



# The Power of Us



**Pictured:** July 2018 Downburst clean up by Greater Sudbury Hydro crews.



**Written  
statements exist  
on paper.**

**These values are  
what we live.**

We are experts in our fields. We believe in our ideas and in our collective ability to bring them to life. We hire the best people, the most qualified people, and we let their talents shine. We are united in purpose at all levels of the organization, and we are always eager and respectful collaborators—no egos, no competition. We spearhead partnerships, support one another, trust implicitly, and do great things together.

# The Power of Us

**Do the  
right thing.**

We always work in the best interest of our stakeholders, no matter what the circumstance. We deliver on our promises, across all companies, and consistently treat others as we'd like to be treated. We do the right thing, even when no one is watching.

**Protect  
our assets.**

We take care of what's most important to us—now and over the long term. We exhibit an unwavering commitment to continuous learning, health, safety and work-life balance; practice sound financial management; remain responsive in emergency situations; and engage in preventative maintenance and renewal of our infrastructure.

**Act  
courageously.**

We want to lead in everything that we do, and so we see challenges as opportunities. We make space to try new things, ask questions, innovate and have honest conversations. Regardless of the outcome, we own the results. We take on adversity willingly in order to grow our business and improve our practices.

**Give more.**

We want to make the largest impact possible. We strive to exceed expectations in the quality of services provided and to be active corporate citizens in the communities we serve. We respond to customer requests with urgency and compassion, and support important social causes through volunteerism and charitable giving.



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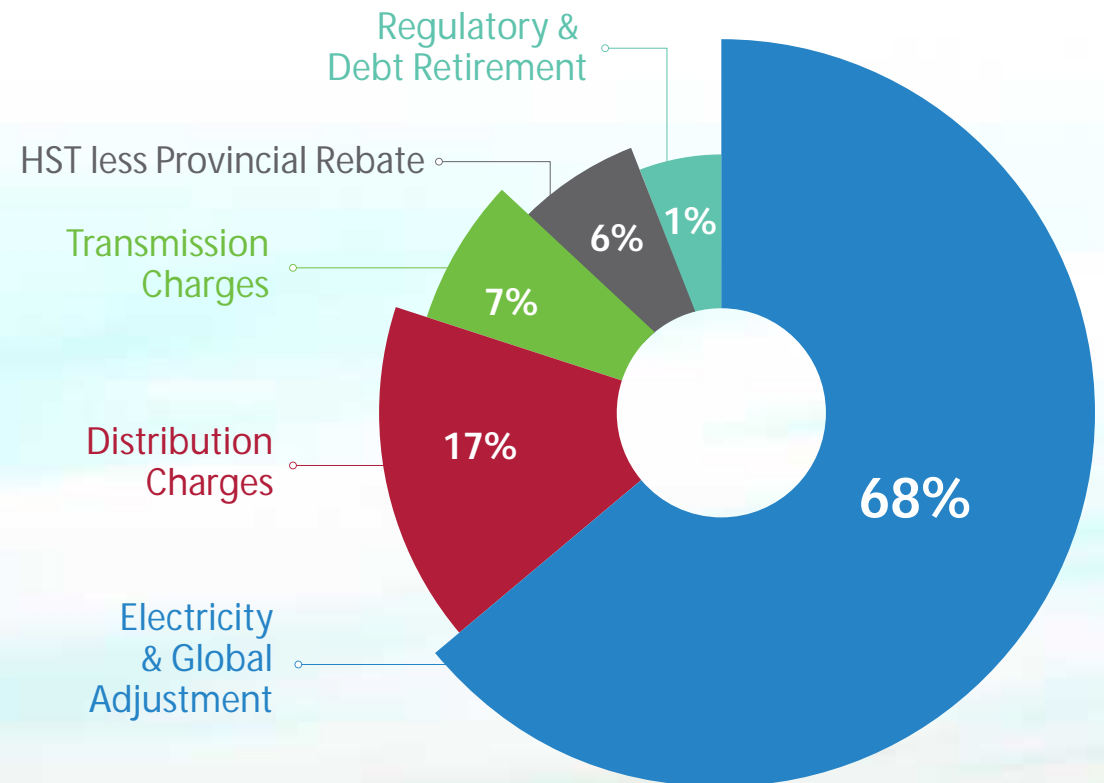
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# Where a Dollar Went in 2018

## Did you know?

GSH collects the entire bill, but keeps **only 17%** to maintain the distribution system. Other agencies absorb the remaining 83%.

