



Agenda

GOVERNANCE COMMITTEE MEETING

Monday, May 8, 2017
OPEN MEETING – 6:45-8:30 P.M.
CATHOLIC EDUCATION CENTRE – BOARDROOM

Chairperson: Ruth Ciraulo

Trustees who are unable to attend are asked to please notify
Andrea Bradley, Administrative Assistant
(705) 748-4861 ext. 243 or by email: abradley@pvnccdsb.on.ca

A. Call to Order:

1. Opening Prayer.
2. Approval of Open Meeting Agenda.
3. Declarations of Conflicts of Interest.
4. Approval of the Minutes of the Open Meeting of the Governance Committee held on April 3, 2017.
5. Business Arising from the Minutes.

B. Recommended Actions/Presentations:

1. Strategic Priorities: Progress Update.
2. Staffing Update.
3. Cobourg ARC: Progress Checkpoint.

C. Information Items:

1. Student Injury Prevention Initiative. Page 7
2. Supporting Students and Communities: Meeting Follow-up. Page 9
3. School Energy Coalition Status Report – March 31, 2017. Page 24

D. Old Business:

E. New Business:

F. Next Meeting:

1. Monday, June 12, 2017 – 6:30 p.m.

G. Conclusion:

1. Closing Prayer.
2. Adjournment.



Minutes

THE MINUTES OF THE OPEN MEETING OF THE GOVERNANCE COMMITTEE held on Monday, April 3, 2017 at 6:50 p.m. in the Boardroom, 1355 Lansdowne Street West, Peterborough.

PRESENT

Trustees: Mmes. Linda Ainsworth, Ruth Ciraulo (Chairperson), Helen McCarthy.
Messrs. David Bernier, Zachary Smith (Student Trustee).

Administration: Mmes. Joan Carragher, Laurie Corrigan, Anne Marie Duncan, Isabel Grace,
Dawn Michie.
Messrs. Michael Nasello, Timothy Moloney.

Guests:

Regrets: Mmes. Michelle Griepsma, Christine Dun, Mr. Daniel Demers.

Recorder: Mrs. Andrea Bradley.

A. Call to Order:

Ruth Ciraulo called the meeting to order.

1. Opening Prayer.

Ruth Ciraulo asked Isabel Grace to lead the Opening Prayer.

2. Approval of Open Session Agenda.

MOTION: Moved by Helen McCarthy, seconded by David Bernier, that the Open Meeting Agenda be accepted as amended with the addition of:

1. B.2. Renewing the Promise.
2. D.1. Governance Meeting Formalities.

Carried.

3. Declarations of Conflicts of Interest.

4. Approval of the Minutes of the Governance Committee – Open Session held on March 6, 2017.

MOTION: Moved by Linda Ainsworth, seconded by David Bernier, that the Minutes of the Governance Committee – Open Session, held on March 6, 2017, be approved.

Carried.

5. Business Arising from the Minutes.

B. Recommended Actions/Presentations:

1. EA Allocation model: process.

Anne Marie Duncan, Superintendent of Learning/Special Education Services, made a presentation to the Governance Committee entitled “EA Allocation”. Anne Marie explained in detail the three Pillars of Support: Medical/Physical, Safety, and Adaptive Living. Anne Marie reviewed how data is collected and shared the Intervention Checklist, explaining the three stages of intervention. Anne Marie answered questions from trustees.

2. Renewing the Promise.

Laurie Corrigan, Superintendent of Learning/Innovative Technologies, made a presentation to the Governance Committee entitled “Renewing the Promise”. Laurie informed the committee that the ICE (Institute for Catholic Education), Catholic Education Symposium is coming up on November 14 and 15, 2017. Laurie explained the context and purpose, consultation and engagement, and shared some of the questions with the committee. Consultation groups will be meeting throughout April and May. Laurie answered questions from trustees.

