

As notified by Inquiry Counsel K. McGrann I am providing my opening statement in writing to Associate Chief Justice F. N. Marrocco.

I want to begin by expressing my appreciation to you for allowing my participation in these proceedings.

I won't refer back to all of my previously submitted information in my application for standing but will include two(2) pertinent sections of your rulings contained within the August 20, 2018 Reasons and Decisions Concerning Participation and Funding.

EXCERPTS:

43. Mr Fryer has a substantial and direct interest in the subject matters of the Inquiry, arising from his long-time employment at Collingwood Utility Services Corporation and his role as its Chief Financial Officer at the time of the transaction.

47. I recommend that the Town favorably consider Mr. Fryer's request for funding based on my review of his financial information.

I am confident that your support of my position, that I believe with my background and goals I can be of assistance in the complex work pertinent to this Inquiry, will be justified. I will readily admit though that there is much trepidation that comes from having to proceed without legal assistance. As you know legal assistance is not just about accessing expertise that is professionally familiar with Inquiry proceedings. It also provides the just opportunity for a critically important support system that normally is required in similar situations. Mostly due to the Inquiry's Non-Disclosure Agreement (NDA) restrictions that are to be adhered to. Although I have concerns, I believe it is more important for me to participate than not.

I open then with this general overview. In the following I have prepared some specific remarks based on my understanding of what is required. I will include some background detail as well as submit an outline of my expectations of the proceedings.

To begin with I will note that at this time I continue to not expect that I will be bringing forward any witnesses. A further expectation is that anyone I foresee the possibility of reviewing their testimony and evidence with, will be brought forward by Inquiry Council or one of the other participants. I expect a similar situation regarding any specific evidence submission. What I expect to be trying to provide my perspective on most likely will already be submitted by Inquiry Council or one of the other parties.

Some of the evidence that will be presented is expected to show that in 2001 the Ontario Government identified that in regards to municipal electric “assets”, Town Councils became the “Shareholder” when a required Local Distribution Company(LDC) was formed. It further will be shown that when Collingwood Utility Services Corp (COLLUS) was structured, with the required LDC(COLLUS Power), it was legislated that it be formed under the Ontario Business Corporation Act (OBCA).

Unique circumstances developed with the placing of an OBCA corporation into the hands of a body that is governed by the Municipal Act. As the evidence will indicate a key consultant spoke to the public when a presentation was made in 2017 to Inquiry Council of difficulties that could develop. He put forward his opinion that the Provincial Government had failed to provide the necessary tools to Councils as to what is deemed to be proper procedures and processes regarding ownership of an OBCA corporation. A result of which, as will be presented in the upcoming evidence, there is no template as to how to structure, operate and/or divest of an LDC. An outcome of this situation is that there have been, still are and will be many different approaches utilized throughout Ontario.

It will be an important aspect of the evidence that will be provided, on the Ontario Energy Board’s (OEB) oversight role, that their expectation is that a BALANCE of care will be exercised for protecting the interests of both the Shareholder and the Ratepayer/Consumer. The importance of COLLUS exhibiting this mutual concern is even more profound in Collingwood’s case because it also owned electric assets/consumers within the former Towns of Thornbury, Stayner & Creemore. Back in the early 2000s a key pillar of Collingwood’s purchase negotiations, that took place with these neighboring municipalities, was that one of the end results was to provide customers with long-term rate protection. The Councils of The Town of Blue Mountains and Clearview felt this was best achieved by selling to COLLUS.

The evidence will show that COLLUS operations, provided a healthy BALANCE through all of the years of operation. Maintaining low debt levels through the reinvestment of annual earnings was one established practice of the Councils prior to Selling Council. It will be shown that a benefit of this was that by keeping borrowing room available, if an investment opportunity presented itself, COLLUS would possibly not have to seek any additional funding from its Shareholder. Another was not only that the shareholder earned a healthy rate of return on those electric assets investment but also met its system reliability goals. The Town also had the ability to take out a large dividend and/or cash their Promissory Note at any time, if that need ever presented itself.

That will be the background detail that I will submit for now. From my perspective it is important baseline information. Some of which I expect to be useful during the considerations of this proceeding.

Through my participation during the Inquiry proceedings I expect to be able to assist with fully exploring some of the evidence that is presented. I also expect that my interaction with some of the witnesses will help ensure, as much as possible, additional pertinent context is incorporated. My participation affords me the appropriate opportunity to preliminarily review many of the submitted documents. For my preparation this is essential since it is close to 8 years ago since I last had direct access to COLLUS operations. It also is anticipated that there are documents within the evidence on matters, which I wasn't necessarily directly involved in at the time, that may need to be taken into my consideration.

In closing, once again, I appreciate the opportunity to participate so that I can fully assist rather than feel, as I sometimes have in the past, limited in the level of input that I am able to provide.

Respectfully Submitted

Mr. Tim Fryer