

Council Chambers
February 26, 2008

Council convened in formal session at 7:00 p.m.

Present: Mayor Farbridge, Councillors Beard, Bell, Billings, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury and Wettstein

Absent: Councillor Burcher

Staff Present: Mr. R. Mackay, Acting Director of Community Services; Ms. L.E. Payne, Director of Corporate Services/City Solicitor; and Mrs. L.A. Giles, Director of Information Services/City Clerk

Also Present on behalf of Guelph Hydro Inc.: Mr. P. Truex, Ms. J. Urisk and Ms. J. Armstrong;
Guelph Hydro Electric Systems Inc.: Mr. A. Stokman, President and Mr. D. Frey, Vice President of Finance

DECLARATIONS UNDER MUNICIPAL CONFLICT OF INTEREST ACT

There was no declaration of pecuniary interest.

The Mayor advised that the purpose of the meeting was to hear information with respect to Guelph Hydro Electric Systems Inc. merger discussions.

Mr. Truex was present on behalf of Guelph Hydro Electric Systems Inc. and provided information in relation to merger discussions with Horizon Utilities Corporation. He provided information on the new regulatory model called Incentive Regulation which will result in the need for aggressive cost reductions just to maintain traditional earning levels and that this merger would provide a means for remaining competitive. He advised that it would also help to reduce the impact of the inevitable increases in electricity rates for customers.

He highlighted the reasons for merging with Horizon Utilities Corporation, as this would align the local utility into a much larger area of influence with a

player having significant resources and strength. He advised that both utilities have a commitment to first class customer service, are reliable and each has a strong energy conservation program.

He outlined the benefits to the City of being part of a major provincial entity rather than a local one. He also advised that there would be significant benefits associated in having costs spread over a larger base and it would also improve our financial stability and offer a lower per capital cost of service. He further advised that the customer would experience benefits of increased conservation opportunities, wider range of low income assistance programs and enhanced e-post and on-line billing options.

Paul Truex, Art Stokman and Jasmine Urisk responded to questions by Council.

ADJOURNMENT

The meeting adjourned at 8:41 o'clock p.m.

Minutes read and confirmed April 28, 2008.

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Mayor

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Clerk