2017-G-OP-14

C. Information Items:1. OCSTA AGM resolutions.

David Bernier, Board Vice-Chairperson, reviewed the Ontario Catholic School Trustees' Association 2017 Resolutions. David explained the resolution session procedures, reminding the committee that any resolutions must go to the Board in writing. David explained Approve & Refer Resolutions and Receive & Refer Resolutions. David also shared the 2016 Resolutions Status Chart, published March 9, 2017, with the committee and answered questions.

2. Interim Financial Report – February 28, 2017.

Isabel Grace, Superintendent of Business and Finance, presented the Interim Financial Report for the six month period ending February 28, 2017 with comparatives for the six month period ending February 28, 2016, stating that this year is finishing where planned. Isabel answered question from trustees.

3. 2017-18 Budget Planning and GSN Release.

Isabel Grace, Superintendent of Business and Finance, presented the 2017-18 Budget Planning and GSN Release Report to the Governance Committee. Isabel explained the four renewed education goals outlined by the Ministry of Education. Isabel also spoke about the 2017-2018 budget challenges that will impact the budgeting process. Isabel explained actions planned for 2017-2018 and answered questions from trustees.

Additional Information Items not on Agenda:1. Board Seeks Two Volunteer Community Members to Serve on its Audit Committee.

Isabel Grace, Superintendent of Business and Finance, informed the Governance Committee that the ad seeking two volunteer community members to serve on the Audit Committee closes Friday, April 7, 2017. Isabel, David Bernier, Board Vice-Chairperson and Michael Nasello, Director of Education, will review the applications.

2. Request for Uniform Tender: update.

Isabel Grace, Superintendent of Business and Finance, informed the Governance Committee that the Request for Uniform Tender has closed. Isabel will have details on the successful tender for the May 8, 2017 Governance Meeting.

2017-G-OP-15

D. Old Business:1. Governance Committee Meeting Formalities.

Linda Ainsworth, Municipality of Clarington Trustee, suggested the committee discuss formalities when Governance Committee meetings are in progress. Linda was concerned that the meetings were too informal addressing individuals by their first name only. After some discussion, it was decided that when there is someone in the gallery members would be addressed in a more formal manner, for example: Madam Chairperson or Trustee Bernier.

E. New Business:**F. Next Meeting:**1. Monday, May 8, 2017 – 6:30 p.m.**G. Conclusion:**1. Closing Prayer.

Ruth Ciraulo asked Isabel Grace to lead the closing prayer.

2. Adjournment.

MOTION: Moved by Linda Ainsworth, seconded Helen McCarthy,
that the Governance Committee meeting adjourn at 8:30 p.m.

Carried.

Ruth Ciraulo
Chairperson
/ab

Isabel Grace
Superintendent of Business



Human Resource Services

Report to the Governance Committee

Meeting: ☐ In Camera

☒ Open

Presented for: ☒ Information

☐ Approval

Meeting Date: May 8, 2017

Presented by: Joan Carragher, Superintendent of Learning/Leadership and Human Resource Services

Subject: Student Injury Prevention Plan (SIPI)

Recommended Action(s): N/A

Background:

The Ministry of Education introduced the Student Injury Prevention Initiative (SIPI) in January 2013. The key initial objective was to establish and maintain a culture of safety mindedness in all school boards and schools. There has been a \$16 million dollar provincial investment in funding and resources to support the implementation of this initiative.

2013-Phase One-The CODE Health and Safety Team developed a wide range of resources to support principals in their efforts to ensure that student learning in science labs and technology shops occurs in a safe environment.

2015-Phase Two-Funds were provided to boards to facilitate Ministry of Labour work orders being resolved.

2017-Phase Three: CODE has a key role in facilitating Phase Three of the SIPI. This phase focuses on ensuring that student injury prevention is approached in a sustained, proactive and systematic way.

