

InnPower Corporation

Annual General Meeting

June 27, 2018



InnPower Corporation

WELCOME – 25th Anniversary



25 YEARS – POWER OF LOCAL HYDRO

▶ 1993 – 2018



1993

- ▶ PM – Brian Mulroney
 - Kim Campbell
 - Jean Chretien

Premier – Bob Rae

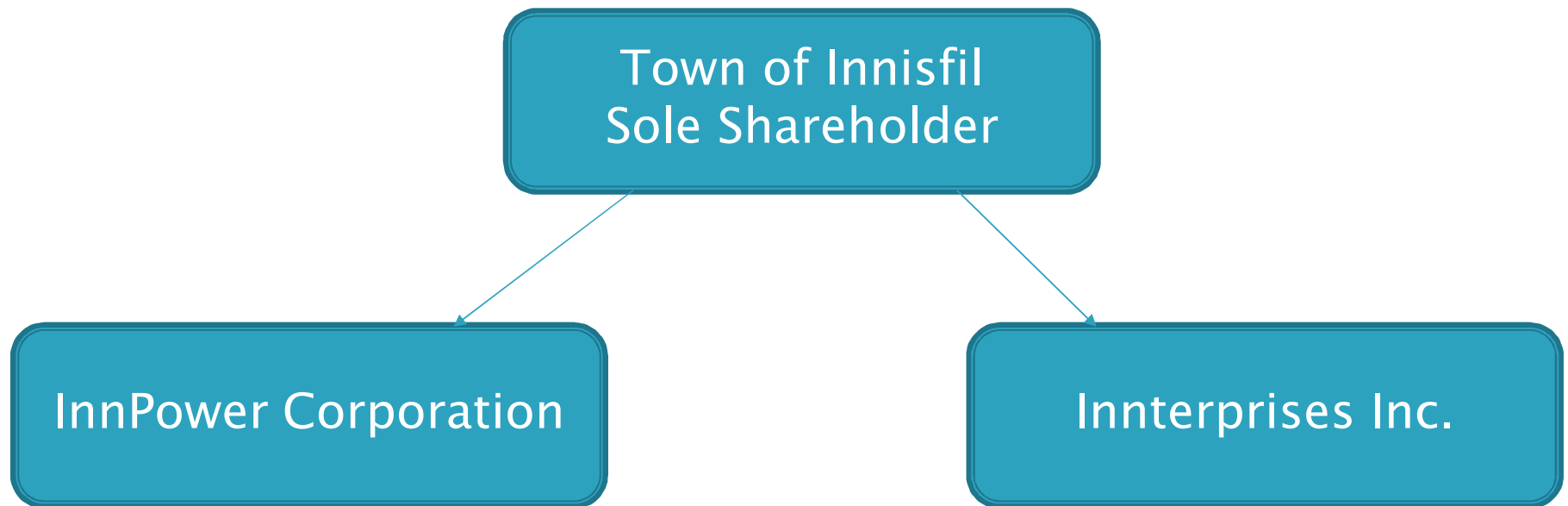
Only year Canadian
Teams won both NHL &
MLB Championships

2018

- ▶ PM – Justin Trudeau

- ▶ Premier – Kathleen Wynne
 - Doug Ford

Organizational Structure



Board and Executive

▶ Board of Directors

- Chair – Jason Reynar (CAO)
- Director – Gord Wauchope (Mayor)
- Director – Bob Lake
- Director – George Shaparew

▶ Executive Management

- President/CEO – Wally Malcolm
- COO – Danny Persaud
- Interim CFO – Glen McAllister
- VP Corporate Services – Shannon Brown
- HR Manager & Board Secretary – Barb Cesarin

InnPower Service Territory

InnPower Corporation

- ▶ 292 Sq. Km – 215 Rural
- ▶ Overhead Km of Line – 662
- ▶ Underground Km Line – 200

Customers

Residential – 16,096

General Service <50 – 1,037

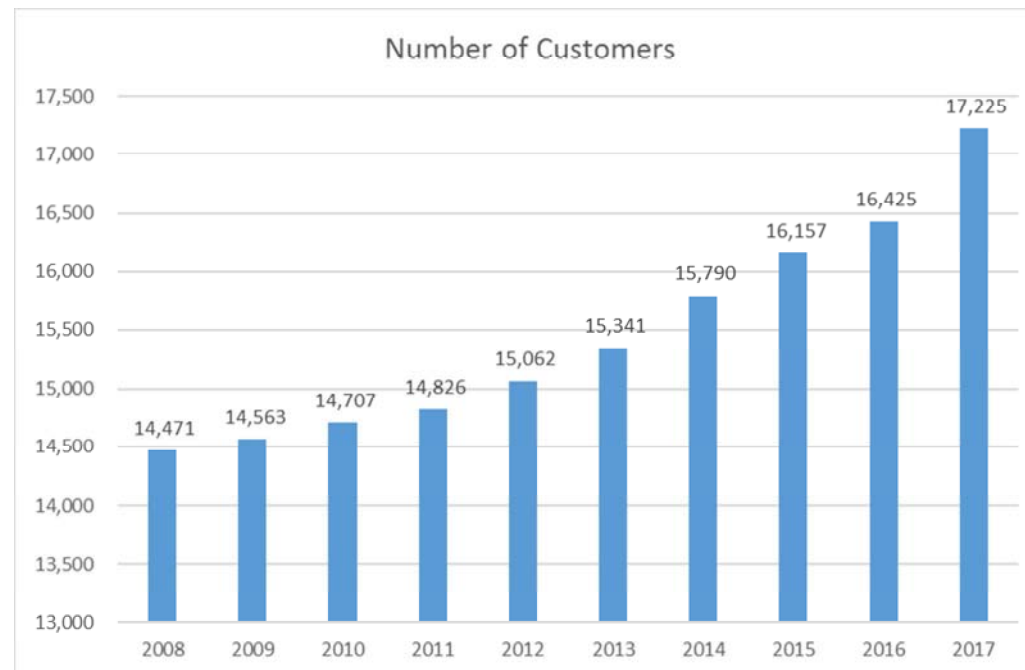
General Service ≥ 50 Kw – 73

of Customers per Sq. Km – 59

of Customers per Km Line – 20

Customer Growth

Customer Class	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential	13,472	13,636	13,747	13,854	14,061	14,315	14,728	15,073	15,326	16,096
GS<50	925	855	892	904	932	960	993	1,010	1,021	1,037
GS>50	74	72	68	68	69	66	69	74	78	92
# of customers	14,471	14,563	14,707	14,826	15,062	15,341	15,790	16,157	16,425	17,225
% Growth	2.49%	0.64%	0.99%	0.81%	1.59%	1.85%	2.93%	2.32%	1.66%	4.87%



Employment and Population Growth 2031

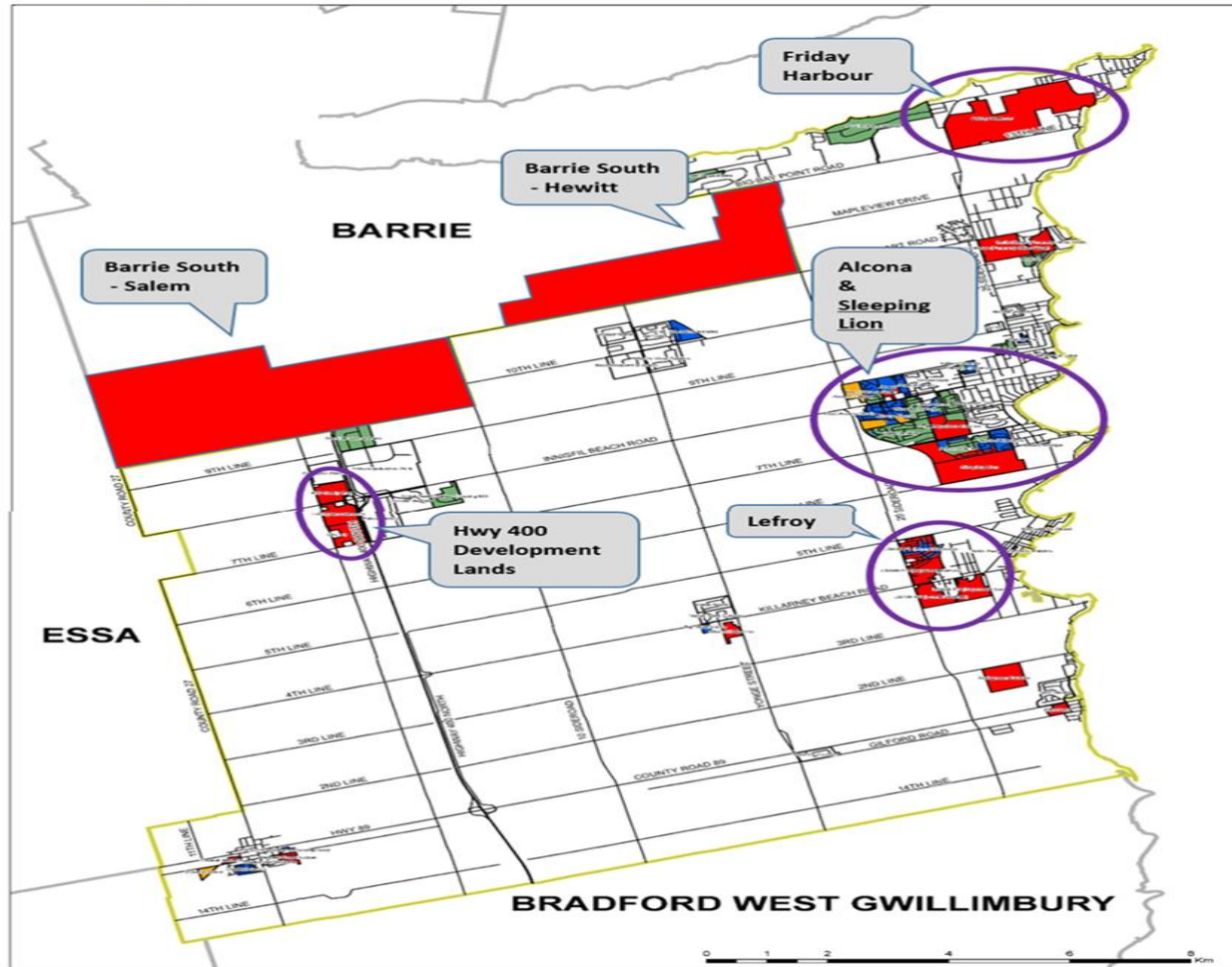
Source	Population	Employment
Innisfil, 2011 Census and 2006 employment estimate	33,080	5,700
Innisfil Official Plan, 2031	56,000	13,100
Simcoe Official Plan, 2031	65,000	13,100
Provincial Growth Plan, 2031	56,000	13,100
Provincial Growth Plan, 2031 plus Friday Harbour and Sleeping Lion	65,240	13,100





