

Hydro One and First Nations Engagement Session
Mandarin Room, DoubleTree by Hilton
Friday, February 10, 2017

SESSION REPORT

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WELCOME

Mr. Phil Goulais, Session Facilitator, called the meeting to order and introduced Elder Andrew Wesley. Elder Wesley provided the opening prayer and a smudge. Mr. Goulais noted that on the previous day, the session was welcomed by the Mississaugas of New Credit First Nation and he thanked them for continuing to allow the attendees to meet on their territory.

Mr. Goulais provided background information from the previous day and thanked participants for letting him share the day with them. He noted that he was pleased to see his own Chief present, Chief McLeod. In his work with Hydro One, Mr. Goulais has built relationships with communities and has travelled to communities to give procurement workshops and share career opportunities at Hydro One. He noted that Chiefs were asking how to work with Hydro One and effect change, particularly around hydro rates. At the same time, Hydro One was asking how to work with First Nations. This came from an understanding of the need to work better together. This was part of the motivation for hosting the engagement session.

Mr. Goulais shared the message from the invitation related to the objective of the session: *“Our most important objective is to hear from you and the issues that matter to your community. We will also be pleased to share our current thinking and solicit feedback on the application for Distribution Rates and the distribution system plan that we are preparing for submission to the Ontario Energy Board.”* He reassured participants that these discussions did not constitute consultation, and that it was just meant as a discussion. He noted that it was an honour to work with the Chiefs and Councillors, Grand Chiefs, Deputy Grand Chiefs and the Regional Chief. It was an honour to hear firsthand what community members are saying.

Mr. Goulais noted three senior executives from Hydro One in the room, noting that they are the decision-makers and the engagement is an opportunity to draw from their experience and knowledge. They were attending to hear the views of First Nations. He concluded by stating that the engagement is an important first step. He commended the participants for venturing out and taking that step. He shares his hope for a productive day of information sharing and discussion as well as establishing a plan going forward to continue the discussions and strengthen the relationship further. He asks that everyone consider what they will collectively leave as a legacy for their young people and generations to come.

As far as the morning’s agenda, Mr. Goulais asked that participants introduce themselves, state where they are from and any early comments. Mr. Ferio Pugliese, Executive Vice President, Customer and Corporate Affairs will give a presentation on customer service. He asked participants to speak to what they would like to get out of the session, and what great customer service means to them. It was noted that notes of the meeting are being taken and participants would receive the written notes of the session for review. In addition, a graphic artist is capturing comments in a graphic way.

INTRODUCTIONS

Chief Barron King, Moose Deer Point First Nation: Personal Introduction

Jerry Fontaine, First Nations and Métis Relations, Hydro One: His work with Hydro One involves travelling to communities and conducting relationship-building work. He is from Treaty 1

in Manitoba, Sagkeeng First Nation. He is also party of Treaty 3, as the treaties did not recognize provincial borders. He noted that at the session yesterday there was some confusion on the point the purpose of the meeting, so he clarified that it is about building a relationship, trying to do things right, and identify where there can be changes at Hydro One. The company is seeking how to do things differently.

George Kakeway, First Nations and Métis Relations, Hydro One: Mr. Kakeway introduced himself as from Rat Portage, Treaty 9. He noted that he works with Treaty 3 communities and has been doing this work for Hydro One for about three years. In doing so he follows the traditional spiritual protocols before entering each community.

Chief Tom Johnson, Seine River First Nation: Chief Johnson noted that in his community when they see a Hydro One truck it is only for one thing [presumably to cut off service]. He notes that it has been a long process of negotiations and he would like to walk out of the engagement session feeling good about the process. He recognized that one day would not solve everything; there will need to be more time. However, he was looking for something to look forward to regarding hydro rates.

Rob Globocki, Director, Customer Service, Hydro One: This Customer Care Director noted the desire to establish connections with customers. They do not want to be seen as just people who come to cut people's power off. He suggests that Hydro One wants to work with First Nations, provide information and ask about First Nations' needs and priorities.

Ferio Pugliese, Executive Vice President, Customer and Corporate Affairs, Hydro One: Mr. Pugliese noted that he has only been with Hydro One for five months. He is originally from Ontario. He describes his responsibility as being about customer care and Indigenous Relations. He thanked the participants for coming and noted that the previous day had been a frank and honest discussion. He suggested that the Hydro One executive team were forging a new commitment to relationship building. He reiterated that Hydro One appreciates the presence of the attendees and recognized that they were busy. He reaffirmed that the session is a conversation and is not a consultation. He saw this as the first chance to meet and get to know the new team and answer participant questions. He also mentioned that they wanted to do more community visits.

Steven Nootchtaï, Councillor, Atikameksheng Anishnawbek: Personal introduction.

Chief Alex Batisse, Matachewan First Nation: Chief Batisse noted that he was attending to voice his concerns about the very high delivery rates.

Amy Lickers, Chiefs of Ontario: Ms. Lickers introduced herself and said that she works with the Chiefs of Ontario Chiefs Committee on Energy.

Sherrylyn Sarazin, Councillor, Algonquins of Pikwakanagan: Councillor Sarazin noted that her community has a long-held grievance with the energy sector. Dams took away their food; the eels disappeared. Energy lines were brought through in 1954 without permission. They are only now almost at an agreement. She noted the need for more cross-cultural sensitivity training for the staff dealing with First Nations. They should know the Seven Grandfather Teachings. She wondered how her community members could see relief directly on the bills, given the rising cost

of living and high hydro bills with delivery fees costing more than the energy. She is seeking a solution.

Chief William Diabo, Magnetewan First Nation: The Chief noted that he is in his third term in office. He thanked the organizers for putting together the gathering to bring his community's concerns to the table. His concerns are primarily about the relationship, the services and the high rates faced by his community. He noted his hope to achieve a solution, not just hear more words.

Chief Greg Peters, Delaware Nation (Moravian of the Thames): The Chief noted he is in his fifth term in office. He was attending the meeting for similar reasons to everyone: the standard of living for his people is in jeopardy. They have lower standards of living than other communities. To address this, they need to come up with a plan.

Chief Dean Sayers, Batchewana First Nation: Chief Sayers notes that the government of Ontario compels Hydro One to work with First Nations. His Elders make sure he expresses the fact that First Nations in Ontario pay the highest taxes of anyone. They had to give up 50% of their revenues and their quality of life. In the 1800s they were managing the resources but that was taken away. They refused to pay taxes to the government because they already paid with the violations on the land. Any tax that is paid today (PST, GST, etc.) is a violation of their Treaty. He notes that one measure that Ontario could do is point of sale exemptions for all First Nations in Ontario for any tax. If First Nations, no matter where they live, show a status card in paying a Hydro One bill, all taxes should be removed. The delivery charge should also be removed because of the lines going across their lands. Chief Sayers notes that there are many other issues that he would like to bring forward. He thanked Hydro One for inviting him and the other Chiefs for attending as well.