To date, PVNCCDSB has completed six online surveys in the following areas:

1. Board General survey
2. The Arts
3. Health and Physical Education (Gr. 1-8, 9-12)
4. Science (Gr. 9-12)
5. Science and Technology (Gr. 1-8)
6. Technological Education (Gr. 9-12)

We have also completed and submitted a required three year plan to the Ministry on student injury prevention in the curriculum areas noted above. We expect recommendations on our plan in May-June, 2017 and will then begin the implementation of the plan in September, 2017.

Supporting Students and Communities

A Discussion Paper to Strengthen
Education in Ontario's Rural and
Remote Communities

We value diverse cultural, linguistic, geographic and ability perspectives, and look forward to advice from all individuals and groups, including those from First Nations, Métis, Inuit, Francophone, and northern, rural and remote communities.

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Introduction

Schools are where we educate our children, and as such, they are at the heart of our communities. Their value extends beyond the classroom – beyond the children and families that they serve – to residents of all ages, interests and life stages.

Parents talk about schools as one of the few places where people regularly see each other, share stories, offer help and support when times are hard, and learn from one another. Teachers talk about the creative and interactive opportunities they provide for students to learn, grow and develop their skills. Neighbours and business owners talk about the value of a school to the local economy, as an anchor for families and a sustainable workforce.

The education system has experienced declines in the school-aged population for more than a decade – a challenge that school boards and communities have continued to address over the years through difficult conversations about school consolidations.

In some small towns and villages, the school is the last remaining public building. But under-enrolled schools can limit student opportunities, including course options and student supports.

That is why it is so important that when a school may have to close, school boards, communities and municipalities need to work together to understand the balance of these considerations.

It is also why the Province is reaching out to rural and remote communities across Ontario to have this important conversation about their schools. We need to ensure that school buildings are considered in a way that acknowledges their value to students and to small communities, and the relationship between the two.

We understand how strongly Ontarians value living in rural Ontario, and we remain committed to ensuring that all students have access to an excellent education. This document is intended to guide a discussion on that commitment, including the changes that may be needed and how to make those changes in a way that best supports our students, schools and communities.



Supporting the Sustainable Use of School Space in Rural Communities

The Ontario government is committed to ensuring that schools serve local communities to the greatest extent possible, and that community impacts are considered when school boards make decisions about pupil accommodation. That commitment includes students, who deserve the best possible education experience.

There can be tension between these considerations, where school boards and communities must manage the impacts of a steady decline in the school-age population. Many schools now have low enrolment, which may make it difficult to provide a breadth of quality education and experiential learning opportunities for students.

Many school boards have addressed this challenge successfully through partnerships, collaboration and efficiencies. However, others continue to face challenges.

This section is intended to discuss some of the strategies which are currently in place to support sustainable school space in rural communities. In addition, this section will consider other possible ways that the province, municipalities, and communities can work together to address these challenges.

The Demographic Challenge

School enrolment has trended downward across Ontario over the past decade. The introduction of Full-Day Kindergarten, which was fully implemented in the 2014-15 school year, helped to offset the decline by bringing kindergarteners into the system as full-time students. After that one-time event, however, the decline continued until 2016-17, the first time in over a decade that enrolment across the province went up.

Within those over-all numbers lies a more challenging reality for school boards outside the major cities. Enrolment fell by more than 3 percent in areas outside the Greater Toronto Area, Hamilton, Ottawa, and Niagara up to 2016-17. Within these cities, the drop was only about 1 percent.

Community Hubs and Schools

One strategy available to school boards to sustainably manage school space involves bringing a tenant or partner into a school or a portion of a school, on a cost-recovery basis. School boards across the province have partners in their schools, such as child care providers, early years centres, special education, mental health and well-being services, public libraries, seniors' programs, recreational facilities, health services and employment and training supports, to name a few.

To support and encourage these kinds of arrangements, the Ministry of Education introduced the Community Planning and Partnerships Guideline, which was revised in 2015. It requires school boards to hold at least one public meeting per year to discuss potential planning and partnership opportunities with public and community organizations. School boards are expected to notify municipal government, community partners and the general public about the annual meeting. Municipal governments and community partners are expected to participate to foster collaboration and understanding.

