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TO

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I am delighted to speak with you today. As you may know, this invitation arose out of a meeting we had with Geri and Ted back in July when we were talking about a number of issues important to the OFA.

Over the years, Hydro One and members of the Ontario Federation of Agriculture have established a very good working relationship.

As customers, you are very important to us and we really want you to know that.

You have a true seat at the table...

Whether it's as part of our customer advisory board or at other forums where you speak and we listen.

We've also tried hard to better understand one another's needs and priorities...

So that together we can accomplish great things.

Part of this involves never taking each other for granted.

Our rural communities are the heart of Ontario...and we have to make sure they're at the heart of our Province's future as well.

We need our farmers and producers to succeed...now more than ever.

Agri-food is Ontario's second largest economic sector.

You put food on our table and bring wealth to our communities.

And you're at the centre of so many exciting developments in rural Ontario.

You're **innovating** to tap into new markets.

You're **diversifying** to attract new customers.

You're **investing** for the future.

And you're **practicing good stewardship** of our land, water and environment.

At Hydro One, we understand all this.

We know the role you play in making Ontario stronger...

And we know you can't play that role unless you're strong yourself.

Like you, we're innovating.

We're diversifying.

We're investing for the future...

And we're committed to a cleaner environment.

Above all, we know how important a safe, secure and reliable electricity system is to your success...and the success of our province.

Today I want to focus on three areas in particular where together, we are working hand-in-hand to build trust and keep moving forward.

- Stewardship of Assets
- Environmental Leadership; and
- A strong Customer Focus

### **Stewardship of the Assets**

We need to be, first and foremost, good stewards of the assets under our control.

Our transmission and distribution assets are a prized legacy...and the pride of North America when they were built.

In a speech to the Empire Club in the late 1950s Premier Leslie Frost commented on Ontario's remarkable post-war growth.

*"Everywhere there were demands,"* said Frost, *"for new schools, hospitals, roads, bridges and tunnels...demands no one had been able to foresee."*

*"Fortunately,"* Frost said, *"Ontario's transmission system was up to meeting this growth, because excess capacity had been designed into the system years earlier..."*

This is the excellence that is our legacy...

And it's now our turn to ensure that we take care of this prized asset so that we can pass it on to our children and grandchildren.

That's why at Hydro One we're investing in our future with the largest infrastructure renewal program in more than two decades.

Our focus is to get more out of what we have...

To relieve internal congestion points...

To deliver a new era of clean generation, including renewables, into our system.

### **Bruce x Milton**

A major part of this renewal is our proposed \$600 million, 180 kilometer, 500 kilo-volt transmission line on the existing Bruce to Milton corridor.

We need this line to move renewable power from Bruce Region as well as additional nuclear power from Bruce Generating Station.

This is an exciting project. It will be Ontario's newest **clean energy corridor**

But it's not just important to us.

It's important to you too.

The proposal affects hundreds of farm properties. We understand the relationship of landowners to their land and know that we have to minimize impacts to them.

Earlier this year we held seven Public Information Centres along the route.

Over 500 people attended, including more than 50 per cent of the affected landowners.

They asked many questions about the project and they shared their views and concerns with the Hydro One project team.

We've assigned property agents to each affected landowner for one-stop access to information.

You can keep track of the project on our website...

And we've met with representatives of the Ontario Federation of Agriculture and heard your concerns.

Based on timely EA and OEB approvals, we're planning an in-service date of December 2011 for this project.

That's just four years away.

Recently, we announced that we will be looking at potential refinements to the route in three areas:

- Brockton/Hanover/West Grey
- Camp Creek (West Grey) and
- Halton Hills.

We made this decision based on what we heard from the public and stakeholders during our spring consultations.

It's a sign of our commitment to work with you every step of the way...so that we stay in step every part of the way.

In the past, we may have acted in a "we know what is best for you" fashion.

That's not what we're about.

We know that successful companies establish and communicate the need for a project...

They involve stakeholders early and often throughout the process;

They respect those affected by projects by listening, being flexible, creative and transparent;

And they do their very best to align the needs of the community with the project.

That's our approach in this case.

And I want to be the first to know when we don't meet that standard.

Now I can't talk about the Bruce to Milton project without talking about the issue of compensation.

It is, in some respects, the elephant in the room and I know that when the first line was originally built, it was an issue that created ill-will towards the former Ontario Hydro.

I know and recognize there is still some scepticism that exists around the issue. I believe we did a lot to address that when we built the lines from Bruce to London and down to Nanticoke.

And while there is much work to be done with respect to the issue of compensation, I can assure you that we will do everything in our power to be transparent, consistent and fair.

And in being fair, I am talking not only about fairness to property owners, but also fairness to all the ratepayers of this province – because after all, ratepayers are affected by the decisions we make with respect to landowner compensation.

Now, however, I want to look at one of the main drivers behind the Bruce-Milton project.

What's really driving this expansion is the explosion in renewable generation in Ontario, and Bruce region in particular.

And that brings me to my second of three topics today – our shared environmental leadership.

### **Environmental Leadership**

Hydro One and Ontario's farmers and producers share a similar concern for the environment.

We all want to be good environmental stewards.

