BRANTFORD POWER INC.

APPLICATION FOR APPROVAL OF ELECTRICITY RATES

EFFECTIVE JANUARY 1, 2022

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EXHIBIT 1: ADMINISTRATIVE DOCUMENTS

APPLICATION

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15, 3 Schedule B, as amended ("the OEB Act");

AND IN THE MATTER OF an Application by Brantford Power Inc. under Section 78 of the OEB Act to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2022.

Applicant's Name: Brantford Power Inc. (the "Applicant" or "BPI")

Background

1. The Applicant is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its head office at 150 Savannah Oaks Drive, Box 308, Brantford, Ontario. The Applicant carries on the business of distributing electricity within the City of Brantford (within the service boundaries defined in its Distribution License).

2. The Application has been prepared pursuant to the OEB's *Renewed Regulatory Framework for Electricity Distributors* as detailed in the Report of the Board dated October 18, 2013 ("the RRFE").

3. The Applicant followed Chapter 2 of the OEB's Filing Requirements for Electricity Distribution Rate Applications last revised on May 14, 2020 (the "Filing Requirements") in preparing the Application.

4. The Applicant has prepared a Consolidated Distribution System Plan ("DSP") in accordance with Chapter 5 of the OEB's Filing Requirements for Electricity Transmission and Distribution Applications last revised on May 14, 2020.

5. The Applicant acknowledges that the OEB will publish an update to the cost of capital parameters and that these matters will affect the Revenue Requirement that the Applicant has requested in this Application.

1.2. EXECUTIVE SUMMARY AND BUSINESS PLAN

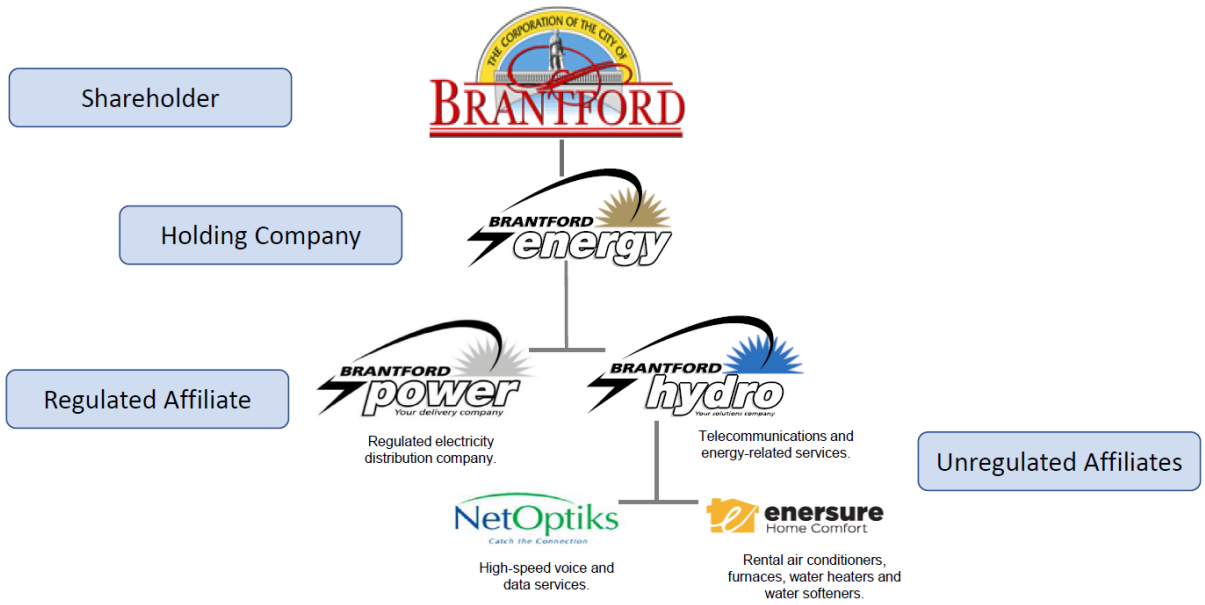
1.2.1 Overview

BPI is a Local Distribution Company ("LDC") operating in the City of Brantford, Ontario. BPI is incorporated pursuant to the Ontario *Business Corporations Act* and is regulated and licensed by the OEB. BPI serves over 40,000 customers.

Brantford Energy Corporation Inc. ("BEC") is the parent holding company of Brantford Power Inc. BEC in turn is fully owned by its municipal shareholder, the Corporation of the City of Brantford ("the City").

The City appoints the Directors to the Boards of BEC and BPI. The Board of Directors of BEC consists of six (6) Directors and the BPI Board of Directors consists of ten (10) Directors, four of whom are different from the BEC Directors, in order to maintain independence as required by the OEB's *Affiliate Relationship Code for Electricity Distributors and Transmitters* (the "ARC").

Table 1.1-A: Brantford Energy Group of Companies



BPI's mission is to provide safe, reliable and affordable power to Brantford residents, while providing steady financial returns to its municipal shareholder. BPI'S affiliated companies are Brantford Energy Corporation, The City of Brantford, and Brantford Hydro, which operates the business units NetOptiks and Enersure.

Mission Statement and Values

BPI's mission statement and values are set out below:

> **Mission Statement:** Brantford Power is driven to be a leading electricity distribution company by providing safe, reliable and competitively priced services to our customers, while ensuring excellent shareholder returns.
>
> **Values:**
>
> - Safety
> - Openness and integrity in all relationships
> - Innovation and creativity
> - A customer focus
> - Employee engagement

1.2.2 Company Goals and Planning

Since its last rebasing in 2017 (EB-2016-0058), BPI has not created a new strategic plan. The current Strategic Plan was developed in 2014 and has been refreshed on an annual basis by the Board of Directors following the initial involvement of the shareholders, staff and members of the community. The key strategic goals of the 2018-2022 strategic plan continue to be as follows:

1. Develop all aspects of the organization through investment in human capital including safety, performance management, staff succession, training and development and organizational culture change.
2. Pursue operational efficiencies, service excellence and quality across the organization.
3. Raise community visibility and establish the BPI brand
4. Adopt a larger role in energy efficiency and conservation
5. Grow the business by directing capital to industry levels by increasing our systems, facilities, technology, customer base and infrastructure.

BPI's internal Key Performance Indicator (KPI) targets are set annually by the Board of Directors and evolve from year to year but are generally inclusive of the following indicators, many of which are consistent with the Balanced Scorecard:

- Net Income;
- Cost Per Customer;
- Duration- SAIDI ;
- Frequency- SAIFI;
- Score on Transactional Customer Survey- Customer Satisfaction;
- No Lost Time Incidents;
- Employee Engagement Scores ;
- Other key project goals which may change from year to year; and
- No major non-compliance issues.

Achievement of the KPIs is associated with compensation outcomes for certain employee groups. Please see the section 4.3.1 of Exhibit 4 for further details.

The strategic goals above were developed as the OEB introduced its RRFE, and relate to the OEB's RRFE outcomes as shown below in table 1.1-B. The table shows key BPI projects which relate to each Strategic Goal/RRFE Outcome. BPI notes Corporate Strategic Goal #4 has been impacted by the March 2019 Ministerial Directive to the IESO regarding the discontinuation of the Conservation First Framework whereby LDCs will no longer be directly involved in the delivery of Conservation and Demand

Management programs. As a result, BPI has shifted focus to assisting customers with CFF contracts under the various CFF extensions, and accommodating customers pursuing generation and energy storage initiatives and while directing customers to new IESO programs and resources.

Table 1.1-B: Strategic Goals- Ties to OEB RRFE Outcomes

	OEB RRFE Outcomes			
Strategic Goals	**Customer Focus**	**Operational Effectiveness**	**Public Policy Responsiveness**	**Financial Performance**
Develop Human Capital	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Auto Reclosers Program •Porcelain Device Replacements •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Auto Reclosers Program •Porcelain Device Replacements •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •Fill Executive Vacancies •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •New Facility Cost "Sharing" •Cyber Security Enhancements •Auto Reclosers Program •Porcelain Device Replacements •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •New Hires- Facility/Warehouse/Mechanic •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •New Facility Cost "Sharing" •Auto Reclosers Program •Porcelain Device Replacements
Pursue Operational Efficiencies, Service Excellence and Quality	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure
Raise Community Visibility	•Fill Executive Vacancies •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •New Facility Cost "Sharing" •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•Fill Executive Vacancies •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•Fill Executive Vacancies •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•New Facility Cost "Sharing" •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety
Grow the business by directing capital to industry levels by increasing our systems, facilities, technology, customer base and infrastructure	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•New IT Hires •IT Migration •Fill Executive Vacancies •New Hires- Facility/Warehouse/Mechanic •Succession Planning in Technical Roles •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Cyber Security Enhancements •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety	•New Hires- Facility/Warehouse/Mechanic •HR Department, HR Manager •Increase Control Room to 24/7 Monitoring •GIS Upgrade/Replacement •New Facility Cost "Sharing" •Arrears Management and Bad Debts •Auto Reclosers Program •Porcelain Device Replacements •Replacing Assets Near Failure •Feeder Egress Project •Communications, Engagement and Community Safety

The section below provides a brief description of the projects listed above.

New Information Technology Hires

The positions of Senior Network/Systems Administrator and Technology & Application Support Analyst are planned to be introduced in 2021. The two positions will assist BPI in meeting its ongoing IT requirements as well as completing IT project work, including the IT migration/Network Segregation Project, enhancement of cybersecurity monitoring, and the planned future GIS and OMS implementation projects. BPI has relied on IT services provided through its Shared Services Agreement with the City of Brantford for some time. In the coming years, BPI will reduce its dependence on these services and instead become more independent from an Information Technology standpoint, through the use of in-house resources (the two new positions) as well as third party contracts. A portion of the costs for these new positions will be offset by decreases in fees paid through the Shared Services Agreement. The overall department headcount will be 3 employees. BPI's current in-house IT "department" consists of only the Chief Information and Technology Officer. As required, BPI also uses temporary technically qualified labour for key IT projects and IT support.

BPI's increased ability to respond quickly with greater flexibility to growing IT requirements will support the IT requirements of critical utility functions, including protecting customer information, issuing accurate and compliant bills, enhancing communications with our customers and providing and restoring service.

The reduced costs for temporary contractors will also offset a portion of the increase in compensation for these positions. Further details regarding these positions can be found in Exhibit 4, section 4.3.1.

Network Segregation Project (also referred to as IT Migration Project)

BPI intends to migrate the infrastructure, support and other IT services currently managed by the City of Brantford under its Shared Services Agreement to a third party provider. The project will begin in 2021 and be completed in 2022 and involves both a capital and OM&A component.

A portion of the project costs will be offset by reductions in the Shared Service Agreement fees paid to the City of Brantford upon the elimination of most IT support services. BPI has identified that this project is required in order for BPI to make progress on its Cyber Security Road Map and to meet the commitments made as part of the OEB's Cyber Security framework. The project will also allow BPI to scale its IT services in the future based on its specific project needs. BPI considered other options to meeting its cyber security requirements and assessed that the Network Segregation Project has the strongest business case. Please see Exhibits 2 and 4 for

further information, including the project form in the Material Investments section of the Distribution System Plan, section 5.4.3.2.

Fill Executive Vacancies

In its last Cost of Service Application, BPI's executive complement included four executive roles, including: the President and CEO; the CFO and Vice President of Corporate Services; and two additional Vice President roles covering the critical areas of Operations, Engineering, Metering, Conservation, Communications, Customer Service, Billing and Settlement. Currently BPI the two Vice President roles are vacant. BPI intends to fill both roles in 2021 in order to ensure executive the oversight of the key functions described above which are critical to the delivery of effective service to customers. Further details regarding BPI's plans can be found in Exhibit 4, section 4.3.1.

New Hires- Facility, Warehouse

BPI has planned to hire three new positions related to the new facility and warehouse management. BPI will have an in-house mechanic, who will also provide fleet maintenance services to BPI's tenant Energy+. BPI will also have a full time Facility Manager (the role is currently temporarily filled with a part time resource) and the role of Warehouse & Facilities Maintenance Assistant. A portion of the costs for the Facility Manager and Warehouse and Facilities Maintenance Assistant are set to be collected via lease revenues from tenants and have been excluded from the revenue requirement calculation (through use of accounts 4375 and 4380). Additionally, the Warehouse and Facility Maintenance Assistant will also provide some services to Energy+, and the role will be partially funded through Energy+ shared service fees. Facility maintenance and fleet maintenance have been historically provided to BPI through the Shared Service Agreement with the City of Brantford. Decreases in Shared Services fees will also partially offset the increased compensation costs. Further details of the positions can be found in section 4.3.1 of Exhibit 4. Further information on cost sharing can be found in section 4.3.2 of Exhibit 4.

Succession Planning in Technical Roles (Operations, Engineering)

As a result of changing demographics experienced throughout the sector, BPI has seen a high level of retirements in recent years. This change has been particularly impactful in the Operations department, which saw the loss of the majority of its most experienced staff, among both management and non-management employee groups. BPI anticipates further turnover in the Operations function and has made succession planning measures via a foreman position in

2022. BPI has also planned for a new Junior Engineer role beginning in 2021 which will address increased demands on the Engineering Department but also address risks to continuity of service and transfer of knowledge in the critical areas of the Engineering department. The Engineering and Operations functions are critical utility functions which support the safe and efficient maintenance of the distribution system, connection of new residential and business customers, distribution system planning and the maintenance and restoration of power supply. For further details on these measures, please see section 4.3.1 of Exhibit 4.

HR Department/HR Manager

The position of HR Manager was introduced in 2017, however was subsequently left vacant. BPI has filled HR requirements for some time through a variety of resources. The CFO & VP of Corporate Services currently oversees HR functions. The Finance department provides support for certain HR aspects, particularly payroll. BPI also has two in-house resources, an HR Generalist and a Payroll & HR Assistant. BPI has historically obtained HR services through the City of Brantford Shared Services Agreement, and also consults with third party contractors for HR support when needed (ex: HR law, certain forms of recruitment, negotiation). BPI plans to once again fill the HR Manager role in 2021. The overall headcount in the HR department will remain the same (2 roles excluding Health and Safety). The role is required due to an increasing work load related to higher turnover and recruitment, as well as ongoing requirements for labour relations and other HR matters.

The role will offset some continuing Shared Services fees paid to the City of Brantford, as well as some third party consulting fees related to HR. The focused HR Manager role will allow the CFO and Finance resources to reallocate time back to their traditional roles. The role also allocates time to BPI's affiliates, for which BPI collects revenue offsets through shared services fees.

The HR function supports BPI's various departments which are focused on the delivery of core utility functions and customer outcomes- customer service, billing, new connections, distribution system maintenance, customer communications and outage restoration. Investments in the HR department can increase the quality of recruitment, employee engagement and employee productivity, supporting BPI's delivery and efficiency of these key customer outcomes. For further details on this plan, please see section 4.3.1 of Exhibit 4.

BPI has also filled the new role of Health and Safety Manager in 2020. Portions of the costs for this role are offset through Revenue Offsets, as a result of the role providing services to the affiliates. BPI previously obtained Health and Safety support through its Shared Services Agreement with the City of Brantford, however the new role has allowed BPI to implement a

more robust Health and Safety program, as demands for this program have grown with the new facility and with the COVID-19 pandemic.

Increased Control Room Monitoring

BPI currently requires a basic level of control room monitoring services through a third party contract. BPI plans to expand Control Room Monitoring to 24/7, in order to improve level of after-hours outage monitoring and to potentially improve outage response times, as well as communication and coordination of outage restoration efforts in the case of large-scale emergency outage circumstances. BPI has worked with a consultant to determine the benefits and costs of enhanced control room services (including an assessment of the costs and benefits of an in-house control room). An in house control room has been assessed to be cost-prohibitive; however enhanced Control Room monitoring services via an ongoing third party contract is expected to result in improved outage response, as well as freeing up time from key internal resources for other crucial productive activities. Further progress in BPI's Automated Recloser Program (please see below) will enhance the functionality of the Control Room Oversight. BPI also consulted with its customers on this proposal, receiving support for the proposal. Further details can be found in Exhibit 4 (please see Attachment 4-L for the Control Room feasibility study) and in section 1.7 of this Exhibit (regarding customer feedback).

GIS Upgrade/Replacement

The Geographic Information System (GIS) is a core utility system. BPI's current GIS is obsolete and is currently unsupported, requiring specialized and custom programming The GIS system supports core utility functions such as outage restoration, provision of service, and supports in-field safety protocol, as well as maintaining key asset statistics enabling maintenance and replacement program planning. BPI requires the replacement or upgrade of this system as it is currently obsolete and inefficient. The fact that the system is unsupported presents a key business risk. BPI plans to replace the system in 2022. The project will provide direct benefits to BPI's efficiency in key utility functions, as well as enabling future IT projects such as the Outage Management System and Workforce Management which will bring about further customer-focused value. For further information on this project please see Exhibit 2, particularly section 5.4.3.2 of the Distribution System Plan.

New Facility – Cost "Sharing" including Emergency Operations Centre

BPI has approached its facility relocation in creative and entrepreneurial manner that will benefit multiple stakeholders and allow BPI to achieve productivity gains. BPI has planned for

multiple inventive uses for the new facility which enhance the affordability of the new facility for BPI and its customers alike. BPI has excluded portions of the purchase cost for the facility from rate base treatment as BPI intends to go through the process of severing and selling portions of the unoccupied land at 150 Savannah Oaks Drive. BPI has also secured three tenants (two affiliated companies and a neighbouring LDC) and is searching for an additional tenant to occupy excess office space at the facility, allowing BPI to offset the capital and operating costs for these areas, which will instead be funded through lease/rental revenues. BPI will also be leasing warehouse, garage and operations centre areas to Energy+, further offsetting some of the capital and operating costs for the facility (and its refurbishment/construction). BPI plans to share fueling, mechanic and warehouse services with Energy+, which has enabled BPI to bring these services in-house and is expected to lead to improvements in service effectiveness. BPI has also made arrangements to offset some further costs and to gain synergies related to emergency planning through its arrangements with the City of Brantford's emergency response functions. BPI will provide Emergency Operations Centre (EOC) services from its facility at 150 Savannah Oaks, which will involve providing some permanent storage for the City's EOC, as well as access to the facility for emergency preparedness planning and training exercises, and access in the case of an emergency circumstance affecting Brantford. As one of the agencies expected to respond to such emergencies, BPI will gain efficiencies in its own emergency planning and preparedness. The arrangement has also allowed BPI to offset some of the costs for investments which support emergency operations and other functions.

Enhancements to Cybersecurity

BPI has developed a Cyber Security Road Map and has made commitments regarding its progress on the OEB's Cyber Security framework. BPI is proposing capital and operating investments in cyber security. The cyber security program will be enabled by the IT migration and the hiring of the new IT in house resources.

Arrears Management and Bad Debts

BPI's current costs for arrears management includes the cost of bad debt expense, third party contractors which assist with collections activity and a portion of the costs related to internal call centre staff who assist customers to make payment arrangements, access arrears management programs, and connect customers with available programs, as well as following up on customer arrears. In recent years BPI has experienced an increase in the level of bad debt. Recent changes in customer service rules have led to an increasingly long mandated collections timeline, with a shortened window for certain residential collections activities. BPI is proposing

to increase the amount for Low-Income Energy Assistance Program (LEAP) funding compared to the recent levels.

Auto Reclosers Program

Automated reclosers are devices which allow Brantford Power to potentially avoid an outage under certain condition. The installation of these devices can enable BPI to implement distribution network improvements, potentially reducing outage response times and overtime costs by avoiding the need to dispatch a crew. BPI has installed these devices throughout the city at key locations since 2004, with increasing frequency in more recent years, however BPI has not reached the level of automated devices optimal for further automation improvements. BPI has proposed to continue its program, installing on average 3 devices per year. BPI has consulted with its customers on the pace of the program and the related cost of the program. Most customers have supported BPI's proposal, with many customers also supporting an accelerated program approach (associated with a higher cost). For further details on BPI's plans for Automated Reclosers please see Exhibit 2. For further details on the customer feedback please see section 1.7 below.

Porcelain Device Replacements

Brantford Power has nearly 1,000 porcelain devices in its system that are used to protect electrical distribution equipment from the damaging effects of lightning strikes and electrical current surges. These devices are attached to distribution poles.

When these devices fail unexpectedly, often during inclement weather events, it can lead to prolonged outages, as well as increased reactive replacement costs. The device failures can pose a risk to employee safety when working on power lines close to these devices. BPI plans to remove and replace all porcelain devices and has proposed to replace on average 150 per year- a faster pace compared to the recent years' level. BPI has consulted with customers on this approach and customers have supported BPI's proposed pace. Please see Exhibit 2 for a description of the program (including DSP section 5.4.3.2) as well as section 1.7 in this Exhibit for further details on BPI's consultation on this program.

Replacing Assets Near Failure

BPI has a systematic approach (the Optimal Decision Making Model or ODM) to identifying assets most in need of proactive replacement based on their assessed risk of failure for most asset classes. BPI's risk-based approach considers in-field assessments of the asset's condition as

well as the consequences associated with the indvidual asset's failure. These asset replacement programs fall into the System Renewal capital investment category. BPI plans the level of assets to be replaced in certain asset classes based on the annual results from the ODM, as well as considering other factors such as affordability and overall capital requirements. BPI has consulted with customers regarding its proposals for its most material asset replacement programs (specifically, pole, transformer and underground structure replacement programs) and received support for the pace of replacement proposed. For the pole replacement program, customer feedback indicated that BPI should accelerate the pace of pole replacements, even though this will result in a higher level of cost. As a result BPI increased the number of poles to be replaced to 80 per year. For further details on the Asset Management proposals from BPI, please consult the asset management discussions in BPI's Distribution System Plan, as well as section 5.4.3.2.

Feeder Egress Project

BPI plans to bring an existing spare feeder into service as a result of increased demand for capacity in the Northwest portion of the city. The project will not only allow BPI to support new residential and industrial development in the area, but will also provide an additional mitigation to outage risk for BPI's existing customers in the area. Further details can be found in the Distribution System Plan, particularly section 5.4.3.2.

Communications, Engagement and Community Safety Programs

BPI has a robust customer communications program, involving customer engagement, customer communications and community safety. In the coming years, BPI plans to enhance outage communications automation (currently planned beyond the test year). BPI will also continue its existing public safety programming, including school safety seminars and various annual safety events. BPI frequently surveys its customers and plans to maintain the existing customer feedback mechanisms.

1.2.3 Overview of Budget Process Methodology

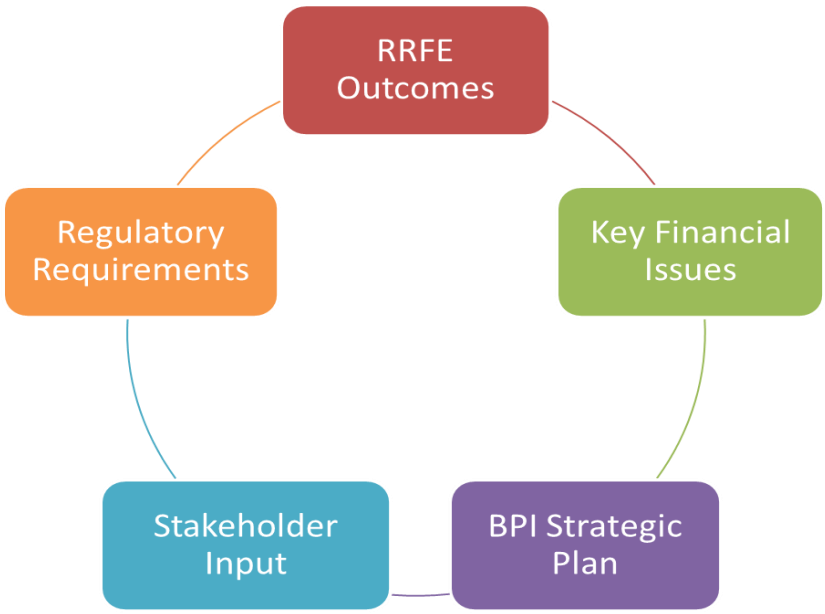
BPI begins the preparation of its annual budget during the second quarter preceding the next budget year. Typically, BPI prepares a proposed budget for the following year along with a multi-year financial forecast for the subsequent four years. For the preparation of this Application, BPI began preparing its budget in April 2020 and included in anticipation of the pending 2022 Cost of Service rate application, a requirement during this budget cycle for both 2021 and 2022(the Bridge and Test Years) as formal budget years, and the period of 2023 to 2026 as forecast years.

Prior to initiating the formal budget process with departments, the Finance Department and Executive Team review the current environment to determine what if any changes are required to the process. Among the factors considered are the following:

- Any update to BPI's strategic plan;
- Identified customer preferences regarding service and affordability;
- Recent financial performance including a review of the progress on the capital expenditure plan;
- Changes in customer demographics or requirements;
- New Government, OEB or other agency requirements; and
- Desired budget process improvements identified from the previous budget cycle.

Additionally, the Regulatory Manager is an integral part of the budget process to ensure regulatory and customer policy considerations and requirements are considered throughout the budget deliberations.

Table 1.1-C: Key Budget Considerations



Based on the above review, the Finance Department will update its proposed budget templates and process requirements and review with the Executive Team (ET) prior to issuing updated preparation instructions to departmental leaders. If changes are significant, the Finance Department will hold a training session with departmental leaders.

At this point, the budgeting process formally begins with the preparation of departmental budgets and related department business plans which reflect current strategic goals and operational requirements. This business planning process allows the leaders to review current and projected departmental outputs, key priorities and initiatives and rationale for requested funding. These business plans address the departments' current strengths, weaknesses, opportunities and threats (SWOT). They also summarize the current year's performance highlights along with a clear view of departmental initiatives whether externally mandated or internally initiated.

The preparation of the department budget incorporates a number of specific requirements, some of which are highlighted below:

- "**Clean Slate" Framework** - reflecting a method of budgeting in which all expenses must be justified for each new period. "Clean Slate" budgeting starts from a blank page and every function within an organization is analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or

lower than the previous one. Reconciliation takes place between actuals and budgets to understand what is driving the differences. All increases/decreases need to be explained. Department leaders undertake a labour allocations review whereby staff time is divided among ongoing work and projects in order to ensure appropriate levels of resourcing are in place for the department work load.

- **Productivity Improvements** – Review of alternative approaches to service delivery, including the potential repurposing or elimination of vacant positions. This would also reflect the annualization of any productivity savings achieved in the current fiscal year.

- **Integrated Capital budgeting** - integrates elements of BPI's asset management program and annual asset inspection outcomes in determining priority projects; other priority infrastructure or general plant projects including any resulting from customer engagement activities; investments supporting productivity improvements; and investments required under the Integrated Regional Resources Plan (IRRP). These varied initiatives are considered and evaluated based on priority and available resources as set out in BPI's Distribution System Plan.

For the most recent budget cycle, in order to meet the Filing Requirements for this Application, BPI undertook additional consultations with its customers to verify whether its draft plans were consistent with customer preferences. Please refer to section 1.7 which further outlines the methodology and feedback from this consultation. To summarize the outcomes, BPI's customers supported and confirmed BPI's draft budgets, with many customers choosing a preference for improved service (at higher costs). Upon reviewing the responses from customers, which generally supported the original plan, BPI made some limited changes (to accelerate spending in one area based on customer feedback) prior to finalizing the budget.

The department business plans and budget proposal are first reviewed by the applicable Executive Team (ET) member, after which the department business plans are presented by the applicable Manager to the ET. The ET, which is comprised of the President & CEO, CFO & VP of Corporate Services in 2020, then review the submitted department budgets, Department Business Plans, and (at a later date)the complete financial plan (which incorporates each of the department budgets).

This review is conducted in light of expected RRFE outcomes, specific BPI Strategic Goals and the desire to balance the interest of stakeholders in the budget forming the overall financial plan. This approach is taken to ensure that BPI can assess the longer term impact of current budget decisions on the future financial position of the business and the longer term impacts on various stakeholders.

Table 1.1-D: Budget Process (2021/2022 Budget)

In the 2020 budget preparation, the following budget objectives were provided to leaders. These were developed with input from BPI's review of identified customer preferences.

1. Maintain the current level of reliability and outage performance, in line with the previous 5 years;

2. Keep budget increases within inflation except for new requirements or unusual market situations;

3. Maintain historical levels of customer service performance, with an eye on meeting evolving customer expectations;

4. Keep in line with industry standards for technological change, without "leading the pack" in innovation; and

5. Comply with requirements to connect customers, maintain safety and implement regulatory and government policies, enable local customer and economic growth.

A copy of the budget and budget report for BPI's 2021/2022 budget, as approved by BPI's Board of Directors, is included as **Attachment 1-L.**

1.2.4 Key Elements of BPI's Application

The approvals requested in this Application will allow BPI to meet its strategic objectives as described in the Executive Summary, as well as those of the OEB'S Renewed Regulatory Framework for Electricity.

The following table 1.2-A summarizes the key elements of the Application

Table 1.2- A: Key Application Statistics

Item	Proposed Value
Average Net Fixed Assets	$ 89,997,024
Working Capital Allowance	$ 8,181,316
Rate Base	$ 98,178,340
Capital Expenditures (In Service, net of Capital Contribution)	$ 8,144,590
OM&A(incl LEAP And Property Tax)	$ 14,070,628
Amortization Expense	$ 4,019,354
Return on Capital	$ 5,148,360
Grossed Up PILS	$ 608,487
Service Revenue Requirement	$ 23,846,829
Revenue Offsets	$ 1,067,032
Base Revenue Requirement	$ 22,779,797

1.3 CUSTOMER SUMMARY

A brief summary of this application will be posted as a stand-alone document on the OEB's website for review by the general public and be made available to the customer of BPI's website. BPI has included the customer summary as Attachment 1-A.

1.4 ADMINISTRATION

1.4 Executive Certification

Please see Attachment 1-K for a signed executive certification.

1.4.1 Primary Contact Information

Please address all communications in this matter to:

Oana Stefan
Manager of Regulatory Affairs
Brantford Power Inc.
150 Savannah Oaks Drive, Brantford, Ontario N3T 5N8
Phone: 519-751-3522 ext. 5477
Email: ostefan@brantford.ca
www.brantfordpower.com

1.4.2 Statement of Representation

BPI is represented by Borden, Ladner Gervais, LLP in this Application. BPI requests that any communications from the Board, Intervenors, and other Parties be directed to its legal counsel (contact information below), in addition to BPI's Primary Contact, which was listed above in section 1.4.4.

Legal Counsel:

John A.D. Vellone
Partner
Borden, Ladner, Gervais LLP,
Scotia Plaza, 40 King St W, Toronto, ON, Canada M5H 3Y4
Phone: 416-367-6277
Fax: 416-361-2751
Email:jvellone@blg.com

1.4.3 Applicant's Internet Address

The application and related documents will be posted on BPI's website and will be available for viewing at BPI's web site can be found at the following internet address:

http://www.brantfordpower.ca/

The Application will further be communicated to customers and media via Twitter, through the following channel address:
https://twitter.com/BrantfordPower

BPI has active social media accounts on Twitter and LinkedIn. BPI also posts periodic updates to its Google Business listing.

BPI primarily uses its Twitter account to communicate with customers, as the LinkedIn account is typically used only for Human Resources matters.

1.4.4 Statement as to who is Affected by this Application

All customers of Brantford Power Inc. will be affected by this Application. Additionally, the plans proposed in this Application, especially in the Distribution System Plan, will have positive impacts to the regional and provincial electricity systems.

1.4.5 Statement of Publication

BPI will follow the Board's instructions regarding the publication of Notice in relation to this Application. BPI proposes to publish the Notice of Application in the Brantford Expositor, which is the highest paid circulation local newspaper in BPI's service territory.

1.4.6 Bill Impacts for Notice of Application

The following table 1.4-A summarizes the Bill Impacts, as required in the Filing Requirements, for inclusion in the Notice of Application:

Table 1.4-A:
Bill Impacts for Notice of Application

Customer Class	Typical Usage per Month	Distribution Bill Impact (sub Total A)	
		($ per month)	(% monthly)
Residential	750 kWh	$ 5.53	21%
General Service less than 50 kW	2,000 kWh	$ 10.64	20%

1.4.7 Form of Hearing Requested

BPI requests that this Application be completed through a written hearing. A written hearing will allow for greater cost-effectiveness and allow for added due diligence.

1.4.8 Proposed Effective Date of Rate Order

BPI requests that the OEB make its Rate Order Effective January 1, 2022**.**

In the event that the OEB is not able to provide a Decision and Rate Order in time for BPI to implement its rates effective January 1, 2022, BPI requests that the OEB declare BPI's current rates interim effective January 1, 2022, and approve rate riders to recover the incremental revenue between the implementation date of the OEB's 2022 Rate Order and January 1, 2022.

1.4.9 Deviations from the Filing Requirements

BPI has not deviated from the Filing Requirements in preparing its Application, except where expressly mentioned. BPI has worked with OEB Staff to make updated to certain areas of the models for 2021 Cost of Service filers. These were the most up to date models available as models for January 1, 2022 filers are not available. BPI made changes to some of the models to accommodate a 2022 Test Year.

BPI has not proposed to deem its Standby Rate as Final because BPI does not have any current Standby Customers, and therefore is not able to assess an appropriate rate for this class.

1.4.10 Change in Methodology Used

The methodologies used in this Application are generally consistent with those applied in BPI's 2017 Cost of Service. BPI has made changes as required as the Filing Requirements have evolved since those used in the 2017 Application.

BPI has made some changes to its methodology for load forecasting in order to address the cessation of the Conservation First Framework for CDM, as well as adjustments to address unusual customer patterns resulting from the COVID- 19 Pandemic. Please refer to Exhibit 3 for a discussion of these items.

Consistent with the Filing Requirements, BPI has updated its load profiles from the version used in prior Cost of Service Applications. Please refer to Exhibit 7 for a discussion of the process and assumptions used.

Consistent with Article 410 of the Accounting Procedures Handbook, BPI has included major spare parts with its capital assets used for rate-setting purposes. The associated details are outlined in Exhibit 2. BPI previously excluded Major Spare Parts from the computation of Rate Base however upon reviewing Article 410, BPI determined this process was not correct.

1.4.11 Previous Board Directives

BPI does not have any Board Directives affecting this Application from its previous Cost of Service Application (or from other regulatory proceedings). BPI addresses previous Accounting Orders in section 1.9.7. In BPI's 2019 IRM Application, the OEB directed BPI with respect to the settlement of a prior year adjustment to its commodity account 1588. BPI completed this adjustment and the account balance has since been reviewed and disposed in final.

1.4.12 Conditions of Service

BPI's current Conditions of Service are available for viewing on its website, at:

http://brantfordpower.com/my-home/sign-services/conditions-of-service/

BPI has reviewed and updated its Conditions of Service effective March 1, 2020 to include the following items:

- Various "housekeeping" changes.
- Changes to the dispute/complaint resolution process
- Changes for greater alignment with the distribution system code
  - Connections.
  - Capital contributions,
  - Reasons for denying a connection,
  - Security deposits for General Service Customers
  - Late Payment Charges- Clarification of calculations
  - Automatic Payment Plans and Monthly Payment Plans
  - Bypass Compensation
  - Glossary of Terms

BPI confirms that there are no rates or charges listed in the Conditions of Service that are not on the Tariff of Rates and Charges.

1.4.13 Corporate and Utility Organizational Structure

1.4.13.1 Corporate and Utility Organizational Structure

Since its last Cost of Service Rate Application (EB-2016-0058), BPI has undergone some changes in organizational structure, both at the corporate group level and within the company. The Brantford Energy Group of Companies has a combination of shared and independent Directors and Officers. This structure provides for general awareness of business activities across the entities yet ensures the utility remains focused on its primary responsibilities and obligations. The Board of Brantford Energy Corporation and Brantford Hydro Inc. have six Directors led by a Chair. BHI has a different Chair than BPI and BEC. BPI has ten Directors including the same six Directors from the affiliated entities plus four independent directors. The BPI Independent Directors are invited to attend the Board Meetings of BEC and BHI as observers.

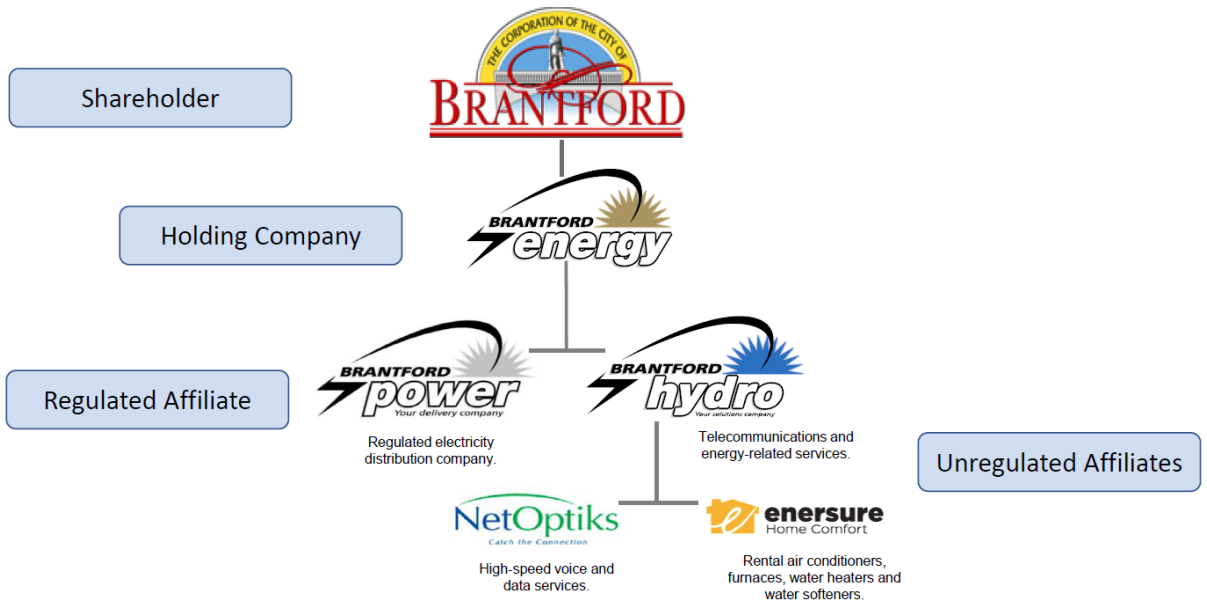
The Shareholder recently increased the number of independent Directors from three to four to assist with the succession planning of the Board as retirements are expected in the near term. It is expected that the BPI Board will return to the traditional level of Directors as the succession process is completed.

Although regular Board of Director meetings are typically scheduled on the same date, each Board Meeting is scheduled for a particular time and conducts its business independently from the Board meetings of the other entities in the BEC Group of Companies. With respect to approvals, each Board of Directors is presented with distinct approvals related to their area of responsibility. In certain limited circumstances, where a transaction involves each entity of the Group of Companies, e.g. certain insurance approvals, the BEC Board of Directors will typically approve on behalf of the non-regulated entities. However, a distinct and separate resolution will be presented to the BPI Board of Directors to ensure the Independent Directors have direct opportunity to review the matter and vote accordingly to their independent view of BPI interests.

With respect to Corporate Officers, the President and CEO and CFO & VP Corporate Services (Corporate Secretary) perform those roles in each entity in the Brantford Energy Group of Companies.

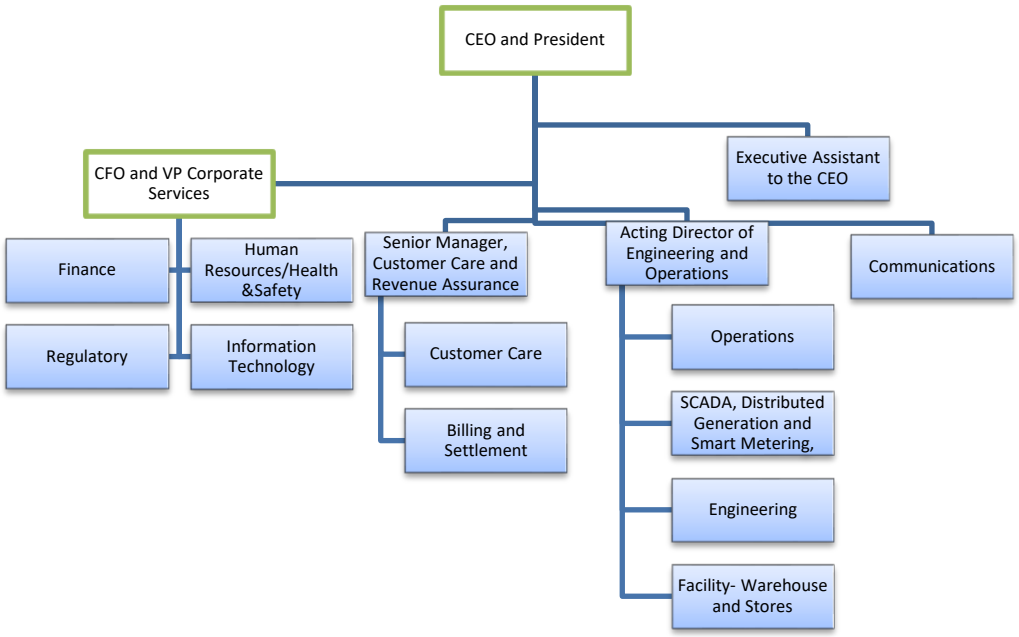
The President and CEO reports separately to the distinct Chairs of each operating entity. Currently there is a common Chair for BEC and BPI. As Officers of each Company, these two roles have concurrent responsibilities across the group. There are no other executives or senior leaders who share direct operational responsibility for more than a single entity. However, certain BPI Corporate Services roles are providing shared administrative support to BEC and BHI in addition to their primary BPI responsibilities.

Chart 1.4.13.1 -: Brantford Energy Group Corporate Structure



The most recent BPI organizational chart is shown below, showing Executives (in green), some senior managers and departments. The senior management positions of Corporate Controller and Chief Information Technology Officer are not shown separately in the Organizational Chart below. BPI notes two additional executive roles are currently vacant.

Chart 1.4.13.2 -B: BPI Utility Organizational Chart



1.4.13.2 Board of Directors

Brantford Energy Corporation (BEC) has a six (6) member Board of Directors in accordance with the Shareholders Agreement. The Board is comprised of two City Councillors plus four (4) other independent members from the business community. The four (4) independent members of the BPI Board of Directors are invited to attend as observers to any Board meeting in the Brantford Energy Group of Companies.

BPI has a ten (10) member Board of Directors. The Board is comprised of the

- Six (6) members of the BEC Board of Directors outlined above plus
- four (4) independent members appointed to BPI.

Independent members are appointed in keeping with the Affiliate Relationships Code requirement that one third of the distributor's Board of Directors not be "shared" with any affiliated companies. The Boards elect the Chair and there are no Vice Chair positions. In the event that the Chair is unable to attend a Board Meeting, the Directors will appoint an acting Chair for that particular meeting.

In June 2019 the nomination process by virtue of a bylaw change passed by the Shareholder that Brantford Energy Corporation is now under the OBCA rules with respect to shareholder meetings and appointments to the Board will no longer happen through the City's Appointments Committee. The recruitment and nomination process is now the responsibility of the corporation and names will be brought forward to the Shareholder at the AGM. In order to implement this change, a Nominating and Succession Planning Committee was formed. The process was commenced for the 2020 year and was on track to commence with the formal recruitment process the week of March 16, 2020. With the COVID pandemic starting the same week, it was agreed to use an alternate approach for the one year period and re-appoint the existing Directors for a one year period and proceed with the regular recruitment process in 2021. Given the ongoing Pandemic, the Board will be reviewing with the shareholder the nature and timing of director replacements.

1.4.1.4 List of Specific Approvals Requested

In this proceeding, BPI is requesting the following approvals:

Brantford Power Inc. is seeking the following approvals in this application:

1		Approval to charge distribution rates effective January 1, 2022 to recover a Service Revenue Requirement of $23,846,829 including a revenue deficiency of $4,397,1 15 as outlined in Exhibit 6 BPI's proposed schedule of rates is included in Exhibit 8.
2		Approval of BPI's Distribution System Plan as set out in Exhibit 2.
3		Approval of updated Retail Transmission Rates as set out in Exhibit 8.
4		Approval to continue the Wholesale Market Service Rate and Rural Rate Protection Charges in the Decision and Order to BPI's 2021 IRM Rate Application (EB-2020-0006);
5		Approval to continue the Specific Service Charges and Transformer Allowance approved in EB-2017-0058;
6		Approval of the proposed Loss Factors as calculated in Exhibit 8;
7		Approval of the Rate Riders for disposition of Group 1 and Group 2 balances as at December 31, 2020 over a one-year period, as calculated in Exhibit 9;
8		Approval for Rate Riders to dispose of the balance in Account 1568- LRAMVA, associated with Lost Revenues in 2018 and 2019 from CDM programs.
9		Approval to maintain the Interim Status of Standby Rates, as set out in Exhibit 8.
10		Approval to rename the Existing General Service 50 to 4999 kW class to General Service greater than 50 kW.

1.5 DISTRIBUTION SYSTEM OVERVIEW

1.5.1 Service Territory

BPI's service territory is within the boundaries of the City of Brantford as at January 1, 1996. BPI's only neighboring utility is Energy+ (formerly Brant County Power Inc.).

Attachment 1-J is a map of BPI's Service Territory.

1.5.2 Host Distributor and or Embedded Distributor:

BPI is a Host Distributor to Energy+ and the load purchases are less that 0.1% of BPI's total load.

Energy+ is the only customer in BPI's Embedded Distributor Class, and represents a material amount of distribution revenue.

1.5.3 Transmission Assets Deemed as Distribution Assets

BPI shares ownership of Powerline Transformer Station with Energy +. These assets represent high voltage assets deemed to be distribution assets.

1.5.4. Materiality Threshold

In accordance with the Filing Requirements, BPI has calculated its materiality threshold as 0.5% of its total distribution revenues proposed in this Application (2022 Service Revenue Requirement). BPI has applied the materiality threshold of $115,000 in its analysis throughout this Application. BPI notes that throughout in some sections, it has chosen to provide explanations for variances below its materiality threshold, where these explanations were necessary for meaningful analysis.

Table 1.5.4 -A: Calculation of Materiality Threshold

Revenue Requirement	0.5%* Revenue Requirement
$23,846,829	$119,234

1.6 APPLICATION SUMMARY

1.6.1 Revenue Requirement

The Service Revenue Requirement requested for the 2022 year is $23,846,829. This is an increase of 29.5% from the Service Revenue Requirement of $18,413,955 approved in BPI's 2017 Cost of Service Rate Application (EB-2016-0058)

The following Table 1.6.1-A shows a comparison of the Revenue Requirement calculations between the 2017 Application and the 2022 Application

Table 1.6.1.- A: Summary of Revenue Requirement Calculations

Item	2017 Board Approved	2022 Test Year Proposed
Average net Fixed Assets	$64,338,798	$89,997,024
Working Capital Allowance	$9,664,935	$8,181,316
Rate Base	**$74,003,733**	**$98,178,340**
Weighted Average Cost of Capital	5.98%	5.24%
Regulated Return On Capital	$ 4,428,235	$ 5,148,360
OM&A	$ 10,091,665	$ 14,070,628
Amortization Expense	$ 3,389,079	$ 4,019,354
PILS	$ 504,976	$ 608,487
Service Revenue Requirement	**$ 18,413,955**	**$ 23,846,829**
Less: Revenue Offsets	-1,315,000	-1,067,032
Base Revenue Requirement	**$17,098,955**	**$22,779,797**

1.6.2 Budgeting and Accounting Assumptions

Economic Overview

BPI has made the following assumptions regarding economic conditions:

- **COVID-19 Pandemic –** The COVID-19 pandemic has had many impacts on BPI's business. The pandemic has led to changes to customers' usage patterns, an increase in the level of financial risk (particularly bad debts and cash flow uncertainties) and changes to the ways BPI conducts its business. At the start of the pandemic in early 2020, BPI acted quickly and nimbly to protect the health and safety of employee and the public; to mitigate new risks to providing continuous and reliable service; and to protect the financial health of the business.

  BPI invested in increased facilities, equipment and services in order to respond to COVID-19 health and safety protocols. BPI implemented plans to mitigate the potential impact to service reliability of requirements for COVID isolation, including a "rotational schedule" whereby roughly one half of operations staff members were on-call and self-isolating. This procedure was in place until BPI was able to secure additional facilities in order to segregate the operations teams. BPI also increased its revolving term facility to provide extra cash in the event that customer payment delays would require BPI to use this facility to pay its IESO invoice.

  BPI worked closely with its customers in arrears to develop arrears management plans and to connect customers with applicable financial support resources for electricity payments. BPI implemented several unscheduled electricity pricing changes. BPI made concerted efforts to communicate these changes clearly to its customers in a timely manner, so that they would have the tools to manage their electricity costs.

  Despite these programs, BPI saw an increase in customer arrears, including an increase in the level of business closures and bankruptcies. BPI's financial risk for customers who default on payments is not only limited to the distribution portion of the bill which is related to BPI's own costs and operations, but the entirety of the bill which also includes amounts BPI pays "up front" on behalf of its customers for items such as transmission, cost of electricity and global adjustment.

  At the time of drafting this Application, the long term impacts of the pandemic are uncertain. The duration of the pandemic period, its impacts on customers' usage patterns and the economy are yet to be determined. BPI has generally budgeted reflecting continued economic impacts from the pandemic, including the continuation of a high level of arrears and increased costs related to health and safety measures.

BPI's long term expectations regarding the consumption and load impacts represent a "return to normal", with a reduction from the record-high residential usage levels seen in 2020 and other unusual consumption patterns.

- **Load and Customer growth** – Forecasts for growth in BPI's service territory are higher compared to past periods but still not consistent with high growth rates experienced in other areas of the GTHA in some years (ex: rates of 5% growth). BPI faces competing factors of expected customer growth and "lumpy load growth" (i.e.: loads associated with large scale commercial or industrial developments) and continuous expected decreases in load as a result of customer energy efficiency measures including electricity conservation, net metered and behind the meter generation, and an increasing use of battery storage devices. Permanent business closures are also a risk associated with the longer term economic impacts of COVID-19.

The projects in BPI's Distribution System Plan will enable the continued provision of reliable service, meeting requests for connection of new services on a timely basis, and enabling economic growth in the Brantford community. Projects include increases to the projections for the System Access category, as well as BPI's Feeder Egress project which will increase available capacity.

OM&A Budget

As previously indicated, BPI's OM&A budget is prepared using the "clean slate" approach requiring the Department Manager to review each line item to determine the requirement for the upcoming year. Where there are known and quantifiable changes to a budget item, these will be incorporated into the budget, and where assumptions must be made, BPI employs the best available indicator of cost change. For this reason, BPI does not apply an across the board general inflationary adjustment throughout the budget.

Once all Managers have submitted their requests, the ET will review the quantum of the cumulative increase and compare it to the general inflation rate and the customer's preferences regarding levels of service and affordability. Based on this, the ET will revisit specific departmental requests until the proposal balances the business requirements with the overall level of expenses. In this way, BPI considers the interest of the key stakeholders including customers.

With respect to labour rates, BPI has not yet finalized the collective agreements for some of its employee groups for the Test Year. In this regard, BPI has reflected reasonable provisions in its 2022 for these yet to be negotiated settlements. BPI has provided a confidential schedule to Exhibit 4 which contains the budget assumptions used as the labour cost increases related to the collective agreements. Confidentiality is required to prevent the compromise of the upcoming labour negotiations.

This is among the grounds for confidential treatment set out in the OEB's *Practice Direction on Confidential Filings* (the "Practice Direction"), and it is contemplated by the *Freedom of Information and Protection of Privacy Act*; and they are, in BPI's submission, reasonable. BPI is prepared to provide copies of the subject material to individuals who have executed and delivered the OEB's Form of Declaration and Undertaking regarding confidential material, subject to BPI's right to oppose any request for access to the confidential material. BPI will deliver to the OEB unredacted copies of the material in respect of which confidentiality is claimed, in accordance with the Practice Direction.

As the Shared Services Agreement related to the purchase of services from the City of Brantford expires on December 31, 2021, BPI intends to review the services and service levels in the remaining schedules. Over time, BPI has decreased its reliance on the City of Brantford for various services including Human Resources, Health and Safety, IT Systems and IT Support, Financial and Legal Services.

Capital Budget

Capital budgeting occurs in parallel with the operating budgets. Projects from the various investment categories are based on different sets on input assumptions. Budgets for capital items are based, where possible on:

- historic pricing adjusted for inflation multiplied by unit-based forecasts;
- projected use of in-house labour and fleet multiplied by the applicable fully burdened rates; and
- projected pricing for outside services and equipment.

Projects in the **System Access** category have been budgeted based on consultation with local planning authorities, developer and customers, as well as a level of BPI Management judgement regarding the timing and impacts of these projects. Generally, a higher level of activity compared to past years is expected in the System Access category. Though BPI is not becoming a "high-growth" utility, the levels of growth are higher compared to past DSP/COS cycles. Key System Access Projects Include:

- Building infrastructure for Subdivisions and Townhomes;
- Connections of new non-residential customers (overhead and underground);
- New metering; and
- Relocation of distribution infrastructure.

Projects in the **System Service** category have been budgeted based on system load forecasting from customers, local planning, neighboring utilities and BPI's transmitter.

- A project to bring the 12M13 Feeder into use to increase capacity to areas of new development and mitigate reliability risks for the remainder of the system.

- The continuation of the automated reclosers project which can help to reduce prolonged outages and also enables greater distribution automation and outage communication.

Projects in the **System Renewal** category relate to assets requiring replacement. The main driver for System Renewal projects are the outputs from BPI's asset management system. This system uses asset condition data, a portion of which is updated annually, and other asset attributes, in order to assess the risk of failure for assets in each type of category (poles, transformers, etc.). Asset failure risk is determined by the probability and the consequences of asset failure. The following are some of the key projects in the System Renewal category.

- Replacement of poles at high risk of failure;
- Replacement of transformers at high risk of failure;
- Replacement of underground structures including vaults and junction boxes, etc;
- Replacement of Load Break;
- Replacement of porcelain devices.

Projects in the **General Plant** category are related to the core operational, administrative and information technology infrastructure which supports the key functions of the business. The following are key projects in the general plant category:

- Replacement or upgrade of Geographic Interface System (GIS);
- Replacement of vehicles reaching the end of their useful lives;
- Other software upgrades or enhancements;
- Network Segregation project.

Accounting Standard Applied

Beginning January 1 2015, BPI has used Modified IFRS as its accounting standard.

1.6.3 Load Forecast Summary

For 2022, BPI has forecasted power purchases of 902,766,029 kWh, compared to 946,971,178 kWh approved in its 2017 Rate Application, representing a 4.7% decrease. In terms of billed kWh, comparable figures are 928,196,629 kWh forecasted for 2022 or a 3.5% decrease over the board-approved level of 961,992,121 kWh. BPI has forecasted an overall customer increase of 3.6% compared to the 2017 Board Approved level. Table 1.6.3-A summarizes these load forecast components.

2017 Board Approved kW were 1,506,209 kW and BPI is forecasting 1,542,920 kW in the 2022 Test Year, for an increase of 36,711 kW or 2.4%.

1.6.3 A: Load Forecast Comparison- 2017 Board Approved to 2022

	Load		Customers (Residential and General Service)
	Purchased kWh*	Billed kWh	
2017 Board Approve	946,971,178	961,992,121	39,722
2022 proposed	902,766,029	928,196,629	41,156
% Change	-4.7%	-3.5%	3.6%
*Excludes Embedded Distributor kWh			

The Load Forecast has been prepared on the basis of a multivariate regression analysis of BPI's historic power purchases. The power purchases are weather normalized and the factors considered in the regression are related to weather, economic, and calendar data, as well as a "trend variable" " is related to consumption decreases. The weather normalized Bridge and Test Year forecasts are adjusted by a historical loss factor in order to translate purchased power forecasts into billed energy forecasts. The billed energy forecast is then split among the rate classes.

BPI has prepared its customer/connection forecast based on the geometric average of the historical customer growth per year (with some exceptions detailed in Exhibit 3). The forecast for billed energy per rate class is based on historic patterns in consumption per customer. For those rate classes which are weather sensitive, this forecast was adjusted to account for the weather-normalized billed energy forecast derived from the regression model.

For applicable rate classes which are billed on monthly peak demand kW for distribution rates, the kW forecast was developed by applying a historic relationship between kWh and kW for that class.

BPI has not directly included CDM results in its regression based forecast as a result of the inability to forecast and measure these results on a consistent basis with past practice, related to the

discontinuation of the CFF. BPI has had increased challenges with load forecasting as a result of the impacts to customer usage levels and usage patterns caused by the COVID-19 pandemic, and a high level of uncertainty regarding the future economic and customer impacts of the ongoing pandemic. BPI believes its approach is a fair attempt at this forecasting and anticipates further updates will be made, with hopes that greater certainty will be available during the future stages in this Application.

1.6.4 Rate Base and Capital Plan

The Rate Base calculated in Exhibit 2 of this Application is $98,178,340, which is an increase of $24.2 Million or 33% compared to the Rate Base of $74,003,734 approved in BPI's 2017 Cost of Service Application.

The major drivers in BPI's DSP are (summarized by investment category):

- Capital additions related to the System Access investment driver represent 46% of the total spending proposed in 2022 , related to the connection or modification of connections to the system enabling customers to receive electricity;
- System Service, representing 19% of the Test Year capital spending, which involves a large scale project to make additional capacity available and improve reliability by providing greater system redundancy.
- General Plant, representing 19% of the Test Year capital spending, which includes BPI's GIS project, cybersecurity enhancements and vehicle replacements.
- System Renewal capital additions, representing 16% of total spending, are driven by aging infrastructure which has been assessed by BPI's asset management systems being at high risk of failure and requiring replacement.

Table 1.6.1.-A above outlines the calculation of Rate Base. Capital Expenditures proposed for the Test Year are $8,144,590 (expressed as in-service additions; reduced for capital contributions). This represents an increase of $4.3 Million or 113% over the 2017 Board-Approved Capital Expenditure level of $ 3.8 Million.

BPI has no investments included in its DSP related to REG investments (investments that accommodate the connection of renewable energy generation) and no investments amounts for renewable energy connection planned for recovery through O. Reg. 330/09.

BPI has included in its DSP Forecast Period the following projects which take advantage of the advancements in smart grid technology and communications:

- Fault Indicators;
- Automated reclosers; and
- Outage Management System.

Additionally, the increased control room monitoring proposed in Exhibit 4 will enhance the usage and applicability of the projects listed above.

Pursuant to the Board's letter of June 3rd, 2015 BPI has applied the rate of 7.5% in calculating the allowance for working capital to be included in Rate Base.

1.6.5 OM&A Expense

Exhibit 4 sets out the details of BPI's operating expenses. BPI is proposing to recover Operations, Maintenance and Administrative ("OM&A") expenses of $14,070,628 in the 2022 Test Year inclusive of LEAP and Property Taxes. Exclusive of Property Tax, this figure is 13,780,640, which represents an increase of $3,734,006 or 37% over the 2017 Board Approved OM&A of 10,091,665**.** The related figures before LEAP and Property Tax are $10,046,634 for 2017 and $13,780,640 for 2022. The table below summarizes the cost drivers for OM&A

Table 1.6.5-A: Summary of OM&A Cost Drivers

Explanation	Summary of Impact	
2017 Board Approved	**$**	**10,046,634**
Facility costs (SLA Leases + 150 SO)	-$	90,046
Accounts Payable (SLA to in-house)	-$	27,912
New Financial Information System	$	50,176
New Customer Information System	$	33,550
Cyber Security (including IT migration)	$	750,907
COB IT Services (SLA)	-$	453,874
Other IT Projects (GIS, WMS, Daffron Archival etc.)	$	180,766
Bad Debt Expense, Collections	$	366,539
Control Room Monitoring	$	100,000
Regulatory Expenses	$	118,768
General & Administrative Salaries/Benefits	$	701,595
Outside Services Employed	-$	65,287
Customer Communication/ Consultation	$	169,594
Tree Trimming	$	40,385
HR and Payroll	$	497,366
Customer Billing (Postage, Bill Print etc.), Supervision	$	540,295
Customer Care	$	75,543
Operations and Maintenance Activities	$	595,417
Meter Expenses	$	25,634
Misc	$	124,590
2022 Test Year	**$**	**13,780,640**

Total Compensation has changed by $1,995,989 from the 2017 Board- Approved Level to the 2022 Test Year level of $8,691,774, representing a 30% increase. BPI has assumed inflation rates of 1.5%-2% where better information regarding pricing was not available for budgeting.

1.6.6 Cost of Capital

BPI has applied the following cost of capital parameters in calculating its cost of Capital.

Table 1.6.6-A: Deemed Capital Structure and Cost of Capital

Description	Deemed Portion	Effective Rate	Calculation Method
Long-Term Debt	56.00%	3.28%	Blended Rate, using actual 3rd party costs and deemed rate for affiliated debt.
Short-Tern Debt	4.00%	1.75%	OEB Cost of Capital parameters from November 2020 Report
Return On Equity	40.00%	8.34%	
Weighted Debt Rate		3.18%	Calculation
Regulated Rate of Return		5.24%	Calculation

BPI has included the rate of 2.85% for the cost of its Promissory Note with the City of Brantford, which is affiliated debt, which is the OEB's long term debt rate at the time of signing the agreement. This is consistent with the treatment in the *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities* (EB-2009-0084), as it is the lower of the actual rate and the deemed debt rate. This Note was signed on December 18, 2020 for a renewal effective February 1, 2021. The actual debt instruments have been included in the blended long term debt rate based on the actual rates paid by BPI.

BPI acknowledges that the Board will release an updated Cost of Capital Report before BPI's rates for 2022 are approved by the Board. If this is the case, BPI will update the Cost of Short-Term debt and Return on Equity according to the updated report.

BPI has not deviated from the OEB's cost of capital methodology.

1.6.7 Cost Allocation and Rate Design

In preparing its Cost Allocation and Rate Design, BPI has not deviated from the Filing Requirements.

The following Revenue to Cost Ratios and Class Revenue Requirements are proposed in this Application.

All proposed Revenue to Cost Ratios are within the Board's target ranges for the respective class.

BPI is not proposing any mitigation plans at this time, as all total bill impacts fall below the 10% mitigation threshold except Sentinel Lights. As required, BPI has considered whether a rate mitigation plan is necessary however due to the low materiality of the dollar value of the Sentinel Lights bill impact, BPI is proposing no mitigation measures should be implemented.

Table 1.6.7- A: Revenue to Cost Ratios by Class and Class Base Revenue Requirements

	Proposed Revenue to Cost Ratio	Proposed Class Revenue Requirement
Residential	92.54%	$ 14,232,489
General Service <50 kW	107.61%	$ 2,218,670
General Service > 50kW	120.00%	$ 5,659,355
Embedded Distributor	100.00%	$ 223,963
Sentinel Lights	92.54%	$ 43,196
Street Lights	120.00%	$ 305,942
Unmetered Scattered Load	120.00%	$ 96,182
Total		$ 22,779,797

BPI implemented fully fixed distribution rates for its residential customers effective January 1, 2019, and is not proposing any special adjustments to the proportions of revenue to be collected via fixed and variable rates.

BPI has consulted its unmetered customers and made updates to the forecasts used as inputs to its cost allocation and rate design accordingly. BPI has also consulted with its Embedded Distributor regarding the cost allocation proposed in this Application. The details and outcomes of these consultations are outlined in Exhibit 7.

BPI has also updated its load profiles. The process for these updates is outlined in Exhibit 7.

BPI has not deviated from the OEB methodology, however BPI has not proposed to deem the Standby Rate as final.

1.6.8 Deferral and Variance Accounts

BPI is proposing to dispose of Deferral and Variance Account balances up to December 31, 2020, as well as projected interest to January 1, 2022. The following table outlines the balances proposed for disposition.

The disposition period for all new Deferral and Variance Account Rate Riders will be 1 year. The Global Adjustment Account will be disposed of only to Non-RPP Customers.

BPI is proposing the continuation of the Pole Rental Revenue variance account, and is proposing to discontinue the Retail Cost Variance Account and the OPEBs account.

Table 1.6.8- A: Summary of Deferral and Variance Accounts Requested for Disposition

Category	Amount Proposed for Disposition
Group 1 Accounts(excl. GA)	$65,886
Global Adjustment Account	*-$214,649*
Group 2 Accounts	$231,332
LRAMVA Balance	$75,022
Total disposition	**$157,590**
Amount to be disposed to Class A Transition Customers	-$34,493
Amount to be disposed via Rate Riders	$192,084
Total Recovery	**$157,590**

1.6.9 Summary of Bill Impacts

The following table summarizes the bill impacts arising from the proposals in this Application for the typical customer in each class.

BPI notes that there is significant increase in the Retail Transmission Rate-Network for several of the rate classes. This is explained by the increase in the wholesale Uniform Transmission Rate for Network Services charged to BPI, which has increased 19% between 2020 and 2021.

Table 1.6.9-A Summary of Bill Impacts at Typical Consumption

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Usage	Sub-Total A		Sub-Total B		Sub-Total C		Total Bill	
			$	%	$	%	$	%	$	%
Residential	kwh	750	$ 5.53	21.3%	$ 5.73	19.7%	$ 6.86	17.1%	$ 6.29	5.5%
General Sevice Less Than 50 kW	kwh	2000	$ 10.64	20.4%	$ 11.40	19.1%	$ 14.00	16.3%	$ 12.83	4.5%
General Service Greater Than 50 kW	kw	250	$ 79.26	7.5%	$ 74.21	7.1%	$ 189.86	8.9%	$ 175.89	1.1%
Embedded Distributor	kw	12000	$ 8,963.78	33.8%	$ 10,545.38	39.8%	$ 16,096.58	20.5%	$ 16,276.78	4.7%
Sentinel Lighting	kw	1	$ 4.35	16.8%	$ 4.52	17.4%	$ 4.95	16.5%	$ 4.54	13.5%
Street Lighting	kw	1900	$ 4,812.37	23.2%	$ 4,806.75	23.2%	$ 5,654.91	19.8%	$ 6,149.67	5.4%
Unmetered Scattered Load	kwh	280	$ 2.13	12.3%	$ 2.26	12.4%	$ 2.48	11.8%	$ 2.28	4.7%
Standby	kw	0	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 0.28	0.0%

1.7 CUSTOMER ENGAGEMENT

1.7.1 Customer Engagement Overview

As discussed, the RRFE Report includes Customer Focus as one of the OEB's RRFE outcomes. This involves the promotion of greater electricity sector literacy among customers, as well as an expectation that utilities make decisions that respond to identified customer preferences.

BPI has included as part of its Strategic Plan goals "raise community visibility and establish the BPI brand", which relates to increased outreach and communication with customers including improving energy literacy, assessing customer satisfaction and identifying customer preferences.

The complete list of customer engagement activities has been included in Appendix 2-AC.

Transactional Survey Program

BPI's transactional survey program was implemented in 2014 and is ongoing. On a monthly basis, 50 customers who have called BPI's call centre are surveyed on fourteen questions. The transactional survey reports from August 2019, and February 2020 as **Attachment 1-B**.

BPI has engaged Concentrix (Formerly Convergys) to conduct telephone surveys. BPI takes action to correct any issues and proactively improve and implement solutions to resolve them. Overall Satisfaction and Call Satisfaction have generally increased during the 2018-2020 period.

To measure customer satisfaction, BPI closely monitors the results of the Transactional Survey feedback received from a monthly sample of customers and measures their experience in the following areas:

a) Overall Satisfaction
b) Call Satisfaction
c) Rep Satisfaction
d) Resolution
e) First Contact Resolution

The results from the transactional survey are used by BPI to measure and improve its call center performance levels. Furthermore, the survey measures first call resolution, which is required for RRR reporting and is reported on BPI's balanced scorecard. BPI includes this performance as an internal KPI.

Since its implementation in 2014, BPI has implemented several process improvements as a result of the feedback collected through the survey as well as targeted feedback from the survey vendor. Some of the broader improvements made include:

- Call handling and Contact Reasons BPI's performance continues to trend upwards, setting appropriate expectations
- Customer effort continued to trend in a positive direction. Authentic and Personalized customer conversation that answers the issue and reduces customer effort.
- Customer comments indicate that Brantford agents do an excellent job of proactively educating customers with information beyond their initial call reason.
- Overall, customers continue to experience low effort interactions on the call.
- Customers appreciate it when companies follow up with them on their survey feedback.
- Concentrix has a process in place so that Brantford can easily implement a closed-loop process by identifying unhappy customers.

BPI notes that this program was introduced in 2014 following a collaborative vendor selection and survey design with Entegrus Powerlines Inc. (EPI). Both BPI and EPI continue to apply the same methodology.

Top-Down Survey Program

Every other year, BPI also conducts a "Top Down Survey" which obtains feedback from a sample of all BPI customers (the transactional survey only targets customers who have contacted BPI).

The first top-down survey was initially held in 2014, and again in 2015, followed by bi-annual surveys in 2017 and 2019. BPI also engaged Concentrix to complete this "top – down" survey. BPI has maintained the same survey format and the same survey provider for these surveys and uses the survey outcomes to report on the Customer Satisfaction measure reported under RRR, and shown on the Balanced Scorecard. The maintenance of the survey program has allowed BPI to measure its progress in customer satisfaction over time. In addition to overall customer satisfaction, and consistent with the OEB's requirements for the Scorecard[1], the survey also obtains feedback on the following areas:

[1]Page 15, Report of the Ontario Energy Board on Performance Measurement for Electricity: A Balanced Scorecard Approach, dated March 5, 2014 (OEB Case No: EB-2010-0379) https://www.oeb.ca/oeb/_Documents/EB-2010-0379/Report_of_the_Board_Scorecard_20140305.pdf

- power quality and reliability;
- price;
- billing and payment;
- communications; and
- customer service experience.

With these surveys, BPI seeks feedback from a sample of all residential and general service customers in various metrics. These surveys and the associated analysis from Concentrix helped BPI to assess customer satisfaction levels as well as the drivers of customer satisfaction and opportunities for improvement. The 2017 and 2019 Concentrix Top-Down Survey Reports are included as **Attachment 1-B**.

Public Awareness of Electrical Safety Survey

In 2018 and 2020, Utility Pulse was engaged to complete the report for The Public Awareness of Electrical Safety. The purpose of this survey is to provide a score for the Ontario Energy Board Scorecard. Upon completing the survey, BPI obtained an Index Score of 85% in 2020 and 84% in 2018. This is a telephone survey answered among 400 people of the General Public within BPI's geographic service territory.

The survey covers six of the most frequent incidents involving utility equipment in Ontario over the last 10 years. BPI plans to continue to delivering and improving its safety initiatives and its Public Awareness of Electrical Safety index score. BPI is committed to the employees and public safety and will always include BPI's strategic goals.