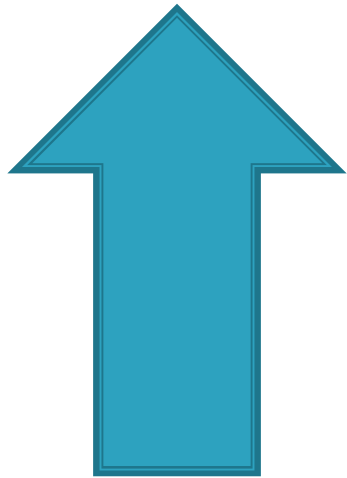
InnPower Corporation

Major Growth Areas: 2016 to 2031



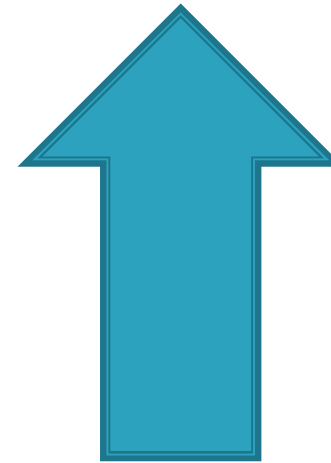
Major Changes in Financial Position

▶ \$4.8M



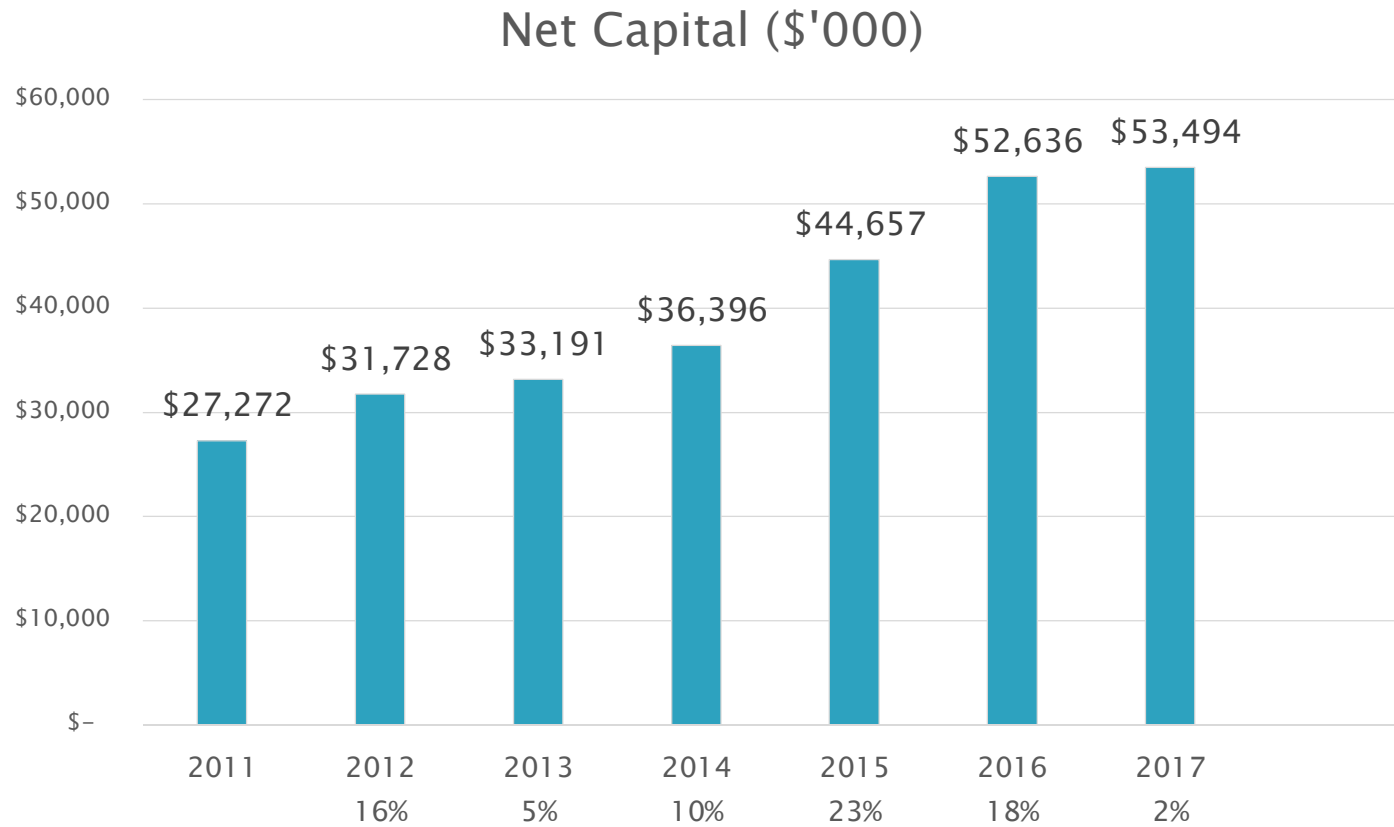
▶ Capital

▶ \$2.2M



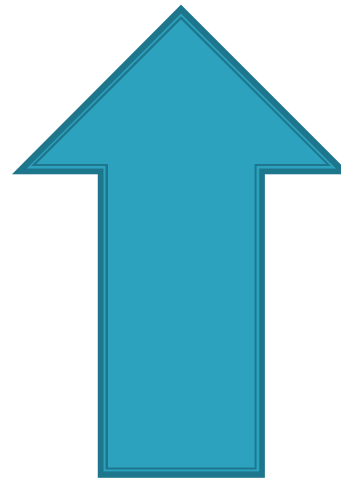
▶ Contributed Capital

Net Capital Assets



Major Changes in Financial Position

- ▶ \$2M



- ▶ Long-term Debt

Major Changes in Revenue

- ▶ No significant change

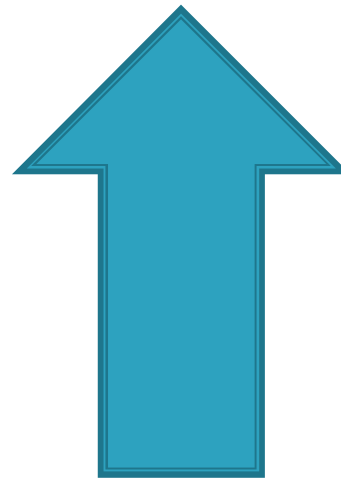


- ▶ Distribution Revenue

Major Changes in Operations, Maintenance & Operations

- ▶ \$226k

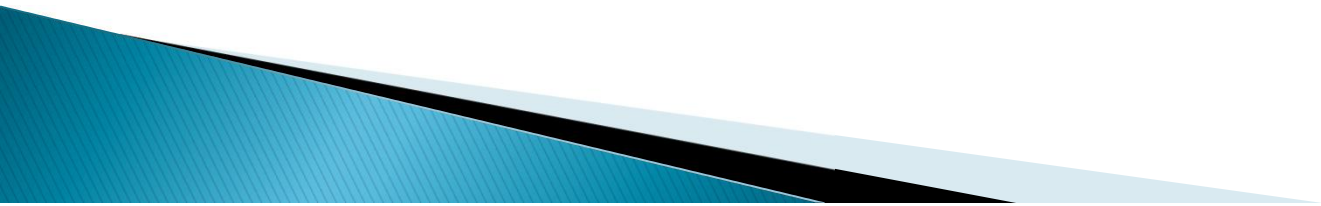
- ▶ 4.5%



- ▶ Operating Expenses

AUDITOR APPOINTMENT

- ▶ Appointment of KPMG as auditors for the 2017 through 2021 year end



KPI – Profitability

Profit Margin



KPI – Cost Efficiency

Controllable Costs per
Customer



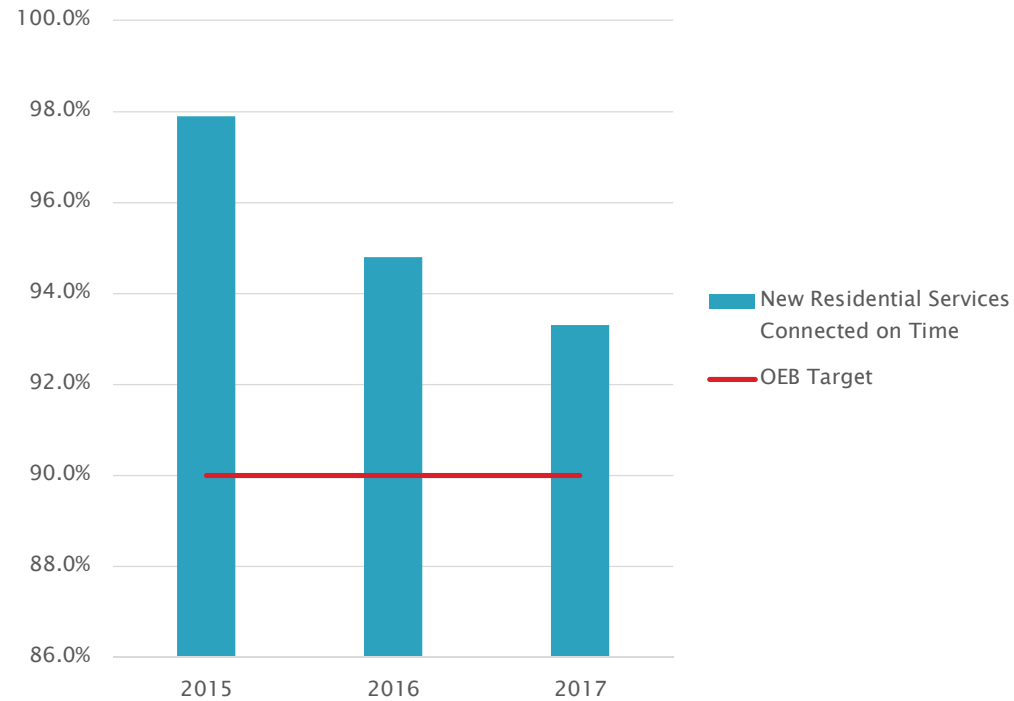
KPI – Asset Optimization

Total Revenue per \$ of
Fixed assets



