's referendum vote in 1967 to permit the sale of beer and wine in licensed establishments that had previously been banned by a peoples' referendum 65 years prior.

Of the many law firms and lawyers that are involved in Energy Board 2016-0276, the appellant would expect that none have found a legal precedent nor law that can override a legal referendum voted on by the people. The council of the City of Orillia have ignored the legality of Orillia's referendum and chose to try to use a draconian amendment to the Public Utilities Act for their authority to usurp the Peoples' 1916 Referendum. This Act was described as one 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). This was where Section 67(1), a new section which was inserted without knowledge of many of the utility staff that were formerly set up **by and under** the Public Utilities Act. This single section was initiated at, or close to, the legislature Christmas break and was possibly pushed through without an explanation of its impact on the many other utilities that were set up by the Public Utilities Act.

### **ORILLIA 1913 REFERENDUM PRE-DATED THE PROVINCIAL PUBLIC UTILITIES ACT**

In doing research on the origin of the Public Utilities Act pertaining to electricity, the appellant discovered that no copy of the original Public Utilities Act was available at the legislature library. However, in doing an up-to-date search at the University of Toronto Law Library, the librarian discovered a somewhat fragile copy of the original act and she delicately made a copy which was included in the documents previously forwarded to the board. The result of this extensive search clearly showed that the 1913 referendum of the people, that set in place the O.W.L.P., **pre-dated** the very first Public Utilities Act.

Two years after the passing of the Public Utilities Act the provincial legislature, in order to further protect the peoples' referendum included, as part of the **1915 TOWN OF ORILLIA ACT**, included the following: ***"Section 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.***

On October 9<sup>th</sup>, 1996, after the city engaged their law firm Russell, Christie, Miller, Koughan to see if there was a process to revoke Bylaw #557 – set in place by the 1913 Referendum. The legal opinion reads, in part: ***HOW TO REVOKE BY-LAW 557 (1913): The procedure for revoking all or part of By-law 557 is interesting. From what we know now, it would appear that the By-law could only be revoked (in whole or in part) in the same manner in which it was instituted, namely, by a By-law approved with the consent of the electors.*** This is supported by our attorney, Stanley M. Makuch, who is a renowned published municipal lawyer.

### **SOLUTION**

The appellant clearly recognizes that the Ontario Energy Board and city council must operate under the rule of law and does not have the legislative authority to make nor overrule existing laws. In dealing with the sale of Orillia Power's distribution to Hydro One the board must recognize and take into consideration that Orillia City Council does not have the authority to override its own citizens' by-law that created the Peoples' 1913 referendum or the 1916 referendum that rejected the sale of Orillia's electricity asset without following due



**process which requires that they first go back to its electorate for their approval. To do otherwise thwarts the law in place. Hence, the appellant feels that the decision of the Ontario Energy Board should be stayed until the city council can show, to the board, that they have obtained the legal authority, from its citizens to sell - or not sell - the distribution arm of the Orillia Power Corporation.**

### **HYDRO ONE'S ABILITY TO COMPETE**

It is the appellant's well-informed view that Hydro One, even in the best of circumstances, could never financially compete with the Orillia Power Distribution Corporation. Hydro One, with its massive debt, will certainly require significant future rate increases. When the former Ontario Hydro broke up and the legislature passed the Energy Competition Act of 1998, Ontario Hydro, that had just over 35,000 employees, broke up the organization into multiple companies, later to become corporations that operate paying corporation dividends to the province. The corporations that were formed were called Ontario Power Generation (OPG), Ontario Hydro Services Company, now renamed Hydro One, and the Independent Electricity Market Operator (later named the Independent Electricity System Operator), the Electricity Safety Authority, and the Electricity Financial Corporation. Some of these corporations formed additional corporations. For example, Hydro One Inc. incorporated Hydro One Networks Inc., Hydro One Remote Communities Inc., and Hydro One B2M Holdings Inc. Hydro One B2M Holdings Inc. further incorporated Hydro One B2M LP Inc. and B2M GP Inc. which formed the B2M Limited Partnership and Hydro One Brampton Inc. So, one can see that it is next to impossible to obtain exact debt figures from all of these corporations.

The Hydro One C.E.O. Mayo Schmidt is the highest paid public employee at \$4.4 million in salary and bonuses (*Toronto Star, July 13<sup>th</sup>, 2017*). The salaries of the people making over \$1 million is part of the evidence placed in front of the Ontario Energy Board.

When Hydro One, or the province, introduced solar and wind power contracts, they did so using the private sector with many people and corporations from outside of Canada. Many of the solar contracts were given for 20 years at prices close to 80 cents per kilowatt hour with the province agreeing to buy all the energy that solar and wind produced. Hydro One had an over-abundance of electrical energy and had no choice other than to dump the surplus electrical energy to the U.S.A. at figures close to 0.02 cents per kilowatt hour while, at the same time, charging Ontario consumers 18 cents for their primetime usage.