Electrical Safety Survey Reports are included as **Attachment 1-C.**

In addition, BPI employees share important safety messaging at local events hosted by the Children's Safety Village of Brant, the Brantford Fire Department (Fire Prevention Week) and the Workforce Planning Board of Grand Erie's annual Epic Jobs event which is designed to open the eyes of students in Grades 7 and 8 to potential careers in the skilled trades. The utility also hosts an annual Powerline Safety Seminar for contractors and sponsors electrical safety sessions for all elementary schools in its service territory. BPI is proud of its ongoing partnership with Rob Ellis of MySafeWork, a non-profit organization committed to preventing vulnerable workers from being killed, injured, and harassed on the job. BPI's President and CEO and other employees join Rob in-person and virtually to speak with post-secondary students about the worker rights and the importance of workplace safety. In 2020 BPI and MySafeWork reached out to secondary school boards in Brantford to facilitate their participation in the annual Courageous Broadcast. Courageous is a broadcast that empowers students and workers to stand up to

unsafe work. The broadcast challenges the next generation to be part of a bigger vision for safety in Canada. Note that due to COVID-19 pandemic, some in-person events scheduled for 2020 had to be modified to an online format or cancelled.

Based on the feedback identified in the transactional surveys and top-down surveys, and from other informal touch points, BPI developed its 2021 and 2022 Budgets keeping in mind the following identified customer preferences:

- Customers are happy with current levels of reliability and this is a key driver of customer satisfaction;
- Value and affordability are key customer concerns;
- Customers are happy with current levels of customer service;
- Customers are interested in enhanced outage information and notification options.

Appendix 2-AC below summarizes the customer preferences identified in both formal and informal customer engagement activities, and BPI's actions to address these preferences (including actions taken to date as well as current proposals).

Actions Taken to Respond to Customer Preference

With respect to compensation, BPI's plans reflect reasonable compensation levels necessary to attract and retain talent within BPI, allowing BPI to continue the quality of customer service which has led to high levels of customer satisfaction.

Having developed its 2021 and 2022 budgets and its DSP based on the observed customer preferences listed above, in the fall of 2020 , BPI engaged Innovative Research Group Inc. ("Innovative") to assist BPI in presenting its plans and its rates proposals to its customers.

The methodology and findings related to this process are included as **Attachment 1-D**. The report provides valuable feedback from customers.

Innovative surveyed customers on behalf of BPI between October and December 2020, and received feedback from more than 2,100 customers.

Innovative conducted two forms of survey- a telephone reference survey to benchmark BPI's customer base demographics, as well as an online workbook survey. The reference survey was used to normalize responses from the online workbook to ensure the workbook responses fairly represented BPI's customer base.

BPI customers were invited to participate in the survey which focused on improving customer understanding of BPI and the electricity sector, as well as understanding BPI's planning processes and providing input on the tradeoffs made as part of distribution system decisions. Customers were presented with options regarding certain discretionary system investments with opportunities to assess the benefits of different project options against projected bill impacts of these options.

Overall, most customers in all classes indicated they supported the plans as proposed by BPI. Many customers also supported accelerated options for improved service. In the case of the Pole Replacement project, more customers supported an accelerated approach. As a result, BPI changed its pole replacement project from 60 poles per year to 80 poles per year (beginning in 2022). The following projects were included in the consultation:

- Pole Replacement;
- Outage Management System;
- Automated Reclosers;
- Transformer Replacements;
- Underground Structure Replacements (Vaults, Junction Boxes, Manholes, Junction Pads);
- Porcelain Device Replacements; and
- 24/7 Control Room Coverage.

Each rate class received a specific rate impact for Brantford Power to deliver a program that focuses on the priorities of its draft plan over the five-year period. Those impacts are summarized below:

• **Residential**: $7.48 over the five-year period
• **Small Business**: $13.34 over the five-year period
• **GS > 50 kW**: $210.84 over the five-year period

As shown below, overall most customers selected "maintain increase" given the overall summary trade-offs between service levels and projected bills, with the next most popular response being "improve service" (at an increased cost).

Table 1.7.1-A: Assessing Brantford Power's Draft 2022-2026 Plan

Summary of Findings *n-size for sample sizes <50*	Representative Workbook		
	Residential	Small Business	GS >50 kW
Improve service	24%	20%	3/25
Maintain increase	51%	56%	13/25
Reduce increase	17%	13%	2/25
Other	2%	4%	2/25
Don't know	6%	7%	5/25

BPI's assessment based on this feedback is that customers generally understand and support the reasoning for BPI's proposed projects, and that customers have accepted the levels of bill increase proposed in the workbook are reasonable for the levels of project spending and therefore levels of service. Since completing this consultation, BPI has further refined its rate proposals. The table below compares the 2022 proposed distribution rate impacts presented in the workbook with the levels proposed in this Application.

Table 1.7.1-B: Proposed Bill Impacts vs. Bill Impacts in Workbook

Custoemr Class	Volumetric Usage**	2021 to 2022 Distribution Rate Impact* -Workbook	2021 to 2022 Distribution Rate Impact* - Proposed
Residential	700 kWh	$ 5.30	$ 5.56
General Service <50 kW	2000 kWh	$ 9.08	$ 8.04
General Service >50 kW	250 kW	$ 128.68	$ 43.48

As shown above, the proposed distribution rate impacts are either lower than or in a similar order of magnitude to those presented in the workbook. The proposals included in this Application represent the approaches supported by the majority of customers for each project (including the accelerated pace of pole replacements). The only exception is the Outage Management System. BPI still plans to implement this project however it has been deferred to 2023, as the Geographic Information System (GIS) must be replaced first, and this is planned to occur in 2022.

Appendix 2-AC summarizes BPI's response to the customer preferences identified in this customer consultation and other customer touch points since the last Cost of Service application. BPI strives to be responsive to customer preferences, observations, and expectations.

Table 1.7.1- C: Customer Engagement Summary

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Social Media Activity	Top three reasons customers reply to our tweets or send us direct messages on twitter: 1. Notify us that their power is out. 2. Ask when power will be restored. 3. Ask why the power is out.	An internal process was developed to share power outage information via Twitter.
Social Media Activity	Customer and teacher compliments for School Safety Program	continued budget for School Safety program is included in OM&A budget for 2021, 2022
School Safety Program Evaluation Forms	Average rating is excellent and teachers would welcome more presentations in future years.	Feedback confirmed the value and quality of the presentation resulting in continuing of the sessions.
2017 Safety Survey	Of those who have a job which requires them to come close to energized power lines, 47% (highest category) of respondents were in construction and outdoor trades	BPI provides and will continue to provide a free contractor safety breakfast
2018 & 2020 Safety Survey	Electricity Safety is one of BPI's Key Priorities. In 2018 and 2020 BPI engaged with Utility Pulse to conduct the Safety Awareness Survey and achieve Index Score of 84% in 2018 and 85% in 2020.	BPI's public safety scores have improved. BPI will continue with its public safety programs, namely School Safety Presentations, online safety messaging, and Contractor Safety Breakfast,
2018 & 2020 Safety Survey	**QB5: Call before you dig** 55.1% would "definitely" and 17.3% very "very likely" to call to locate electrical or underground lines.	a) Ontario One Call was a guest speaker at 2018 and 2019 Contractor Safety Meeting. Reinforced it is the law to call before you dig, identified safety hazards and handed out collateral as a reminder to call or click before you dig. b) Implemented a Twitter and website campaign in March 2019 and April 2020 during Dig Safe Month. c) All school safety sessions implanted in 2019 include safety messaging on the need to contact Ontario One Call for a locate before you dig anywhere on your property. 2020 score was up 1% from previous survey.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
2018 & 2020 Safety Survey	**QB6: Impact of touching a power line** 96.2% said it was "very dangerous" and 1.9% believed it is "somewhat dangerous" QB6: Impact of touching a power line 91% knew it was "very dangerous" and 8% believed it is "somewhat dangerous"	a) Danger of contacting a powerline is covered all school safety sessions. B) Danger of contacting a powerline was conveyed in Powerline Safety Week Twitter and web messaging in May 2018, 2019 and 2020.
2018 Safety Survey	Additional Questions for Grid Smart City Clients with some regarding where the public find information related to electrical safety and how many actively speak to their children about electrical safety.	BPI has continued to include school safety sessions in its budget. The school safety sessions will contribute to conversations at home when the child returns home after a session. BPI has observed this via feedback on Twitter.
2020 Transactional Survey	***Call Handling:*** The impact of the new billing system was felt in H2'19 Lower Resolution resulted in lower Overall Satisfaction with Brantford and lower Call Satisfaction.	The results from 2019 were reflective of our change to NS CIS. During the last wave, the results were impacted by duplicate bills being mailed, as well as a delay in some customer bills. We have now have processes in place to ensure this does not occur including reporting and validation checks.
2019 Customer Satisfaction Survey	***Customer Satisfaction*** Overall Satisfaction: 97% Overall Satisfaction has significantly improved Reliability and Customer Service are the most frequent reasons for positive ratings. Value and Affordability are the two strongest drivers of Overall Satisfaction. Customer Service has improved since 2017.	This feedback was one of the inputs considered when BPI set its budget objectives for 2021/2022. Based on the overall level of satisfaction, BPI's objective is to maintain the current levels of customer service and reliability, seeking opportunities for improvement in cases where there is a high value for money.
Feedback at Contractor Safety Breakfast	The need to create a direct line for our Emergency Services to reduce wait times and provide quicker access to BPI.	In February 2019, a new emergency line was created for use by first responders only to provide them with quicker access to Brantford Power. The number was shared with Brantford fire, police and ambulance. This number is not publicized and is only meant for emergency situations.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Large Customer feedback - ELT visits, BPI employees who deal directly with them	Manufacturing facilities are heavily impacted by outages. When an outage occurs during a manufacturing process, it is likely the materials in that process can be ruined and wasted. Production cannot restart immediately upon outage restoration, rather the materials from the interrupted process need to be removed, and equipment needs to be cleaned before a production can start again. This can have a big impact on the day's productivity.	BPI's aim is to maintain the current level of reliability. It is difficult to target reliability improvement measures to certain classes of customers, however surveys indicate customers are generally satisfied with the current level of reliability.
Communications to Customer Service	Request for outage notification option tools from customers also familiar with other LDCs.	BPI has proposed to implement a new Outage Management System in 2023 which may enable greater outage notification options.
Communications to Customer Service	What is the expected restoration time? / What was the cause of the outage?	BPI has proposed to implement a new Outage Management System in 2023 which may enable quicker, more accurate and more automated provision of outage information to customers
Communications to Customer Service	What tools are available to help reduce electricity usage? – spiked in Spring 2020.	BPI continues to refer customers to CDM programs run by the IESO.
Communications to Customer Service	Could improve the number of forms available to fill online, and the ease of the process for filling online forms.	BPI is working to improve the amount of fillable forms online. This measure Is expected to improve customer satisfaction, while also enabling some productivity improvements in the customer services areas. Fillable forms will enable greater accuracy of data, and a lower level of Customer Care Representative intervention for certain processes.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey - Pole Replacement	• **Pole Replacement Results:** Brantford Power is proposing to reduce their overall pole replacement budget. A majority of customers in each rate class feel that Brantford Power should not reduce its spending in this category but would prefer they either stick with the status quo or an even further accelerated approach Among Residential customers, (35%) indicated a preference for an accelerated pace, while (34%) indicated a preference for a status quo and (22%) what was included in the draft plan. Among Small Business Customers, (24%) indicated a preference for an accelerated pace, while (46%) indicated a preference for a status quo and (14%) what was included in the draft plan. Of the GS>50 kW respondents, 15 out of 25 indicated a preference for the status quo and 5 out of 25 what was included in the draft plan.	• **Pole Replacement** Due to the agreement of overall customer preferences for the accelerated pace (80 poles replaced per year), BPI has decided to change its proposed plan included in Draft Plan (60 per year) to the accelerated pace.
Online Workbook Survey - Porcelain Device Replacements	• **Porcelain Device Replacements** With regards to replacing porcelain devices, customer preference is clear – a strong majority prefer the approach included in the draft plan (71%), which would see Brantford Power triple the budget for this project from 2020 to 2021 and continue with this pace of replacement in 2022-2026. Small business customers are marginally more likely to select the status quo option (36%), however, GS>50 kW overwhelmingly support the approach included in the draft plan (20/5).	• **Porcelain Device Replacements** In considering the overall customer preferences from each rate class, BPI has decided to maintain its proposed plan for Porcelain Device Replacement

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey -Transformer Replacements	• **Transformer Replacements** A plurality of residential (43%), small business (46%), GS >50 kW customers (17/25) support the pace of transformer replacement that is currently included in Brantford Power's draft plan. This approach would see Brantford Power increase the number of transformers replaced each year relative to the average approach since 2017. More than 1-in-3 residential and small business customers also support an approach that would further accelerate the pace of replacement and the associated bill impacts of doing so.	• **Transformer Replacements** In considering the overall customer preferences from each rate class, BPI has decided to maintain its proposed plan for Transformer Replacements
Online Workbook Survey	• **Underground Structure Replacements** Customer rate classes are more divided on which approach they prefer when it comes to underground structure replacement. A slight majority of residential customers (53%) support the approach included in the draft plan, which would slow down the pace of replacement relative to the current approach. GS>50 kW customers (18/25) also support this approach. Small business customers (62%), however, are more likely to support the status quo approach to underground structure replacement.	• **Underground Structure Replacements** In considering the overall customer preferences from each rate class, BPI has decided to maintain its proposed plan for Underground Structure Replacements

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey	• **Automated Reclosers** A majority of customers in all rate classes (Residential 57%, Small Business 61% and GS>50 kW 18/25) support the status quo option for replacing automated reclosers, which is currently included in the draft plan. With that, more than 1-in-4 residential and small business customers support an accelerated pace, which would lead to a greater likelihood that the program would avoid or limit outages.	• **Automated Reclosers** In considering the overall customer preferences from each rate class, BPI has decided to maintain its proposed plan for Automated Reclosers
Online Workbook Survey	• **Outage Management System** A majority of customers support the associated costs with such an investment. More than 60% of customers in each rate class selected the approach included in the utility's draft plan, which would see the system in place by 2022.	• **Outage Management System** In considering the overall customer preferences from each rate class, BPI has decided to maintain its proposed plan for Outage Management System. BPI has deferred its GIS project, which is needed to enable an efficient Outage Management System implementation. As a result, the Outage Management System implementation has been deferred to 2023.
Online Workbook Survey	• **24/7 Control Room Coverage** A slightly higher proportion of customers support Brantford Power making an investment into 24/7 control room coverage. This investment would assist Brantford Power in responding to after-hours outages more quickly. Support is relatively consistent across customer rate classes, with a slightly higher proportion of residential customers supporting the investment.	• **24/7 Control Room Coverage** In considering the overall customer preferences from each rate class, BPI has decided to maintain its proposed plan for 24/7 Control Room Coverage

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey - Overall Satisfaction with Brantford Power ** Commercial GS >50kW: A total of 25 (unweighted) Brantford Power commercial and industrial customers completed the online workbook via unique URL*	• **Overall Satisfaction with Brantford Power** *Thinking specifically about the services provided to you and your community by Brantford Power, overall, how satisfied or dissatisfied are you with the services that you receive?* **Residential Customers:** 77% of Residential customers are very satisfied or somewhat satisfied. **Small Business customers:** 75% of Small Business customers are very or somewhat satisfied **GS>50 kW customers:** 13 customers indicated "Very satisfied" and 6 customers indicated "Somewhat satisfied"	Given most customers are satisfied with the level of service, BPI will generally strive to continue the level of service currently provided.
Online Workbook Survey - How can Brantford Power Improve Services	• **How can Brantford Power Improve Services** *Is there anything in particular you would like Brantford Power to do to improve its services to you?* **Residential Customers:** 73% of customers surveyed responded "None" **Small Business customers:** 81% of customers surveyed responded "None" **GS>50 kW customers:** 17 respondents did not provide additional feedback	While BPI strives for continuous improvements in service, this response does not indicate any strong trends in requests for service improvement. BPI will strive to improved service were opportunities for cost effective improvements exist.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey - Building Brantford Power's Plan	• **Building Brantford Power's Plan** *Is there is anything in particular you would change about the approach/objectives above or any other comments you would like to make?* **Residential Customers:** 82% of residential customers surveyed indicated that there are no changes about the approach/objectives or any comments to make. **Small Business customers:** 90% of residential customers surveyed indicated that there are no changes about the approach/objectives or any comments to make. **GS>50 kW customers:** 22 respondents did not provide additional information	While some customers provided additional changes to BPI's proposed approach, the majority of respondents did not.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey - Brantford Power Background	• **Brantford Power Background** *Based on what you know, do you believe that Brantford Power should be looking to pursue more industry partnership to find efficiencies?* **Residential Customers:** A slight majority of residential customers (57%) responded "Yes" compared to (35%) responded "Don't know enough to say" and (7%) responded "No" **Small Business customers:** A slight majority of residential customers (59%) responded "Yes" compared to (33%) responded "Don't know enough to say" and (8%) responded "No" **GS>50 kW customers:** 11 customers responded "Yes" and 11 customers responded "Don't know enough to say"	Brantford Power will continue to pursue industry partnerships in order to find efficiency savings. Since the last COS, BPI joined Utilities Standards Forum, which has resulted in greater productivity in certain key areas. BPI has also entered into purchasing contracts through the GridSmart City which enables it to take advantage of greater purchasing power through a larger consortium of LDCs. Brantford Power is currently in discussions towards a merger with another LDC. Whether these merger discussions are successful or not, Energy+ will occupy some of the space at BPI's new facility and BPI and Energy+ will share certain services, enabling both utilities to obtain cost savings vs. a standalone approach.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey - Background Information	• **Background Information** *When mandatory spending exceeds what is included in the budget, what do you feel Brantford Power should do?* **Residential Customers:** Among Residential customers, a plurality (42%) indicated a preference for "Defer or cancel some projects while continuing with other non-mandatory projects, based on Brantford Power's judgement to balance customer benefits and future rate increases" and (39%) indicated "Defer or cancel planned non-mandatory projects and not increase the overall budget which would avoid further rate increases". **Small Business Customers:** Among small business customers, a plurality (39%) indicated a preference for "Defer or cancel planned non-mandatory projects and not increase the overall budget which would avoid further rate increases “and (30%) "Defer or cancel some projects while continuing with other non-mandatory projects, based on Brantford Power's judgement to balance customer benefits" **GS>50 kW customers:** A plurality of 10 customers indicated a preference for "Defer or cancel some projects while continuing with other non-mandatory projects, based on Brantford Power's judgement to balance customer benefits and future rate increases" and 8 customers indicated "Defer or cancel planned non-mandatory projects and not increase the overall budget which would avoid further rate increases".	Brantford Power will continue to use its judgement to balance capital budget investment decisions, taking into account the impact of spending decisions on identified customer preferences, namely reliability, customer service, value for money and affordability.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey - Assesing Brantford Power's drat 2021-2025 plan	• **Assessing Brantford Power's drat 2021-2025 plan** **Residential Customers:** *Considering what you know about Brantford Power's draft 2022-2026 plan - which would see the typical residential customer's distribution portion of their bill increase by **$7.48** over the five-year period - which of the following best represents your point of view?* Among Residential customers, a narrow majority (51%) indicated a preference for "Brantford Power should maintain a $7.48 increase to deliver a program that focuses on the priorities of its drat plan over the five-year period, and (24%) indicated a preference for "Brantford Power should improve service, as discussed on the previous pages, even if that mean an increase that exceeds $7.48 over the five-year period". **Small Business customers**: *Considering what you know about Brantford Power's draft 2022-2026 plan - which would see the typical residential customer's distribution portion of their bill increase by **$13.34** over the five-year period - which of the following best represents your point of view?* A narrow majority (56%) indicated a preference for "Brantford Power should maintain a $13.34 increase to deliver a program that focuses on the priorities of its drat plan over the five-year period, and (20%) indicated a preference for "Brantford Power should improve service, as discussed on the previous pages, even if that mean an increase that exceeds $13.34 over the five-year period". **GS>50 kW customers:** *Considering what you know about Brantford Power's draft 2022-2026 plan - which would see the typical residential customer's distribution portion of their*	BPI has selected not to modify the majority of the projects which were consulted on as part of the online survey, given the majority of customers support the proposed plan. BPI notes that the next highest category of answers has typically been to support increased service at an increased rate. There are two exceptions were BPI has made adjustments to the proposals: 1) BPI has increased the level of poles to be replaced consistent with the highest proportion of customer responses. 2) BPI has deferred the project to implement a new OMS beyond the 2022 Test Year. This adjusted timing is related to BPI's potential merger, which has impacted the timing of the GIS project, which is a prerequisite to the OMS implementation.

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Online Workbook Survey	• **Final Comments** *Do you have any final comments regarding Brantford Power or the customer engagement that you just completed?* **Residential Customers:** 81% of respondents did not provide additional feedback. **Small Business customers:** 39 respondents did not provide additional feedback **GS>50 kW customers:** 20 respondents did not provide additional feedback	While some customers provided additional feedback, there was no additional need or preference identified by a significant component of respondents; BPI sees this as indicating that the opinions and concerns obtained in the other questions represent the main concerns and preferences of customers.
Online Workbook Survey	• **Final Thoughts** Overall, did you have a favourable or unfavourable impression of the customer engagement you just completed? **Residential Customers:** 49% of residential customers surveyed responded "Somewhat favourable" and 37% responded "Very favourable" **Small Business customers:** 41% of residential customers surveyed responded "Somewhat favourable" and 40% responded "Very favourable" **GS>50 kW customers:** 12 customers surveyed responded "Somewhat favourable" and 8 customers responded "Very favourable"	BPI believes the investment in this form of customer engagement has met multiple objectives, including obtaining valuable feedback from customers as well as increasing customers' awareness of Brantford Power, its future plans, and its role in the electricity sector.

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1.7.2 Letters of Comment

BPI is not aware of any letters of comment filed with the OEB during the course of this proceeding and therefore has not responded to any such letters.

1.8 BPI SCORECARD PERFORMANCE EVALUATION

The table below reproduces BPI's performance on its Scorecard metrics. The scorecard below mirrors the actual performance up to 2019. For 2020 statistics, BPI has populated the table with the projected RRR filings, however the 2020 RRR filings deadline has not yet passed as of the filing of this application and 2020 statistics included below should be considered draft rather than final. Financial ratios are not yet available and have not been populated.

BPI Discusses its performance in each measure below.

Table 1.8-A: BPI Scorecard (2015 to Draft 2020)

Performance Categories	Measures	2016	2017	2018	2019	2020
Service Quality	New Residential/Small Business Services Connected on Time	99.70%	99.59%	99.52%	100.00%	100.00%
	Scheduled Appointments Met on Time	99.80%	100.00%	100.00%	99.82%	99.88%
	Telephone Calls Answered on Time	67.10%	73.18%	85.24%	71.54%	81.10%
Customer Satisfaction	First Contact Resolution	84.20%	86.50%	86.84%	79.50%	79.00%
	Billing Accuracy	99.89%	99.89%	99.84%	99.92%	99.88%
	Customer Satisfaction Survey Results	94%	95%	95%	97%	97%
Safety	Public Safety	81.00%	84.00%	84.00%	85.00%	85%
System Reliability	Average # of Hours that Power to a Customer is Interrupted	0.45	0.29	0.68	0.62	0.26
	Average # of Times that Power to a Customer is Interrupted	1.24	1.07	0.89	1.10	1.12
Asset Management	Distribution System Plan Implementation Progress	85.1%	100.2%	101.9%	115.9%	119.6%
Cost Control	Efficiency Assessment	3	3	3	3	3
	Total Cost per Customer	$ 528	$ 504	$ 527	$ 543	$ 598
	Total Cost per KM of Line	$ 41,385	$ 39,369	$ 41,221	$ 42,273	$ 45,494
Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Complemented on Time	100%	85.71%	100%	66%	100.0%
	New Micro-embedded Generation Facilities Connected On Time	100%	100%	100%	0%	100%
Financial Ratios	Liquidity : Current Ratio (current assets/current liabilities)	2.16	2.14	2.17	1.60	TBD
	Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.96	0.89	0.83	1.07	TBD
	Profitability: Deemed ROE	8.98%	8.78%	8.78%	8.78%	8.78%
	Profitability: Achieved ROE	6.53%	11.38%	7.90%	7.17%	TBD

1.8.1 Customer Focus

SERVICE QUALITY

For the measures for New Residential/Small Business Services Connected on Time and Scheduled Appointments Met on Time, BPI has consistently provided excellent results to customers, exceeding the OEB's industry targets each year. This level of performance is attributed to the diligent coordination of BPI's engineering, construction, and operations teams with the local municipality, developers and contractors. BPI's target is to maintain the same level of service as prior years.

BPI has exceeded the industry target for Telephone Calls Answered on Time and represents a year-over-year improvement. The notable increase is attributable to streamlining customer care processes and call handling, and an increase in training and coaching. BPI's target is to maintain the level of service quality from prior years.

CUSTOMER SATISFACTION

BPI's performance in on First Contact Resolution in 2015 to 2020 indicates a majority of customers responded favorably when asked whether their specific question or issue was resolved during their initial call to BPI's customer service group. BPI's First Contact Resolution target is to maintain the levels experienced in prior recent years.

BPI's performance regarding billing accuracy from 2015 to 2020 has exceeded the OEB's prescribed target of 98%. To derive this number, BPI tracks and reports all adjustments made to a bill after it is issued to and received by the customer as a percentage of total bills issued within the stated period. BPI's Billing Accuracy target is to maintain the levels experienced in prior recent years.

BPI worked with a leading market research organization to implement and administer its bi-annual customer satisfaction survey, with questions focused on key areas identified by both the OEB and the distributor, including: power quality and reliability, price, billing and payment, communications, customer service experience, and brand image. The overall satisfaction results of 97% since 2019 were derived from a survey of 500 residential and 100 business customers conducted in every other year. The next customer satisfaction survey is scheduled for the fall of 2021.

The surveys have proven valuable in identifying both customer preferences and opportunities for improvement, many of which have been incorporated into BPI's distribution system planning activities. BPI's target is to maintain the customer satisfaction levels from prior years on its biannual survey. Additionally, BPI surveys its customers on a transactional basis regularly throughout the year. The target for this metric is based on a " top 2 boxes" approach for customer satisfaction and BPI's goal is to maintain prior year levels of satisfaction.

1.8.2 Operational Effectiveness

SAFETY

This measure looks at safety from a customers' point of view as safety of the distribution system is a high priority. Safety is first on its list of commitments to customers, employees and the shareholder. The Safety measure is generated by the Electrical Safety Authority ("ESA") and includes three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index. Residents of BPI's service area scored 85% on their awareness of electrical safety for 2020 (Component A). BPI is a sponsor of the Children's Safety Village of Brant and provides educational materials related to electrical safety. BPI promotes electrical safety to the public through its website and through annual safety seminars.

Over the past five years, BPI was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety, "Component B"). This was achieved through a strong commitment to safety, and adherence to company procedures and policies. Ontario Regulation 22/04 establishes objective-based electrical safety requirements for the design, construction and maintenance of electrical distribution systems owned by licensed distributors.

Over the past five years, BPI has recorded zero serious electrical incidents ("Component C"). BPI owns and maintains over 500 km of high voltage distribution feeders in the City of Brantford. BPI runs an annual power line safety seminar directed at the local construction industry employers that are indirectly working around electricity at their job sites. BPI's target is to continue to achieve full compliance and to have zero serious electrical incidents.

SYSTEM RELIABILITY

BPI's scorecard results are shown without any Loss of Supply or Major Event related outages. BPI's historic trending has been relatively consistent, with a SAIDI of less than one customer- hour per year and a SAIFI of around 1 outage per year. In 2016, 2018 and 2019 BPI exceeded its scorecard SAIDI (average annual duration/customer) target for and in all years, BPI has exceeded its SAIFI (average annual frequency/customer) target, however the variances from target were not material in any year. Despite exceeding the scorecard targets, customers have generally indicated a high level of satisfaction with system reliability. BPI is proposing capital programs which will allow BPI to maintain the current levels of reliability performance, which is BPI's target performance.

ASSET MANAGEMENT

Distribution System Plan Implementation Progress

BPI currently measures its Asset Management performance by comparing its capital expenditures to its annual capital budget. The measure reported on its scorecard represents a rolling 5-year average of the percentage of the capital budget complete.

In its 2017 DSP, BPI proposed a methodology for measuring Distribution System Plan Implementation Progress, which BPI has reported on beginning with the 2020 Scorecard (published in 2018). BPI's annual DSP implementation measure compares the cumulative actual vs. planned cumulative spending for each year in the DSP period. BPI intents to "re-set" this cumulative measure for the new DSP period in this Application, namely 2022-2026.

In 2017 and 2018 BPI was very close to its targeted spending. In 2019, the System Access and General Plant categories were higher than plan due to an increase in development in Brantford as well as the implementation of new software (CIS) system project.

BPI has generally stayed on target with DSP spending. BPI notes it has excluded its facility relocation project actual spending from the DSP implementation measure, as the project was not included in the prior DSP and was identified at that point as a potential ICM project. Similarly, a 2018 project which would have been subject to an ICM was excluded from the DSP plan totals. In 2020, spending was higher than anticipated in the System Service category, driven by BPI's Downtown Automation project.

BPI's target is to achieve 100% of the total cumulative spending over the 5 year period. Neither significant over- or under-spending is desirable.

Table 1.8.2 -A: Distribution System Plan

DSP PLAN	2017	2018	2019	2020
Capital Spend Actuals	3,836,388	3,863,610	7,245,162	4,632,071
Capital Spend as per DSP	3,828,987	3,726,313	5,337,653	3,481,441
Plan Progress	100.2%	103.7%	135.7%	133.1%
Cummulative Plan Progress (report in 2.1.19 RRR)	**100.2%**	**101.9%**	**115.9%**	**119.6%**

Cost Control

The Pacific Economics Group (PEG) LLC evaluates a total cost level and an efficiency assessment for each Ontario local electricity distribution company annually on behalf of the OEB. Total cost is calculated as the sum of BPI's capital and operating costs, including certain adjustments to make the costs more comparable between distributors. During the last five years, Branford Power has demonstrated its ability to minimize annual cost increases. The Total Cost per Customer and Total Cost per KM of Line measures have reflected this. For 2020, BPI has included projected figures based on the completed benchmarking model, as the PEG evaluation is not yet available.

The below table has been extracted from the 2019 Benchmarking Model. BPI compares the performance of its peers. The peer group can vary based on the measure being considered, however BPI endeavours not to be a higher-cost utility as compared to its peers. This is achieved through monitoring the overall affordability of budget proposals. BPI's annual budget process involves a review of budget proposals and a selection of priority projects which is dependent on financial affordability considerations, among which are various benchmarking analysis outcomes.

Table 1.8.2 -B: Benchmarking

Company	Bluewater Power Distribution Corporation	Burlington Hydro Inc.	Energy+ Inc.	Entegrus Powerlines Inc.	Essex Powerlines Corporation	Greater Sudbury Hydro Inc.	Milton Hydro Distribution Inc.	Newmarket-Tay Power Distribution Ltd.	Niagara Peninsula Energy Inc.	Oshawa PUC Networks Inc.	Peterborough Distribution Incorporated	PUC Distribution Inc.	Synergy North Corporation	Waterloo North Hydro Inc.	Brantford Power Inc.	Average
Stretch Factor	0.30	0.15	0.15	0.15	0.15	0.30	0.15	0.30	0.30	0.15	0.30	0.30	0.30	0.30	**0.30**	**0.24**
Cohort Number	3.00	2.00	2.00	2.00	2.00	3.00	2.00	3.00	3.00	2.00	3.00	3.00	3.00	3.00	**3.00**	**2.57**
Efficiency Assessment	2.7%	-12.5%	-12.8%	-17.9%	-15.2%	6.6%	-16.8%	-9.5%	2.4%	-14.2%	5.2%	8.3%	7.6%	9.1%	**-9.3%**	**-0.04**
Cost per Customer	734	661	677	566	580	679	700	678	786	598	587	697	675	833	**543**	**675**
Cost per km of Line	34,871	29,293	29,569	10,982	10,907	31,938	10,390	28,984	13,712	35,041	38,133	31,775	30,199	29,241	**42,273**	**26,074**
Cost	26,955,317	45,082,250	45,032,974	33,858,674	17,625,637	32,417,207	28,291,092	29,795,312	44,043,783	35,391,377	21,850,013	23,450,122	38,292,311	48,188,974	**21,770,577**	**33,591,074**
Customers	36,743	68,205	66,529	59,811	30,397	47,725	40,388	43,931	56,067	59,183	37,250	33,647	56,700	57,856	**40,125**	**49,602**
km	773	1,539	1,523	3,083	1,616	1,015	2,723	1,028	3,212	1,010	573	738	1,268	1,648	**515**	**1,554**

Electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. Since 2016, for the year in a row, BPI was placed in Group 3, where a Group 3 distributor is defined as having actual costs within +/- 10 percent of predicted costs. Group 3 is considered "average efficiency" – in other words, BPI's costs are within the average

cost range for distributors in the Province of Ontario. With respect to the benchmarking above, BPI has performed better than the comparator average on cost per customer, total cost and efficiency assessment. BPI is above the comparator average for cost per km of line, however this may be due to the high customer density (and low km of line) reported for BPI, which is an entirely urban LDC, while most comparators have a combination of urban and rural density levels in their service territory.
BPI's goal is to maintain or improve its efficiency assessment; however BPI must balance this with changes to business environment, cost pressures, and evolving customer expectations and preferences. BPI's internal cost efficiency metrics vary from year to year, reflecting the challenges and issues faced in a given budget year.

1.8.3 Public Policy Responsiveness

CONSERVATION & DEMAND MANAGEMENT

In 2019, the government issued Orders in Council and Directives to centralize the delivery of conservation programs through the IESO and utilities will no longer receive incentive payments for achieving targets. There are some opportunities for utilities to deliver local programs. BPI has been conducting CDM activities that involve outreach to customers.

For the 2022 Test Year, Conservation and Demand Management activities have not been included in this application. Consistent with a recent letter from the OEB, BPI has excluded the CDM measure from the scorecard. BPI understands this will be the practice beginning with the 2020 scorecard.

CONNECTION OF RENEWABLE GENERATION

Renewable Generation Connection Impact Assessments Completed on Time

Electricity distributors are required to conduct Connection Impact Assessments ("CIAs") within 60 days of receiving a complete application. Distributors are also required to connect micro-embedded generation facilities within five business days of receiving all required authorizations, signed agreements and connection fees for a micro-embedded generation facility. BPI has met these requirements consistently in the last years. The exception in 2019 is related to only one application which did not meet the stipulated time line. BPI's goal in this metric is to reach 100% annually.

1.8.4 Financial Performance

FINANCIAL RATIOS

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short term debts and financial obligations. Companies with a ratio of

greater than 1 are often referred to as being "liquid". The higher the number, the more "liquid" and the larger the margin of safety to cover the company's short-term debts and financial obligations. BPI's current ratio decreased from 2.17 in 2018 to 1.60 in 2019 (when BPI obtained a loan related to its facility relocation and other capital projects). Despite the reduction, BPI continues to report a strong liquidity positon. BPI's target is to maintain a *minimum* current ratio of 1.5, with the target being 2.0 (ie: 1.5 to 2.0 is the target range).

Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

BPI's leverage positon has declined to 1.07 times as of 2019, indicating that the current outstanding debt is higher than the equity level. BPI's target debt to equity ratio is 1.33 or 57% debt, 43% equity. This ratio is roughly in line with the OEB's deemed capital mix of 60% debt, 40% equity, however also considers an additional leverage room of 3% in case BPI should require any unplanned borrowings.

BPI's current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.78% (per the OEB's Decision and Order in EB- 2016-0109). The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

Profitability: Regulatory Return on Equity – Achieved

BPI's return achieved in 2019 was within the +/-3% range allowed by the OEB. The 4-year average Return On Equity is 8.25%, which represents returns that are somewhat lower than the deemed rate throughout the period. BPI's general target is to achieve its deemed return on equity. BPI sets specific targets for net income on an annual basis, reflecting the budget issues for a particular budget year.

Expected Performance

With the approvals requested in this Application, BPI will be well positioned to deliver on its goals.

As discussed above, BPI's system reliability ratios generally fare well against comparable utilities, and BPI tends to meet its reliability targets. BPI's customer engagement activities indicate that while reliability is a key concern to BPI's customer base, customers are generally satisfied with the level of reliability the experience.

BPI's capital budget includes several investments to help maintain current levels of system reliability, and particularly to mitigate the risk of outages. There are also investments included in the Test Year and forecast period to address customer concerns regarding momentary outages.

BPI is proposing with this Application several items which will enable the continuation of excellent service to customers including investments in new systems and facilities. While these types of investments tend to have a significant impact to costs, BPI has modelled the forecast COS cycle using PEG's benchmarking tool, which indicates that costs over the 2021-2025 will not have an impact on BPI's efficiency ranking and BPI should remain in Efficiency Group 3, with actual cost performance consistently close to or below the predicted cost.

Table 1.8.4 -C: Projected Total Cost and Efficiency Assessment

Summary of Cost Benchmarking Results						
Brantford Power Inc.						
	2020 Draft	2021 (Bridge)	2022 (Test Year)	2023	2024	2025
Cost Benchmarking Summary						
Actual Total Cost	24,305,360	26,475,694	26,530,990	26,905,495	27,703,991	28,506,893
Predicted Total Cost	25,267,680	26,153,506	26,230,524	27,470,035	28,771,275	30,157,381
Difference	(962,320)	322,187	300,466	(564,540)	(1,067,284)	(1,650,488)
Percentage Difference (Cost Performance)	**-3.9%**	**1.2%**	**1.14%**	**-2.08%**	**-3.78%**	**-5.63%**
Three-Year Average Performance		-4.3%	-0.51%	0.10%	-1.57%	-3.83%
Stretch Factor Cohort						
Annual Result	3	3	3	3	3	3
Three Year Average		3	3	3	3	3

1.9FINANCIAL INFORMATION

1.9.1 Audited Financial Statements:

BPI Inc. has filed the non-consolidated audited financial statements of the utility for the three most recent historical years i.e. for the years ending December 31, 2017 to 2019 respectively. BPI has not provided statements for 2020 as the 2020 statements were not yet finalized at the time BPI prepared this Application. These statements exclude the operations of affiliated companies that are not rate regulated. In addition, non-utility businesses being conducted by BPI have been segregated in the financial reporting from its rate regulated activities.

Copies of BPI's 2017, 2018, and 2019 audited financial statements are filed as **Attachment 1-E, Attachment 1- F**, and **Attachment 1- G,** respectively.

1.9.2 Reconciliation between Audited Financial Statements and Regulatory Accounting

BPI has followed the accounting principles and main categories of accounts as stated in the OEB's Accounting Procedures Handbook (the "APH") and the Uniform System of Accounts ("USoA") in the preparation of the Application.

Attachment 1-H includes the annual financial statement reconciliations to the RRR Trial Balance reporting for 2017, 2018 and 2019.

1.9.3 Annual Report and Management's Discussion and Analysis:

BPI has included the most recent Annual Report (2019) as the 2020 Annual Report is not yet available. Brantford Power Inc.'s Annual Report is filed in **Attachment 1-I**.

BPI does not publish an MD&A, as a result, this requirement is not applicable.

1.9.4 Rating Agency Reports:

BPI does not secure Rating Agency Reports, therefore this requirement is not applicable.

1.9.5 Prospectus or Information Circulars:

BPI does not release any Prospectuses or Information Circulars.

1.9.6 Change in Tax Status

BPI has not had a change in tax status since its last Cost of Service Application.

1.9.7 Existing Accounting Orders

BPI has applied the accounting principles and used the categories of accounts in the Board's Accounting Procedures Handbook ("APH"), and the Uniform System of Accounts ("USoA") in the preparation of this Application.

BPI currently has the following accounting orders for Deferral and Variance accounts:

1. In BPI's 2017 Cost of Service (EB-2016-00058, Decision and Order dated November 24, 2016), the OEB directed BPI to establish the deferral *account 1508 – Other Regulatory Assets, Sub-Account-OPEBs Forecast Cash versus Forecast Accrual Differential Deferral Account,* effective January 1, 2017. The account shall establish for the purpose of recording the difference in revenue requirement each year between OPEBs accounted for using a forecasted cash basis (the basis used for distribution rate setting for BPI as of January 1, 2017) and OPEBs accounted for using a forecasted accrual basis.

2. In the Partial Decision and Order for BPI's 2020 IRM/ICM Application(EB-2019- 0022, Partial Decision and Order dated January 2, 2020), the OEB allowed BPI to establish a new variance account related to lost revenues associated with the elimination of the Collection of Account Charge.

"Brantford Power shall establish variance account: Account 1508 Other Regulatory Assets, Sub-account Lost Revenue from Collection of Account Charge, effective July 1, 2019. This account will record the lost revenue associated with elimination of the Collection of Account Charge until Brantford Power's next rebasing application…"

BPI has complied with both of these accounting orders. Further details are available in Exhibit 9.

1.9.8 Accounting Standards

In accordance with the Filing Requirements, BPI has provided the 2017 to 2020 historic period under MIFRS. The 2021 Bridge Year and 2022 Test Year budgets have also been provided on the basis of MIFRS.

As there have not been any transitions from to the Accounting Standards applied since the 2017 COS, there are no impacts relating to such transitions.

BPI adopted IFRS in 2015 with 2014 as the transition year. The 2017 Cost of Service Application was filed on a MIFRS accounting basis, as such, BPI has prepared its 2022 Application on an MIFRS basis.

1.9.9 Accounting for Non-Utility Businesses

BPI's Application has been prepared to show BPI as a regulated entity, separately from its parent company or any of its affiliates that are not regulated by the Board. No amounts associated with Non-Utility Business have been included in the costs proposed for recovery in this Application.

BPI confirms that the accounting treatment it has used in this Application has segregated all of non-utility activities from its rate-regulated activities. BPI has historically delivered Conservation and Demand Management programs for its customers, and currently also performs the following services for affiliated and non-affiliated companies:

Facility rental and facility asset management for BPI's affiliates BEC and BHI

- Facility Asset Management OM&A budgets have been allocated among tenants based primarily on use of floor space. This allocation principle is consistent with lease agreements with these tenants. Costs other than those which are allocated for BPI use have been excluded from OM&A and included in Accounts 4375/4380.
- The capital costs associated with the facility not used for distribution purposes (net book value of building and used land) have been excluded from the calculation of average net fixed assets. Depreciation expense and PILS have been reduced accordingly in turn.

Non-Utility Excess Land

- BPI has excluded the estimated value of excess, severable land from the net book value for the facility used for rate base purposes. As the land has not been subject to any rate recovery, BPI intends to keep 100% of any gains or losses on the sale of the non-utility land (this is consistent with the treatment proposed in BPI's ICM).

Future facility rental and facility asset management for an additional "first floor" tenant

- Facility Asset Management OM&A budgets have been allocated among tenants based primarily on use of floor space. This allocation principle is consistent with lease agreements with these tenants. Costs other than those which are allocated for BPI use have been excluded from OM&A and included in Accounts 4375/4380.
- The capital costs associated with the facility not used for distribution purposes (net book value of building and used land) have been excluded from the calculation of average net fixed assets. Depreciation expense and PILS have been reduced accordingly in turn.

Facility rental and facility asset management for Energy+, including office, warehouse, yard and vehicle garage space and Provision of mechanic (fleet maintenance) and warehouse services to Energy+

- Facility Asset Management OM&A budgets have been allocated among tenants based primarily on use of floor space. This allocation principle is consistent with lease agreements with these tenants. Costs other than those which are allocated for BPI use have been excluded from OM&A and included in Accounts 4375/4380.
- Costs for additional staff providing services to Energy+ have been estimated based on expected levels of service. These costs have been excluded from OM&A and included in Accounts 4375/4380.
- The capital costs associated with the facility not used for distribution purposes (net book value of building and used land) have been excluded from the calculation of average net fixed assets. Depreciation expense and PILS have been reduced accordingly in turn.

Provision of space and services for temporary use of facilities as Emergency Operations Centre to City of Brantford Emergency Services;

- A capital contribution towards certain components of the facility has been included in the fixed asset continuity schedule, which offsets (reduces) the facility net book value used in rate base calculations ;
- A revenue offset for the annual revenue for this service has been included in Revenue offsets. The annual revenue has been calculated in a manner which applies fully allocate costing for use of assets and provision of services; both capital and OM&A components have been considered.

Shared corporate services provided to BEC and BHI, including management, financial, payroll, HR, and Health and Safety.

- Fully allocated costing for these services has been implemented and is based on time docketing from the services involved. The costs and revenues associated with these services have been included in Accounts 4375/4380. BPI includes an annual allocation of FIS capital related costs. These recoveries have been included as a revenue offset in account 4375.

Street Light maintenance services provided to the City of Brantford are tracked through billable work orders, and any fixed BPI costs (i.e.: labour and fleet costs) are not excluded from regulated OM&A.

1.10 DISTRIBUTOR CONSOLIDATION

BPI confirms that it has not acquired or amalgamated with another distributor. At the time of filing this Application, that shareholders of BPI and Energy+ are investigating the possibility of a merger. No binding decision has been made as to whether or not to proceed with the potential merger. If BPI and Energy+ determine that a merger will be proposed, this would be subject to (and dependent on the outcomes of) a MAADs application before the OEB prior to a final transaction.

1.10.1 Description of Savings as a Result of Consolidation

BPI confirms that it has not acquired or amalgamated with another distributor, and therefore this section is not applicable.

1.10.2 ACM or ICM to be Incorporated into Rate Base

On August 2019, BPI filed an application (EB-2019-0022) requesting proposed Incremental Capital Module (ICM) funding as part of its 2020 IRM application for its new facility at 150 Savannah Oaks. The total projected costs in BPI's ICM for the acquisition and renovations of the facility was $15,028,188, however based on BPI's materiality threshold the maximum eligible incremental capital amount was $13,205,713. This is the amount which was approved by the OEB.

BPI provides further details regarding the addition of the facility assets to rate base in Exhibit 2, including a comparison of the BPI-allocated costs for the project.

List of Attachments

Attachment 1-A

Customer Summary

Customer Summary

Brantford Power Inc. is a Local Distribution Company operating in the City of Brantford since 1935 and is wholly owned by the City of Brantford. BPI is incorporated pursuant to the Ontario Business Corporations Act and is regulated and licensed by the OEB. Brantford Power services over 74 square kilometres and over 41,000 residential and business customers.

Brantford Power Inc. has applied to the Ontario Energy Board for a change in the distribution rates that it charges its customers. The distribution rates are based on the amount of capital investments made by BPI as well as the cost to operate and maintain the capital investments, along with a percentage for a return on equity. The impact to customers is:

Customer Class	Typical Usage Per Month	Total Bill Impact		
	(kWh)	$		%
Residential	750	$	6.29	5.5%
General Service less than 50 kW	2,000	$	12.83	4.5%

The complete Application includes information on the amount and location of capital investments being made in the service territory along with the costs to operate and maintain the system, produce bills, and provide customer support.

Since BPI last rebased, BPI has achieved the following:

- Maintained the current levels of reliability and outage performance,
- Maintained historic levels of customer service performance,
- Comply with requirements to connect customers, maintain safety and implement regulatory and government policies, enable local customer and economic growth.
- Maintained and upgrade infrastructure and equipment
- Met the needs of a growing community
- Implemented Government Initiatives such as the Ontario Energy Rebate and COVID-19 Off-Peak Billing, and the Customer Choice Initiative.
- Provided electrical safety education to local Emergency Response Teams, Contractors, Elementary Schools and the public.

In the coming years, BPI plans to:

- Continue its approach of proactive replacing equipment that is at increased risk of failure. Please see Exhibit 2 for further details.
- Continue to install more automated devices in an effort to reduce the number and length of outages. Please see Exhibit 2 for further details.
- Continue to plan capital budgets to enable the connection of all new customers and new residential, commercial and industrial developments. Please see Exhibit 2 for further details.
- Connect new customers Please see Exhibit 2 for further details.
- Ensure the I.T. systems and staff expertise are available to meet the evolving customer expectations for performance including customer information accuracy, appointment scheduling, telephone accessibility. Please see Exhibits 2 and 4 for further details.
- Continue to implement a multi-year cyber security program. Please see Exhibits 2 and 4 for further details.
- Bring Operational Trades and administrative professional staffing levels to the necessary level to run the business efficiently. Further details can be found in Exhibit 4- Compensation sections.
- In 2022, Brantford Power is planning to make a $1.3M capital investment to increase capacity in the North West section of the city. This will ensure that Brantford Power is prepared to service the expected residential and industrial customer growth in that area as well as lowering the outage risk for existing customers. Please see Exhibit 2 for further details.

The Application that accumulates to the rate impacts noted above includes a capital and operating plan for 2022. The total capital budget for 2022 is $ 8.1 Million and the total operating budget for 2022 is $14.0 Million. These capital expenditures will allow BPI to cover recurring expenses such as the payroll for employees and the ability to maintain equipment, systems and assets, provide tree trimming to assist in reducing outages, offer locate services to customers, producing accurate customer bills, and responsive customer services, ensure that BPI is protected through cyber security and ensure that our staff is well trained on how to do their work safely and effectively. Details regarding the capital budget can be found in Exhibit 2. Further specifics on the operating budget can be found in Exhibit 4.

In order to accomplish the items listed above, BPI requires annual distribution revenues of $22.8 Million. Broken down by customer, this is an increase of $6.29 or 5.5% for a typical residential customer compared to 2021 rates and $12.83 or 4.5% for GS < 50 kW (small business) customers.

With the approval of this Rate Application, costs will increase as indicated; BPI's customers will continue to enjoy reliable service with minimal outages, will see an improved customer portal section and will continue to have their needs met by BPI.

Attachment 1-B

Concentrix Top Down and Transactional Survey Reports

Brantford Power

H2'19

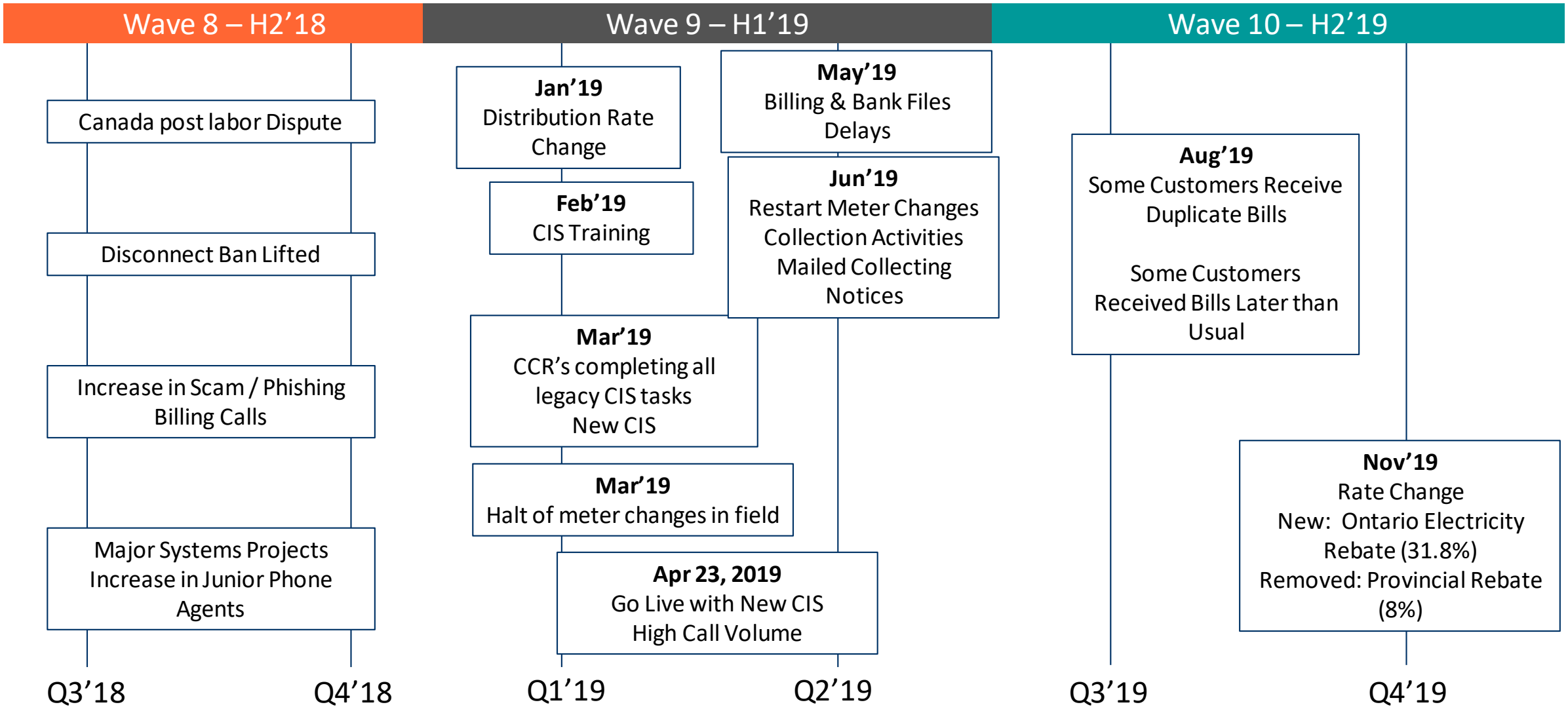
Transactional Survey Results

February 2020

Agenda

Wave 10 results (August 1 – December 17, 2019), Brantford Power Transactional Survey

Key events timeline



Executive Summary

The impact of the new billing system was felt in H2'19

Key Metrics

- The new CIS drove down Resolution and FCR, forcing some customers to call back.
- Lower Resolution resulted in lower Overall Satisfaction with Brantford and lower Call Satisfaction.

Call Handling

- While Rep Satisfaction remains high, fewer interactions were rated as Excellent.
- Fewer Excellent rating resulted in a significant drop in the number of 'Pat on the Back' interactions.
- Verbatim analysis indicates customers do appreciate the agent's speed, helpfulness, and attitude.
- Reps scored lowest on Setting Expectations on the call.

Customer Effort

- Increased prior contacts, due to lower resolution, resulted in fewer No / Low Effort interactions.
- Holds remain at their highest level in over two years.
- When Reps do a good job Setting Expectations it mitigates dissatisfaction with being placed on hold.

Key Metrics

Comments around the new billing system indicate difficulty achieving resolution

They sent a lot of mail warnings that they were switching the system over, but I didn't understand what they were getting at. They said they were bringing the information over, but something else said you might have to input your information, so **it was just misinformation.**

He was very courteous and willing to help, but **I think the system wasn't as friendly**. I have registered for preauthorized payment. I wanted to know what is the credit card I have registered. He didn't know, but he said you could do auto pay. The minute we go auto pay, he said the system takes out previous authorization. **It's not his fault, but I don't think the system is that user friendly.**

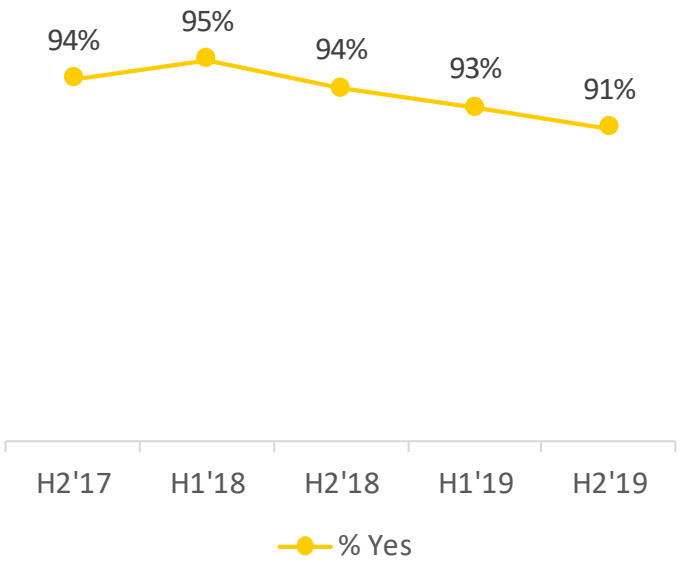
I think the problem was out of her hands, so **she did the best that she could. The system spit out an old bill and I'm sure that wasn't her fault.**

I would like somebody to get back to me about the billing system being changed without having a back-up system.

Lower Resolution hurts FCR as customers need to call back

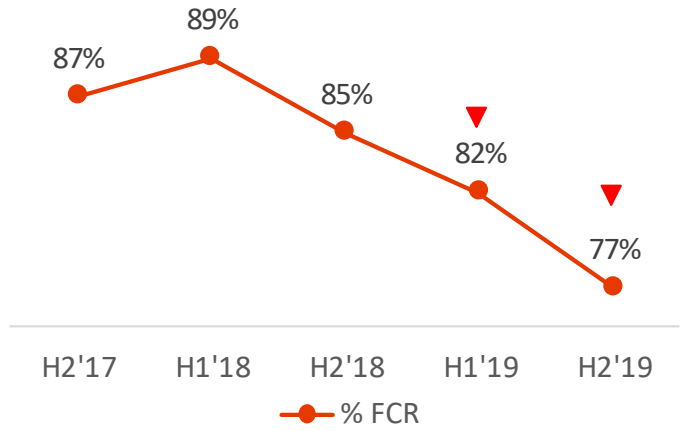
Resolution continues to trending lower while FCR has significantly declined relative to this time last year.

Issue Resolution



Declining Call Resolution is also driving down First Contact Resolution

First Contact Resolution

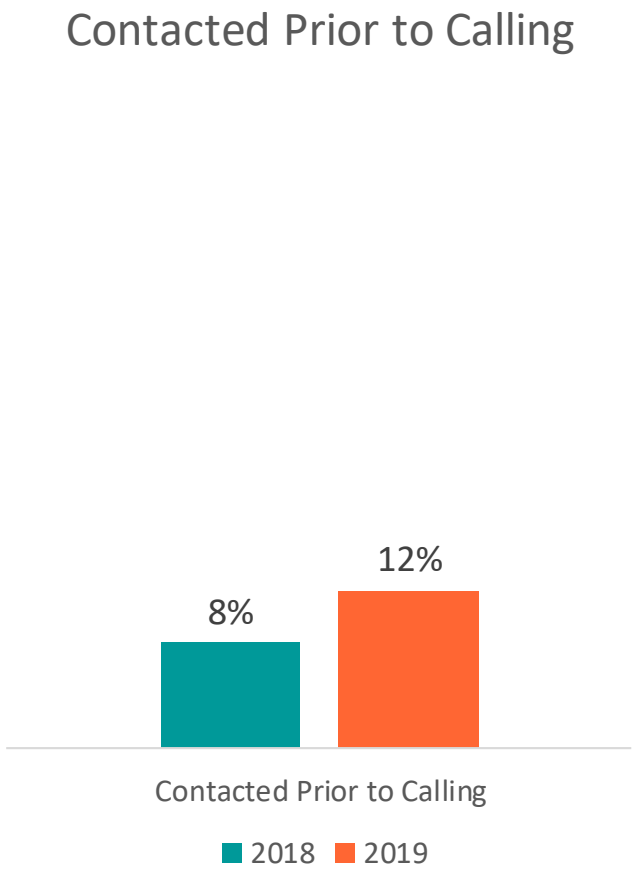


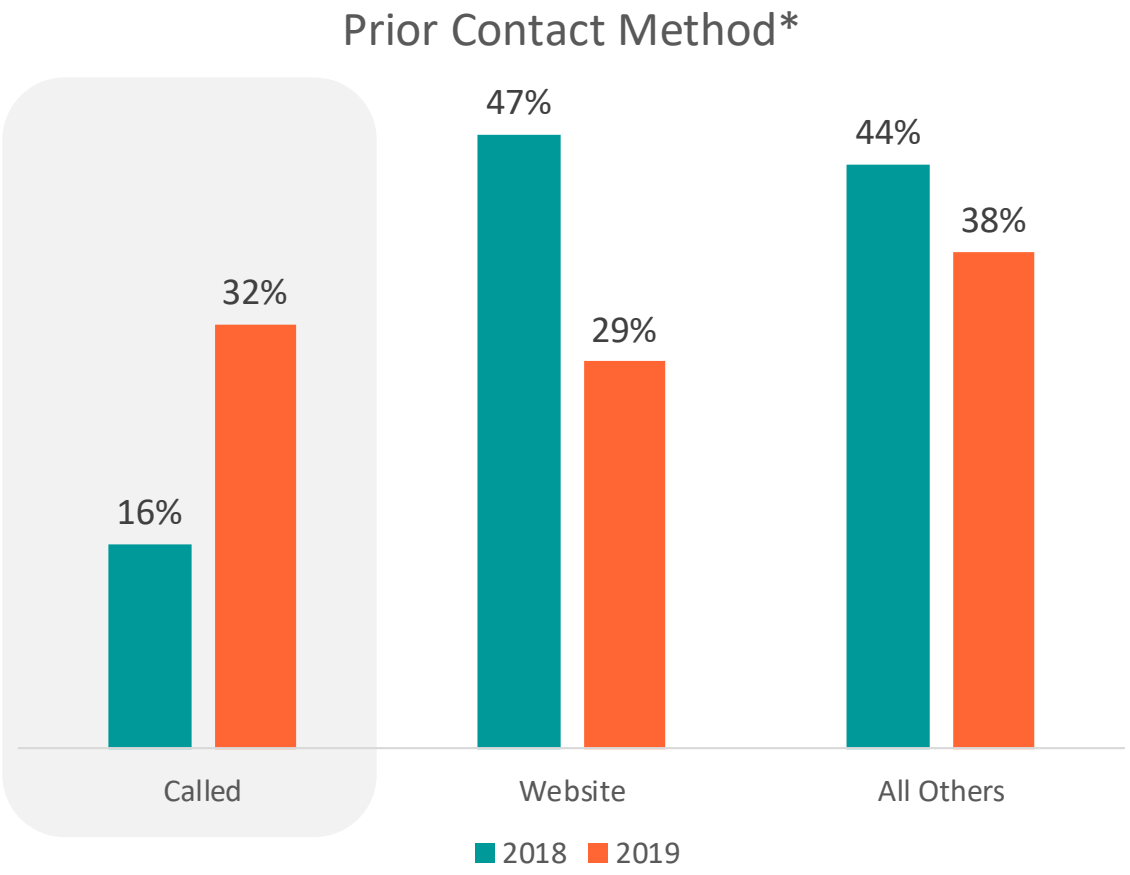
%Yes show significant change vs. previous period; vs. same period last year

%Yes show significant change vs. previous period; vs. same period last year

Lower Resolution means more customers need to to call back

Of those callers making multiple contacts, 34% had previously tried calling, up from 16% in 2018.



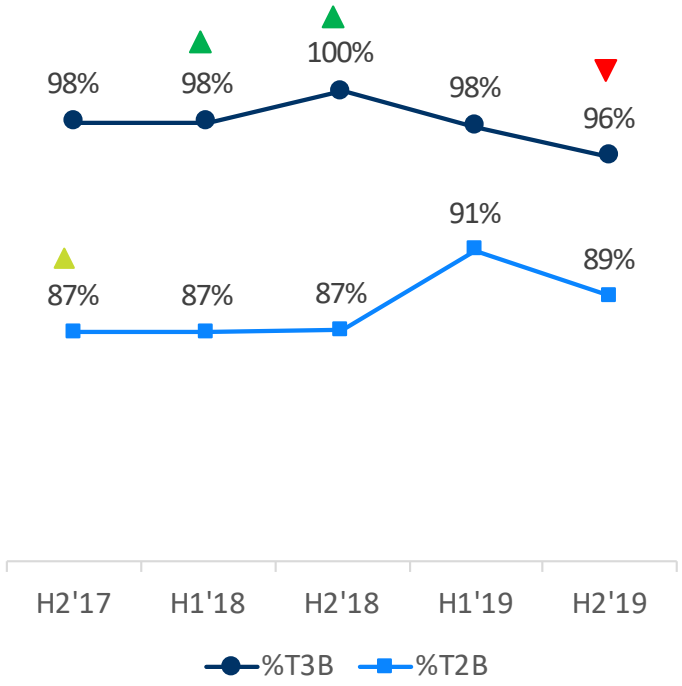


*Respondent can chose multiple prior contact methods, therefore results sum to greater than 100%

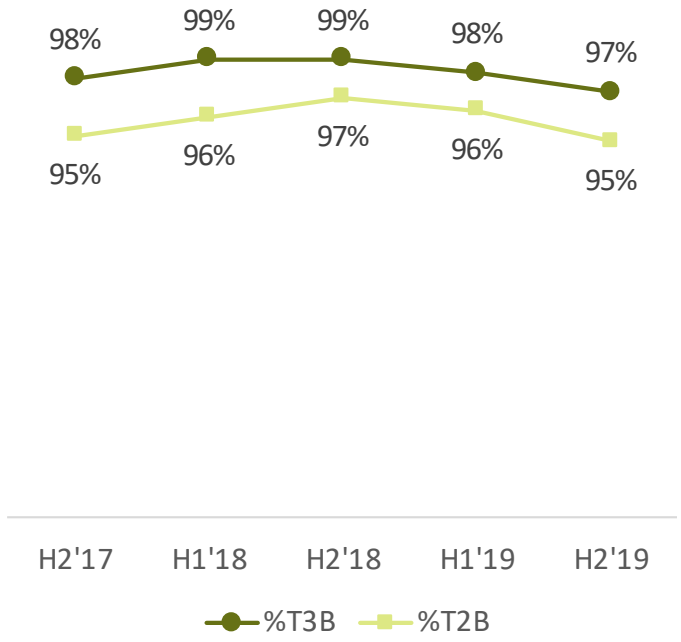
The impacts of the CIS are being fully felt in H2’19

Overall Satisfaction and Call satisfaction are trending lower, however overall Rep Satisfaction has held steady

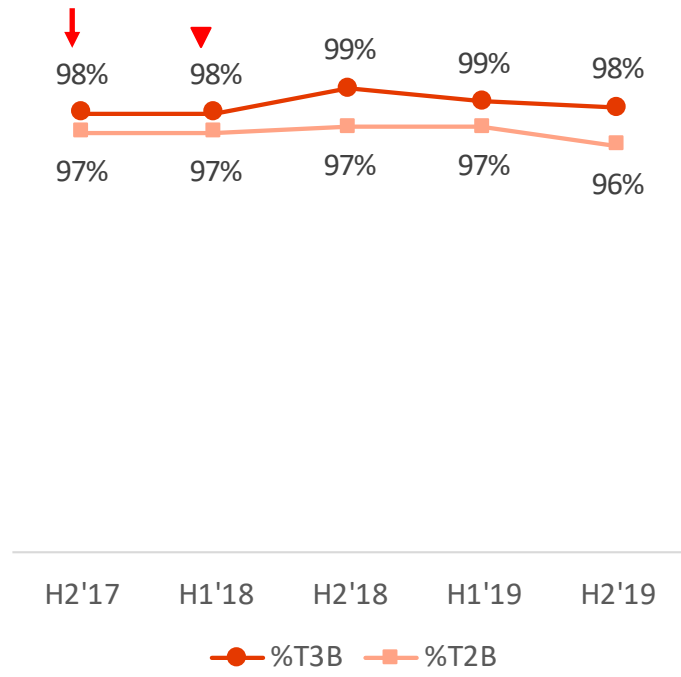
Overall Satisfaction



Call Satisfaction



Rep Satisfaction



%T3B scores ▲▼ show significant change vs. previous period; ▲▼ vs. same period last year

%T2B scores ▲▼ show significant change vs. previous period; ▲▼ vs. same period last year

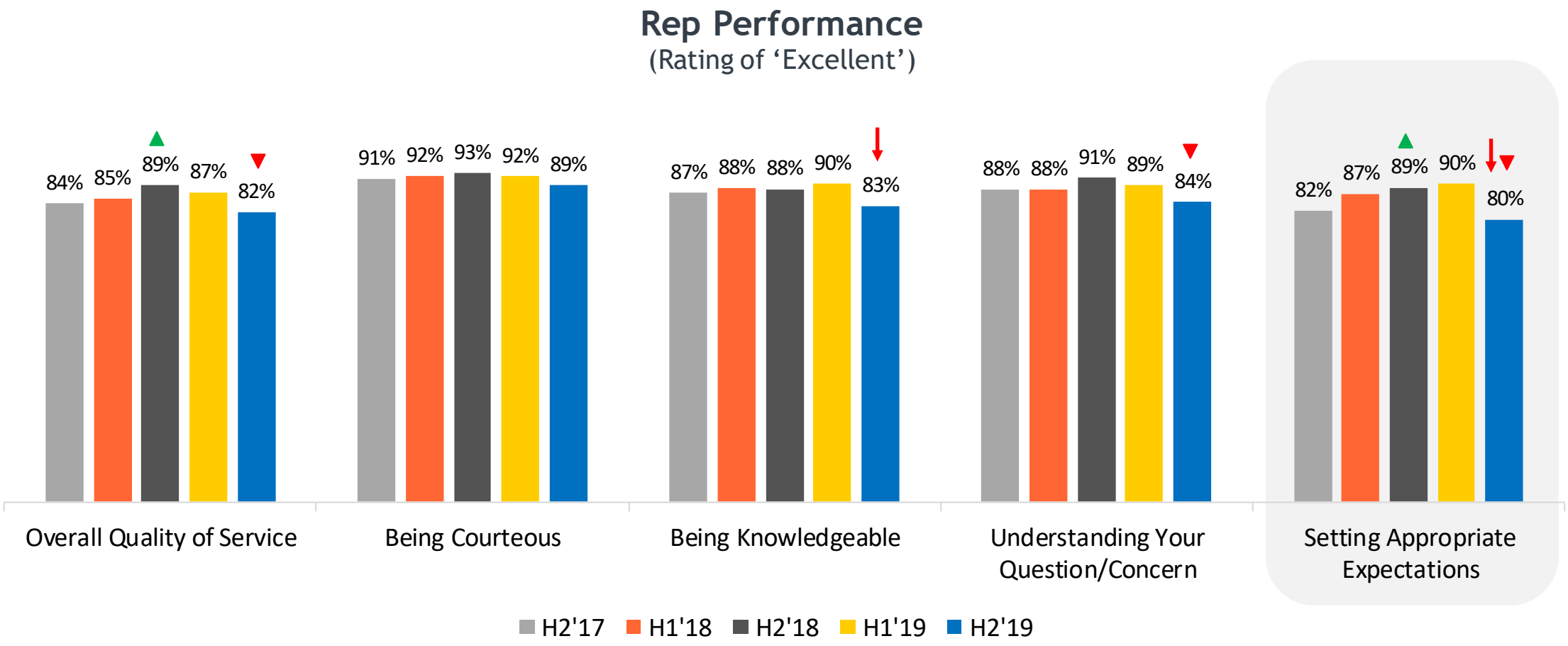
Results are Business and Consumer combined

Call Handling

The rep was very friendly, knowledgeable, polite, has a great sense of humor, and knows the job.

Rep Evaluation – While still performing at a high level, Reps were rated as Excellent less frequently in H2'19

Setting Expectations, a previous focus area, declined the most.