Tausha Esquega, First Nations and Métis Relations Team, Hydro One: Personal introduction.

Cesar Martinez, Customer Care, Hydro One: Mr. Martinez was attending the session to find solutions that are mutually agreeable.

Chief Scott McLeod, Nipissing First Nation: The Chief shared that he was encouraged to hear that Hydro One wants to hear the issues faced by First Nations. The situation is tough. His community just signed a bunch of cheques to help seniors make it through the winter. Most of the homes in his community are heated by electricity, so people have to choose between food and heat. He also echoed the comments from Chief Sayers regarding the constant struggle with the government to honour their Treaty obligations. He notes that hydro is a resource that is taken from the land, and instead of sharing; First Nations have to pay huge costs for it. Energy is generated from Mother Earth, and we have agreed to share it in the Treaties. The Chief hopes he can start seeing the government live up to their obligations.

Kathleen Naponse: Ms. Naponse noted that she is from Whitefish Lake but is attending on behalf of Thessalon First Nation. She would like to know what is happening with the rates and where there are plans for more lines to go. She sees this as impacting her Treaty rights.

Imran Merali, Interim Director, First Nation and Métis Relations, Hydro One: Personal introduction.

Karen Taylor, Senior Director of Regulatory Affairs, Hydro One: Ms. Taylor noted that she worked on the application to the Ontario Energy Board (OEB) and she was also a member of the Ontario Energy Board at one time. From the meeting, she hoped to take away sustainable and actionable items.

Chief R. Donald Maracle, Mohawks of the Bay of Quinte: Chief Maracle described his vast traditional territory that extended to both sides of the river. This territory was never surrendered nor was any of the rights within that territory surrendered. The Niagara Power Generation Station is within that territory and his community is looking for benefits from that. First Nations' resources have led to a comfortable life for the colonizing nation to the detriment of First Nations' quality of life. People on reserves are paying the highest rates. These people are further away from big cities, have lower incomes, can only find part-time jobs and often work minimum wage. He notes that the dynamics within the province were not considered in developing the current rates. In addition, municipalities have collected royalties from power lines that cross First Nations land. Sometimes there are land claims or lands that have not been surrendered at all and First Nations should be compensated. He notes that First Nations have contributed resources to the country and have also contributed in times of war. Rates are a political decision, and thus can also be changed by politicians. The rural rate is not properly applied to First Nations. From the meeting, Chief Maracle was looking for some kind of commitment. The OEB will do what the Minister tells it to do. If the Minister was committed to developing a First Nations rate, they should have already had their discussion and told the Chiefs what the decision is. He noted that he hopes this happens. He also hopes that First Nations can build a better working relationship with Hydro One and Ontario, based on the actions that are taken in response to First Nations' concerns.

Art Jacko, Manager of Lands and Resources, Whitefish River First Nation: Mr. Jacko noted that Chief Shining Turtle could not attend, so he was attending in his place, primarily to find out more information. His territory encompasses Treaty 3. None of the promises were ever fulfilled. Fast forward here today, Ontario has created a huge regulated monster. He stated that he was glad to see there is a new management group and will be watching to see how things change. He noted that the process is about the Hydro One application to OEB. He agrees that the infrastructure needs to be addressed. He noted that he knows the cost of running a business however, it is hard to understand and to explain to his people the rationale and reason for the rates that are being contemplated. While there are huge profits at Hydro One, First Nations communities continue to suffer and have not seen any breaks. In the 1853 treaty, First Nations were promised \$4 at that time. Today it is still \$4. He noted that he looked forward to seeing the application that Hydro One will submit and how they intend to deal with those Treaty issues.

Peter Nahwegahbo, Consultation Officer, Aundeck Omni Kaning First Nation (Sucker Creek): Mr. Nahwegahbo noted that he was attending on behalf of the Chief, and will be taking information back for the Chief. He noted that he was looking forward to this meeting, as it was his first session with Hydro One. He recalled that, 15 years ago, he went to his Chief about his hydro bill and then followed up 10 years ago. The Ombudsman of Ontario is finally hearing his case.

Chief Edward Wawia, Red Rock Indian Band: The Chief noted that 15 years ago his mother was Chief and she was saying the same things being said at this engagement session. His community has three dams in their back yard. They are close to Nipigon and yet their bills are 2

or 3 times higher. He would like an answer for why that is. He explained that they teach their young people to conserve energy and pay their bills, but when their bills are so high and the delivery charge is so high, they have troubles paying. He suggested that the delivery charge is so high because First Nations cannot be taxed. He concludes with a comment on maintaining the hydro lines; he would like to see a manual way of tending the lines and an end to spraying the lines.

Gary Schneider, Vice President of Shared Services, Hydro One: Mr. Schneider explained that procurement and land matters falls under his area of responsibility.

Chief Dwight Sutherland, Takwa Tagamou Nation: Personal introduction.

Peter Archibald, Councillor, Takwa Tagamou Nation: Councillor Archibald cited a number of issues that needed to be discussed with Hydro One. He mentioned a transmission agreement process they are hoping to start and they need to know who to speak with and where to go from here. He reflects that delivery charges are another issue. These charges are sometimes three times the electricity charge. There are also transmission problems despite there being several generating sites in his territory. One was just built at New Post Creek. They have also been impacted by not being able to fish out of their river anymore. There are well-documented impacts of sewage dumping, including damage to the environment, and the animals cannot drink there either. This is not being monitored. They are also impacted by Highway 101 and mining in the area. There was no regulation on these activities prior to the Environmental Assessment process. He shares that there is no doubt that people got sick and died from the contamination. He concludes by inviting Mr. Cesar Martinez to meet with him and discuss these issues further.

Oded Hubert, Vice President, Regulatory Affairs, Hydro One: Mr. Hubert noted that he would be giving a presentation later in the afternoon.

Devi Shantilal, First Nations and Métis Relations, Hydro One: Personal introduction.

Lucy Trudeau, Band Manager, Sheguiandah First Nation: Ms. Trudeau noted that she would like to bring back to her community real world solutions to the many issues they face related to hydro.

Daniel Charbonneau, First Nations and Métis Relations, Hydro One: Personal introduction.

Erin Henderson, Regulatory Affairs, Hydro One: Ms. Henderson noted that she had been working with the First Nations and Métis groups at Hydro One in relation to this session.