In referring to Bonnie Lysyk, the provincial Auditor General's report in 2015, she stated that Ontarians have paid \$37 billion more than the market price of electricity over 8 years and will pay another \$133 billion extra by the year 2032. She also stated that Hydro One is in rough shape with ever-increasing numbers of power outages and aging equipment "at a very high rate of failing" that needs \$4.472 billion worth of repairs.

This situation has had a horrendous impact on the electrical consumers and there isn't any way that the Orillia consumers could possibly benefit from a sale of their distribution arm to Hydro One.

### **VALUATION OF ORILLIA POWER DISTRIBUTION**

The appellant, with the assistance of professional and knowledgeable people, has devoted a great deal of time to attempt to arrive at a more realistic valuation of the Orillia Power Distribution Corporation. This valuation is next to impossible to assemble a complete document as the Orillia Power Distribution Corporation has refused to supply the distribution values that we, as former elected commissioners, had full and ready access to. The excuse for their refusal to provide us with this strategic information is based on the fact that there is no Freedom of Information applicable to Orillia's new corporations. Hence, the valuation that was provided is but a fraction of its true value. This partial evaluation, I'm sure you can appreciate, has taken many days to assemble and is based upon factual information and expert submissions and well exceeds a minimum figure of over fifty-five million dollars (\$55,000,000). The sale figure of Orillia council is \$26.3 million.

**There is not a single item, in writing, of Hydro One's contribution to job creation for Orillians. Some members of council put their emphasis on Hydro One's pledge to lower their distribution (delivery charge) by 1% for a five-year period. The electrical consumers, themselves, should look at their electricity bill and assess what the average 1% delivery charge (distribution) on their energy bill means. For example: if the consumer's monthly delivery charge is shown to be \$30, they may have a savings of 30 cents. If it is as high as \$40, the savings would be 40 cents. So, the average savings would be minimal.**

Orillia citizens should stand up with an obligation of contacting their ward council members to voice their concerns on the sale of the distribution arm of **their utility**. The time is right to insist that this critically important decision be placed with the electorate to decide this issue. Many citizens of Orillia think they don't have any power and that it's entirely up to our elected officials. This is not true. Council has to put this question to the people and the people have to make their opinion known. The electrical utility is owned by the Orillia electrical consumers and can't be sold without their approval. **This question SHOULD BE PUT TO THE PEOPLE IN THE FORM OF A REFERENDUM.**

The citizens of Orillia, and all of the electrical consumers have, in the past, put their electoral trust in the writer. And with this trust, the writer, a lifelong fifth-generation Orillian, feels he has a fiduciary obligation to work in the consumer's best interest, as a previously elected chairman and commissioner, who served Orillians, in an elected capacity, for 19 years on the Orillia Water, Light and Power Commission and 3 terms on city council.



## ORILLIA WATER, LIGHT AND POWER COMMISSION

ORILLIA, ONT., April 24th 1916.

To His Worship the Mayor, and Corporation of  
Orillia.

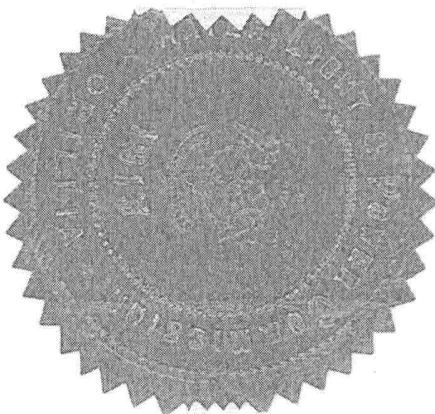
Gentlemen;-

We beg to transmit to your honourable body the Agreement submitted by the Hydro Electric Power Commission of Ontario for the purchase of Power House at Swift Rapids as also the Town's right in Dam being built there, with the request that the Agreement be submitted to a vote of the qualified ratepayers.

Your Obedient Servants,

*C. A. Hale*  
Vice-Chairman.

*F. Gover*  
Secretary.



BY LAW NO. 651

of the Town of Orillia.

To provide for the submission to the Electors of the Town of Orillia of By Law No. \_\_\_\_\_ authorizing the Corporation of the Town of Orillia to enter into a Contract with The Hydro Electric Power Commission of Ontario, providing for the transfer and sale to the said Commission of the Power House and other claims or rights of the Town Corporation, or to which it has or may be or may become entitled, at the Swift Rapids on the Severn River.