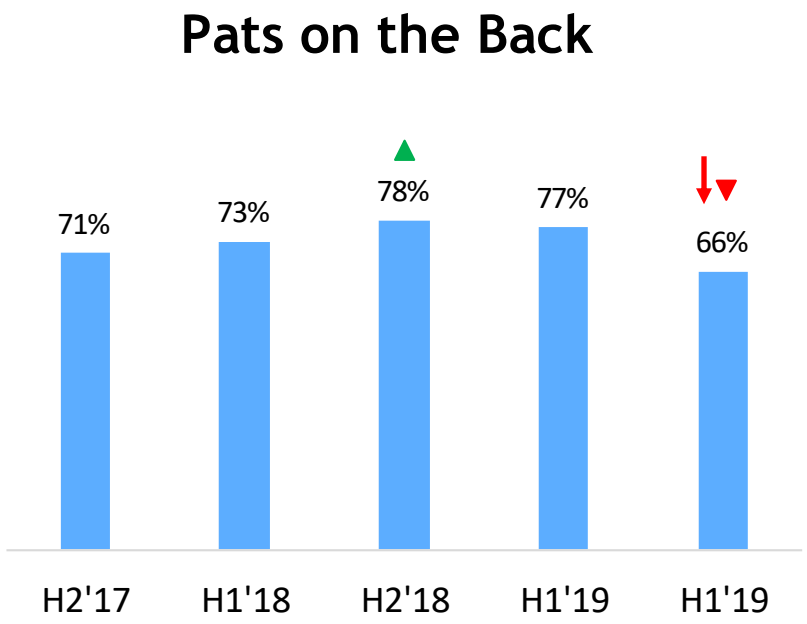


show significant change vs. previous period; vs. same period last year

%T3B and %T2B results can be found in the appendix

Rep Evaluation – Pat on the Back

Fewer Excellent ratings resulted in a significant decline in Pats on the Back in H2’19.

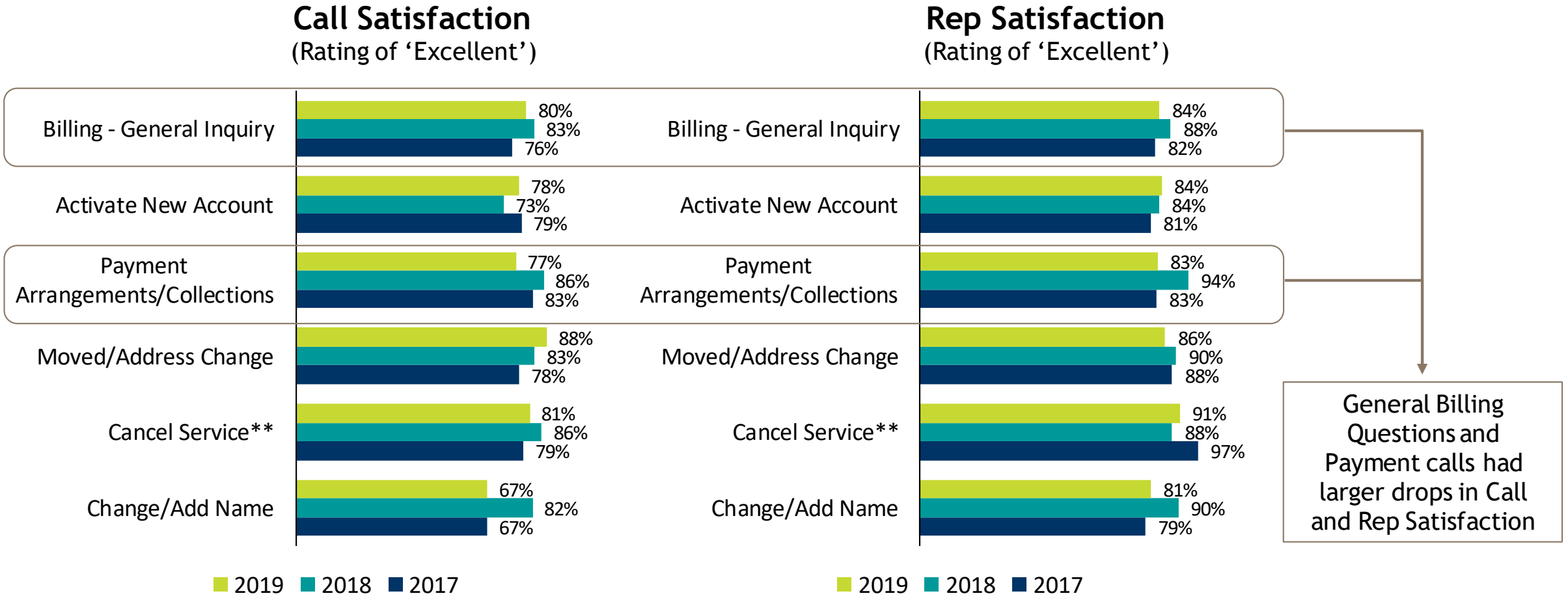


A Pat on the Back is recorded when a Customer rates a Rep “5” on all attributes.

show significant change vs. previous period; vs. same period last year

Call and Rep Satisfaction by call reason, year over year

YoY Call and Rep Sat declined for most of the frequent call reasons, with General Billing and Payment calls driving the overall decrease



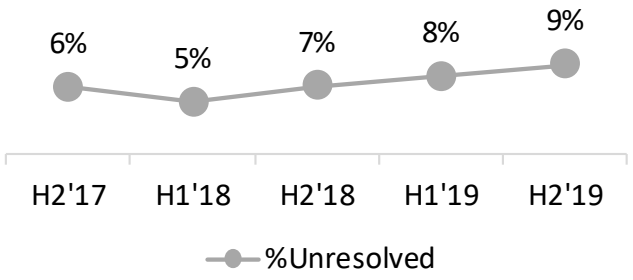
**Small Base 2017, 2018, 2019

Customer Effort

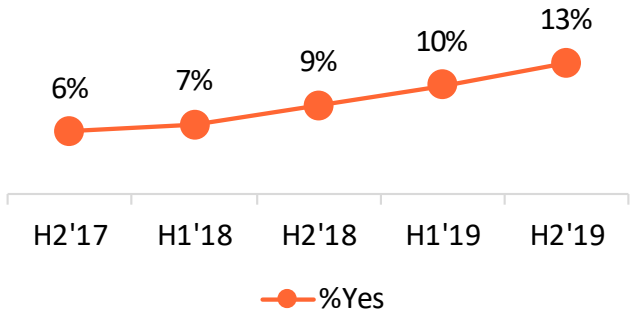
Effort: Unresolved Issues and Prior Contacts are trending ups

Holds are at their highest rate in three years

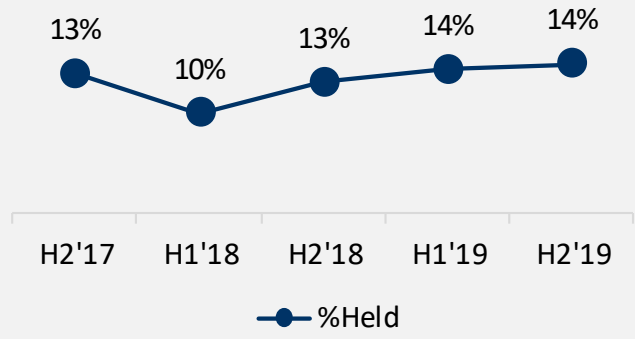
Unresolved Issues



Prior Contact Attempt



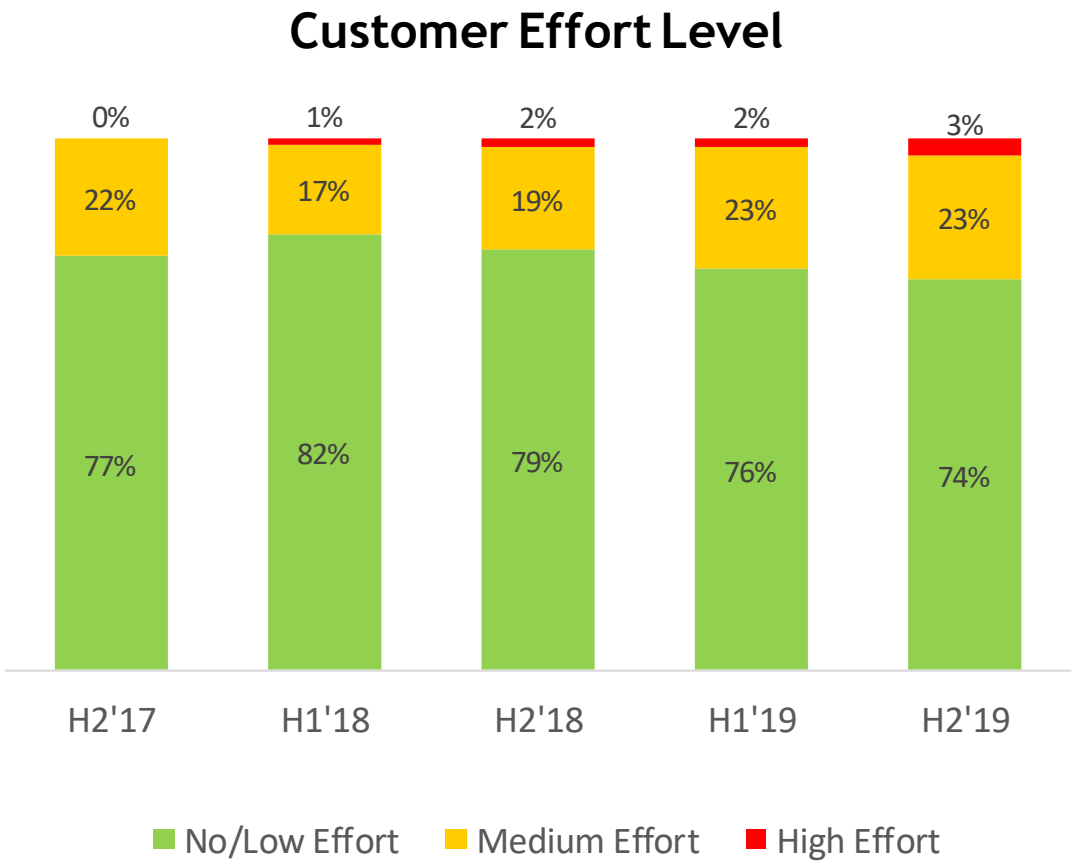
Placed on Hold



show significant change vs. previous period; vs. same period last year

With drivers of Effort trending in a negative direction fewer callers are experiencing No / Low Effort

However, 97% of customers still experienced low to medium effort interactions.



"The rep knew exactly what I needed to do and made it seem super easy to get it done. I wasn't on the phone for long. I thought it was going to be long and drawn out but they made it super easy.."

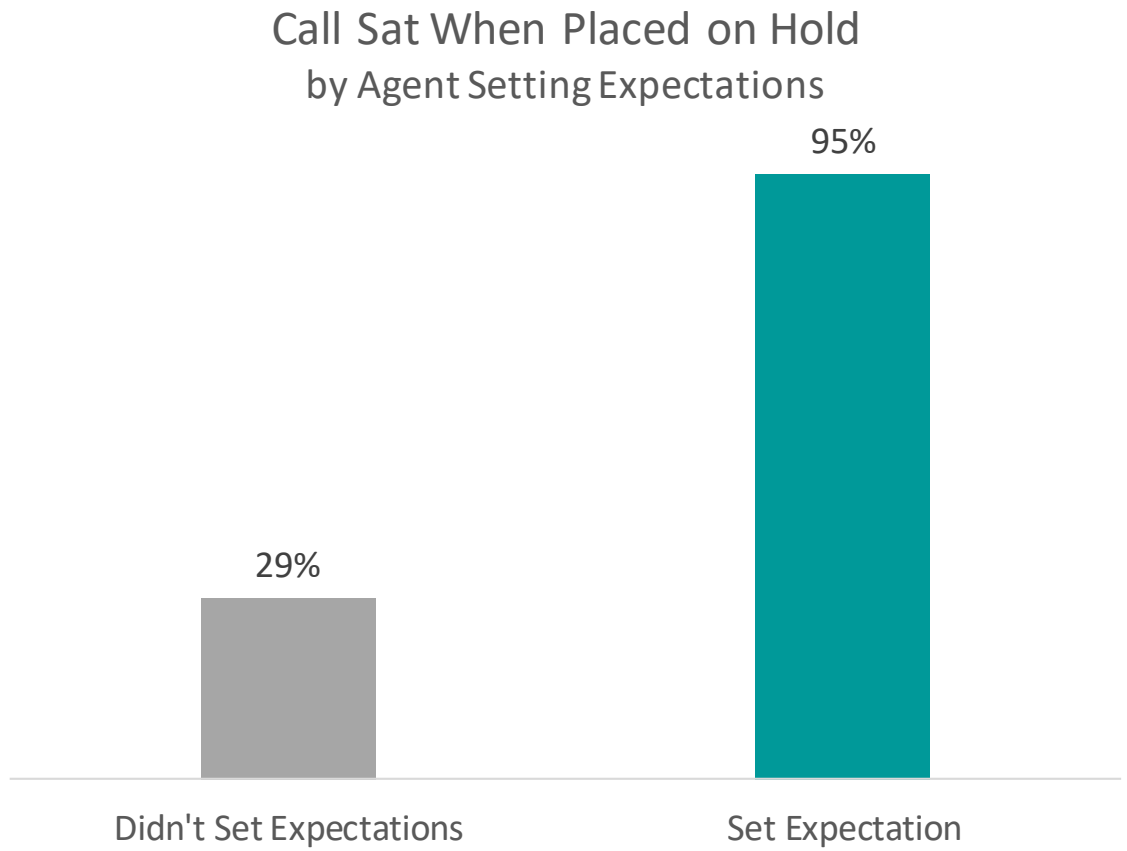
"It was quick and easy service. I wasn't on the phone long either."

"It was hassle free."

Setting Expectations and Holds

Setting Expectations can mitigate the negative effects of Holds

Call Satisfaction is 66pts higher when the Rep Set Expectations on calls with a Hold



Call Sat %T2B
Set Expectation is Ratings of 4 or 5, Didn't Set Expectation is ratings of 1 – 3
Results are H1'19 and H2'19 combined

Ways to Set Expectation When Placing a Customer on Hold*

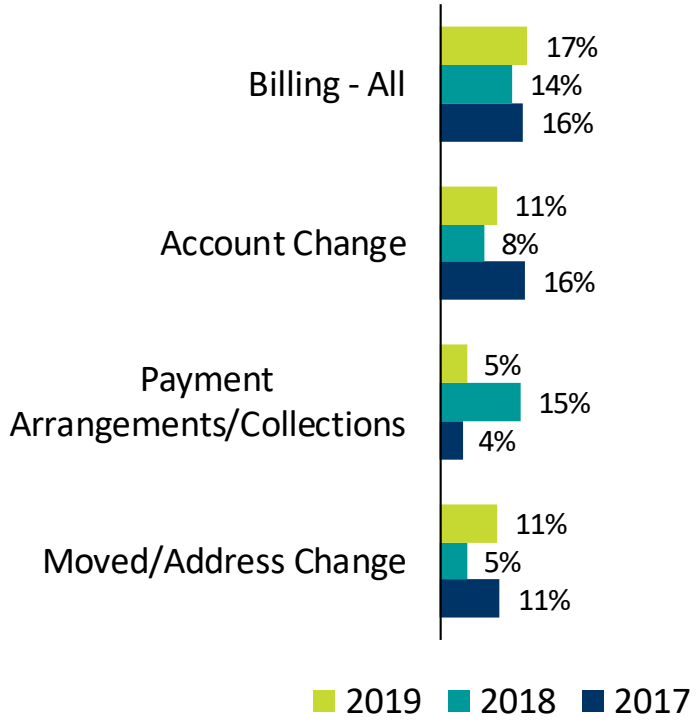
- Provide an expiation as to why the hold is necessary
- Ask for the customer's permission before placing them on hold
- Give the customer an expected length of the hold
- Check back in with the customer if the hold takes longer than expected

*for more detailed information see the appendix for 'Five tips for using holds wisely'

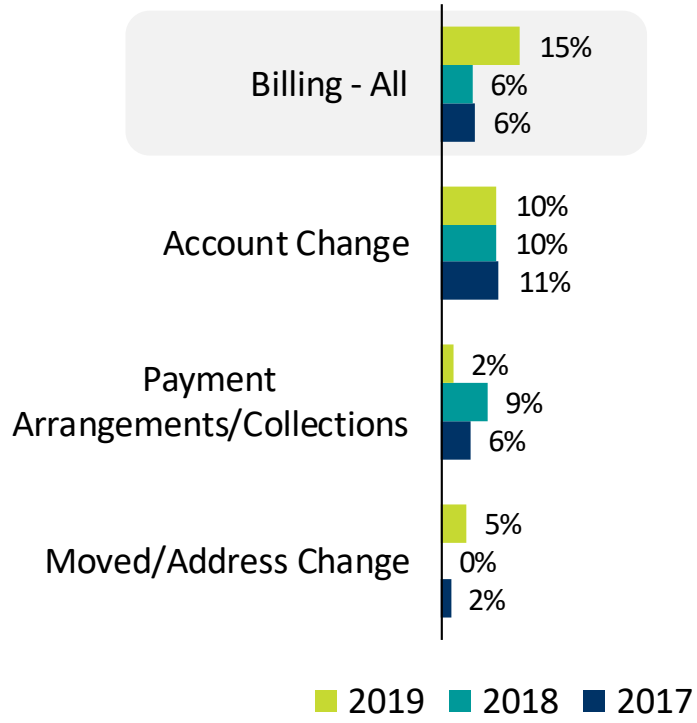
Billing calls are driving higher Prior Contact rates

Billing calls have the highest Hold rate and Prior Contact Attempts

Holds by Call Reason

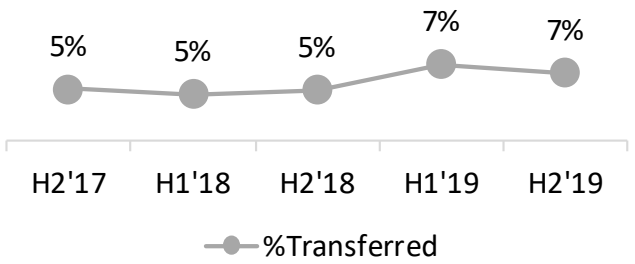


Prior Contact Attempt by Call Reason

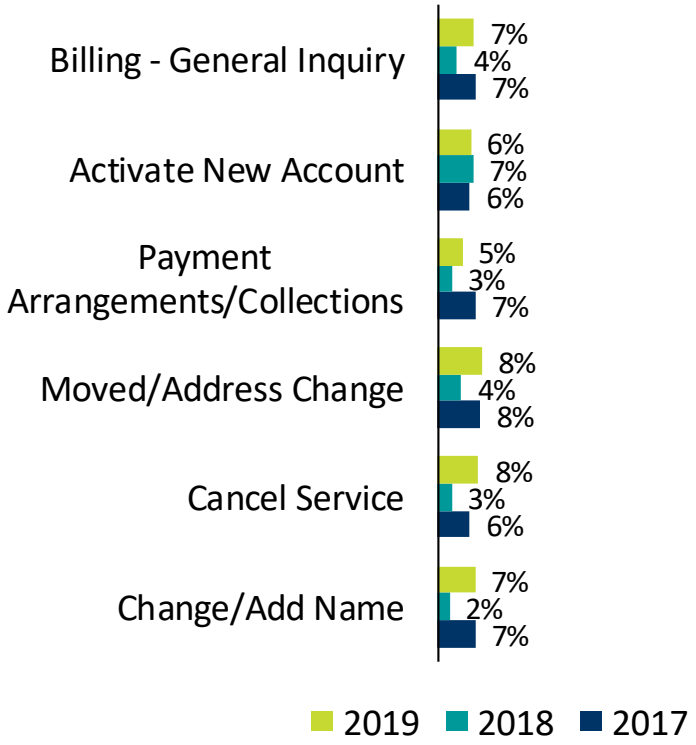


Transfer Rates remain stable

Transferred



Transfers by Call Reason (year over year)



show significant change vs. previous period; vs. same period last year

Appendix

Survey Overview and Methodology

Objective

- To measure Customer Satisfaction related to a specific transaction.
- Measure First Contact Resolution (FCR) for OEB and scorecard reporting.

Timing

- Surveying conducted August 1, 2019 – December 17, 2019.

Methodology

- Telephone Survey

Sampling

- 300 completed surveys

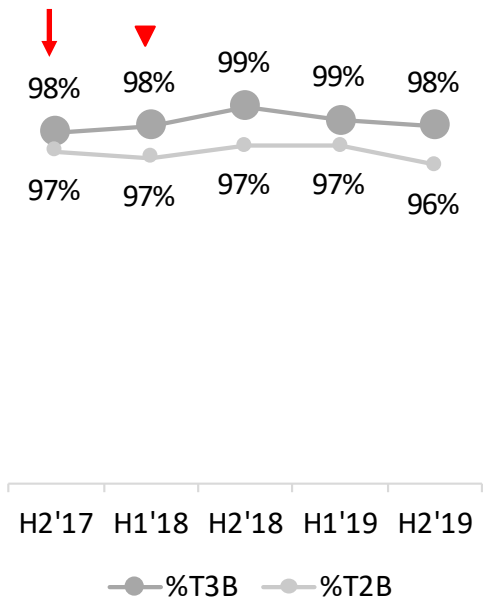
Question Scales & Reporting

- Quality asked on a 5 (Excellent) to 1 (Poor) scale
- Top 3-Box (3, 4 and 5 ratings) and Top 2-Box (4 and 5 ratings) used for reporting of survey attributes.

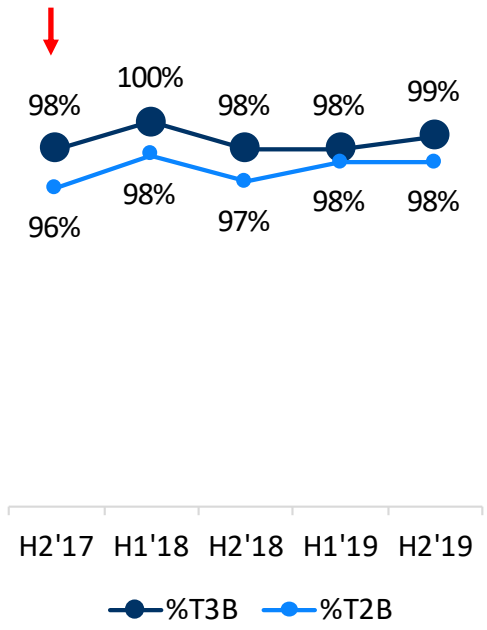
Rep Evaluation – Ratings Summary

Top 3 box and Top 2 box ratings

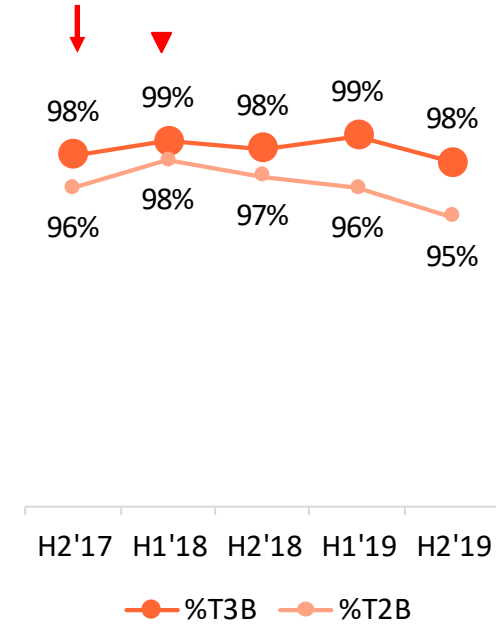
Overall Quality of Service



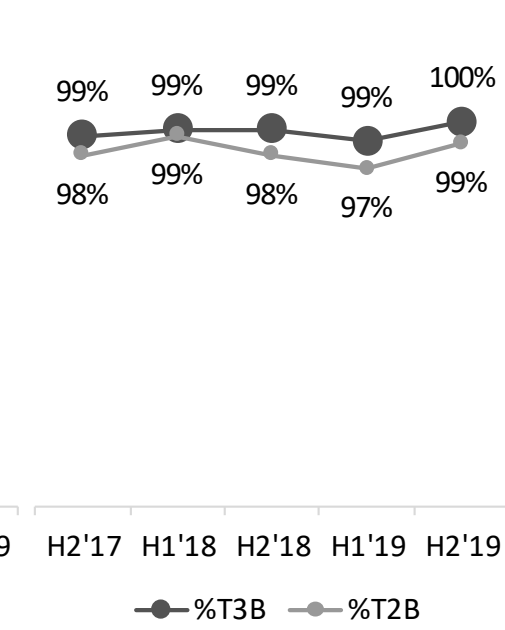
Understanding your question or concern



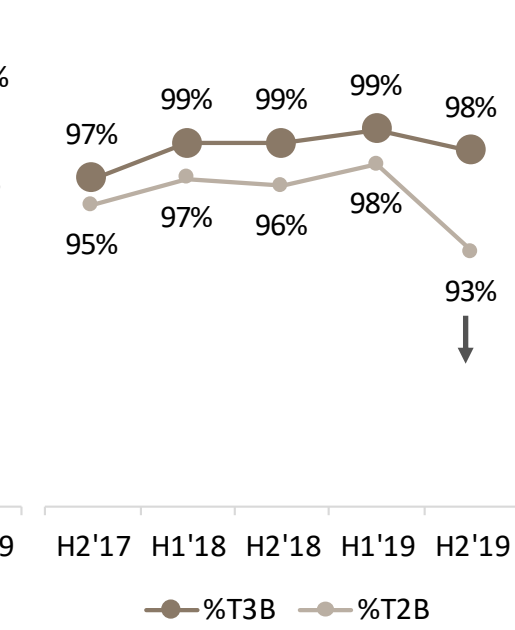
Being knowledgeable



Being courteous



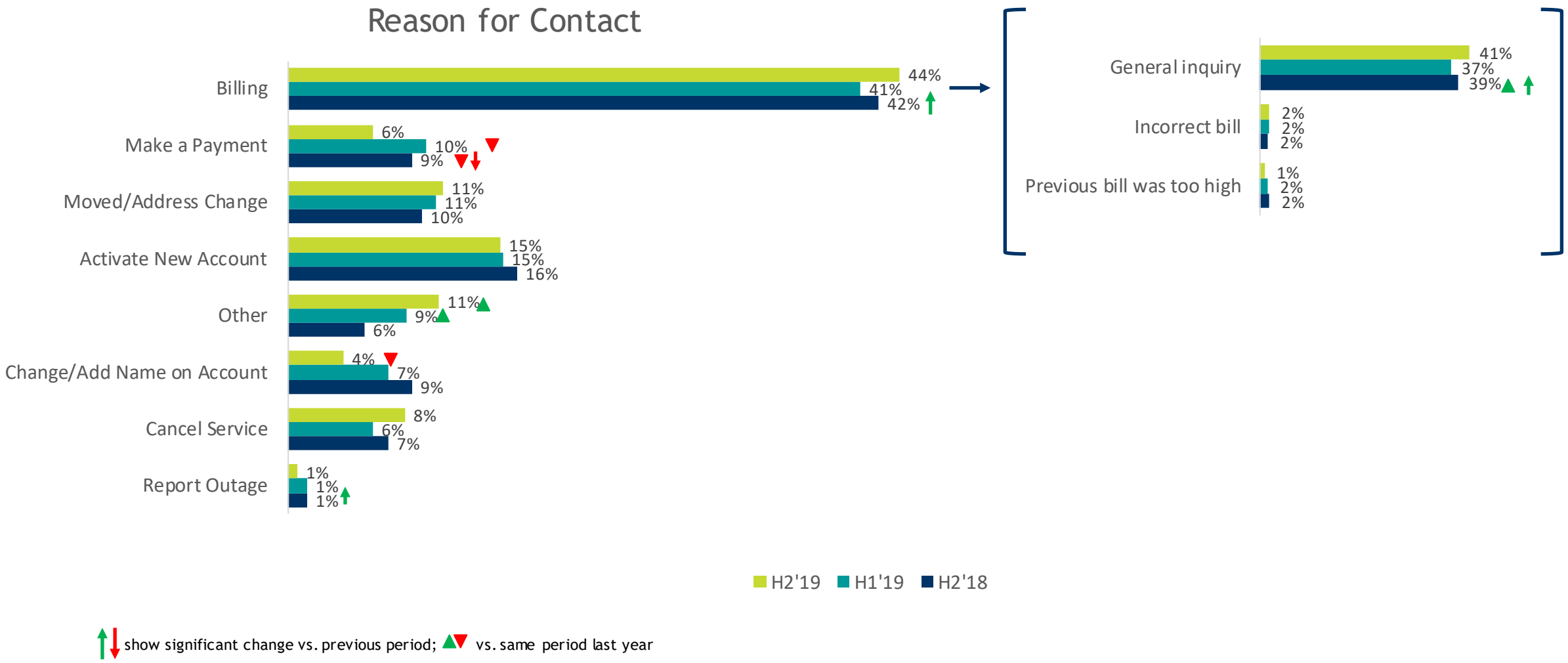
Setting appropriate expectations



%T3B scores ↑↓ show significant change vs. previous period; ▲▼ vs. same period last year

%T2B scores ↑↓ show significant change vs. previous period; ▲▼ vs. same period last year

Contact reason



show significant change vs. previous period; vs. same period last year

Five tips for using holds wisely

How to mitigate the negative impact of holds

1. **Avoid multiple holds**

   If it appears a second hold may be common on certain call types, consider a process review of operation procedures for that call type.

2. **Decide early if an issue is outside their expertise**

   Extended hold times that end in non-resolution can cause worse experiences than a transfer.

3. **Ask the customer's permission first**

   If a hold is necessary, asking the caller for permission helps maintain a positive experience.

4. **Keep the customer informed**

   If the hold is taking longer than expected check back in with the caller to keep them informed during the call.

5. **Consider removing holds from the operating model**

   Keeping reps on the call can help by:

   - Keeping callers up to speed on steps being taken.
   - Providing the opportunity to ask clarifying questions.
   - Showing urgency and desire to resolve the issue.
   - Possibly lowering average handle time by increasing rep engagement on the call.

Derived effort model for Brantford Power

Issue Resolution, Holds, and Prior Contacts determine the level of effort experienced by callers

Brantford Effort Model

Experience	Points		Weight
	Yes	No	
Resolved	0	1	x3
Hold	1	0	x2
Prior Contact	1	0	x1

Customer Effort Level

Total Points	
0	Low/No Effort
1-4	Med Effort
5-6	High Effort

Brantford Power

H1'19

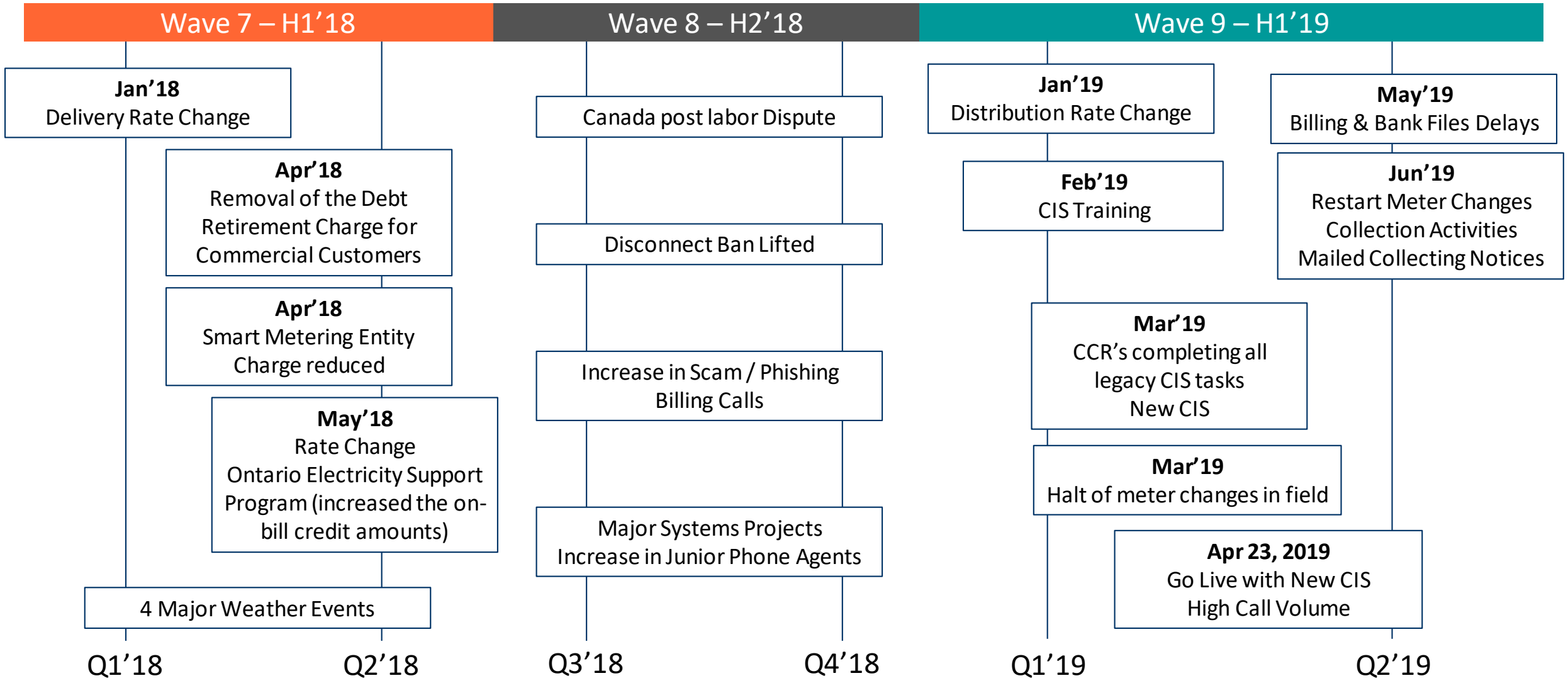
Transactional Survey Results

August 2019

Agenda

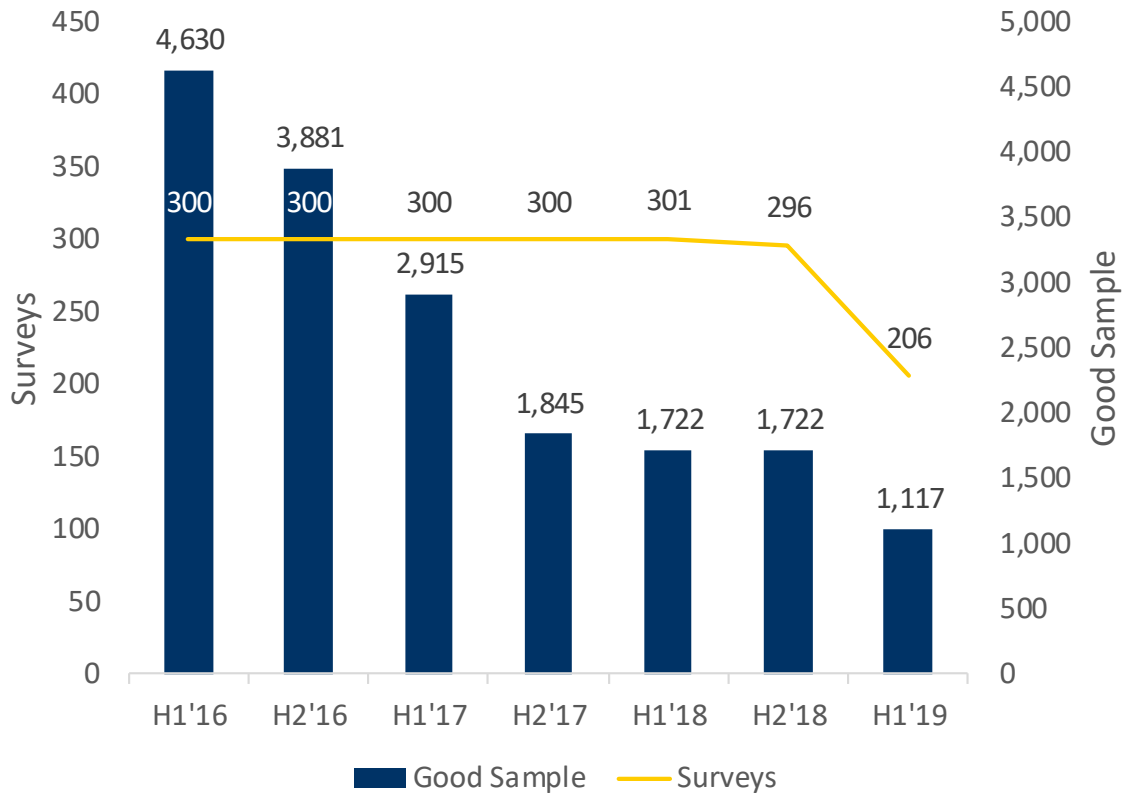
Wave 9 results (January – June 2019), Brantford Power Transactional Survey

Key events timeline



H1’19 survey volume is about one third less than usual

Fewer surveys makes it more difficult to drill down into call reason detail.



- Sample available for surveying has been on the decline.
- Low sample volume in the first half of 2019 resulted in collecting less than 300 surveys.
- Fewer surveys results in less reliable findings (larger margin of error) and makes it difficult to drill down into the data.
- There were only 59 surveys after the new Customer Information System (CIS) was launched on 4/23/19, so its full impact may not be showing in this report.
- Is there anything Brantford can do to increase the available sample records?

Executive Summary

Key Metrics

- The gap between top two box and top three box scores continues to narrow for most KPIs.
- The new CIS increased Billing Inquiry surveys and drove down Resolution and FCR, however it did not impact overall satisfaction metrics.

Call Handling

- Call satisfaction remains high.
- Reps received a 'Pat on the Back' on 80% of all interactions surveyed.
- Verbatim analysis indicates customers appreciate the agent's speed, knowledge, and attitude.

Customer Effort

- Overall, customers continue to experience low effort interactions on the call.
- Billing inquires noted an increase in prior contacts, contributing to lower overall FCR.

Closed Loop

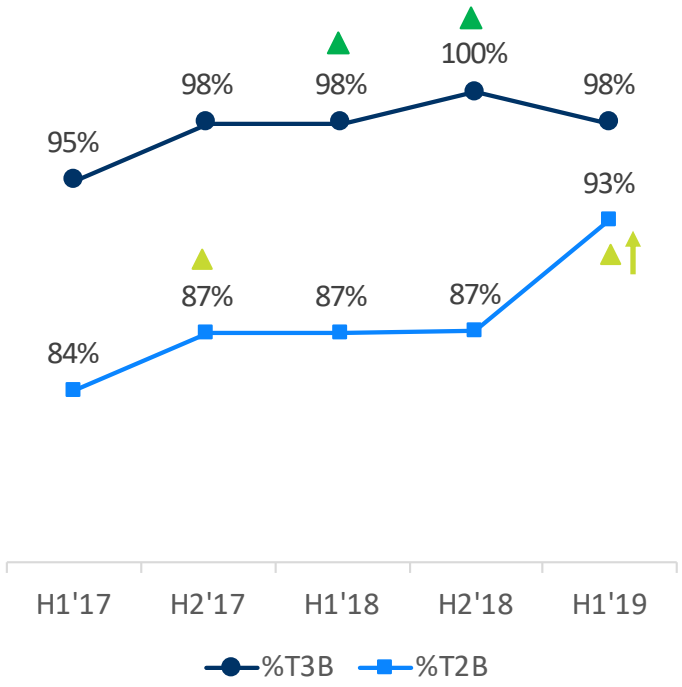
- Customers appreciate it when companies follow up with them on their survey feedback.
- Concentrix has a process in place so that Brantford can easily implement a closed loop process by identifying unhappy customers.

Key Metrics

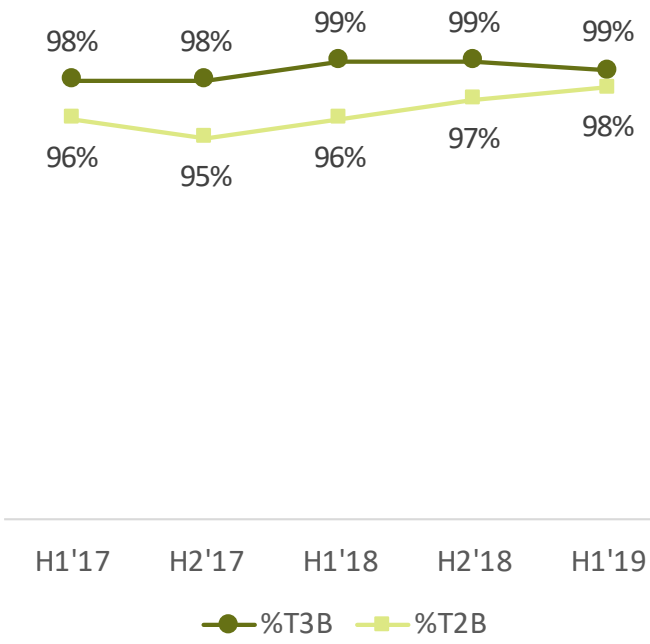
Key Metrics performance remains high

The gap between top two box and top three box scores continues to narrow.

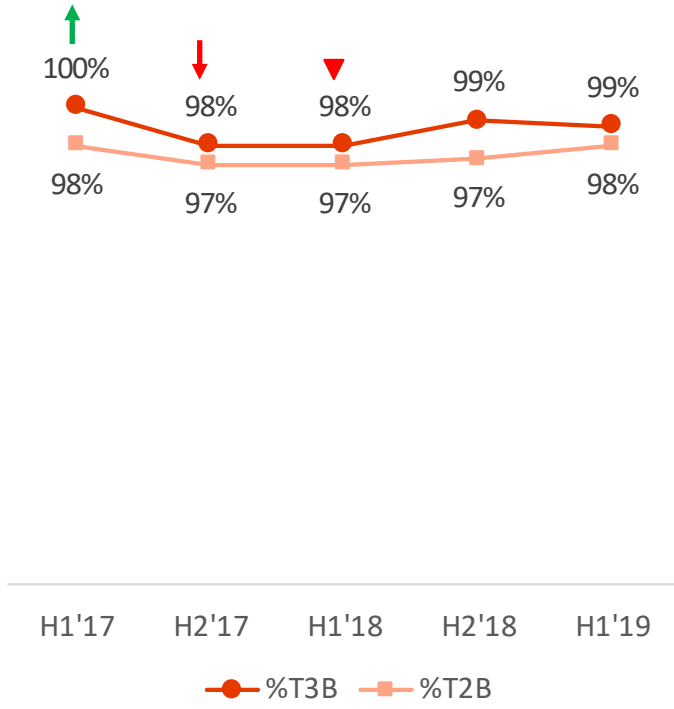
Overall Satisfaction



Call Satisfaction



Rep Satisfaction



%T3B scores ▲▼ show significant change vs. previous period; ▲▼ vs. same period last year

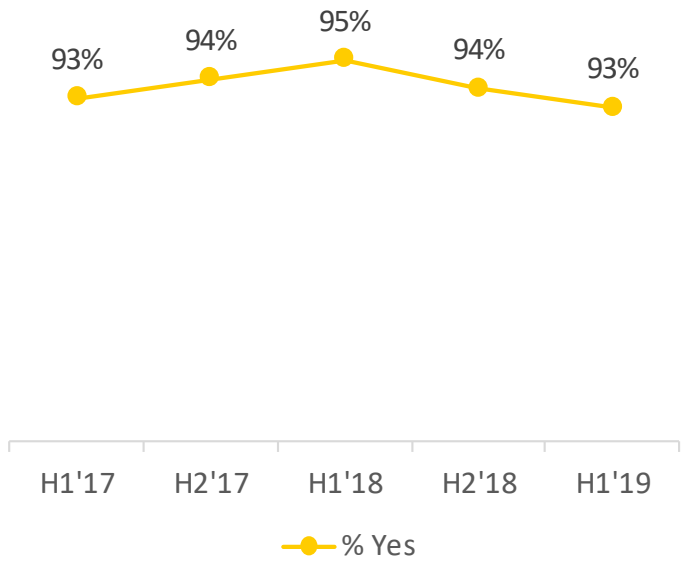
%T2B scores ▲▼ show significant change vs. previous period; ▲▼ vs. same period last year

Results are Business and Consumer combined

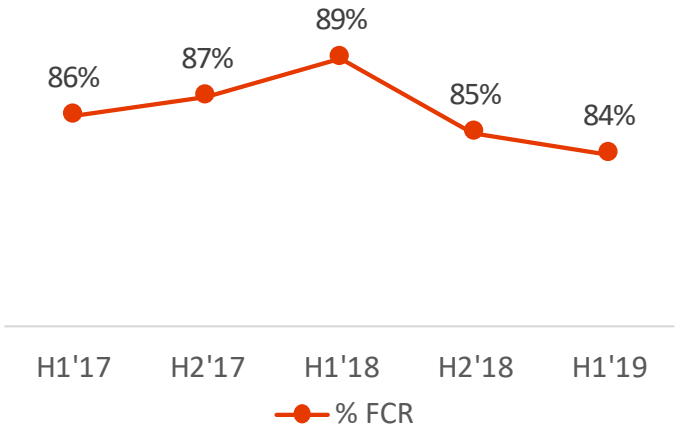
There is a slight dip in Resolutions metrics

While not statistically significant, there is a slight dip in Resolution and FCR.

Resolution



First Contact Resolution



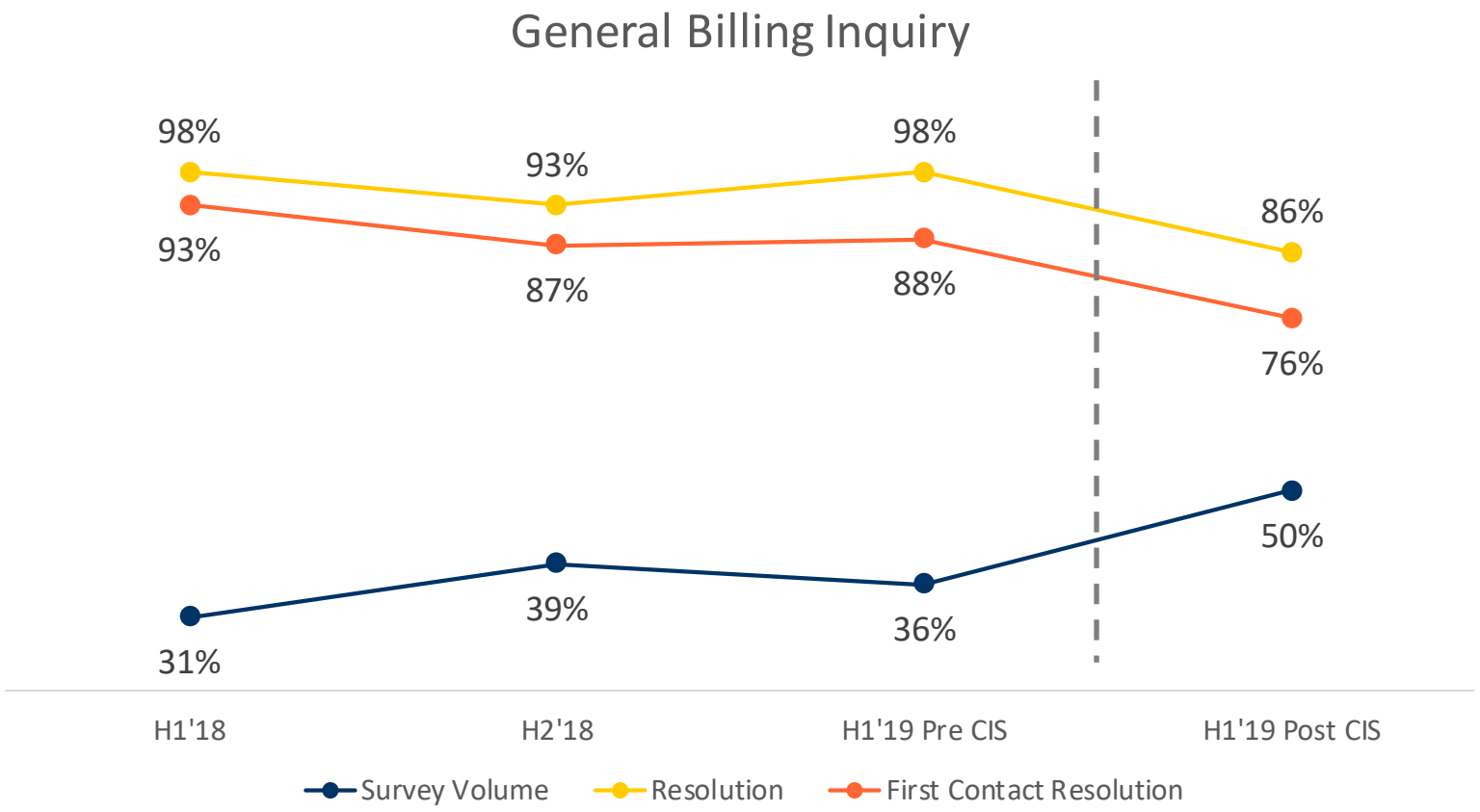
What is the impact of the new CIS billing system?

%T3B scores show significant change vs. previous period; vs. same period last year

%T2B scores show significant change vs. previous period; vs. same period last year

The impact of the new CIS on General Billing Inquiries

After the new CIS was implemented Billing Inquiries made up half of all surveys. Additionally, Resolution and FCR each fell by 12pts.

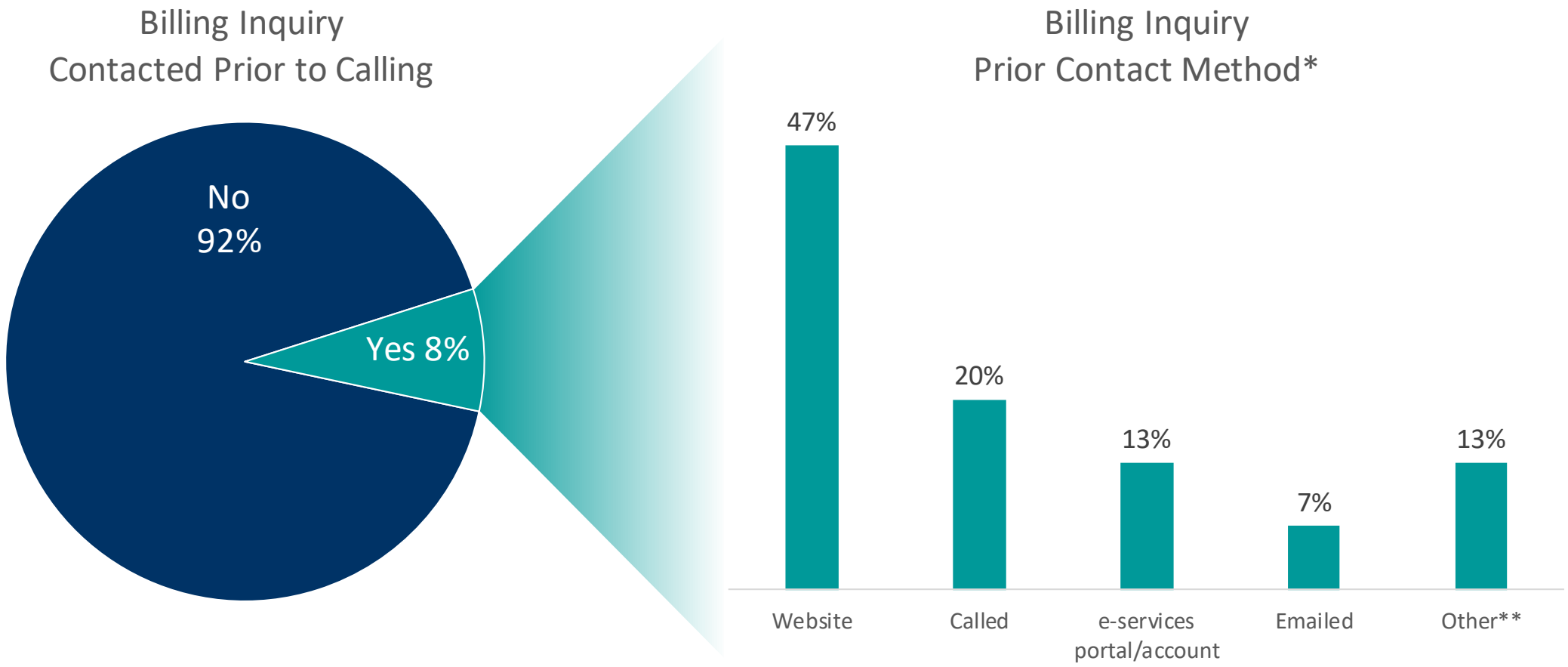


What are customers doing on unsuccessful prior billing contacts?

H1'19 Pre CIS: 1/1/19 - 4/22/16, H1'19 Post CIS 4/23/19 - 6/60/19
Low Survey volume for H1'19 Pre CIS and H1'19 Post CIS, interpret with caution.

Billing Inquiry: Prior contact attempt details

Nearly half of Billing Inquiry callers who did not achieve FCR tried the website first. Is there additional website functionality that could be added to allow customers to self-serve their billing needs?



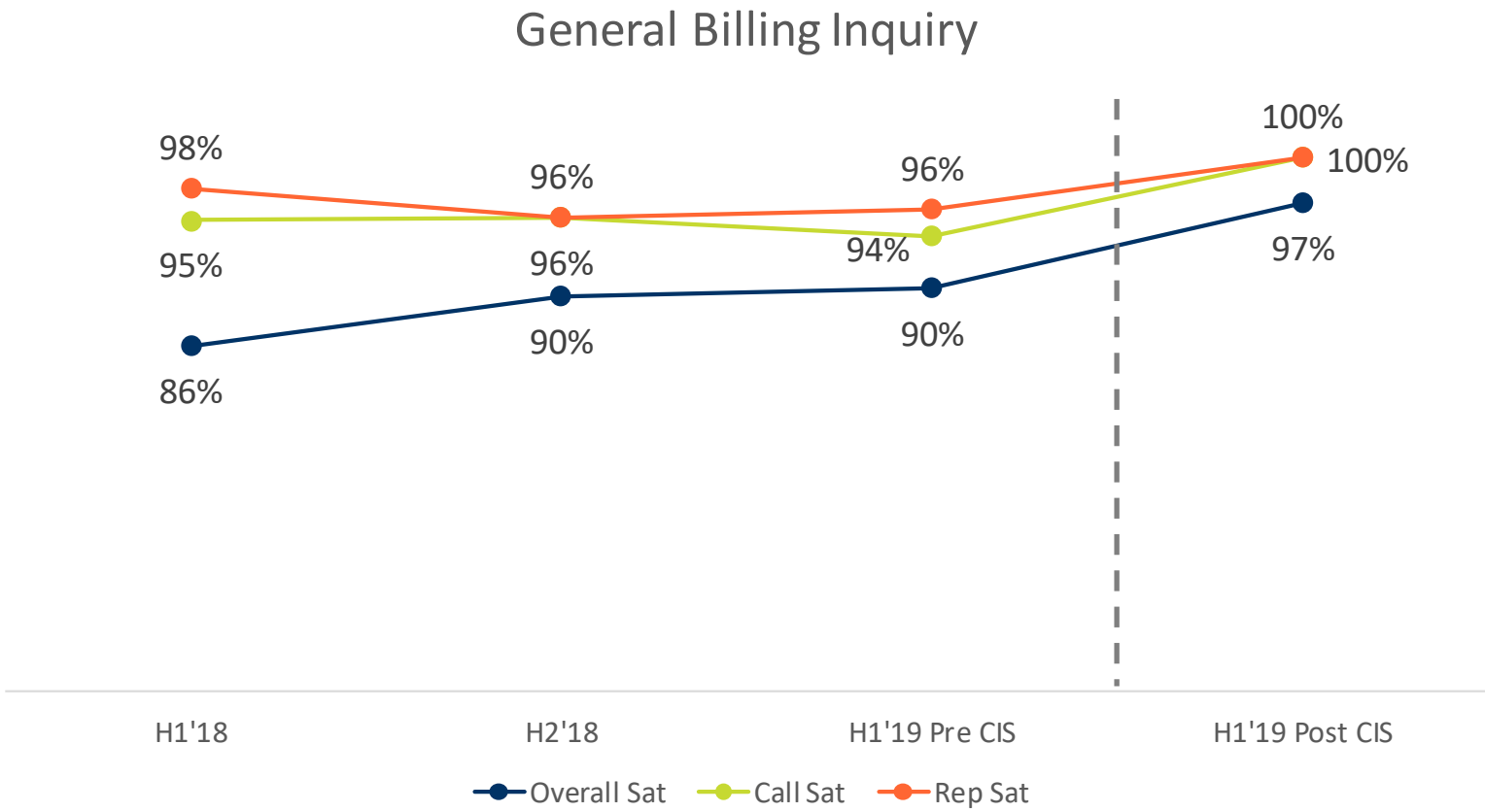
Results are H2'18 and H1'19 Combined

*Respondent can chose multiple prior contact methods, therefore results sum to greater than 100%

**Some of the 'Other' responses were recoded into different categories

The new CIS did not impact overall Billing satisfaction metrics

Although resolution metrics went down the reps continued to deliver at a high level, keeping Call Satisfaction and Overall Satisfaction with Brantford high.

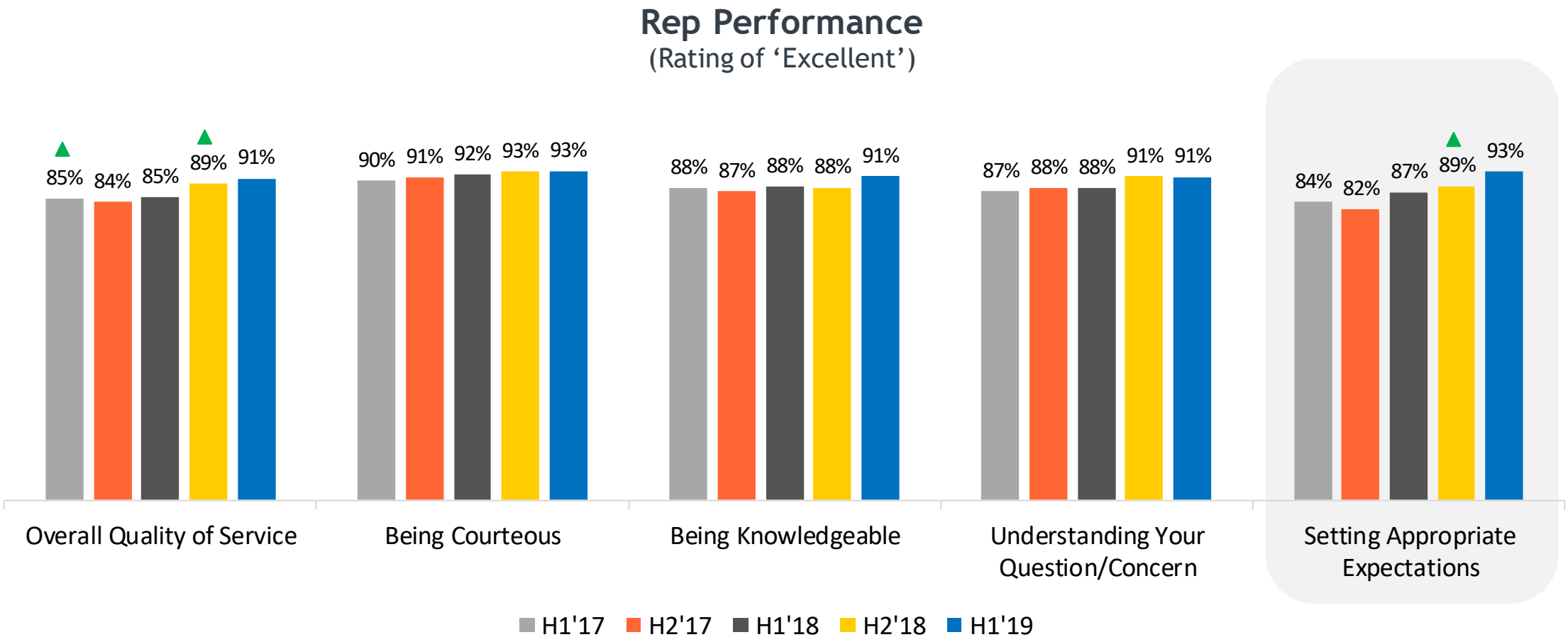


Results are %T2B
H1'19 Pre CIS: 1/1/19 - 4/22/16, H1'19 Post CIS 4/23/19 - 6/60/19
Low Survey volume for H1'19 Pre CIS and H1'19 Post CIS, interpret with caution.

Call Handling

Rep Evaluation – Rating Summary

Setting expectations continues to make long term improvement, as do the other rep attributes.

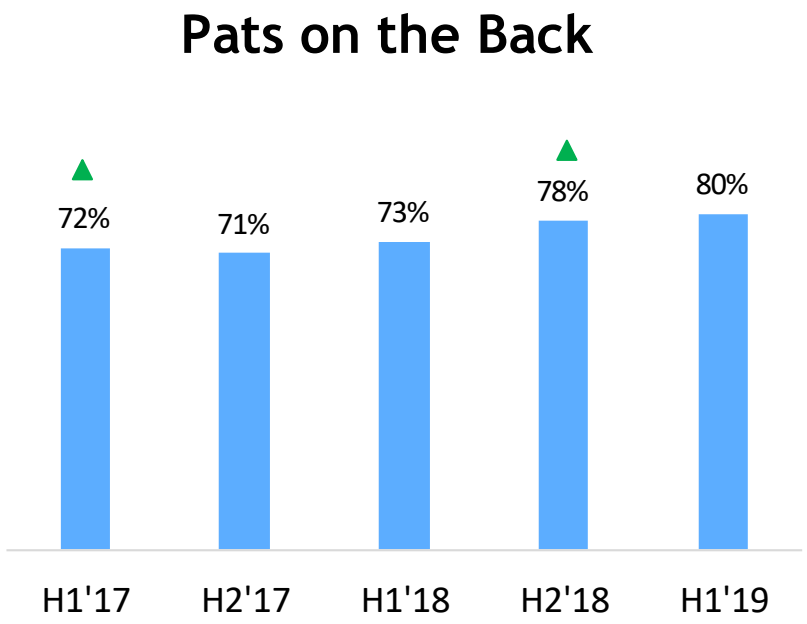


show significant change vs. previous period; vs. same period last year

%T3B and %T2B results can be found in the appendix

Rep Evaluation – Pat on the Back

Customers overwhelmingly recognize the agents' speed, attitude, and knowledge.

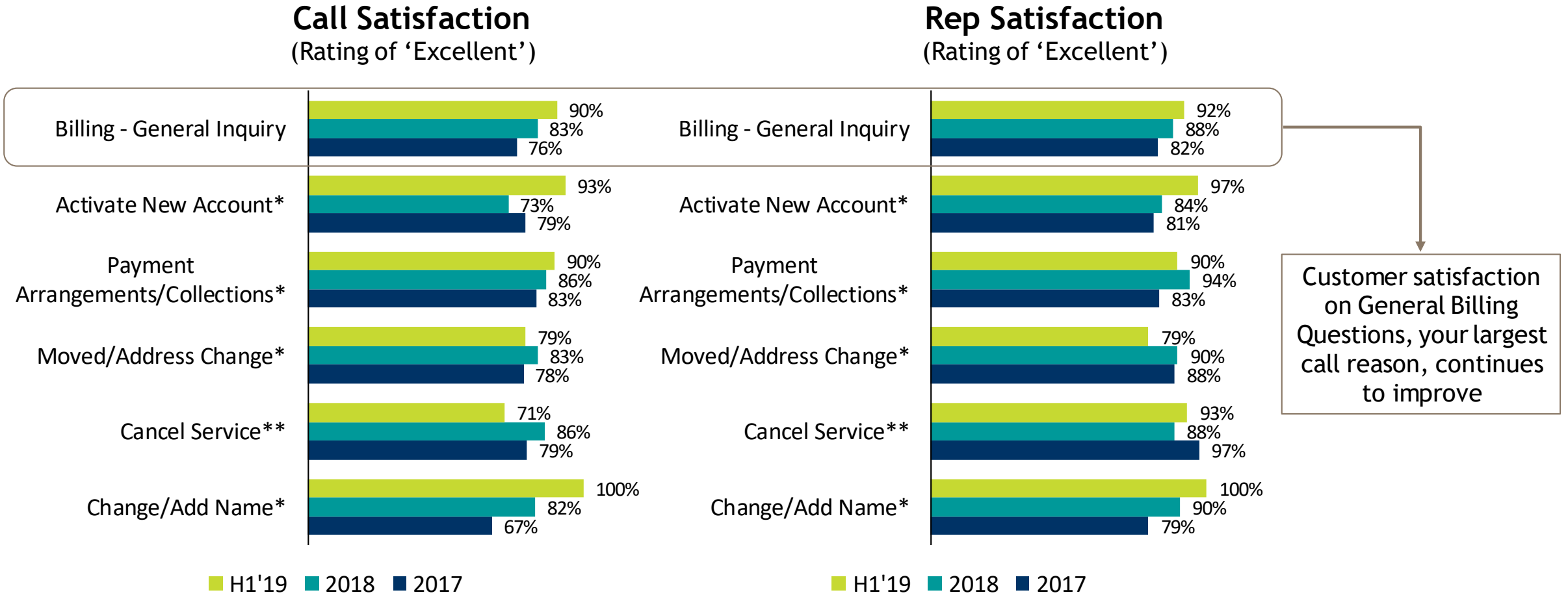


A Pat on the Back is recorded when a Customer rates a Rep "5" on all attributes.

show significant change vs. previous period; vs. same period last year

Call and Rep Satisfaction by call reason, year over year

Satisfaction appears to be trending upward for Billing – Generally Inquiry, the most frequent call reason.

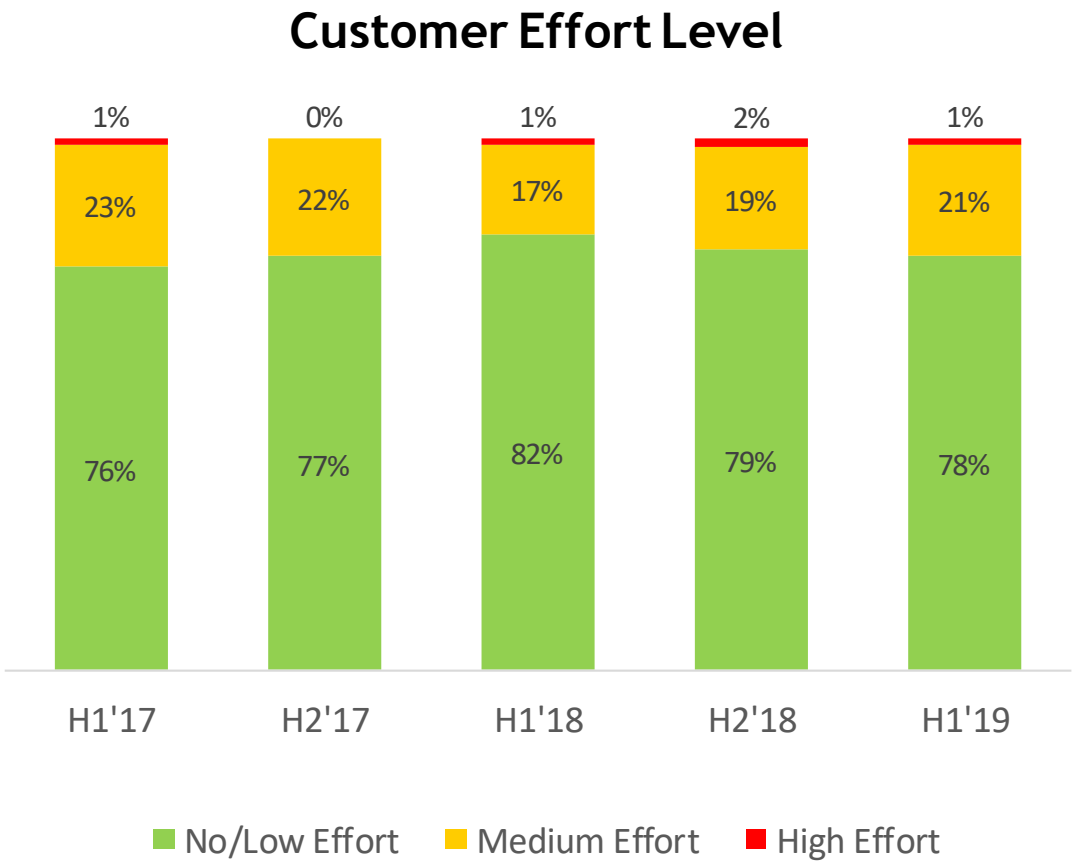


*Small Base Size H1'19
**Small Base 2017, 2018 and H1'19

Customer Effort

Customer effort remains low

99% of customers experienced low to medium effort interactions.



"The rep handled it quite efficiently and understood what I wanted. The rep also discussed my options."

"It was a quick and easy call. I told the rep when I was moving and when I needed the service turned off. It was done quickly, there was no putting me on hold 20 times or anything like that."

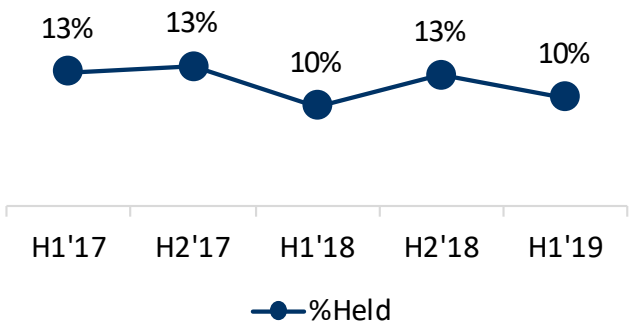
"It was fast and easy. I just gave the rep the address and the closing date and the rep set everything up."

show significant change vs. previous period; vs. same period last year

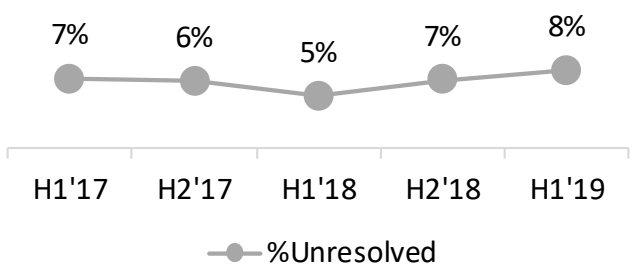
Effort: Overall effort metrics remain stable

Effort metrics have remained stable.