At Hydro One, environmental stewardship is embedded in our vision.

We aim for the lowest possible environmental footprint and strive for constant improvement.

Today's public expects nothing less.

Which is why I'm so excited about the Renewable Energy Standard Offer Program.

It's the right idea at the right time for a society that is serious about the environment and its quality of life.

It's an environmental winner from start to finish.

### **Standard Offer Program**

In the space of a few years, Ontario has gone from worst to first in green energy...

And that's putting green dollars in the pockets of rural communities.

Key to this success has been the Renewable Energy Standard Offer Program.

When the Province introduced the program, its goal was to generate five per cent of Ontario's needed electricity – 1,350 megawatts – through renewables by 2007.

That target has now been doubled to ten per cent.

It's clear we are at a time when energy matters are taken seriously.

For the first time in a long while, Ontario has a long-term energy plan – the Integrated Power System Plan ...

And that plan calls for a significant contribution to our supply from renewables and conservation.

Getting renewables – wind, solar, hydro and biomass -- up and running will be key to meeting these targets.

Which is why I am delighted that Ontario farmers and producers have responded so enthusiastically to the Renewable Energy Standard Offer program.

At Hydro One, our challenge is to transmit and distribute this new power as efficiently as possible.

It's also been a challenge keeping up with the response to the program for our Generation Connections department.

They have gone from processing fewer than a dozen of these applications in a year to being faced with more than 1,400 in the 18 months since the program launched.

This has been a huge challenge and we've made some mistakes along the way. The learning curve has been steep, but we are making progress and have staffed up to handle these applications in a timely, transparent and fair fashion.

Over the next ten years, the Standard Offer will help add up to 1,000 megawatts of renewable energy to Ontario's electricity supply — enough to power 250,000 homes.

It will also reduce air pollution, promote reliability, protect the environment and create new high-skill jobs.

Wind power is off to a very fast start.

In Ontario, in 2003, there were ten windmills in operation. Today there are 700 completed or in the works.

And now biomass is coming on line too.

We've connected our first anaerobic digester in August at Terryland Farms in Vankleek Hill.

And this is just the first of many that will come online.

Farm owners have responded enthusiastically and almost 30 additional projects are in the works.

As we move forward, it's vital that the Standard Offer be a fair and transparent process.

We are working as hard as we can to process your requests and meet the government's generating targets.

We've designed an expedited application process that will save you time and reduce red tape...

And we've staffed up as well...and cut the turnaround time on connection impact assessments to five months from seven.

This isn't perfect, but it is improving.

## **Energy Efficiency**

We're still stressing energy efficiency.

Every kilowatt that doesn't have to be generated and transmitted adds to our quality of life and that of our children.

Besides, energy efficiency has always been good for the bottom line.

You're probably aware of Hydro One's Electricity Retrofit Incentive Program (ERIP).

This is a program specifically designed to help business retrofit and save money.

We'll help you reduce consumption related to lighting, motors, heating, ventilation and air conditioning with pre-defined technology.

Once again, there's been a great response from the agricultural community.

So far, about one-third of the program participants are farm customers.

The deadline for applications for this program is December 31<sup>st</sup> of this year...so if you haven't already done so, please contact us and get us working for you.

User-friendly programs like ERIP come from listening to our customers. That takes me to the last area I wanted to talk about.

## **CUSTOMER FOCUS**

I'm very proud of our record in listening to the agricultural community and acting on your concerns.

Today, we renewed our commitment to each other in signing the Memorandum of Understanding for Farm-Based Energy Efficiency Programming.

But there are other areas that I know are of concern to you as well. For example:

### **Stray Voltage**

Right now we're involved, as you are, in participating in the OEB's consultation on stray voltage – which as you know, is being undertaken to establish acceptable standards for stray voltage levels in Ontario.

Over the years, I believe that we have worked diligently with the farming community when the issue of stray voltage is brought to our attention.

It has been our policy that when and if a farm identifies a stray voltage issue, Hydro One will conduct an engineering investigation to confirm the existence of stray voltage and to determine if it is the direct result of Hydro One equipment or a customer system problem.

If it is determined the cause of the stray voltage is a direct result of Hydro One equipment, we will take steps to remedy the situation.

Most farm stray voltage issues caused by a customer system problem can be eliminated by a qualified electrical contractor who can locate the electrical problem and make necessary repairs, including updating wiring.

Hydro One has also provided assistance to the farmer to resolve any customer system problems.

We believe this has worked well for both of us, but I do not want to presuppose the outcome of the OEB review and we will continue to be an active partner in this process.

## **Conclusion**

Since the final days of the former Ontario Hydro, change has been the watchword in the electricity industry in Ontario.

After some turbulent years, I firmly believe we are heading in the right direction.

Huge issues remain...and new challenges will no doubt appear.

But for the first time in many years, we have a long-term plan for our electricity system that talks about infrastructure renewal as well as conservation and demand management.

So it's an exciting time...at Hydro One we're using this period to strengthen our assets...

Show strong environmental leadership...and strengthen our relationship to our customers.

Because when we help you create new wealth...partner with you on energy efficiency ...and provide you with a strong electricity delivery system ...

We strengthen the foundations of an entire province.

Thank you.