(source: [oeb.ca/\\_performance/report\\_builder](http://oeb.ca/_performance/report_builder))





## GSH DISTRIBUTION RATE CHANGE HAS AVERAGED

1.29% per Year  
over the past 5 years (2013-2018)

*GSH Distribution Rate Change Over 5 Years (2013-2018): 6.45%  
(based on ave. consumption of 750 kwh/month)*

**BELOW INFLATION!**

## INFLATION RATE CHANGE OVER THE SAME 5 YEARS (2013-2018)

1.58% per Year

*Cumulative Inflation Rate over 5 years (2013-2018) 8.14%  
(source: [www.bankofcanada.ca](http://www.bankofcanada.ca))*

### CAPEX 2018

\$12.86 M

### CAPEX IN PAST 5 YRS

\$57.4 M

*(Consolidated)*

### CHANGE IN EQUITY FROM 2013-2018

\$18.88 M

*That's a 67% increase in  
value over the past 5 years.*



# PROVIDING VALUE TO **YOU**, THE SHAREHOLDER.

The corners of a triangle cannot change without affecting the other sides or corners. Balance is critical.

GSU works hard to balance the interests of our **Customers**, the **Municipality** and renewal of our aging **Distribution System**.

**BALANCE** = Strength and Stability



# OVER **\$5.52M** TO CGS IN 2018

## PLUS LOWER COSTS FOR STREETLIGHTS AND WATER BILLING

The City of Greater Sudbury is both the sole shareholder of GSU and a major customer of several GSU affiliates. This twin relationship creates opportunities for GSU to flow additional value to the CGS, in several tax efficient ways:



**\$3.8M is transferred annually to CGS** as “interest on a notional loan” paid at 7.25%. The OEB only allows 4.01% to be recovered through rates, so the extra 3.24% is generated by GSU business activities.



That means **GSU pays CGS an extra \$1.25M in interest** over what is allowed by the OEB to be recovered in rates.



In 2018, Agilis Networks provided the City with \$1.32M in discounts on telecommunications (CGS: \$846k, GSPS: \$470k)  
**That's \$1.32M less that needs to come from taxpayers.**



**Convergen's Landfill Gas Generator transferred \$404k to the CGS** in 2018 through purchase of gas at the dump, which would have otherwise been flared and wasted. Found money!



Streetlight maintenance and water/wastewater billing & collection contracts are done on a “**cost-recovery basis**”—not for profit. The last time an open call was issued for streetlight maintenance, GSU was about half the cost of the nearest quote.



**The 16th lowest residential rate and 19th lowest business rate** (out of 71 in Ontario) makes Greater Sudbury Hydro service area more appealing from an Economic Development perspective. Lower rates = a real competitive advantage!



***There never was a LOAN.** This was set up as a way to flow money to the shareholder annually and reduce tax paid to province.*

## PROTECT OUR ASSETS

# REBUILDING FOR TOMORROW, TODAY.

Everything ages, including infrastructure. **When critical components approach their end of life, responsible stewards know that to ignore the need for investment in renewal is perilous and can lead to system failure, a substantial future infrastructure deficit, or devastatingly, both.**

At GSH, we know system failure is unacceptable, and we also know that we cannot afford to allow the build-up of an investment deficit from which we can never recover — which is why GSH is taking action now. We recognize that many of our substations, which are critical links in our distribution system, were built right after World War II. They are designed to be 50-to-60 year assets, and though GSH is committed to regular maintenance and repair, these substations are well over 60 years old, and the technology is no longer keeping up with today's standards.

In 2018, we made significant updates to the Kathleen Substation. We are currently working on upgrades to the Capreol Substation with several other aging substations to follow in the coming years. As part of our Distribution System Plan, which we must submit to the Ontario Energy Board for review and approval, we have laid out our Capital Renewal Expenditure Plan for the next several years, and our focus will be on Gemmel, Cressey, Moonlight, Marttila and Paris substations, in that order.

Upgrades to these substations are beneficial for all of our customers as they will improve power supply stability and reliability, and enable power to be rerouted and restored more quickly and efficiently in the event of an unplanned outage.

This project was  
**ON TIME and  
UNDER BUDGET**  
by over 10%!



2018

## Kathleen Substation 70+ YEARS OLD

Located in the historic Flour Mill area, the Kathleen Substation was a grand old lady by industry standards—well over 70 years old. The Substation went into service in the early 1940's, and at that time, it was "state of the art." However, technology has changed and the distribution system is encountering new challenges.

In 2018, Greater Sudbury Hydro replaced the old equipment with new smart technology. We budgeted \$3.85 million for the updates needed to bring the substation up to current standards and prepare for what's next in the industry. This project was on time and under budget by over 10%!

The project considered the ever-increasing levels of automation and remote control within our grid as well as more diverse and complicated sources of energy, such as solar or small wind generation.



2019

## Capreol Substation 62 YEARS OLD

The Capreol Substation went into service in the late 1950s. Over the past 60+ years, technology has changed and the distribution system must evolve. Throughout 2019, GSH is replacing the old equipment with new. The updates are projected to cost roughly \$1.6 million.