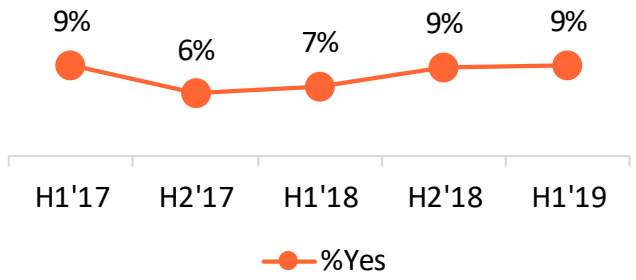
Placed on Hold



Unresolved Issues



Prior Contact Attempt

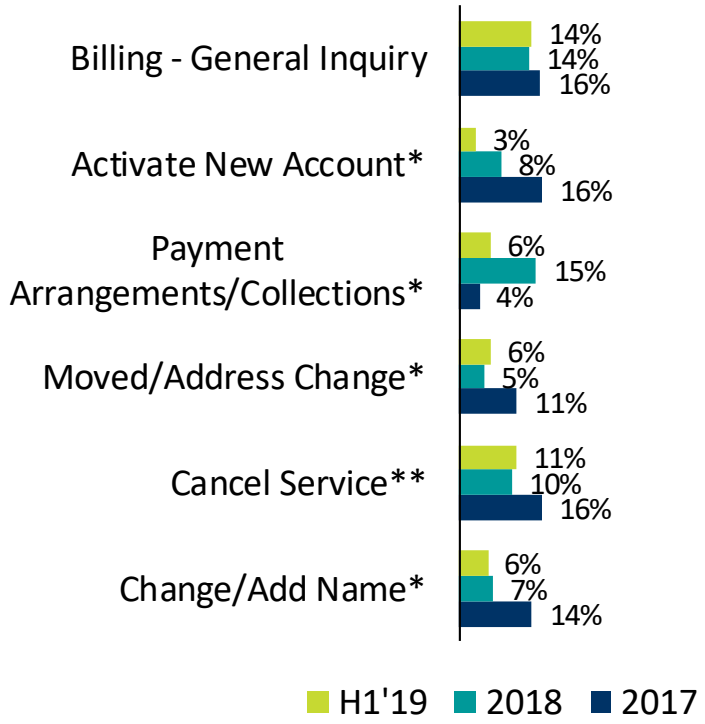


show significant change vs. previous period; vs. same period last year

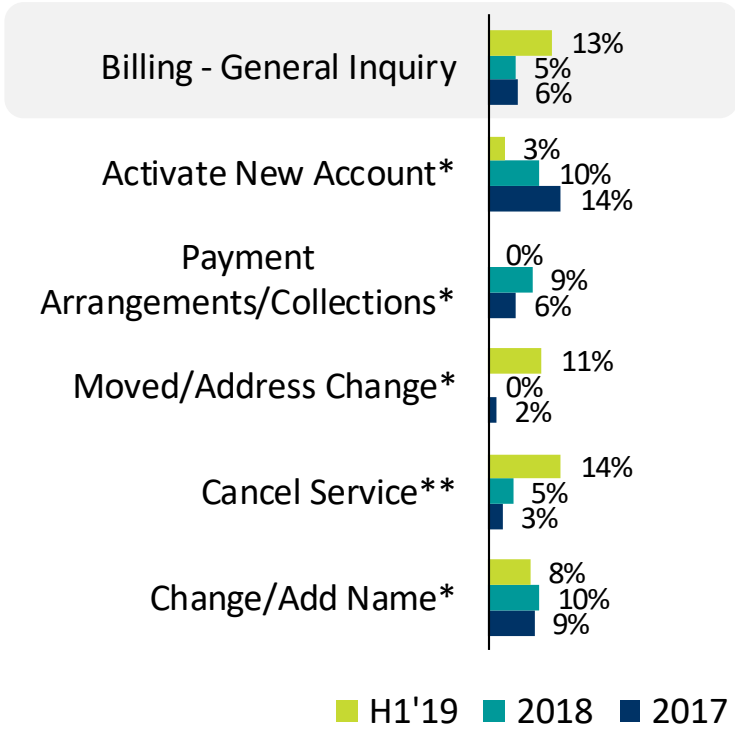
Prior contact attempts for Billing are higher in H1’19

As noted earlier, unsuccessful prior Billing contacts contributed towards decreasing overall FCR.

Holds by Call Reason



Prior Contact Attempt by Call Reason

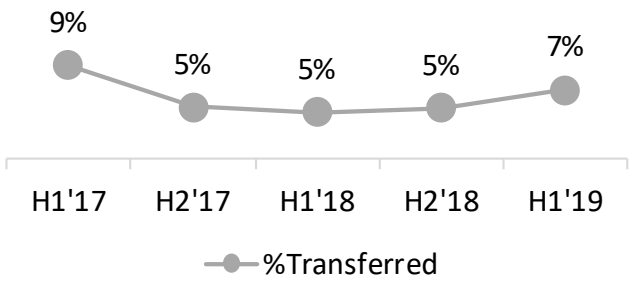


*Small Base Size H1’19
**Small Base 2017 and H1’19

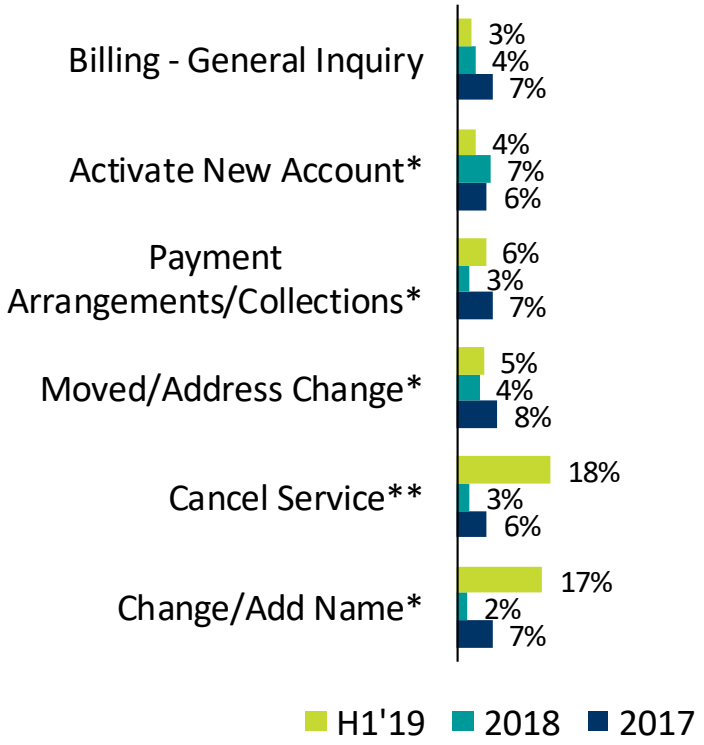
Transfer Rates remain stable

Transfers have remained lower over the past year and a half, particularly for Billing.

Transferred



Transfers by Call Reason (year over year)



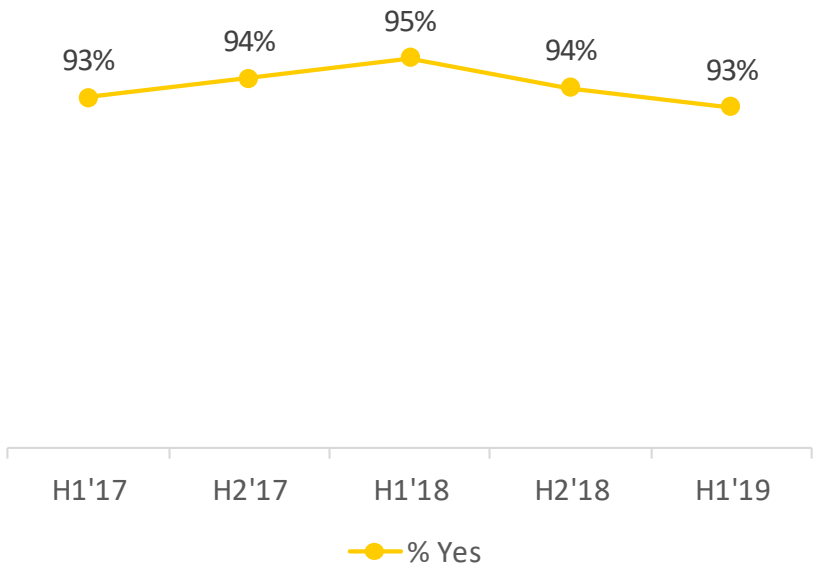
show significant change vs. previous period; vs. same period last year

*Small Base Size H1'19
**Small Base 2017 and H1'19

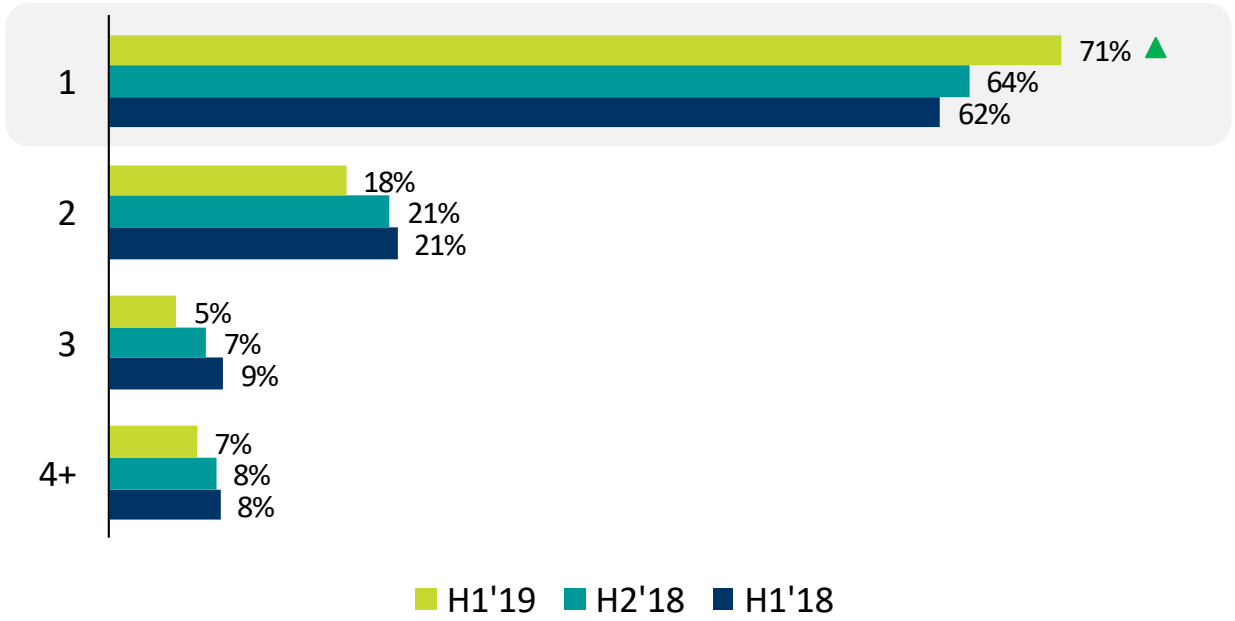
More customers are calling just once

Despite stable to lower Resolution, 71% of respondents made just one call to Brantford in the past six months. This may indicate that customers are having fewer issues or are successfully self-servicing through other channels.

Issue Resolution



Number of Calls Made to Brantford (P6M)



show significant change vs. previous period; vs. same period last year

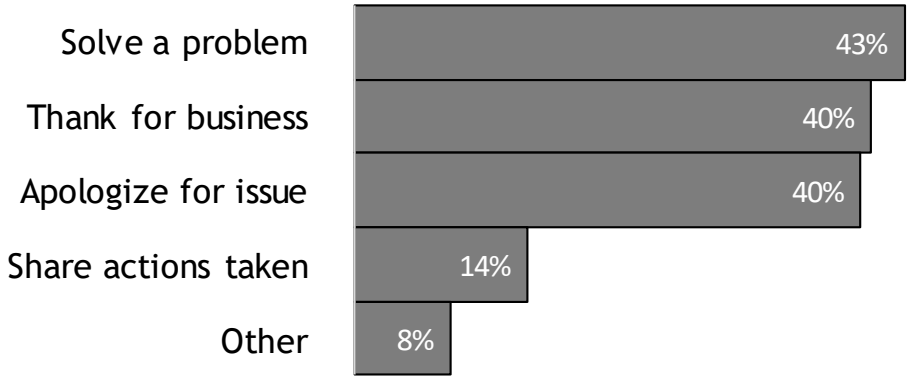
Concentrix Industry Research: Closed Loop

Post-survey follow-up is rare

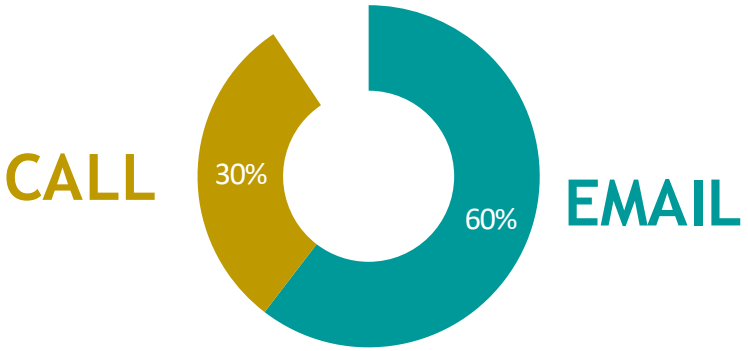
Concentrix Industry Research

HAS A COMPANY EVER FOLLOWED UP?

FOLLOW-UP PURPOSE



TYPE OF CONTACT



Rating that prompted follow-up:

48% positive rating

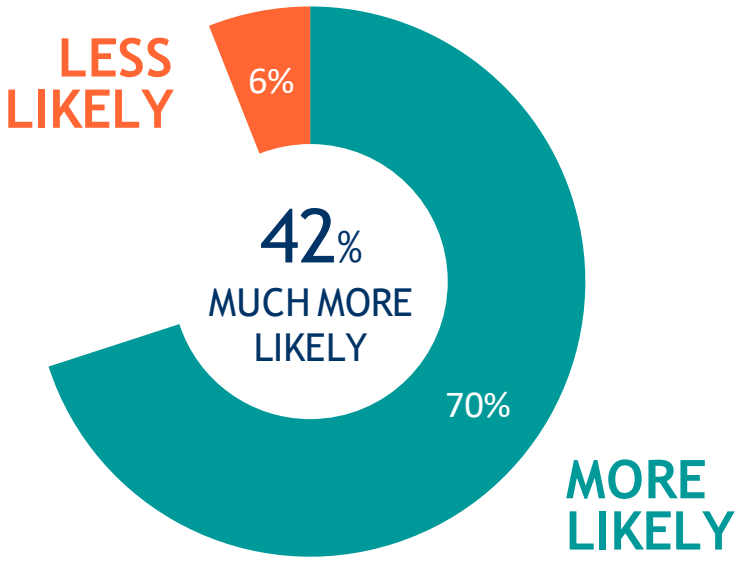
44% negative rating

Source: Concentrix Analytics industry research 'Surveying in the Digital Age'

Closing the loop has big benefits

Concentrix Industry Research

IMPACT OF FOLLOW-UP ON LIKELY TO RECOMMEND



MORE LIKELY TO RECOMMEND BY FOLLOW-UP REASON

When they occur, customers value survey follow-ups.

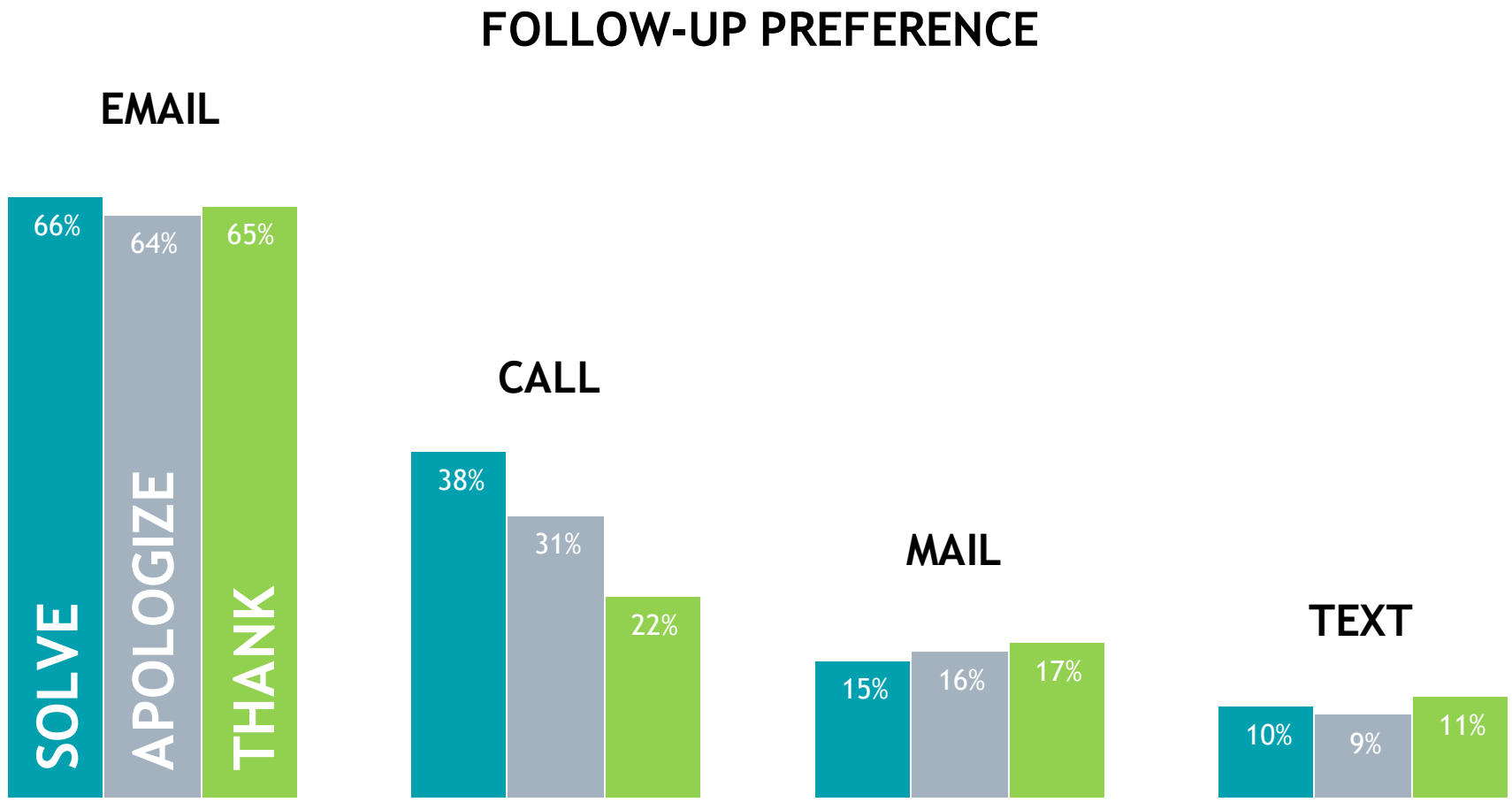
These touches reflect positively on the company.

They're especially impactful when customers see the company attempting to fix an issue.

Source: Concentrix Analytics industry research 'Surveying in the Digital Age'

When you reach out, use email

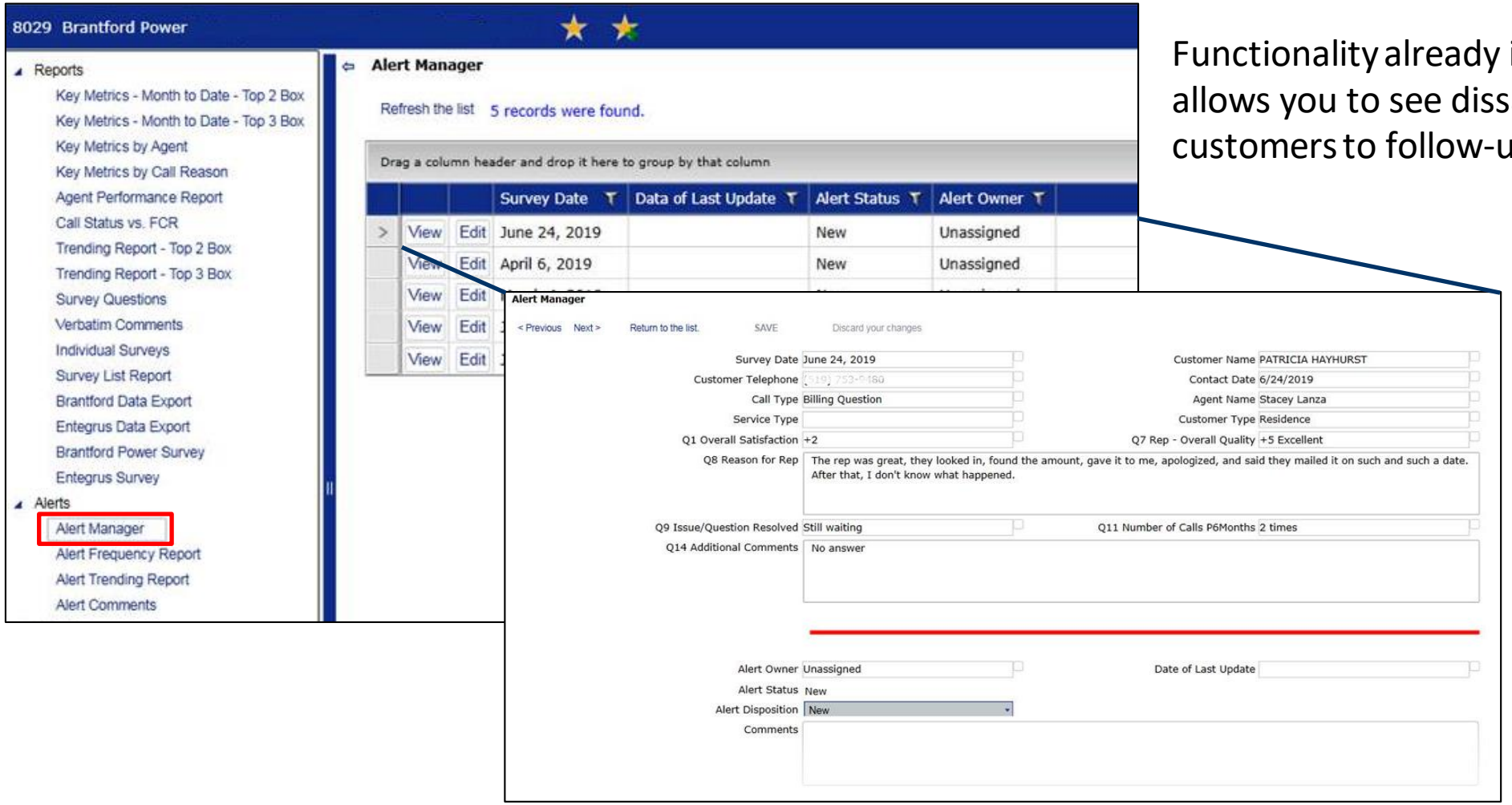
Concentrix Industry Research



Source: Concentrix Analytics industry research 'Surveying in the Digital Age'

Consider including a closed loop follow-up as part of your VOC program

A closed loop program would require minimal effort due to Brantford's high level of customer satisfaction.



Functionality already in DataLink allows you to see dissatisfied customers to follow-up with them.

Appendix

Survey Overview and Methodology

Objective

- To measure Customer Satisfaction related to a specific transaction.
- Measure First Contact Resolution (FCR) for OEB and scorecard reporting.

Timing

- Surveying conducted January 1, 2019 – June 30, 2019.

Methodology

- Telephone Survey

Sampling

- 206 completed surveys

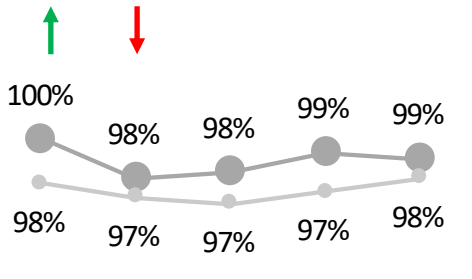
Question Scales & Reporting

- Quality asked on a 5 (Excellent) to 1 (Poor) scale
- Top 3-Box (3, 4 and 5 ratings) and Top 2-Box (4 and 5 ratings) used for reporting of survey attributes.

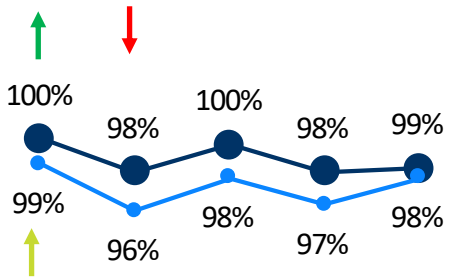
Rep Evaluation – Ratings Summary

Top 2 box and Top 3 box ratings

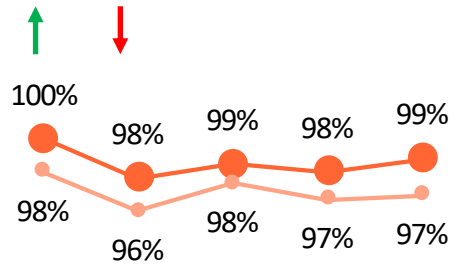
Overall Quality of Service



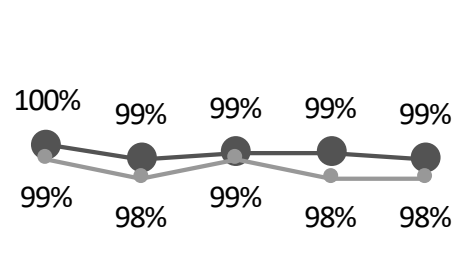
Understanding your question or concern



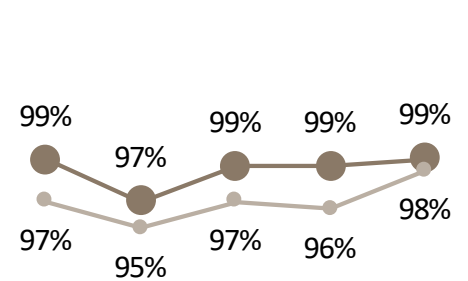
Being knowledgeable



Being courteous



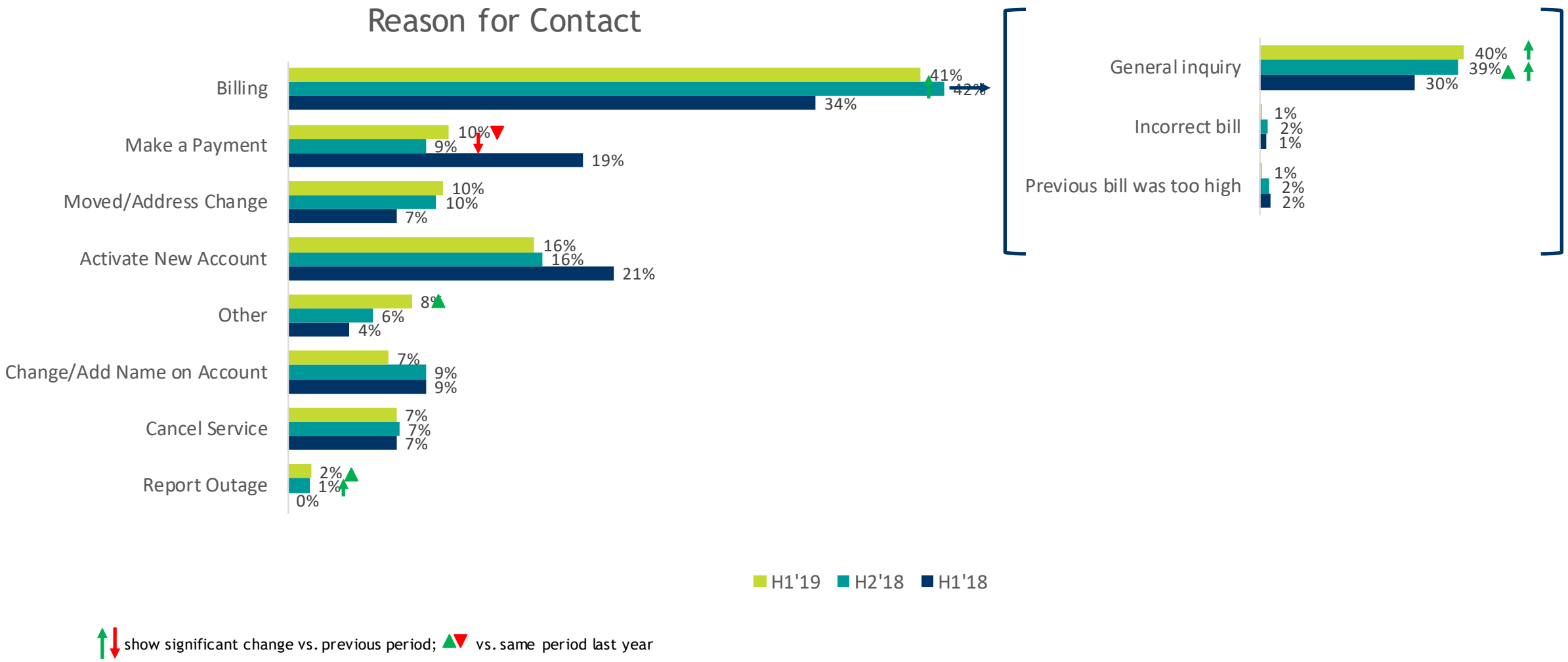
Setting appropriate expectations



%T3B scores ↑↓ show significant change vs. previous period; ▲▼ vs. same period last year

%T2B scores ↑↓ show significant change vs. previous period; ▲▼ vs. same period last year

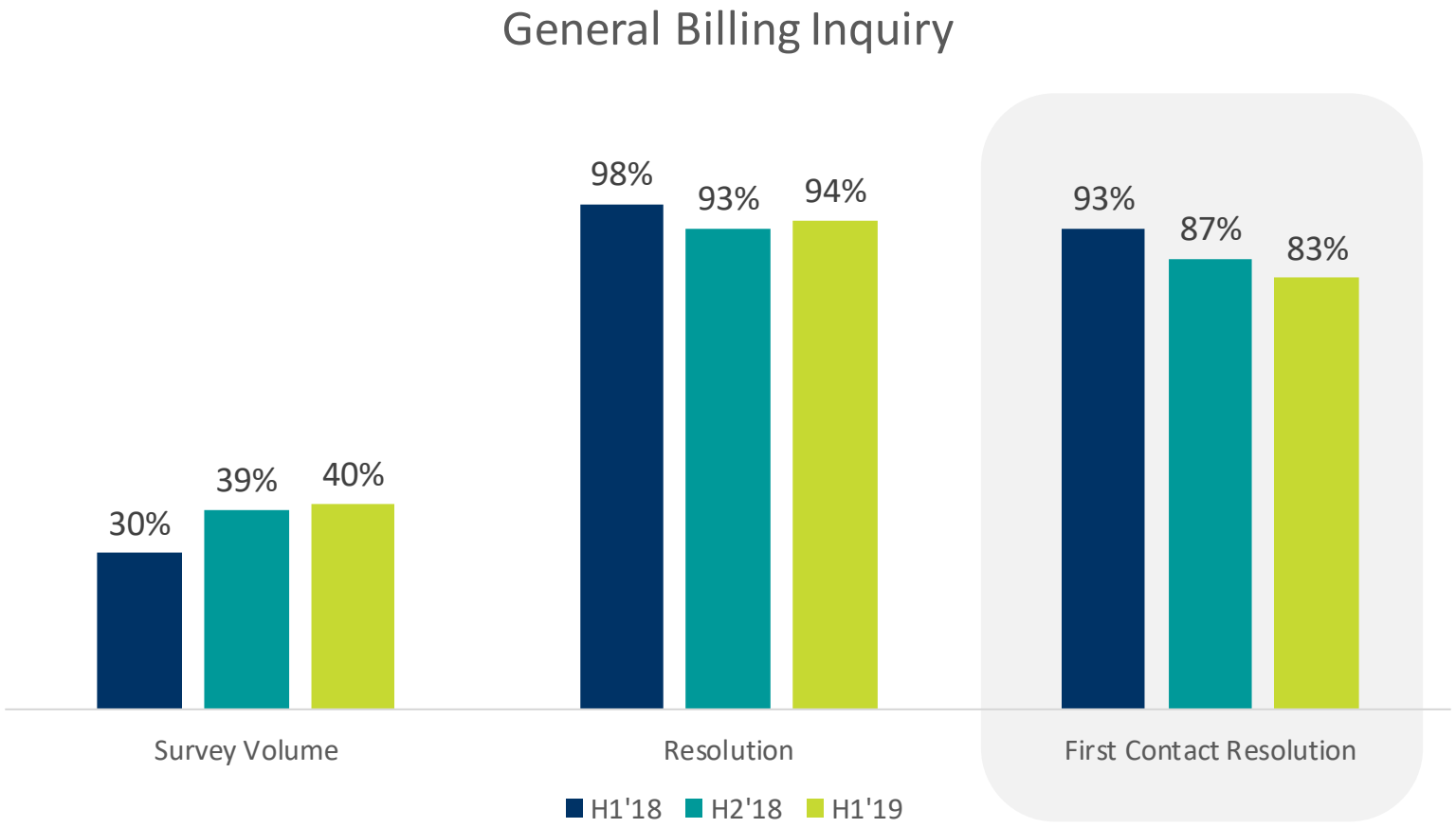
Contact reason



show significant change vs. previous period; vs. same period last year

Billing: Lower Resolution and higher survey volume

Billing Inquiry's survey volume increase in H2'18 coincided with a decline in Resolution and FCR, impacting the overall results.



Period over period changes are not statistically significant at the 95% confidence level
Low survey folumAfter 4/23 survey volume is o

Derived effort model for Brantford Power

Issue Resolution, Holds, and Prior Contacts determine the level of effort experienced by callers

Brantford Effort Model

Experience	Points		Weight
	Yes	No	
Resolved	0	1	x3
Hold	1	0	x2
Prior Contact	1	0	x1

Customer Effort Level

Total Points	
0	Low/No Effort
1-4	Med Effort
5-6	High Effort

Brantford Power
2019 Top Down Study

December 2019

CONCENTRIX™

Ontario Energy Board (OEB) Requirements

All non-transactional KPIs improved in 2019 while lower FCR is largely due to the impact of the new CIS billing system launched in April, 2019.

Ontario

Total results (excluding FCR) are Commercial (n=100) and Residential (n=500) combined, with a margin of error <= +/- 3% at 95% confidence.
*First Contact Resolution (FCR) is measured by Transactional surveys that occur after a customer interaction. 2017 is data from 1/1/17 – 10/1/17, 2019 is 1/1/19 – 7/19/19.
All other measures are Percent Top Three Box (%T3B), the percent rating a 3, 4, or 5, from the "Top-Down" survey which measures the entire customer experience.

Overall Results, Top Two Box Ratings

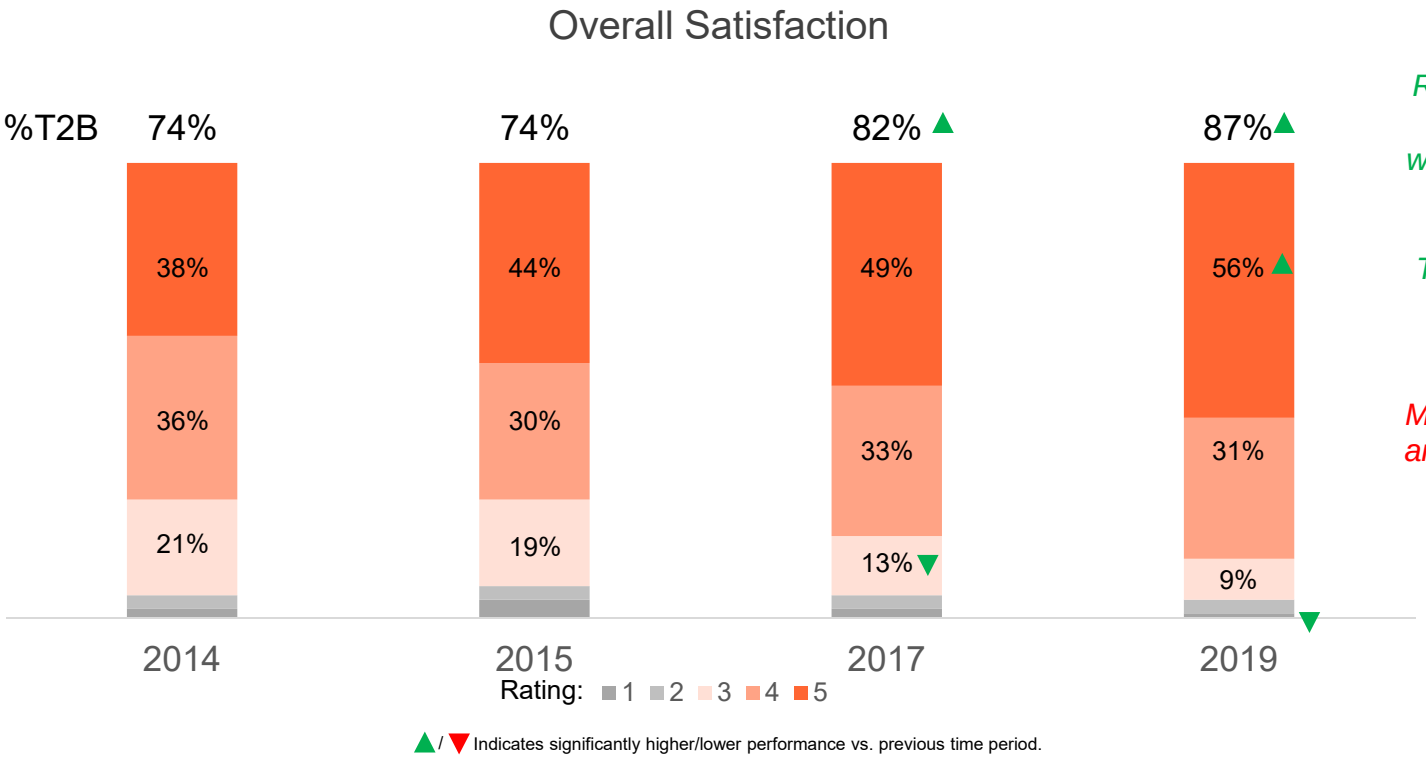
To better understand changes in customer perceptions the remainder of the presentation will be based on Top Two Box (T2B) rating, the percentage of people rating a 4 or a 5.

Residential

Overall Results

Residential: Overall Satisfaction has significantly improved

Reliability and Customer Service are the most frequent reasons for positive ratings, with Price being the most frequent negative comment.



Reliability and customer service. You have never let me down, whenever I need power it is there

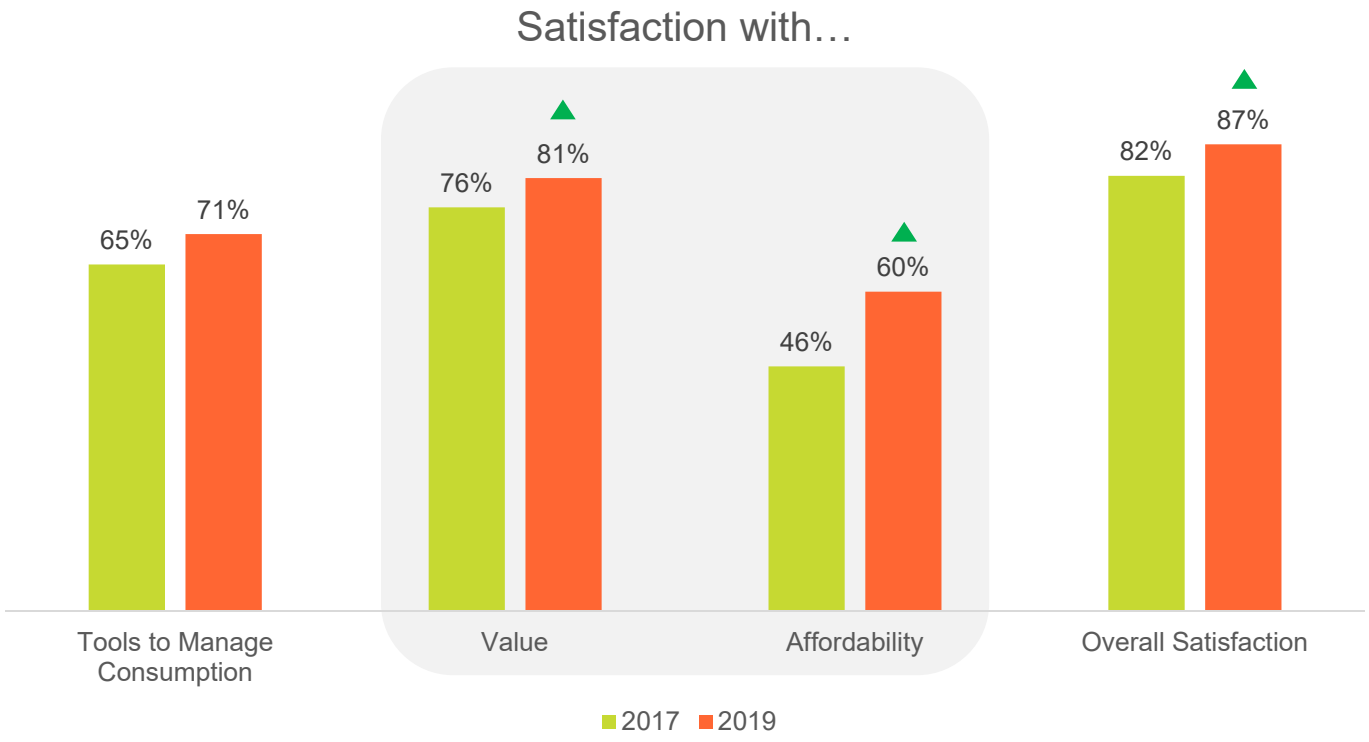
The personal is well trained and public relations are incredible.

My biggest complaint is the rates, and I hear that they're going to be going up again shortly.

What's driving increased OSAT?

Improved satisfaction with Value and Affordability helped lift Overall Satisfaction

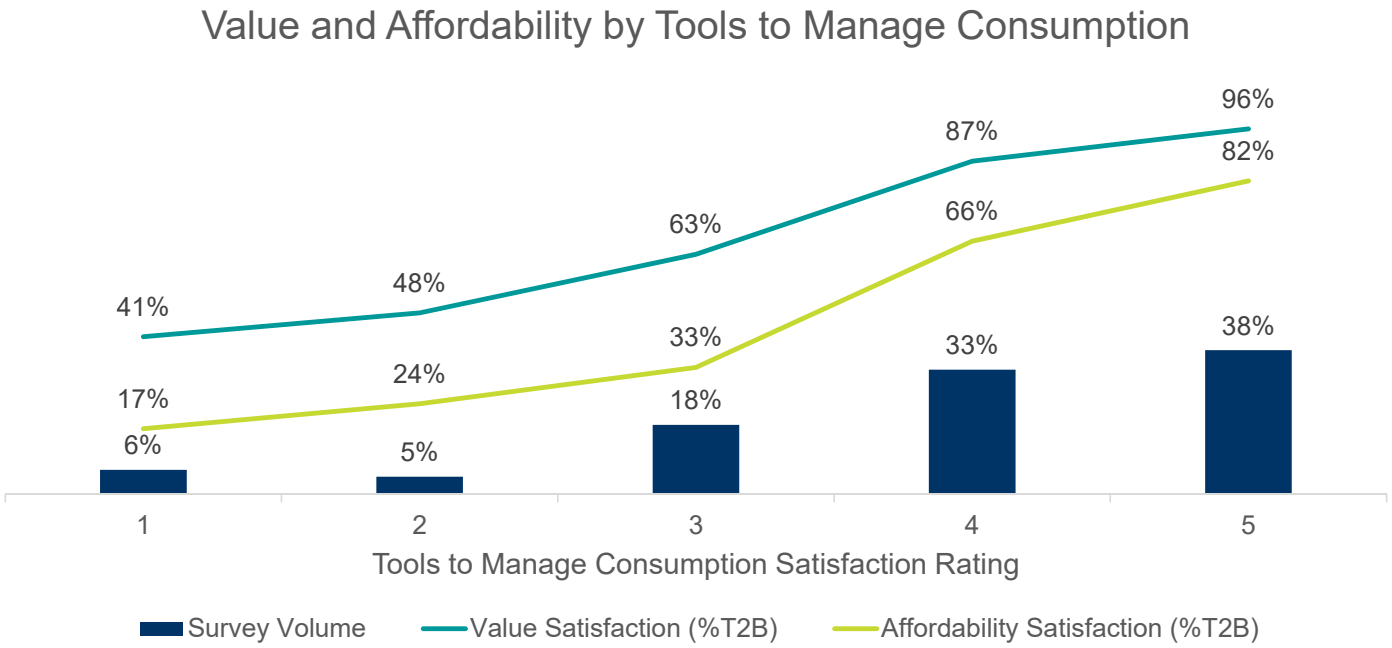
Tools to Manage Consumption help improve satisfaction with Value and Affordability.



▲/▼ Indicates significantly higher/lower performance vs. previous time period. Results are Percent Top 2 Box.

Value and Affordability ratings are higher when people are happy with Consumption Tools

Promote these tools, particularly with new customers who may not be aware of them.

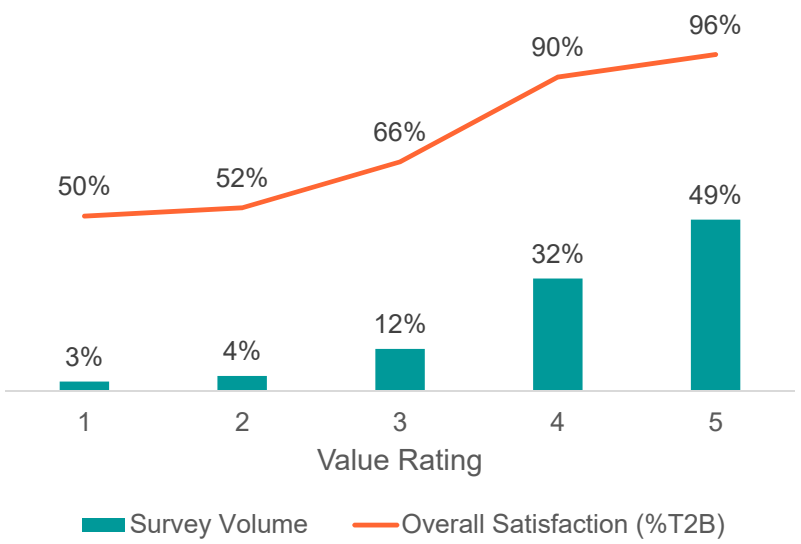


***I like the programs that make it more affordable**. I have been given a credit that make my bills lower.*

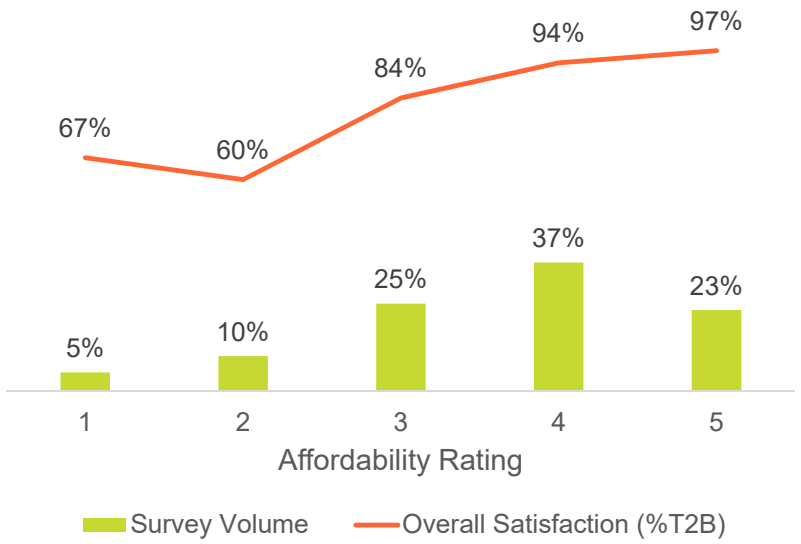
Value and Affordability are the two strongest drivers of Overall Satisfaction

Affordability satisfaction has increased 14ppts since 2017, is there anything different Brantford has done to improve perceptions of Affordability?

Overall Satisfaction by Value

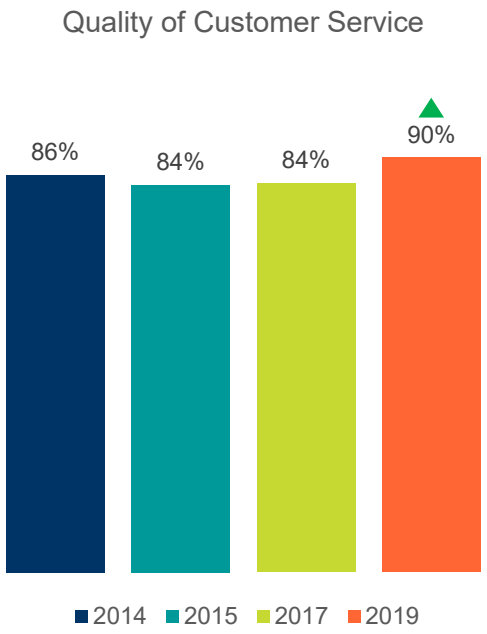


Overall Satisfaction by Affordability



Additionally, improving Customer service has contributed to higher satisfaction

Customer Service satisfaction has improve 6ppts since 2017.



*The other day when I called, the woman was **friendly and accommodating**.*

***The customer service is great** and the pre-authorized payment set up was fast.*

*I called to get some info about paying my tax monthly and **they sent me the application right away, everything was good**.*

*We really haven't had any issues and **anytime I've called I've received prompt service**.*

*I'm very happy and **every time I call you and come fix the problem**.*

*Anytime I've called it was **fantastic service**.*

*I never had an issue with my power. I have been here for a year. **Whenever I call everybody has been helpful**, I have never had an issues.*

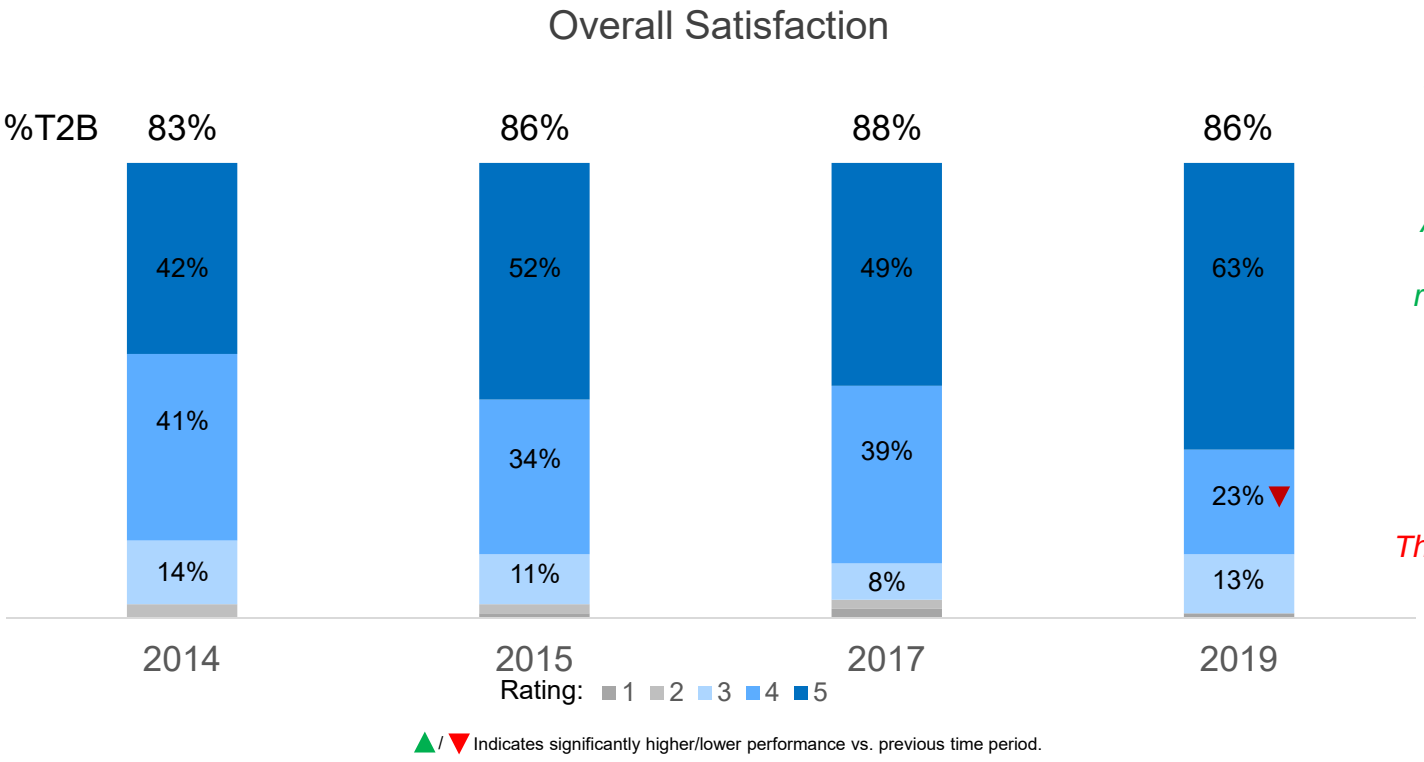
▲/▼ Indicates significantly higher/lower performance vs. previous time period. Results are Percent Top 2 Box.

Commercial

Overall Results

Commercial: Overall Satisfaction is stable

Reliability, Customer Service, and a general Lack of Problems are the most frequent reasons for positive ratings, Price was the most frequent negative comment.



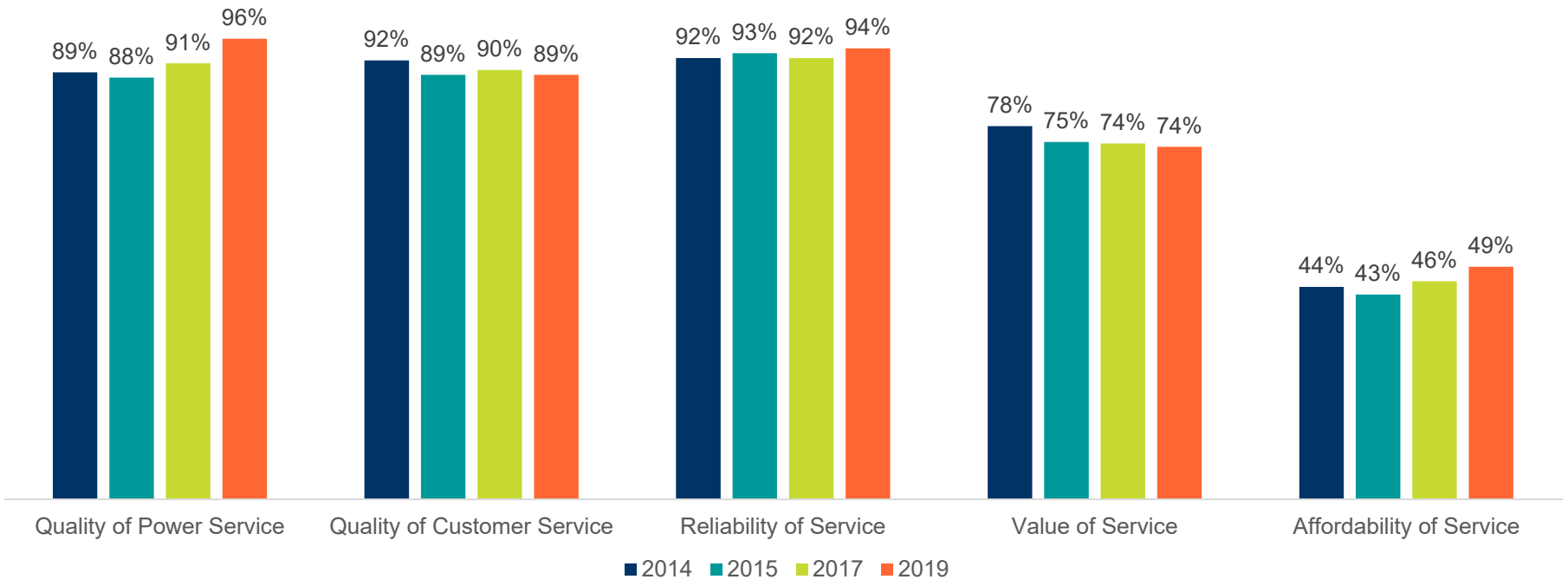
When I flip the switch the lights comes on.

Any interaction has been good. They're very helpful with quick responses to emails. Very good experiences.

Never had any problems with Brantford Power.

The rates have gone up, our power goes out randomly.

KPIs are stable, Value and Affordability have the lowest satisfaction

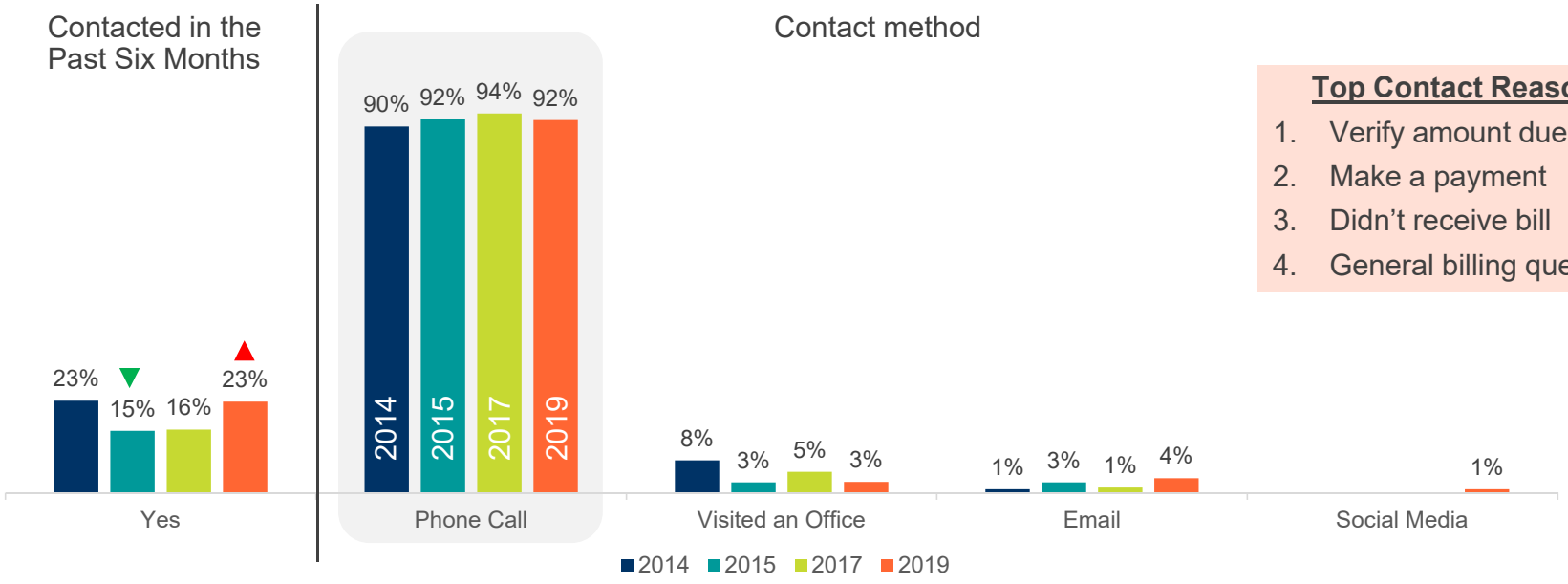


▲/▼ Indicates significantly higher/lower performance vs. previous time period. Results are Percent Top 2 Box.

Billing and Communication

Residential: Customers typically contact Brantford by phone

Past Six Month contacts are up, predominantly for billing related issues.



Top Contact Reasons

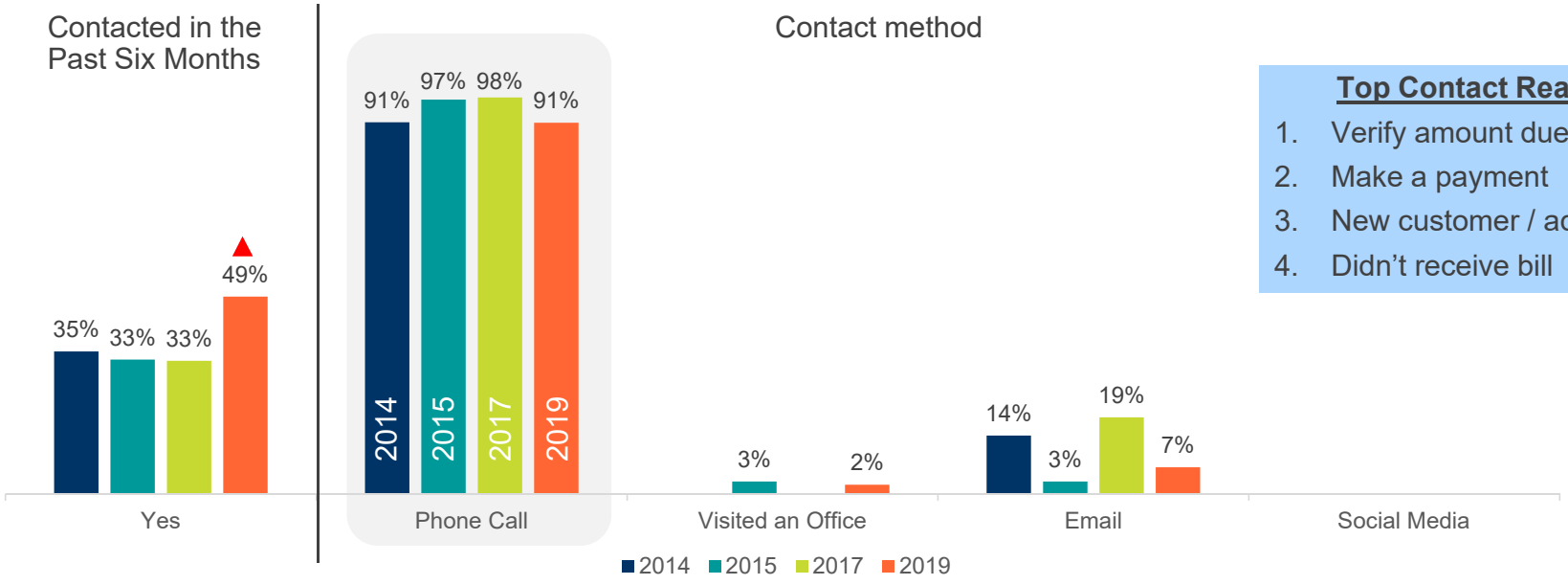
1. Verify amount due
2. Make a payment
3. Didn't receive bill
4. General billing questions

▲/▼ Indicates significantly higher/lower performance vs. previous time period.

*Social Media option added to the survey in 2019

Commercial: Business contact more frequently than Residential, mostly by phone

Nearly half of all business needed to contact Brantford in the past six months, generally for billing related issues.



Top Contact Reasons

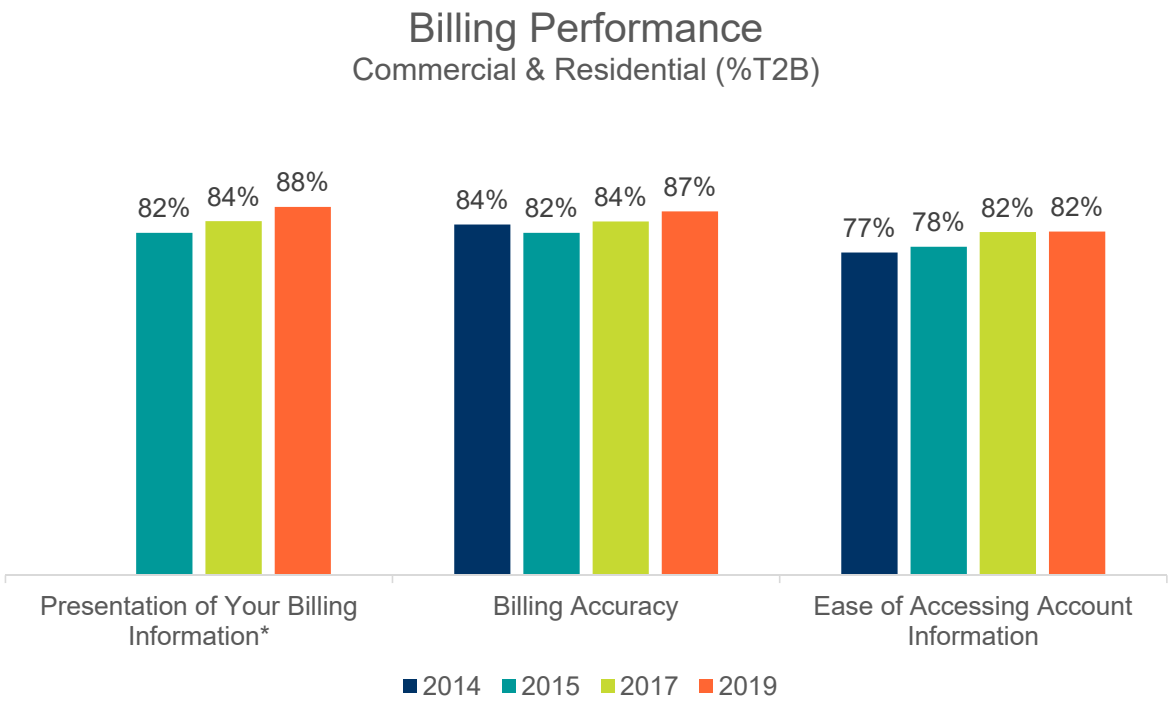
1. Verify amount due
2. Make a payment
3. New customer / add service
4. Didn't receive bill

▲/▼ Indicates significantly higher/lower performance vs. previous time period.

*Social Media option added to the survey in 2019

Residential and Commercial combined: Billing satisfaction is trending up

Some customers noted they didn't receive a bill for long periods of time. Is this related to the new CIS billing system?



I moved into my new place in August and have not received my first bill yet.

I was at my house for four months and didn't receive a bill. The fifth month I got three bills in one week.

I wasn't receiving bills after they switched to a new system.

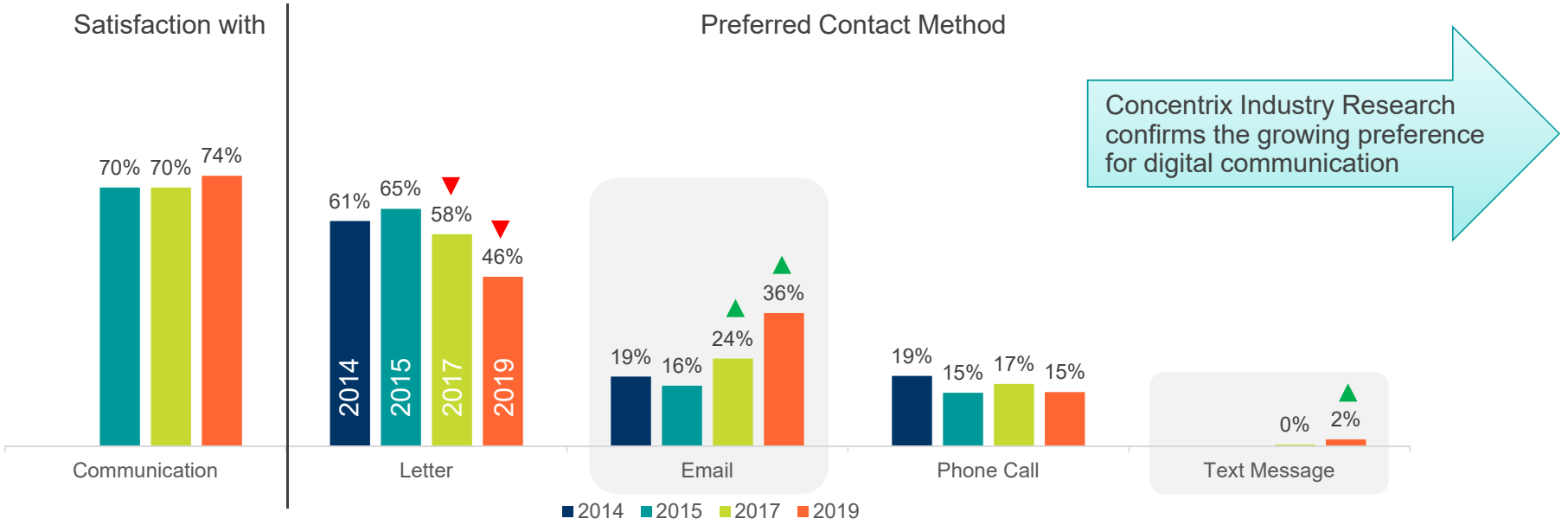
I got everything set up and it went well. I haven't received a bill yet. I called and they said they sent it to the wrong address.

*New questions starting 2015

▲/▼ Indicates significantly higher/lower performance vs. previous time period. Results are Percent Top 2 Box.

Residential:
Communication preferences are changing

Customers remain happy with communication while showing a greater preference for digital.



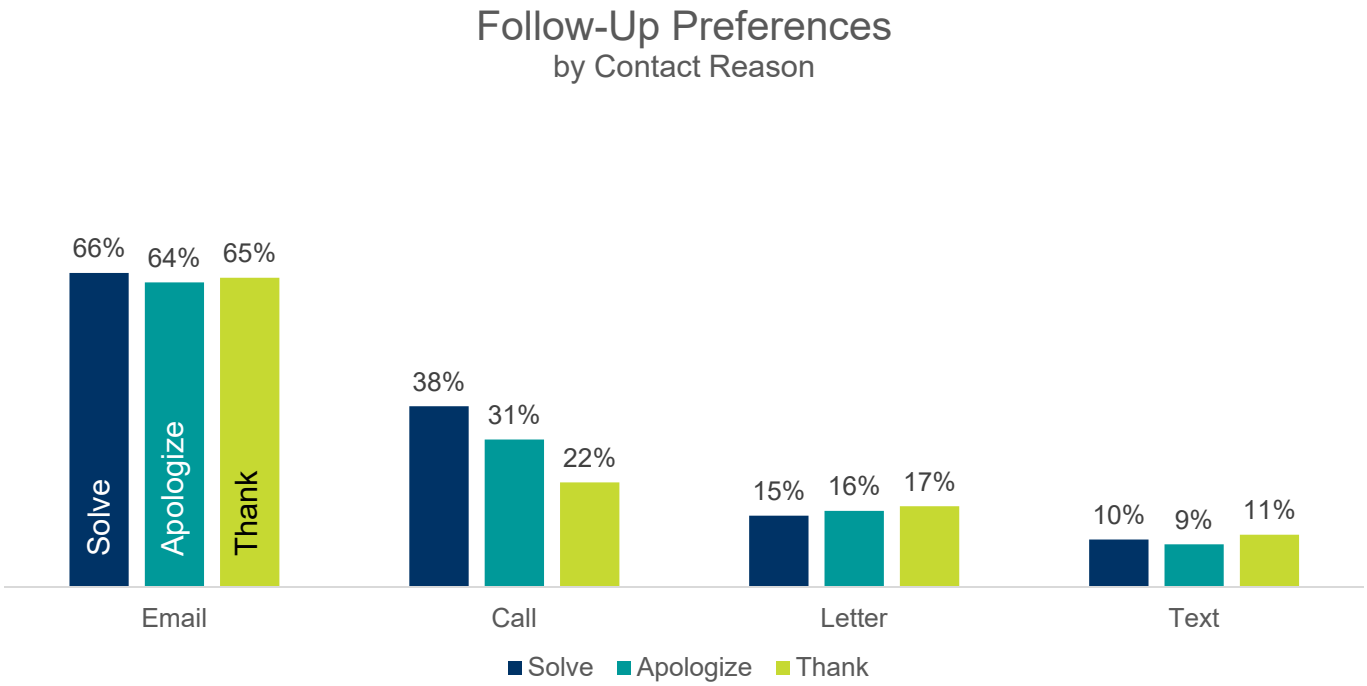
Results are Percent Top 2 Box.