WHEREAS the Municipal Council of the Corporation of the Town of Orillia, has, subject to the approval of the Electors of the Town of Orillia, entered into an Agreement for the transfer and sale to the Hydro Electric Power Commission of Ontario of the Power House and other claims or rights of the Town Corporation, or to which it has or may be or may become entitled, at the Swift Rapids on the Severn River; and

WHEREAS it is necessary to submit the By Law authorizing the execution of the said Agreement, and such Agreement, to the Electors of the said Town for their approval or disapproval.

N O W T H E R E F O R E

The Council of the Corporation of the Town of Orillia

ENACTS AS FOLLOWS:

1. THAT the said By Law No. \_\_\_\_\_ together with the Agreement appended as a Schedule to the said By Law, be submitted for the approval of the Electors of the Municipal Corporation of the Town of Orillia entitled to vote on By Laws creating debts.

For the 1st Polling Subdivision at the Moore Estate Building, Mississauga Street, and that *Charles Morrison* shall be Deputy Returning Officer and *Harry Flint* Poll Clerk for such Polling Subdivision.

For the 2nd Polling Subdivision at Ralston's Shop, Mississauga Street, and that *Charles D. Halley* shall be Deputy Returning Officer and *Andrew Minnett* Poll Clerk for such Polling Subdivision.

For the 3rd Polling Subdivision at the Fire Hall, Peter Street, and that *Fred Webber* shall be Deputy Returning Officer, and *A. B. Webber* Poll Clerk for such Polling Subdivision.

For the 4th Polling Subdivision at John Kerr's Shop, Mississauga Street, and that *John Reardon* shall be Deputy Returning Officer, and *Robert T. Smith* Poll Clerk for such Polling Subdivision.

For the 5th Polling Subdivision at Old Council Chamber, West Street, and that *Robert C. Hipwell* shall be Deputy Returning Officer, and *Harry Greenland* Poll Clerk for such Polling Subdivision.

For the 6th Polling Subdivision at E. F. Cooke & Son Shop, West Street, and that *Joseph Gibbon* shall be Deputy Returning Officer and *John W. Mitchell* Poll Clerk for such Polling Subdivision.

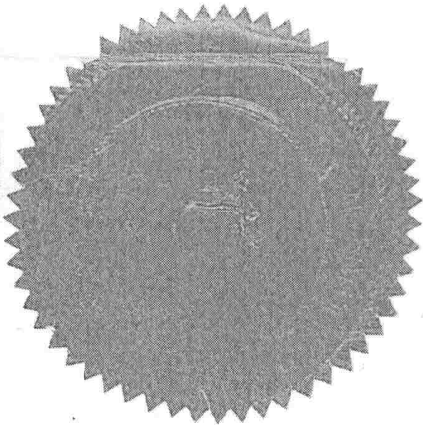
For the 7th Polling Subdivision at William Glover's house, Mary Street, and that *Frank Nelson* shall be Deputy Returning Officer and *Hector Grant* Poll Clerk for such Polling Subdivision.

3. THAT a true copy of this By Law shall be published in "The Orillia Times" newspaper on April 27th A.D. 1916 and in the three next succeeding consecutive weekly issues of such newspaper, and shall also be posted up at four or more of the most public places in the

two persons to attend at the final summing-up of the votes by the Clerk and one person to attend at each Polling place on behalf of the persons interested in and desirous of promoting the approval of the said By Law and Agreement, and a like number on behalf of the persons interested in and desirous of opposing the said By Law and Agreement.

5. THAT the Clerk of the Corporation shall attend at the said Clerk's Office on Tuesday the Twenty-third day of May A.D. 1916, at the hour of Eleven o'clock in the forenoon, to sum up the number of votes given for and against the said By Law and Agreement.

PASSED this Twenty-<sup>six</sup>~~fifth~~ day of April, A.D. 1916.



R. Curran.

Mayor

C. C. Grant

Clerk.

of the Town of Orillia.

-----

To provide for the submission to the electors of the Town of Orillia of By Law No. authorizing the Corporation of the Town of Orillia to enter into a Contract with The Hydro Electric Power Commission of Ontario, providing for the transfer and sale to the said Commission of the Power House and other claims or rights of the Town Corporation, or to which it has or may be or may become entitled, at the Swift Rapids on the Severn River.

PASSED: April 6th, 1916.

WEDNESDAY, MAY 25, 1916.

## Orillia Will Not Sell.

Hydro By-Law Defeated by Decisive Vote.—Majority 438 Against.

