



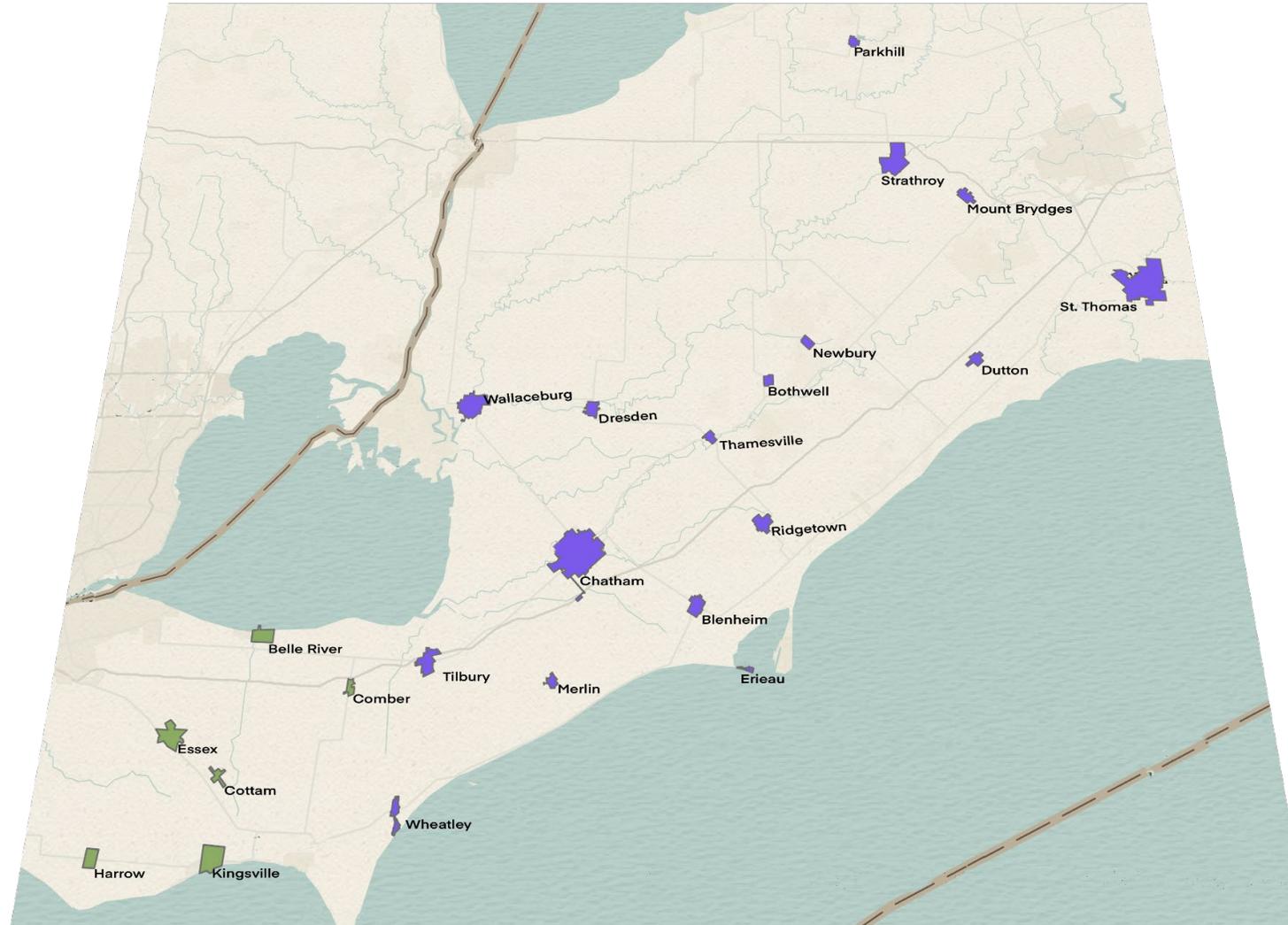
# Management Services Agreement (MSA)

- Agenda

- Introduction Management Service Agreement (MSA) service provider Entegrus Inc.
- MSA
- E.L.K. Energy Board update



# Neighboring Utilities – E.L.K. Energy and Entegrus Communities They Serve



# Entegrus key statistics

- Serve 17 communities
- 2 service centers plus an additional work yard and garage
- More than 62,000 customers
- 125 employees, many engineers, CPAs, MBAs, trades staff
- Invest in modernizing the distribution system, smart grid and technology
- Ranked in 1<sup>st</sup> group for efficiency by the Ontario Energy Board
- Community minded, provide more than \$450,000 in donations annually
- Base level of dividends is \$5,800,000 with occasional additional dividends
- S&P credit rating of A stable

# Management Services Agreement (MSA)

- Six-month contract with an option to renew for an extra six months
- Provide management services to support the staff and the Board
- The Entegrus team will provide information to the Board on many key functional areas such as finance, customer service, outside operations, health & safety, human resources and others
- Work with the E.L.K. Energy staff to develop a smart grid plan to modernize the distribution system and implement new technology that is the standard in the industry



# Management Services Agreement (MSA)

- Develop a communication plan for internal and external stakeholders, which includes the shareholder
- Increase the social media presence that will lead to more customer communication especially for outages and restoration of power, resulting in an outage map in the next year or two
- The fees for the MSA will not impact the rates to the E.L.K. customers



# E.L.K. Energy Board Update

- The Board members are all new
- Skilled based Board, there was a competitive recruitment process for the independent Board members
- Board strongly supports the dedicated staff and look forward to working with them and providing them with the tools and resources to be successful
- Board will provide a summary of their meetings and post it on the E.L.K. Energy website



# E.L.K. Energy Board Update

- The current Board's priorities are to modernize the distribution system by investing in renewing the system and introducing new technology which is a standard in the industry
- The new investments over time will improve the reliability of the distribution system, improve customer service and to provide the tools necessary for the employees to be successful



# E.L.K. Energy Board Update

- The investments that the Board will be approving are;
  - Additional line and customer service staff
  - New phone system
  - Backup generator for the building
  - Smart grid investments
    - Continue the fault indicator program
    - New investments in GIS, SCADA and automated switches



# Questions