▲/▼ Indicates significantly higher/lower performance vs. previous time period

Concentrix Industry Research

Concentrix Research: Follow-Up Preferences

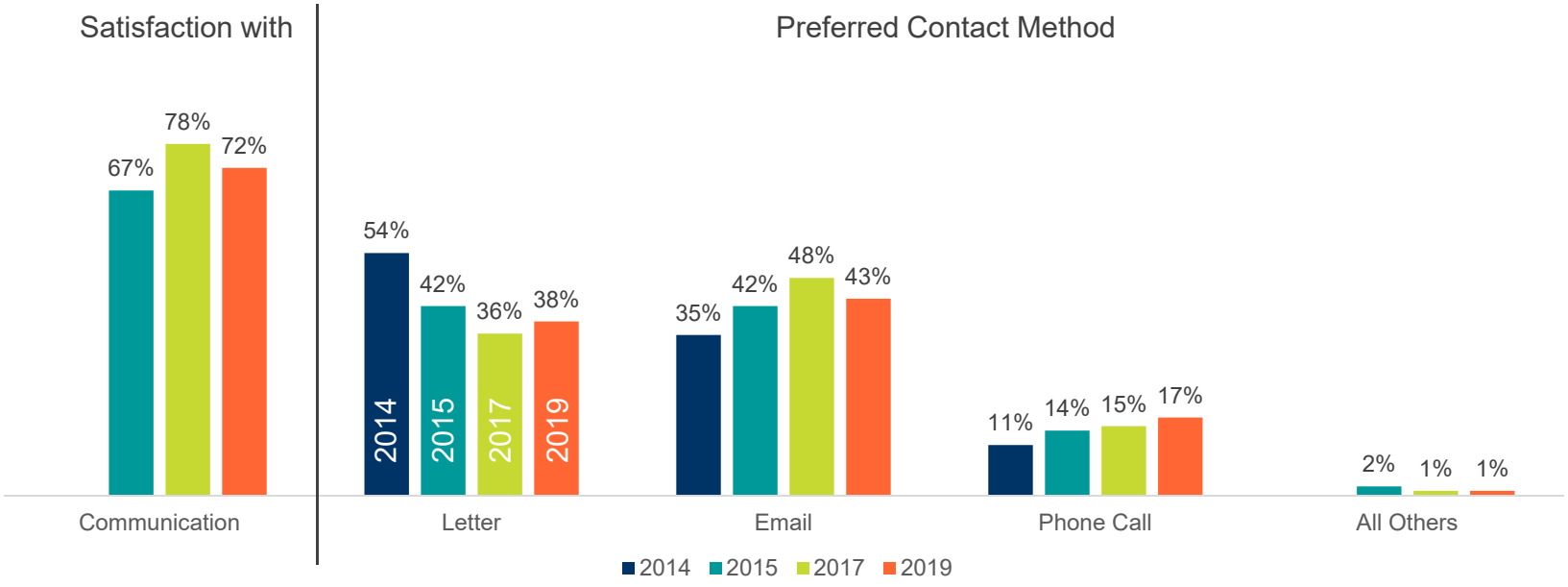
When it comes to follow-up contacts Concentrix research shows a clear preference for Email.



Source: Concentrix Industry Research, 'Surveying in a Digital Age'

Commercial:
Satisfaction with Communication is stable

There is a general trend away from letters toward email.



Results are Percent Top 2 Box.

▲/▼ Indicates significantly higher/lower performance vs. previous time period

California wildfires highlight the importance of communication, particularly around outages

Pacific Gas & Electric did a poor job communicating planned outages. Below are quotes from a Forbs.com article regarding the communication of power shutdowns.

- **As Pacific Gas & Electric deliberately shut off power to homes and businesses to prevent wildfires, it has failed to communicate with California officials**, given conflicting accounts about when the lights would go out and advised people to get information "the old-fashioned way, through calling on a landline."
- **PG&E faced crushing condemnation for its poor execution in the first widespread blackout** Oct. 9 — its website failed, and customers couldn't get through by phone. **People were confused about when and where the power would go out.**
- **Local governments complained about the lack of communication before the Oct. 9 outage and filed reports with regulators**. In a response filed Wednesday with the Public Utilities Commission, PG&E acknowledged "various, and in some cases, extreme, shortcomings, including failure of the website, and coordination with state local and tribal governments" during the shut-off.
- Many of its customers disagreed [with PG&E that communication was improving], saying **it was difficult to get to a map of outages and find specifics on when the electricity would go off or come back on**.
- "**Every time PG&E gives us information, we're really not certain whether it's accurate or not, or if that's what actually will happen**," said Carmel Angelo, Mendocino County administrator.

Jonathan J. Cooper, Juliet Williams, and The Associated Press. "Anger Grows as PG&E Struggles to Communicate During Power Shutdown." Fortune https://fortune.com/2019/10/31/pge-power-shutdown-communication-wildfires/ Accessed 12 November 2019

Future Survey Considerations

Potential survey additions for deeper analysis

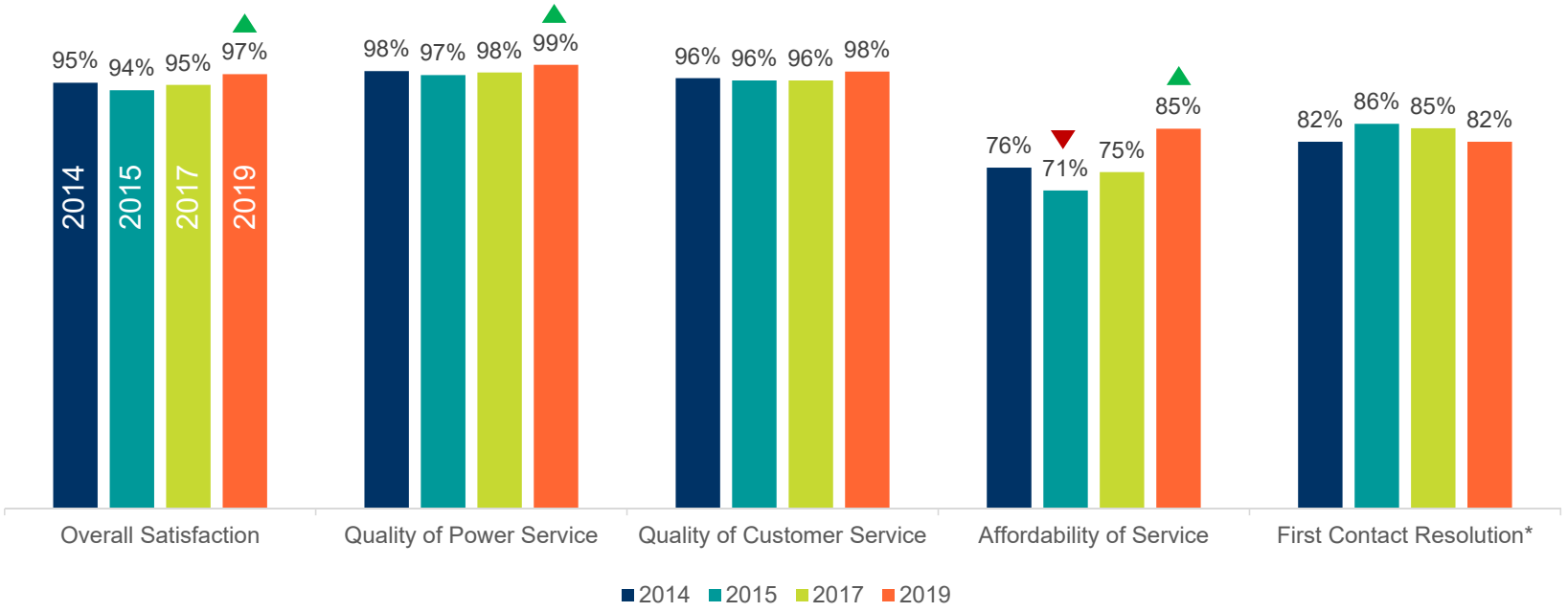
Appending data and / or adding new questions can lead to new insights.

- Is there customer information you have that could be appended to survey results?
  - Energy usage
  - Geography
  - Customer tenure
- Are there additional questions you'd like to get answers to?
  - Feeling of Trust
  - Likely to Recommend Brantford
  - Customer journey satisfaction, such as satisfaction with the onboarding process

Appendix

Top Three Box Ratings: Ontario Energy Board (OEB) Requirements

All non-transactional KPIs improved in 2019 while lower FCR is largely due to the impact of the new CIS billing system launched in April, 2019.



FCR Survey Dates

2014: 10/1/14 – 11/31/14

2015: 0/1/14 – 1/29/15

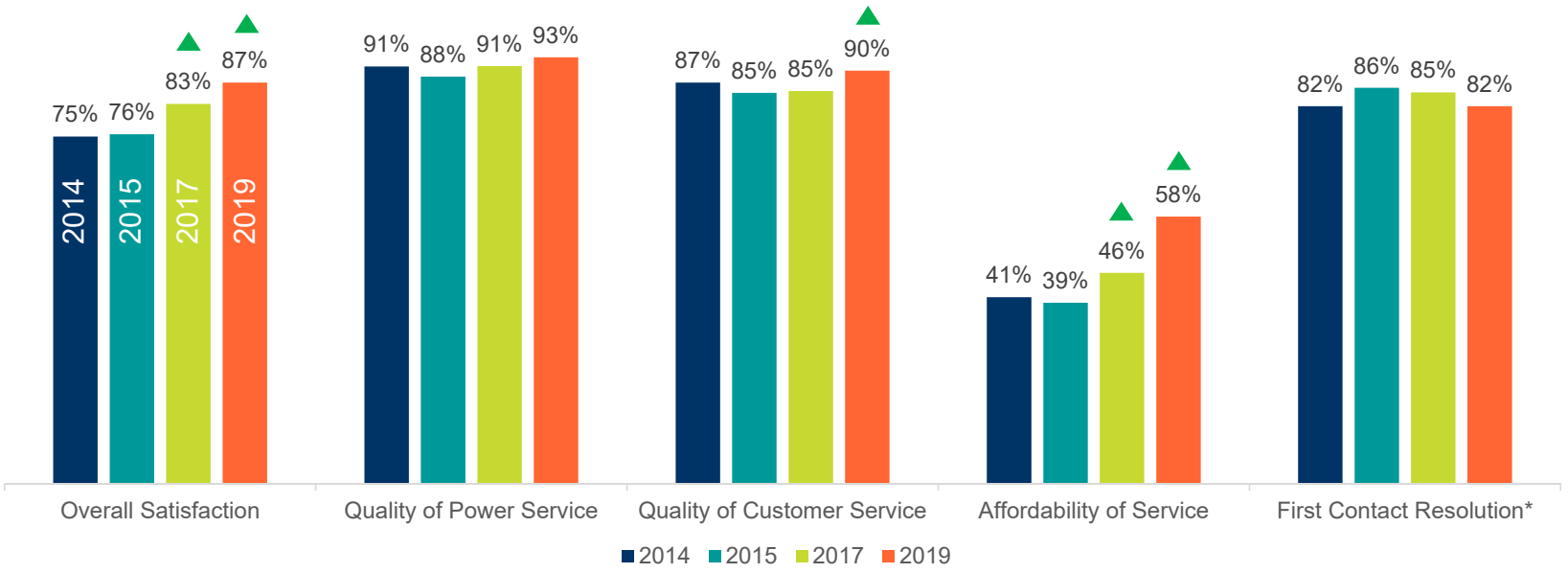
2017: 1/1/17 – 10/1/17

2019: 1/1/19 – 7/19/19

Total results (excluding FCR) are Commercial (n=100) and Residential (n=500) combined, with a margin of error <= +/- 4% at 95% confidence.
*First Contact Resolution (FCR) is measured by Transactional surveys that occur after a customer interaction.
All other measures are Percent Top Three Box (%T3B), the percent rating a 3, 4, or 5, from the "Top-Down" survey which measures the entire customer experience.

Top Two Box Ratings:
Ontario Energy Board (OEB) Requirements

Several of the non-transactional KPIs improved significantly in 2019



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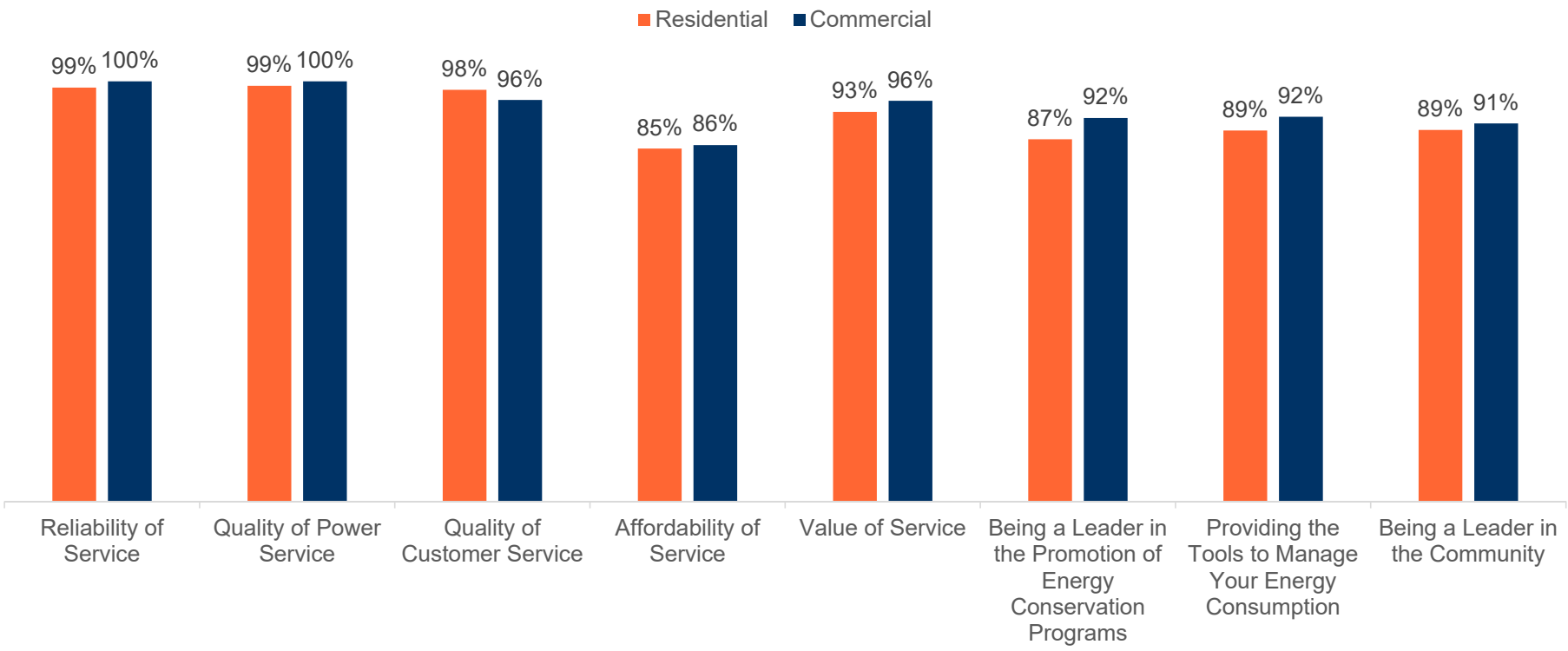
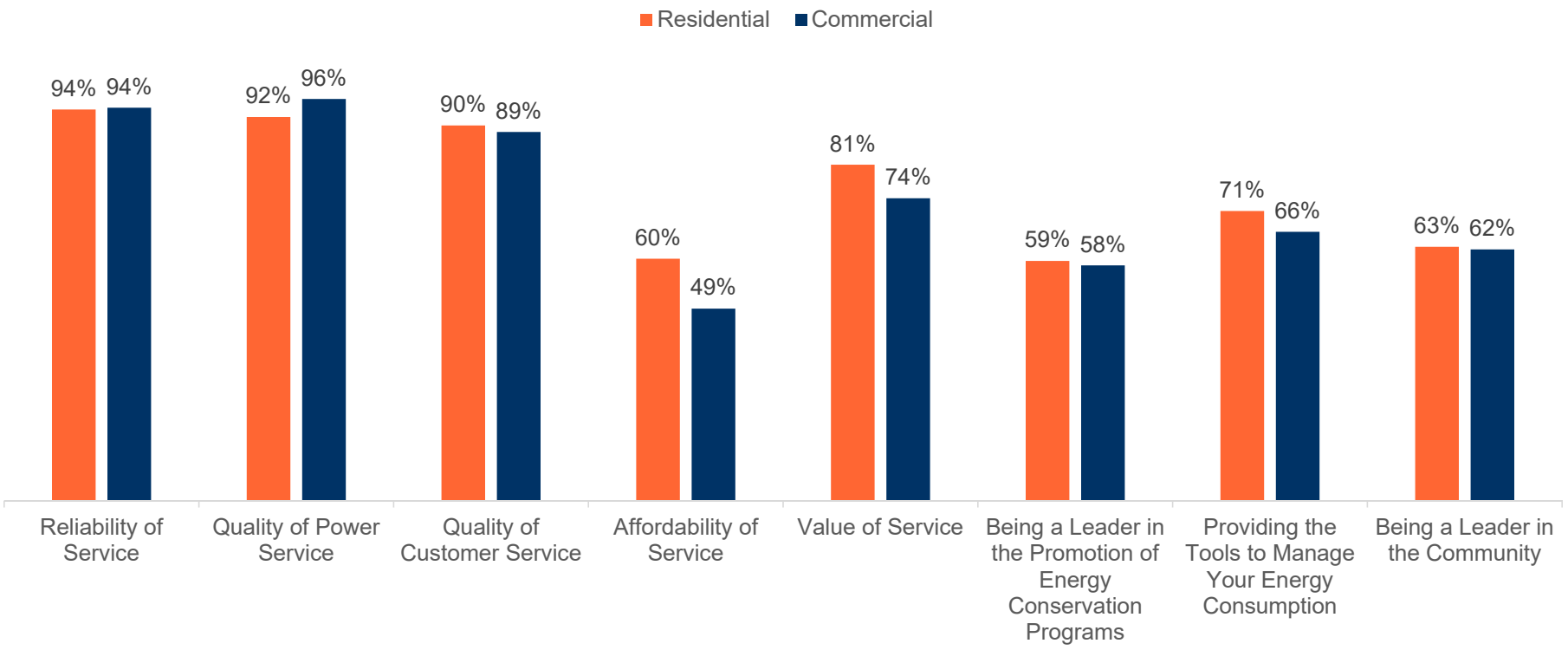
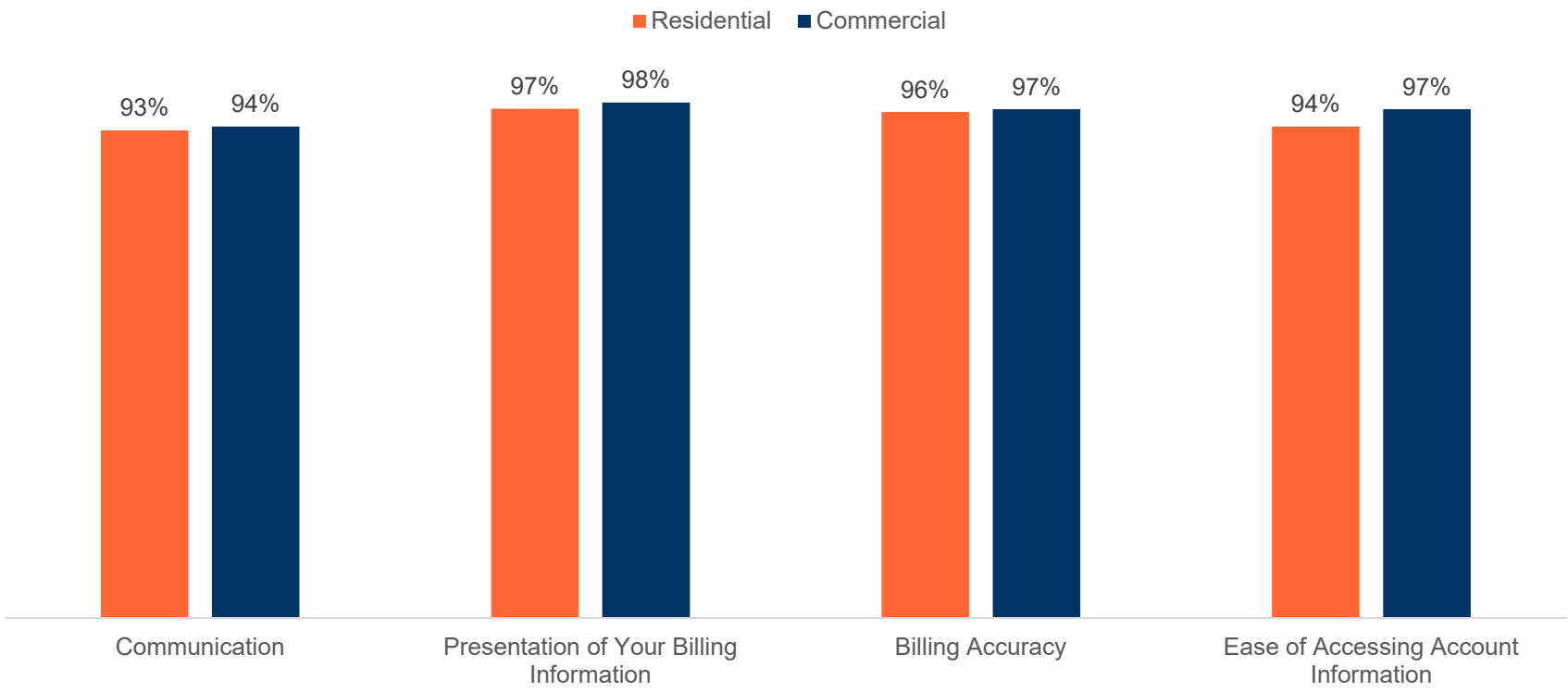
Top Three Box Ratings: Service and Brand Performance



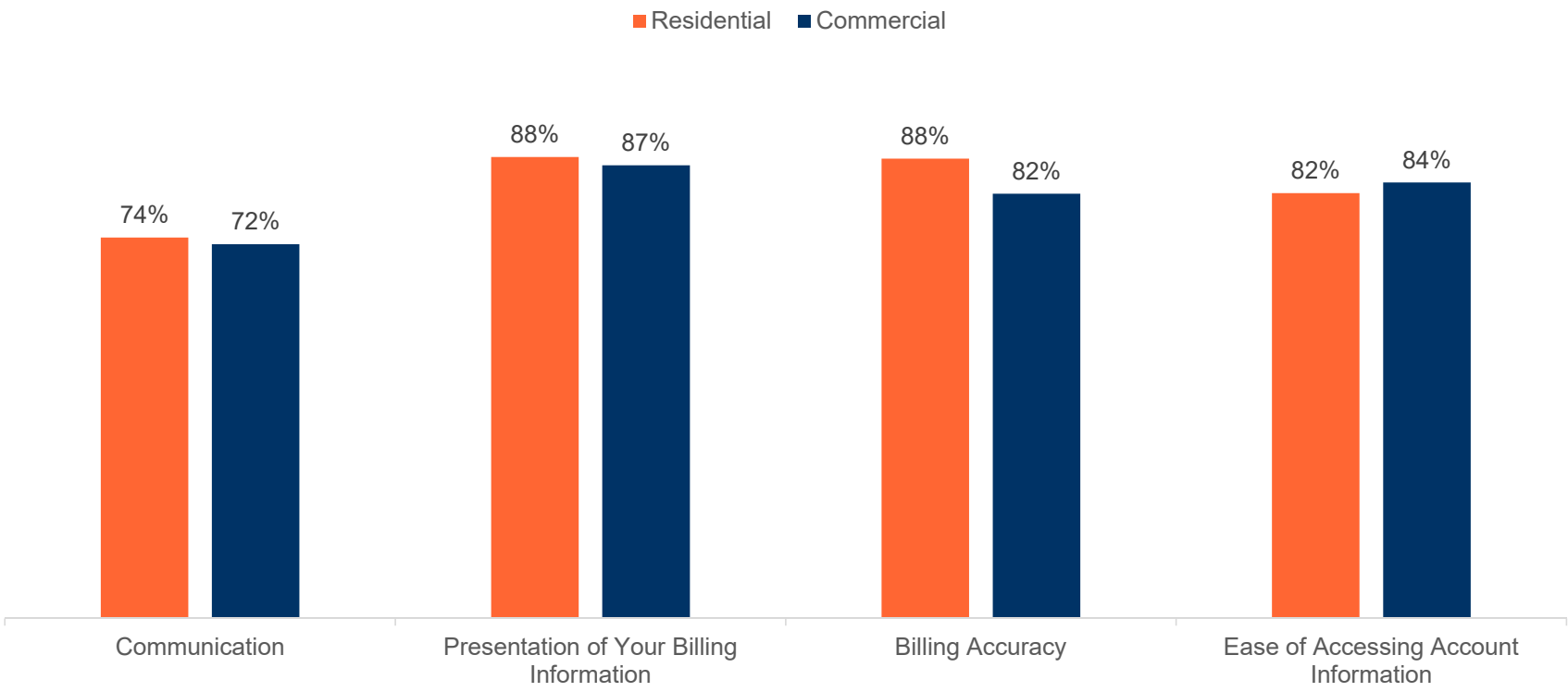
Top Two Box Ratings: Service and Brand Performance



Top Three Box Ratings: Communication and Billing

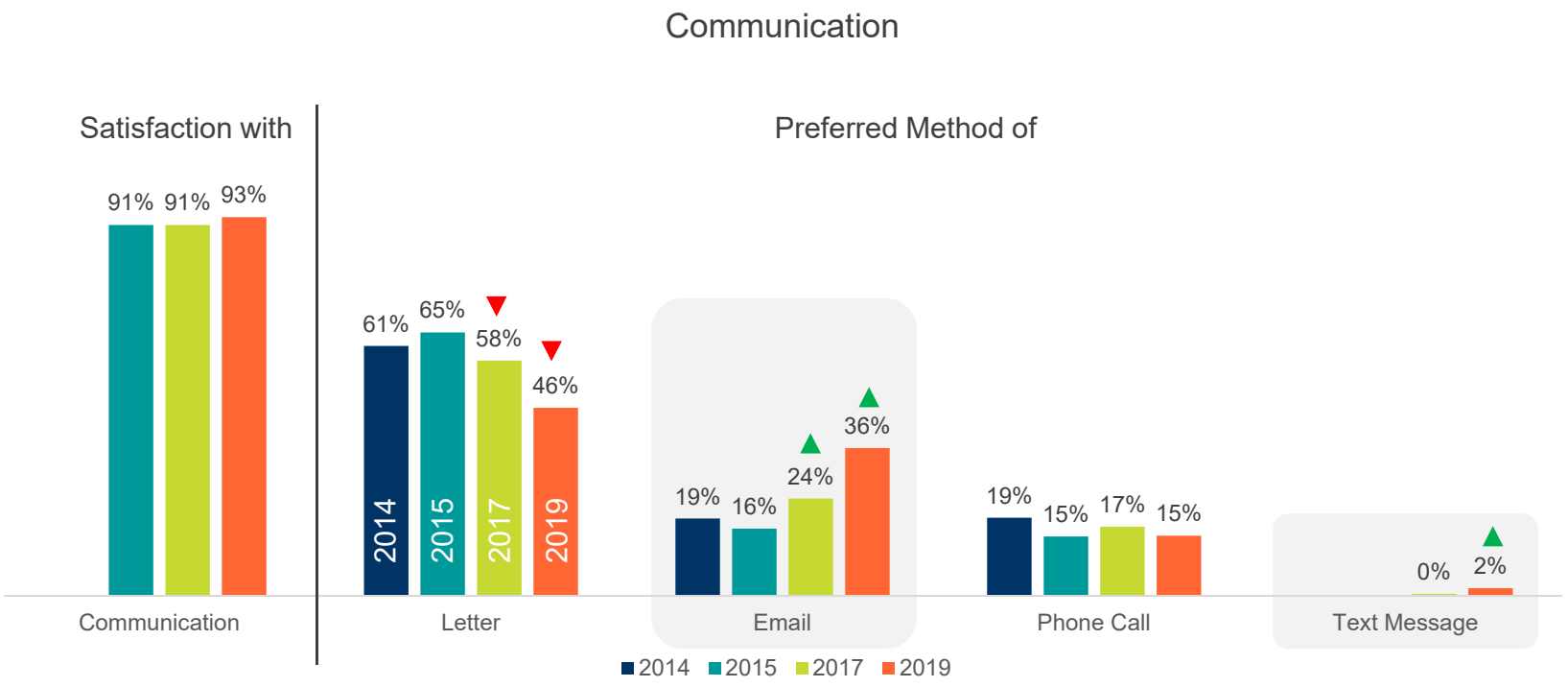


Top Two Box Ratings: Communication and Billing



Residential Top Three Box Ratings: Communication preferences are changing

Customers remain happy with communication while showing a greater preference for digital channels



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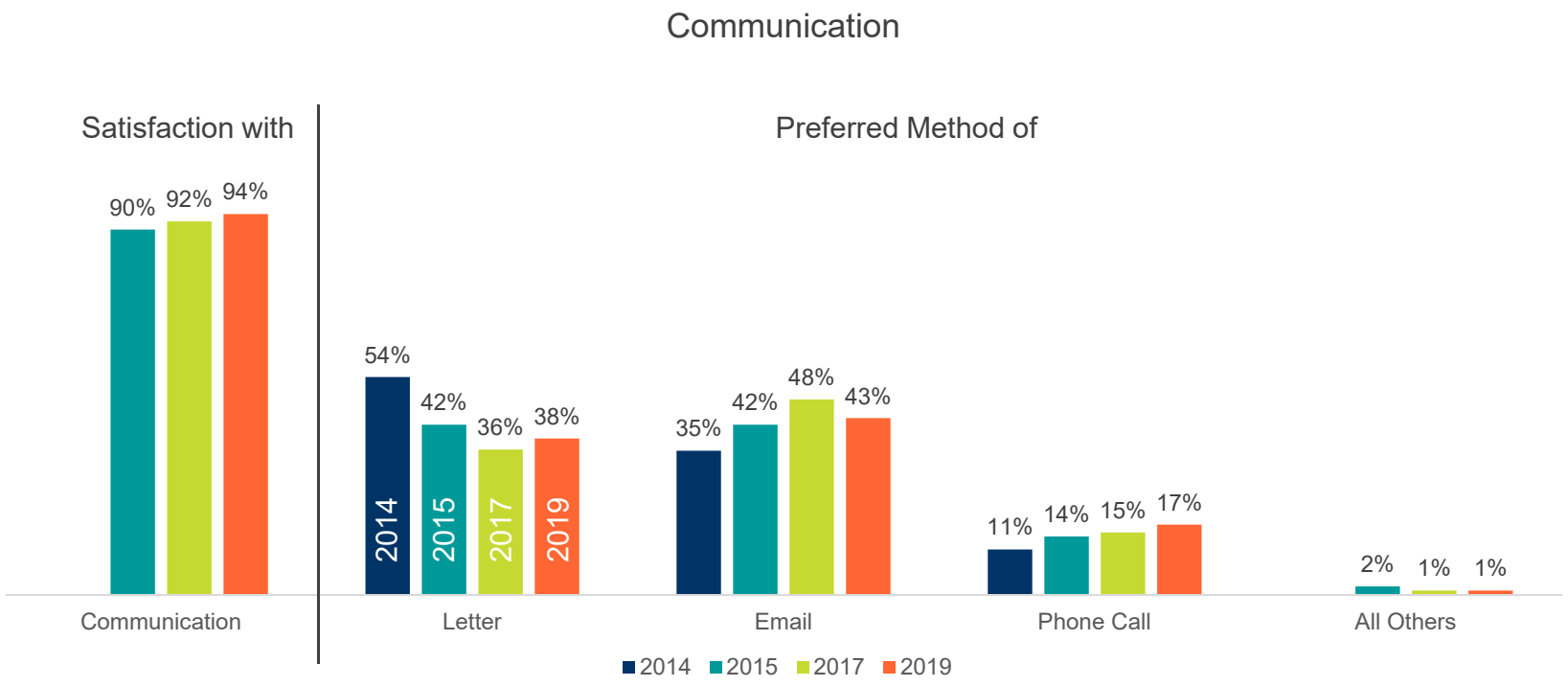
Commercial Top Three Box Ratings: Satisfaction with Communication is stable

A general trend away from letters toward email.



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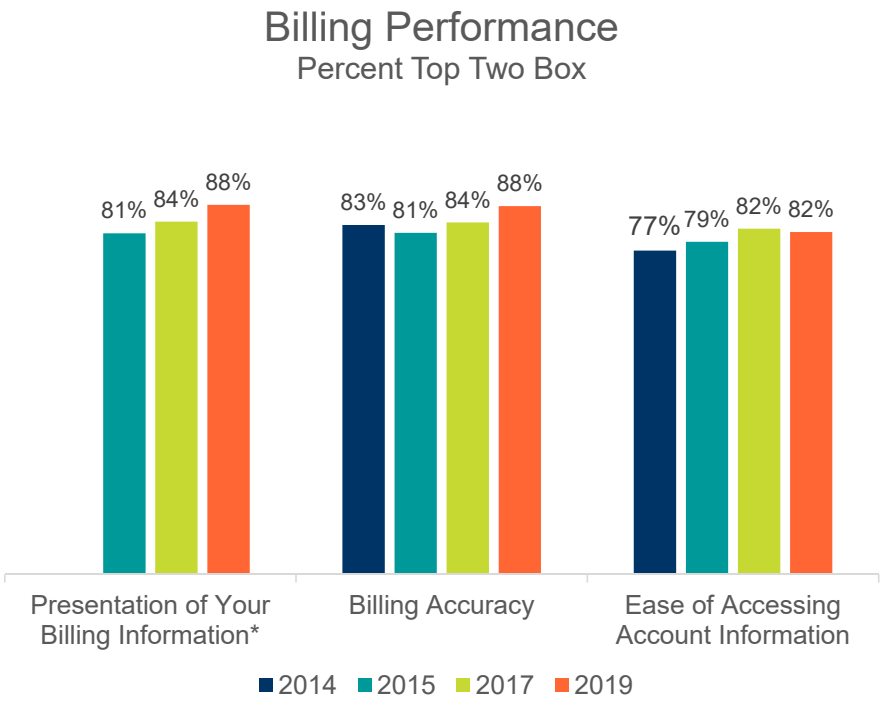
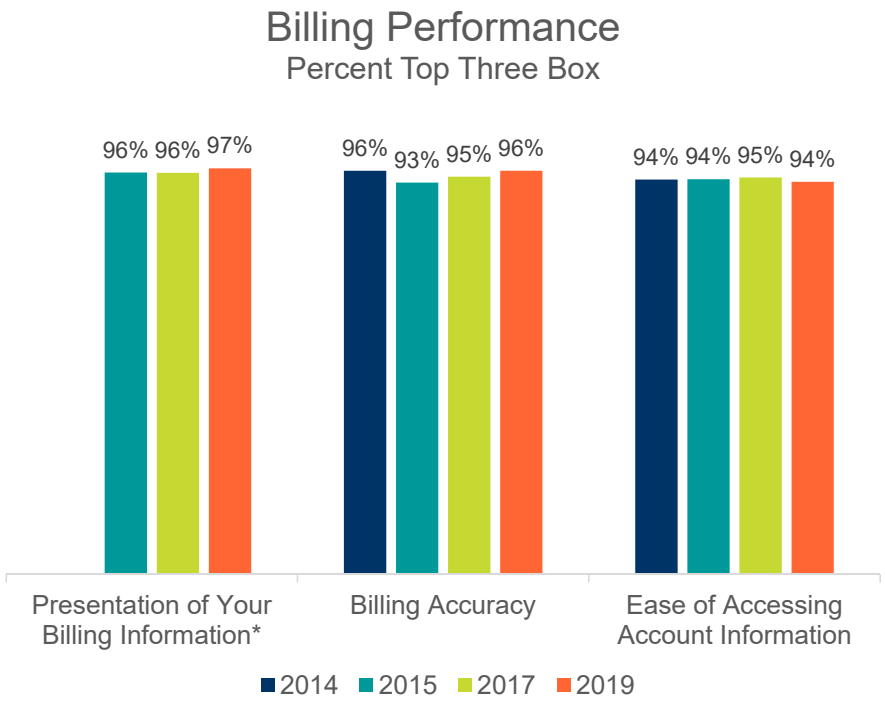
Residential Billing:
Top Two & Three Box Ratings





*New questions starting 2015

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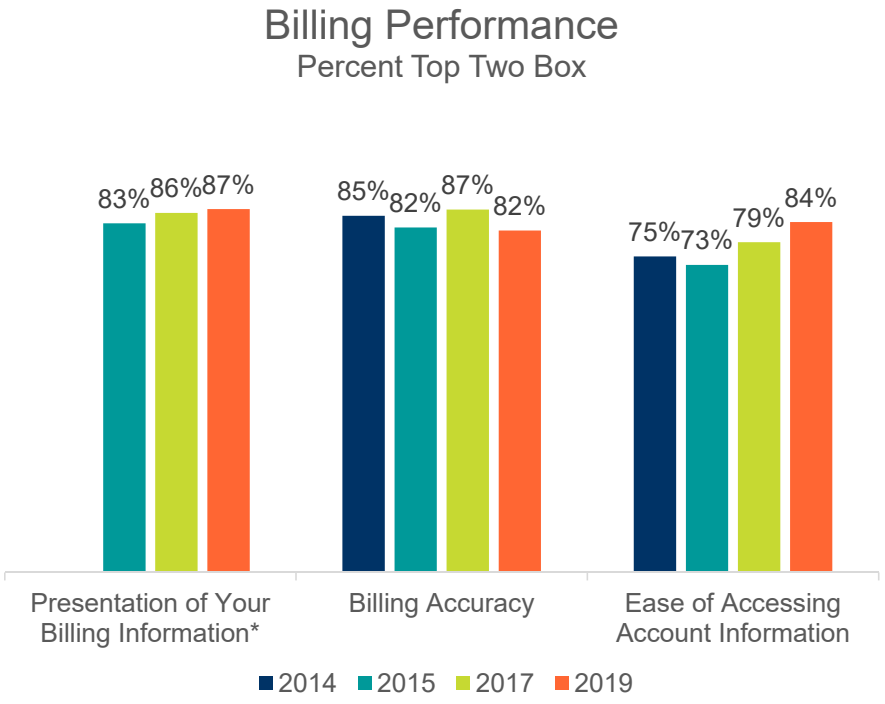
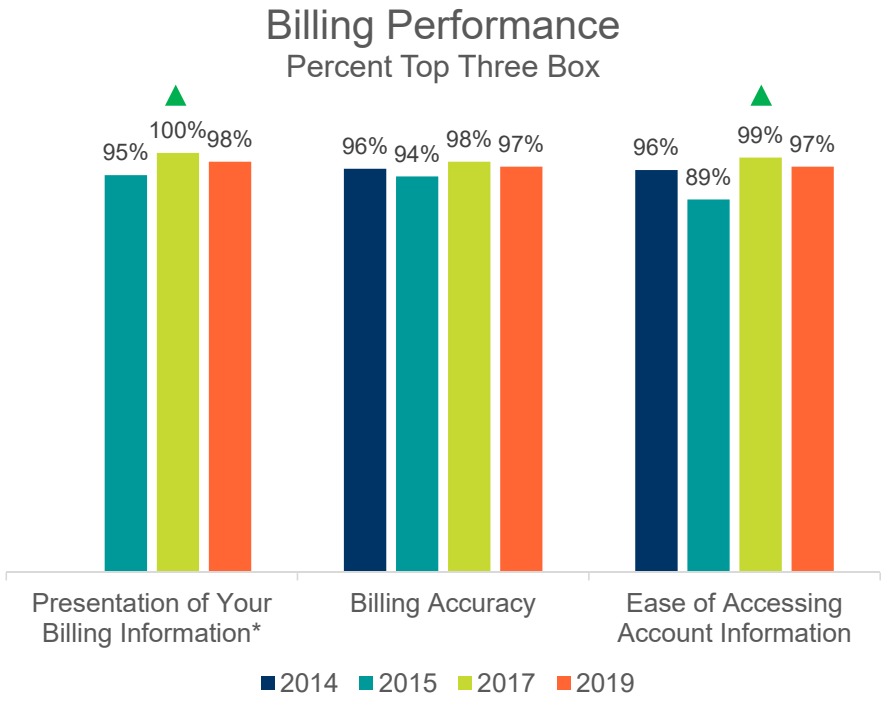
Commercial Billing:
Top Two & Three Box Ratings





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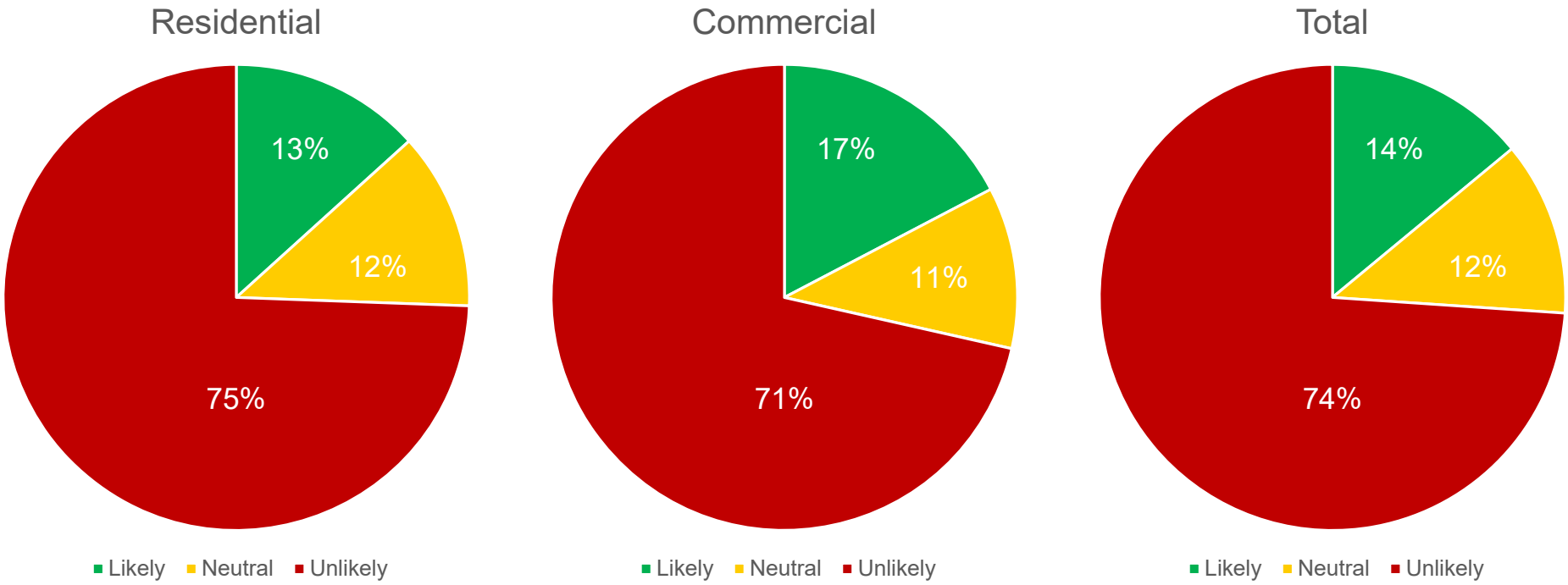
Likelihood of purchasing an electric vehicle in the next five years

Most customers do not plan on buying an electric vehicle in the near future.



Likely: 4 or 5, Neutral: 3, Unlikely: 1 or 2

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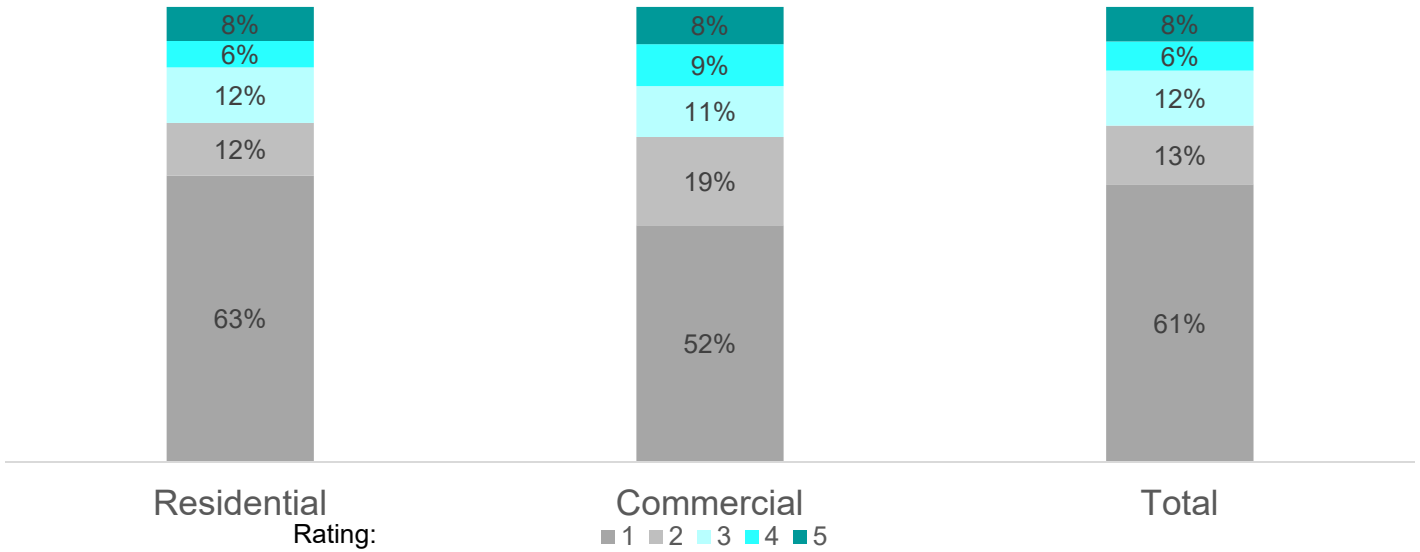
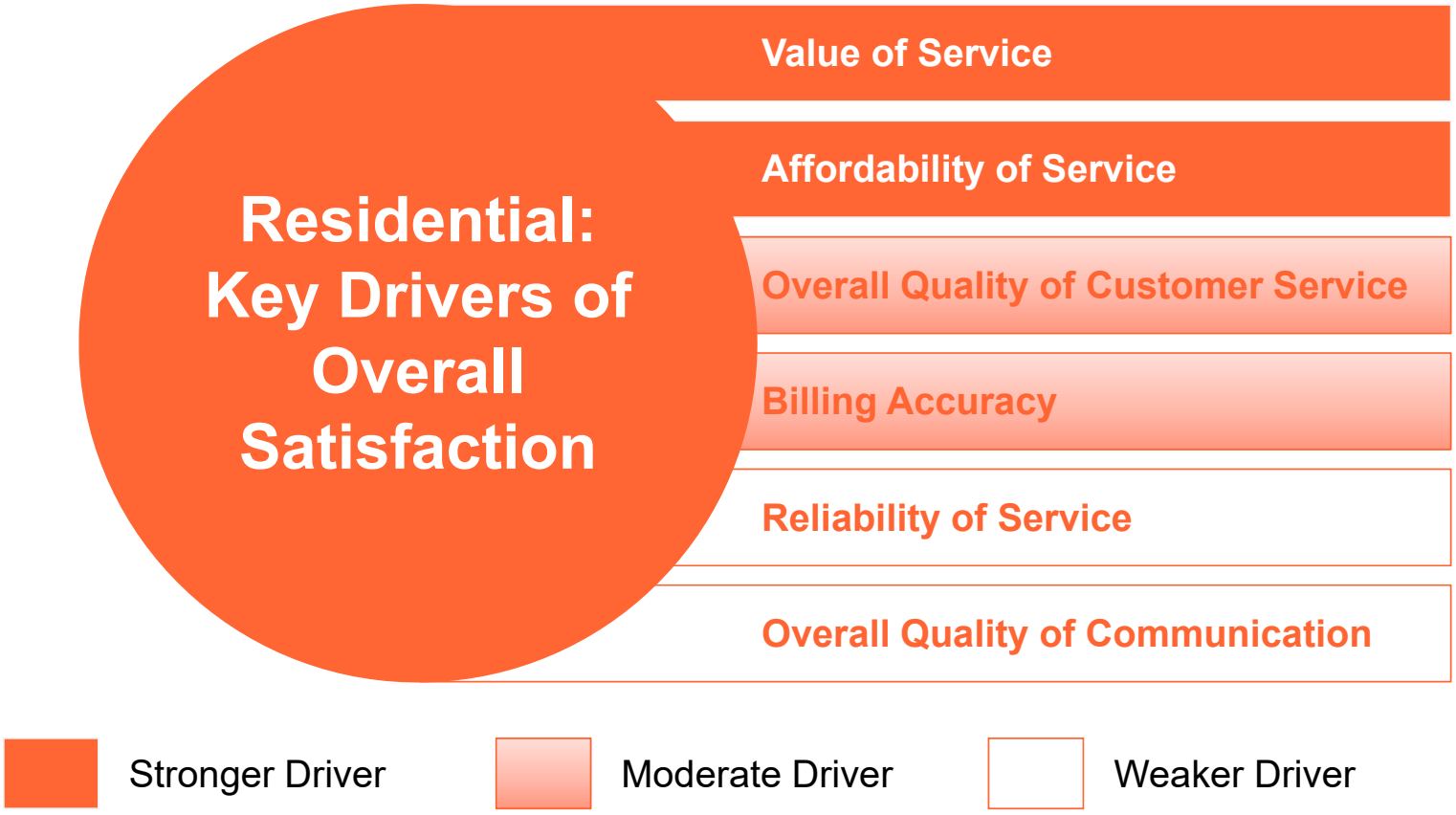


Residential:
Key Drivers of Overall Satisfaction



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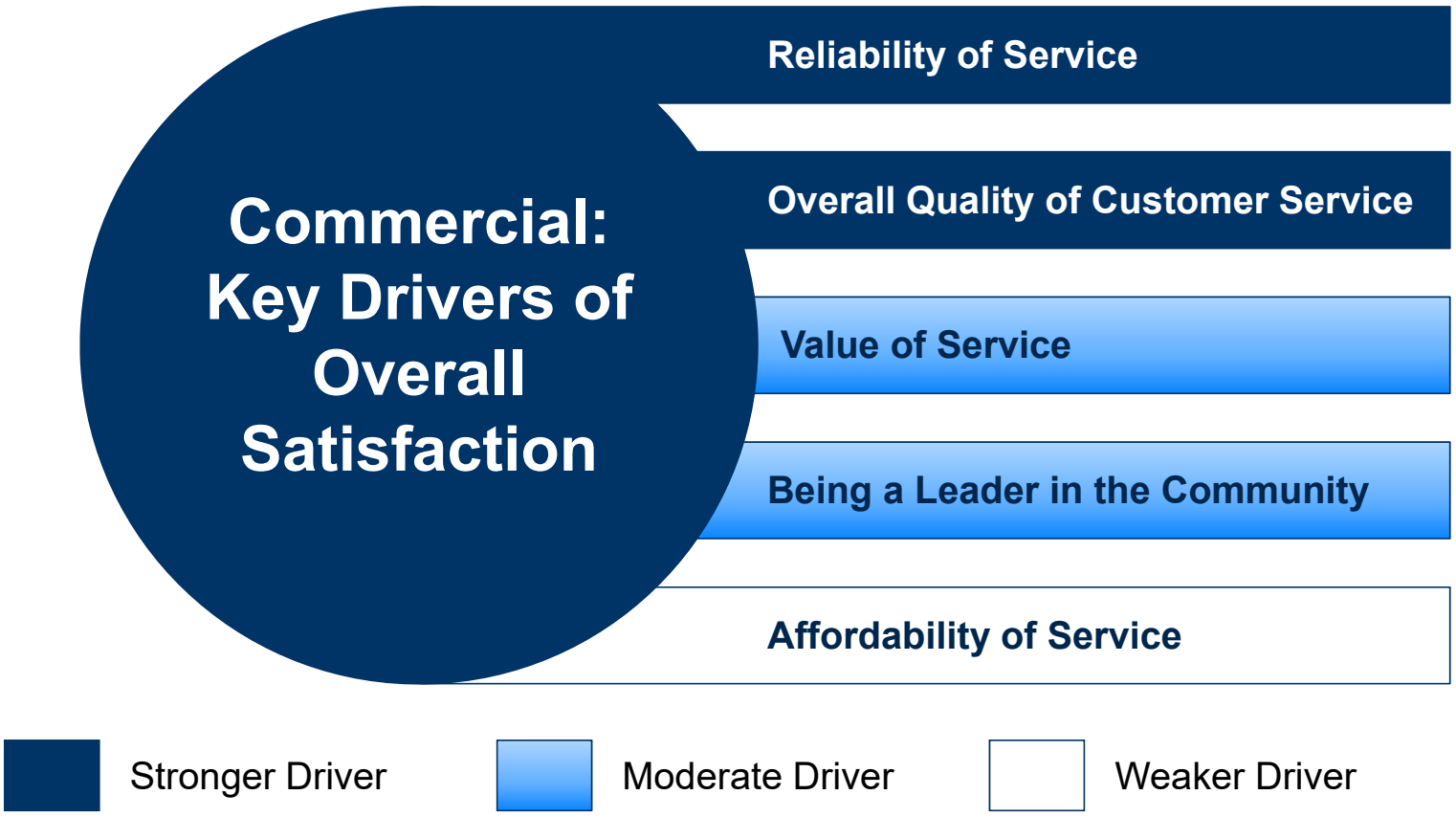


CONVERGYS ANALYTICS

Brantford Power Top-Down Study

October 19, 2017

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Service remains consistently high, opportunities around Affordability and Value

- Overall satisfaction has remained consistently high for both Business and Residential customers.
  - Continue to educate customers on the tools available to manage their energy consumption and programs for low income families to help improve Affordability of Service and Value of Service Ratings.
- Satisfaction with the bill remains consistently high for both Business and Residential customers.
- Customers show a growing preference for email communication over traditional mail.
- When they need to contact Brantford Power the overwhelming majority of customers call.
- Online Chat is emerging as a top of mind channel across all demographic profiles.
  - A chat platform may allow Brantford customers to achieve resolution more quickly and with less effort, while creating cost savings.

ONTARIO ENERGY BOARD (OEB) REQUIREMENTS

Key Metrics were stable, Affordability of Service improved directionally

Overall Satisfaction — 95%

2014: 95%, 2015: 94%

Quality of Power Service — 98%

2014: 98%, 2015: 97%

Quality of Customer Service — 96%

2014: 96%, 2015: 96%

Affordability of Service — 75%

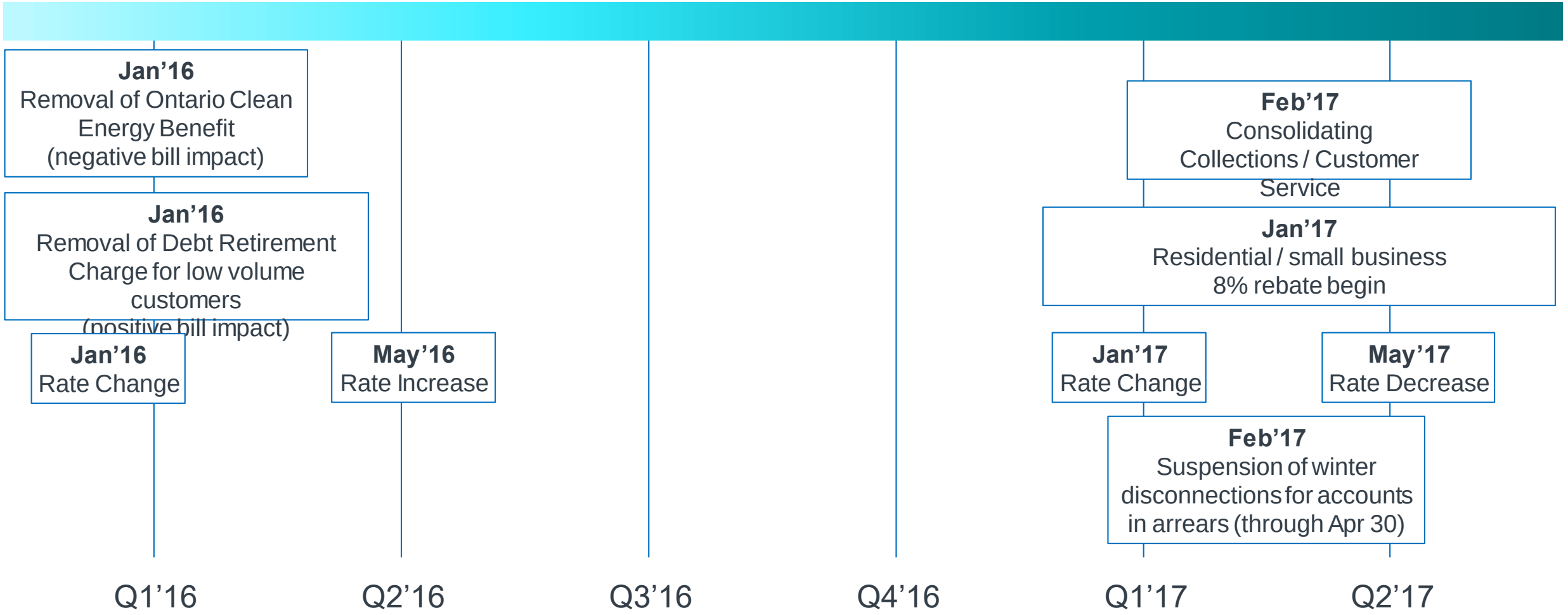
2014: 76%, 2015: 71%

First Contact Resolution* — 85%

Total results are Business (n=100) and Residential (n=500) combined, with a margin of error <= +/- 4% at 95% confidence.
*First Contact Resolution (FCR) is measured by Transactional surveys that occur after a customer interaction (data from 1/1/17 – 10/1/17, n=450).
All other measures are from the “Top-Down” survey which measures the entire customer experience.

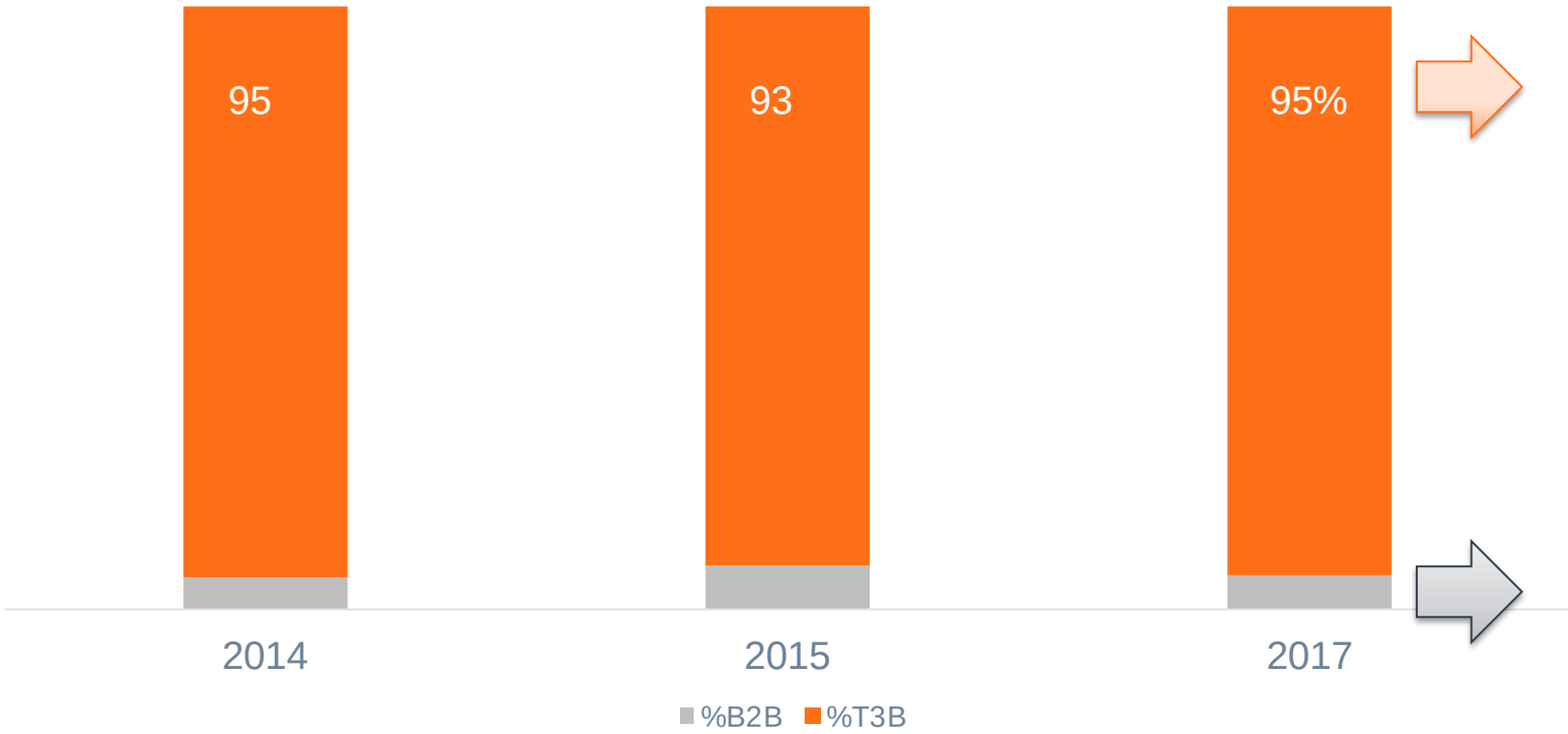
CUSTOMER SATISFACTION

KEY EVENTS TIMELINE



CUSTOMER SATISFACTION: RESIDENTIAL

Reliable Service it the biggest reason for Customer Satisfaction



Reason for Positive Ratings

No Issues – 61%
Price – 19%
Customer Service – 6%

Reason for Negative Ratings

Price – 58%

▲/▼ Indicates significantly higher/lower performance vs. previous time period. Results are Percent Top 3 Box.