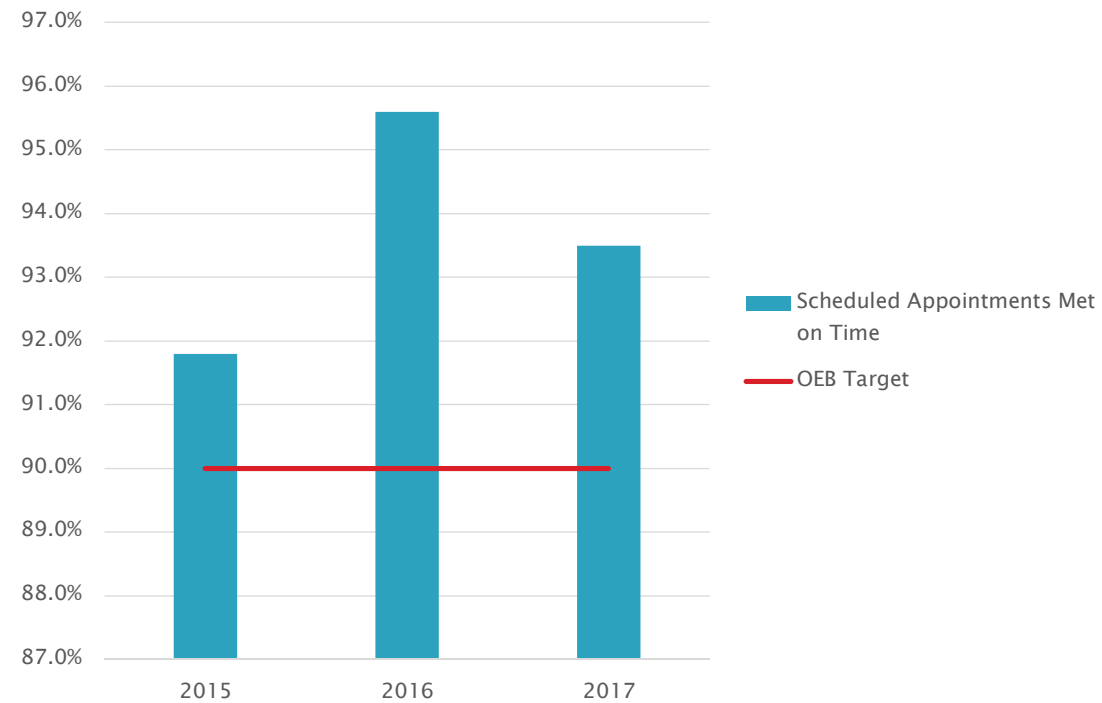
Scorecard

▶ New residential services – 93.3%



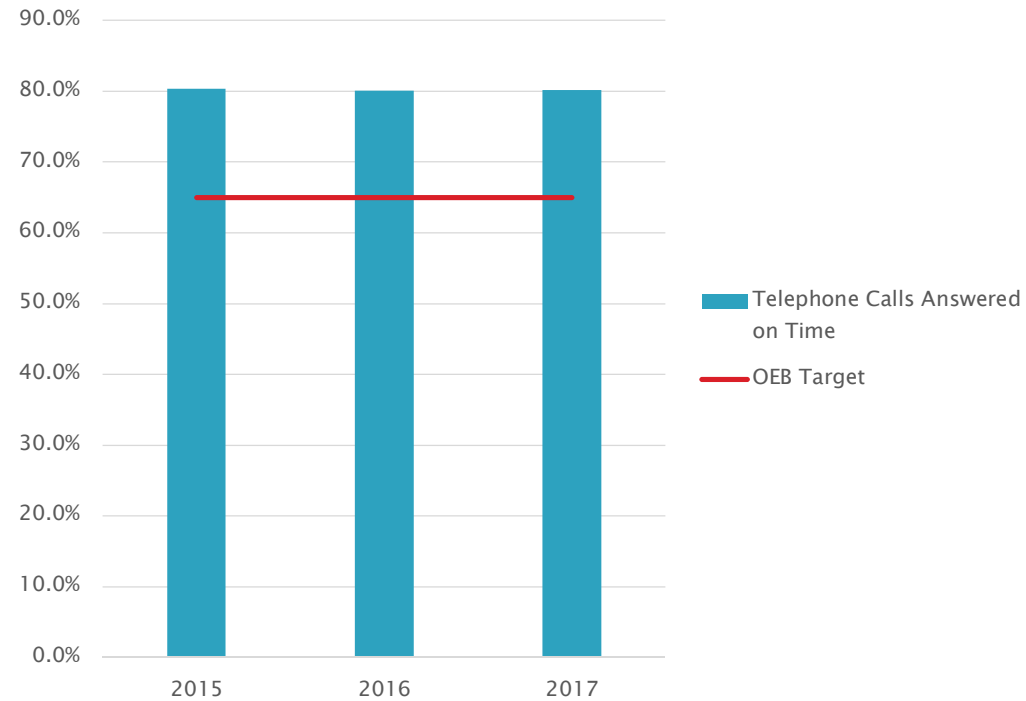
Scorecard

- ▶ Scheduled appointments met on time – 93.5%



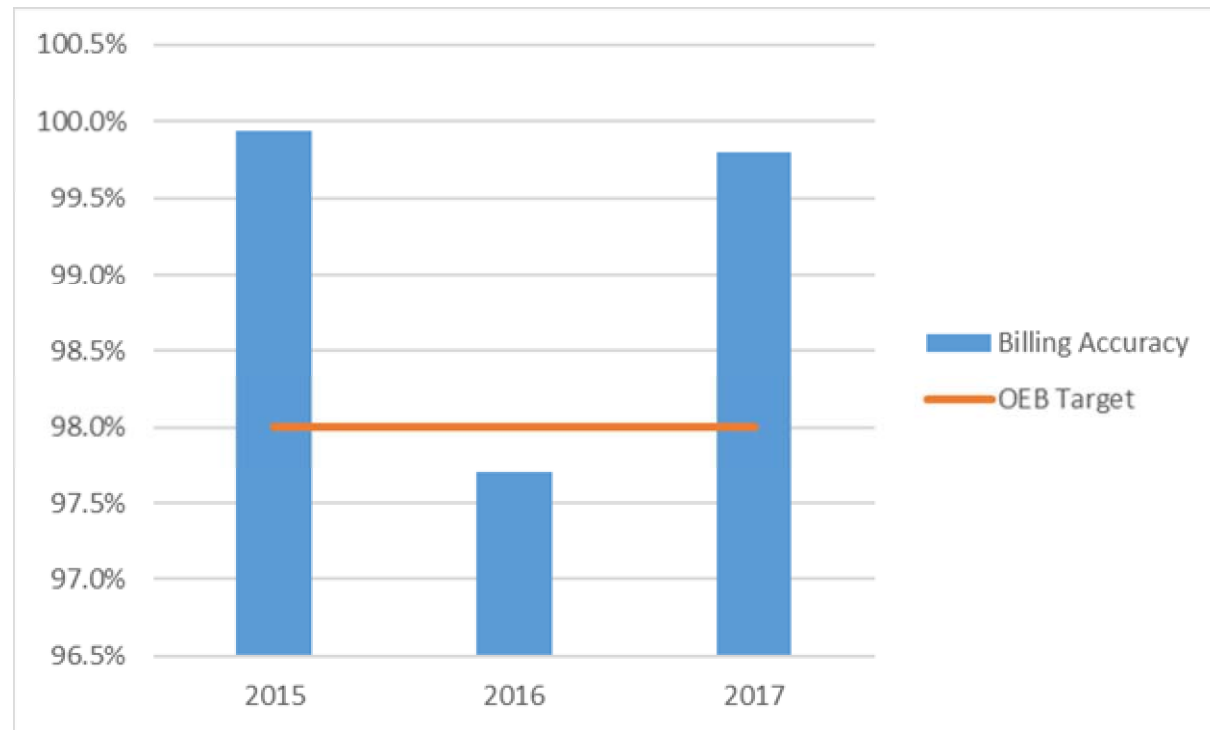
Scorecard

- ▶ Telephone calls answered on time – 80.2%



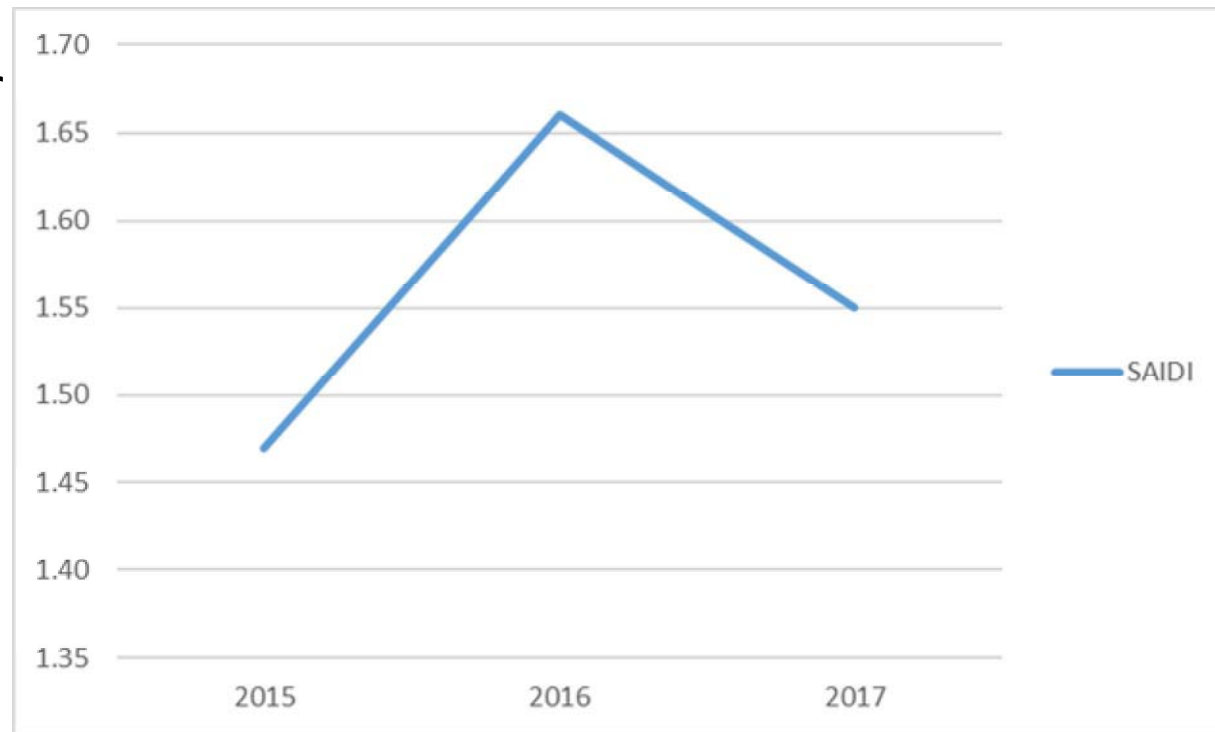
Scorecard

- ▶ Billing accuracy – 99.8%



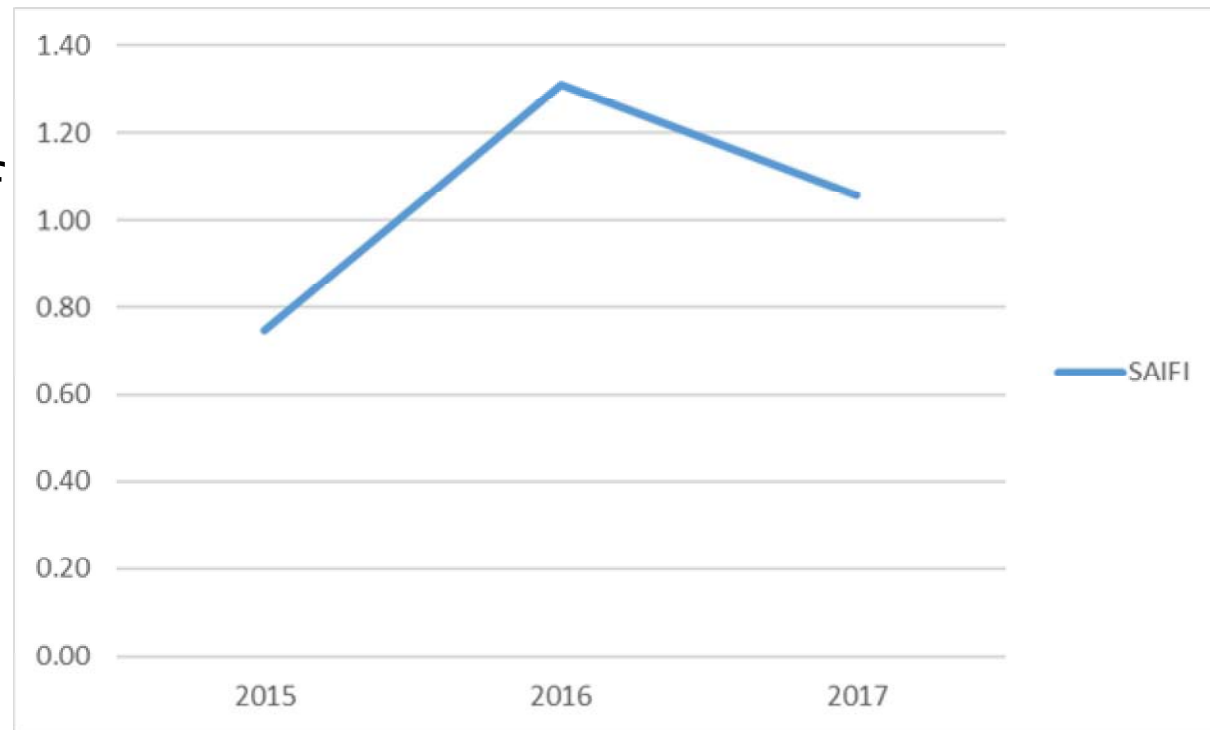
Scorecard

- ▶ System Average Interruption Duration Index (# hours) – 1.55 (Industry 1.34)
- ▶ Excludes loss of
- ▶ supply



Scorecard

- ▶ System Average Interruption Frequency Index (# of times) – 1.06
- ▶ (Industry 1.06)
- ▶ Excludes loss of
- ▶ supply





2017-18 Infrastructure Services Review & System Plan Update

Danny Persaud



InnPower Corporation
June 27, 2018

2017 – 2018 Distribution System Stats

Measure	2018	Change from prior year
Overhead Circuit km of line	662 km	+2 km
Underground Circuit km of line	200 km	+27 km
System Peak Power Demand	52 MW	+1 MW