Valerie George, Consultation Coordinator, Chippewas of Kettle and Stony Point First Nation: Ms. George noted that she wanted to follow up on a point made earlier by Chief Sayers around transmission lines. She also raised the point around an off-reserve exception because sometimes people have to move off-reserve but that does not mean they have forgone their right. She ended by reminding Hydro One that this is not a consultation and Hydro One was not provided consent for anything.

Chief Paul Eshkakogan, Sagamok Anishnawbek First Nation: The Chief expressed his desire to talk more about solutions and the work that needs to be done to achieve those solutions. He noted that the Premier could impact the rates. He added that there was a need in

his community for employment and training. He recalled, years ago, when Hydro One was building the 250kV line from Sudbury to Sault Ste. Marie; they were recruiting community members across the North Shore. He noted that now, we need to go back and look at how First Nations can participate in the business and create employment in his community. He would also like to look at partnering with Hydro One to look at creating energy efficient communities. He notes that there are many energy sources in First Nations that should be considered. He shared that he was looking forward to the discussion.

Warren Lister, Vice President of Customer Care, Hydro One: Mr. Lister explained that his role is everything to do with billing and energy conservation. He noted that they are waiting to hear about rate relief from the Minister, but that in the meantime, Hydro One can do some things to assist First Nations and that is what he was interested in speaking about. He noted that he knows Hydro One has work to do as it relate to policies and procedures and committed to taking action on those.

Chief Wayne Pamajewon, Shawanaga First Nation: The Chief explained that he was attending the session out of a concern for where we are headed and how we get there. He also affirmed the words of Chief Sayers. He notes that the issues with Hydro One have been around for a long time. His community signed an agreement on hydro in 1951, which clearly points out that power would be delivered, to his community and three other communities at no cost. The interpretation of the agreement is not done from the First Nations perspective. His band members are telling him that they cannot pay their hydro bills and have to choose between food, power or rent. He notes that he came from a time where they would study using a coal oil lamp and when they ran out of oil they borrowed or got creative. Today people need power. We must find a way to make it better for his people. He notes the treaty, which begins at the Severn River and goes to Batchewana Bay. Those lands belong to his community and Hydro One has not paid for crossing those lands. That Treaty said that the First Nations would get benefits. This has not happened. According to that Treaty, his people should not be paying for hydro. They have paid enough. The Chief noted that his community needs three-phase power. They have upgraded the lines a little bit in the community but they still have lower electricity costs and very high delivery charges. The Chief had asked his community members to hand in their bills in order to record the total costs his people were facing. He suggested that all the leadership in the room do that. As Chief, in 2012, he sat at a huge table with First Nations on one side and Hydro One lawyers on other. They did not get very far. He questions how Bell Canada can be paying Hydro One for the use of the poles with no agreement from the First Nations. He noted that he wished some Hydro One policy people had to live on the reserves before making policy for First Nations. He concluded by saying he wanted to talk about the future for his community.

Mary Ann Giguere, Councillor, Thessalon First Nation: Councillor Giguere noted that she has concerns about the high hydro costs, and was attending the meeting to take information back to her people.

Chief Patricia Big George, Anishnaabeg of Naongashiing: Chief Big George began by stating her community was part of Treaty 3. Many of the issues that had already been brought up, resonated with her. She described that her community is at the end of Highway 21. She notes that the delivery charges are usually way more than the hydro charges. She asked if anyone sits at a negotiation table with Hydro One. She described a substation about 35 km from her community that was built when a mine came in. She thought that hydro rates would go down, as a result, but they actually went up. She viewed Hydro One as catering to the mine as

there is an economic incentive coming from the mine. Regarding procurement, she noted that the only contract work for First Nations seems to be cutting trees around the line. She asked if that was the only work available. She asserted that First Nations are worth more than menial tasks. She noted that about 60% of her community members are taking their hydro bills to the band office because they cannot afford to pay them. They should not have to rely on band funds to pay those astronomical rates.

Chief Lorraine Crane, Slate Falls First Nation: Chief Crane noted that she wanted to come to the meeting to discuss the many issues with Hydro One. She describes being born and raised on the land. Hydro One entered the area in 1930. There were agreements between Hydro One and six bands signed in the 1990s. She notes that they have never received reserve status, partly, she believes, because of Hydro One. They have been fighting for decades. The Chief recalled talking to a woman at Hydro One and the woman said Hydro One held the pen. This was both frustrating and offensive. In addition, her community shares many of the same struggles with Hydro One as others have mentioned. Hydro One can just drive in any time and disconnect people, and the community struggles to get people connected so the pipes do not freeze. The hydro bills are high and there is not a lot of employment in her community. They have annual contracts with Hydro One for clearing the land around the lines. She noted that when she was growing up, she always respected the hydro line going through the land. They always let people go through the land. This adds to her frustration alongside no reserve status, high costs of hydro and Hydro One can just come in whenever they want. She wants this to stop.

Chief Dorothy Towedo, Aroland First Nation: Chief Towedo noted that their concerns were many of the same already stated. She is new as a Chief and is learning. Her community is about four hours from Thunder Bay. They also do not have reserve status. She noted the outrageous cost of hydro while her people live in poverty. It makes it hard to pay for heating in winter. Many in her community are unemployed. Many families are forced to choose between power and food. This is also a challenge for Elders and people on fixed income. They also face challenges with interruptions to power that sometimes last days. As a result food gets spoiled and these are people who cannot afford to waste any food. Many people come to the band office for help with food or the hydro bill. The Chief concluded by stating that she was attending to learn how the system works and how these rates are determined.

Chief Elaine Johnston, Serpent River First Nation: Chief Johnston expressed gratitude for attending the session. She supported the comments of Chief Sayers regarding the Treaties. Her community is part of the Robinson Huron treaty area. The political conversation around 'Canadian Values' from Kellie Leitch reminds her that everyone who came to Canada is an immigrant. She posed the question: what are Canadian values? How did settlers treat First Nations people? She reminded the room that First Nations people treated newcomers well but that was not reciprocated. The way that First Nations have been treated for 500 years has been abysmal. Regarding relationships, the Chief notes that each side has to understand one another. She was pleased for the opportunity to open up a conversation; however, there is a need for some cultural understanding and an understanding of First Nations history, in order to understand where First Nations are coming from. The fathers of confederation gave First Nations people the residential school system. Hydro One needs to know the history of this country. Regarding energy, the Chief noted three things: 1) the Minister of Energy is the one making decisions; 2) there is confusion around Hydro One and the OEB. Who is doing what? and, 3) there needs to be some cultural recognition within Hydro One from the bottom to top. In addition, there needs to be designated staff as part of the call centres that can respond to land

issues and taxation issues, etc. The Chief noted that when members call the call centre they get nowhere. Chief Johnston concluded by sharing appreciation to Hydro One for hosting this event because relationships start with dialogue. While Hydro One is sharing information, First Nations should share their perspectives too.