CUSTOMER SATISFACTION: RESIDENTIAL

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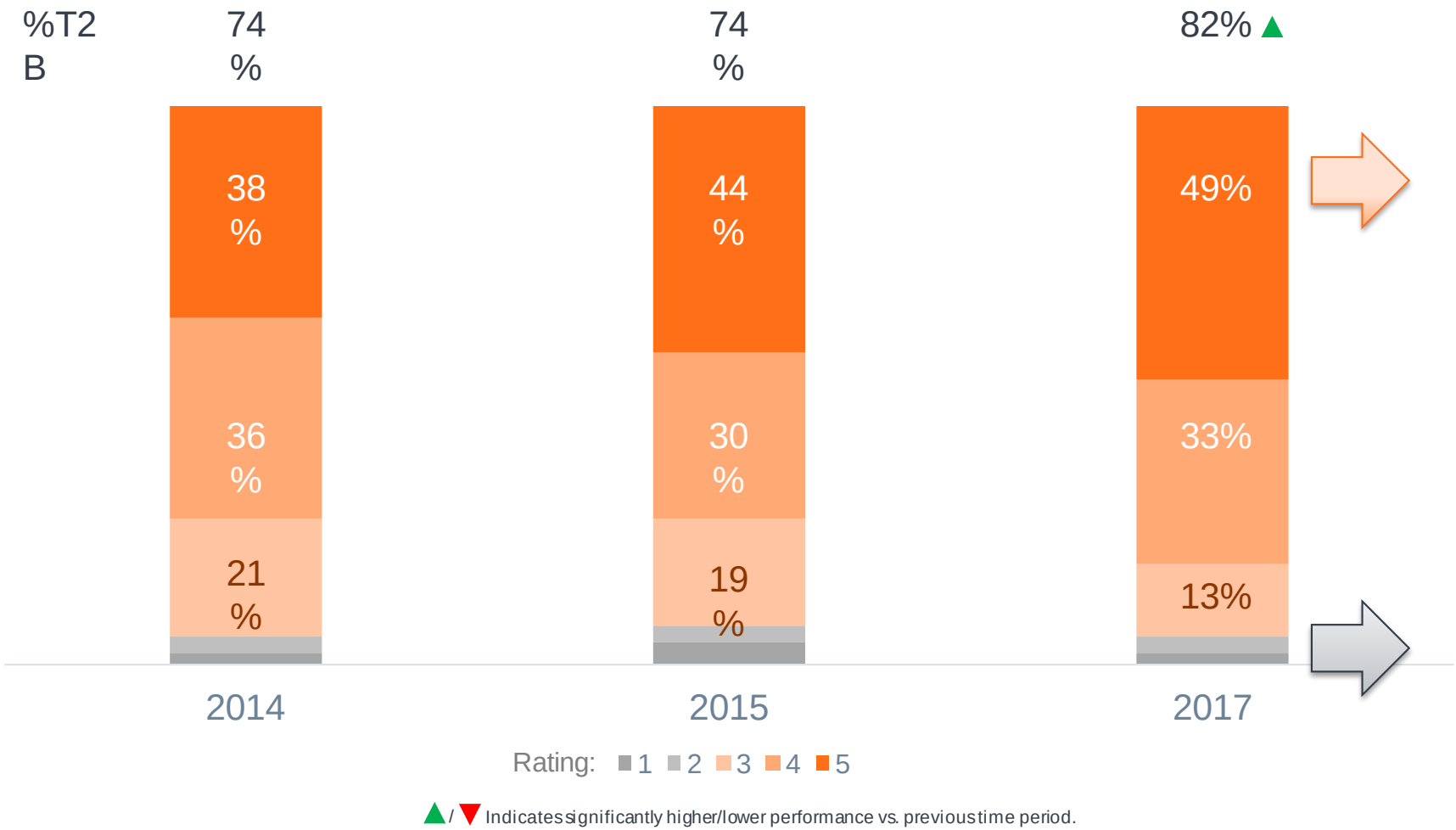

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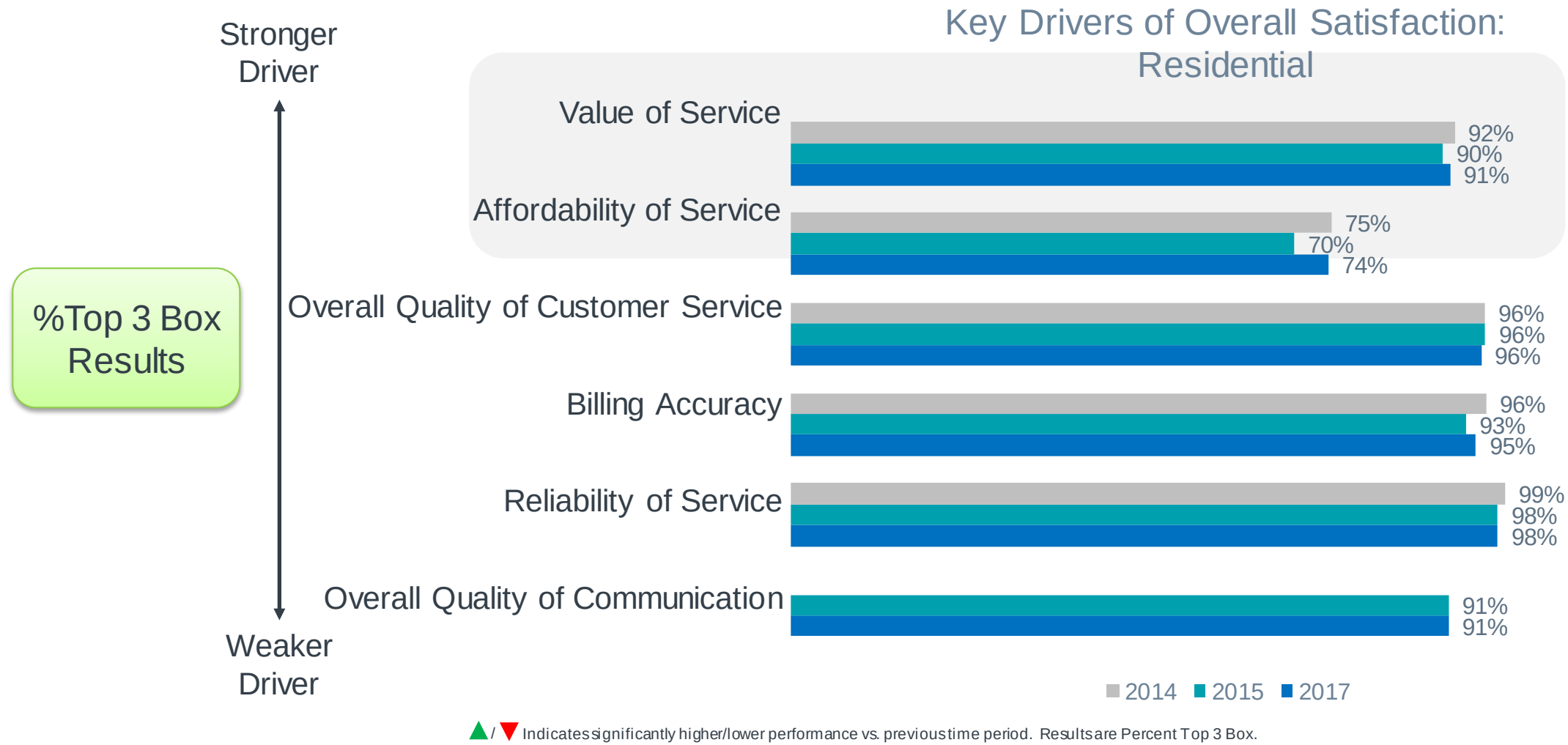
CONVERGYS

KEY DRIVERS INDICATE OPPORTUNITIES AROUND VALUE AND AFFORDABILITY

Affordability, one of the stronger drivers of Overall Satisfaction, improved directionally, but is the lowest scoring attribute



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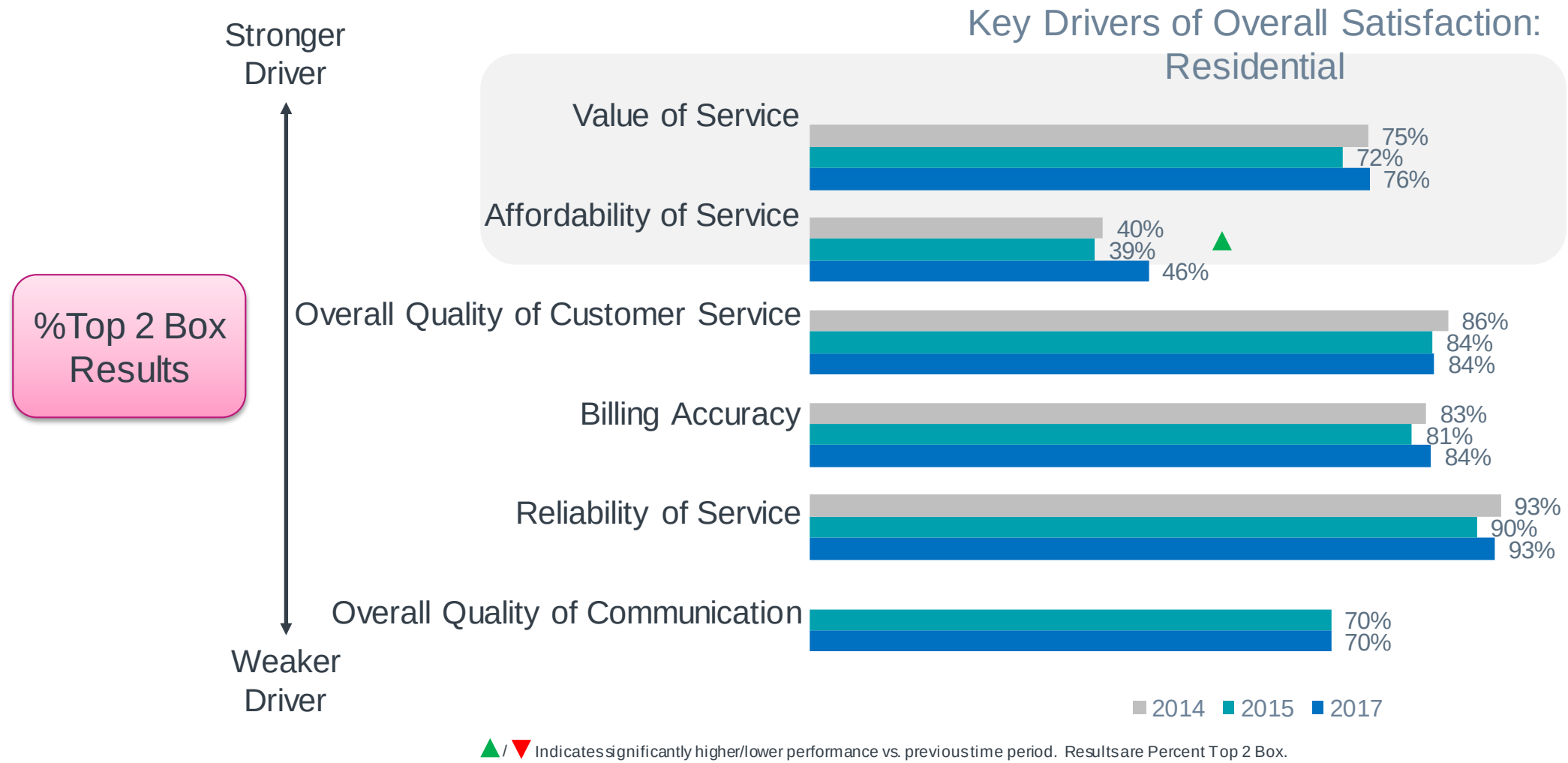

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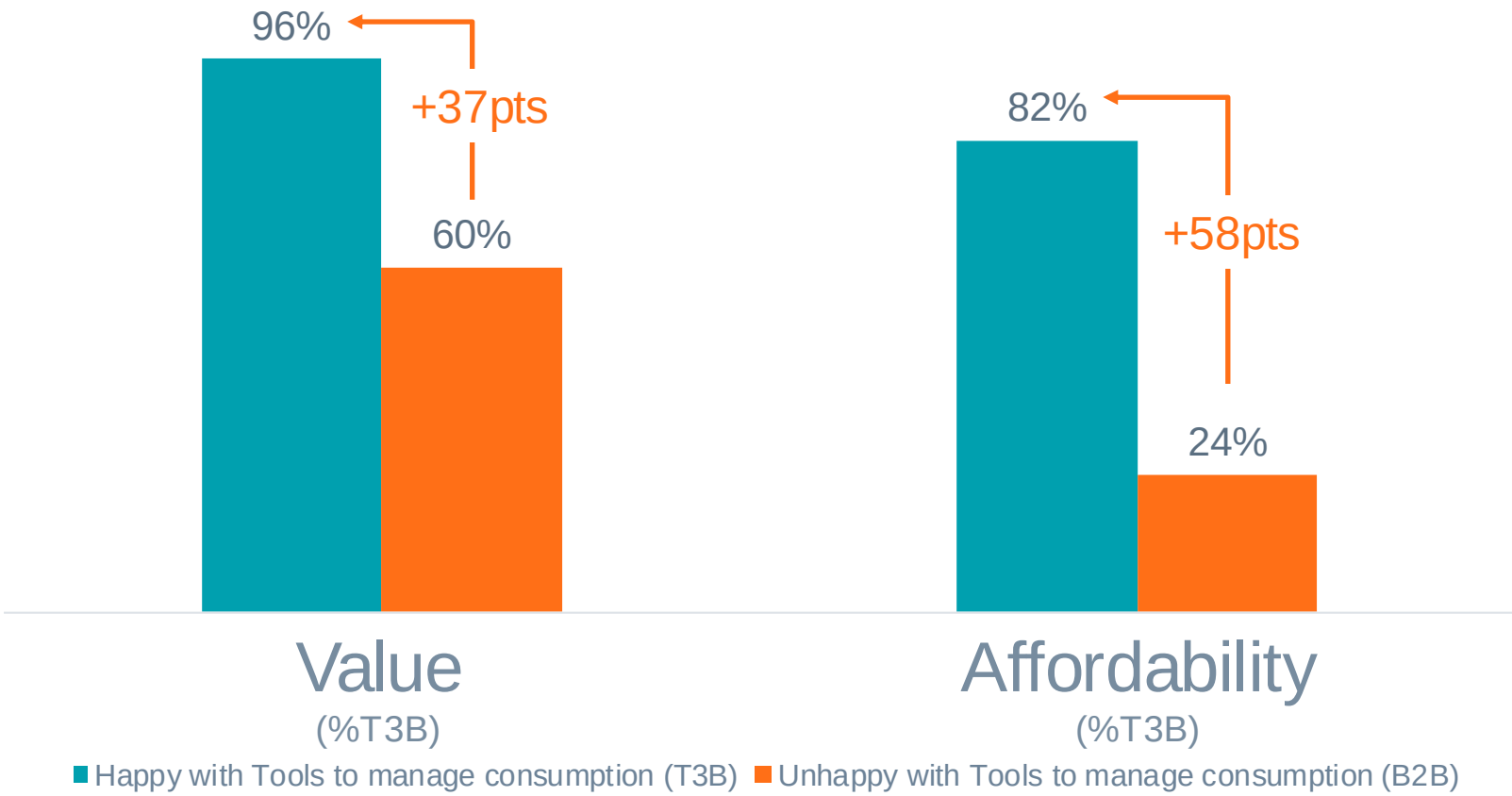
IMPROVE VALUE AND AFFORDABILITY RATINGS THROUGH EDUCATION

Continue to educate customers on the tools to manage their energy consumption and programs for low income families



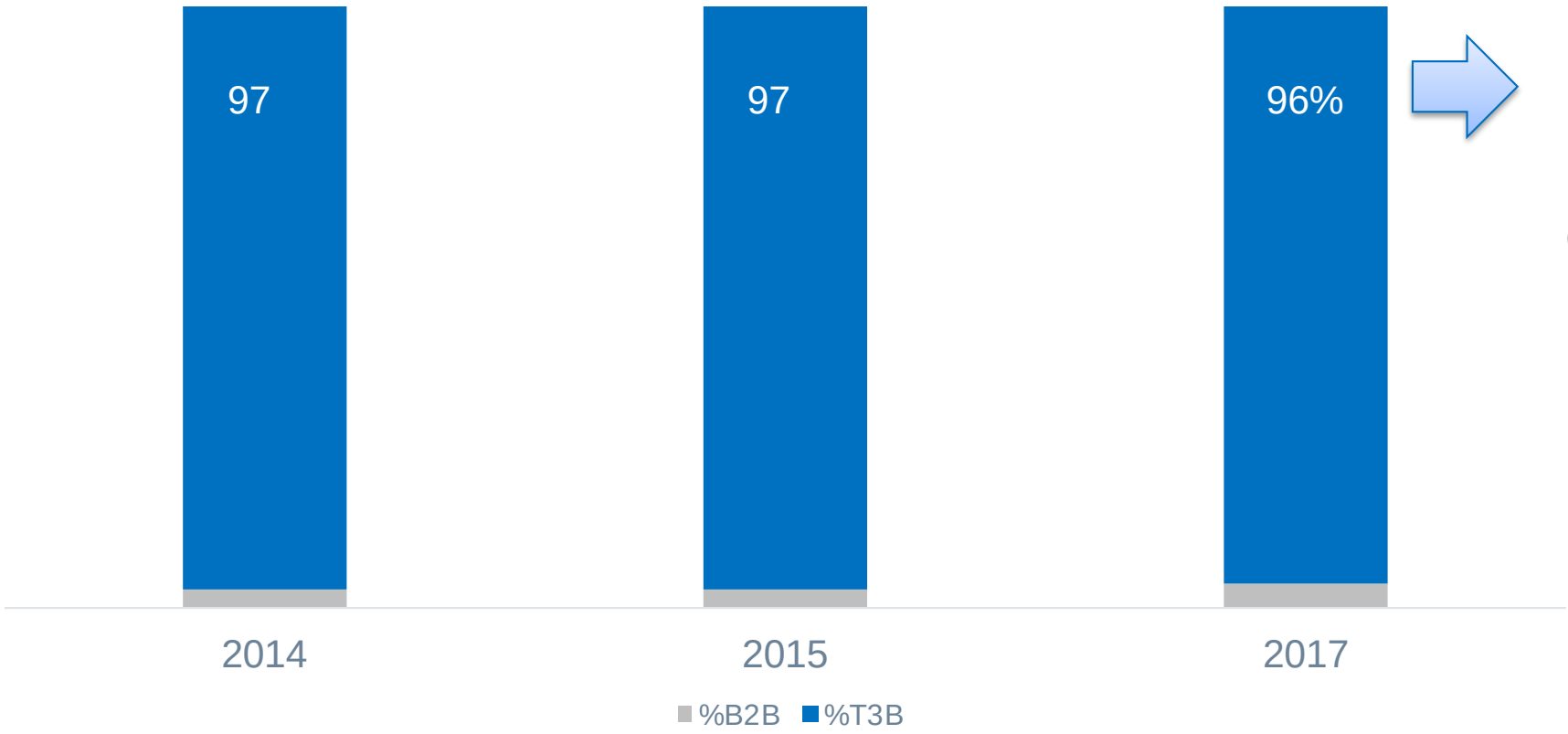
Customers who feel Brantford provides them with the **tools to manage their energy consumption** rate **Value 37pts higher** and **Affordability 58pts** higher than customer who do not

"I'm on a fixed income. ***I've taken advantage of a program that discounts for low income families.*** *My bills are very low which I appreciate immensely"*

'Happy with Tools to manage consumption' are those who rated "Providing the tools to manage your energy consumption" a 3,4, or 5 (Top 3 Box); 'Unhappy with tools to manage consumption' are those who rated that question a 1 or 2 (Bottom 2 Box)

CUSTOMER SATISFACTION: BUSINESS

Reliable Service is the biggest reason for Customer Satisfaction



Reason for Positive Ratings

No Issues – 68%
Customer Service – 16%

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CONVERGYS

CUSTOMER SATISFACTION: BUSINESS

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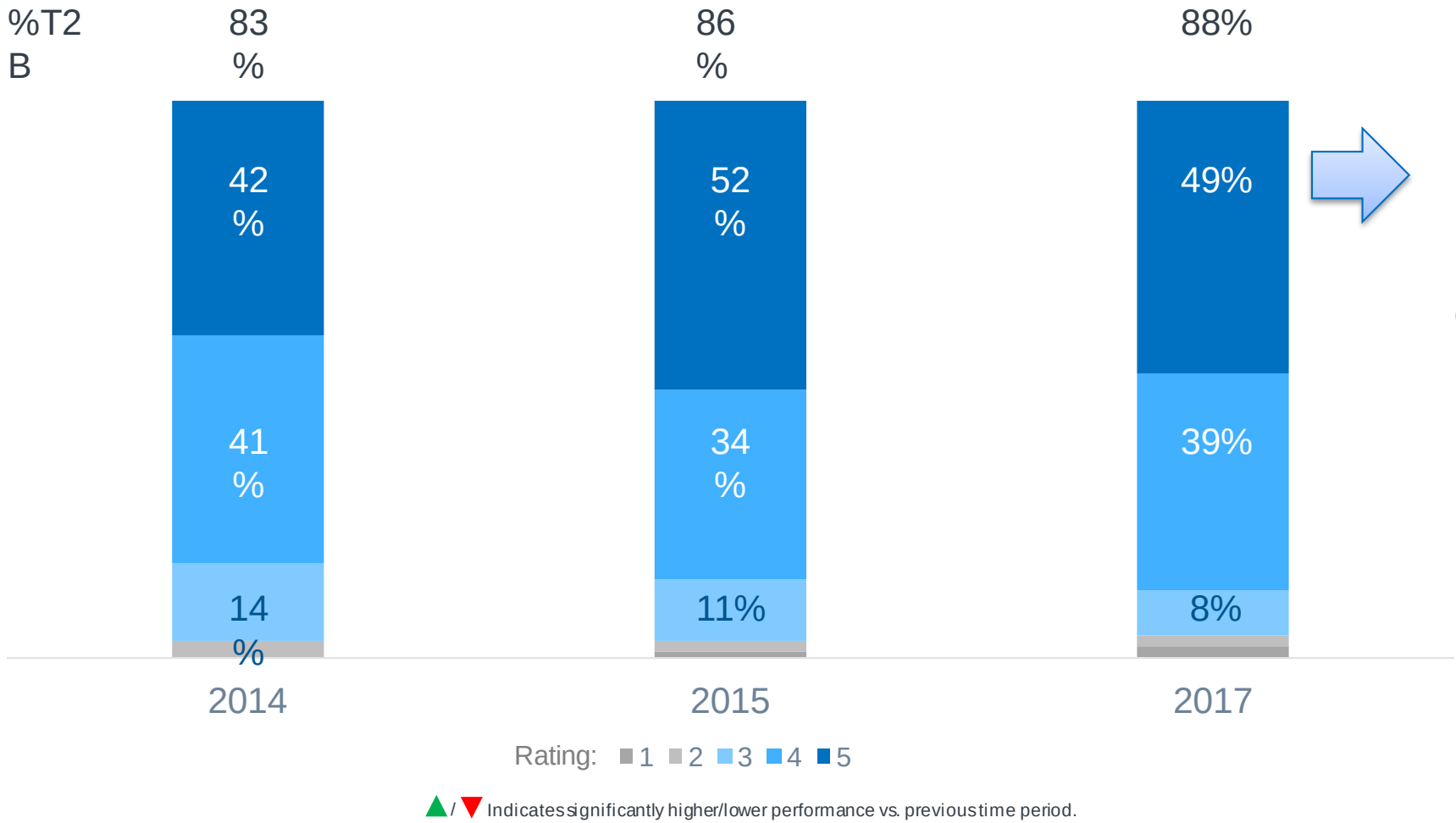

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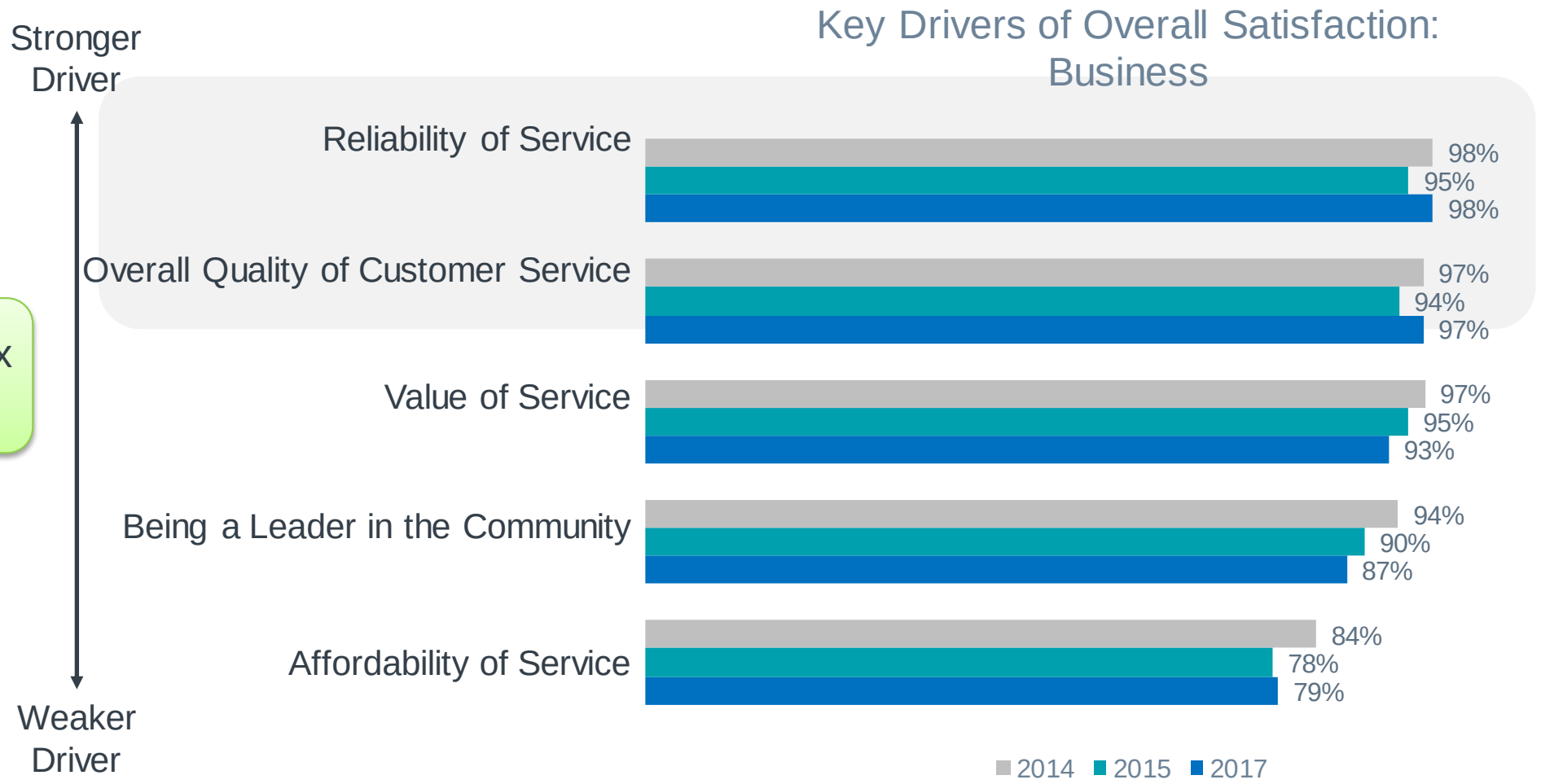
BUSINESS CLIENTS VALUE RELIABILITY AND CUSTOMER SERVICE

Customer comments support the key driver analysis



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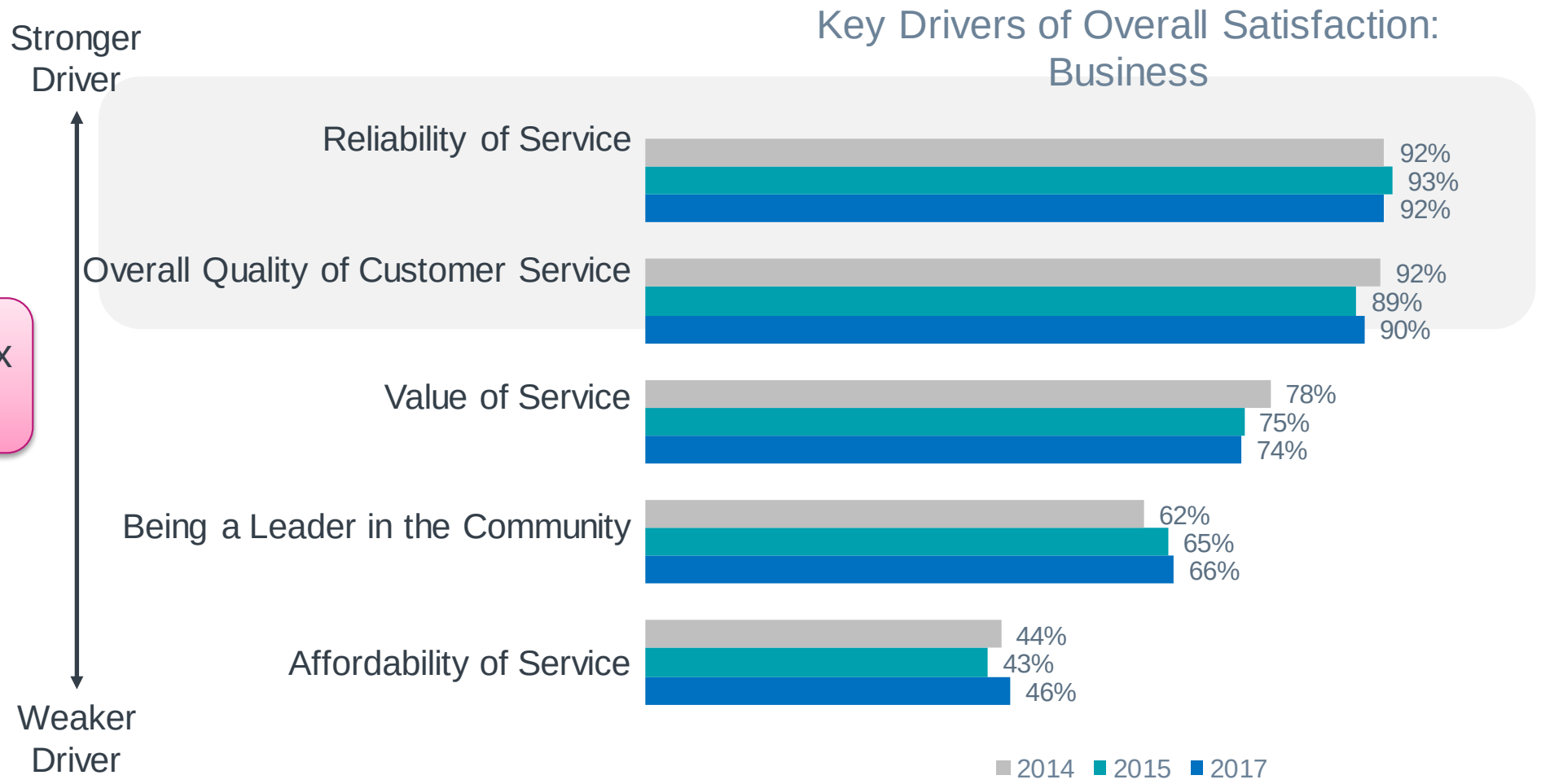

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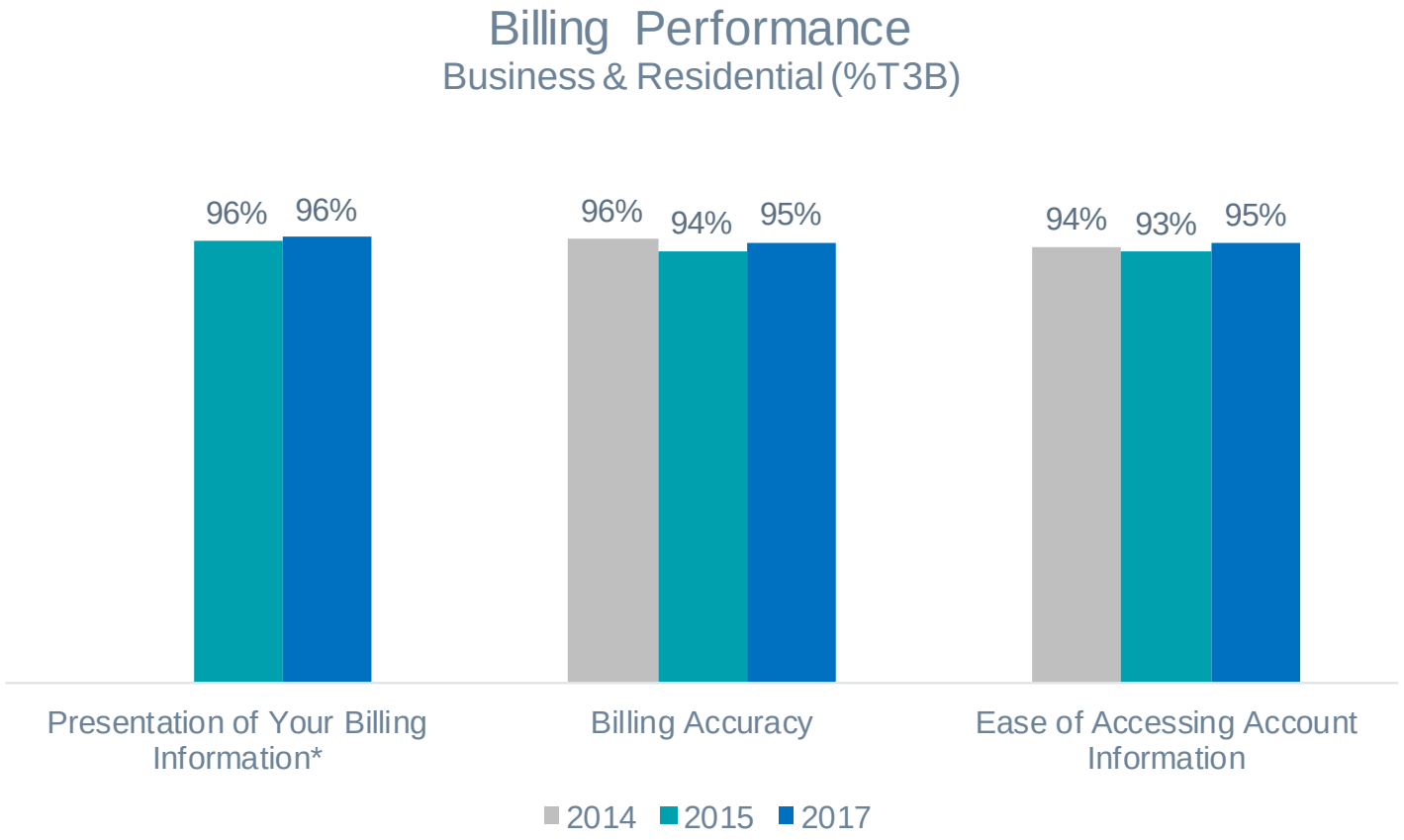
BILLING AND COMMUNICATION

CUSTOMERS CONTINUE TO BE HAPPY WITH THE BILL

Satisfaction for the Billing Presentation remains high since the 2015 bill redesign



*New questions starting 2015

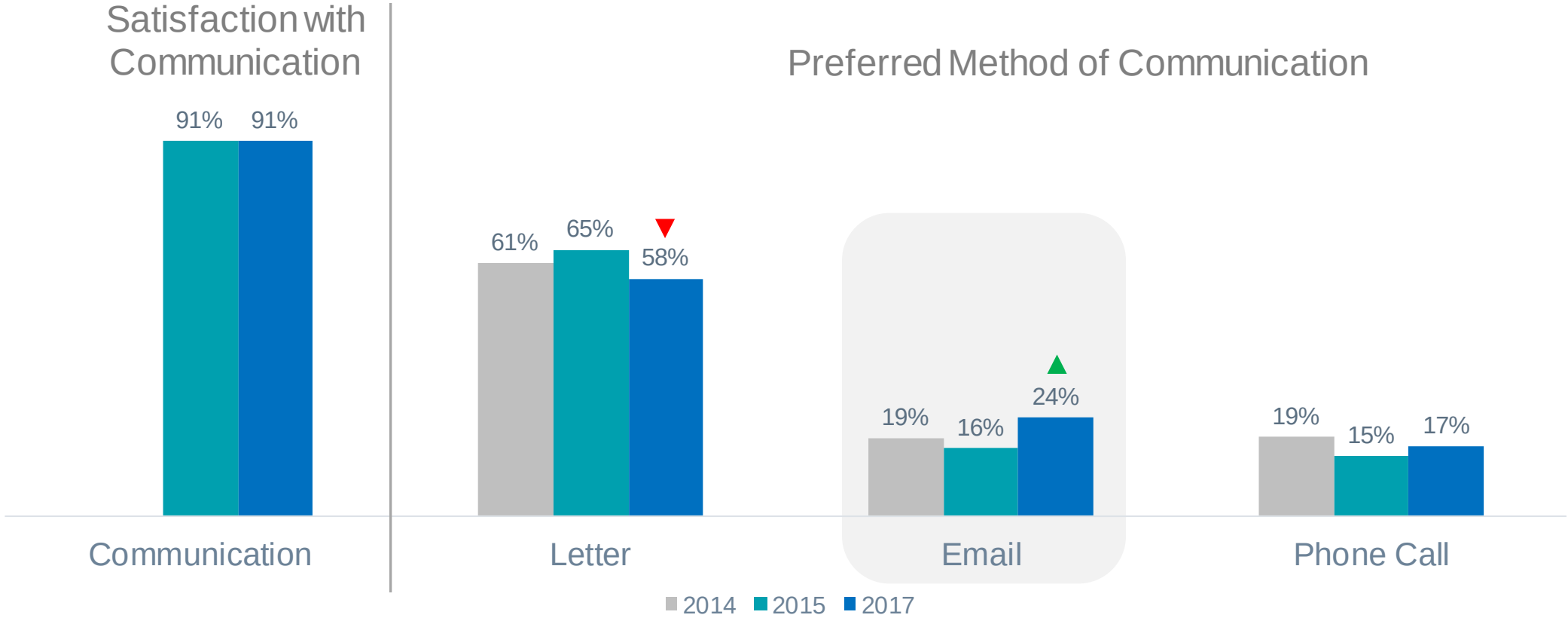
"My bills are very informative. Everything is easy to follow."

"They have a great website and I can access the bill. I don't have to have the bill mailed to me. It is a slick website and it is easy to access."

"…the online billing is user friendly."

RESIDENTIAL: SATISFACTION WITH COMMUNICATION REMAINS HIGH

Customers show a growing preference for digital communication (email)



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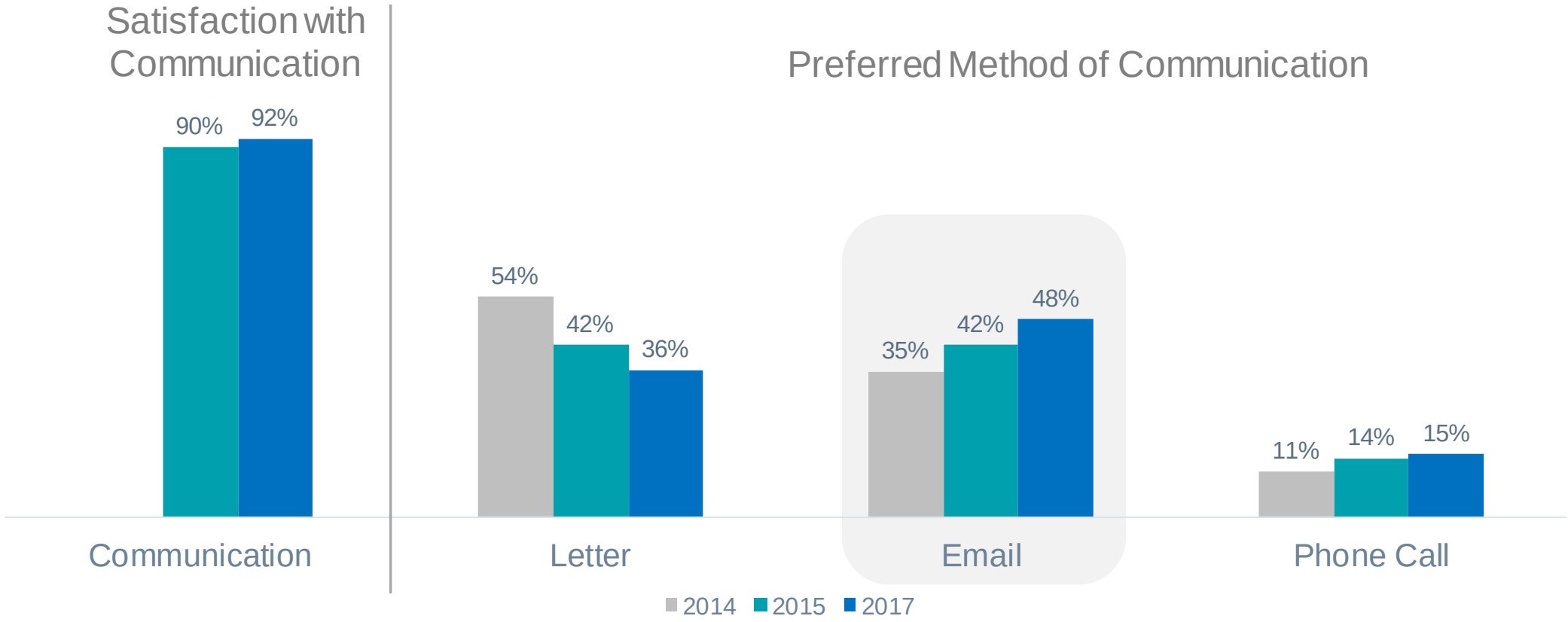
BUSINESS: SATISFACTION WITH COMMUNICATION REMAINS HIGH

Email is now the most preferred method of communication



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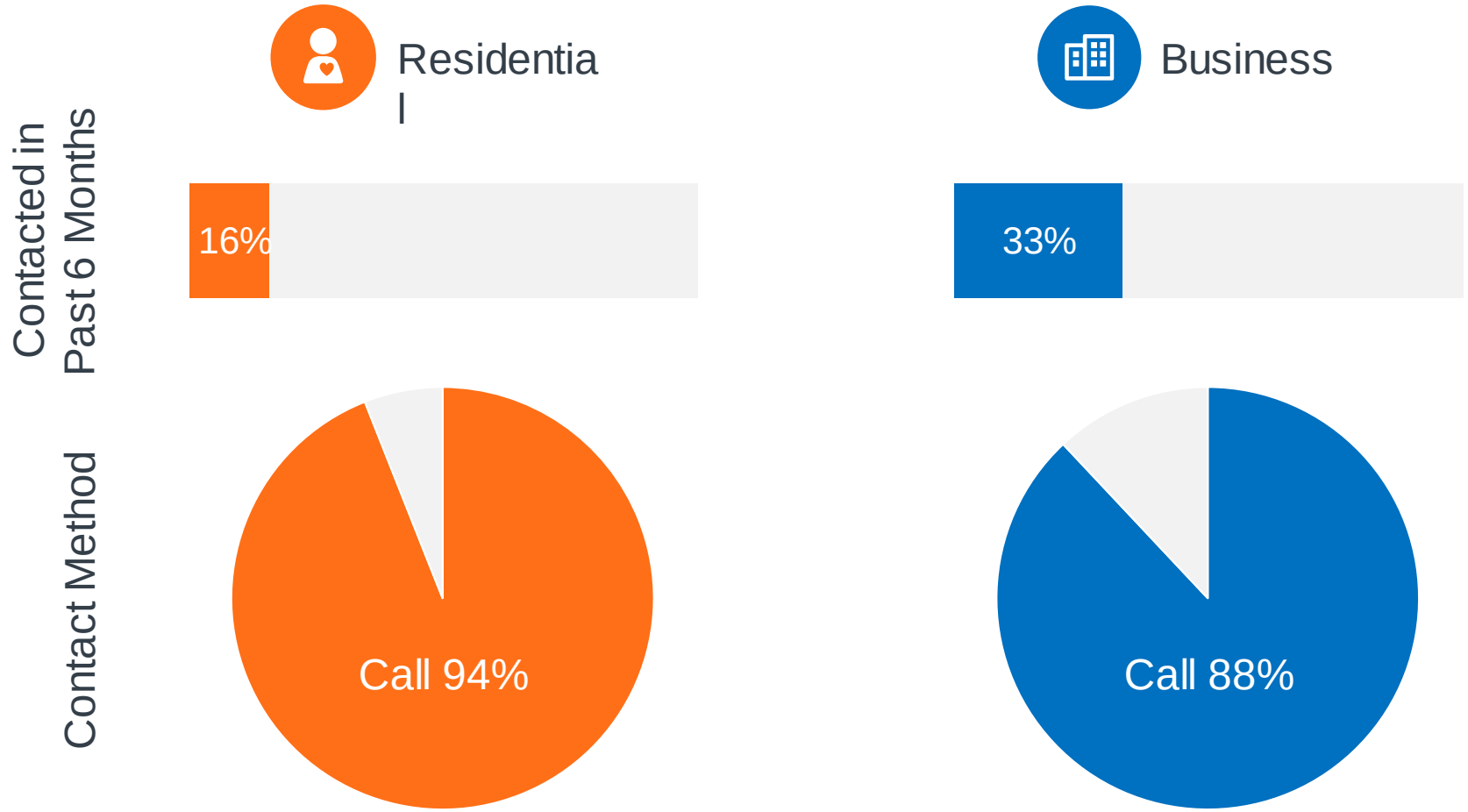
CUSTOMER CONTACT AND THE GROWING EMERGENCE OF CHAT

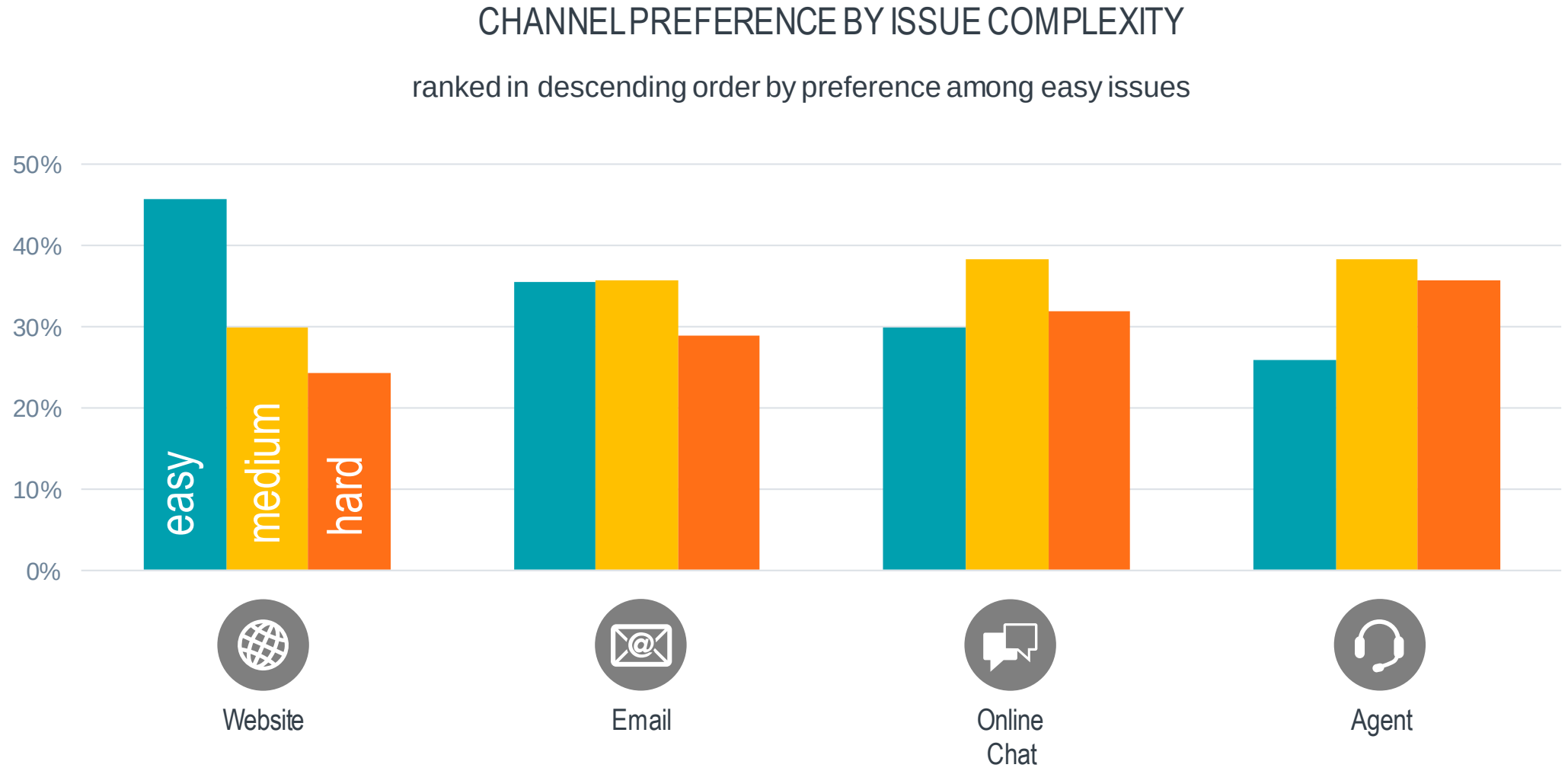
PAST 6 MONTH CONTACTS

Customers predominantly call when they need to contact



CONVERGYS

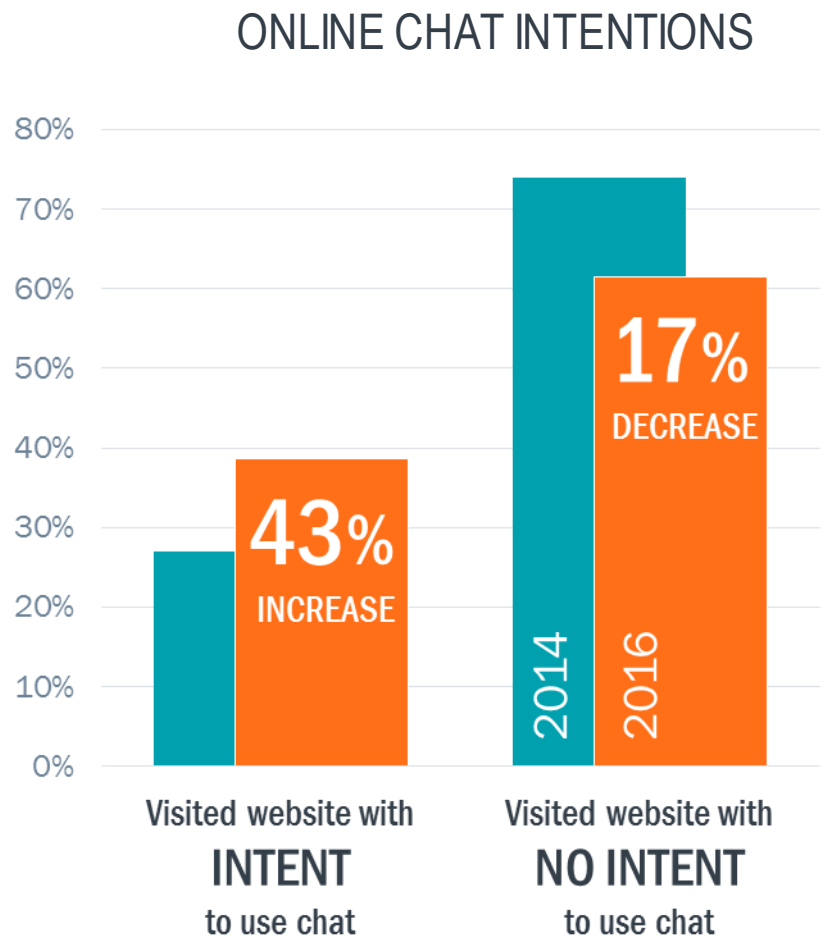
ISSUE COMPLEXITY STRONGLY INFLUENCES CHANNEL PREFERENCE

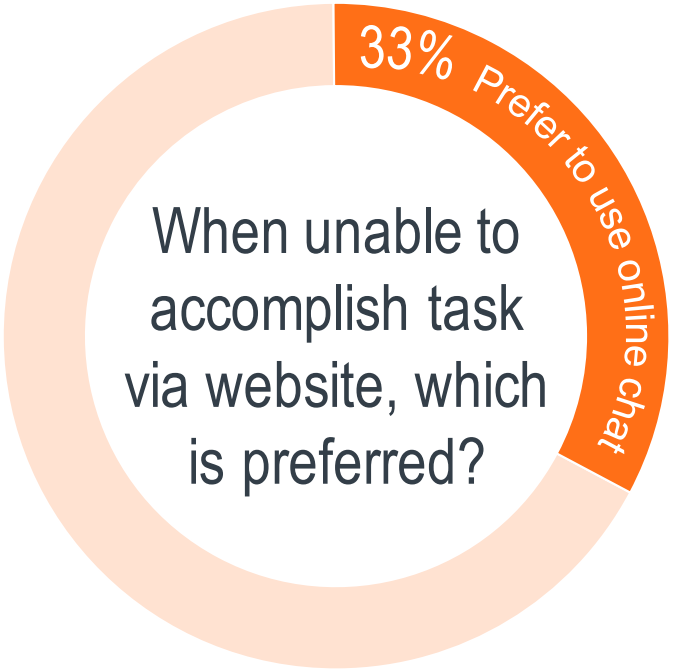


Source: Convergys Customer Experience Research Series, 2016

CHAT IS EMERGING AS A MORE TOP-OF-MIND CHANNEL

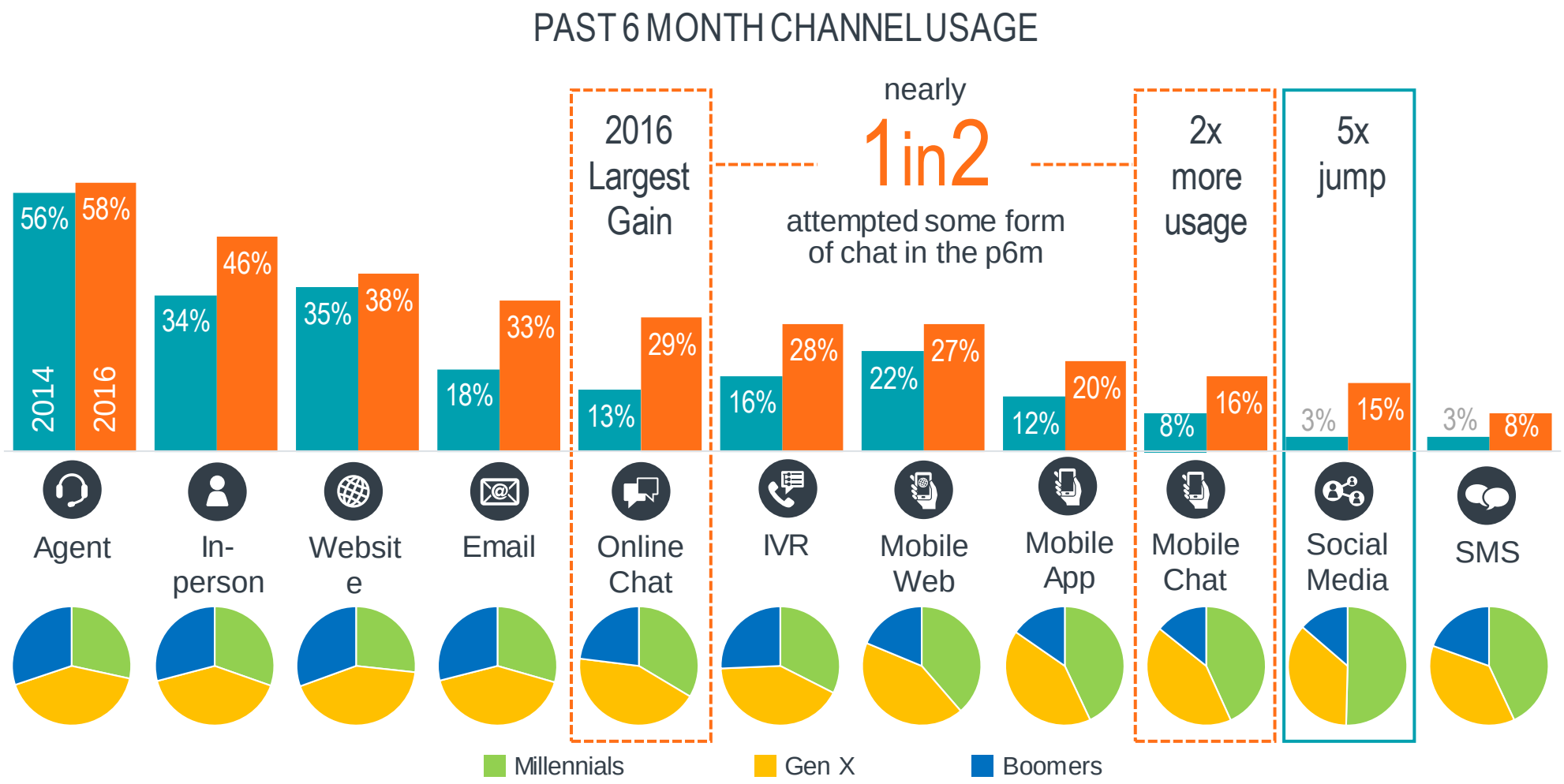
1 in 3 turn to chat if unable to self-serve via website





Source: Convergys Customer Experience Research Series, 2016

CHAT AND THE DIGITAL EXPLOSION LED BY MILLENNIALS AND GEN X



Source: Convergys Customer Experience Research Series, 2016

BENEFITS OF CHAT

Why consider implementing a chat platform

Emerging as a preferred channel

- Particularly with Millennials and Gen X
- Boomers still make up a sizable portion of customers who use chat

Cost savings through concurrency

- One chat agent can handle multiple chats at the same time while a call center agent can only take on one customer at a time

Convenience

- Convenience is a primary reason customers cite for chatting
- Lowering customer effort is a strong driver of customer satisfaction

Faster resolution

- Faster resolution is a reason many customers cite for preferring chat

Free up call center agents

- Customer typically use chat for less complex questions, freeing up call center agents to handle more complex inquiries

CUSTOMERS WOULD USE CHAT MORE IF…

Things to remember if you implement a chat platform

Easy to find

- If customers have to hunt for the chat window they won't use it

Security

- Customers want to be totally satisfied that the conversation is secure

No long pauses

- Pause length needs to be kept to a minimum, to avoid customers abandoning the chat

APPENDIX

SURVEY OVERVIEW & METHODOLOGY

Objective

- Gather Customer Satisfaction metrics to be used for OEB and scorecard reporting
- To measure Satisfaction in the following areas: Overall Satisfaction, Service/Brand Performance, Communication, Billing, and Contact Handling

Timing

- Surveying conducted August 30 – September 13, 2017

Methodology

- Telephone Survey

Sampling

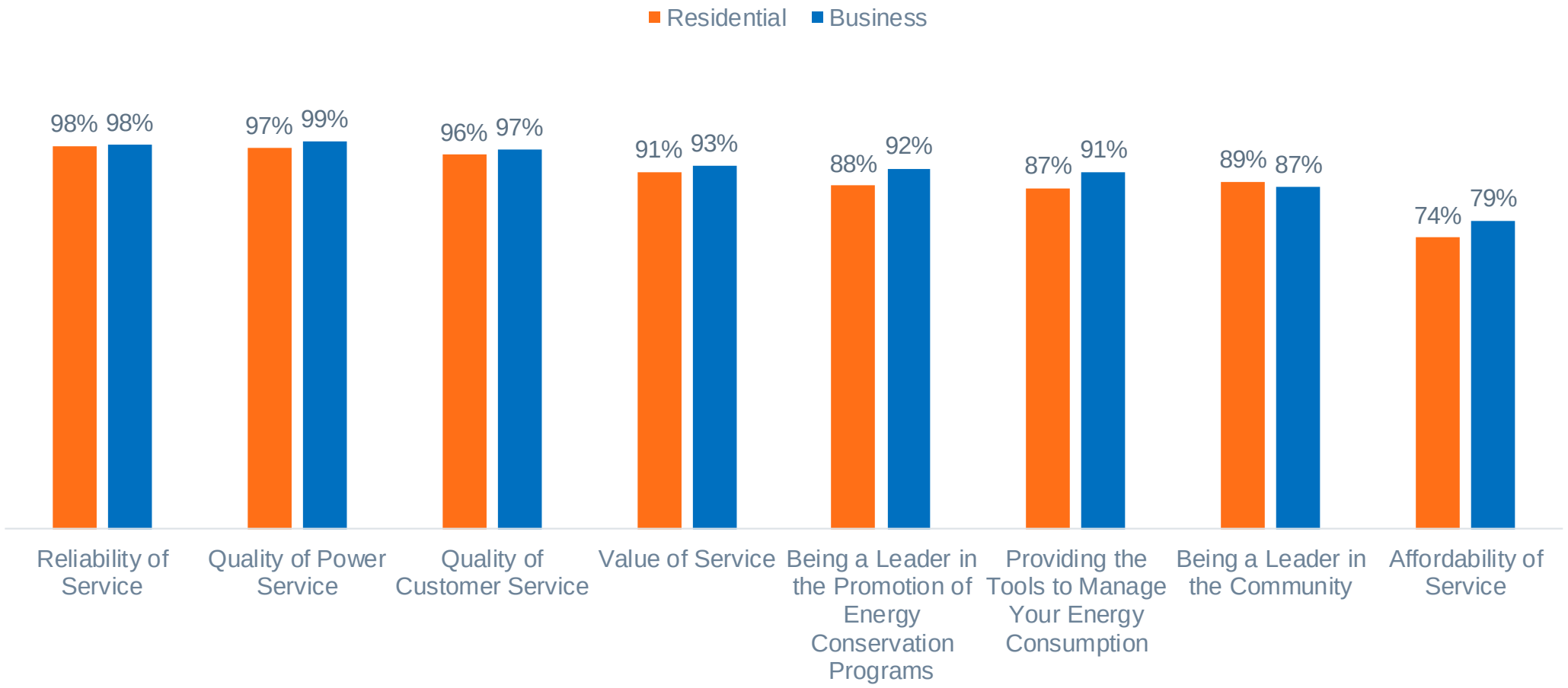
- 600 completed surveys – 500 Residential completes and 100 Business completes

Question Scales & Reporting

- Satisfaction asked on a 5 (Very Satisfied) to 1 (Not at all Satisfied) scale
- Top 3-Box (3, 4 and 5 ratings) reporting used for reporting of survey attributes

SERVICE AND BRAND PERFORMANCE

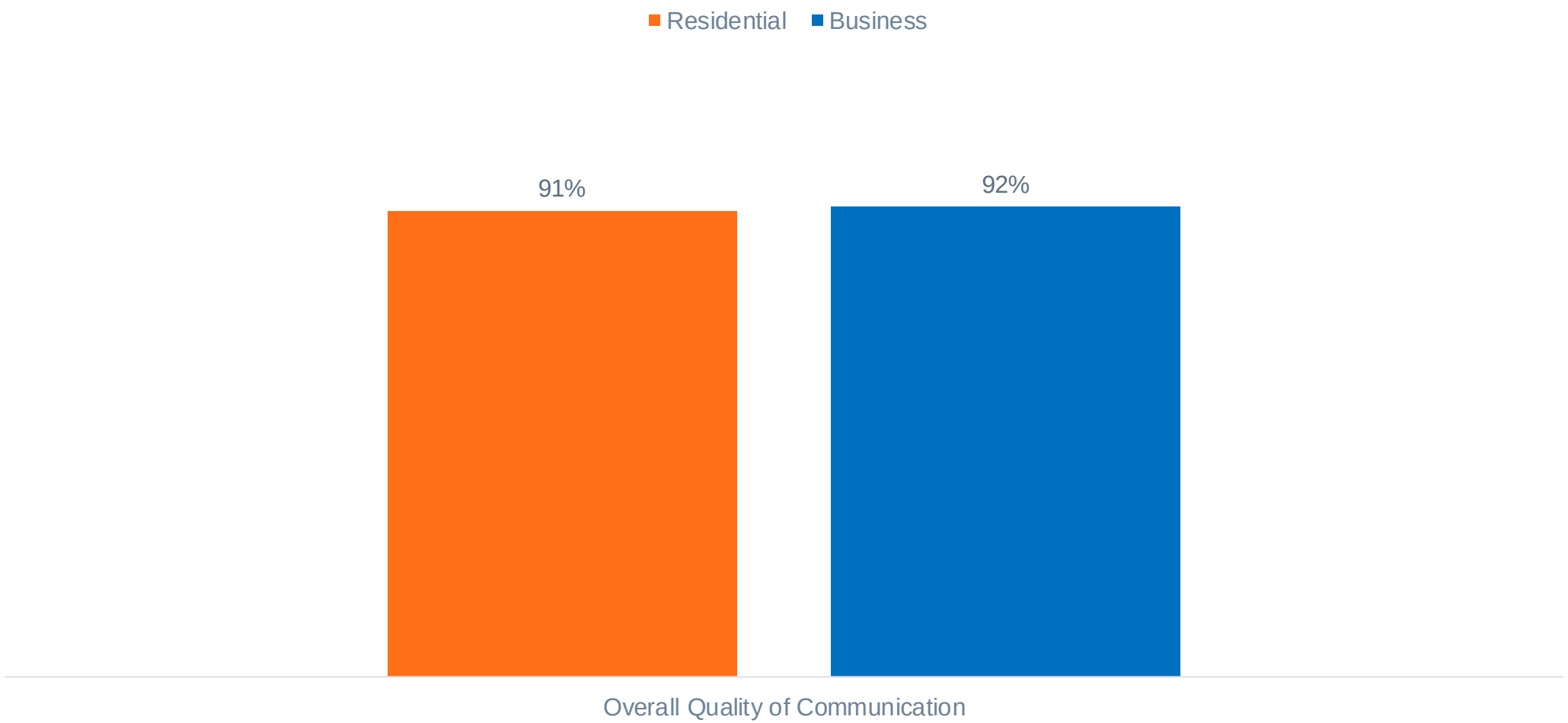
Business and Residential Satisfaction Rating



Results are Percent Top 3 Box

COMMUNICATION

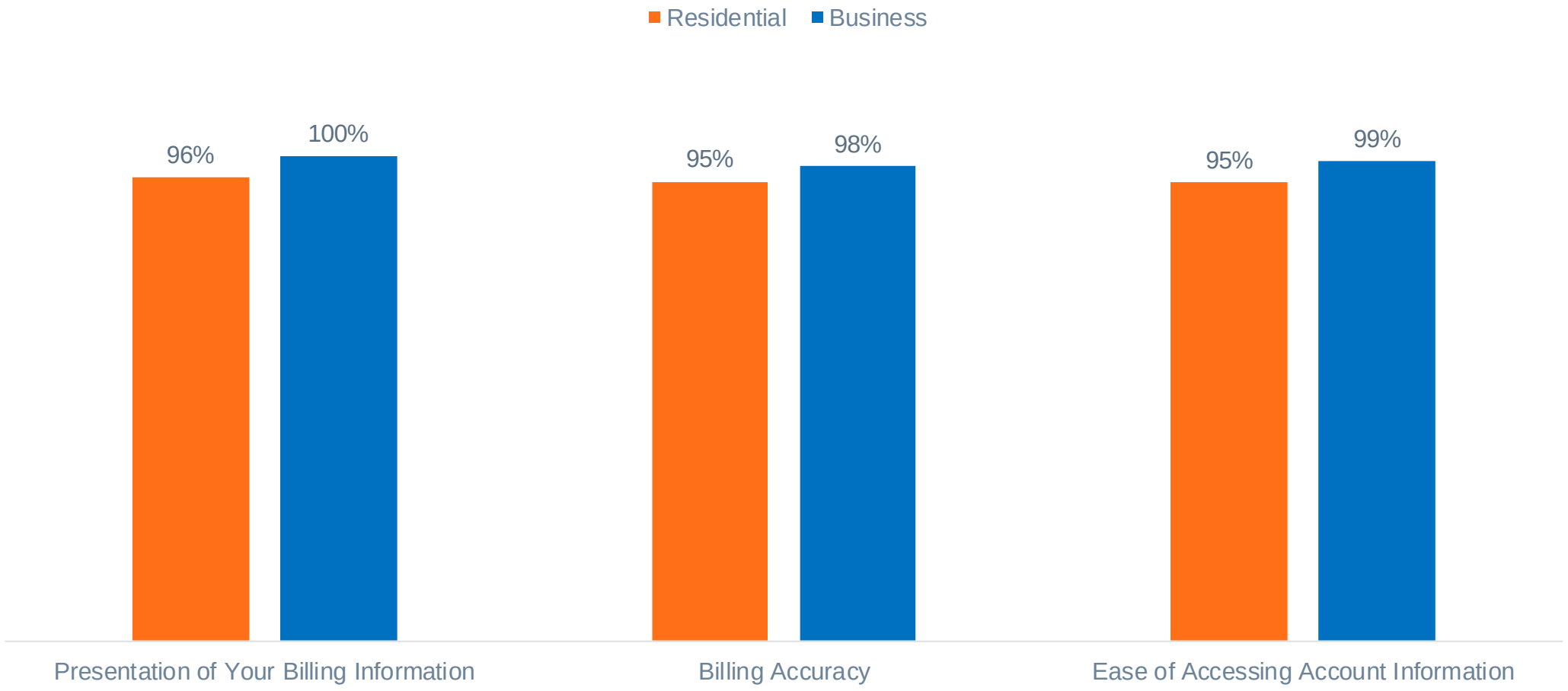
Business and Residential Satisfaction Ratings



Results are Percent Top 3 Box

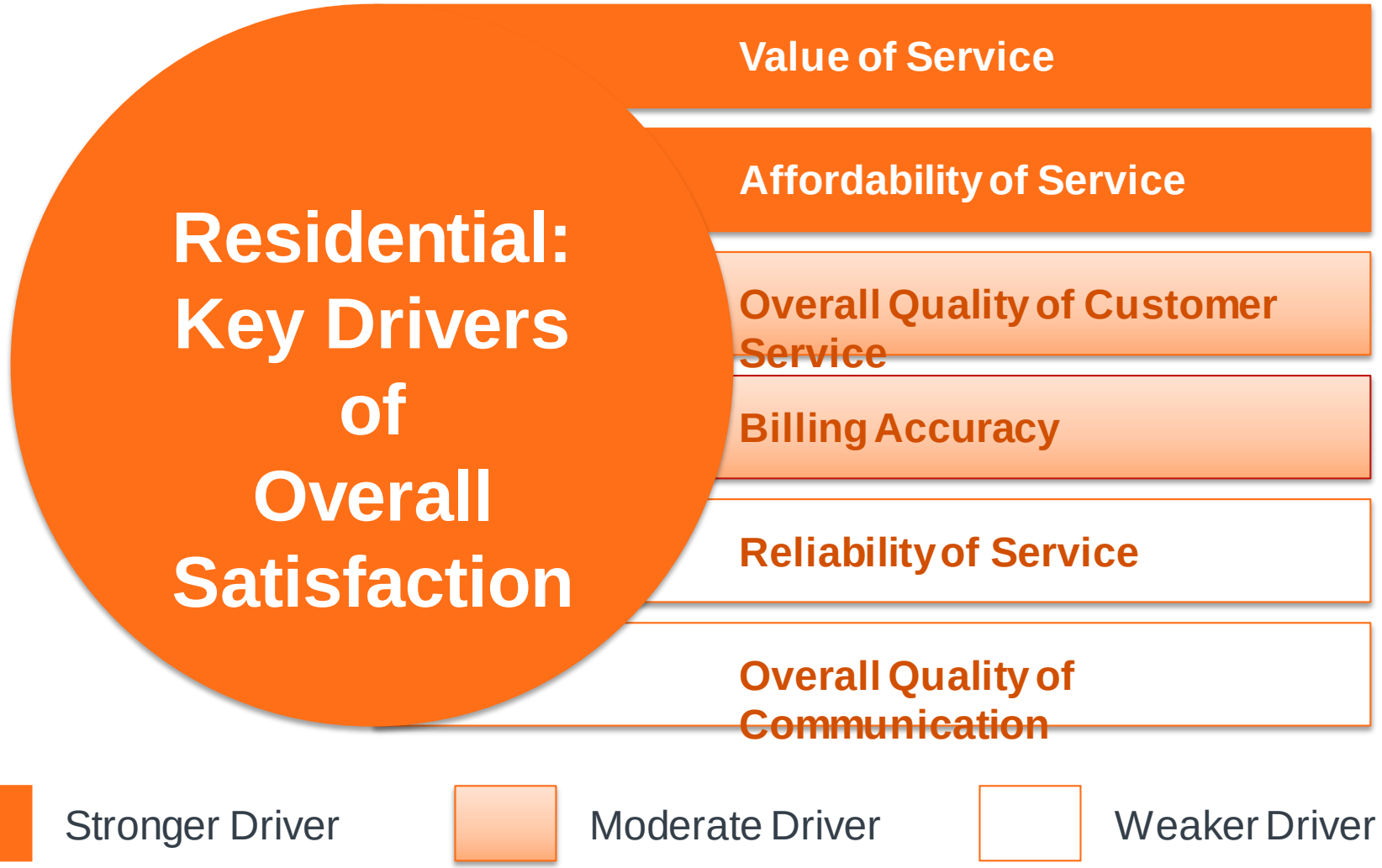
BILLING

Business and Residential Satisfaction Rating

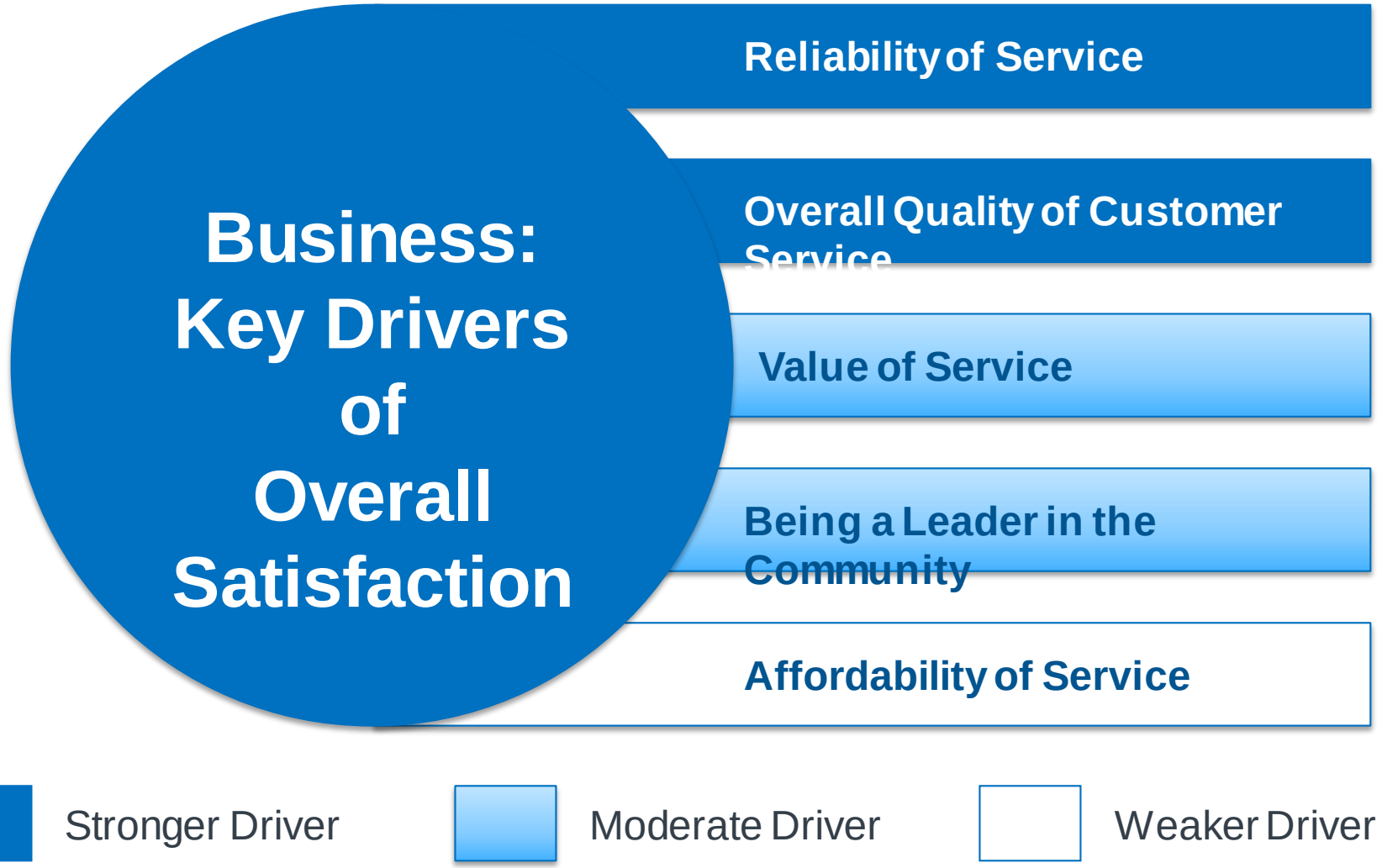


Results are Percent Top 3 Box

KEY DRIVERS OF OVERALL SATISFACTION: RESIDENTIAL



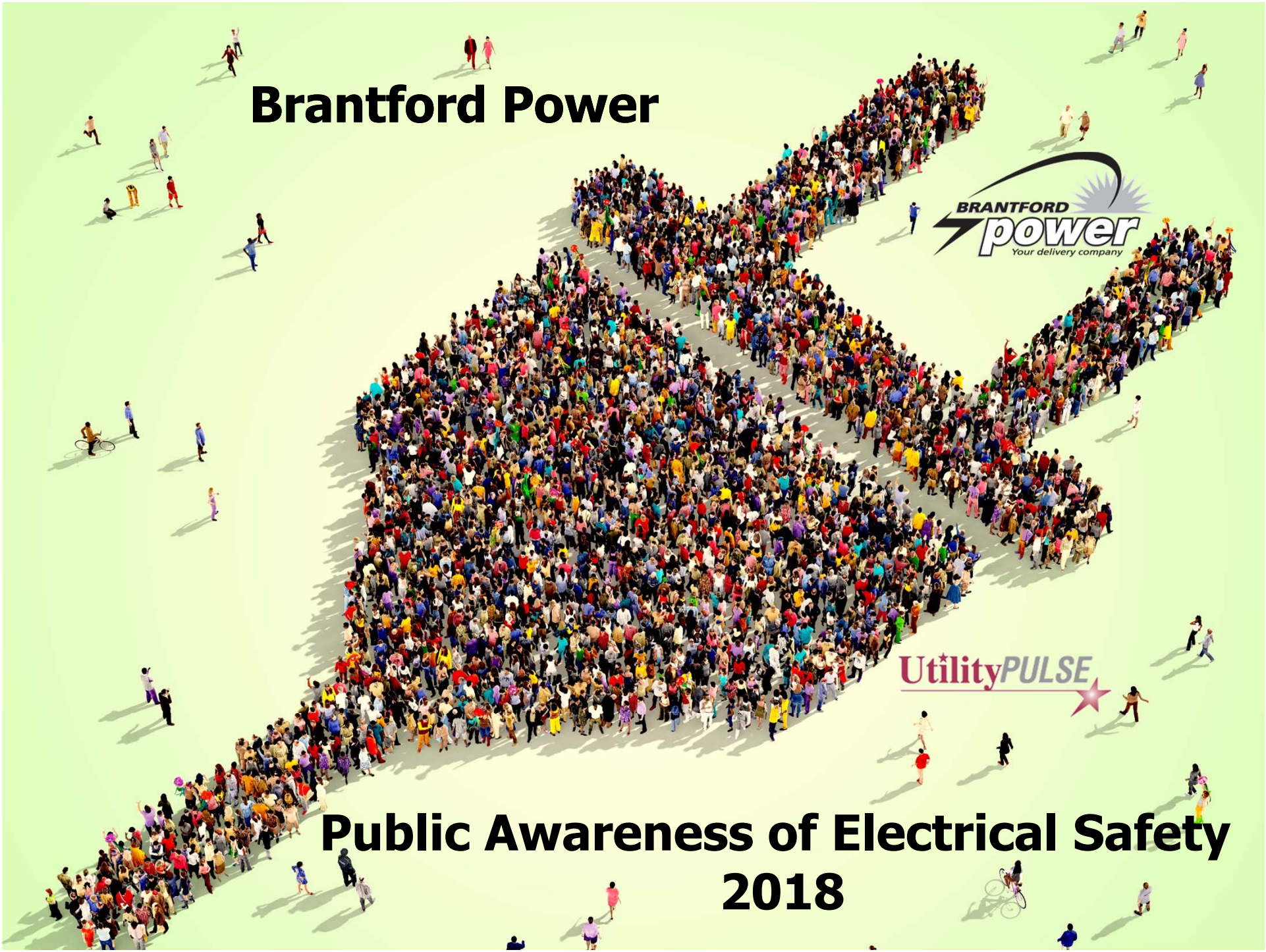
KEY DRIVERS OF OVERALL SATISFACTION: BUSINESS



Attachment 1-C

Public Awareness of Electric Safety Report

Brantford Power



Public Awareness of Electrical Safety 2018

UtilityPULSE
Public Awareness of Electrical Safety Report

This is privileged and confidential material and no part may be used other than the intended purpose of providing a score for the Ontario Energy Board Scorecard.