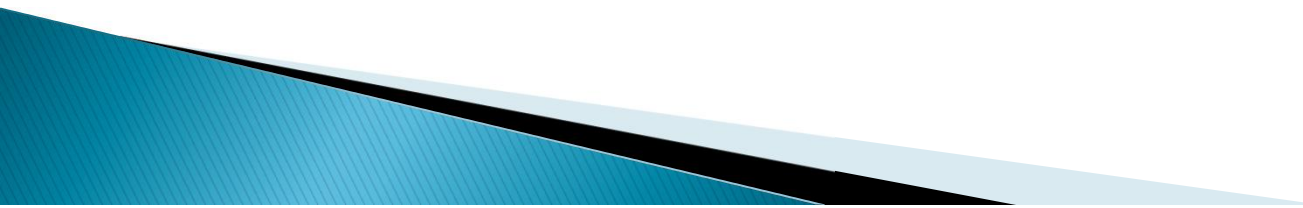
2017 – 2018 Summary of Major Overhead Capital Projects

Project	Status
Ewart St. Rebuild	Completed
Big Bay Point Rd. Extension	Completed
5 th Sideroad Rebuild	Completed
Killarney Beach Road (20 th SR to Yonge)	Completed
Clifton Blvd., Alcona Rebuild	Completed
IBR & Yonge Relocation	In Construction
Mapleview East of 25 th SR Rebuild	In Construction
6 th Line & Hwy 400 Relocation	In Detailed Design
Hwy 89 & Hwy 400 Relocation	In Preliminary Design
Victoria St., Cookstown Rebuild	In Preliminary Design
Killarney Beach Rd. (Ewart St. to Elizabeth St.)	In Preliminary Design
St. Johns Rd. (7 th Line & Black Woods)	In Preliminary Design

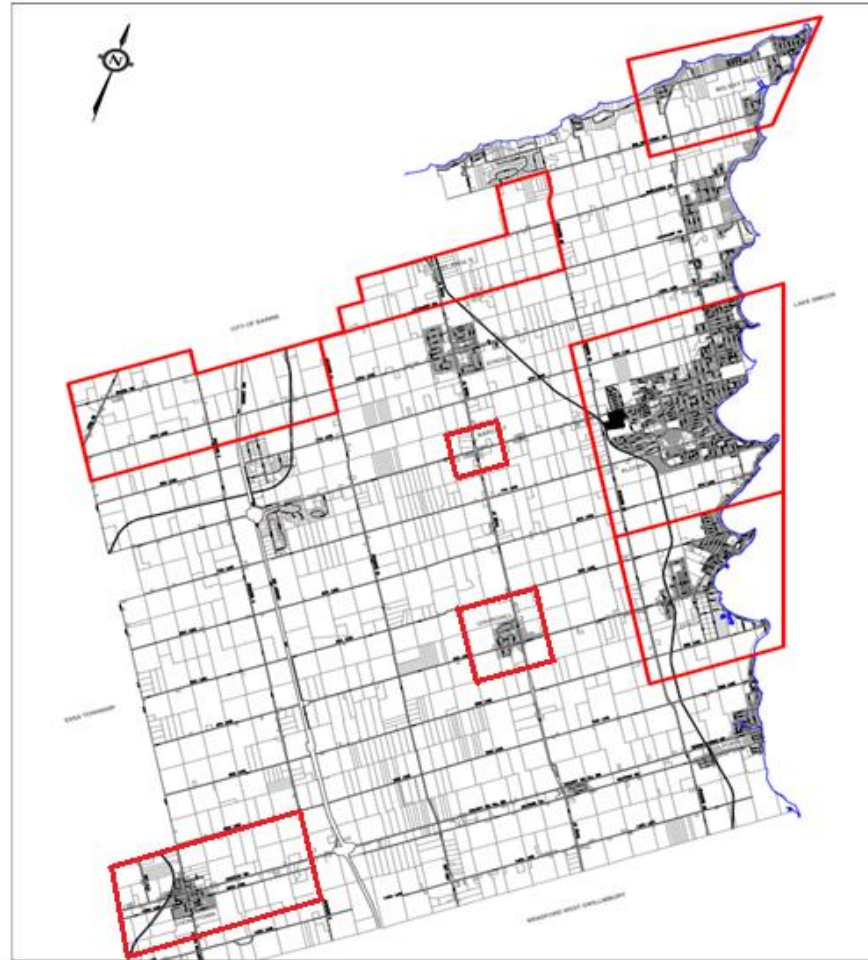


2017 – 2018 Summary of Major Underground Capital Projects (excl. subdivisions)

Project	Status
Metrolinx Go Rail Electrification	In Preliminary Design
<ul style="list-style-type: none"> • 14th Line • Gilford Rd. • Shore Acres Rd. • 2nd Line • 3rd Line • Kilarney Beach Rd. • 6th Line • 7th Line • 9th Line • Victoria St. • Lockhart Rd. (North side) • Lockhart Rd. (South side) 	
Padmount Transformer & Switchgear Replacements \ Painting	Ongoing

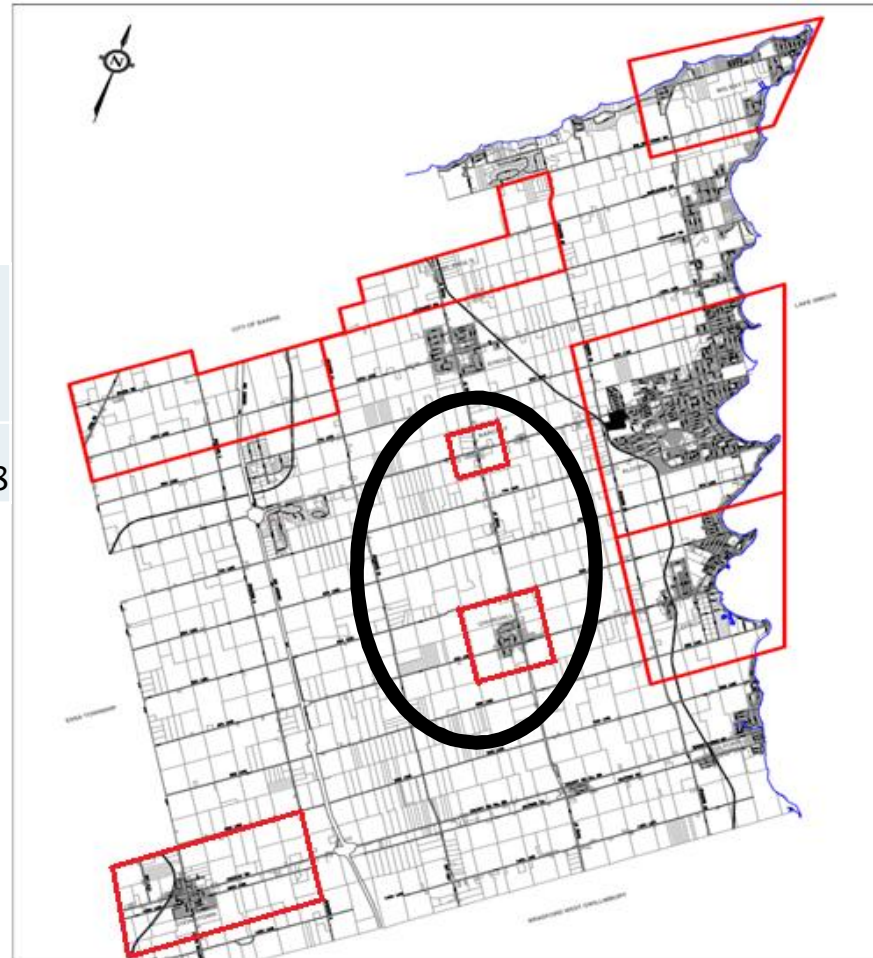


Projected Growth Areas



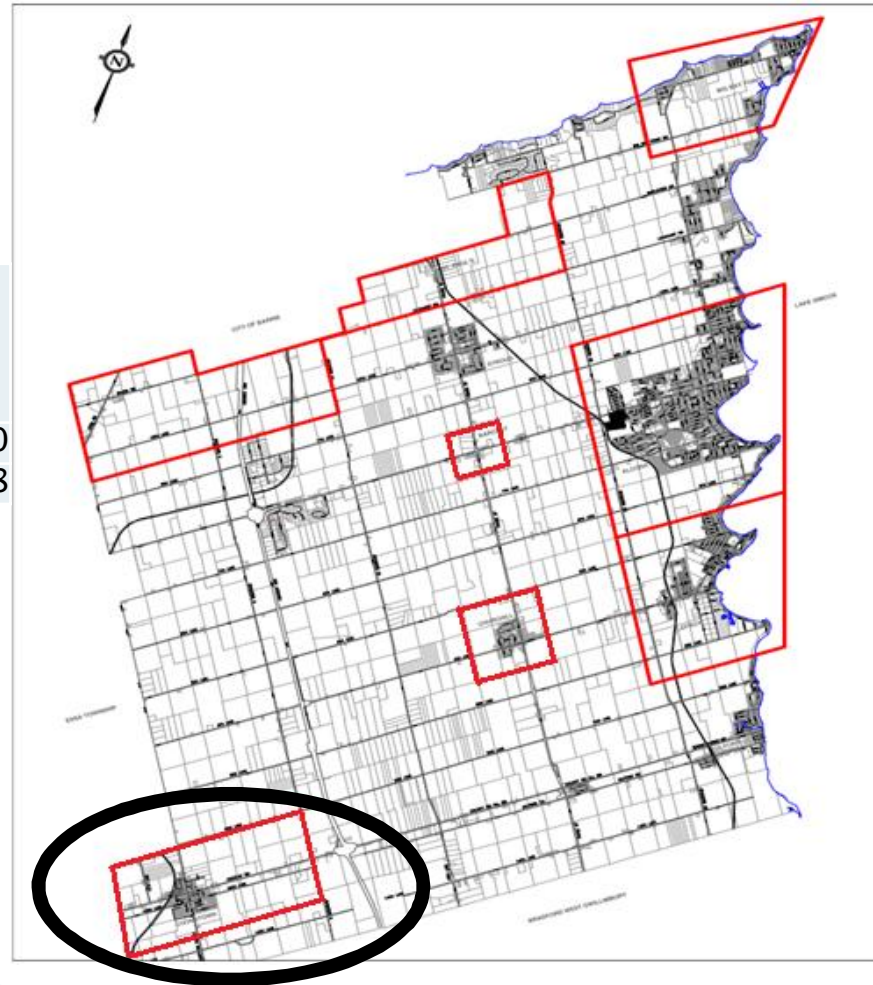
Barclay & Churchill

Subdivisions Completed & Energized in 2018	No. of Units	Services Connected (2017 to date)
Top Hill View Estates	14	8
Pending Offer To Connects (OTCs)		No. of Units
Town Of Innisfil Medical Building		1
Churchill Downs		21



