



City of Peterborough Media Release

For Immediate Release
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Peterborough, ON --

Hydro One to Acquire Assets of Peterborough Distribution Inc. from the City of Peterborough

The City of Peterborough and Hydro One have reached an agreement for Hydro One's acquisition of Peterborough Distribution Inc. (PDI) from the City for \$105 million plus terms that include distribution rate guarantees for customers as well as a separate agreement for the construction of a new regional operations centre in Peterborough.

City Council approved authorizing the sale of PDI to Hydro One at its meeting on December 15, 2016. The agreements comprising the transaction meet the terms and conditions approved by Council, including:

- A 1% distribution rate reduction and a five-year freeze in distribution rates for customers;
- A second five-year period with distribution rate increases limited to inflation and an earnings sharing mechanism to offset rates in year 11 and onward;
- Protections for PDI employees with employees receiving employment offers to move to Hydro One;
- A sale price of \$105 million; and
- An agreement to develop a regional operations centre and new fleet maintenance facility in Peterborough on specified pieces of land to be acquired concurrently with the closing of the acquisition of the assets of PDI following regulatory approvals.

The agreements are subject to Ontario Energy Board (OEB) approval. The OEB regulates the province's energy sector, including setting rules for electricity companies and establishing rates that energy utilities are permitted to charge.

When the board of directors of City of Peterborough Holdings Inc., the parent company for PDI, recommended selling PDI, the City undertook industry research, an analysis of the electricity sector in the province, and public information sessions.

"Hydro One was unique in its ability to offer new investment and job creation in our community through the addition of a new operations centre to serve customers throughout the broader region," Mayor Daryl Bennett said.

"We're surrounded by Hydro One territory – in fact, we already have Hydro One customers within the City of Peterborough and new subdivisions will be in Hydro One territory. Hydro One

will be able to create efficiencies by better utilizing its existing infrastructure, benefiting customers and supporting growth.”

PDI is one part of the Peterborough Utilities group of companies. PDI includes the “poles and wires” business of Peterborough Utilities. City of Peterborough Holdings Inc. retains ownership of the rest of the group of companies, including its water utility, the Riverview Park and Zoo, metering services, and its power generation business.

PDI serves approximately 37,000 customers in Peterborough, Lakefield and Norwood.

"Hydro One looks forward to welcoming the customers and employees of Peterborough Distribution to our family," said Patrick Meneley, Executive Vice-President and Chief Corporate Development Officer, Hydro One. "This merger is structured to benefit stakeholders and provides us the opportunity to leverage our scale to positively impact distribution rates and quality of service. Hydro One has served customers around Peterborough for many years and we look forward to extending our service and growing our operations in the vibrant communities in and around Peterborough.”

This information is also on our City of Peterborough website at www.peterborough.ca.

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For further information, members of the media are invited to contact the undersigned:

Sandra Clancy
Chief Administrative Officer
City of Peterborough
500 George Street North
Peterborough, ON K9H 3R9
705-742-7777, 1636
Toll-Free: 1-855-738-3755
sclancy@peterborough.ca