As part of this project, we will be replacing “end of life” infrastructure with a combination of overhead and underground equipment. The current instrumentation shed is in good shape, which allows us to reuse that building, however, we will be replacing transformers, switches and other assets as we add capacity. Finally, the existing overhead power line will be rebuilt and replaced.



Upgrades to these substations are beneficial for all of our customers as they will improve power supply stability and reliability.

## What's Next for these Aging Assets?

2020

### Gemmel Substation

52 YEARS OLD

*This substation powers the busy Barrydowne corridor from the New Sudbury Centre to Costco.*

2021

### Cressy Substation

68 YEARS OLD

*Cressy is critical to the city core and West End. Located on a hill in Gatchell, construction challenges will be significant, but the age of the equipment demands renewal.*

2022

### Moonlight Substation

57 YEARS OLD

*Moonlight serves the east end of The Kingsway from Falconbridge Rd. to Levesque, Moonlight Beach to Frobisher. If future development is to occur in this area, Moonlight must be upgraded.*

2023

### Marttila Substation

57 YEARS OLD

*This substation services the area along Regent from York St. to the Taphouse, including Lockerby Composite, and halfway down both Southview and Walford Rd.*

2024

### Paris Substation

52 YEARS OLD

*Paris supplies power to the crucial Four Corners business district, including all the apartment buildings, homes, and businesses up to Walford Rd.*

PROTECT OUR ASSETS

# SAFETY IS NOT EXPENSIVE, IT'S PRICELESS.



IN 2018...

1

## Lost Time Accidents

1 lost day in 2018, 0 in 2017.

7

## Accidents (no lost time)

3 weather-related slips/trips/falls, 2 cuts, 2 strain injuries, 1 burn on a hot water pipe. Down from 9 in 2017.

26

## Reported Incidents

Up from 20 in 2017 (10 high potential for harm, 10 with medium potential, 6 with low potential).

11

## Hazard Observations

Up from 10 in 2017.  
5 with injury potential.

4

## Threat Incidents

3 over the phone, 1 in person at a job site. Down from 9 in 2017.

6

## Vehicle Accidents

6 accidents in 2018. Down from 8 in 2017.

Year-over-year, increase in numbers due to more training awareness by staff about the importance of reporting. This will continue to be a focus.

## PROTECT OUR ASSETS



### Safety-it's everyone's job!

All outside personnel who do work for GSU and its affiliates, are put through a safety orientation to ensure they understand GSU safety processes, protocols and expectations. No exceptions. Even outside utilities who came to help out in July underwent the extra training.



### Building Masters of Disaster

The GSU Risk Management Office was delighted to participate in the City's "Master of Disaster" Summer Camp! Another great opportunity to teach youth about the dangers of electricity—and how to stay safe!



#### SAFETY COMMITMENT

Employees at all levels and in all areas of the company have made a commitment to achieving an injury-free workplace.

## Improving Safety through Communication

**In the wake of the July 9th downburst and subsequent damage, GSU has undertaken a complete review and revamp of the Emergency Response Plan**, just to make sure everyone is on the same page for "the next one".

A happy outcome of the storm has been improved collaboration between GSU and the CGS Communications Team and Emergency Services Group. While there have been many informal links, this event has improved information flow and idea-sharing through both formal and informal channels.



## ACT COURAGEOUSLY

# July 2018 Storm Recovery

**Monday afternoon, July 9, 2018, a huge storm cell took Greater Sudbury by surprise, causing widespread damage and knocking out power to over 4000 customers. Damage was extensive, but mostly localized to a couple of New Sudbury neighbourhoods.**

At approximately 4:38 pm, the first alarm triggered in the GSH Control Room, indicating a mass power outage. For the next several days, it was "All Hands On Deck" as every department and division of GSU pitched in to restore power. That first evening was spent triaging and dealing with the most urgent calls.

Additional line crews and equipment arrived early the next day from Lakeland Power, North Bay Hydro and PUC Sault Ste. Marie under a mutual assistance agreement.

Just over 3 days later—actually 76 hours and 50 minutes after the first alarm, power was restored throughout the affected area.

It took an incredible effort, collaboration throughout our organization and with various CGS departments, help from our friends in the industry, plus cooperation and understanding from our customers to get through July 9th.