Monday's vote on the Hydro agreement and by-law was decidedly in favor of the town retaining ownership and control of the Electric Power plant. The question was fairly put before the ratepayers, and the case for the Hydro was presented by Sir Adam Beck, Minister of Power. The question was looked into very carefully by many of the ratepayers, and a good deal of information was given out in regard to the cost, maintenance and operation of Orillia's power plant. When the votes were counted Monday evening it was found that an overwhelming majority of the citizens were in favor of retaining the plant, only 79 voting in favor of sale to the Hydro. Details of the voting follows:

HYDRO AGREEMENT.		
No. Poll	For	Against
1 Moore's	5	46
2 Ralston's	11	89
3 Fire Hall	14	91
4 Kerr's	16	79
5 Council Chamber	16	85
6 Cooke's	6	87
7 Glover's	11	40
	79	517

Majority against by-law, 438.  
On the other ballot "Shall Orillia purchase power from the Hydro?" the vote was equally emphatic:

No. Poll	Yes	No
1 Moore's	5	46
2 Ralston's	11	88
3 Fire Hall	15	84
4 Kerr's	15	78
5 Council Chamber	16	79
6 Cooke's	9	84
7 Glover's	11	38
	82	495

Majority against, 413.  
Municipal ownership has obtained a firm foothold in Orillia, probably owing to the fact that Orillia was the pioneer municipality to develop water power for electric purposes, and also to the fact that the Orillia power plant has paid its way, notwithstanding the many vicissitudes through which it has passed. A good deal of credit is due to the Commission also, because under its management the system has been put on a very satisfactory basis and the reductions in rates from time to time have been very popular.

Now that the people have determined that the plant shall remain entirely within their control, the question is naturally asked what is the next step? First, the town must undertake at once the equipment of new power house at Swift Rapids. This will entail an expenditure of between \$80,000 to \$90,000, but the amount is fully warranted because Orillia will then have 3,200 horse power instead of 1,500, which is the present capacity of the Ragged Rapids plant.

The Swift Rapids dam is about completed, and the power house foundations all in. The work is being done for the Dominion Government by The Inland Construction Co. The new Power house should easily be up by the time the machinery will be ready for installation.

The question is also asked, will the

The question is also asked, will the estimated cost of power developed by Orillia at Swift Rapids be higher or lower than the estimate of \$11.15 given by the Hydro? If Orillia can utilize the whole of the 3,200 h.p. generated by the two units which it is proposed to install, the cost per horse power will be about \$9.49. This estimate is based not on the Hydro valuation of \$228,000, which was too low, but on a valuation of \$282,617, plus \$90,000 for the new equipment. That is, with 3,200 h.p. costing at the power house \$9.49, and sold at present rates, the Commission will be able to pay all charges of maintenance, operation, water franchise, depreciation, and interest and sinking fund on \$372,617. This beats anything offered by the Hydro with its promise of power at cost. \$11.15 was the best promise made, but there was a good deal of uncertainty about what cost would be, power factor and other uncontrollable considerations entering in which were just as liable to increase as to decrease cost. It is only fair, however, to say that should Orillia be unable to utilize the 3,200 h.p. generated that the cost per h.p. will be increased above the \$9.49 mentioned. But past experience warrants the assumption that Orillia's demand for power will increase rather than decrease, and that it will not be many years before a third unit will require to be installed, which will still further reduce the initial cost of power.

Some interesting comparisons are made in the following table regarding the cost of domestic meter lighting service in Orillia and elsewhere. Taking 12 lights installed in Orillia, and a floor space charge of 1500 ft. in Hydro towns as a basis, for a monthly consumption of 20 k.w.h. and 50 k.w.h., the cost is as follows:

	20 k.w.h.	50 k.w.h.
Orillia	\$1.28	\$1.70
Acton	1.45	2.05
Barrie	1.35	2.70
Beaverton	1.25	2.45
Burlin	.95	1.70
Brampton	.95	1.70
Coldwater	1.25	2.45
Collingwood	1.25	2.45
Creemore	1.85	3.95
Elmvale	1.35	2.70
Hamilton	.95	1.70
Midland	.95	1.70
Ottawa	.89	1.55
Penstanguishene	1.05	1.95
Peterborough	.95	1.70
St. Catharines	.90	1.58
St. Marys	1.35	2.70
Stayner	1.85	2.70
Sunderland	1.65	3.45
Toronto	1.01	1.85
Windsor	1.25	2.45
Woodville	1.65	3.45

All rates are subject to 10 per cent. discount, same as in Orillia.  
Orillia's flat rate service, taking into consideration the amount of current used, is considerably lower than its meter rate.



# Orillia News Letter

ORILLIA, ONTARIO, WEDNESDAY, MAY 24, 1916.