Deborah Wetzel, Councillor, Big Grassy First Nation: Councillor Wetzel concurs with everything previously said.

Lee Anne Cameron, First Nation and Métis Relations, Hydro One: Personal introduction.

Chief Wayne Smith, Naicatchewenin First Nation: Chief Smith noted that it was a pleasure to attend the engagement session. He came hoping to know more about delivery charges, as it is the biggest issue facing his First Nation. He recounted a personal anecdote that was instructive of what his community members deal with related to Hydro One. He shared that he had a rental unit that he paid the hydro for monthly. His tenant moved out in October, so he closed off the account. When a new tenant moved in, he transferred the bill to the new tenant. He received an excellent letter of recommendation from Hydro One, but also received a \$126 bill from the month before. He forgot about it and missed the due date by a week and a half. Ultimately he paid the bill online. However, when he came back from vacation it had been sent to collections by Hydro One. The Chief noted that First Nations members are badly treated by Hydro One customer service and there is a real need for a change in attitude. He also agreed with the issues brought up by the other participants. Out of this meeting, the Chief was hoping to learn more about Hydro One and also move from talking to action.

Jason Laronde, Director of Lands and Resources, Union of Ontario Indians: Mr. Laronde shared that he was attending the meeting to listen.

Brendon Huston, Economic Development Coordinator, Union of Ontario Indians: Mr. Huston noted that he was also attending to listen.

Chief Wayne Pamajewon, Shawanaga First Nation: The Chief noted that when it comes to submersible lines, that First Nations never gave up rights to the water.

CUSTOMER CARE

Mr. Ferio Pugliese, Executive Vice President, Customer and Corporate Affairs, Hydro One
Mr. Pugliese began by thanking the participants for the frank discussion and open dialogue. He noted that Hydro One was undergoing a lot of changes, including a new system in Ontario. There are a lot of moving parts. For its part, Hydro One is undergoing profound changes, because of the shift towards a private company with shareholders. Providing some clarity, Mr. Pugliese noted that Hydro One was not in the power generation business, but in the Transmission and Distribution businesses. Hydro One does manage the delivery charges. He admitted that the new team at Hydro One recognizes that things had happened in the past when it came to First Nations land and communities. While they cannot change what happened in the past, the new Hydro One team is making a commitment to work differently, in partnership with First Nations. He asked the attendees to judge the new team on their actions. He noted that in a year from now, or sooner, Hydro One will be able to share insights and progress on closing out past grievances, in helping community members with bills, and making movement on

affordability. He recognized that this meeting was the first step in a long journey of building relationships.

Mr. Pugliese provided information on four points: the First Nations rate, affordability, calls to action, and understanding the distribution rate filing. Regarding the First Nation rate: in Ontario hydro bills are generally made up of the following: 50% for generation costs (nuclear, hydro, gas, wind, solar, biofuel) and 37% of the bills are distribution costs. These costs vary based on density (more poles than people in rural areas). Hydro One applies for, but does not set the distribution rates; those are set by the OEB. However, Hydro One is trying to influence change related to those distribution rates. Mr. Pugliese recalled seeing bills where the delivery charge is larger than the consumption charge. He noted that he views this as a serious problem. He recognized that in remote communities, where there is electrical heat combined with poorly insulated homes (not on gas lines for forced air), the result is high consumption charges plus even higher delivery charges.

Regarding the potential for a First Nations rate; this is an issue being managed by the Minister of Energy. In developing the proposed First Nations rate, there were meetings with the Chiefs of Ontario and five (5) sessions that included 48 communities. The First Nations consultation was completed last fall in 2016. Mr. Pugliese shared that the final paper was filed by the OEB with the Minister on December 29, 2016 and he believes an announcement on the First Nations rate is imminent.

Hydro One does not want those high rates for communities and has teams working on affordability issues. Once those are resolved, then they can move on to system issues. Hydro One has been focused on education, advocacy and responsiveness. The need for education is acute because not many people understand the hydro system in Ontario. Customers, communities and even decision makers/policy makers need to understand the breakdown of costs and why they are so high. There was a cost increase once Ontario got off coal, for example, which was transferred to the cost to consumers. Hydro One can watch its costs, save money in different ways, and defer expenditures, where possible. Hydro One operates on the cost recovery system, and there are costs associated with maintaining that system which requires capital investments. These plans all have to be submitted to OEB.

Mr. Pugliese noted that Hydro One also plays an important role in advocacy that includes going to policy meetings at the Minister's office and also with the OEB. Hydro One met with the Premier last week and presented an advocacy position on behalf of customers. In that meeting, Hydro One described the situation as a crisis that needed radical redesign of policy in order to address the affordability issue. At that meeting, Hydro One shared information on how the redesign might look to reduce costs on the power generation side, etc. Mr. Pugliese noted that it was not just Hydro One who brought this message to the Premier, although Hydro One probably feels the most pressure because their name is on the bill. Hydro One owns that relationship with customers. Hydro One needs to start listening to the impact that high bills are having. The message was well received by the Premier and the level of engagement and knowledge of the Premier and her staff was impressive. Mr. Pugliese commented that Hydro One saw it as time to act as the voice for their customers, but this advocacy is not something that they can do alone. Hydro One believes that the voice of First Nations on this issue is strong. Hydro One and First Nations sharing the same message on affordability would be powerful. Related to improving Hydro One's responsiveness, Mr. Pugliese noted that they have heard First Nations speak about empty promises from the past. The new team at Hydro One will improve on this performance.

Mr. Pugliese notes that there are some actions that are beyond their ability to change, however, where they can; there are some actions that can be taken to respond to First Nations concerns. Recently they have taken some steps such as waiving reconnection fees. A customer was in arrears and had failed in the payment plan, but in working with the customer they learned that, it was not that the customer could not pay, they just could not follow the plan exactly. Hydro One recognized that they must be more flexible to meet customers' realities. Payment plans can be worked out to better suit customers. Also related to 'taking action', Mr. Pugliese asked participants to let Hydro One know what they wanted in terms of training programs for communities. They are willing to go to communities to work on individual bills, explain the bills, and get clients on plans; however, these activities take many visits. Another option is training people within communities to host these meetings and provide this service within the community. These programs are just getting started, but Hydro One will continue to work with communities in this area.

Chief R. Donald Maracle: The Chief noted that some councils loan monies to community members for bills in arrears. He asked what Hydro One could do for communities in this situation. Some people have had to go to high interest rate companies to borrow, which is a hard cycle for people to get out of.