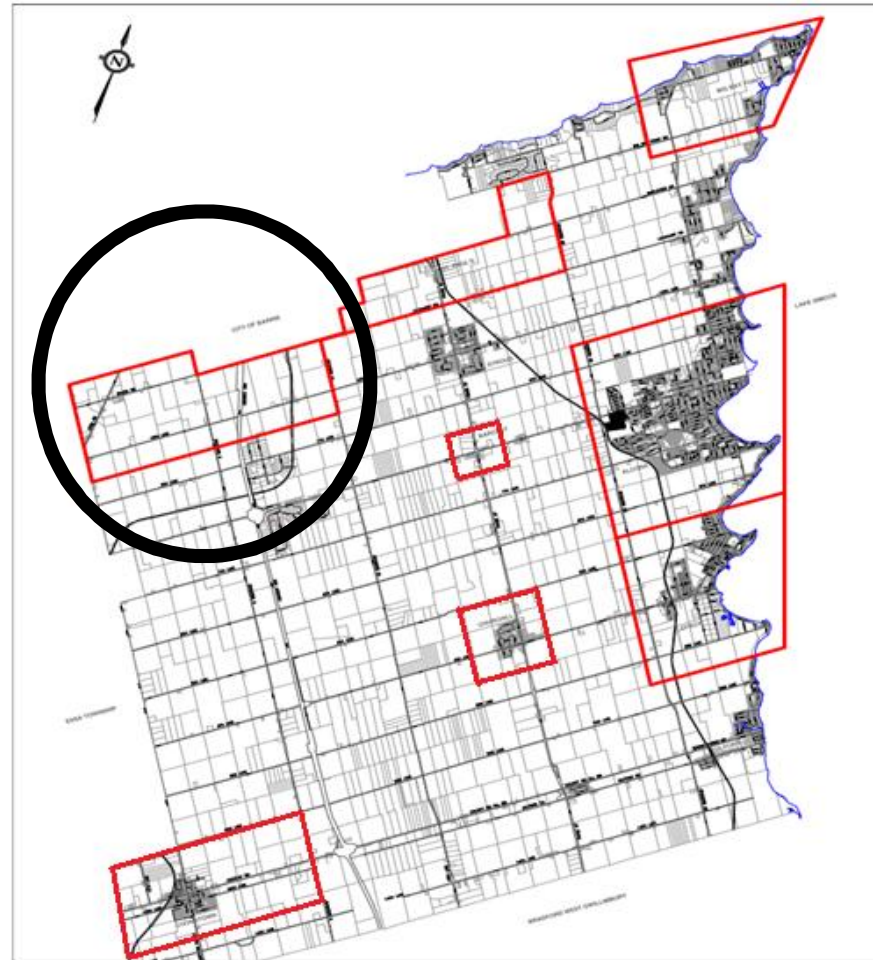
Cookstown

Subdivisions Completed & Energized in 2018	No. of Units	Services Connected (2017 to date)
Cookshill North	37	0
Belpark Phase 2	88	88



Salem

Pending Offer To Connects (OTCs)	No. of Units
Bear Creek Ridge	535



Hewitt

Developments for which applications have not been received

Blue Sky

LM Barrie

Bemp II

Lock Maple

RainSong PH1

Hewitts Gate

Pending Offer To Connects (OTCs)

South Barrie

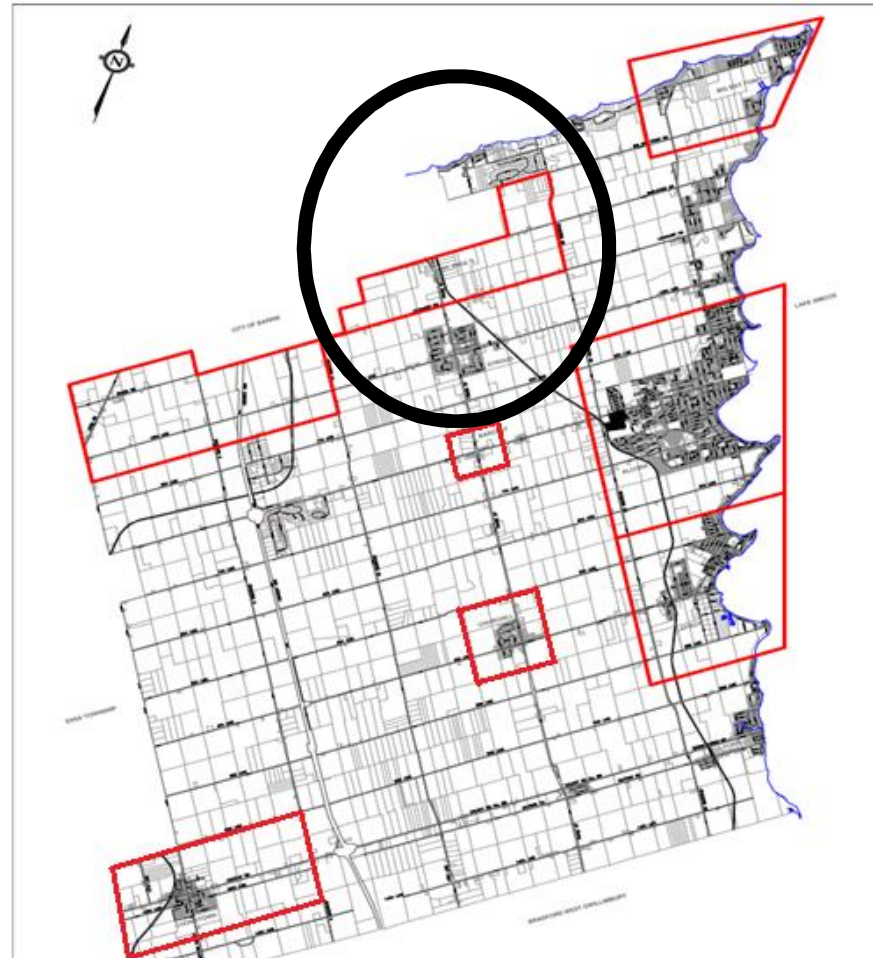
Secondary School

Bistro 6

No. of Units

1

440



Big Bay Point



Subdivisions Completed & Energized in 2018	No. of Units	Services Connected (2017 to date)
Friday Harbour Phase 1 and Phase 2A	700	580
Friday Harbour Phase 2B	125	0

Alcona



Subdivisions Completed & Energized in 2018	No. of Units	Services Connected (2017 to date)
Alcona Downs 3 Phase 1 & 2	92	0
Alcona Capital	237	0
Alcona Downs 3 Phase 3 & 4	203	0

Pending Offer To Connects (OTCs)	No. of Units
InnisVillage	400
Alcona Affordable Living	56

Lefroy



Subdivisions Completed & Energized in 2018	No. of Units	Services Connected (2017 to date)
Sleeping Lion Phase 1	263	260
LSAMI P4	165	0
LSAMI P5	101	0
Sleeping Lion Phase 2	222	0
Rizzardo Crescent	45	15
Ballymore Building (Innisfil) Corp Phase 1	42	42
Ballymore Building (Innisfil) Corp Phase 2&3	62	0
LSAMI P3	99	20
Pending Offer To Connects (OTCs)	No. of Units	
Sleeping Lion PH3	370	
Developments for which applications have not been received		
Grand Sierra		

2017 – 2018

Summary of Major Subdivision Capital Projects

Subdivisions Completed & Energized in 2018	No. of Units	Services Connected (2017 to date)	
Alcona Downs 3 Phase 1 & 2	92	0	
Friday Harbour Phase 1 and Phase 2A	700	580	
Sleeping Lion Phase 1	263	260	
Alcona Capital	237	0	
Alcona Downs 3 Phase 3 & 4	203	0	
LSAMI P4	165	0	
LSAMI P5	101	0	
Cookshill North	37	0	
Friday Harbour Phase 2B	125	0	
Sleeping Lion Phase 2	222	0	
Rizzardo Crescent	45	15	
Ballymore Building (Innisfil) Corp Phase 1	42	42	
Ballymore Building (Innisfil) Corp Phase 2&3	62	0	
LSAMI P3	99	20	
Top Hill View Estates	14	8	
Belpark Phase 2	88	88	
Subtotal	2495	1013	41%

2017 – 2018

Summary of Major Subdivision Capital Projects

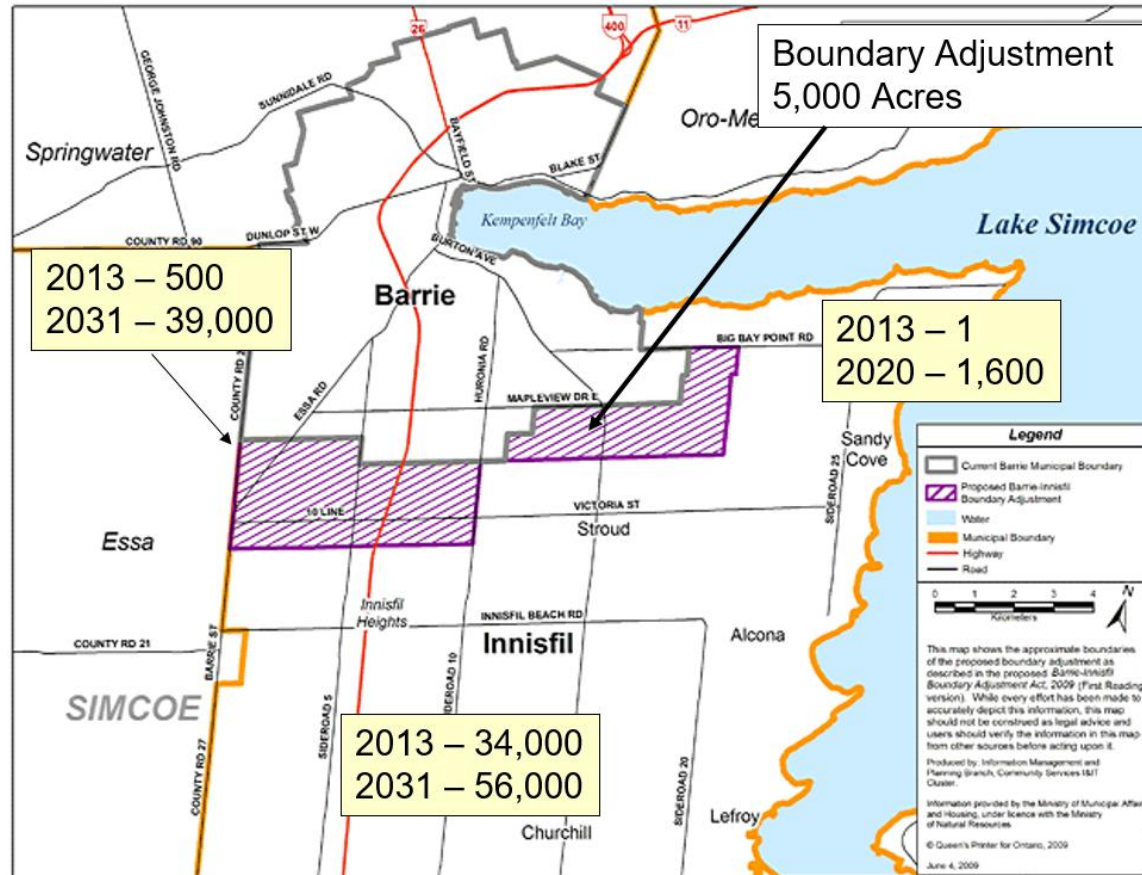
Pending Offer To Connects (OTCs)	No. of Units	Developments for which applications have not been received
Sleeping Lion PH3	370	Blue Sky
InnisVillage	400	LM Barrie
Town Of Innisfil Medical Building	1	Bemp II
South Barrie Secondary School	1	Lock Maple
Alcona Affordable Living	56	RainSong PH1
Bear Creek Ridge	535	Hewitts Gate
Bistro 6	440	Barrie lockhart Road LP
Churchill Downs	21	4610 Watersand
		Grand Sierra
<u>Subtotal</u>	<u>1824</u>	