## Packet.

DAY, MAY 25, 1916

### HYDRO BY-LAW DEFEATED

**By Nearly Seven to One.**

The ratepayers made it plain on Monday that they preferred to retain the generating plant at the Swift Rapids on the present basis, rather than transfer its control to the Ontario Hydro-Electric Commission. The by-law ratifying the proposed agreement for the transfer of the plant was defeated by an overwhelming majority, the vote standing 79 for to 517 against, or a majority of 438 against. All sections of the town, and all classes, seemed to be equally set against parting with the plant, notwithstanding the admitted financial advantages.

Mr. F. A. Gaby, Chief Engineer of the Hydro-Electric Commission, was in town on Friday and Saturday, in an endeavour to persuade the ratepayers that the agreement was a good one, and that Orillia stood to make money by co-operating with the other towns in Simcoe. He addressed the South Ward Ratepayers' Association on Friday evening and the West Ward Ratepayers on Saturday evening. Mr. Gaby cleared up a number of points on which there had been misunderstanding. He pointed out that a saving of \$9,000, which it had been estimated the town would effect by the agreement, compounded at 5 per cent, represented a total in the thirty years covered by the agreement of over half a million dollars. On Friday evening, Captain Finlayson told of the good work the Hydro had done in Midland, and Mr. R. J. Sanderson, of the Orillia Commission, spoke in favour of the agreement on both evenings. But it was all to no effect. The ratepayers would have none of it. Considerable opposition was manifested at both meetings. Mr. Andrew Black taking to the platform on Saturday evening.

There was little excitement over the voting on Monday, and no organisation for or against. Considering this, and the heavy rain in the afternoon, there was a comparatively large vote. The result of the voting on the agreement by-law was as follows:—

Sub-division	For	Against
No. 1, Moore's	5	46
No. 2, Ralston's	11	89
No. 3, Fire Hall	14	91
No. 4, Kerr's	16	79
No. 5, Lock-up	16	85
No. 6, Cooke's	6	87
No. 7, Mt. Slaven	11	40
Total	79	517

Majority against By-law, 438.

### ORILLIA KEEPS ITS PLANT

The by-law to transfer our power plant to the Ontario Hydro-Electric Commission was voted upon Monday and by the overwhelming majority of 438 rejected the proposition. The vote was 79 for to 517 against. Mr. Adam Beck and Mr. F. Gaby addressed the ratepayers on Wednesday last and Mr. Gaby spoke at meetings on Friday and Saturday night so that the Hydro side of the case had a pretty fair presentation.

The result of the vote will be that Orillia will at once proceed with the development of the Swift Rapids where 2,000 horse power is to be the initial development. Mr. J. H. McPhee, of Ottawa, the towns engineer is expected here on Monday.

Summary of Vote

	For	Against
South Ward		
Moore's	5	46
Ralston's	11	89
North Ward		
Fire Hall	14	91
Kerr's	16	79
West Ward		
Lock-up	16	85
Cooke's	6	87
Mt. Slaven	11	40
Total	79	517

The vote on the enabling by-law was practically the same as on the other by-law and was as follows:

	Yes	No
South Ward		
Moore's	5	46
Ralston's	11	89
North Ward		
Fire Hall	14	91
Kerr's	16	79
West Ward		
Lock-up	16	85
Cooke's	6	87
Mt. Slaven	11	40
Total	79	495

The vote on the question "Are you in favour of purchasing a supply of electric power from the Hydro-Electric Commission," caused some confusion, in view of the fact that Orillia is at present buying current from the Big Chute, and will have to continue to do so until the new plant is completed. Still most people seem to have understood that they should vote the same way on both by-laws. The vote on the question stood:—

Sub-division	Yes	No
No. 1, Moore's	5	46
No. 2, Ralston's	11	86
No. 3, Fire Hall	15	84
No. 4, Kerr's	15	78
No. 5, Lock-up	16	79
No. 6, Cooke's	9	84
No. 7, Mt. Slaven	11	38
Total	92	495

Majority No. 413.

At an informal meeting on Tuesday evening, the Water, Light and Power Commission set the wheels in motion, in preparation for the completion of the Swift Rapids plant. Contracts for the machinery will be awarded as soon as possible, and every effort made to get the plant ready for next winter.

RS DAY, MAY 25, 1916.

## Orillia Will Not Sell.

Hydro By-Law Defeated by Decisive Vote.—Majority 438 Against.

Monday's vote on the Hydro agreement and by-law was decidedly in favor of the town retaining ownership and control of the Electric Power plant. The question was fairly put before the ratepayers, and the case for the Hydro was presented by Sir Adam Beck, Minister of Power. The question was looked into very carefully by many of the ratepayers, and a good deal of information was given out in regard to the cost, maintenance and operation of Orillia's power plant. When the votes were counted Monday evening it was found that an overwhelming majority of the citizens were in favor of retaining the plant, only 79 voting in favor of sale to the Hydro. Details of the voting follows:

HYDRO AGREEMENT.		
No. Poll	For	Against
1 Moore's	5	46
2 Ralston's	11	89
3 Fire Hall	14	91
4 Kerr's	16	79
5 Council Chamber	16	85
6 Coeke's	6	87
7 Glover's	11	40
	79	517

Majority against by-law, 438.