- Mr. Pugliese responded that people would generally have to rely on social service agencies and that Hydro One does not have a policy on this issue, but can potentially look into it. In addition, he noted that they spoke with the Premier on affordability funding. The current program qualifiers are stringent but perhaps Hydro One can use the surpluses in cases such as this.
- **Follow up from Chief Maracle:** The Chief notes that in smaller communities there are no service agencies and have to depend on the band council.
- Mr. Martinez, Hydro One, noted that when they come to the community in March they will bring the United Way with them. Community members can apply for relief from the United Way. He has done this with First Nations communities before.
- Mr. Pugliese noted that this issue has come up before and is something that they want to look at. They are looking to support an adjudication process in order to address it. This is a potential suggestion for action going forward.

Chief Elaine Johnston: Chief Johnston noted that a lot of her people are living in poverty, so a payment plan will not help them. They are having a hard time paying for food. There are other social service programs, but those have a limit.

- Mr. Pugliese commented that Hydro One cannot address poverty in a general sense. It is a very broad, complex social issue. However, Hydro One can focus on the bills as part of their own social responsibility. Also related to community social services, perhaps Hydro One can support those through Hydro One's community giving program.

Peter Archibald, Councillor: Regarding Hydro One coming into communities and turning off power, Councillor Archibald asked if it was possible to put a load limiter on these houses. He reiterated that when the power is turned off pipes freeze causing unnecessary renovations that cost even more money. He also expressed frustration that Hydro One staff go on reserve to shut people's power off and do not even stop at the band office first. If this does not change, Councillor Archibald suggested that Hydro One staff would no longer be welcome in his community. He reiterates that concerns must be addressed, especially the delivery charges. He shared his position that the delivery charge should be removed altogether.

- Mr. Pugliese responded that Hydro One supports Councillor Archibald's position on the delivery charge; however, it is not Hydro One that controls that. Regarding Hydro One staff entering the community, Hydro One has heard this concern previously and believes that their staff must respect the community protocols. They should first visit the band office. Finally, with respect to the disconnection and whether there could be load limiters, Mr. Pugliese noted that there are resources on this that Hydro One is willing to share through their outreach activities.

Chief Wayne Pamajewon: Chief Pamajewon brought back the conversation on the agreement from 1951, which was signed by four communities. He inquired about how much revenue was generated through that agreement over the years. He would like to see the historical numbers. He also suggested the conversation on submersible cables should move forward.

- Mr. Pugliese responded that he is sure there must be information on the revenues generated through those agreements. He noted that he and the Chief Legal Officer had been going through all of the agreements to identify what had gone wrong in the past and where there are fixable issues. Hydro One wants to re-evaluate all of those agreements and resolve outstanding issues. Regarding submersibles, Mr. Pugliese noted that they are happy to sit and meet to have a discussion. In addition, the Chief Operations Officer would be presenting later and would be better suited for that discussion.

Chief William Diabo: Chief Diabo spoke about delivery costs. He shared that they have houses in his community that they rent. They turn the breakers off in the summer and yet they still receive bills with an astronomically high delivery charge. He is seeking an explanation for that. In addition, he asked for more details about the First Nations rate and the consultation with First Nations on that issue.

- Mr. Pugliese noted that consultation has not started for Hydro One on that issue. Regarding the First Nations rate, that was a consultation conducted by the OEB last year.
- **Response from Chief Diabo:** The Chief noted that his community was not consulted and added that the Chiefs of Ontario does not consult for his community; rather, they only advocate for his community.
- Mr. Pugliese noted that Hydro One can provide more information on that consultation initiated by the OEB and on the request for a First Nations rate.

WELCOME REMARKS FROM THE PRESIDENT

Mr. Mayo Schmidt, President and CEO, Hydro One

Mr. Schmidt provided a warm welcome to the Grand Chiefs and Chiefs. He recognized that the participants were looking for action and outcomes. He noted that the Hydro One team was learning more about the issues that are facing First Nations. Many of the issues identified the previous day were brought up again at this session. Hydro One is going through a period of transition. As part of the transition, the company has taken a renewed focus on customer service. He assured participants that their voices are being heard, not just by the leadership team in attendance, but also the entire Board of Directors. Hydro One, being a publicly listed company, opens up an opportunity to advocate on behalf of customers, whereas before Hydro One just took instructions from the province. The leadership team has come to understand how painful the delivery charge is for First Nations and they are speaking with the province to try to address that. Hydro One serves 88 different First Nation communities, which represent a great

deal of diversity. He noted the need to account for constitutionally protected rights and unique cultural connection to the land.

Mr. Schmidt shared that Hydro One met with the majority of the First Nations communities that they serve, which included over 200 community visits. He noted that they are looking to expand community visits and welcomed the participants to let Hydro One know if they were interested in a community visit. He appreciated the goals and aspirations, as well as the needs of First Nations rights-holders and landowners, in terms of business development and community relationships.

The rising cost of power is a serious concern and Hydro One would like to see lower rates. He assured the room that Hydro One staff were listening and taking notes which they will use to advocate First Nations concerns when meeting with the Premier and Minister of Energy, in making those points about affordability. Mr. Schmidt noted that Hydro One has information about how the rate increases occurred and plans for how they can be addressed. They will use this information to try and influence better outcomes for customers. Hydro One met with the OEB on the First Nations rate and supported reducing the delivery charge for First Nation communities. They also met with the Premier. Mr. Schmidt shared his optimism in seeing a policy change in the near future.

Regarding high bills and high arrears Mr. Schmidt noted that they are expanding the delivery of a new service model in First Nations communities. The new model centres on sitting down with customers face-to-face to review accounts and provide assistance where possible. To date, they have met with over 600 customers and are seeking to expand. Mr. Schmidt stated that if this is of interest to participants, to let Hydro One staff know. He noted that in the coming months they will be developing new programs for sustainable relationships. He views this as not only good business but also the right thing to do.

Mr. Schmidt concluded by thanking attendees for participating, as well as thanking the Minister of Energy and Regional Chief Day for working together towards building a strong and sustainable relationship.

Chief Dean Sayers: The Chief began by thanking Mr. Schmidt for attending the meeting. He explained that Indigenous people in Ontario pay the most taxes of anyone. There was an agreement to share the economy with settlers based on the understanding that First Nations people do not have to pay taxes. In Ontario, this is largely unrecognized. Chief Sayers asked if Hydro One would be willing to honour the point of sales tax exemption for all Indigenous people in Ontario no matter where they live. This was his formal request. The Chief's second point is on working for mutual benefit; he wondered how working together would look, and what would be the benefits, in general.

