



Guelph City Council Approves Guelph Hydro Merger with Alectra

Guelph, Ont., December 14, 2017 – After more than a year of industry research, a comprehensive financial analysis and community engagement on a potential transaction, Guelph City Council voted today in favour of a merger between Guelph Hydro Electric Systems and Alectra Inc.

The City of Guelph will receive a 4.63 per cent ownership interest in Alectra, and one permanent seat on Alectra's Board of Directors. As part owner of a larger municipally-owned utility, the City of Guelph is expected to receive higher annual dividends to invest in local infrastructure, programs, and services, and Guelph Hydro's current location will be home to Alectra's Southwest Ontario operations hub, and a new Green Energy & Technology Centre (GRE&T Centre).

Next year, on top of its regular dividend, Guelph Hydro would pay the City of Guelph a special dividend of \$18.5 million, which can be reinvested in the local community. Over the next 20 years, the City is expected to receive \$10 million more in dividend payments than it would if Guelph Hydro continued operating alone.

Customers in Guelph and Rockwood will avoid an estimated 5 per cent distribution rate increase in 2021, and another estimated 5 per cent increase in 2026, while Alectra maintains or exceeds current service standards.

As part of developing the Green Energy & Technology Centre, Alectra will invest \$5 million to renovate parts of Guelph Hydro's current headquarters for demonstration areas, laboratories or showrooms, and another \$3 million a year to fund pilot projects, demonstrations, salaries, administration, marketing and partnerships.

Guelph Hydro employs about 130 people. About 70 positions will remain in Guelph. Individuals occupying about 30 positions will be offered relocation opportunities starting in 2019, with most occurring in 2020 and 2022. Another 30 positions are expected to be addressed through normal attrition, retirement and other voluntary initiatives whenever possible. Additionally, the Green Energy & Technology Centre would employ eight to 10 people.

The City encouraged community participation throughout the process, helping inform Guelph City Council's decision. As a next step, a merger application will be submitted to the Ontario Energy Board for approval. Among other things, the approval process will ensure the merger does not have an adverse effect on ratepayers based on the board's [No Harm Test](#). The Ontario Energy Board is expected to make its decision in fall, 2018. With Board approval, the merged company could begin operating on January 1, 2019.

To stay up to date on the Ontario Energy Board approval process, community members can visit guelph.ca/energy or guelphhydro.com.



Quotations

“After extensive community engagement, industry research and independent financial analysis, Council is happy to announce the Guelph Hydro-Alectra merger. We truly appreciate all the different perspectives and opinions we heard during this process. We believe this merger will bring more value for our citizens and businesses through better rates, the same reliable service, and an even stronger position as an energy leader.” – **Cam Guthrie, Mayor of Guelph.**

“By merging with Alectra, Guelph Hydro customers can expect the same excellent level of reliable service they have come to expect. Local Homes and businesses will benefit from Alectra’s industry-leading work in energy innovation. Guelph Hydro’s legacy of service will continue as our local utility evolves to address the changes and challenges ahead in our industry.” – **Jane Armstrong, Chair, Guelph Hydro Electric Systems Inc.**

“This merger will bring several lasting benefits for Guelph Hydro customers, and for our community. Customers will benefit from downward pressure on rates, and our community will benefit from increased dividends that will go towards the municipal services and programs our citizens use every day.” – **Derrick Thomson, Chief Administrative Officer, City of Guelph.**

“Alectra and Guelph Hydro are a perfect match and we are looking forward to taking the next steps on this exciting journey with them. We will now work with the Guelph Hydro team to prepare a merger submission to the Ontario Energy Board in the first quarter of 2018, and we expect that a hearing will take place later in the year. This is an exciting opportunity for Alectra and Guelph Hydro, and most importantly, it will benefit the customers and communities that we serve.” – **Brian Bentz, President and CEO, Alectra Inc.**

“The Guelph Hydro-Alectra merger will ensure customers continue to experience excellent service, while fostering more innovation and value in the community. Alectra is one of the most innovative utilities in the industry. As a result of the merger, Alectra will establish a new Green Energy & Technology Centre, which will develop new technologies and attract investments to Guelph.” – **Norm Loberg, Chair, Alectra Inc.**

About Guelph Hydro Electric Systems Inc.

Guelph Hydro is a medium-sized local distribution company delivering electricity in a safe and reliable manner to more than 55,000 customers in Guelph and Rockwood, Ontario. You can learn more about Guelph Hydro at guelphhydro.com

About the City of Guelph

Guelph is a growing, diverse and vibrant community of more than 120,000 people, located about 100 kilometres west of Toronto, Ontario, Canada. Guelph City Council has the authority to make the final decision about the ownership of Guelph Hydro. Learn more about Guelph City Council at guelph.ca/council



About Alectra Inc.

Alectra's family of energy companies distributes electricity to nearly one million customers in Ontario's Greater Golden Horseshoe Area and provides innovative energy solutions to these and thousands more across Ontario. The Alectra family of companies includes Alectra Inc., Alectra Utilities Corporation and Alectra Energy Solutions. Learn more about Alectra at alectrautilities.com

Resources

- [Energizing Tomorrow: ask us anything](#)
- [Energizing Tomorrow: quick facts, process and timeline](#)
- [Energizing Tomorrow video: the future of Guelph Hydro](#)
- [About Alectra Utilities \(print-friendly\)](#)

Media Contact

Tara Sprigg, APR, General Manager
Corporate Communications and Customer Service
City of Guelph
519-822-1260 extension 2610
tara.sprigg@guelph.ca

Eric Fagen, Director, External Communications
Government and Corporate Relations
Alectra Inc.
647-297-1273
eric.fagen@alectrautilities.com