On the other ballot "Shall Orillia purchase power from the Hydro?" the vote was equally emphatic:

No. Poll	Yes	No
1 Moore's	5	46
2 Ralston's	11	89
3 Fire Hall	15	84
4 Kerr's	15	78
5 Council Chamber	16	79
6 Coeke's	9	84
7 Glover's	11	38
	82	495

Majority against, 413.

Municipal ownership has obtained a firm foothold in Orillia, probably owing to the fact that Orillia was the pioneer municipality to develop water power for electric purposes, and also to the fact that the Orillia power plant has paid its way, notwithstanding the many vicissitudes through which it has passed. A good deal of credit is due to the Commission also, because under its management the system has been put on a very satisfactory basis and the reductions in rates from time to time have been very popular.

Now that the people have determined that the plant shall remain entirely within their control, the question is naturally asked what is the next step? First, the town must undertake at once the equipment of new power house at Swift Rapids. This will entail an expenditure of between \$80,000 to \$90,000, but the amount is fully warranted because Orillia will then have 3,200 horse power instead of 1,500, which is the present capacity of the Ragged Rapids plant.

The Swift Rapids dam is about completed, and the power house foundations all in. The work is being done for the Dominion Government by The Inland Construction Co. The new Power house should easily be up by the time the machinery will be ready for installation.

The question is also asked, will the

The question is also asked, will the estimated cost of power developed by Orillia at Swift Rapids be higher or lower than the estimate of \$11.15 given by the Hydro? If Orillia can utilize the whole of the 3,200 h.p. generated by the two units which it is proposed to install, the cost per horse power will be about \$9.49. This estimate is based not on the Hydro valuation of \$226,000, which was too low, but on a valuation of \$282,817, plus \$90,000 for the new equipment. That is, with 3,200 h.p. costing at the power house \$9.49, and sold at present rates, the Commission will be able to pay all charges of maintenance, operation, water franchise, depreciation, and interest and sinking fund on \$372,817. This beats anything offered by the Hydro with its promise of power at cost. \$11.15 was the best promise made, but there was a good deal of uncertainty about what cost would be, power factor and other uncontrollable considerations entering in which were just as liable to increase as to decrease cost. It is only fair, however, to say that should Orillia be unable to utilize the 3,200 h.p. generated that the cost per h.p. will be increased above the \$9.49 mentioned. But past experience warrants the assumption that Orillia's demand for power will increase rather than decrease, and that it will not be many years before a third unit will require to be installed, which will still further reduce the initial cost of power.

Some interesting comparisons are made in the following table regarding the cost of domestic meter lighting service in Orillia and elsewhere. Taking 12 lights installed in Orillia, and a floor space charge of 1500 ft. in Hydro towns as a basis, for a monthly consumption of 20 k.w.h. and 50 k.w.h., the cost is as follows:

	20 k.w.h.	50 k.w.h.
Orillia	\$1.28	\$1.70
Aston	1.45	2.05
Barrie	1.35	2.70
Beaverton	1.25	2.45
Burlin	.95	1.70
Brampton	.95	1.70
Coldwater	1.25	2.45
Collingwood	1.25	2.45
Creemore	1.85	3.95
Elmvale	1.35	2.70
Hamilton	.95	1.70
Midland	.95	1.70
Ottawa	.89	1.55
Penetanguishene	1.05	1.95
Peterborough	.95	1.70
St. Catharines	.90	1.58
St. Marys	1.35	2.70
Stayner	1.85	2.70
Sunderland	1.65	3.45
Toronto	1.01	1.85
Windsor	1.25	2.45
Woodville	1.65	3.45

All rates are subject to 10 per cent. discount, same as in Orillia.

Orillia's flat rate service, taking into consideration the amount of current used, is considerably lower than its meter rate.

The Orillia Times.

PUBLISHED DAILY, FRIDAY, MAY 25, 1916.