- Mr. Schmidt asked his staff member, Ms. Lee Anne Cameron [First Nations and Metis Relations], to make a note on the issue of taxes. He stated that given the complexity of the tax system there would have to do some analysis on that. He committed to going back to Chief Sayers on that topic.
- Ms. Cameron sought to clarify Chief Sayers' statement; that the tax can be removed for customers on reserve once Hydro One receives a status number, but she believes what Chief Sayers is referring to is eliminating the taxes even for those First Nations who are not living on reserve.

- **Chief Sayers:** The Chief clarified that at the time the agreement was made, there was no differentiation between on-reserve or off-reserve.
- Ms. Cameron said that Hydro One would go back to their tax group to discuss as well as talk to the province. She noted that they had been audited several times by the Canadian Revenue Agency related to tax collection. She also noted that, on a personal level, she agreed with Chief Sayers.

Mr. Schmidt described recent conversations with the province where they sought to provide solutions to the challenge of high delivery charges. The Province is currently looking at those issues. Hydro One is seeking to make progress on the big issues, and is trying to get away from disconnecting customers; rather, they are seeking to turn the power back on and work with customers one-on-one to try and solve the challenges.

Chief Scott McLeod: Chief McLeod shared that his band council had to issue 220 cheques to Elders to assist them in paying their hydro bills. That is \$88,000 in one month. He notes that it is not just the financial burden; they view it as insulting and immoral. The Chief shared that there are two major lines running through his First Nation, and yet leadership has to explain why citizens who are struggling are getting delivery charges. He noted that his community members are outraged, particularly because Hydro One does not pay anything to the community for the lines running through their territory and then Hydro One turns around and charges outrageous rates. They view this as money that is owed to them, and they need a conversation about that.

- Mr. Schmidt noted that Hydro One staff needed to meet with Chief McLeod on this issue and wondered if the contract lapsed or was ever renewed? He committed to reviewing these agreements.
- Ms. Cameron suggested that Mr. Gary Schneider, Hydro One, can talk with the Chief on this issue.
- **Chief McLeod:** The Chief explained that the issue cannot be resolved because the land is the First Nations' land, it was unsold and un-surrendered. It took 50 years to get the land back from the federal government. In the meantime, the delivery charges keep rising.
- Mr. Schmidt commented that Hydro One could work with the First Nations as a partner in approaching the federal government when these things are taking so long to resolve.

Peter Archibald, Councillor: Councillor Archibald noted that when it comes to projects in their area, the First Nations should be contacted for employment. He noted the case of Otter Rapids specifically. They had sent permits for the band council to review, and when the band signed off, the contractor said "oh sorry, no jobs." Councillor Archibald's second point is related to disconnections. He does not believe that Hydro One staff are aware of the new policies around working with people one-on-one to avoid disconnections because in his community they just cut people off. He noted that he sent a letter to Mr. Schmidt's office and received no response.

- Mr. Schmidt assured Councillor Archibald that he responds to every note that comes into his office. He asked that he resend a copy and he will respond. In terms of employment, Mr. Schmidt stated that he could not agree more and wants First Nations employees to participate in projects. He committed to putting people in touch with Ms. Judy McKellar, Executive Vice President, Chief Human Resources Officer. In regards to disconnection, Mr. Schmidt asked participants to let Hydro One know of anyone living without power. Hydro One wants to get them connected. If any community has people headed in that direction, Mr. Schmidt asked them to let Hydro One know and they will try and find a way

to manage. In addition, if your community would like Hydro One to make a community visit, just ask.

- **Councillor Archibald:** He commented that Hydro One comes to the community and does not want to hire his people.
- Mr. Schmidt noted that this might have something to do with Ontario labour law, and they will look into it.
- Mr. Martinez, Hydro One, announced that they would pass around a note and for participants to identify any preferred dates for community visits.

Chief Edward Wawia: The Chief shared that he did not get anything out of the presentations today. He felt that he needed to return to his community with answers for the Elders and young people about why their bills are so high. Based on this meeting he noted that nothing will be done about the high bills except another group of people will come to the community to show them how to manage their bills. That is degrading for his community members. The solution on offer is just extending their payments for a longer period of time. The Chief noted that what is actually required is getting serious about profit sharing so First Nations can deal with the huge bills.

- Mr. Schmidt clarified that Hydro One is in the transmission and distribution business, and it is the regulators who set the prices. Hydro One is indeed advocating getting better rates, but they cannot control the rates themselves. However, Hydro One can control certain things and make some changes such as infrastructure repairs and such. Hydro One can also provide assistance before a disconnection. He again encouraged people to approach Hydro One to see what they can do on that end. He reiterated that Hydro One is just one part of a much larger system. He also reiterated that the organization is undergoing a culture shift and asked that they be given a chance.

Steven Nootchtai, Councillor: Councillor Nootchtai began by thanking the organizers of the event. He noted that many of the concerns raised were also concerns for his community. Councillor Nootchtai provided a recommendation: that Hydro One uses their influence with their suppliers, because he views externalized costs as a Treaty issue. Hydro One has much more power than First Nations to influence change.

- Mr. Schmidt was in agreement with the speaker. He noted that Hydro One went from a Crown corporation to a commercial operation and in doing so has a greater influence on their suppliers. In addition, they are asking the province to make adjustments where necessary. He noted that, as a company, Hydro One has to get costs down as well. They are doing more work with less people and are reinvesting the savings back into stabilizing the system.

Chief R. Donald Maracle: Chief Maracle reminded the room that land was never surrendered to the Crown, yet the Crown gave letters of patent to others for some of his reserve land. Some members of his community live on that land part time. He wondered if their bills could be tax exempt, as their rights are being infringed on.

- Mr. Schmidt offered to talk to legal counsel on the issue and help investigate the situation. He noted that, if necessary, Hydro One could advocate the community's position with the provincial and federal governments as well.
- Mike Penstone, Vice President of Planning, Hydro One suggested that what the Chief was describing was a federal jurisdictional issue. The land was not surrendered. Secondly, the status of First Nations as it relates to tax is also a federal issue that would have to be determined by the Canadian Revenue Agency.

- **Chief Maracle:** The Chief restated that the land was not surrendered.
- Mr. Penstone responded that he understands the Chief's argument, but it is an argument that needs to be made to the federal government.
- **Chief Maracle:** Chief Maracle asked why Hydro One does not just try it and see what the Canada Revenue Agency says.
- Mr. Penstone responded that this might be an option for the Chief.