The sharing of planning information between school boards and other community partners is a central requirement of this revised guideline. School boards are expected to share enrolment data, their capital plans and facility partnership opportunities. Similarly, municipalities are invited to share information, including population projections, growth plans, community needs, land use and green space requirements.

Decision-makers at the local level, including municipalities and school boards, are well-positioned to recognize the need for a community hub and to start moving ahead. In looking at how best to harness the potential community hub benefits, however, these decision-makers may often come

up against challenges. These include the cost of creating the right space for a range of uses, security and traffic concerns, the differing planning timelines and budget cycles of potential partners, and addressing the question of who would ultimately be responsible for managing the facility and paying the ongoing operating and capital costs of the space.

The Province is working to help local communities overcome these challenges through its Community Hubs initiative:

- The Ministry of Education announced \$50 million in November 2016 towards retrofitting available school space for community use and making it more accessible to partners.
- When a school that housed community partners is closed or sold, capital funding may now be available for replacement space in new facilities.
- The Ministry of Education has made converting closed schools into hubs easier by providing more time for potential community partners to place an offer before the school is placed on the open market, and more partners, including Indigenous organizations, are now eligible.
- Consideration is also being given to making up the difference if a board sells a surplus school at less than fair market value, where there is a provincial interest to enable a viable hub.
- The Ministry of Municipal Affairs hosted forums across the province and continue to research to bring together the right partners to plan effectively.
- The Ministry of Infrastructure's new Community Hubs Division is working to implement the recommendations of the Community Hubs in Ontario: A Strategic Framework and Action Plan.

While these measures have led to many successful partnerships, we have heard that these processes and engagement could be improved.

Let's Talk:

1. What steps can the provincial government, municipal governments, and community partners take to better support early and collaborative community planning to make the most of all public resources, including schools?
2. Where the will exists for community partnerships, what are the hurdles to effectively implement, and how can governments, school boards and partners work to overcome them?

Having School Boards Share Space

Another strategy to ensure space is sustainably used is to encourage collaboration between Ontario's four school systems. In some cases, collaboration to create a school facility shared by more than one school board, also known as a "joint-use" school, can result in a school staying in a community and, with a larger total enrolment, being able to offer better facilities, programming and other opportunities.

Since 2013, the Ministry of Education has reviewed these joint proposals on a priority basis in the annual capital funding process. In October 2016, it also committed seed funding towards the development of joint-use proposals and tools to encourage more sharing.

Going forward, the Ministry of Education will review all capital proposals for new schools, additions or consolidation projects to ensure joint-use opportunities between school boards have been fully explored before funding is granted.

Fort Frances: High school, college and theatre in one location

Fort Frances is an interesting example of how one community has used the community hub model to support a number of local needs. A hub in Fort Frances, a town of about 7,800 people located some 350 kilometres west of Thunder Bay, offers education to high school and college students as well as serving the theatre-going public. The multi-use facility includes Fort Frances High School, operated by the Rainy River District School Board, a campus of Confederation College, based out of Thunder Bay, and the 430-seat Townshend Theatre operated by the Township of Fort Frances.

At present, fewer than 40 of the 4,900 schools in Ontario are shared by more than one school board. Especially in rural and remote areas, boards in the same area should be more fully exploring the idea of joint facilities to benefit both students and communities.

As a part of this conversation, we are interested in how these opportunities could be more fully explored, and how communities and school boards can come together to explore shared use of space between two or more school boards.

Let's Talk:

1. What are the opportunities for school boards to share space in your area? What do you see as the obstacles?
2. What should the provincial government and school boards be doing to ensure that opportunities to co-operate are supported?

Terrace Bay

In Terrace Bay, a town of about 1,500 roughly halfway between Wawa and Thunder Bay, the English-language and French-language Catholic school boards share an elementary school. Students of both schools have access to the library and gym.

Similar arrangements in other parts of the province are allowing school boards to maintain a school in a community despite low enrolment. Other spaces that both student bodies can use include technology labs, the cafeteria and sports fields.