## ORILLIA'S USE OF ELECTRIC POWER

### Exceeds that of the Ten Towns and Villages Drawing from the Big Chute.

A study of the seventh annual report of the Ontario Hydro-Electric Power Commission, for the year ending October 31st last, demonstrates still further the extent to which the electrical light and power business has been developed in Orillia compared with our neighbours. For instance the peak loads for the year in the places supplied from the Big Chute were as follows: Barrie, 415 h.p.; Midland, 391 h.p.; Collingwood, 370 h.p.; Elmvale, 42½ h.p.; Stayner, 80 h.p.; Coldwater, 44 h.p. Penetanguishene's power load is not given, but the peak probably did not exceed 350 h.p. Creemore has contracted for 75 h.p. and Waubauskene and Port McNicoll for 50 h.p. each, but it is not likely that any of them have reached half that amount as yet. Nevertheless adding all these loads together we get 1,867½ h.p. as the total, whereas Orillia's peak load during the past winter (which was not so high as has previously been attained by a considerable amount) was 1,868 h.p. In other words, Orillia's peak load was greater than the combined loads of the ten towns and villages drawing from the Big Chute. Moreover, as the peaks in the various towns did not synchronise, the highest demand made on the Big Chute plant, aside from the Orillia load, was 1,368 h.p., a peak which was exceeded by Orillia on practically every working day for the three winter months.

Figures as to the loads in some of the cities of the Province still further emphasise Orillia's position. During the past year, Berlin's peak load was 1,843 h.p.; Brantford's, 972 h.p.; Guelph's, 2,024 h.p.; London's, 5,047 h.p.; St. Thomas's, 1,665 h.p.; Stratford's, 1,005 h.p. To some extent, the comparatively small loads in these places may be due to fact that they are on the meter system; but this does not by any means account for the difference.

Some further interesting figures are gleaned from the same report. The amount paid by the Commission to the Simcoe Railway and Power Company is given as \$434,177. This is more than Orillia's total capital investment in the Ragged Rapids plant, the transmission lines and the town distribution system, which amounts to \$406,000. In addition to this, the Commission has spent \$206,178 in transmission lines and \$37,497 in distributing stations, a total of \$677,853. This is aside from the sums spent by the various municipalities in distributing systems, which would raise the total to well over three quarters of a million.

The cost of the Wasdell's Falls system is given as \$210,327, of which the plant at the falls took \$112,832, the transmission lines \$94,051 and distributing stations \$3,444. Up to date \$238,739 has been spent on the Eugenia Falls system, which is to supply Owen Sound, and also to act as an auxiliary to the Big Chute.



# ORILLIA WATER, LIGHT AND POWER COMMISSION

ORILLIA, ONT. April 24th 1916.

To His Worship the Mayor, and Corporation of  
Orillia.

Gentlemen:-

We beg to transmit to your honourable body the Agreement submitted by the Hydro Electric Power Commission of Ontario for the purchase of Power House at Swift Rapids as also the Town's right in Dam being built there, with the request that the Agreement be submitted to a vote of the qualified ratepayers.

Your Obedient Servants,



Vice-Chairman.



Secretary.



BY LAW NO. 657

of the Town of Orillia.

To provide for the submission to the Electors of the Town of Orillia of By Law No. \_\_\_\_\_ authorizing the Corporation of the Town of Orillia to enter into a Contract with The Hydro Electric Power Commission of Ontario, providing for the transfer and sale to the said Commission of the Power House and other claims or rights of the Town Corporation, or to which it has or may be or may become entitled, at the Swift Rapids on the Severn River.

WHEREAS the Municipal Council of the Corporation of the Town of Orillia, has, subject to the approval of the Electors of the Town of Orillia, entered into an Agreement for the transfer and sale to the Hydro Electric Power Commission of Ontario of the Power House and other claims or rights of the Town Corporation, or to which it has or may be or may become entitled, at the Swift Rapids on the Severn River; and

WHEREAS it is necessary to submit the By Law authorizing the execution of the said Agreement, and such Agreement, to the Electors of the said Town for their approval or disapproval.

N O W T H E R E F O R E

The Council of the Corporation of the Town of Orillia

ENACTS AS FOLLOWS:

1. THAT the said By Law No. \_\_\_\_\_ together with the Agreement appended as a Schedule to the said By Law, be submitted for the approval of the Electors of the Municipal Corporation of the Town of Orillia entitled to vote on By Laws creating debts.
2. THAT the votes of the said Electors be taken upon the said By Law and Agreement on Monday the Twenty-second day of May A.D. 1916, commencing at Nine o'clock in the forenoon and continuing till Five o'clock in the afternoon at the several Polling places and by the several Deputy Returning Officers and Poll Clerks hereinafter named.

For the 1st Polling Subdivision at the Moore Estate Building, Mississaga Street, and that *Charles Morrison* shall be Deputy Returning Officer and *Harry Flint* Poll Clerk for such Polling Subdivision.

For the 2nd Polling Subdivision at Ralston's Shop, Mississaga Street, and that *Charles D. Halley* shall be Deputy Returning Officer and *Andrew Minvill* Poll Clerk for such Polling Subdivision.