Chief Wayne Pamajewon: The Chief began by describing an issue his community had related to a road. The province was involved, and the First Nations took them to task on that. Cottagers were pushing the province to build a road west of his community. The community knew that those lands were still theirs. All the blasting required to build that road affected the aquifer and wells dried up. The community had to fight INAC on that issue. His community drilled the well and successfully negotiated with the Ministry of Transportation. Now the community has a water station, which requires power to operate. The Chief noted that there are many power outages and as a result, the community had to purchase generators for the well and the facility. There are a number of outstanding expenses related to power failures.

- Mr. Schmidt commented that Hydro One formed a group specifically to deal with water station outages. On occasion they have supplied the province with generators and fuel in the past. Mr. Schmidt suggested that perhaps Hydro One could support First Nations in this way, with the support of the province and the OEB.
- **Chief Pamajewon:** The Chief responded that his community had already expended that money
- **Lee Anne:** Ms. Cameron suggested that they would ask Mr. Penstone to speak to this point in the next presentation.

SYSTEM INVESTMENTS

Mr. Mike Penstone, Vice-President, Planning, Hydro One

Mr. Penstone explained the power system within the PowerPoint presentation. He explained that the transmission system map shows the system that takes the power from the generation to "load centres" through high-voltage transmission lines. The Hydro One distribution system (map) does not support the entire province. It mostly supports the rural part of Ontario. So, for example, Toronto uses Toronto Hydro for a distribution system rather than Hydro One. Most First Nations are in rural areas and are served by the Hydro One distribution system. The number of assets within the transmission and distribution systems is enormous and Hydro One are one of the larger transmitters in North America.

Question from Chief Elaine Johnston: The Chief asked how Hydro One does not service Toronto and if there is some type of agreement.

- Mr. Penstone responded that within their transmission network, Hydro One brings power to Toronto's boundaries and then Toronto uses its own distribution network to reach customers. There are operational agreements in place, as the operations and investment need to be coordinated.
- Mr. Penstone noted that the primary causes of interruption are equipment failure (49%) and weather (18%). Hydro One has to spend money to maintain or replace equipment. This costs roughly \$1.4B annually. He added that a lot of the equipment is from the 1950s and 1960s and is reaching end of life. It will need to be replaced and Hydro One needs to ensure there is the money to do that.

Chief McLeod: The Chief asked if the rates covered the delivery and upgrades

- Mr. Penstone responded positively.
- **Chief McLeod:** Chief McLeod noted that he runs a business and when upgrades are required it comes out of his profit. He wondered why Hydro One did not operate that way.
- Mr. Penstone responded that Hydro One collects money to cover ongoing costs of operating the business and providing reliable service is their business and requires upgrades. He also noted that Hydro One does have a net income and Mr. Hubert, Hydro One, would be able to explain that more in the next presentation.

Steven Nootchtai, Councillor: Councillor Nootchtai questioned whether there were investments in innovation or research in order to replace the old equipment.

- Mr. Penstone responded that yes, Hydro One invests in finding better, less costly ways of delivering reliable service. One potential innovation is drones. Utility companies can use them, but there is a lot of resource and development work that goes into determining how they could be used. Specialized drones can be used to inspect the lines for example. . Also they are looking at technology that can identify failures in the system to address them quickly.
- Mr. Penstone noted that Hydro One is maintaining reliability in the transmission system by increasing capital investments (lines) and leveraging technology. He noted that disruptions to the distribution system are most often caused by trees (24%) and equipment failure (24%).
- Vegetation management is a sensitive issue for customers and landowners all across the province because it involves cutting down trees. Hydro One recognizes that it is controversial but the company's focus is on reliability. However, Hydro One workers should not be surprising homeowners with action taken on their trees. They are working to notify homeowners prior to cutting.
- Related to First Nations distribution connections, they are often long, heavily treed lines. There is an impact on reliability for those reasons.

Question from Ms. Amy Lickers: Ms. Lickers wondered if these distribution connections are less likely to get three phase power.

- Mr. Penstone responded that he is referring only to the performance of the wire. It is a separate issue related to the demands for electricity. Converting lines from single to three phases is because of high consumption.
- Related to maintaining reliability of the distribution system, Mr. Penstone is looking to reduce the number of outages per year through the renewal program, tree trimming and the smart grid and shortening the length of outages through improved outage response, monitoring and control.
- Mr. Penstone noted that Hydro One asked customers about their priorities and they responded that the priority should be minimizing costs and less of a priority on improving reliability. The survey included 300 customers in First Nations communities.
- In order to control costs Hydro One is pacing expenditures, undertaking vegetation management and moving to mobile technology. He noted that Hydro One spent \$100 million this year on vegetation management.

Chief Paul Eshkakogan: The Chief noted that this morning a Hydro One representative said that they could not do anything about poverty in First Nations communities, yet the company

spent \$1.4 billion on equipment. He asked what percentage of that goes into First Nations communities in terms of contracts and employment. He suggested that there should be more effort in integrating First Nations communities and business and helping them get a piece of that \$1.4 billion. When it comes to procurement, terms like “best efforts” are not effective. He referred to the use of “set asides” or sole source contracts. He also noted that training is an important component. Communities are getting better at drafting and negotiating Impact Benefit Agreements (IBAs) with industry. He did, however, observe that Ontario and its Crown corporations are lagging behind other sectors when it comes to meaningful and capacity building opportunities for First Nations. The Chief would like to see a table developed to move this work around contracts and employment/training forward. As an example of his frustration, the Chief noted that even on the issue of vegetation management, they could not get anyone on the project because of a union issue. He reiterated that they need jobs in his community to pay the bills. The Chief expressed a desire to come to an agreement to continue the dialogue related to unlocking job and contracting opportunities for First Nations.

- Mr. Penstone agreed with the Chief and noted that there have been instances where First Nations communities provided material and services for projects. Mr. Penstone directed the comment to his colleagues in procurement.
- A Hydro One representative agreed with the Chief and suggested that they do a workshop with the community and their businesses in order to participate in the Hydro One sourcing events. He also commented that he supported the idea of a table for dialogue and is considering what that would look like from a strategic perspective. He agreed that they needed to start those discussions.
- **Chief Eshkakogan:** The Chief noted that that was pretty weak language and something they are used to hearing. He noted that he does not believe any company is going to work with First Nations, despite their best efforts. Rather, what will work is when communities have something of value like contract work in their hands, businesses will come to them. Hydro One can choose the company that they want to work with and allow the community to build capacity through that relationship. There is a lot that can be learned from each other. His community established the Lake Huron Transmission Company and participated in a procurement process on the east/west line. It was ultimately not successful but it was a good learning process. Hydro One should be unbundling larger contracts to support First Nations, as they likely do not have enough capacity to do the full contracts. The Chief concludes that there are many things that can be done and companies that could partner with First Nations. In addition, he offered to make himself available to work on this issue with Hydro One.