Supporting Decision-making Around School Closures

In some cases, despite the strategies above, school boards may find it necessary to consider the closure or consolidation of a school, because consolidated schools can give students a fuller and richer range of programs and services, particularly at the secondary level. It also saves the costs of heating, lighting and maintaining aging facilities, funds that can be reinvested into front-line education.

Nonetheless, school closures and consolidations are among the hardest decisions that school boards in rural and remote areas must make. There may be more ways to balance the needs of students with the needs of the community. There may be new ways of mitigating the impacts of these decisions on students and families, such as different approaches to student transportation.

Where a school closure or consolidation is under consideration, the Ministry of Education requires school boards to follow a process set out in the [Pupil Accommodation Review Guideline \(PARG\)](#) before making a decision. This helps to ensure consistency across school boards. The guideline requires, at a minimum:

- **Step 1:** An initial staff report, including specific enrolment, program and accommodation issues, with a recommendation on how to proceed, is presented to the Board of Trustees.
- **Step 2:** The Board of Trustees authorizes a pupil accommodation review based on the staff report and its recommendation.
- **Step 3:** An Accommodation Review Committee (ARC) is established, including parent/guardian representatives from the school(s) under review.
- **Step 4:** A community consultation process is undertaken, including public meetings and required consultation with impacted municipal governments and community partners.
- **Step 5:** A final staff report and recommendation are provided to the Board of Trustees. The staff final report must include community feedback.
- **Step 6:** The public provides comments directly to the Board of Trustees through public delegations.
- **Step 7:** A final decision is made by the Board of Trustees.
- **Step 8:** A transition process is outlined for any school consolidation or closure and the relocation of students.

We recognize that these conversations are never easy, and communication between local leaders has been challenging in some cases.

Going forward, we would like to consider how community impacts can meaningfully inform the pupil accommodation review process. We are committed to working with municipalities and school boards to explore how the provincial government can best support this type of analysis in the future, including potentially in the initial staff report.

Let's Talk:

1. How can the Province best support a meaningful conversation about the impact of schools on local communities and student well-being through the pupil accommodation review process?
2. How can the Province ensure that the feedback from the community is given full consideration, and that this input is reflected in the review process?

Strengthening Rural Communities

Strong rural communities are the key to a strong, healthy province. Ontario is committed to creating conditions where the province's rural municipalities, businesses and regional economies can grow and prosper.

We're listening to rural Ontarians, businesses and municipalities and working with them to implement programs and services that directly benefit rural Ontario.

The Rural Roadmap for 2015: The Path Forward provides an update on our progress, identifies initiatives benefiting rural Ontario and sets the stage for ongoing consultations and engagement with rural Ontarians.

Supporting Quality Education in Rural Communities

The Ministry of Education and Ontario's school boards have worked together to craft a system of support for achievement and well-being that is designed to ensure equitable access to quality education across the province, no matter where a student lives. However, in rural communities where schools tend to be smaller, providing a broad range of quality learning opportunities can be challenging.

In addition to examining ways to sustainably use school space, exploring innovative approaches to support learning in rural and remote communities is crucial, such as through exploring new approaches to digital education and experiential learning. We are committed to working with communities and school boards to explore options to support a rich learning experience in rural schools.

In some cases, this may require adjustments to the education funding formula, known as the Grants for Student Needs (GSN). Through the funding formula, the Province recognizes the unique needs of students, schools and school boards. At the same time, the Province understands the need to seek out and incorporate feedback on how provincial supports work. Every year changes are made to the way funding works, sometimes by investing more money and sometimes by improving the way the money is targeted at specific priorities.

The current funding formula uses a variety of measures to support students in rural, remote and northern communities. For example, we provide increased levels of support for teachers, principals, vice-principals, special education funding and administrative supports, based on factors that

recognize increased student needs, and the higher cost of delivering these in rural, remote and northern communities.