For the 3rd Polling Subdivision at the Fire Hall, Peter Street, and that *Fred Webber* shall be Deputy Returning Officer, and *A. B. Webber* Poll Clerk for such Polling Subdivision.

For the 4th Polling Subdivision at John Kerr's Shop, Mississaga Street, and that *John Reardon* shall be Deputy Returning Officer, and *Robert J. Smith* Poll Clerk for such Polling Subdivision.

For the 5th Polling Subdivision at Old Council Chamber, West Street, and that *Robert C. Hipwell* shall be Deputy Returning Officer, and *Harry Greenland* Poll Clerk for such Polling Subdivision.

For the 6th Polling Subdivision at E. F. Cooke & Son Shop, West Street, and that *Joseph Gibbon* shall be Deputy Returning Officer and *John W. Mitchell* Poll Clerk for such Polling Subdivision.

For the 7th Polling Subdivision at William Glover's house, Mary Street, and that *Frank Nelson* shall be Deputy Returning Officer and *Hector Grant* Poll Clerk for such Polling Subdivision.

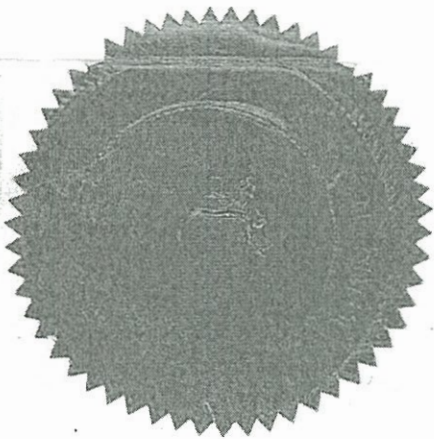
3. THAT a true copy of this By Law shall be published in "The Orillia Times" newspaper on April 27th A.D. 1916 and in the three next succeeding consecutive weekly issues of such newspaper, and shall also be posted up at four or more of the most public places in the Town of Orillia.

4. THAT on Saturday the Twentieth day of May A.D. 1916, at Eleven o'clock in the forenoon, at the Council Chamber in the said Town of Orillia, the Mayor will, in writing signed by him, appoint

two persons to attend at the final summing-up of the votes by the Clerk and one person to attend at each Polling place on behalf of the persons interested in and desirous of promoting the approval of the said By Law and Agreement, and a like number on behalf of the persons interested in and desirous of opposing the said By Law and Agreement.

5. THAT the Clerk of the Corporation shall attend at the said Clerk's Office on Tuesday the Twenty-third day of May A.D. 1916, at the hour of Eleven o'clock in the forenoon, to sum up the number of votes given for and against the said By Law and Agreement.

PASSED this Twenty-<sup>six</sup>~~third~~ day of April, A.D. 1916.



*R. Curran.*

Mayor

*G. G. Grant*

Clerk.

BY LAW NO. 651

of the Town of Orillia.

-----

To provide for the submission to the Electors of the Town of Orillia of By Law No. authorizing the Corporation of the Town of Orillia to enter into a Contract with The Hydro Electric Power Commission of Ontario, providing for the transfer and sale to the said Commission of the Power House and other claims or rights of the Town Corporation, or to which it has or may be or may become entitled, at the Swift Rapids on the Severn River.

PASSED: April 6th, 1916.



## Action Needed Put Hardworking Ontario Families First

Data provided by the Ontario Society of Professional Engineers shows that last year, the Ontario government allowed 4.7 terawatt-hours of hydroelectric power to be wasted in Ontario - including the station at Niagara Falls. This is the equivalent of powering nearly 500,000 homes for a year.

We're selling power at a loss to competing states like Ohio, Michigan, and Pennsylvania, and allowing affordable green hydro power to get wasted. This is going to continue to happen until we address the root of Ontario's hydro crisis and dismantle the Green Energy Act.

This latest example of waste comes on the heels of Hydro One applying for a rate hike that would see households paying \$141 more per year. Is it any wonder Hydro One continues to apply for rate hikes when our electricity system is so poorly managed?

Another example of this mismanagement comes with the purchase of Avista by Hydro One. This is the direct result



of the Ontario Government's fire sale. Hydro One is gouging ratepayers while using our money to buy up foreign companies. In the end, Ontario families will be left paying even more for hydro.

Why should Ontario families be left with even higher bills when Hydro One has almost \$7 billion to throw at foreign companies? This is not fair to Ontario ratepayers.

Hydro One's application for a massive, unaffordable rate increase should be immediately rejected.

Hydro One's customer service is already insufficient. Now they will be focusing their attention on American customers instead of helping out Ontario families in need of support and relief. Our province is home to some of the highest rates in North America, and Washington is home to some of the lowest. Enough is enough. It's time for a government that puts the needs of Ontarians first.