2017 – 2018 Summary of Major Service Improvement Projects

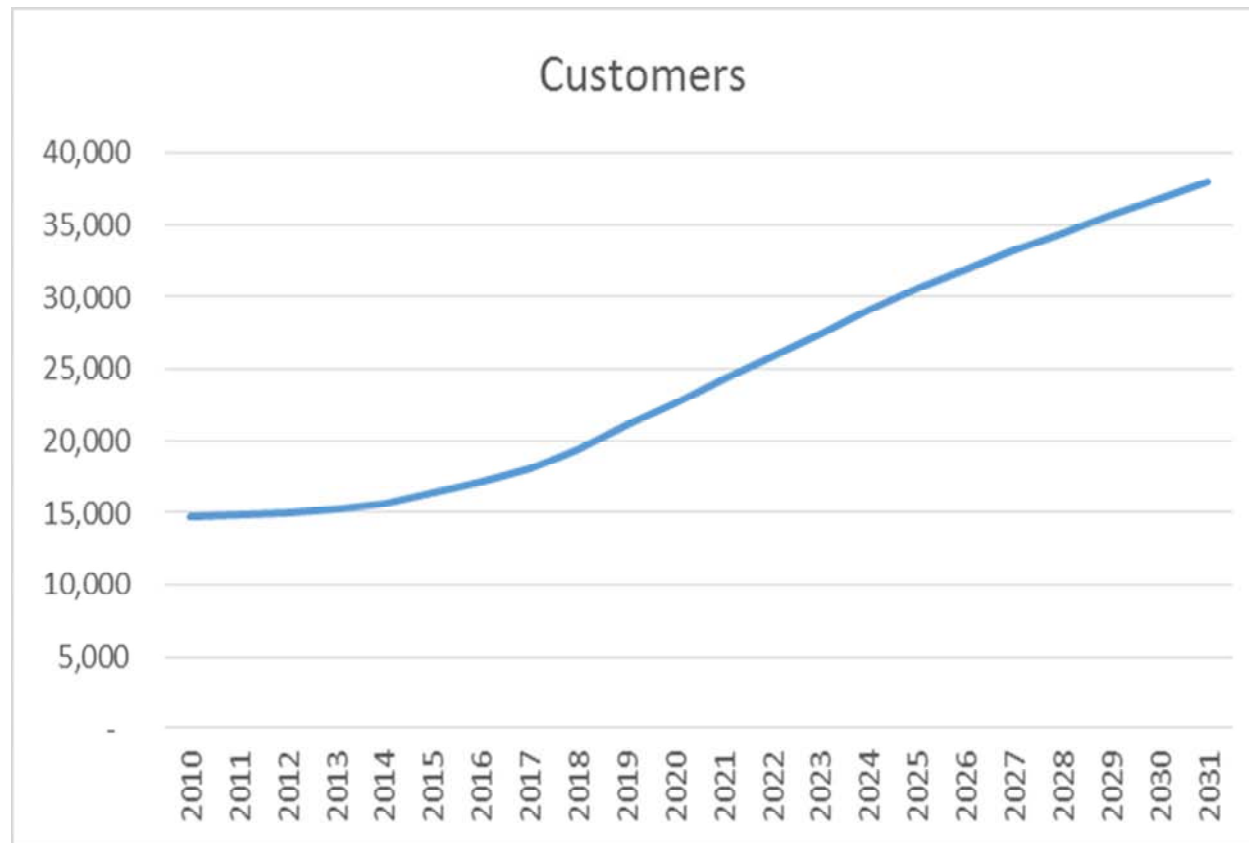
Project	Status
Line Recloser Refurbishments	Ongoing
System Automation Upgrades	Ongoing
Deployment of Overhead Fault Current Indicators	Ongoing
Station Upgrades at Big Bay Point, Leonard's Beach, Sandy Cove	Ongoing
Deployment of Animal Control Solutions in Alcona	Ongoing
Vegetation Management Improvements across service territory	Ongoing



Population Growth



Customer Growth



Projected Growth Areas



Major Residential Developments

- ▶ Hewitt Lands: +13,530 units
 - ▶ Salem Lands: +7,154 units
 - ▶ Alcona Area: +5,000 units
 - ▶ Lefroy Area: +2,300 units
 - ▶ Friday Harbour: +2,000 units

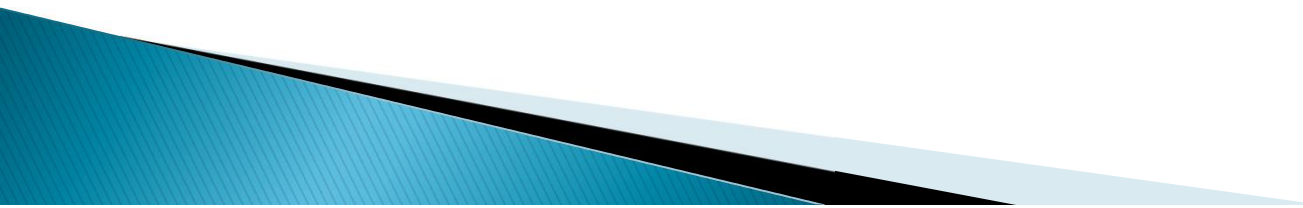
 - ▶ **TOTAL** **+29,984 units**
- 

Power Requirements

- ▶ Today...
 - 52 MW of peak power required.

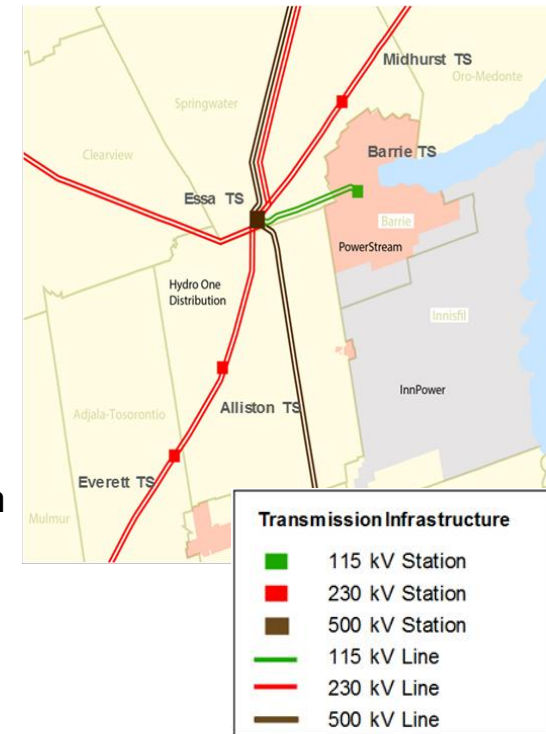
 - ▶ Over the next 15 years...
 - 238 MW of peak power required.
 - 186 MW net new power + 52 MW existing.

 - Residential Load:
 - Increase of 96 MW to the system requirements.
 - 29,984 new units expected.
 - 20,684 new units expected in the annexed lands alone.

 - Industrial\Commercial\Institutional (ICI) Load:
 - Increase of 90 MW to the system requirements.
- 

Integrated Regional Resource Planning

- ▶ Began in 2013 and completed in 2016 for Barrie\Innisfil sub-region.
- ▶ Identified long term supply shortage and recommended:
 - To rebuild Barrie TS and the E3/4B transmission line from 115 kV to 230 kV.
 - To upgrade the transformers at Barrie TS from 55/92 MVA units to 75/125 MVA units.
 - To retire the two 230/115 kV autotransformers at Essa TS (T1 and T2).
 - A 44 kV short term solution for the load growth in South Barrie\Innisfil.
 - Constructing a new 230/27.6 kV transformer station (TS) in Innisfil.
 - Constructing a new 230 kV transmission line from Barrie TS to the InnPower TS site.



Short Term Strategy (0–5 years)

- ▶ Commission new 44/27.6 kV station in Lefroy area.
 - Completed.
- ▶ Rebuild Big Bay Point station from 8.32 kV to 27.6 kV.
 - In Progress.
- ▶ Rebuild Leonard's Beach station with a larger transformer and an additional feeder.
 - In Progress.
- ▶ Rebuild Sandy Cove station with an additional transformer and feeder.
 - In Progress.



Short Term Strategy (0–5 years)

- ▶ Upgrade and build new arterial routes between new and existing stations.
 - In Progress.
- ▶ Multiple projects upgrading and rebuilding infrastructure in the Salem and Hewitt secondary plans of South Barrie and Friday Harbour areas.
 - Expected start of construction in 2019.
- ▶ Build 2 new 44 kV feeders out of Barrie TS.
 - Discussions in progress with HONI.
 - Expected start of construction in 2019.
- ▶ Continue developing Long Term System Plan.
 - In Progress.



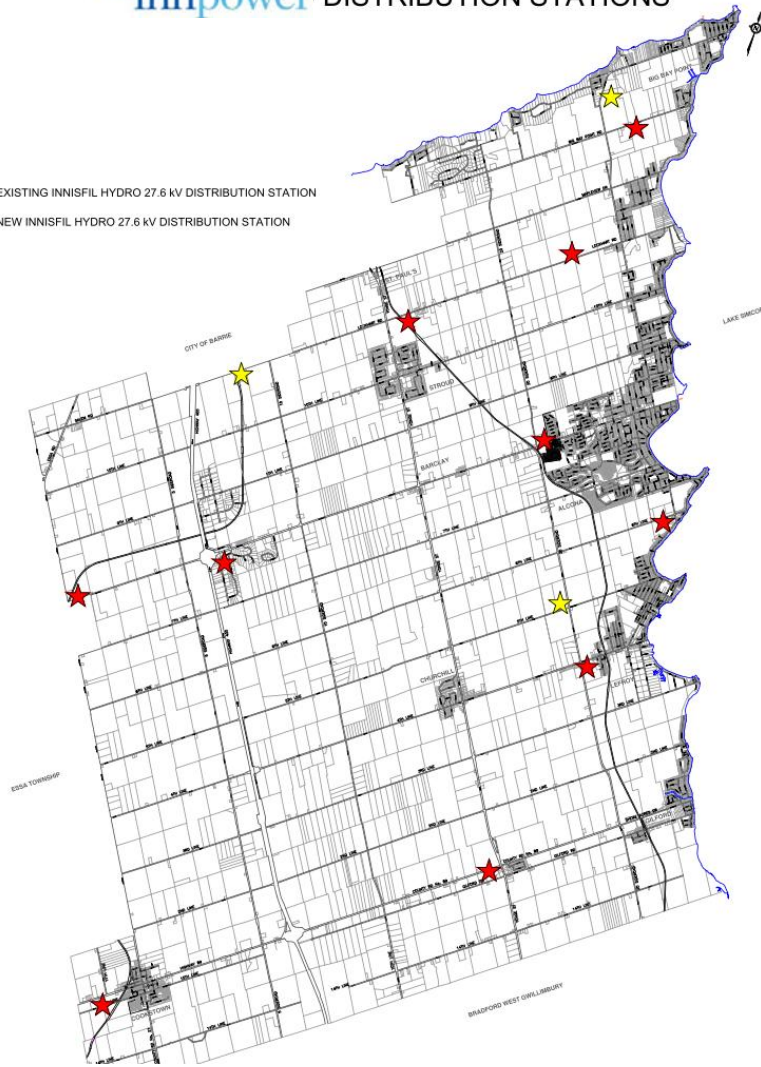
Long Term Strategy (5+ years)

- ▶ Build a new 230\27.6 kV transformer station (TS).
 - Discussions in progress with stakeholders.
- ▶ Continue upgrading and building new arterial routes between new and existing stations.
 - Proposed.
- ▶ Upgrade existing transformer stations to the south.
 - Proposed.
- ▶ Shift loads to optimize station load balancing.
 - Proposed.

