

Report to Council

Report Title: Hydro Servicing in East Ridge Business Park

Prepared By: Sonya Watson, Chief Administrative Officer

Department: Administration

Date: November 22, 2022

Report Number: CAO2021-32 **File Number:** C11AD, D02EA, E06WE

Attachments: Westario Offer to Connect Agreement

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number CAO2021-32 – Hydro Servicing in East Ridge Business Park, prepared by Sonya Watson, Chief Administrative Officer and in so doing authorizes signing the Offer To Connect and authorizes the Chief Financial Officer to obtain the necessary Revenue Guarantee in the amount of \$60,000.

Report:

Background:

Council has approved Phase 1 of the East Ridge Business Park expansion proceeding. As part of this expansion, staff and engineers have been consulting with Westario Power related to servicing the new phases of the park.

Westario Power entered discussions with Hydro One as a portion of the park is within Hydro One's service area. Discussions between Hydro One and Westario regarding a Service Area Amendment were advanced. It was determined that Westario Power could serve the park at a lower cost, and therefore, there was agreement that Westario Power would proceed with works to service all phases of the park.

Staff have met with Westario Power staff to advance the construction design for the Phase 1 works and discuss the Offer To Connect Agreement attached that outlines the cost sharing arrangement to service the park.

All lots sold with in the East Ridge Business Park will be offered with full services including natural gas, hydro and fibre.

Analysis:

The Offer to Connect agreement is attached. We are the "Developer" in this agreement. A Revenue Guarantee for \$60,000 was agreed upon as sufficient to support the initial capital costs related to hydro servicing. The projected costs for the initial infrastructure is \$33,872, which leaves approximately \$26,128 available for new

connections. As new connections are made and new customer loads become known, Westario will factor in the new revenue from those customers to free up room in the Revenue Guarantee to apply towards the connection of more new customers. Once the load forecast for the new connections is known Westario will factor that into the Revenue Guarantee and refund the Municipality any additional Revenue Guarantee on hand.

Westario will be starting with the installation of 7 poles in Phase 1. As lots are sold the additional transformers will be installed to service the Industrial customer.

We seek Council’s authorization to sign this agreement and proceed to obtain the \$60,000 Revenue Guarantee as outlined.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? Yes
- Do the recommendations contribute to achieving Cultural Vibrancy? Yes
- Do the recommendations contribute to achieving Economic Prosperity? Yes
- Do the recommendations contribute to Environmental Integrity? Yes
- Do the recommendations contribute to the Social Equity? Yes

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

A \$60,000 Revenue guarantee is required to advance Westario’s plans for hydro servicing in the East Ridge Business Park

Reviewed By:



Trish Serratore, Chief Financial Officer

Respectfully Submitted by:



Sonya Watson, Chief Administrative Officer