	Report Title	Economic Development Advisory Committee Resolution Regarding THI's New Economic Evaluation Model
	Report No.	DCS 19-07
	Author	Staff on behalf of Jesse Goossens, Chair
	Meeting Type	Council Meeting
	Council Date	April 8, 2019
	Attachments	

RECOMMENDATION

THAT Council receive report DCS 19-07 Economic Development Advisory Committee Resolution Regarding THI's New Economic Evaluation Model as information.

BACKGROUND

At the Economic Development Advisory Committee meeting on March 21, 2019, the General Manager of Tillsonburg Hydro Inc provided an update on Tillsonburg Hydro Inc's (THI) Distribution System Expansion Costs and Charges changes as approved by the Board of Directors in January of 2019 as per the following motion.

AND THAT the Board confirm that THI use the EEM process capturing total capital costs (developer and THI) and ongoing costs defined as Operating, Maintenance, Administration, Depreciation and Interest costs as outlined in the Distribution System Code effective January 1, 2019;

AND THAT the expansion deposit collection be deferred until it is mandated by the regulator.

This motion resulted in a change to the cost-sharing ratio from 50:50 to 90:10 with the developer now bearing the majority of the costs as determined through the Economic Evaluation Model (EEM). This is different from other utilities in the area. While this requirement is now in place, no applications for system expansion have been received under the new regime yet.

The Board did defer the requirement for a system expansion deposit until such time as it is mandated.

DISCUSSION

At the Economic Development Advisory Committee meeting on March 21, 2019, the committee passed the following resolution:

THAT the Economic Development Advisory Committee advise Town Council that the Committee is deeply concerned about impacts to competitiveness with respect to the decision made by the Tillsonburg Hydro Inc. Board of Directors to increase the costs included in the Economic Evaluation Model as well as to increase the share of these costs paid by the developer.

The committee is concerned that the change to the Distribution System Expansion Costs and Charges will make the Town of Tillsonburg less attractive for new investment. In their Dec 11, 2018 letter to the THI Board of Directors, the committee asked that comparator information be provided but have not received any information in that regard to date.

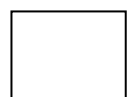
The committee would like the THI Board of Directors to reconsider their decision while taking into consideration the current practices of utilities in the adjacent communities. It is the Committee's intent to request a meeting with THI to bring these concerns forward and discuss potential options.

FINANCIAL IMPACT/FUNDING SOURCE

There is no financial impact related to this report.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

1. Excellence in Local Government
 - ☒ Demonstrate strong leadership in Town initiatives
 - ☐ Streamline communication and effectively collaborate within local government
 - ☐ Demonstrate accountability
2. Economic Sustainability
 - ☒ Support new and existing businesses and provide a variety of employment opportunities
 - ☐ Provide diverse retail services in the downtown core
 - ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy
3. Demographic Balance
 - ☐ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☐ Provide opportunities for families to thrive
 - ☐ Support the aging population and an active senior citizenship
4. Culture and Community
 - ☐ Promote Tillsonburg as a unique and welcoming community
 - ☐ Provide a variety of leisure and cultural opportunities to suit all interests
 - ☐ Improve mobility and promote environmentally sustainable living



Report Approval Details

Document Title:	Report DCS 19-07 Economic Development Advisory Committee Resolution Regarding THI's New Economic Evaluation Model.docx
Attachments:	
Final Approval Date:	Mar 31, 2019

This report and all of its attachments were approved and signed as outlined below:



David Calder - Mar 31, 2019 - 12:25 PM