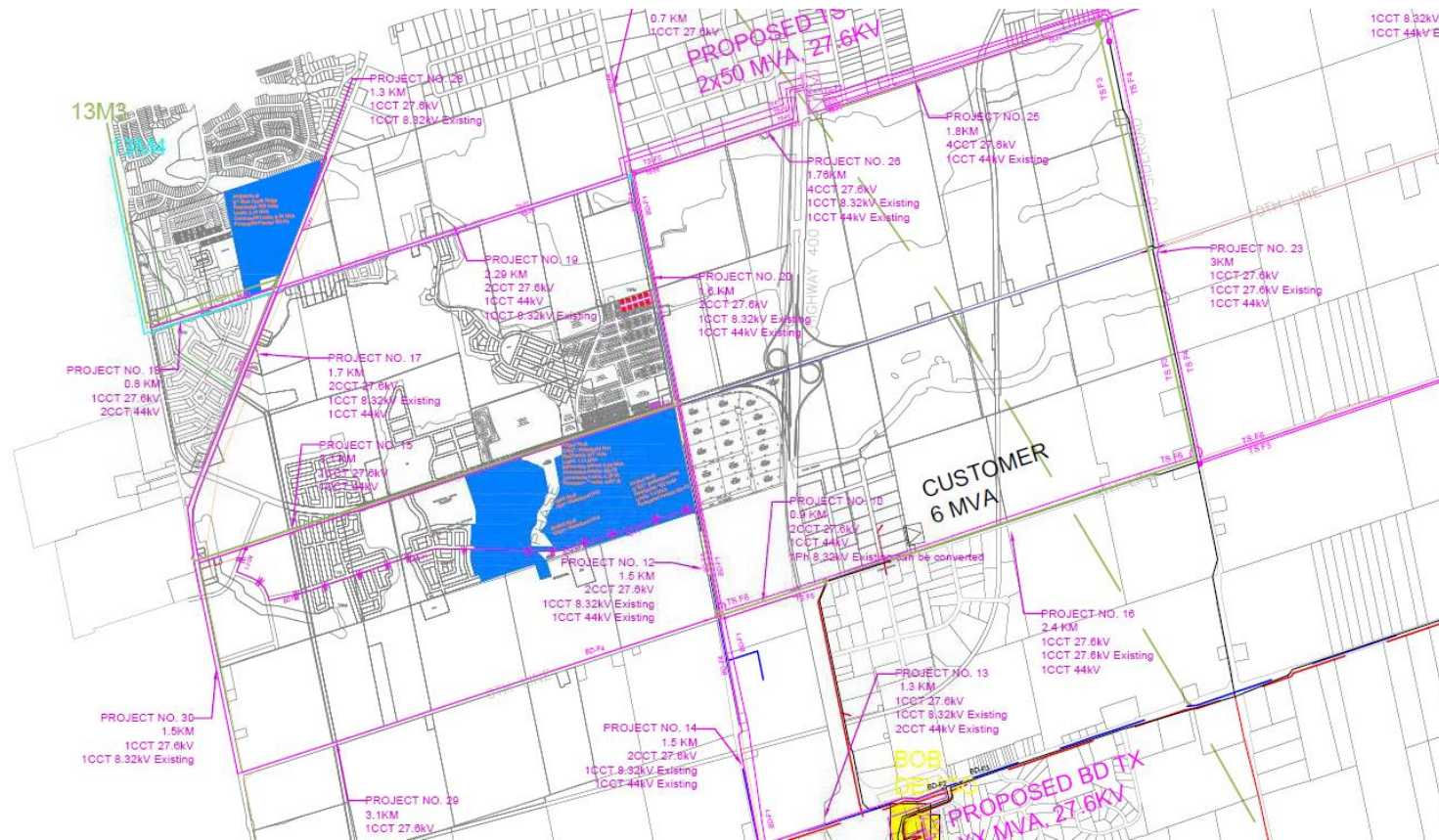


 **DISTRIBUTION STATIONS**

-  EXISTING INNISFIL HYDRO 27.6 kV DISTRIBUTION STATION
-  NEW INNISFIL HYDRO 27.6 kV DISTRIBUTION STATION

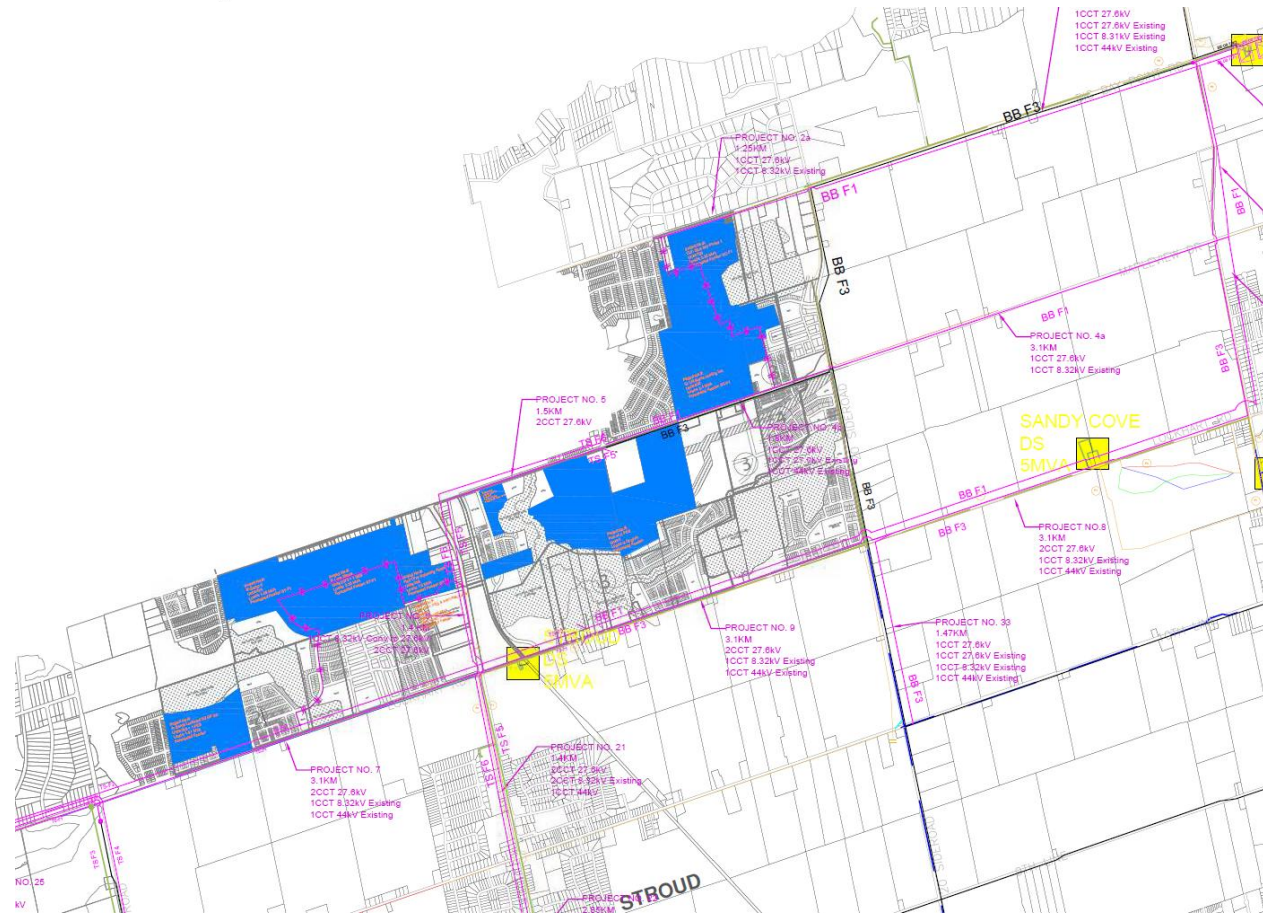


Long Term System Plan



Magenta = New Circuits

Long Term System Plan



Magenta = New Circuits

Summary

- ▶ InnPower continues to revise and improve on its long term system plan in order to increase quality, reliability and meet the power demands of the short term and long term.
- ▶ Staff are ready and willing to support all customers, developers, builders and municipal needs.
- ▶ 2018 is our 25th Anniversary!
 - Celebrating our ongoing commitment to powering our community for over 25 years!



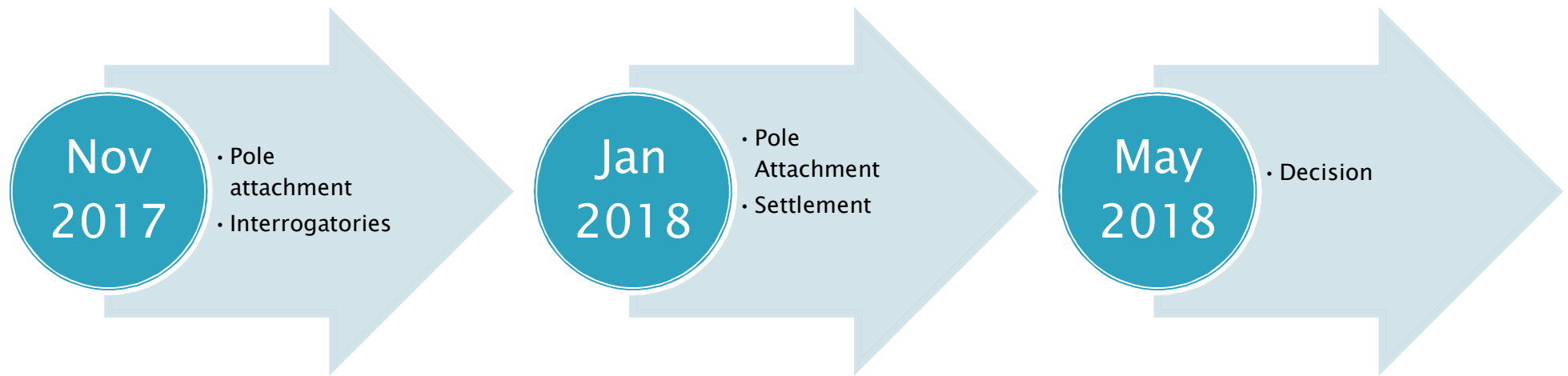
Rate Application Timeline



Rate Application Timeline



Rate Application Timeline



Cost of Service Outcome



Rate Base

Original Submission	\$6,187,625
Approved	<u>5,316,777</u>
Total OM&A Reductions	\$ 870,848

\$4,400,000

The rental space was removed from InnPower's rates. In addition the rent received from the rental space is being used to offset InnPower's distribution rates.

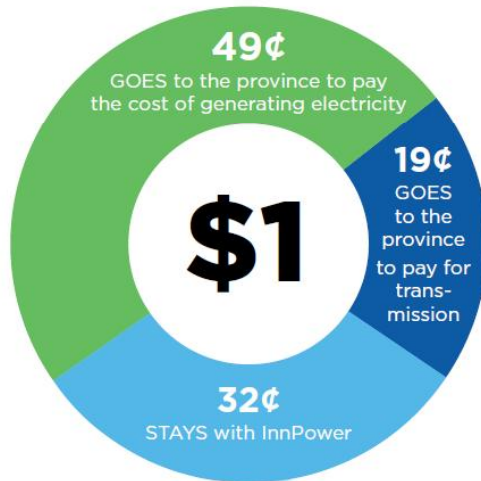
Cost of Service Outcome

- ▶ For residential customers, the rate increase amounts to 2.5% annual increase since the last rate increase effective January 1, 2016

innpower Investing in local energy

For each **\$1** of your energy bill ...

... we invest **32¢** locally. Here's how:



