



BACKGROUNDER

December 6, 2013

Haldimand County Council to Discuss Sale Offer For Haldimand County Utilities Inc.

On December 2, 2013 Haldimand County Council agreed to consider a proposal from Hydro One Inc. for a share purchase agreement of Haldimand County Utilities Inc. The decision is a continuation of a mandate laid out by council in November 2012 to explore options surrounding Haldimand County Utilities Inc. On November 5, 2012, Haldimand County Council passed a motion to examine options for the future of Haldimand County Utilities Inc. while recognizing the importance of providing affordable, reliable and sustainable electricity distribution services to its ratepayers.

Council's motion was in response to a Sector Panel Review established by the Ontario Ministry of Energy. The resulting report recommended consolidation of the provinces Local Distribution Companies (LDCs) to encourage efficiency and cost savings.

Haldimand County Council explored options surrounding its LDC with a focus on economic pressures, including the cost of delivery and managing rates; regional maintenance sustainability given Haldimand County's large geographic area; the continued reliability of service and receiving fair return on the investment made by Haldimand County Utilities Inc. through the years.

The decision to consider options surrounding Haldimand County Utilities Inc. is a reflection of the current economic and politic climate. The decision is not reflective of Haldimand County Utilities Inc. or its staff and the years of excellent work and service provide to County residents.

Haldimand County Utilities Inc. was formed in 2000 following amalgamation activities. Presently, it serves more than 21,200 customers stretching across an area of 1,252 square kilometres with approximately 1,739 circuit kilometres of overhead and 96 circuit kilometres of underground distribution lines. In 2012, Haldimand County Utilities Inc. made its highest annual investment in distribution assets and technology. These assets resulted in improved efficiency and reliability and a dramatic reduction in the frequency and length of customer outages. Haldimand County Utilities Inc. has continued to see significant customer interest and participation in renewable energy and generation projects throughout its service territory and has delivered a number of Save on Energy Conservation and Demand programs to its business and residential customers.

In 2006, Haldimand County Utilities Inc. established its Mission Statement: *“to provide efficient, reliable and safe electricity distribution and other related services to customers while contributing to the development of our jurisdiction’s economy, our employees and the protection of the environment while enhancing the value of Haldimand County Utilities Inc.”*