However, as with all aspects of the formula, the supports for rural, remote and northern boards can benefit from open and frank discussion.

Let's Talk:

1. What is working well now to help students in small and rural communities have a positive learning experience and quality education? What could be improved?
2. How could the Province best recognize and address the unique funding needs of your region and community through the funding formula?

How are Ontario's schools funded?

The largest factor in Ontario's education funding formula is enrolment, because it's the number of students that drives the need for teachers, classrooms and other educational supports. However, the funding formula also provides additional supports to account for the varying costs associated with running schools in different parts of the province, especially those in more rural and remote areas.

These supports account for approximately one third of all funding, and are the reason that Ontario's government is investing more in rural schools than ever before. Since 2013, annual funding for rural boards has increased by nearly \$200 million. Boards in rural and remote areas currently get extra funding – about \$1,200 more per student

than urban boards. This recognizes the challenges of serving students in schools that are distant from bigger cities, widely spread out and smaller than elsewhere in Ontario, and the higher costs of professional and other services and supplies. We have also built 60 new schools, 250 additions, and 140 major retrofits in rural Ontario since 2003.

Funding supports that particularly aim to help rural and remote schools and their boards include:

- The School Foundation Grant, which provides funding for principals, vice-principals, office support staff and office supplies, recognizes that remote schools require a higher level of funding support than other schools.
- The School Operations and Renewal Grant, which supports the costs of operating, maintaining and repairing school facilities, recognizes that remote schools require additional funding to maintain underutilized space.
- The Geographic Circumstances Grant, which provides higher levels of teacher staffing support for remote schools and provides additional funding to recognize the additional costs in small, disperse and remote boards.
- The Differentiated Special Education Needs Amount of the Special Education Grant, which recognizes the need for higher levels of funding for small, disperse and remote boards.

21st Century Learning

All students, including those in rural and remote communities, must benefit from a range of 21st century tools and services, including e-learning, that give students access to enhanced information and resources not otherwise available in their classrooms. E-learning resources include a virtual learning environment and a digital library of materials relevant to the Ontario curriculum. Students can use these to take courses fully online and/or to benefit from blended learning, which allows them to access resources during and outside school hours to supplement face-to-face lessons. In both approaches, the password-protected virtual learning environment provides a suite of tools allowing students to communicate and interact with their teacher and classmates.

In rural and remote areas, better broadband connection is key to making e-learning a real option. The Ontario 2016 Budget committed to support equitable and affordable access to high-speed broadband services in Ontario's schools. As well as e-learning, better broadband access will support the delivery of mental health and well-being services. An example is Ontario's Tele-Mental Health Service, which provides children and youth in rural, remote and underserved communities with access to specialized mental health consultations through videoconferencing.

The Upper Canada District School Board in Eastern Ontario, one of the largest English public school boards by geographical area in the province, is making e-learning more widely available to ensure all students can access the courses they need to complete their secondary school diploma. The school board is diligently working to build capacity among e-learning teachers to ensure they understand and apply the most effective teaching techniques. This effort aligns with the school board's strategic plan and with the realities of declining enrolment that has led to closure and consolidation discussions.

In Conclusion

Looking forward to the future, our government is committed to continuing to invest in and support students, rural schools, and communities. It is the responsibility of everyone involved in the delivery of education and building strong communities to come together around the common goal of ensuring that students are receiving a high quality education.

While the government has taken steps to put the focus on students, classrooms, and communities, there have also been challenges along the way. It must be acknowledged that in many parts of rural Ontario, communities have raised concerns

that their needs are not always fully considered. The dialogue we are opening now is intended to help us address those challenges, and to ensure that Ontario continues to be one of the best places in the world to live.

The good news is that the opportunities for fulfilling and exceeding this goal have never been greater. With creative thinking, open conversation, and a willingness to explore new solutions, there is no doubt that our students will continue to thrive in a globally competitive world – no matter who they are or where they grow up.