8¢
capital upgrades

7¢
capital depreciation

32¢

9¢
administration

1¢
regulatory

1¢
local and provincial taxes

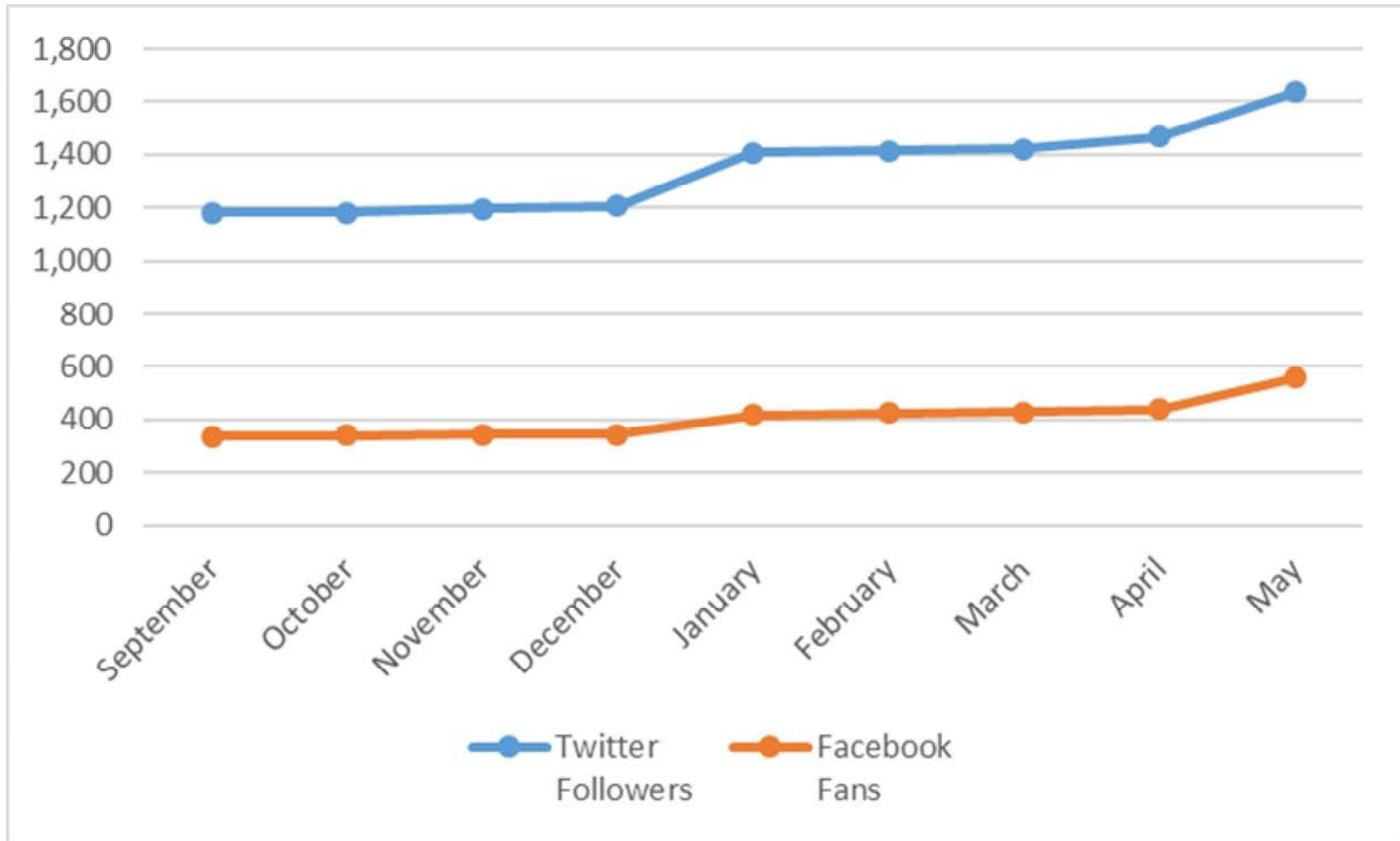
2¢
local line maintenance

4¢
operations



Based on average customer use.

Customer Engagement through Social Media



2018 Wind Storm

thank you
Private Lorraine Brann > InnPower Corporation May 06, 2018

Thank you for the update...
Private Cindy Lapierre > InnPower Corporation May 06, 2018

Thank you thank you thank you!!!! Yes, we are up and running :)
DM between JulieDorsey5 and InnPower_ May 06, 2018



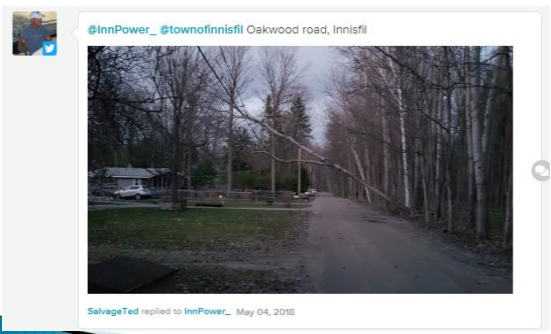
Thank you Innpower for doing a great job in restoring our power. thank you.
Curtis Fink > InnPower Corporation May 06, 2018
Comment on Post "Alcona area has been... office at 705-431-4321 @townofinnisfil"

Great job , thank you
Gayla Leach > InnPower Corporation May 06, 2018
Comment on Post "Degraasi area has been... be restored shortly. @townofinnisfil"

Thank you for the response.. have a good night..
DM between JulieDorsey5 and InnPower_ May 05, 2018

Thank you to the crews who have been out for almost 48 hours! I hope you all get home safe and get some rest time!!!
Sherri Keates > InnPower Corporation May 06, 2018
Comment on Post "InnPower crews continue to... continued patience #windstorm2018 @tow..."

@InnPower_ @townofinnisfil Thanks everyone! I know working through the weekend is the last thing anyone wants to do.
AnthonyGolden13 replied to InnPower_ May 06, 2018



@InnPower_ @townofinnisfil Thanks everyone! I know working through the weekend is the last thing anyone wants to do.
AnthonyGolden13 replied to InnPower_ May 06, 2018

Thank you for all the hard work your crews have been doing the last couple days! Real MVP'S!!
DM between 931freshradio and InnPower_ May 06, 2018


Thanks InnPower Corporation!
Tracy Vent > InnPower Corporation May 06, 2018
Comment on Post "Pine Ave. and Church... restore power there. @townofinnisfil"


 Omg finally!!!! Yahoo!!! I can see them!!!!
Monica April > InnPower Corporation May 05, 2018
Reply on Comment "Monica April Kennedy"

 @InnPower_ @townofinnisfil Thank-you InnPower! You have made a local business owner and it's customers very happy! I talked to many staff that worked hard all night to resolve this, as inconvenient as it was, I truly feel you guys did everything and the best you could, and we at Eggsmart appreciate this!
eggsmartalcona replied to InnPower_ May 05, 2018

 @InnPower_ @townofinnisfil Thank you so much!
NancyCorcoran10 replied to InnPower_ May 05, 2018

 Wanna send big THANKS @SouthSimcoePS @InnPower_ @Innisfil_FIRE @townofinnisfil and anyone else I may be forgetting, for their staffs diligent and hard work this afternoon, evening and likely overnight #onstorm #windstorm 🍷👍 Pls go home safely to your families and #BeSafeOutThere
suzanbunner May 04, 2018


 InnPower Corporation Thank you
JZ Biasell > InnPower Corporation May 05, 2018
Reply on Comment "Kate Ave has been... check in on Taylorwoods."

 Taylorwoods is up! Thank You!
Jennifer Heath Ryan > InnPower Corporation May 05, 2018
Comment on Post "Ferrier Ave. has been restored. @townofinnisfil"

 @InnPower_ @townofinnisfil After Edith are the guys moving over to rosemary #greatjob
JasonRodgers_13 replied to InnPower_ May 05, 2018


 @InnPower_ @townofinnisfil Thank you thank you very much! 🙏
MickAsh1307 replied to InnPower_ May 05, 2018

 @InnPower_ @townofinnisfil That will be great! Thanks for the update.
MaryJuretic replied to InnPower_ May 05, 2018


 @InnPower_ Thanks for all updates and info. Nicely done. Power just went out in #Cookstown, we are on Victoria St E. Thanks. Wilsons. Good thing it's #screenfreeweek 🍷👍
suzanbunner replied to InnPower_ May 04, 2018

 @InnPower_ @townofinnisfil We're up and running, 24 hrs later! Many thanks to all the men and women who have worked tirelessly since yesterday; a tip of the protective headgear to you all! :)
Venkman007 replied to InnPower_ May 05, 2018


 Thanks Inn Power were up and running.
Val Munshaw-Hadley > InnPower Corporation May 05, 2018
Reply on Comment "We are still out... just after 4:00pm yesterday."

 @InnPower_ @townofinnisfil Thanks so much for the update. Great work!!
levina0312 replied to InnPower_ May 05, 2018

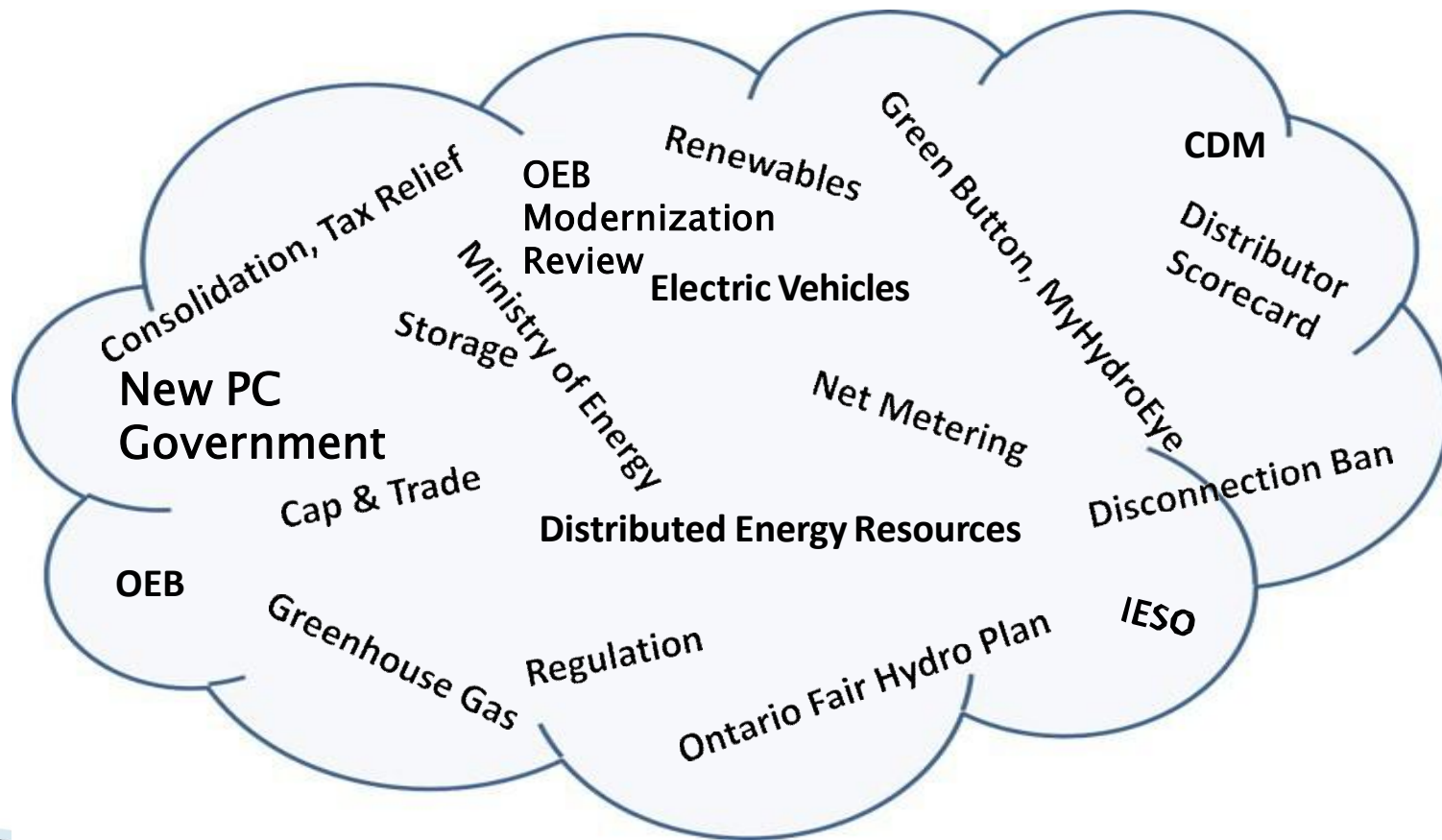
 🍷🍷🍷🍷
Stephanie Skelton > InnPower Corporation May 05, 2018
Comment on Post "Ferrier Ave. has been restored. @townofinnisfil"

 You are super heroes for the pace you have kept up the past 24 hours... You are appreciated!
Diane Sykes > InnPower Corporation May 05, 2018
Comment on Post "InnPower estimates approx 1,000... Twitter and Facebook. @townofinnisfil"

 Fantastic!!!! Thank you!
Serena Gabriel > InnPower Corporation May 05, 2018

 Thanks for the update!
Holly Etzner > InnPower Corporation May 05, 2018
Reply on Comment "The power is still... Cove Place as well."

Current Environment



InnPower Corporation Strategic Imperatives



Align utility reliability and quality of service levels with customer expectations

InnPower Corporation Strategic Imperatives



Shift the focus from utility cost to value for customers

InnPower Corporation Strategic Imperatives



Better align timing and pattern of expenditures with cost recovery

InnPower Corporation Strategic Imperatives

Institutionalize continuous improvement and innovation



Efficiency Committee



Customer Engagement Committee

Questions ?