**Working together...that is The Power Of Us.**



**#WeDidIt**



**Total Cost:**

# \$584,464

*\$265,000 billed to a third party.*

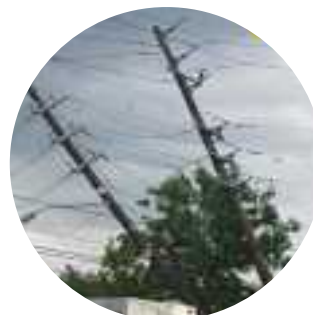
*The rest will be recovered through insurance.*



**People Involved in Recovery:**

# 160

*160 people were involved in the storm recovery including 40 Powerline Electricians (Linemen), 20 outside contractors, and 9 arborists.*



**Amount of Line Down:**

# 3,470m

*That's almost 3.5 kilometers!*



**Poles/Transformers Replaced:**

# 40

*A total of 22 poles and 18 transformers were damaged or destroyed.*







## GIVE MORE

In 2018, GSU's competitive  
service companies contributed

# \$1.72 MILLION

in value to the City of Greater Sudbury



*Agilis Networks specializes in  
Business-to-Business Data &  
Telephony Services built on a fibre-  
optic backbone and we're growing!*

### IN 2018...

We **connected well over 420 critical infrastructure** points within Greater Sudbury, and **269 were CGS locations!** (*Arenas, water, wastewater, traffic lights, libraries, police, fire, EMS, TD Square, and more!*)

More than **3.7 Million minutes** of Long Distance Service.

Over **7 PetaBytes of Internet data** delivered over our network—that's about 159 YEARS of continuous 4K video on Netflix!

"Mean Time to Repair" was well **below 2.6 hours**—amazing!  
(*4 hours is the industry standard*)

**1300 Business Phone systems** in service

We have over **1830 Km of linear fibre** underground and on 10,713 poles with 38 POP sites connecting communities across the province.

*And...extra value for taxpayers!*

Agilis discounted **\$1.32M**  
in services to the CGS

## GIVE MORE



**LFG (Landfill Gas Generator)** continues to capture methane and produce both energy and additional revenue for the City.

### Nearly \$404K paid to CGS in 2018.

An important maintenance overhaul shut down the generator for seven weeks. That work was an investment in long-term production. Output is now averaging about 5-6% better each month.

Over  
**10,600 MWh**  
of electricity produced in 2018

That's enough to power nearly  
**1,200 HOMES**  
for a year.  
(750 KWh/month ave.)



### OUR PROMISE

*The right technology and the right products available in the right places.*  
**Local, Affordable, Dependable.**

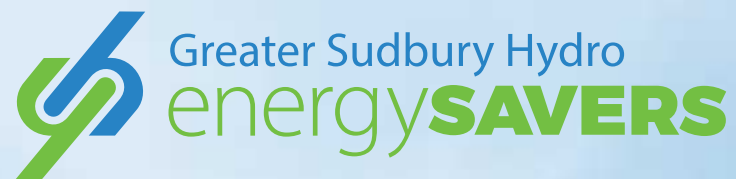
## We asked: "Why @home Energy?"

*"I've been doing business with @home Energy since the late '90's and we've been working together ever since."*

"It's very simple. First of all it's a local company. You have a problem, and there is direct easy access...not a call centre in a different part of the country. Second, we have a rapport with the people there...we know them and they know us. And lastly, @home Energy products are good and they're competitive." **Jacques Campeau, Campeau Heating**



GIVE MORE



Total Initiatives paid through  
GSH EnergySavers:  
**\$870,786**

Total Projects Completed:  
**165**

In 2018, GSH's EnergySavers  
Team saved nearly

**6 MILLION kWh!**



**GIVE MORE**

## **Afford Ability Fund™**

Hundreds of energy efficient measures were provided to customers, including programmable thermostats, EnergyStar appliances and the attics of over 60 electrically-heated homes were insulated, all at no cost to the customer!

Number of Clothesline  
Given Away:

**3,087**

Energy Savings Kits Provided  
Through AffordAbility Fund:

**613**



Home Energy Assessments  
Completed Through  
AffordAbility Fund:

**203**

GIVE MORE

## SUPPORTING OUR COMMUNITY.



@home Energy employees volunteered their time to answer phones at the 2018 CTV-Lion's Children's Christmas Telethon.



Cambrian College's Power Line Technicians pose for a photo to say "thank you" for Greater Sudbury Hydro's ongoing support of the program.



GSU staff don fascinator hats (some homemade!) for "Fascinator Friday" in excitement leading up to the Royal Wedding.



GSU staff volunteers were excited to participate in this year's Santa Clause Parade, and even won a 2nd place award!



A Greater Sudbury Hydro lineman installs a series of historical light pole banners in Coniston.



Utility staff are all smiles with their Tim Horton's Smile Cookies. Charitable contributions are regular, and an important part of our culture!

 good ideas made real.



## Tech Talk Tuesday

Tech Talk Tuesday is a new initiative in The Workshop that improves the digital literacy of GSU employees. Run by employees, for employees. True knowledge sharing and collaboration.



## Manifesting Innovation

Digital Utilities of the Future Series is an Industry Driven Conference for Leaders who are transforming the Utilities Landscape.

Paul Giroux presented on 'GIS in Utilities: Using Location Data as a Driver for Transformation'.



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