Additional Reading

A user-friendly guide to the Grants for Student Needs:

www.edu.gov.on.ca/eng/funding/1617/2016_gsn_guide_en.pdf

Case studies on school consolidations:

www.edu.gov.on.ca/eng/parents/consolidate/

The Community Planning and Partnerships Guideline:

www.edu.gov.on.ca/eng/funding/1516/2015B9appenBEN.pdf

The Pupil Accommodation Review Guideline:

www.edu.gov.on.ca/eng/funding/1516/2015B9appenAEN.pdf

Guide to Pupil Accommodation Reviews:

www.edu.gov.on.ca/eng/policyfunding/PupilReview.html

Pupil Accommodation Reviews:

www.edu.gov.on.ca/eng/policyfunding/reviewGuide.html

Community Hubs in Ontario: A Strategic Framework and Action Plan:

www.ontario.ca/page/community-hubs-ontario-strategic-framework-and-action-plan

Enabling and Celebrating Community Hubs: One-Year Progress Update on Community Hubs in Ontario:
A Strategic Framework and Action Plan, August 2016:

www.ontario.ca/CommunityHubs

Build On: 2017 Infrastructure Update, Ministry of Infrastructure:

www.ontario.ca/BuildON

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School Energy Coalition ("SEC") Summary Status Report March 31, 2017

Savings for Ontario School Boards

Like the last quarter of 2016, the first quarter of this year could be fairly characterized as "the calm before the storm". The quarter saw the completion of the two year Hydro One Transmission case, and the start of the hearing in the \$30 billion Ontario Power Generation rate case. Savings were thus limited to a few smaller cases, totalling about \$670,000.

In the next quarter, we expect to receive the Hydro One Transmission decision, and complete the process for the OPG case (which will then be decided in Q3). As well, applications for a number of electricity distributors – including the largest and most expensive, Hydro One – will be commenced.

ONGOING MATTERS - ELECTRICITY

OPG 2017-2021 Rates. Canada's largest ever rate proceeding, the five year rate application for Ontario Power Generation, neared the end of the oral hearing phase this quarter. Extensive written arguments will be filed in May, and a decision is now projected for September.

The application, covering almost all of the hydroelectric and nuclear generation of OPG, and indirectly the nuclear generation of Bruce Power, originally sought annual rate increases on the nuclear side of 11% per year for at least ten years. It also proposed inflation-based increases for the hydro-electric generation. In total, schools would pay an incremental \$340 million over the next decade.

Most of the increase is driven by the \$12.8 billion Darlington refurbishment project, and the related extension of the life of the Pickering nuclear station. Within the limited scope of the Energy Board's inquiry into the project, SEC is taking the lead in exploring whether the planning and execution takes into account appropriate levels of flexibility and contingencies. No nuclear project of this size has ever come in on time and on budget. SEC is trying to tread a delicate balance: minimizing rates today, while still avoiding the risk of much bigger problems later.

In a last minute change, OPG has altered their rate smoothing approach to integrate their hydroelectric and nuclear rate increases into one combined and smoothed rate, which is higher than the previous proposal. The previous proposal would have increased bills for schools by \$5 million in 2017, but the new proposal is for \$11 million extra this year. Then the rate increases are flatter over the remaining four years. This will be a controversial area, particularly since for residential customers (but not schools) it may be influenced by the Fair Hydro plan to spread out the Global Adjustment.

The OPG proposal also assumes no rate riders after 2018. Historically, OPG rates have been increased by 5-15% due to additional payments on top of regular rates.

SEC, with both counsel Jay Shepherd and Mark Rubenstein actively engaged, is in its familiar role as leader of the many customer groups involved in the case. All are conscious that there is a lot of money on the line, but the issues are complex and the Energy Board's freedom to act is restricted.

Hydro One Transmission 2017-2018 Rates. The oral hearing for the two year Hydro One Transmission case was completed in December, and arguments were filed in January and

February. A decision is likely by the end of June, retroactive to January 1st.