Results are based on a telephone survey (Random Digit Dialing) among 402 Members of the General Public,18 years of age or older, residing within the LDC's geographic service territory. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

Scores in this report follow Appendix A: Scorecard Methodology and Implementation Guide published by the Ontario Energy Board November 25, 2015.

The questions used in the survey follow Appendix B: Biannual Standardized Scorecard Public Awareness of Electrical Safety Telephone Questionnaire published by the Ontario Energy Board November 25, 2015.

All comments and questions should be addressed to:

UtilityPULSE
Toll free: 1-888-291-7892 or Local: 905-895-7900
Project lead: Sid Ridgley
Email: sidridgley@utilitypulse.com

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary

Brantford Power's Public Safety Awareness Index Score is 84%.

This is the second execution of the Public Awareness Electrical Safety survey; the first execution occurred in 2016. This survey compiles data to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. Results are based on a telephone survey (Random Digit Dialing) among 402 Members of the General Public,18 years of age or older, within the LDC's geographic service territory. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

The six core measurement questions correspond to the six most frequent incidents involving utility equipment in Ontario over the last decade. When looking at the distribution of responses for the six core measurement questions here are some of the key observations and recommendations going forward:

Question B5: Likelihood to *"call before you dig" [55.1% scored 1.00 pts]*
55.1% would 'definitely' and 17.3% were 'very likely' to call to locate electrical or other underground lines. While these figures indicate that many of your service territory's population would 'call before they dig', the remainder did not see this as a 'must do'. Even of those respondents who did reply they would definitely or very likely make the call, it is not clear if they would call because they were exerting due diligence for their property and household project OR if they were knowledgeable in the fact that this is the law that is in place.

Any education put forth on this core measurement must emphasize that **it is the law that one must 'call before you dig'.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B6: Impact of touching a power line *[96.2% scored 1.00 pts]*
96.2% knew that is 'very dangerous' and 1.9% believed it is 'somewhat dangerous' to touch an overhead power line with their body or any object.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching a power line. The key message that needs to continue to be driven to the public on this measurement is clear and simple: **It is very dangerous to touch an overhead power line with your body or any object.**

Question B7: Proximity to overhead power line *[21.7% scored 1.00 pts]*
This is one of two questions that contained a concept of measurement of distance from a power line constituting safe proximity. 21.7% indicated that they believed that there needed to be a distance of 3 metres to less than 6 metres and 56.6% indicated a distance of 6 metres or more to safely come close to an overhead power line with their body or an object. While this indicates there is knowledge that there needs to be a "certain" proximity maintained from an overhead power line, the exact measurement is not quite readily known. It is also indicative that while most people believed a "certain" distance was required, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'.

While being further away i.e. 6 metres or more is not technically incorrect, the point of this question is to educate the public that there is a reasonable distance that needs to be maintained. Any education put forth on this core measurement must clearly emphasize that a person can be as close as 3 metres to safely come close to an overhead power line while undertaking outdoor activities. This message whether in print or graphically depicted has to be clear and identifiable as not to confuse with the second question concerning distance from a 'downed' power line (QB9).

One key to improving awareness is to help the public at large to learn & **remember the required minimum distance is 3 metres to an <u>overhead</u> power line.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B8: Danger of tampering with electrical equipment *[94.0% scored 1.00 pts]*
94.0% knew that is 'very dangerous' to tamper with electrical equipment, while 4.8% believed it was 'somewhat dangerous'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching or tampering with electrical equipment. **Any electrical equipment is a no play zone for children and/or pets and in general all persons are not touch or tamper with the electrical equipment.**

Question B9: Proximity to downed power line *[82.5% scored 1.00 pts]*
This is the second question containing a concept of measurement of distance; in this instance it is safe proximity from a downed power line. 82.5% indicated that a distance of 10 metres or more needed to be maintained from a downed power line. As in QB7, while this indicates there is knowledge that there needs to be a "certain" proximity maintained from a downed power line, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'. In this instance however, choosing the furthest distance is the correct answer.

The point of this question is to educate the public that there is a reasonable distance that needs to be maintained from a downed power line and this distance is at least 10 metres. This message whether emphasized in print or graphically depicted has to be clear and identifiable as not to confuse with the question concerning distance of 3 metres from an 'overhead' power line (QB7).

One key to improving awareness is to help the public at large to learn & remember **the minimum distance from a <u>downed</u> power line is 10 metres.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B10: Actions taken in vehicle in contact with wires *[92.0% scored 1.00 pts]*
92.0% responded the safer action in this case would be to 'stay in the vehicle until power was disconnected from the line'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the harm associated with stepping out of a vehicle that is in contact with a downed power line. While some people instinctually feel that getting out and seeking help would be the proper thing to do, **the public needs to be educated that should their vehicle come in contact with power lines, staying in the vehicle is their best and safest option until the power is disconnected.**

Additional Questions for Grid Smart City Clients:

Question GSC1: Primary source of electrical safety information

29.8% cited the primary source of their electrical safety information came from **online searches**
25.9% cited **local utility website**
17.7% cited the **ESA**
15.5% cited **other**
6.3% cited a **relative or friend**
2.5% cited **social media** and
2.3% **preferred not to say or simply did not know**.

It would seem overall the internet is the overwhelming source of electrical safety information whether it was from online searches or the utility's website as 55.7% of all respondents listed one or the other. 42.0% of respondents cited all other sources combined.

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Additional Questions for Grid Smart City Clients:

Question GSC2: Probing for households with children aged 6 to 13

20.8% responded that their household was comprised of school aged children.

Question GSC3: Conversations with children about the dangers of powerlines and playing near electrical equipment

58.1% claimed they did have a conversation with their children discussing the dangers of powerlines and playing near electrical equipment. While it is encouraging that parents and families recognize the need to discuss electrical safety with their children, more has to be done to ensure that more parents and families are motivated to have this discussion to prevent potential injury and even fatalities.

Conclusion:

Both the 2016 survey and this survey of the public in your service territory about electrical safety show many respondents do have good knowledge or have received some information pertaining to the 6 core measurement questions. Brantford Power's Public Safety Awareness Index Score is 84%.

The OEB has indicated that the performance target for public awareness of electrical safety will be established once three years of data is gathered; two years of data of have been gathered as of this time. In the meantime, your LDC will be expected to demonstrate the impact of your public education efforts through biannual surveying of adults residing in your service territory.

As you continue to develop safety awareness campaigns, we recommend that you look through this report along with your data report to see where, among the population, awareness levels are lower and where outreach can be targeted. Focus on the messages which are simple and memorable which help the public ***learn and remember***. We also recommend that you share your results with your employees, especially those who may be in contact with outside workers, as they too can help spread the safety message.

Sid Ridgley

UtilityPULSE

Brantford Power
Public Safety Awareness Index Score

This **index score** is calculated using the following formulas:

Step 1: Add each individual respondent's key measurement questions using the provided response values.

B5
\+ B6
\+ B7
\+ B8
\+ B9
\+ B10
= **Individual respondent's cumulative score**

Step 2:
Individual respondent's cumulative score / # of sections
= Respondent Standardized Score

Step 3:
Summation of all **"Respondent Standardized Scores" /** n-size (i.e. total sample size)
= Raw Index Score

Step 4:
Raw Index Score × 100 = **Index Score** (bound between 0-100%)

Responses will be indexed to create a single comparable Public Safety Awareness Score

In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the 5 relevant sections of scorecard. This question (B5) will be removed from the calculation.

Brantford Power

Public Safety Awareness Index Score

84%

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Score	% of respondents
Definitely	1.00 pts	**55.1%**
Very likely	0.75 pts	**17.3%**
Somewhat likely	0.50 pts	**7.9%**
Not very likely	0.00 pts	**6.2%**
Not at all likely	0.00 pts	**9.8%**
I would not undertake a project that required digging	omitted[1]	**2.7%**
Don't know	0.00 pts	**1.0%**

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

CORRECT ✓ **80.4%**

INCORRECT ✗ **19.6%**

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Definitely	56.4%	53.9%	50.2%	35.9%	64.9%	59.2%	59.3%	57.7%
Very likely	16.5%	18.1%	0.0%	28.6%	18.4%	16.9%	21.3%	14.0%
Somewhat likely	11.6%	4.6%	0.0%	13.9%	5.8%	9.8%	8.1%	7.3%
Not very likely	4.4%	7.9%	0.0%	14.7%	5.8%	7.0%	3.0%	5.4%
Not at all likely	7.2%	12.1%	49.8%	7.0%	2.5%	5.6%	2.1%	6.8%
I would not undertake a project that required digging[1]	2.5%	2.9%	0.0%	0.0%	2.5%	0.0%	4.1%	7.2%
Don't know	1.3%	0.6%	0.0%	0.0%	0.0%	1.4%	2.0%	1.6%

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

Percentage may not add up to 100% due to rounding

UtilityPULSE

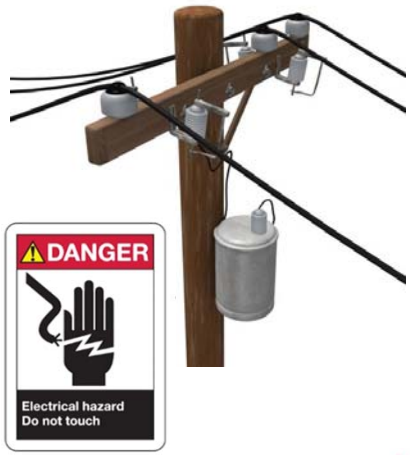
B6. Impact of touching a power line

How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Score	% of respondents
Very dangerous	1.00 pts	**96.2%**
Somewhat dangerous	0.50 pts	**1.9%**
Not very dangerous	0.00 pts	**1.2%**
Not at all dangerous	0.00 pts	**0.3%**
Don't know	0.00 pts	**0.4%**

CORRECT ✓ **98.1%**

INCORRECT ✗ **1.9%**



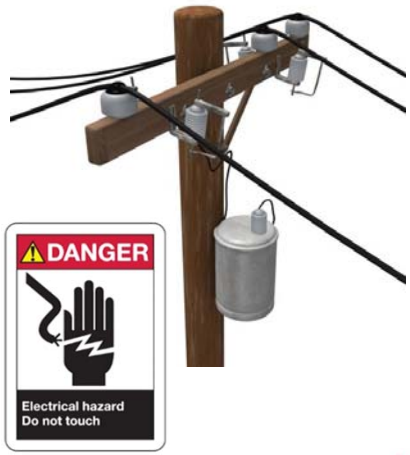
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B6. Impact of touching a power line

How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	96.4%	96.1%	100.0%	100.0%	94.2%	94.4%	98.9%	92.4%
Somewhat dangerous	1.9%	1.9%	0.0%	0.0%	2.5%	1.4%	1.1%	4.9%
Not very dangerous	0.5%	1.8%	0.0%	0.0%	3.4%	2.8%	0.0%	0.6%
Not at all dangerous	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%
Don't know	0.7%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.5%



Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Score	% of respondents
You can safely touch an overhead power line	0.00 pts	**0.4%**
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	**1.5%**
1 to less than 3 metres (i.e. 3 to less than 10 feet)	0.00 pts	**15.1%**
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	1.00 pts	**21.7%**
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	0.75 pts	**56.6%**
Don't know	0.00 pts	**4.8%**

CORRECT ✓ **78.3%**

INCORRECT ✗ **21.7%**

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch an overhead power line	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%
Less than 1 metre (i.e. less than 3 feet)	1.0%	2.0%	0.0%	0.0%	0.0%	2.8%	1.0%	3.9%
1 to less than 3 metres (i.e. 3 to less than 10 feet)	11.8%	18.1%	49.8%	0.0%	5.8%	16.9%	15.1%	14.1%
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	28.9%	15.1%	0.0%	42.5%	33.2%	18.3%	20.2%	12.7%
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	53.3%	59.6%	50.2%	50.6%	57.5%	59.2%	55.4%	62.4%
Don't know	4.6%	4.9%	0.0%	7.0%	3.4%	2.8%	6.2%	6.8%

Percentage may not add up to 100% due to rounding

B8. Danger of tampering with electrical equipment

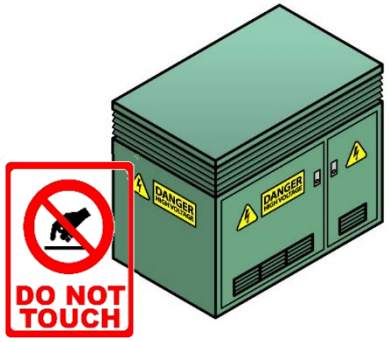
Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Score	% of respondents
Very dangerous	1.00 pts	**94.0%**
Somewhat dangerous	0.50 pts	**4.8%**
Not very dangerous	0.00 pts	**0.0%**
Not dangerous at all	0.00 pts	**0.4%**
Don't know	0.00 pts	**0.8%**

CORRECT ✓ **98.8%**

INCORRECT ✗ **1.2%**



Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

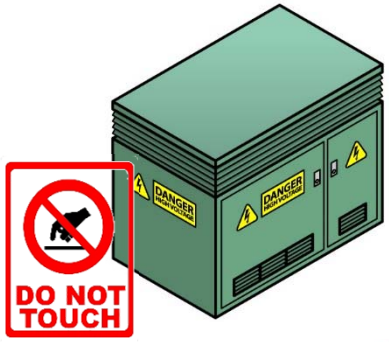
Percentage may not add up to 100% due to rounding

B8. Danger of tampering with electrical equipment

Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	93.4%	94.5%	100.0%	92.7%	95.1%	91.6%	94.9%	92.4%
Somewhat dangerous	5.0%	4.7%	0.0%	7.3%	4.9%	5.6%	5.1%	4.5%
Not very dangerous	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not dangerous at all	0.2%	0.5%	0.0%	0.0%	0.0%	1.4%	0.0%	0.5%
Don't know	1.4%	0.3%	0.0%	0.0%	0.0%	1.4%	0.0%	2.6%



Percentage may not add up to 100% due to rounding

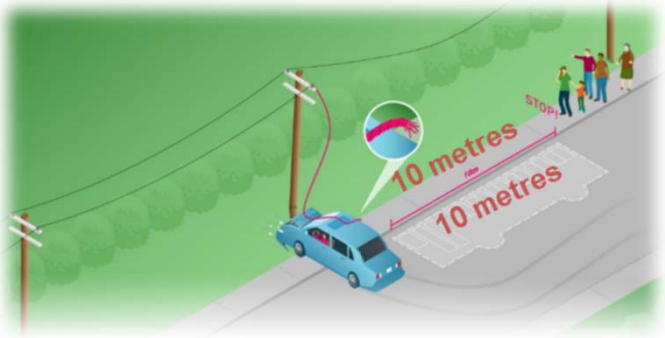
B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Score	% of respondents
You can safely touch a downed overhead power line	0.00 pts	0.0%
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	1.7%
1 to less than 5 metres (i.e. 3 to less than 16 feet)	0.00 pts	3.1%
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	0.00 pts	11.2%
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	1.00 pts	82.5%
Don't know	0.00 pts	1.5%

CORRECT ✓ 82.5%

INCORRECT ✗ 17.5%



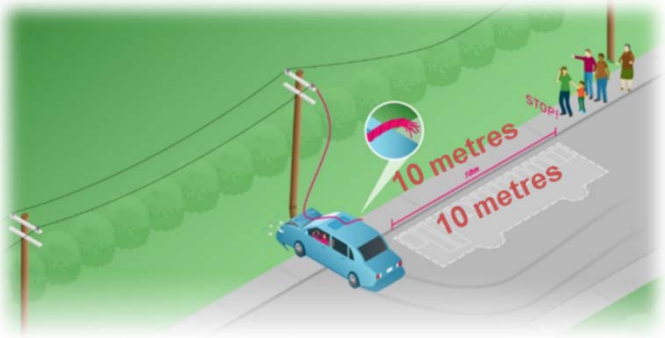
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch a downed overhead power line	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Less than 1 metre (i.e. less than 3 feet)	1.4%	2.0%	0.0%	0.0%	5.8%	1.4%	1.0%	1.7%
1 to less than 5 metres (i.e. 3 to less than 16 feet)	3.4%	2.8%	0.0%	0.0%	3.4%	1.4%	5.1%	6.3%
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	9.7%	12.7%	0.0%	7.3%	12.6%	9.9%	17.3%	14.9%
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	84.0%	81.2%	100.0%	92.7%	78.2%	85.9%	74.6%	73.2%
Don't know	1.5%	1.4%	0.0%	0.0%	0.0%	1.4%	2.0%	3.9%



Percentage may not add up to 100% due to rounding

B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

Response	Score	% of respondents
Get out quickly and seek help	0.00 pts	**6.4%**
Stay in the vehicle until power has been disconnected from the line	1.00 pts	**92.0%**
Don't know	0.00 pts	**1.6%**

CORRECT ✓ **92.0%**

INCORRECT ✗ **8.0%**

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Get out quickly and seek help	5.0%	7.6%	0.0%	14.3%	9.2%	4.2%	3.2%	6.0%
Stay in the vehicle until power has been disconnected from the line	93.8%	90.4%	100.0%	85.7%	87.4%	93.0%	94.7%	92.9%
Don't know	1.3%	2.0%	0.0%	0.0%	3.4%	2.8%	2.1%	1.1%

Percentage may not add up to 100% due to rounding

Brantford Power
Public Awareness of Electrical Safety Report
Demographics

In what age category do you fall into?

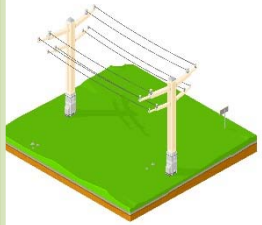
Response	% of respondents Based on Census data
18 to 24	10.8%
25 to 34	16.0%
35 to 44	15.8%
45 to 54	17.6%
55 to 64	17.9%
65 or older	21.7%

Gender

Response	% of respondents Based on Census data
Male	47.8%
Female	52.2%

Percentage may not add up to 100% due to rounding

Brantford Power
Public Awareness of Electrical Safety Report
Demographics



Does your job regularly cause you to come close to energized power lines?

Response	% of respondents
Yes	5.1%
No	94.4%
Don't know	0.5%

Proceed to the following question only If Respondent answers 'Yes' …

Do you work in any of the following fields?

Response	% of respondents
Transportation	7.6%
General labour	14.0%
Construction or outdoor trades	46.5%
Electrician	13.8%
Other	18.1%
Don't know/Prefer not to say	0.0%

Percentage may not add up to 100% due to rounding

Brantford Power
Public Awareness of Electrical Safety Report
Demographics

How would you describe your primary residence? Would you say…

Response	% of respondents
A fully-detached home	61.3%
A semi-detached home	11.5%
A townhome or row house	13.2%
An apartment or condo building less than 5 storeys	4.5%
An apartment or condo building 5 storeys or higher	7.1%
A farm	0.1%
Other	2.2%

Does your primary residence receive electricity through overhead wires or underground cables?

Response	% of respondents
Overhead wires	34.2%
Underground cables	52.5%
Don't know	13.3%

Percentage may not add up to 100% due to rounding

Brantford Power

GSC1. Could you tell me what would be your primary source for finding information about electricity safety?

Response	Overall	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Local utility website	25.9%	25.9%	26.0%	0.0%	35.9%	22.5%	28.2%	25.5%	32.5%
Electrical Safety Authority	17.7%	23.0%	12.8%	0.0%	21.2%	18.2%	21.1%	16.1%	22.1%
Online search	29.8%	20.9%	37.8%	49.8%	28.6%	36.9%	29.6%	31.6%	14.0%
Social media	2.5%	1.2%	3.8%	0.0%	7.3%	5.8%	1.4%	1.0%	0.0%
Relative or friend	6.3%	5.7%	6.9%	0.0%	7.0%	5.8%	5.7%	10.4%	6.6%
Other	15.5%	20.9%	10.5%	50.2%	0.0%	8.3%	11.2%	12.2%	20.9%
Don't know/Prefer not to say	2.3	2.4%	2.2%	0.0%	0.0%	2.5%	2.8%	3.1%	3.9%

GridSmartCity renewing energy

Additional question(s) for Grid Smart City Clients

Percentage may not add up to 100% due to rounding

Brantford Power

GSC2. Do you have any children, living with you, who are 6 to 13 years old?

Response	% of respondents
Yes	20.8%
No	79.0%
Did not answer	0.2%

GSC3. Have you had a conversation within the last year with your child or children about the dangers of powerlines and playing near electrical equipment?

Response	% of respondents
Yes	58.1%
No	41.9%
Did not answer	0.0%

GridSmartCity renewing energy

Additional question(s) for Grid Smart City Clients

Percentage may not add up to 100% due to rounding

UtilityPULSE, through polls and surveys, provides executives and managers with feedback that assists in making both strategic and operational decisions. You know lots of companies that can gather data and provide a report. We believe that by specializing in the utility sector with our polls and surveys, you get stronger analysis of data and answers to key questions that help you formulate key strategies to assist your leaders in creating a better place to work and a better place to do business with.

UtilityPULSE is uniquely positioned to help your utility get feedback from Customers, through its Annual Electric Utility Customer Satisfaction Survey or customized research designed for you. In addition, we understand what it takes to create an organization where employees are engaged and enthusiastic about customers and the work that they do. Knowing what is going on with your customers and employees is one thing, doing something about it is another. We get paid for, and earn our clients' loyalty by, delivering objective insights with actionable recommendations; accomplished when every step of the process is completed with professionalism and pride. Our mission is to help you and your leadership team move from knowing to doing while improving performance and creating value to your customers, employees, stakeholders and the public at large.

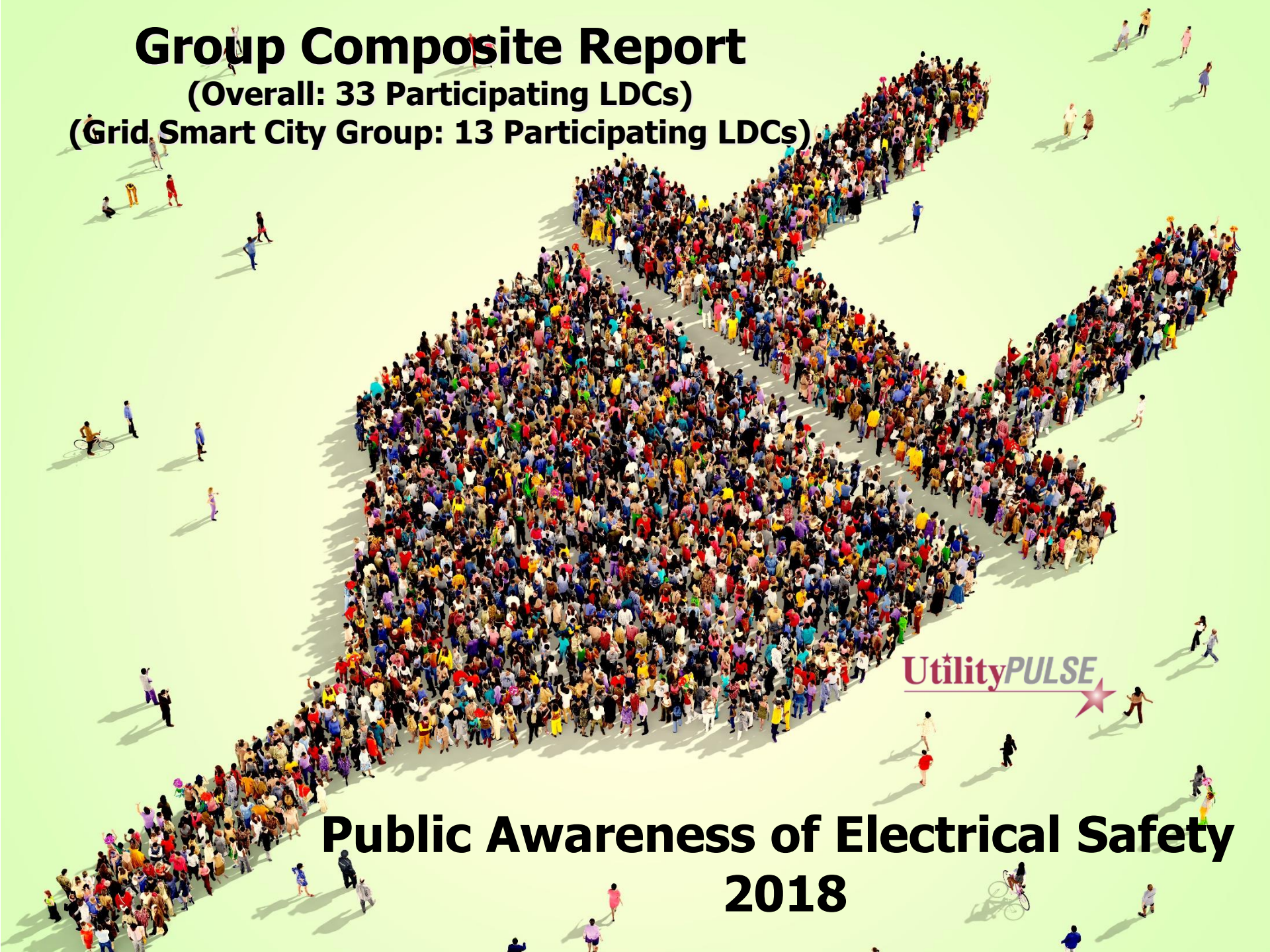
Your personal contact is:
Sid Ridgley
Phone: (905) 895-7900 x 29 Fax: (905) 895-7970
E-mail: sidridgley@utilitypulse.com
www.utilitypulse.com

UtilityPULSE

Group Composite Report

(Overall: 33 Participating LDCs)

(Grid Smart City Group: 13 Participating LDCs)



Public Awareness of Electrical Safety 2018

UtilityPULSE
Public Awareness of Electrical Safety Report

This is privileged and confidential material and no part may be used other than the intended purpose of providing a score for the Ontario Energy Board Scorecard.

Results are based on a telephone survey (Random Digit Dialing) among 12,974 Members of the General Public, 18 years of age or older, residing within the LDCs' geographic service territories. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region. Grid Smart City Group members also receive results based on 5,405 Members of the General Public within their service territories.

Scores in this report follow Appendix A: Scorecard Methodology and Implementation Guide published by the Ontario Energy Board November 25, 2015.

The questions used in the survey follow Appendix B: Biannual Standardized Scorecard Public Awareness of Electrical Safety Telephone Questionnaire published by the Ontario Energy Board November 25, 2015.

All comments and questions should be addressed to:

UtilityPULSE
Toll free: 1-888-291-7892 or Local: 905-895-7900
Project lead: Sid Ridgley
Email: sidridgley@utilitypulse.com

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary

The Overall Group Composite Public Safety Awareness Index Score is 82%; Grid Smart City Group is 83%.

This is the second execution of the Public Awareness Electrical Safety survey; the first execution occurred in 2016. This survey compiles data to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. This year's results are based on a telephone survey (Random Digit Dialing) among 12,974 Members of the General Public,18 years of age or older, within the LDCs' geographic service territories. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

We've further enhanced survey results by including the Correct and Incorrect percentages for the Outdoor Trades and Electrician groups.

The six core measurement questions correspond to the six most frequent incidents involving utility equipment in Ontario over the last decade. When looking at the distribution of responses for the six core measurement questions here are some of the key observations and recommendations going forward:

Question B5: Likelihood to *"call before you dig" [52.3% scored 1.00 pts]*
52.3% would 'definitely' and 19.3% were 'very likely' to call to locate electrical or other underground lines. While these figures indicate that many of your service territory's population would 'call before they dig', the remainder did not see this as a 'must do'. Even of those respondents who did reply they would definitely or very likely make the call, it is not clear if they would call because they were exerting due diligence for their property and household project OR if they were knowledgeable in the fact that this is the law that is in place.

Any education put forth on this core measurement must emphasize that **it is the law that one must 'call before you dig'.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B6: Impact of touching a power line *[93.7% scored 1.00 pts]*
93.7% knew that is 'very dangerous' and 3.3% believed it is 'somewhat dangerous' to touch an overhead power line with their body or any object.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching a power line. The key message that needs to continue to be driven to the public on this measurement is clear and simple: **It is very dangerous to touch an overhead power line with your body or any object.**

Question B7: Proximity to overhead power line *[21.3% scored 1.00 pts]*
This is one of two questions that contained a concept of measurement of distance from a power line constituting safe proximity. 21.3% indicated that they believed that there needed to be a distance of 3 metres to less than 6 metres and 56.6% indicated a distance of 6 metres or more to safely come close to an overhead power line with their body or an object. While this indicates there is knowledge that there needs to be a "certain" proximity maintained from an overhead power line, the exact measurement is not quite readily known. It is also indicative that while most people believed a "certain" distance was required, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'.

While being further away i.e. 6 metres or more is not technically incorrect, the point of this question is to educate the public that there is a reasonable distance that needs to be maintained. Any education put forth on this core measurement must clearly emphasize that a person can be as close as 3 metres to safely come close to an overhead power line while undertaking outdoor activities. This message whether in print or graphically depicted has to be clear and identifiable as not to confuse with the second question concerning distance from a 'downed' power line (QB9).

One key to improving awareness is to help the public at large to learn & **remember the required minimum distance is 3 metres to an <u>overhead</u> power line.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B8: Danger of tampering with electrical equipment *[89.6% scored 1.00 pts]*
89.6% knew that is 'very dangerous' to tamper with electrical equipment, while 8.1% believed it was 'somewhat dangerous'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching or tampering with electrical equipment. **Any electrical equipment is a no play zone for children and/or pets and in general all persons are not touch or tamper with the electrical equipment.**

Question B9: Proximity to downed power line *[80.1% scored 1.00 pts]*
This is the second question containing a concept of measurement of distance; in this instance it is safe proximity from a downed power line. 80.1% indicated that a distance of 10 metres or more needed to be maintained from a downed power line. As in QB7, while this indicates there is knowledge that there needs to be a "certain" proximity maintained from a downed power line, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'. In this instance however, choosing the furthest distance is the correct answer.

The point of this question is to educate the public that there is a reasonable distance that needs to be maintained from a downed power line and this distance is at least 10 metres. This message whether emphasized in print or graphically depicted has to be clear and identifiable as not to confuse with the question concerning distance of 3 metres from an 'overhead' power line (QB7).

One key to improving awareness is to help the public at large to learn & remember **the minimum distance from a <u>downed</u> power line is 10 metres.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B10: Actions taken in vehicle in contact with wires *[88.7% scored 1.00 pts]*
88.7% responded the safer action in this case would be to 'stay in the vehicle until power was disconnected from the line'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the harm associated with stepping out of a vehicle that is in contact with a downed power line. While some people instinctually feel that getting out and seeking help would be the proper thing to do, **the public needs to be educated that should their vehicle come in contact with power lines, staying in the vehicle is their best and safest option until the power is disconnected.**

Additional Questions:

Question C1: Importance of GFCI receptacles
81.1% responded that it is 'very important' and 11.8% said it is 'somewhat important' to have GFCI receptacles in the kitchen and bathroom.

Question C2: Danger of attempting repairs to the electrical panel
53.8% responded that it is 'very dangerous' and 32.9% said it is 'somewhat dangerous' to repair or change a circuit breaker in an electrical panel.

An additional demographic question pertaining to education levels was also probed and results are illustrated in the demographic portion of this report.

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Additional Questions for Grid Smart City Clients:

Question GSC1: Primary source of electrical safety information

34.4% cited the primary source of their electrical safety information came from **online searches**
26.9% cited the **local utility website**
17.6% cited the **ESA**
9.1% cited a **relative or friend**
7.6% cited **other**
2.5% cited **social media** and
1.8% **preferred not to say or simply did not know**.

It would seem overall the internet is the overwhelming source of electrical safety information whether it was from online searches or the utility's website as 61.3% of all respondents listed one or the other. 36.8% of respondents cited all other sources combined.

Question GSC2: Probing for households with children aged 6 to 13

22.9% responded that their household was comprised of school aged children.

Question GSC3: Conversations with children about the dangers of powerlines and playing near electrical equipment

Almost two-thirds, **52.7%** claimed they did have a conversation with their children discussing the dangers of powerlines and playing near electrical equipment. While it is encouraging that parents and families recognize the need to discuss electrical safety with their children, more has to be done to ensure that more parents and families are motivated to have this discussion to prevent potential injury and even fatalities.

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Conclusion:
Both the 2016 survey and this survey of the public in your service territory about electrical safety show many respondents do have good knowledge or have received some information pertaining to the 6 core measurement questions. The Overall Group Composite Public Safety Awareness Index Score is 82%; Grid Smart City Group is 83%.

The OEB has indicated that the performance target for public awareness of electricity safety will be established once three years of data is gathered; two years of data of have been gathered as of this time. In the meantime, your LDC will be expected to demonstrate the impact of your public education efforts through biannual surveying of adults residing in your service territory.

As you continue to develop safety awareness campaigns, we recommend that you look through this report along with your own data report to see where, among the population, awareness levels are lower and where outreach can be targeted. Focus on the messages which are simple and memorable which help the public ***learn and remember***. We also recommend that you share your results with your employees, especially those who may be in contact with outside workers, as they too can help spread the safety message.

Sid Ridgley

UtilityPULSE

Overall Group Composite
Public Safety Awareness Index Score

This **index score** is calculated using the following formulas:

Step 1: Add each individual respondent's key measurement questions using the provided response values.

B5
\+ B6
\+ B7
\+ B8
\+ B9
\+ B10
= **Individual respondent's cumulative score**

Step 2:
Individual respondent's cumulative score / # of sections
= Respondent Standardized Score

Step 3:
Summation of all "**Respondent Standardized Scores**" **/** n-size (i.e. total sample size)
= Raw Index Score

Step 4:
Raw Index Score × 100 = **Index Score** (bound between 0-100%)

Responses will be indexed to create a single comparable Public Safety Awareness Score

In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the 5 relevant sections of scorecard. This question (B5) will be removed from the calculation.

Public Safety Awareness Index Score

Overall Group Composite

Based on 33 participating LDCs

82%

Grid Smart City Group

Based on 13 participating LDCs

83%

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Score	% of respondents
Definitely	1.00 pts	**52.3%**
Very likely	0.75 pts	**19.3%**
Somewhat likely	0.50 pts	**10.5%**
Not very likely	0.00 pts	**6.6%**
Not at all likely	0.00 pts	**7.9%**
I would not undertake a project that required digging	omitted[1]	**2.3%**
Don't know	0.00 pts	**1.1%**

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

	Overall	Grid Smart City	Outdoor Trades	Electricians
CORRECT ✓	82.1%	85.2%	87.0%	81.8%
INCORRECT ✗	17.9%	14.8%	13.0%	18.2%

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Definitely	51.4%	53.1%	37.2%	45.5%	55.6%	57.4%	58.1%	54.2%
Very likely	18.8%	19.7%	19.3%	22.9%	20.9%	19.1%	17.9%	16.7%
Somewhat likely	10.5%	10.5%	18.9%	14.3%	9.8%	10.1%	8.5%	5.3%
Not very likely	7.0%	6.2%	12.3%	5.7%	6.1%	5.6%	5.7%	6.1%
Not at all likely	9.1%	6.7%	10.0%	8.6%	6.1%	5.9%	7.1%	9.8%
I would not undertake a project that required digging[1]	1.9%	2.7%	1.1%	1.9%	0.8%	1.0%	2.1%	5.9%
Don't know	1.2%	1.1%	1.2%	1.2%	0.8%	0.9%	0.7%	2.0%

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

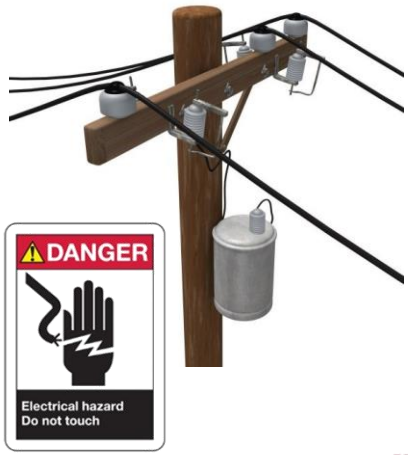
Percentage may not add up to 100% due to rounding

B6. Impact of touching a power line

How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Score	% of respondents
Very dangerous	1.00 pts	**93.7%**
Somewhat dangerous	0.50 pts	**3.3%**
Not very dangerous	0.00 pts	**1.6%**
Not at all dangerous	0.00 pts	**1.0%**
Don't know	0.00 pts	**0.4%**

	Overall	Grid Smart City	Outdoor Trades	Electricians
CORRECT ✓	97.0%	97.2%	98.2%	98.8%
INCORRECT ✗	3.0%	2.8%	1.8%	1.2%



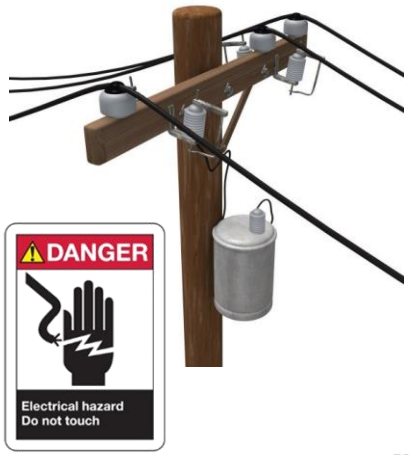
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B6. Impact of touching a power line

How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	92.9%	94.3%	89.3%	91.5%	95.6%	94.9%	96.2%	93.1%
Somewhat dangerous	3.8%	2.8%	5.5%	3.7%	3.0%	3.0%	2.3%	3.0%
Not very dangerous	1.8%	1.5%	2.6%	4.5%	0.7%	1.1%	0.6%	1.0%
Not at all dangerous	1.1%	0.8%	2.5%	0.2%	0.4%	0.7%	0.5%	1.8%
Don't know	0.4%	0.4%	0.0%	0.2%	0.4%	0.3%	0.4%	1.1%



Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Score	% of respondents
You can safely touch an overhead power line	0.00 pts	**0.4%**
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	**3.4%**
1 to less than 3 metres (i.e. 3 to less than 10 feet)	0.00 pts	**14.3%**
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	1.00 pts	**21.3%**
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	0.75 pts	**56.6%**
Don't know	0.00 pts	**4.0%**

	Overall	Grid Smart City	Outdoor Trades	Electricians
CORRECT ✓	77.8%	77.6%	74.9%	70.9%
INCORRECT ✗	22.2%	22.4%	25.1%	29.1%

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch an overhead power line	0.6%	0.3%	0.7%	0.6%	0.1%	0.4%	0.4%	0.4%
Less than 1 metre (i.e. less than 3 feet)	3.6%	3.3%	3.6%	2.9%	2.9%	3.6%	3.9%	3.5%
1 to less than 3 metres (i.e. 3 to less than 10 feet)	17.3%	11.6%	15.1%	16.9%	15.6%	14.8%	13.5%	11.2%
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	26.1%	16.8%	23.4%	24.7%	24.0%	22.0%	20.0%	15.7%
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	50.3%	62.5%	56.9%	52.1%	54.5%	56.7%	58.5%	59.7%
Don't know	2.2%	5.5%	0.2%	2.7%	2.9%	2.5%	3.7%	9.5%

Percentage may not add up to 100% due to rounding

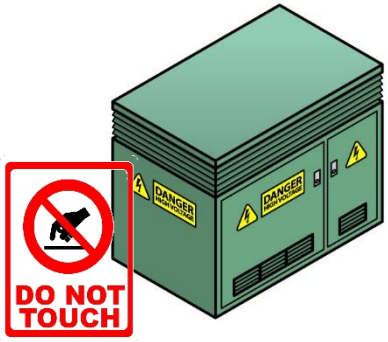
B8. Danger of tampering with electrical equipment

Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Score	% of respondents
Very dangerous	1.00 pts	89.6%
Somewhat dangerous	0.50 pts	8.1%
Not very dangerous	0.00 pts	1.0%
Not dangerous at all	0.00 pts	0.7%
Don't know	0.00 pts	0.7%

	Overall	Grid Smart City	Outdoor Trades	Electricians
CORRECT ✓	97.7%	98.3%	99.0%	96.4%
INCORRECT ✗	2.3%	1.7%	1.0%	3.6%



Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

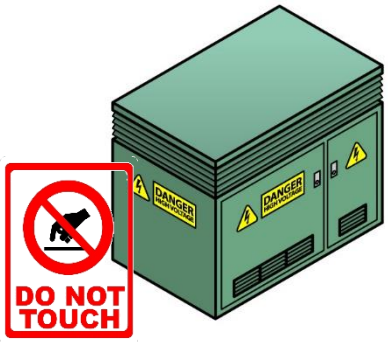
Percentage may not add up to 100% due to rounding

B8. Danger of tampering with electrical equipment

Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	90.9%	88.4%	82.0%	86.4%	90.4%	91.9%	93.3%	90.5%
Somewhat dangerous	6.8%	9.3%	14.5%	11.0%	8.0%	6.5%	5.2%	6.1%
Not very dangerous	0.9%	1.1%	2.4%	1.6%	0.9%	0.5%	0.6%	0.6%
Not dangerous at all	1.0%	0.3%	1.0%	0.6%	0.3%	0.7%	0.5%	1.0%
Don't know	0.4%	0.9%	0.1%	0.4%	0.4%	0.4%	0.4%	1.8%



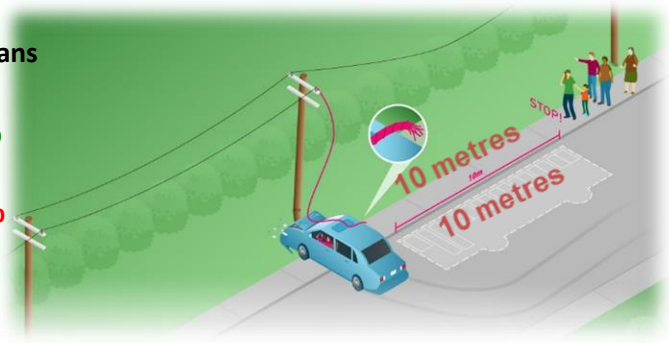
Percentage may not add up to 100% due to rounding

B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Score	% of respondents
You can safely touch a downed overhead power line	0.00 pts	**0.2%**
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	**1.2%**
1 to less than 5 metres (i.e. 3 to less than 16 feet)	0.00 pts	**4.7%**
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	0.00 pts	**12.3%**
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	1.00 pts	**80.1%**
Don't know	0.00 pts	**1.4%**

	Overall	Grid Smart City	Outdoor Trades	Electricians
CORRECT ✓	80.1%	78.2%	84.1%	82.2%
INCORRECT ✗	19.9%	21.8%	15.9%	17.8%



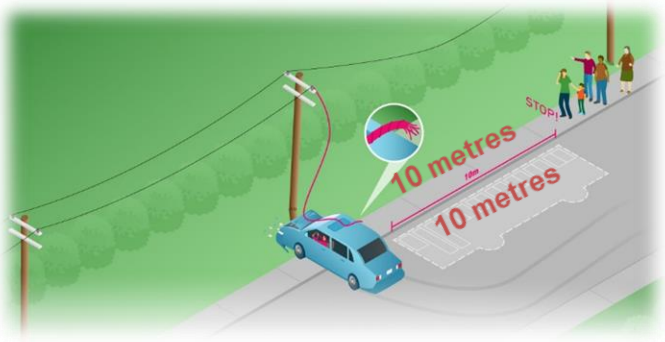
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch a downed overhead power line	0.3%	0.1%	0.5%	0.2%	0.0%	0.4%	0.1%	0.1%
Less than 1 metre (i.e. less than 3 feet)	1.1%	1.3%	0.7%	0.4%	1.2%	1.0%	1.5%	2.2%
1 to less than 5 metres (i.e. 3 to less than 16 feet)	5.1%	4.4%	2.2%	4.5%	4.6%	5.0%	4.7%	6.0%
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	13.4%	11.4%	16.8%	11.8%	13.3%	12.1%	10.6%	11.2%
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	79.4%	80.9%	79.8%	82.7%	80.0%	80.6%	81.8%	76.6%
Don't know	0.8%	1.9%		0.3%	1.0%	0.9%	1.2%	3.9%



Percentage may not add up to 100% due to rounding

B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

Response	Score	% of respondents
Get out quickly and seek help	0.00 pts	**10.0%**
Stay in the vehicle until power has been disconnected from the line	1.00 pts	**88.7%**
Don't know	0.00 pts	**1.3%**

	Overall	Grid Smart City	Outdoor Trades	Electricians
CORRECT ✓	88.7%	87.3%	96.8%	98.5%
INCORRECT ✗	11.3%	12.7%	3.2%	1.5%

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

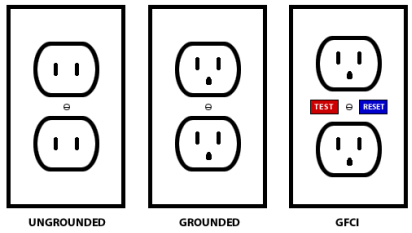
Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Get out quickly and seek help	6.1%	13.7%	20.3%	16.0%	9.1%	7.1%	4.8%	7.1%
Stay in the vehicle until power has been disconnected from the line	93.0%	84.6%	77.2%	82.2%	89.9%	92.3%	94.2%	91.4%
Don't know	1.0%	1.6%	2.5%	1.7%	1.0%	0.6%	1.0%	1.5%

Percentage may not add up to 100% due to rounding

C1. Importance of GFCI receptacles

How important is it to have Ground Fault Circuit interrupter (GFCI) receptacles in the kitchen and bathroom…

Response	% of respondents	Grid Smart City Group	Outdoor Trades	Electricians
Very important	81.1%	78.7%	95.1%	66.1%
Somewhat important	11.8%	13.6%	4.9%	33.9%
Not very important	1.1%	0.9%	0.0%	0.0%
Not at all important	0.5%	1.2%	0.0%	0.0%
Don't know	5.5%	5.5%	0.0%	0.0%



Percentage may not add up to 100% due to rounding

C2. Danger of tampering with electrical panel

How dangerous is it to repair or change a circuit breaker in an electrical panel?

Response	% of respondents	Grid Smart City Group
Very dangerous	53.8%	49.6%
Somewhat dangerous	32.9%	39.0%
Not very dangerous	6.2%	4.7%
Not at all dangerous	3.5%	3.1%
Don't know	3.7%	3.6%

Base: Respondents who answered very or somewhat important in Question C1.

Percentage may not add up to 100% due to rounding

Overall Group Composite
Public Awareness of Electrical Safety Report
Demographics

In what age category do you fall into?

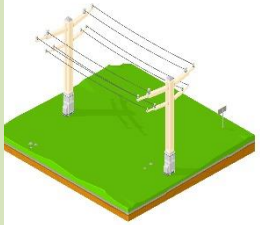
Response	% of respondents Based on Census data
18 to 24	11.8%
25 to 34	16.1%
35 to 44	15.5%
45 to 54	18.7%
55 to 64	17.4%
65 or older	20.5%

Gender

Response	% of respondents Based on Census data
Male	48.3%
Female	51.7%

Percentage may not add up to 100% due to rounding

Overall Group Composite
Public Awareness of Electrical Safety Report
Demographics



Does your job regularly cause you to come close to energized power lines?

Response	% of respondents
Yes	8.8%
No	90.5%
Don't know	0.7%

Proceed to the following question only If Respondent answers 'Yes' …

Do you work in any of the following fields?

Response	% of respondents
Transportation	8.2%
General labour	11.4%
Construction or outdoor trades	35.3%
Electrician	14.8%
Other	27.3%
Don't know/Prefer not to say	3.0%

Percentage may not add up to 100% due to rounding

Overall Group Composite
Public Awareness of Electrical Safety Report
Demographics

How would you describe your primary residence? Would you say…

Response	% of respondents
A fully-detached home	70.5%
A semi-detached home	6.3%
A townhome or row house	7.7%
An apartment or condo building less than 5 storeys	6.3%
An apartment or condo building 5 storeys or higher	4.8%
A farm	1.9%
Other	2.5%

Does your primary residence receive electricity through overhead wires or underground cables?

Response	% of respondents
Overhead wires	43.7%
Underground cables	48.0%
Don't know	8.4%

Percentage may not add up to 100% due to rounding

Overall Group Composite
Public Awareness of Electrical Safety Report
Demographics

Education Level

Response	% of respondents	Grid Smart City Group	Outdoor Trades	Electricians
Some high school	6.5%	4.8%	14.0%	5.5%
Completed high school	20.5%	19.8%	29.2%	30.0%
Some community college/trade school	11.2%	14.1%	3.6%	0.0%
Completed community college/trade school	22.3%	18.2%	30.1%	61.5%
Some university	8.0%	12.7%	12.2%	3.0%
Completed undergraduate university degree	20.0%	18.3%	8.9%	0.0%
Some graduate school	2.2%	2.0%	0.0%	0.0%
Completed graduate school	9.3%	10.3%	2.0%	0.0%

Percentage may not add up to 100% due to rounding

GSC1. Could you tell me what would be your primary source for finding information about electricity safety?

Response	Overall	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Local utility website	26.9%	25.8%	28.0%	9.9%	22.0%	28.2%	34.6%	31.1%	9.9%
Electrical Safety Authority	17.6%	19.9%	15.5%	11.7%	17.7%	17.2%	15.5%	19.0%	22.7%
Online search	34.4%	34.0%	34.8%	51.1%	45.8%	40.3%	33.0%	26.5%	15.4%
Social media	2.5%	2.3%	2.8%	3.7%	2.6%	2.4%	1.7%	2.6%	2.6%
Relative or friend	9.1%	8.0%	10.1%	17.3%	10.5%	5.5%	7.5%	8.4%	8.0%
Other	7.6%	8.5%	6.8%	5.9%	1.4%	5.3%	6.1%	10.4%	15.9%
Don't know/Prefer not to say	1.8%	1.6%	2.1%	0.4%	0.0%	1.1%	1.5%	2.0%	5.4%

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renewing energy

Additional question(s) for Grid Smart City Clients

Percentage may not add up to 100% due to rounding

GSC2. Do you have any children, living with you, who are 6 to 13 years old?

Response	% of respondents
Yes	22.9%
No	77.0%
Did not answer	0.2%

GSC3. Have you had a conversation within the last year with your child or children about the dangers of powerlines and playing near electrical equipment?

Response	% of respondents
Yes	52.7%
No	46.0%
Did not answer	1.4%

GridSmartCity
renewing energy

Additional question(s) for Grid Smart City Clients

Percentage may not add up to 100% due to rounding

UtilityPULSE, through polls and surveys, provides executives and managers with feedback that assists in making both strategic and operational decisions. You know lots of companies that can gather data and provide a report. We believe that by specializing in the utility sector with our polls and surveys, you get stronger analysis of data and answers to key questions that help you formulate key strategies to assist your leaders in creating a better place to work and a better place to do business with.

UtilityPULSE is uniquely positioned to help your utility get feedback from Customers, through its Annual Electric Utility Customer Satisfaction Survey or customized research designed for you. In addition, we understand what it takes to create an organization where employees are engaged and enthusiastic about customers and the work that they do. Knowing what is going on with your customers and employees is one thing, doing something about it is another. We get paid for, and earn our clients' loyalty by, delivering objective insights with actionable recommendations; accomplished when every step of the process is completed with professionalism and pride. Our mission is to help you and your leadership team move from knowing to doing while improving performance and creating value to your customers, employees, stakeholders and the public at large.

Your personal contact is:
Sid Ridgley
Phone: (905) 895-7900 x 29 Fax: (905) 895-7970
E-mail: sidridgley@utilitypulse.com
www.utilitypulse.com

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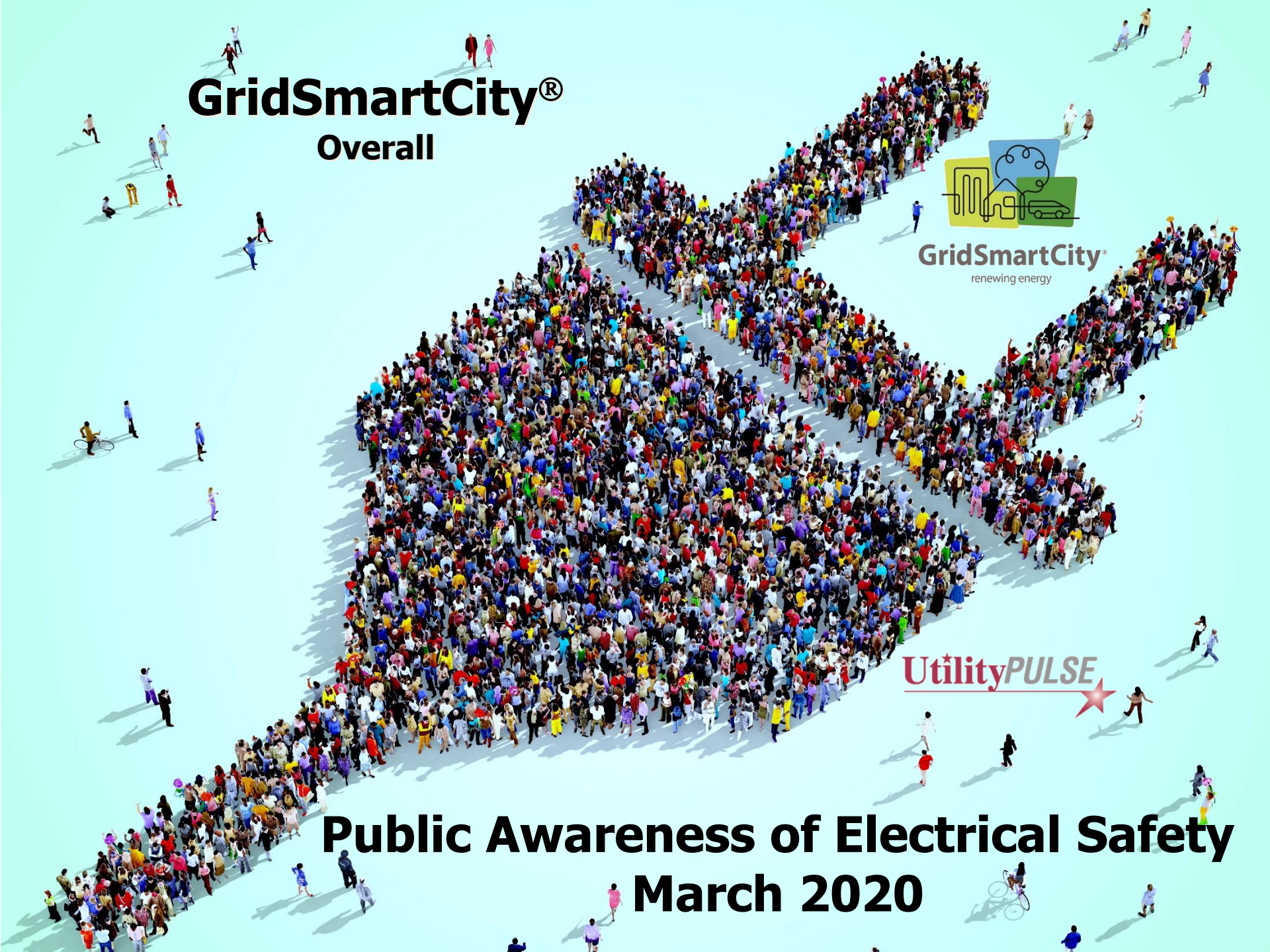
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UtilityPULSE
Public Awareness of Electrical Safety
March 2020

UtilityPULSE
Public Awareness of Electrical Safety Report

This is privileged and confidential material and no part may be used other than the intended purpose of providing a score for the Ontario Energy Board Scorecard.

Results are based on a telephone survey (Random Digit Dialing) among 4799 Members of the General Public,18 years of age or older, residing within the 12 participating Grid Smart City's LDC Members' geographic service territories. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

Scores in this report follow Appendix A: Scorecard Methodology and Implementation Guide last published by the Ontario Energy Board November 25, 2015.

The questions used in the survey follow Appendix B: Biannual Standardized Scorecard Public Awareness of Electrical Safety Telephone Questionnaire last published by the Ontario Energy Board November 25, 2015.

All comments and questions should be addressed to:

UtilityPULSE
Tell: 905-895-7900 x 29
Project lead: Sid Ridgley
Email: sidridgley@utilitypulse.com
March, 2020

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary

Grid Smart City's Overall Public Safety Awareness Index Score is 82%. The UtilityPULSE cohort of participating LDCs Public Safety Awareness Score is 83%.

This is the third execution of the Public Awareness Electrical Safety survey; the first execution occurred in 2016. This survey compiles data to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. Results are based on a telephone survey (Random Digit Dialing) among 4799 Members of the General Public,18 years of age or older, within Grid Smart City's LDC Members' geographic service territories. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

The six core measurement questions correspond to the six most frequent incidents involving utility equipment in Ontario over the last decade. When looking at the distribution of responses for the six core measurement questions here are some of the key observations and recommendations going forward:

Question B5: Likelihood to *"call before you dig" [48% scored 1.00 pts]*
48% would 'definitely' and 21% were 'very likely' to call to locate electrical or other underground lines. While these figures indicate that many of your service territory's population would 'call before they dig', the remainder did not see this as a 'must do'. Even of those respondents who did reply they would definitely or very likely make the call, it is not clear if they would call because they were exerting due diligence for their property and household project OR if they were knowledgeable in the fact that this is the law that is in place.

Any education put forth on this core measurement must emphasize that **it is the law that one must 'call before you dig'.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B6: Impact of touching a power line *[94% scored 1.00 pts]*
94% knew that is 'very dangerous' and 4% believed it is 'somewhat dangerous' to touch an overhead power line with their body or any object.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching a power line. The key message that needs to continue to be driven to the public on this measurement is clear and simple: **It is very dangerous to touch an overhead power line with your body or any object.**

Question B7: Proximity to overhead power line *[23% scored 1.00 pts]*
This is one of two questions that contained a concept of measurement of distance from a power line constituting safe proximity. 23% indicated that they believed that there needed to be a distance of 3 metres to less than 6 metres and 54% indicated a distance of 6 metres or more to safely come close to an overhead power line with their body or an object. While this indicates there is knowledge that there needs to be a "certain" proximity maintained from an overhead power line, the exact measurement is not quite readily known. It is also indicative that while most people believed a "certain" distance was required, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'.

While being further away i.e. 6 metres or more is not technically incorrect, the point of this question is to educate the public that there is a reasonable distance that needs to be maintained. Any education put forth on this core measurement must clearly emphasize that a person can be as close as 3 metres to safely come close to an overhead power line while undertaking outdoor activities. This message whether in print or graphically depicted has to be clear and identifiable as not to confuse with the second question concerning distance from a 'downed' power line (QB9).

One key to improving awareness is to help the public at large to learn & **remember the required minimum distance is 3 metres to an <u>overhead</u> power line.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B8: Danger of tampering with electrical equipment *[89% scored 1.00 pts]*
89% knew that is 'very dangerous' to tamper with electrical equipment, while 8% believed it was 'somewhat dangerous'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching or tampering with electrical equipment. **Any electrical equipment is a no play zone for children and/or pets and in general all persons are not touch or tamper with the electrical equipment.**

Question B9: Proximity to downed power line *[77% scored 1.00 pts]*
This is the second question containing a concept of measurement of distance; in this instance it is safe proximity from a downed power line. 77% indicated that a distance of 10 metres or more needed to be maintained from a downed power line. As in QB7, while this indicates there is knowledge that there needs to be a "certain" proximity maintained from a downed power line, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'. In this instance however, choosing the furthest distance is the correct answer.

The point of this question is to educate the public that there is a reasonable distance that needs to be maintained from a downed power line and this distance is at least 10 metres. This message whether emphasized in print or graphically depicted has to be clear and identifiable as not to confuse with the question concerning distance of 3 metres from an 'overhead' power line (QB7).

One key to improving awareness is to help the public at large to learn & remember **the minimum distance from a <u>downed</u> power line is 10 metres.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B10: Actions taken in vehicle in contact with wires *[90% scored 1.00 pts]*
90% responded the safer action in this case would be to 'stay in the vehicle until power was disconnected from the line'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the harm associated with stepping out of a vehicle that is in contact with a downed power line. While some people instinctually feel that getting out and seeking help would be the proper thing to do, **the public needs to be educated that should their vehicle come in contact with power lines, staying in the vehicle is their best and safest option until the power is disconnected.**

Additional Questions for Grid Smart City Clients:

Question GSC1: Primary source of electrical safety information
33% cited the primary source of their electrical safety information as their **local utility website**
30% cited **online searches**
17% cited the **ESA**
6% cited a **relative or friend**
1% cited **social media**
11% cited **other** and
2% **preferred not to say or simply did not know**.

It would seem overall the internet is the overwhelming source of electrical safety information whether it was from online searches or the utility's website as 63% of all respondents listed one or the other. 37% of respondents cited all other sources combined.

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Additional Questions for Grid Smart City Clients:

Question GSC2: Probing for households with children aged 6 to 13

25% responded that their household was comprised of school aged children.

Question GSC3: Conversations with children about the dangers of powerlines and playing near electrical equipment

Over half, **51%** claimed they did have a conversation with their children discussing the dangers of powerlines and playing near electrical equipment. While it is encouraging that parents and families recognize the need to discuss electrical safety with their children, more has to be done to ensure that more parents and families are motivated to have this discussion to prevent potential injury and even fatalities.

Additional Research by UtilityPULSE:

Question C1: Importance of GFCI receptacles

78% responded that it is 'very important' and 14% said it is 'somewhat important' to have GFCI receptacles in the kitchen and bathroom.

Question C2: Danger of attempting repairs to the electrical panel

49% responded that it is 'very dangerous' and 36% said it is 'somewhat dangerous' to repair or change a circuit breaker in an electrical panel.

This additional research was conducted January – March 2020.

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Conclusion:
This survey and previous years' surveys of the public in your service territory about electrical safety show many respondents do have good knowledge or have received some information pertaining to the 6 core measurement questions. Grid Smart City's Overall Public Safety Awareness Index Score is 82% while the UtilityPULSE cohort of LDCs was 83%

The OEB has indicated that the performance target for public awareness of electrical safety will be established once three years of data is gathered; two years of data of have been gathered as of this time. In the meantime, your LDC will be expected to demonstrate the impact of your public education efforts through biannual surveying of adults residing in your service territory.

As you continue to develop safety awareness campaigns, we recommend that you look through this report along with your data report to see where, among the population, awareness levels are lower and where outreach can be targeted. Focus on the messages which are simple and memorable which help the public ***learn and remember***. We also recommend that you share your results with your employees, especially those who may be in contact with outside workers, as they too can help spread the safety message.

Sid Ridgley

UtilityPULSE

Grid Smart City
Public Safety Awareness Index Score

This **index score** is calculated using the following formulas:

Step 1: Add each individual respondent's key measurement questions using the provided response values.

B5
\+ B6
\+ B7
\+ B8
\+ B9
\+ B10
= **Individual respondent's cumulative score**

Step 2:
Individual respondent's cumulative score / # of sections
= Respondent Standardized Score

Step 3:
Summation of all "**Respondent Standardized Scores**" **/** n-size (i.e. total sample size)
= Raw Index Score

Step 4:
Raw Index Score × 100 = **Index Score** (bound between 0-100%)

Responses will be indexed to create a single comparable Public Safety Awareness Score

In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the 5 relevant sections of scorecard. This question (B5) will be removed from the calculation.

Public Safety Awareness Index Score

Overall Group Composite

Based on 27 participating LDCs

83%

Grid Smart City Group

Based on 12 participating LDCs

82%

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Score	% of respondents
Definitely	1.00 pts	**48%**
Very likely	0.75 pts	**21%**
Somewhat likely	0.50 pts	**13%**
Not very likely	0.00 pts	**7%**
Not at all likely	0.00 pts	**7%**
I would not undertake a project that required digging	omitted[1]	**3%**
Don't know	0.00 pts	**1%**

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

	Grid Smart City	Overall
CORRECT ✓	82%	83%
INCORRECT ✗	18%	17%

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

Percentage may not add up to 100% due to rounding

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Definitely	46%	50%	27%	41%	49%	56%	55%	53%
Very likely	22%	20%	18%	21%	26%	19%	22%	21%
Somewhat likely	14%	12%	26%	15%	13%	10%	9%	6%
Not very likely	7%	6%	12%	10%	5%	6%	4%	5%
Not at all likely	8%	6%	15%	6%	6%	5%	6%	7%
I would not undertake a project that required digging[1]	2%	4%	1%	3%	2%	2%	3%	6%
Don't know	1%	2%	0%	3%	0%	1%	1%	2%

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

Percentage may not add up to 100% due to rounding

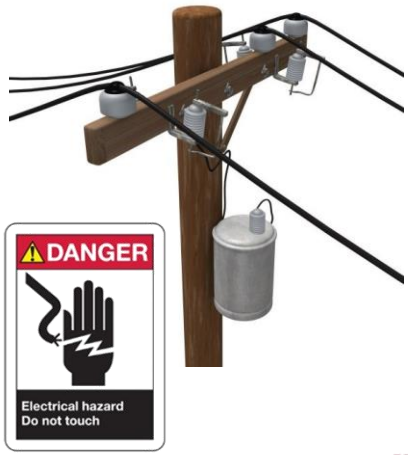
UtilityPULSE

B6. Impact of touching a power line

How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Score	% of respondents
Very dangerous	1.00 pts	**94%**
Somewhat dangerous	0.50 pts	**4%**
Not very dangerous	0.00 pts	**0%**
Not at all dangerous	0.00 pts	**1%**
Don't know	0.00 pts	**0%**

	Grid Smart City	Overall
CORRECT ✓	99%	98%
INCORRECT ✗	1%	2%



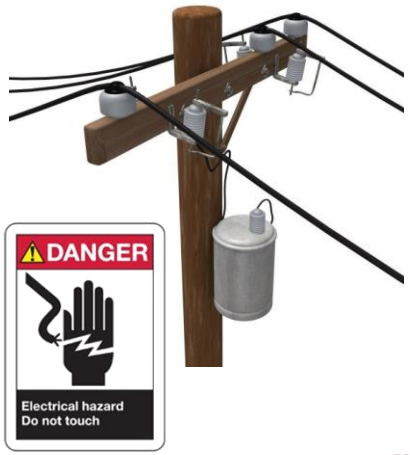
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B6. Impact of touching a power line

How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	94%	95%	89%	97%	93%	97%	95%	93%
Somewhat dangerous	5%	4%	10%	3%	6%	3%	3%	3%
Not very dangerous	1%	0%	0%	0%	0%	0%	1%	1%
Not at all dangerous	1%	0%	1%	0%	1%	0%	1%	1%
Don't know	0%	0%	0%	0%	0%	0%	1%	1%



Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Score	% of respondents
You can safely touch an overhead power line	0.00 pts	0%
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	4%
1 to less than 3 metres (i.e. 3 to less than 10 feet)	0.00 pts	14%
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	1.00 pts	23%
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	0.75 pts	54%
Don't know	0.00 pts	4%

	Grid Smart City	Overall
CORRECT ✓	77%	77%
INCORRECT ✗	23%	23%

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch an overhead power line	0%	1%	0%	0%	1%	0%	1%	1%
Less than 1 metre (i.e. less than 3 feet)	3%	5%	8%	4%	4%	3%	4%	3%
1 to less than 3 metres (i.e. 3 to less than 10 feet)	14%	14%	17%	14%	18%	15%	13%	10%
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	26%	21%	28%	26%	24%	25%	20%	18%
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	54%	54%	47%	54%	51%	53%	57%	58%
Don't know	2%	6%	1%	2%	3%	3%	5%	10%

Percentage may not add up to 100% due to rounding

B8. Danger of tampering with electrical equipment

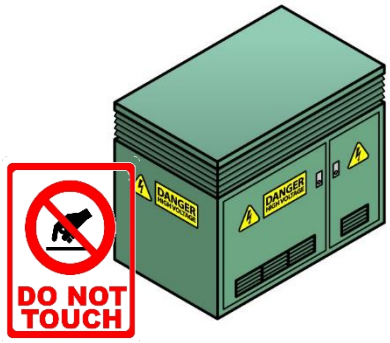
Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Score	% of respondents
Very dangerous	1.00 pts	**89%**
Somewhat dangerous	0.50 pts	**8%**
Not very dangerous	0.00 pts	**2%**
Not dangerous at all	0.00 pts	**0%**
Don't know	0.00 pts	**0%**

	Grid Smart City	Overall
CORRECT ✓	98%	98%
INCORRECT ✗	2%	2%

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know



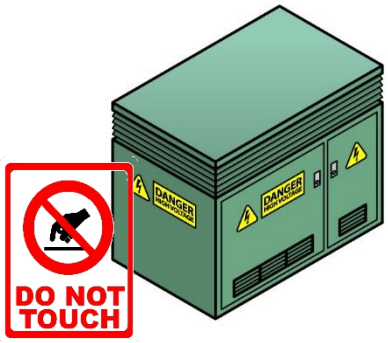
Percentage may not add up to 100% due to rounding

B8. Danger of tampering with electrical equipment

Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	90%	88%	86%	88%	89%	91%	91%	91%
Somewhat dangerous	7%	9%	9%	11%	9%	8%	7%	6%
Not very dangerous	2%	2%	5%	2%	1%	1%	1%	1%
Not dangerous at all	1%	0%	0%	0%	1%	0%	1%	1%
Don't know	0%	0%	0%	0%	0%	0%	0%	1%



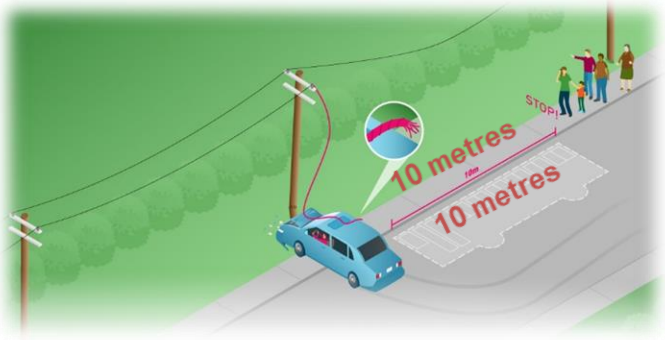
Percentage may not add up to 100% due to rounding

B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Score	% of respondents
You can safely touch a downed overhead power line	0.00 pts	0%
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	1%
1 to less than 5 metres (i.e. 3 to less than 16 feet)	0.00 pts	6%
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	0.00 pts	14%
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	1.00 pts	77%
Don't know	0.00 pts	1%

	Grid Smart City	Overall
CORRECT ✓	77%	79%
INCORRECT ✗	23%	21%



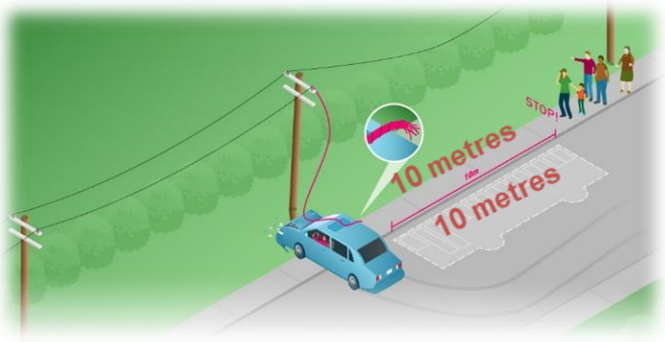
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch a downed overhead power line	0%	0%	0%	0%	0%	0%	0%	0%
Less than 1 metre (i.e. less than 3 feet)	1%	1%	0%	0%	1%	1%	2%	1%
1 to less than 5 metres (i.e. 3 to less than 16 feet)	7%	5%	9%	9%	4%	4%	5%	5%
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	12%	17%	25%	10%	14%	16%	12%	12%
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	80%	75%	66%	81%	80%	78%	79%	77%
Don't know	1%	2%	0%	0%	0%	1%	2%	4%



Percentage may not add up to 100% due to rounding

B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

Response	Score	% of respondents
Get out quickly and seek help	0.00 pts	**9%**
Stay in the vehicle until power has been disconnected from the line	1.00 pts	**90%**
Don't know	0.00 pts	**1%**

	Grid Smart City	Overall
CORRECT ✓	90%	90%
INCORRECT ✗	10%	10%

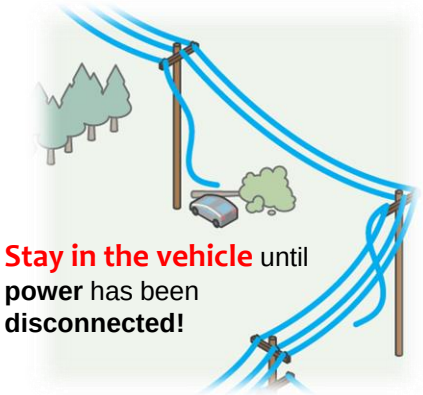
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Get out quickly and seek help	9%	10%	14%	13%	9%	8%	6%	7%
Stay in the vehicle until power has been disconnected from the line	91%	89%	86%	87%	89%	90%	94%	91%
Don't know	1%	1%	1%	0%	2%	2%	1%	2%



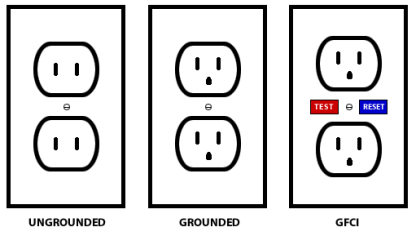
Percentage may not add up to 100% due to rounding

C1. Importance of GFCI receptacles

How important is it to have Ground Fault Circuit interrupter (GFCI) receptacles in the kitchen and bathroom…

Response	% of respondents	Outdoor Trades	Electricians
Very important	78%	96%	96%
Somewhat important	14%	4%	4%
Not very important	1%	0%	0%
Not at all important	1%	0%	0%
Don't know	6%	0%	0%

Additional research for UtilityPULSE clients



Percentage may not add up to 100% due to rounding

C2. Danger of tampering with electrical panel

How dangerous is it to repair or change a circuit breaker in an electrical panel?