Chief Patricia Big George: The Chief asked why Hydro One does not move forward on sole source processes for First Nations. Also, related to the work around vegetation control, the Chief asked where to find out more information.

- Mr. Penstone noted that a description of where they spend their money and how is included in all applications to the OEB. They are on the OEB website and they are also on the Hydro One website. The descriptions go into a great deal of detail. Hydro One staff would provide the links to those websites.

Chief Elaine Johnston: Chief Johnston expressed some concern about the survey, which determined that cost was more important than reliability. She noted that clearly they needed to deal with the high bills, but they also need reliable lines. Reliable lines are needed for economic development initiatives to work; it is how the community functions. She asked what plan was in

place for those lines that are unreliable. She suggests perhaps a pilot project for other initiatives to deal with reliability.

- Mr. Penstone responded that the customer survey was only to determine customer priorities. Hydro One is not using the survey to justify ignoring the reliability aspects of the lines. He reassured the attendees that Hydro One continually monitors performance and where it is bad or degrading they will make investments. When lights go out in the community there are health and safety impacts. This is also part of determining where investments in reliability are made.

DISTRIBUTION RATE FILING (2018-2022)

Mr. Oded Hubert, Vice-President, Regulatory Affairs, Hydro One

Mr. Hubert described how Hydro One is going to the OEB with a distribution rate application that, if approved, would provide the necessary Revenue Requirement to operate the system for the next five years (2018-2022). This is the standard application that Hydro One has to complete (from now on, every five years). It is completely separate from the policy decision around a First Nations rate that the Minister will decide on.

To assist the OEB's work on a First Nations rate,

- Hydro One has given the OEB a significant amount of information to make their determination including the size of bills and the amount of the delivery charge compared to the commodity charge.

Also, the Premier asked Hydro One, among others, for advice on providing relief to rural customer, given that the delivery charge is often higher than the commodity charge.

Chief Elaine Johnston: wondered what was the difference between the All-Ontario rate and the First Nations rate.

- Mr. Hubert responded that the general distribution delivery rate is for all Hydro One customers. The Minister will decide the First Nations rate and then the Minister will tell the OEB what the First Nations rate will be. The general rates (other than the First Nations rate) are determined by the OEB, through Hydro One's application.
- Hydro One is filing this submission at the end of March and is looking for input before it is completed. Included in the submission will be results from the customer engagement surveys, and also the notes from this meeting. There are some First Nations that have actually represented themselves at the OEB, so there is a voice for First Nations at the hearings.

Chief R. Donald Maracle: thanked Hydro One for advocating for a reduction in the rates paid by First Nations. He asked if First Nations would benefit from the rural/remote reduction.

- Mr. Hubert responded that everyone within the R2 classification already receives a subsidy on their bills automatically.
- **Chief Maracle:** The Chief inquired as to the total profits for Hydro One last year.

Mr. Hubert responded that this figure is available online (Hydro One Limited's consolidated Net Income for 2016 was \$721 M).

First Nations Representative [name unknown]: The participant wondered about the implications for members that do not live on reserve.

- Mr. Hubert noted that the Minister's letter which asked them to explore the idea of a First Nations rate specified on-reserve customers only.

- **First Nations Representative:** First Nations leadership has a responsibility for all of their members, no matter where they live.
- **Chief McLeod:** The Chief noted that it is a huge concern, if the rates for off-reserve First Nations go up; while on-reserve it goes down.

Chief R. Donald Maracle: Chief Maracle asked if hydro rates overall are going up 10% next year

- Mr. Hubert responded that not according to Hydro One's numbers. The PowerPoint presentation will explain further.
- Slide 6 showed the breakdown of electricity costs to customers. The diagram represents an average customer: 51% goes to electricity generation, 37% goes to Hydro One delivery charges, 5% is a sales tax, 3% is regulatory charges and line losses represent 4%.

Chief Elaine Johnston: Chief Johnston wondered why rates had increased so much.

- Mr. Hubert responded that the increase is due to a few factors: the increased cost of electricity, the move to eliminate coal, renewable energy and infrastructure costs.
- Slide 7 showed how distribution charges are spent by Hydro One: preventing outages (47%), upgrading the system (21%), customer service (12%), responding to power outages (10%), and information technology (7%) and, administration (3%).
- The next slide details how distribution rates are set by the OEB.
- Mr. Hubert explained that this year Hydro One could earn an allowed profit (Return on Equity) of about 8.78%.
- Slide 10 identifies the stages in developing and submitting an application to the OEB including preliminary matters (3-4 months), issues and discovery (2-3 months), hearing (3-4 weeks), and decision and approvals (2-4 months). In total, the process usually takes 8-12 months.
- Slide 11 shows that the Hydro One application must balance key considerations including customer needs and preferences, rate impact and asset needs.
- Related to customer needs and preferences, Hydro One called about 800 customers including 300 First Nations people. In general, First Nations had greater levels of dissatisfaction, more cost sensitivity and placed greater importance on keeping costs low. In general, the First Nations surveyed would accept a 1% bill increase if they saw some improvement in service. Many findings were similar with the non-First Nations respondents.
- Mr. Hubert's presentation also noted that shrinking consumption so the cost serving each consumer has to go up.

First Nations Representative [Name Not Heard]: The participant asked if the seasonal rate is more than the rural rate 2 (The R2 rate).

- Karen Taylor, Hydro One, explained that the charge is based on how much a customer consumes. She noted that the OEB is looking at moving those into fixed monthly charges and eliminating the variable component.
- Mr. Hubert noted that Hydro One is asking the OEB for rates for five years and will not be going back except for minor adjustments. However, over the five years, Hydro One can continue to search for productivity savings, innovations, and better technology and reduce costs. This could lead to more profit, but Hydro One has committed that if it were

more than a 1% increase above the allowed ROE, the additional profit would be shared 50/50 with customers.

Chief Patricia Big George: Chief Big George asked if this would affect the First Nations rate.

- Mr. Hubert responded that it would not change the First Nations rate and that they would all have to see how the First Nations rate unfolds.

Chief Elaine Johnston: Chief Johnston asked what is causing the decreasing consumption.

- Mr. Hubert responded that it was mostly due to conservation activities and economic conditions.
- Mr. Hubert concluded that the participants can send any additional questions via email.

WRAP UP

The Facilitator closed the meeting by mentioning that the PowerPoint presentations would be available. In addition, pictures of the artwork and copies of the notes will be distributed.

Summary points:

- Where they went from here will be determined by relationship building that will continue. There will be ongoing meetings set up including community meetings.
- Please judge Hydro One based on actions and results over the next five years.

The closing prayer was done by Elder Andrew Wesley.

Meeting Adjourned.