Hydro One has sought a two year increase of about 10%, which would have an impact on schools of about \$3 million over 2017-18. SEC has asked the Energy Board to order cutbacks in a number of the proposed cost increases.

Essex Motion. Essex Powerlines, which serves about thirty schools in southwestern Ontario, proposed in 2014 to reallocate \$3.6 million of charges retroactively between residential and non-residential customers. The extra bill for the schools would have been almost \$10,000...each. SEC successfully fought the retroactive adjustment, but after a complaint from the utility the Energy Board decided to re-hear the case. SEC again led the opposition to the back charges.

The second decision was then delayed for more than a year because the two adjudicators assigned to case could not agree. Eventually, the Energy Board was forced to apply the rule that if there is a deadlock, the original decision stands. The savings, which had not been reported previously because of the pending re-hearing, were **\$290,000** for the affected schools.

London Hydro. London Hydro is one of the lowest cost, and best-run, electricity distributors in the province. They also work closely with their local school boards to help them manage energy use in the more than 240 schools London Hydro serves.

In their rate application for 2017, which will apply for five years, London Hydro sought a 6.33% initial rate increase. SEC led the customer groups in negotiating a complete settlement, which will leave schools paying 2.15% more in 2017. In both application and settlement, the initial amount is followed by about 1.5% a year for four years. Total savings for schools are estimated at **\$260,000**.

Canadian Niagara Power. CNPI, which serves 35 schools in Gananoque, Port Colborne, and Fort Erie, sought a rate increase of just under 13% for 2017. CNPI has long been troubled, usually having among the highest rates in the province.

Many of the issues were resolved in an SEC-led negotiation. However, some major issues were fought out in an oral hearing in January. As a result of the Energy Board's March decision, the rate increase for schools will be just under 6%, and the affected schools will save a total of **\$120,000** over five years.

ONGOING MATTERS - NATURAL GAS

Conservation Programs. SEC counsel Jay Shepherd has been asked by the Energy Board to be one of two customer representatives on the committee overseeing the conservation programs of Union and Enbridge.

This new committee, which is responsible for hiring and supervising auditors verifying the results claimed by the utilities, replaces previous audit and evaluation committees run by the utilities themselves. The goal of the customer representatives on the committee is to ensure that large customer-funded conservation budgets are spent wisely, and annual profit incentives to the utilities, which can exceed \$20 million per year, are based on verified achievements.

Competitive Gas Expansion Applications. In November the Energy Board decided not to approve proposed ratepayer-subsidized gas expansions, but to instead allow utilities to charge new customers a surcharge to cover the incremental cost to bring gas to their area.

The practical effect of this is to open up the areas currently not served by gas companies to competitive offers from different utilities. The first of those competitions has now begun, with EPCOR (an Alberta gas distributor) and Union Gas tabling competing proposals to serve the South Bruce area in and around Kincardine.

SEC is actively involved in the proceeding, both to protect the interests of the directly affected schools, and to ensure that the rules for this new competitive process will work well for the schools affected by future expansions into other areas.

Cap and Trade. Enbridge and Union have filed their GHG compliance plans for 2017, and those plans are being considered in a proceeding before the Energy Board. The impact of cap and trade on schools is expected to start at more than \$2,300 per school in 2017, then increase annually after that as the cost of GHG allowances increases.

Under the rules relating to the cap and trade system, most of the key information on utility compliance cannot be made public, and is not available to intervenor groups. Within that restrictive framework, SEC is participating actively in the plan review, with the intent of ensuring that the utilities comply with their obligations in the most cost-effective manner possible.

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Questions? Contact Wayne McNally
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In conclusion,

OESC is represented by Jay Shepherd who consults regularly with myself and Wayne McNally, who is an advisor to the OESC Board of Directors. It is critical to note that the work of the School Energy Coalition, per OESC, is a respected intervenor at the Ontario Energy Board.

Our work has allowed every school district in the Province of Ontario to avoid significant energy costs. This reality assists with the bottom line to your budget.



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