Response	% of respondents
Very dangerous	49%
Somewhat dangerous	36%
Not very dangerous	5%
Not at all dangerous	3%
Don't know	7%

Additional research for UtilityPULSE clients

Percentage may not add up to 100% due to rounding

Grid Smart City

GSC1. Could you tell me what would be your primary source for finding information about electricity safety?

Response	Overall	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Local utility website	33%	31%	35%	23%	25%	30%	39%	39%	39%
Electrical Safety Authority	17%	21%	14%	11%	22%	17%	18%	17%	17%
Online search	30%	31%	30%	45%	37%	35%	29%	24%	16%
Social media	1%	1%	1%	1%	0%	0%	0%	1%	1%
Relative or friend	6%	4%	8%	9%	4%	7%	5%	5%	6%
Other	11%	11%	11%	10%	9%	9%	8%	11%	18%
Don't Know, Refused, Prefer not to say	2%	2%	2%	1%	2%	1%	1%	1%	4%

[1]*Note: Unweighted data*

This slide is for Grid Smart City UtilityPULSE Clients only

Percentage may not add up to 100% due to rounding

Grid Smart City

GSC2. Do you have any children, living with you, who are 6 to 13 years old?

Response	% of respondents
Yes	25%
No	74%
Did not answer	0%

[1]*Note: Unweighted data*

GSC3. Have you had a conversation within the last year with your child or children about the dangers of powerlines and playing near electrical equipment?

Response	% of respondents
Yes	51%
No	48%
Did not answer	1%

[1]*Note: Unweighted data*

This slide is for Grid Smart City UtilityPULSE Clients only

Grid Smart City
Public Awareness of Electrical Safety Report
Demographics

In what age category do you fall into?

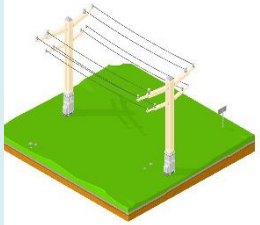
Response	% of respondents Based on Census data
18 to 24	12%
25 to 34	17%
35 to 44	17%
45 to 54	19%
55 to 64	16%
65 or older	19%

Gender

Response	% of respondents Based on Census data
Male	48%
Female	52%

Percentage may not add up to 100% due to rounding

Grid Smart City
Public Awareness of Electrical Safety Report
Demographics



Does your job regularly cause you to come close to energized power lines?

Response	% of respondents
Yes	7%
No	92%
Don't know	0%

Proceed to the following question only If Respondent answers 'Yes' …

Do you work in any of the following fields?

Response	% of respondents
Transportation	9%
General labour	12%
Construction or outdoor trades	30%
Electrician	15%
Other	30%
Don't know/Prefer not to say	4%

Percentage may not add up to 100% due to rounding

Grid Smart City
Public Awareness of Electrical Safety Report
Demographics

How would you describe your primary residence? Would you say…

Response	% of respondents
A fully-detached home	67%
A semi-detached home	6%
A townhome or row house	11%
An apartment or condo building less than 5 storeys	6%
An apartment or condo building 5 storeys or higher	5%
A farm	3%
Other	2%

Does your primary residence receive electricity through overhead wires or underground cables?

Response	% of respondents
Overhead wires	39%
Underground cables	54%
Don't know	7%

Percentage may not add up to 100% due to rounding

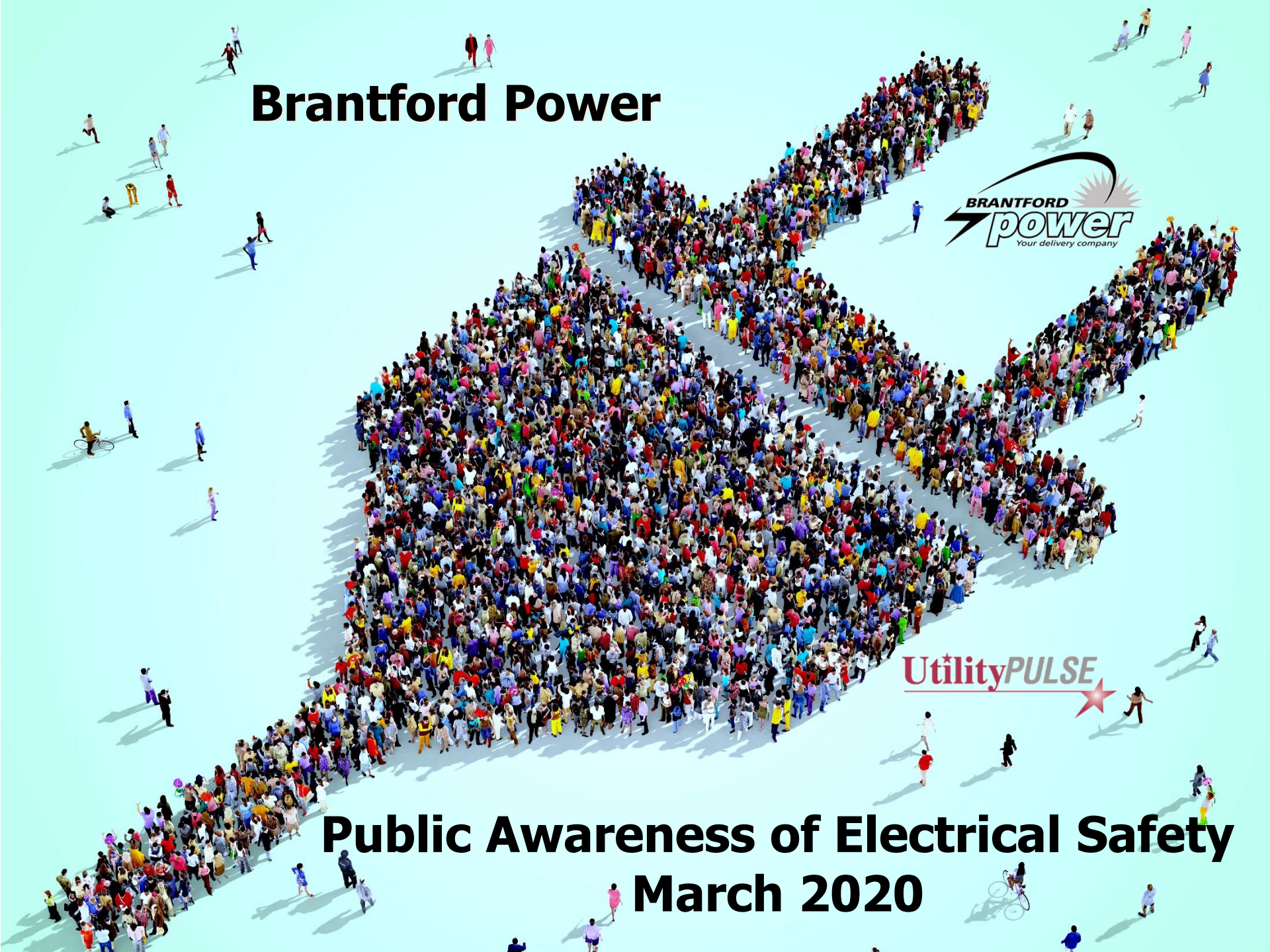
UtilityPULSE, through polls and surveys, provides executives and managers with feedback that assists in making both strategic and operational decisions. You know lots of companies that can gather data and provide a report. We believe that by specializing in the utility sector with our polls and surveys, you get stronger analysis of data and answers to key questions that help you formulate key strategies to assist your leaders in creating a better place to work and a better place to do business with.

UtilityPULSE is uniquely positioned to help your utility get feedback from Customers, through its Annual Electric Utility Customer Satisfaction Survey or customized research designed for you. In addition, we understand what it takes to create an organization where employees are engaged and enthusiastic about customers and the work that they do. Knowing what is going on with your customers and employees is one thing, doing something about it is another. We get paid for, and earn our clients' loyalty by, delivering objective insights with actionable recommendations; accomplished when every step of the process is completed with professionalism and pride. Our mission is to help you and your leadership team move from knowing to doing while improving performance and creating value to your customers, employees, stakeholders and the public at large.

Your personal contact is:
Sid Ridgley
Phone: (905) 895-7900 x 29
E-mail: sidridgley@utilitypulse.com
www.utilitypulse.com

UtilityPULSE

Brantford Power



Public Awareness of Electrical Safety
March 2020

UtilityPULSE
Public Awareness of Electrical Safety Report

This is privileged and confidential material and no part may be used other than the intended purpose of providing a score for the Ontario Energy Board Scorecard.

Results are based on a telephone survey (Random Digit Dialing) among 400 Members of the General Public,18 years of age or older, residing within the LDC's geographic service territory. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

Scores in this report follow Appendix A: Scorecard Methodology and Implementation Guide last published by the Ontario Energy Board November 25, 2015.

The questions used in the survey follow Appendix B: Biannual Standardized Scorecard Public Awareness of Electrical Safety Telephone Questionnaire last published by the Ontario Energy Board November 25, 2015.

All comments and questions should be addressed to:

UtilityPULSE
Toll free: 1-888-291-7892 or Local: 905-895-7900
Project lead: Sid Ridgley
Email: sidridgley@utilitypulse.com
March, 2020

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary

Brantford Power's Public Safety Awareness Index Score is 85%.

This is the third execution of the Public Awareness Electrical Safety survey; the first execution occurred in 2016. This survey compiles data to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. Results are based on a telephone survey (Random Digit Dialing) among 400 Members of the General Public,18 years of age or older, within the LDC's geographic service territory. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

The six core measurement questions correspond to the six most frequent incidents involving utility equipment in Ontario over the last decade. When looking at the distribution of responses for the six core measurement questions here are some of the key observations and recommendations going forward:

Question B5: Likelihood to *"call before you dig" [47% scored 1.00 pts]*
47% would 'definitely' and 20% were 'very likely' to call to locate electrical or other underground lines. While these figures indicate that many of your service territory's population would 'call before they dig', the remainder did not see this as a 'must do'. Even of those respondents who did reply they would definitely or very likely make the call, it is not clear if they would call because they were exerting due diligence for their property and household project OR if they were knowledgeable in the fact that this is the law that is in place.

Any education put forth on this core measurement must emphasize that **it is the law that one must 'call before you dig'.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B6: Impact of touching a power line *[91% scored 1.00 pts]*
91% knew that is 'very dangerous' and 8% believed it is 'somewhat dangerous' to touch an overhead power line with their body or any object.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching a power line. The key message that needs to continue to be driven to the public on this measurement is clear and simple: **It is very dangerous to touch an overhead power line with your body or any object.**

Question B7: Proximity to overhead power line *[22% scored 1.00 pts]*
This is one of two questions that contained a concept of measurement of distance from a power line constituting safe proximity. 22% indicated that they believed that there needed to be a distance of 3 metres to less than 6 metres and 64% indicated a distance of 6 metres or more to safely come close to an overhead power line with their body or an object. While this indicates there is knowledge that there needs to be a "certain" proximity maintained from an overhead power line, the exact measurement is not quite readily known. It is also indicative that while most people believed a "certain" distance was required, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'.

While being further away i.e. 6 metres or more is not technically incorrect, the point of this question is to educate the public that there is a reasonable distance that needs to be maintained. Any education put forth on this core measurement must clearly emphasize that a person can be as close as 3 metres to safely come close to an overhead power line while undertaking outdoor activities. This message whether in print or graphically depicted has to be clear and identifiable as not to confuse with the second question concerning distance from a 'downed' power line (QB9).

One key to improving awareness is to help the public at large to learn & **remember the required minimum distance is 3 metres to an <u>overhead</u> power line.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B8: Danger of tampering with electrical equipment *[89% scored 1.00 pts]*
89% knew that is 'very dangerous' to tamper with electrical equipment, while 4% believed it was 'somewhat dangerous'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the perils associated with touching or tampering with electrical equipment. **Any electrical equipment is a no play zone for children and/or pets and in general all persons are not touch or tamper with the electrical equipment.**

Question B9: Proximity to downed power line *[88% scored 1.00 pts]*
This is the second question containing a concept of measurement of distance; in this instance it is safe proximity from a downed power line. 88% indicated that a distance of 10 metres or more needed to be maintained from a downed power line. As in QB7, while this indicates there is knowledge that there needs to be a "certain" proximity maintained from a downed power line, it is not clear how many chose the higher distance because of a prevailing thought that 'the further away the safer you are'. In this instance however, choosing the furthest distance is the correct answer.

The point of this question is to educate the public that there is a reasonable distance that needs to be maintained from a downed power line and this distance is at least 10 metres. This message whether emphasized in print or graphically depicted has to be clear and identifiable as not to confuse with the question concerning distance of 3 metres from an 'overhead' power line (QB7).

One key to improving awareness is to help the public at large to learn & remember **the minimum distance from a <u>downed</u> power line is 10 metres.**

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Question B10: Actions taken in vehicle in contact with wires *[94% scored 1.00 pts]*
94% responded the safer action in this case would be to 'stay in the vehicle until power was disconnected from the line'.

Any education put forth on this core measurement must continue to emphasize & re-emphasize the harm associated with stepping out of a vehicle that is in contact with a downed power line. While some people instinctually feel that getting out and seeking help would be the proper thing to do, **the public needs to be educated that should their vehicle come in contact with power lines, staying in the vehicle is their best and safest option until the power is disconnected.**

Additional Questions for Grid Smart City Clients:

Question GSC1: Primary source of electrical safety information
35% cited the primary source of their electrical safety information as their **local utility website**
26% cited **online searches**
15% cited the **ESA**
7% cited a **relative or friend**
1% cited **social media**
13% cited **other** and
2% **preferred not to say or simply did not know**.

It would seem overall the internet is the overwhelming source of electrical safety information whether it was from online searches or the utility's website as 61% of all respondents listed one or the other. 39% of respondents cited all other sources combined.

UtilityPULSE
Public Awareness of Electrical Safety Report
Executive Summary (continued)

Additional Questions for Grid Smart City Clients:

Question GSC2: Probing for households with children aged 6 to 13

29% responded that their household was comprised of school aged children.

Question GSC3: Conversations with children about the dangers of powerlines and playing near electrical equipment

Over half, **56%** claimed they did have a conversation with their children discussing the dangers of powerlines and playing near electrical equipment. While it is encouraging that parents and families recognize the need to discuss electrical safety with their children, more has to be done to ensure that more parents and families are motivated to have this discussion to prevent potential injury and even fatalities.

Conclusion:

This survey and previous years' surveys of the public in your service territory about electrical safety show many respondents do have good knowledge or have received some information pertaining to the 6 core measurement questions. Brantford Power's Public Safety Awareness Index Score is 85%.

The OEB has indicated that the performance target for public awareness of electrical safety will be established once three years of data is gathered; two years of data of have been gathered as of this time. In the meantime, your LDC will be expected to demonstrate the impact of your public education efforts through biannual surveying of adults residing in your service territory.

As you continue to develop safety awareness campaigns, we recommend that you look through this report along with your data report to see where, among the population, awareness levels are lower and where outreach can be targeted. Focus on the messages which are simple and memorable which help the public ***learn and remember***. We also recommend that you share your results with your employees, especially those who may be in contact with outside workers, as they too can help spread the safety message.

Sid Ridgley

UtilityPULSE

Brantford Power
Public Safety Awareness Index Score

This **index score** is calculated using the following formulas:

Step 1: Add each individual respondent's key measurement questions using the provided response values.

B5
\+ B6
\+ B7
\+ B8
\+ B9
\+ B10
= **Individual respondent's cumulative score**

Step 2:
Individual respondent's cumulative score / # of sections
= Respondent Standardized Score

Step 3:
Summation of all "**Respondent Standardized Scores**" **/** n-size (i.e. total sample size)
= Raw Index Score

Step 4:
Raw Index Score × 100 = **Index Score** (bound between 0-100%)

Responses will be indexed to create a single comparable Public Safety Awareness Score

In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the 5 relevant sections of scorecard. This question (B5) will be removed from the calculation.

Brantford Power

Public Safety Awareness Index Score

85%

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Score	% of respondents
Definitely	1.00 pts	**47%**
Very likely	0.75 pts	**20%**
Somewhat likely	0.50 pts	**11%**
Not very likely	0.00 pts	**14%**
Not at all likely	0.00 pts	**4%**
I would not undertake a project that required digging	omitted[1]	**4%**
Don't know	0.00 pts	**0%**

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

CORRECT ✓ **78%**

INCORRECT ✗ **22%**

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

Percentage may not add up to 100% due to rounding

UtilityPULSE

B5. Likelihood to *"call before you dig"*

If you were to undertake a household project that required digging – such as planting a tree or building a deck – how likely are you to call to locate electrical or other underground lines?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Definitely	43%	51%	0%	55%	53%	51%	57%	50%
Very likely	22%	18%	25%	18%	19%	19%	19%	22%
Somewhat likely	11%	10%	0%	26%	9%	9%	12%	5%
Not very likely	15%	13%	75%	0%	7%	13%	6%	7%
Not at all likely	5%	3%	0%	0%	7%	2%	4%	7%
I would not undertake a project that required digging[1]	3%	5%	0%	0%	5%	5%	2%	9%
Don't know	0%	1%	0%	0%	0%	2%	0%	0%

[1]Note: In some cases, a respondent will have no intention of undertaking a project that requires digging. In this case, the index is based on only the five relevant sections of the scorecard. This question will be removed from the calculation of the Individual Respondent's cumulative score.

ONTARIO ONECALL

*Planting a tree, building a deck or a fence? Contact **ON1Call** first to get a locate so you can dig safely.*

1-800-400-2255

Percentage may not add up to 100% due to rounding

UtilityPULSE

B6. Impact of touching a power line

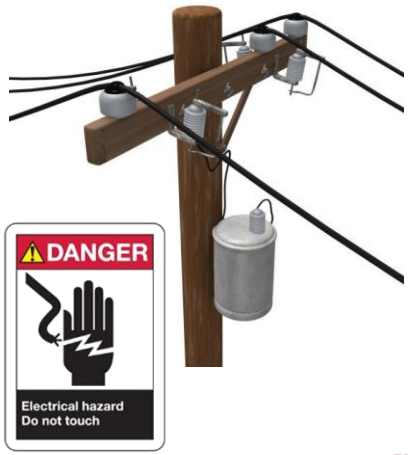
How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Score	% of respondents
Very dangerous	1.00 pts	**91%**
Somewhat dangerous	0.50 pts	**8%**
Not very dangerous	0.00 pts	**0%**
Not at all dangerous	0.00 pts	**0%**
Don't know	0.00 pts	**0%**

CORRECT ✓ **99%**

INCORRECT ✗ **1%**

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

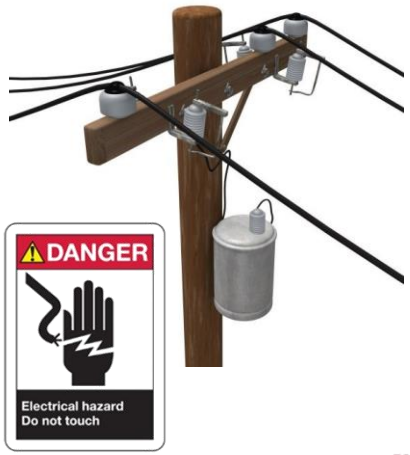


Percentage may not add up to 100% due to rounding

B6. Impact of touching a power line

How dangerous do you believe it is to touch – with your body or any object – an overhead power line?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	95%	88%	50%	100%	95%	97%	97%	93%
Somewhat dangerous	4%	11%	50%	0%	5%	2%	2%	4%
Not very dangerous	1%	0%	0%	0%	0%	2%	0%	1%
Not at all dangerous	0%	0%	0%	0%	0%	0%	0%	2%
Don't know	0%	0%	0%	0%	0%	0%	1%	1%



Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Score	% of respondents
You can safely touch an overhead power line	0.00 pts	0%
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	2%
1 to less than 3 metres (i.e. 3 to less than 10 feet)	0.00 pts	8%
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	1.00 pts	22%
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	0.75 pts	64%
Don't know	0.00 pts	5%

CORRECT ✓ 86%

INCORRECT ✗ 14%

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B7. Proximity to overhead power line

When undertaking outdoor activities – such as, standing on a ladder, cleaning windows or eaves, climbing or trimming trees – how close do you believe you can safely come to an overhead power line with your body or an object? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch an overhead power line	0%	1%	0%	0%	0%	0%	1%	0%
Less than 1 metre (i.e. less than 3 feet)	3%	1%	0%	0%	2%	5%	4%	0%
1 to less than 3 metres (i.e. 3 to less than 10 feet)	9%	6%	0%	0%	9%	11%	13%	8%
3 metres to less than 6 metres (i.e. 10 feet to less than 20 feet)	33%	12%	25%	16%	33%	22%	20%	17%
You should maintain a distance of 6 metres or more (i.e. 20 feet or more)	53%	74%	75%	84%	51%	60%	55%	63%
Don't know	2%	7%	0%	0%	4%	2%	6%	11%

Percentage may not add up to 100% due to rounding

B8. Danger of tampering with electrical equipment

Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

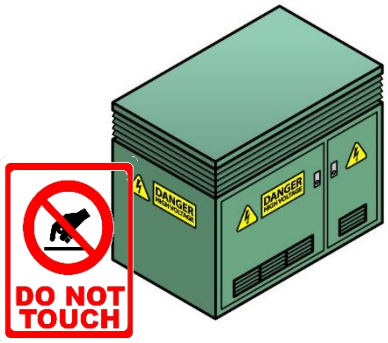
How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Score	% of respondents
Very dangerous	1.00 pts	**89%**
Somewhat dangerous	0.50 pts	**4%**
Not very dangerous	0.00 pts	**6%**
Not dangerous at all	0.00 pts	**0%**
Don't know	0.00 pts	**1%**

CORRECT ✓ **94%**

INCORRECT ✗ **6%**

Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know



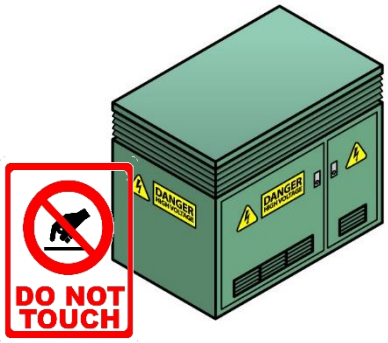
Percentage may not add up to 100% due to rounding

B8. Danger of tampering with electrical equipment

Some electrical utility equipment is located on the ground, such as locked steel cabinets that contain transformers.

How dangerous do you believe it is to try to open, remove contents, or touch the equipment inside? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Very dangerous	94%	85%	50%	100%	91%	92%	93%	94%
Somewhat dangerous	4%	4%	0%	0%	9%	6%	7%	3%
Not very dangerous	0%	11%	50%	0%	0%	0%	0%	1%
Not dangerous at all	0%	0%	0%	0%	0%	0%	0%	1%
Don't know	1%	0%	0%	0%	0%	2%	0%	1%



Percentage may not add up to 100% due to rounding

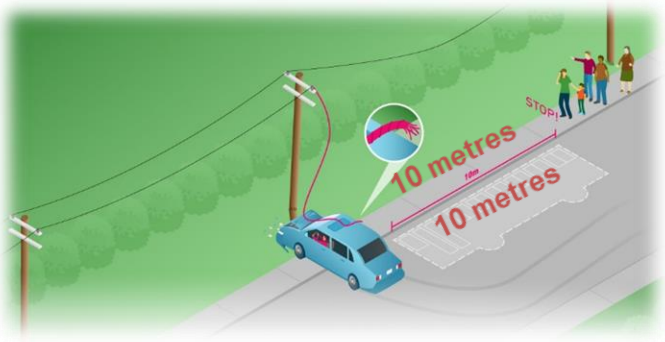
B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Score	% of respondents
You can safely touch a downed overhead power line	0.00 pts	0%
Less than 1 metre (i.e. less than 3 feet)	0.00 pts	1%
1 to less than 5 metres (i.e. 3 to less than 16 feet)	0.00 pts	2%
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	0.00 pts	8%
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	1.00 pts	88%
Don't know	0.00 pts	1%

CORRECT ✓ 88%

INCORRECT ✗ 12%



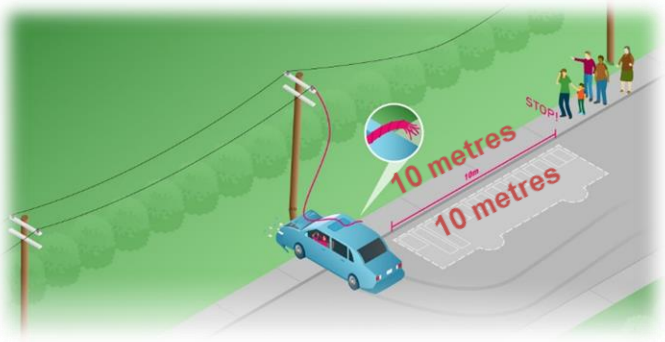
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B9. Proximity to downed power line

How close do you believe you can safely come to a downed overhead power line, such as a downed line caused by a storm or accident? Would you say …

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
You can safely touch a downed overhead power line	0%	0%	0%	0%	0%	0%	2%	0%
Less than 1 metre (i.e. less than 3 feet)	0%	1%	0%	0%	2%	0%	1%	1%
1 to less than 5 metres (i.e. 3 to less than 16 feet)	2%	3%	0%	0%	2%	5%	4%	2%
5 metres to less than 10 metres (i.e. 16 feet to less than 33 feet)	7%	8%	0%	0%	7%	14%	9%	11%
You should maintain a distance of 10 metres or more (i.e. 33 feet or more)	90%	86%	100%	100%	89%	81%	83%	84%
Don't know	0%	1%	0%	0%	0%	0%	1%	2%



Percentage may not add up to 100% due to rounding

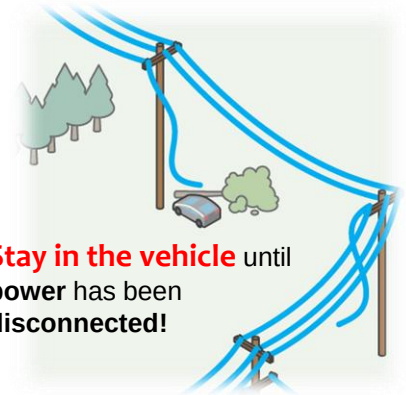
B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

Response	Score	% of respondents
Get out quickly and seek help	0.00 pts	**5%**
Stay in the vehicle until power has been disconnected from the line	1.00 pts	**94%**
Don't know	0.00 pts	**0%**

CORRECT ✓ **94%**

INCORRECT ✗ **6%**



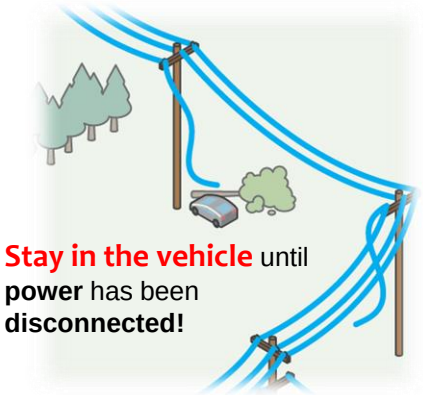
Correct: Any response which scored above 0 pts
Incorrect: Any response which scored 0 pts including Don't know

Percentage may not add up to 100% due to rounding

B10. Actions taken in vehicle in contact with wires

If you were in a vehicle – such as a car, bus, or truck – and an overhead power line came down on top of it, which of the following options do you believe is generally safer?

Response	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Get out quickly and seek help	4%	7%	0%	0%	9%	13%	4%	5%
Stay in the vehicle until power has been disconnected from the line	96%	92%	100%	100%	89%	87%	96%	95%
Don't know	0%	1%	0%	0%	2%	0%	0%	0%



Percentage may not add up to 100% due to rounding

Brantford Power
Public Awareness of Electrical Safety Report
Demographics

In what age category do you fall into?

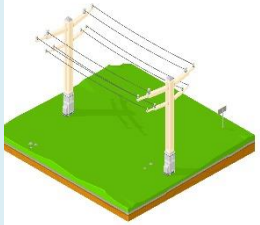
Response	% of respondents Based on Census data
18 to 24	11%
25 to 34	16%
35 to 44	16%
45 to 54	18%
55 to 64	18%
65 or older	22%

Gender

Response	% of respondents Based on Census data
Male	48%
Female	52%

Percentage may not add up to 100% due to rounding

Brantford Power
Public Awareness of Electrical Safety Report
Demographics



Does your job regularly cause you to come close to energized power lines?

Response	% of respondents
Yes	11%
No	88%
Don't know	0%

Proceed to the following question only If Respondent answers 'Yes' …

Do you work in any of the following fields?

Response	% of respondents
Transportation	19%
General labour	3%
Construction or outdoor trades	28%
Electrician	16%
Other	31%
Don't know/Prefer not to say	3%

Percentage may not add up to 100% due to rounding

Brantford Power
Public Awareness of Electrical Safety Report
Demographics

How would you describe your primary residence? Would you say…

Response	% of respondents
A fully-detached home	64%
A semi-detached home	4%
A townhome or row house	14%
An apartment or condo building less than 5 storeys	7%
An apartment or condo building 5 storeys or higher	3%
A farm	5%
Other	3%

Does your primary residence receive electricity through overhead wires or underground cables?

Response	% of respondents
Overhead wires	45%
Underground cables	47%
Don't know	8%

Percentage may not add up to 100% due to rounding

Brantford Power

GSC1. Where would you go first to find information about electricity safety?

Response	Overall	Gender Male	Gender Female	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
Local utility website	35%	24%	45%	50%	18%	32%	39%	37%	39%
Electrical Safety Authority	15%	22%	10%	0%	0%	19%	20%	25%	20%
Online search	26%	31%	22%	25%	45%	30%	26%	22%	15%
Social media	1%	1%	1%	0%	0%	0%	0%	3%	0%
Relative or friend	7%	4%	10%	0%	21%	5%	5%	4%	6%
Other	13%	16%	11%	25%	8%	12%	11%	10%	17%
Don't Know, Refused, Prefer not to say	2%	3%	1%	0%	8%	2%	0%	0%	2%

[1]*Note: Unweighted data*

This slide is for Grid Smart City Clients only

Percentage may not add up to 100% due to rounding

Brantford Power

GSC2. Do you have any children, living with you, who are 6 to 13 years old?

Response	% of respondents
Yes	29%
No	71%
Did not answer	0%

[1]*Note: Unweighted data*

GSC3. Have you had a conversation within the last year with your child or children about the dangers of powerlines and playing near electrical equipment?

Response	% of respondents
Yes	56%
No	44%
Did not answer	0%

[1]*Note: Unweighted data*

This slide is for Grid Smart City Clients only

UtilityPULSE, through polls and surveys, provides executives and managers with feedback that assists in making both strategic and operational decisions. You know lots of companies that can gather data and provide a report. We believe that by specializing in the utility sector with our polls and surveys, you get stronger analysis of data and answers to key questions that help you formulate key strategies to assist your leaders in creating a better place to work and a better place to do business with.

UtilityPULSE is uniquely positioned to help your utility get feedback from Customers, through its Annual Electric Utility Customer Satisfaction Survey or customized research designed for you. In addition, we understand what it takes to create an organization where employees are engaged and enthusiastic about customers and the work that they do. Knowing what is going on with your customers and employees is one thing, doing something about it is another. We get paid for, and earn our clients' loyalty by, delivering objective insights with actionable recommendations; accomplished when every step of the process is completed with professionalism and pride. Our mission is to help you and your leadership team move from knowing to doing while improving performance and creating value to your customers, employees, stakeholders and the public at large.

Your personal contact is:
Sid Ridgley
Phone: (905) 895-7900 x 29
E-mail: sidridgley@utilitypulse.com
www.utilitypulse.com

UtilityPULSE

Attachment 1-D

Innovative Report

Customer Engagement Overview

2022-2026 Rate Application

January 2021

Prepared for:

Brantford Power Inc.
150 Savannah Oaks Dr
Brantford, ON
N3V 1E8

Customer Engagement Overview

January 2021

Confidentiality

This Overview and all the information and data contained within it may not be released, shared, or otherwise disclosed to any other party, without the prior, written consent of Brantford Power Inc. ("Brantford Power" or "BPI").

Acknowledgement

This Overview has been prepared by Innovative Research Group Inc. ("INNOVATIVE") for Brantford Power Inc. The conclusions drawn, and opinions expressed are those of the authors.

Innovative Research Group Inc.
56 The Esplanade, Suite 310
Toronto, Ontario M5E 1A7
Tel: 416.642.6340
Fax: 416.640.5988
www.innovativeresearch.ca

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Introduction

In August 2020, Innovative Research Group Inc. (INNOVATIVE) was engaged by Brantford Power to assist in meeting the utility's customer engagement commitments under the Renewed Regulatory Framework for Electricity Distributors (RRFE).

Brantford Power is in the process of developing its 2022-2026 rate application and set out to gather meaningful feedback from its customers, specifically when it comes to their needs, the outcomes important to them, and their preferences regarding the pacing and prioritization of specific investments.

Between October and December 2020, Brantford Power gathered feedback from more than 2,100 residential, small business and commercial customers through its customer engagement efforts - in context, Brantford Power, through INNOVATIVE, engaged with more than 5% of its entire customer base.

Throughout this customer engagement, a concerted effort was made to ensure that all customers – regardless of where they live, where they operate, or how much electricity they use – had an equal opportunity to participate, whether through voluntary or random sampling. In order to ensure that the results of this engagement were representative of the broader Brantford Power customer-base, a series of telephone "reference" surveys were deployed. This allowed Brantford Power to better understand the demographics of their residential and small business customers in order to ensure that no one group was over or underrepresented.

The fact that this customer engagement took place in the midst of the COVID-19 pandemic presented unique challenges. As part INNOVATIVE's "typical" customer engagement approach, there would be elements of in-person activities, including focus groups and workshops. However, due to COVID-19 restrictions in Ontario, all in-person activities were cancelled and replaced by telephone and online approaches.

This document summarizes the results of Brantford Power's customer engagement, including the results from both the online and telephone elements, as well as the methodological considerations that underpin this engagement.

Customer Engagement Key Findings

Summary of Findings

Brantford Power's customer engagement was designed with OEB customer engagement objectives in mind, focusing on collecting customer feedback on Brantford Power's draft investment plan including key outcome trade-offs and specific investment decisions.

All questions were presented in the form of an online workbook survey. Those results are summarized in this section. After introducing customers to Brantford Power's draft plan, they were asked about their preferences regarding seven specific investment trade-offs and then about their overall view of the plan itself.

Overall, a majority of Brantford Power customers, in each rate class, support what is currently included in the utility's draft plan. With that said, a large percentage of customers also see some opportunities to accelerate investments, especially when it comes to *replacing poles in poor condition* and *underground structure replacements*. Across all investments where an accelerated approach was considered, most customers support either the approach included in the draft plan or a more accelerated pace of investment.

Assessing Brantford Power's Draft 2022-2026 Plan

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Improve service	24%	20%	3/25
Maintain increase	51%	56%	13/25
Reduce increase	17%	13%	2/25

Replacing Poles in Poor Condition

As presented in the customer engagement workbook, with an emphasis on affordability and balancing the overall spending levels, Brantford Power is proposing to reduce their overall pole replacement budget. A majority of customers in each rate class feel that Brantford Power should not reduce its spending in this category but would prefer they either stick with the status quo or an even further accelerated approach. In fact, residential customers are evenly split between the status quo and an accelerated pace, while business customers favour the status quo.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Accelerated Pace	35%	24%	2/25
Status Quo	34%	46%	15/25
Included in Draft Plan	22%	14%	5/25
Slower Pace	9%	16%	3/25

Customers were asked, to the best of their knowledge, whether they were serviced via underground cable or overhead wires. Residential customers most serviced by overhead wires and thus, more directly impacted by investments in pole replacement do not hold different views than those serviced by underground cables. The findings were consistent with both groups of customers.

Replacing Poles in Poor Condition by Service Type

Summary of Findings *Residential Representative Results*	**Service Type**	
	Overhead Wires	Underground Cables
Accelerated Pace	36%	35%
Status Quo	34%	34%
Included in Draft Plan	21%	22%
Slower Pace	9%	8%

Porcelain Device Replacement

With regards to replacing porcelain devices, customer preference is clear – a strong majority prefer the approach included in the draft plan, which would see Brantford Power triple the budget for this project from 2020 to 2021 and continue with this pace of replacement in 2022-2026. Small business customers are marginally more likely to select the status quo option, however, GS>50 kW overwhelmingly support the approach included in the draft plan.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Included in Draft Plan	71%	64%	20/25
Status Quo	29%	36%	5/25

Transformer Replacements

A plurality of residential, small business, GS >50 kW customers support the pace of transformer replacement that is currently included in Brantford Power's draft plan. This approach would see Brantford Power increase the number of transformers replaced each year relative to the average approach since 2017. More than 1-in-3 residential and small business customers also support an approach that would further accelerate the pace of replacement and the associated bill impacts of doing so.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Accelerated Pace	36%	35%	3/25
Included in Draft Plan	46%	43%	17/25
Slower Pace	17%	23%	5/25

Underground Structure Replacements

Customer rate classes are more divided on which approach they prefer when it comes to underground structure replacement. A slight majority of residential customers support the approach included in the draft plan, which would slow down the pace of replacement relative to the current approach. GS>50 kW customers also support this approach. Small business customers, however, are more likely to support the status quo approach to underground structure replacement.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Status Quo	47%	62%	7/25
Included in Draft Plan	53%	38%	18/25

Automated Reclosers

A majority of customers in all rate classes support the status quo option for replacing automated reclosers, which is currently included in the draft plan. With that, more than 1-in-4 residential and small business customers support an accelerated pace, which would lead to a greater likelihood that the program would avoid or limit outages.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Accelerated Pace	32%	26%	5/25
Included in Draft Plan	57%	56%	17/25
Slower Pace	10%	17%	3/25

The final two investments presented to customers in the workbook were related to a new outage management system, as well as 24/7 control room coverage.

Outage Management System

Brantford Power does not currently have an Outage Management System in place, and most customers support the associated costs with such an investment. More than 60% of customers in each rate class selected the approach included in the utility's draft plan, which would see the system in place by 2022.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Included in Draft Plan	63%	61%	18/25
Status Quo	37%	39%	7/25

Financial vulnerability is a factor when considering the approach to investing in an outage management system; those who are more significantly impacted by their bills are significantly less likely to support

investing in an outage management system. That said, those who's electricity bill has a significant impact on their finances are still more supportive of the investment than not.

Outage Management System by Impact of Electricity Bill on Household Finances

Summary of Findings *Residential Representative Results*	Impact on Household Finances		
	Significant Impact	Some Impact	No Impact
Included in Draft Plan	53%	57%	75%
Status Quo	47%	43%	25%

24/7 Control Room Coverage

A slightly higher proportion of customers support Brantford Power making an investment into 24/7 control room coverage. This investment would assist Brantford Power in responding to after-hours outages more quickly. Support is relatively consistent across customer rate classes, with a slightly higher proportion of residential customers supporting the investment.

Summary of Findings *n-size for sample sizes <50*	Representative Workbook		
	Residential	Small Business	GS >50 kW
Included in Draft Plan	68%	63%	18/25
Status Quo	32%	37%	7/25

As with investments in an outage management system, support for 24/7 control room coverage is highly correlated with how significantly household finances are impacted by the cost of electricity, albeit less than with the outage management system. Still, a strong majority of customers who are highly impacted by their bills support this investment.

24/7 Control Room Coverage by Impact of Electricity Bill on Household Finances

Summary of Findings *Residential Representative Results*	Impact on Household Finances		
	Significant Impact	Some Impact	No Impact
Included in Draft Plan	59%	63%	77%
Status Quo	41%	37%	23%

Assessing Brantford Power's Draft 2022-2026 plan

Overall, a majority of Brantford Power customers in each rate class support what is currently included in the utility's draft plan.

As mentioned at the beginning of this section, a strong majority of Brantford Power customers in each rate class support either what is currently included in the utility's draft plan or an approach that accelerates the pace of investment.

Each rate class received a specific rate impact for Brantford Power to deliver a program that focuses on the priorities of its draft plan over the five-year period. Those impacts are summarized below:

- **Residential**: $7.48 over the five-year period
- **Small Business**: $13.34 over the five-year period
- **GS > 50 kW**: $210.84 over the five-year period

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Improve service	24%	20%	3/25
Maintain increase	51%	56%	13/25
Reduce increase	17%	13%	2/25
Other	2%	4%	2/25
Don't know	6%	7%	5/25

Specific attention has been paid to how the opinions of those whose electricity bill has a significant impact on their household finances vary from the broader customer base. Those who agree that their electricity bill has a significant impact on their household finances are less supportive of a plan that spends above the current proposed approach, but still support Brantford Power's draft plan and the associated impacts.

Slightly more than 1-in-4 residential customers whose electricity bill has a significant impact on their household finances feel that Brantford Power should reduce their level of spending relative to the draft plan.

Overall Impression of Draft Plan by Impact of Electricity Bill on Household Finances

Summary of Findings *Residential Representative Results*	**Impact on Household Finances**		
	Significant Impact	Some Impact	No Impact
Improve service	16%	18%	34%
Maintain increase	43%	56%	54%
Reduce increase	26%	20%	9%

Overall, it appears clear that customers believe that Brantford Power has found the right balance between the level of investment proposed in the draft plan, and the associated rate impacts presented. With that said, Brantford Power customers still expect the utility to find ways to reduce cost, whether through industry partnerships or, in some cases, deferring or cancelling non-mandatory projects. Still, many customers see value in investments that improve reliability and are critical to keeping up with growing demand.

Workbook Diagnostics

It is important to understand whether customers had a favourable impression of the utility's efforts to gather feedback on its plans, and if there are areas that could be improved upon for future engagements.

Overall, nearly all customers who took the time to complete the workbook in its entirety had a favourable impression of the exercise. In addition to strong overall impressions, nearly equal proportions of customers noted that there was "no content missing" nor were they left with any "unanswered questions".

These diagnostics *strongly* indicate that the customer engagement online workbook was positively perceived by nearly all customers and covered the information needed to make informed decisions.

Overall Impression of Workbook

More than 80% of all customers had a favourable impression of the online workbook, with fewer than 10% having an unfavourable impression.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Favourable	86%	81%	20/25
Unfavourable	7%	7%	3/25
Don't know	6%	12%	2/25

Volume of Information

Around 8-in-10 customers across all rate classes who completed the online workbook felt that "just the right amount" of information was provided. This includes GS>50 kW customers, of which 22/25 feel that the workbook provided the right amount of information.

Summary of Findings *n-size for sample sizes <50*	**Representative Workbook**		
	Residential	Small Business	GS >50 kW
Too little	7%	4%	2/25
Just the right amount	83%	80%	22/25
Too much	9%	16%	1/25

Amongst residential customers who provided "final" open-ended feedback on the online workbook, a plurality (28%) noted that the exercise was positive and demonstrated that Brantford Power valued customer feedback.

In terms of planning future and ongoing customer engagement efforts, these workbook diagnostics indicate that Brantford Power has found the right balance between the complexity and accessibility of the information provided.

Customer Engagement Approach

Brantford Power and INNOVATIVE developed and executed a customer engagement approach that focused on two key objectives:

1. Building off of the utility's past engagement efforts, solicit feedback from all customer types on Brantford Power's draft investment plan for the years 2022-2026, with emphasis on gathering feedback on a specific set of investments trade-offs.
2. Using a series of telephone "reference" survey to ensure that feedback collected throughout the engagement was representative of the broader Brantford Power customer base.

Determining the baseline and understanding the difference between customers with known email addresses (email sample) and the broader customer base (telephone sample) was a critical step to migrate to a representative online survey methodology. An online survey methodology allows for the presentation of more detailed content, including photos and charts, which ultimately creates a more engaging customer experience while soliciting directly actionable feedback.

While detailed methodologies are contained within each individual report as appendices, this section will highlight some of the key methodological elements of Brantford Power's 2022-2026 rate application customer engagement approach.

Summary of Brantford Power's Customer Engagement Results

Customer Group	Methodology	Unweighted Sample Size	Field Dates
Residential Reference Survey	Telephone	n=500	October 6th – 19th, 2020
Small Business Reference Survey	Telephone	n=100	October 7th – 20th, 2020
Residential	Online	n=1,508	November 12th – December 23rd, 2020
Small Business	Online	n=55	November 16th – December 23rd, 2020
Commercial (GS > 50 kW)	Online	n=25	November 18th – December 23rd, 2020
Total Customers Engaged as Part of Brantford Power's Customer Engagement: 2,188			

Telephone Reference Surveys

In the first step of the engagement, Brantford Power and INNOVATIVE set out to develop a detailed understanding of its residential and small business customers – both in terms of demographics and online versus telephone samples.

In order to move to a more online-centric approach to engagement, INNOVATIVE needed to develop a detailed understanding of the differences between customers with known email addresses (email sample) and the broader customer base (telephone sample).

INNOVATIVE was able to confidently ascertain the potential differences between these two sample groups using two approaches – "sample validation" and a series of telephone reference surveys.

First, by undertaking a rigorous sample validation process that included comparing known variables (i.e., region and electricity consumption) across the overall population to the sample of the population with email addresses, INNOVATIVE was able to conclude that no segment of the customer base is substantially underrepresented in the email sample.

Second, in order to be sure that online workbook survey participants are representative of the broader Brantford Power customer base, this engagement included live-caller telephone surveys with residential and small business customers. These random sample telephone surveys provided a customer profile that could be used to assess the online workbook sample and weight that sample, as necessary. A standard set of questions were asked in both these telephone surveys and the online workbooks to directly compare results. Detailed findings from that comparison can be found in **Appendix 1.0**.

The residential and small business telephone surveys followed a stratified random sampling methodology. This is a method of sampling that involves the division of a population (in this case, Brantford Power's customer base) into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or known characteristics. A random sample from each stratum is taken in a number proportional to the stratum's size when compared to the customer population. These subsets of the strata are then pooled to form a random sample. Again, this element of the engagement served as a reference study to ensure that the results of the online workbooks are representative of Brantford Power's broader customer base.

Email Sample versus Broader Sample

Overall, Brantford Power has obtained email addresses for 20% of all residential customers, 32% of small businesses, and 65% of GS>50 customers.

Rate Class	Full Population	Email Coverage	
Residential	37,057 records	7,538 records	20%
Small Business	2,808 records	905 records	32%
GS>50	464 records	301 records	65%

Average consumption is higher among customers with emails than among the whole population. The final data is weighted by consumption to account for this.

Rate Class	Full Population	Those with email addresses	Difference
Residential	618 kWh	648 kWh	+5%
Small Business	2,261 kWh	2,681 kWh	+19%
GS>50	52,631 kWh	60,532 kWh	+15%

Despite relatively low email coverage with residential customers, INNOVATIVE's comprehensive sample validation process confirmed that, based on known variables, there is no one sample group that is substantially over or underrepresented in the email sample. This includes both consumption and

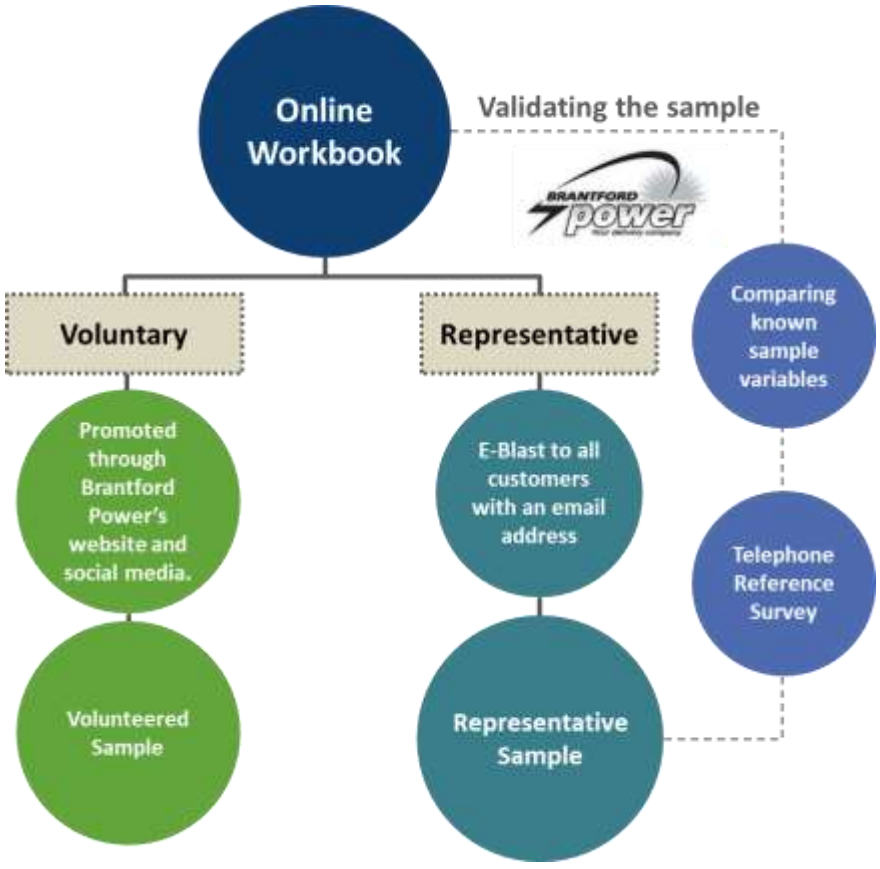
regional variance. In fact, using the first three digits of postal codes (FSAs), customers can be grouped into five unique regions, of which, there is no systematic pattern of regions being over or underrepresented by email. For detailed regional analysis, please refer to **Appendix 1.0**.

Based on the comparative results of the first step of the customer engagement, INNOVATIVE is confident that the residential and small business online workbooks are representative of Brantford Power's actual customer base.

Online Workbook Surveys

Following the sample validation process and telephone reference surveys, Brantford Power and INNOVATIVE collectively developed an online workbook which was subsequently sent to all customers with an email address on record. The residential and small business online workbooks featured two input streams:

1. The **representative stream** ensured a representative sample of customers was engaged, allowing for the generalizability of findings. The representative stream included all Brantford Power customers who provided the utility with an email address, including residential, small business, and GS>50 customers.
2. The **voluntary stream** created an open process that allowed anyone who wanted to be heard an opportunity to express their opinions, including those who have not provided the utility with an email address. The voluntary workbook received only 11 completed surveys. As such, a separate report has not been provided.



The GS>50kW portion of the engagement was only accessible through a unique URL sent to customers. There was no voluntary stream for this version of the workbook.

In the **representative stream**, each customer received a unique URL that could be linked back to their annual consumption, region, and rate class. In total, the workbook was sent to 11,413 customers through an e-blast from INNOVATIVE.

- 10,373 residential customers;
- 787 small business customers; and
- 253 GS > 50 kW customers

Based on the total number of emails sent, 14% of all Brantford Power customers took the time to complete the online workbook from start to finish, answering all the questions in between.

Beyond the initial e-blast, customers in all rate classes were sent multiple reminder emails to encourage participation. Additionally, Brantford Power placed follow-up telephone calls with small business and GS > 50 kW customers to both encourage survey participation, as well as gather email addresses for those who have not provided Brantford Power with one. At the end of each day, Brantford Power sent a list of customer email addresses and INNOVATIVE sent emails with customers' unique URLs within one business day.

For residential and small business rate classes, responses from the representative stream were weighted by electricity usage to ensure the responses were representative of the broader customer base. Due to the small sample size amongst GS > 50 kW customers, a decision was made to not weight data and present results in terms of sample size (n-size) rather than percentages. As a result, GS > 50 kW results should be treated as more directional than the other findings.

Reporting Timelines

All workbook results, including residential, small business, and GS > 50 kW were shared with Brantford Power on January 12th, 2021. This overview document was later shared on January 20th, 2021.

Throughout November and December 2020, INNOVATIVE regularly provided Brantford Power staff with progress updates, including preliminary results, by way of email.

Preliminary results were shared by way of email on the following dates:

- November 17th, 2020
- November 23rd, 2020
- December 1st, 2020
- December 8th, 2020

From the final preliminary update shared on December 8th, 2020 to the final workbook results being shared on January 12th, 2021, there were no significant changes in the overall findings.

Appendix 1.0

2022-2026 Customer Engagement

Online Workbook Report

January 2021

Table of Contents

Introduction

Representative Online Workbook

Brantford Power's 2021-2025 Rate Application Customer Engagement

Innovative Research Group Inc. (INNOVATIVE) was engaged by Brantford Power to assist in meeting its customer engagement commitments under the Renewed Regulatory Framework for Electricity Distributors and Chapter 5 Filing Requirements. The information contained within this report is the result of a series of customer engagements.

Setting the Context

Brantford Power's 2022-2026 Rate Application Customer Engagement was designed to build off the utility's past customer engagement efforts and an ongoing dialogue with customers.

Brantford Power is in the process of developing its 2022-2026 Rate Application. This report covers the results of a series of customer "workbook" surveys that were used to gather customer preferences on program expenditures and timing; and balancing outcomes. This "workbook" survey was deployed to all customers with an email address, as well as promoted through a generic link on Brantford Power's website and social media platforms.

In order to ensure that the results of these online workbooks was representative of the broader Brantford Power customer-base, a series of telephone "reference" surveys were also deployed as part of this engagement. These surveys, conducted amongst a random-sampling of residential and small business customers allowed Brantford Power to move to an online methodology to conduct customer feedback, and also helped establish baselines on customer demographics.

Determining the baseline and understanding the difference between customers with known email addresses (email sample), and the broader customer base (telephone sample), was a critical step to migrate to a representative online survey methodology.

Interpreting the Results

For residential and small business (GS<50kW), responses were weighted by electricity usage to ensure the responses were representative of the broader customer base. Based on the comparative results of the telephone reference surveys, INNOVATIVE is confident that the residential and small business online workbook results contained within this report are representative of Brantford Power's actual customer base.

Introduction

Consumption and Environmental Control Segmentation

Consumption and Environmental Control Segmentation

In addition to segmenting customers based on their electricity consumption, it is important to be able to identify factors that may influence customer preferences and distinguish between what is within, and what is outside of Brantford Power's influence or control.

Perceptions of LDCs often tend to move with general perceptions of the sector rather than in response to the local utility.

Throughout this report, environmental control questions are used to help distinguish whether opinions regarding Brantford Power's plans are general perceptions or preferences specific to Brantford Power.

Segmentation has been used throughout the residential section of this report to look beyond the topline numbers to analyze the results for key segments. The makeup of this segmentation varies based on rate class.

1. **Consumption Segmentation:** Using customer usage data, Brantford Power customers were divided into four usage tranches; low, medium-low, medium-high, and high. Consumption tranches are used to analyze both residential and small business results.

2. **Bill Impact on Finances**: Amongst residential customers, segmentation that INNOVATIVE refers to as "Bill Impact on Finances" is provided. This segment is determined based on the extent to which customers agree with the following statement:

    a) Residential: *The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.*

3. **Vulnerable Consumers**: For residential customers, using a combination of household size and combined household income, the residential portion of this report identifies customers who would be eligible for financial assistance programs. The methodology used to calculate this segmentation is based on the OEB's *Low-income Energy Assistance Program* (LEAP) criteria.

Customer segmentation is only provided when the customer sample size is large enough to, with confidence, segment the customer group into smaller groups. As such, segmentation is only provided for the residential data in this report.

Understanding Segmentation

Segmentation is an effective way of looking past the topline numbers and digging deeper into the needs and preferences of the customer segments above. For instance, while it is valuable to know that, overall, 77% of residential customers are satisfied with Brantford Power, it is also important to understand whether satisfaction differs based on consumption tranches or based on perceptions that may be outside of the utility's influence or control. Segmentation allows readers of this report to quickly look past the topline numbers and understand how various segments of customers feel about various issues.

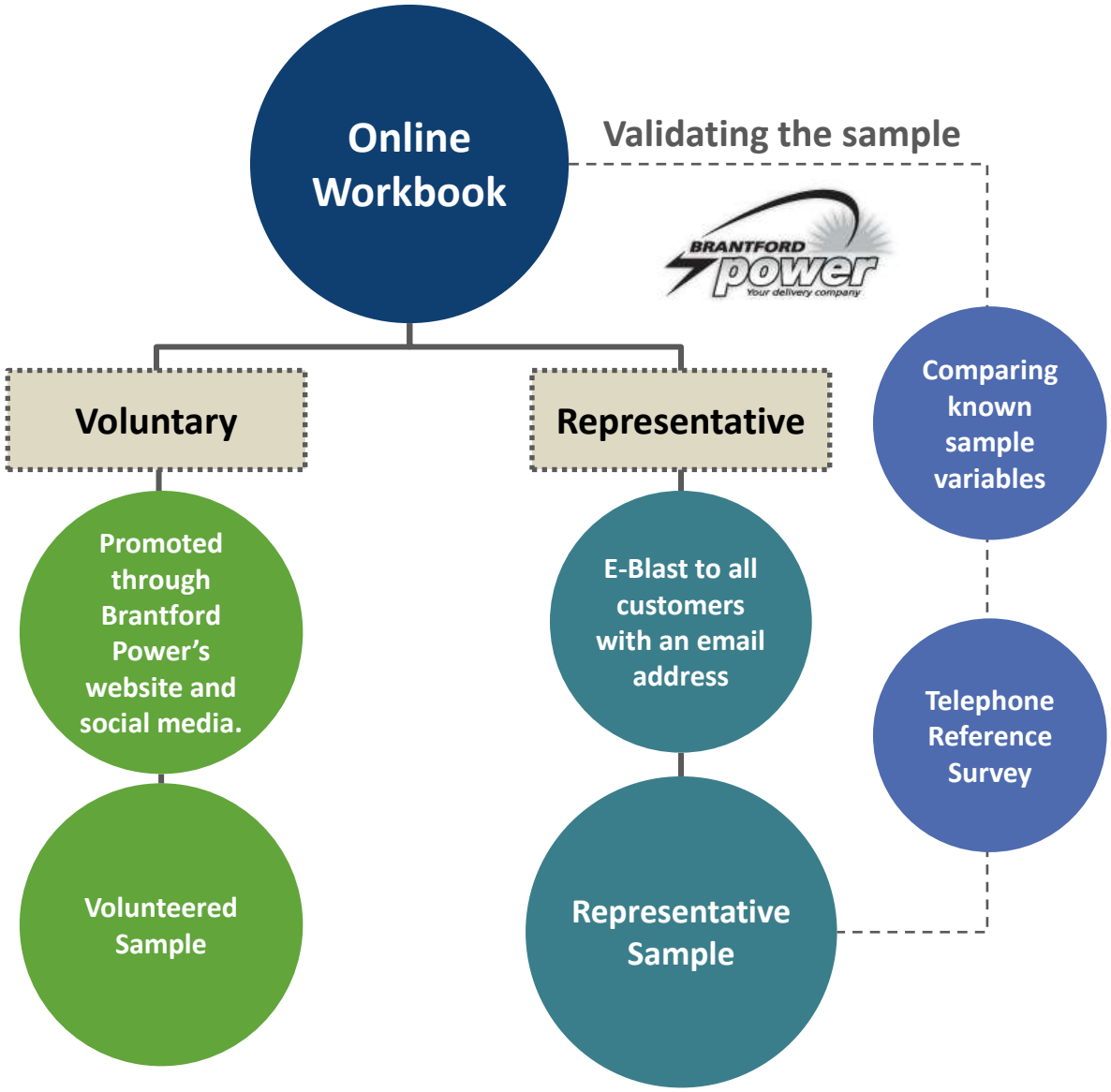
Sample Validation

Overall Approach

Brantford Power's residential and small business customer engagement workbooks featured two streams – *representative* and *voluntary*.

The voluntary stream was an open process that allowed anyone who wanted to be heard an opportunity to express themselves, including those who have not provided the utility with an email address. *Those results are provided in a separate appendix.*

The representative stream ensures a representative sample of customers are engaged, allowing for the generalizability of findings. *This is a report of those responses.*



Sample Validation

Email Sample vs. Broader Sample

Comparing the overall population to the sample of that population with email addresses across known variables, it is apparent that no group is substantially underrepresented in the email sample.

Overall Coverage

Coverage is lowest among residential customers at 20%, and grows among higher consumption groups to a maximum of 65% for GS>50 customers.

Rate Class	Full Population	Email Sample	Coverage
Residential	37,057 records	7,538 records	**20%**
GS<50	2,808 records	905 records	**32%**
GS>50	464 records	301 records	**65%**

Average Consumption

Average consumption is higher among all customers with emails than among the whole population. The final data is weighted by consumption quartile to account for this.

Rate Class	Full Population	Email Sample	Difference
Residential	618 kWh	648 kWh	**+5%**
GS<50	2,261 kWh	2,681 kWh	**+19%**
GS>50	52,631 kWh	60,532 kWh	**+15%**

Sample Validation

Email Sample vs. Broader Sample

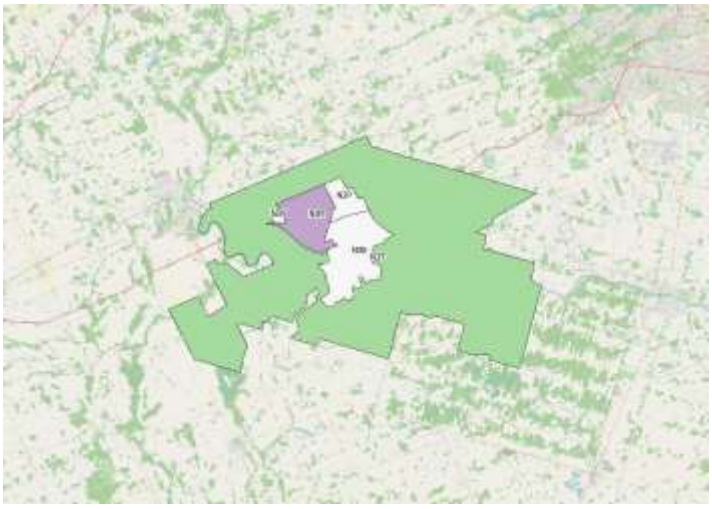
Comparing the overall population to the sample of that population with email addresses across known variables, it is apparent that no group is substantially underrepresented in the email sample.

Using the first three digits of postal codes (FSAs), customers can be grouped into five unique FSAs. **There is no systematic pattern of regions being over or underrepresented by email.**

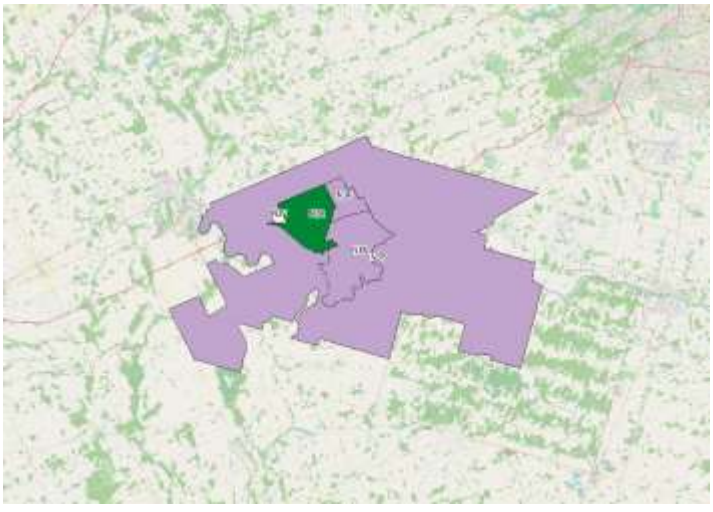
Difference between email sample and full population
More than -3%
-3% to -1%
-1% to +1%
+1% to +3%
More than +3%

Dividing Brantford Power's service territory into distinct regions allows INNOVATIVE to ensure that no one area is over or underrepresented in the survey sample. Regions were determined based on population density and further analyzed based on the number of residential and small business customers in each region.

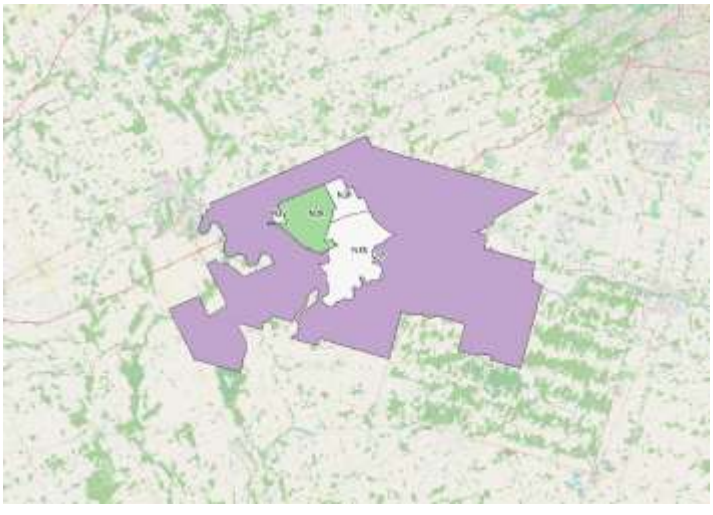
Residential



GS<50



GS>50



Telephone versus Online

Overview and Demographics

Residential

Residential - Comparing Telephone vs. Online: The core objective of the telephone reference survey was to establish a baseline among the broader customer base to mitigate any potential differences in the online workbook sample. Comparing the results from telephone survey versus the online workbook showed that:

1. Overall, the telephone and online samples look very similar on key measures, particularly when it comes age and household income.

2. The online workbook sample is more likely to agree that their electricity bill has a significant impact on their finances. As such, it appears that the online workbook sample is slightly more vulnerable from a financial perspective than the telephone survey.

3. Additionally, confidence in the electricity sector is quite consistent between the two sample groups. Those who completed the online workbook are slightly less likely to agree that they are well served by the electricity system in Ontario.

4. With regards to specific demographics, the distribution of gender appears to be similar between the two methodologies, with more women in the telephone sample than in the online workbook. This was not significant enough to require any weighting correction.

The tables below summarize the telephone and online workbook results.

Gender	Telephone Reference Survey	Online Workbook
A man	45%	49%
A woman	55%	47%
Prefer to self describe	<1%	<1%
Prefer not to say	-	4%

Age	Telephone Reference Survey	Online Workbook
18-34	16%	15%
35-44	17%	17%
45-54	17%	17%
55-64	18%	21%
65 or older	32%	28%
Prefer not to say	-	3%

Note: sums added before rounding.

Telephone versus Online

Household Size and Income

Residential

The tables below summarize the telephone and online workbook results for two key demographics – household size and household income.

Household Size	Telephone Reference Survey	Online Workbook
Single person household	22%	15%
2 people	34%	42%
3 people	17%	17%
4 people	15%	14%
5 people	5%	7%
6 people	3%	2%
7 or more people	2%	1%
Prefer not to say	1%	2%

Household Income	Telephone Reference Survey	Online Workbook
Less than $28,000	10%	9%
$28,000 to less than $39,000	9%	9%
$39,000 to less than $48,000	7%	7%
$48,000 to less than $52,000	8%	8%
$52,000 or more	47%	47%
Prefer not to say	19%	21%

Telephone versus Online

Attitudes Towards Electricity

Residential

The tables below summarize the telephone and online workbook results for two key "environmental controls" – bill impact on household finances and general perceptions of Ontario's electricity sector.

The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.	Telephone Reference Survey	Online Workbook
Strongly agree	20%	21%
Somewhat agree	29%	36%
Somewhat disagree	25%	21%
Strongly disagree	19%	18%
Don't know/No opinion	6%	3%
Agree (Strongly + Somewhat)	**49%**	**57%**
Disagree (Strongly + Somewhat)	**44%**	**39%**

Customers are well served by the electricity system in Ontario.	Telephone Reference Survey	Online Workbook
Strongly agree	37%	36%
Somewhat agree	45%	44%
Somewhat disagree	4%	11%
Strongly disagree	3%	5%
Don't know/No opinion	11%	4%
Agree (Strongly + Somewhat)	**82%**	**80%**
Disagree (Strongly + Somewhat)	**6%**	**16%**

Telephone versus Online

Number of Outages

Residential

The tables below summarize the telephone and online workbook results for the number of outages customers' have experienced in the past 12 months.

Number of Outages in Past Year	Telephone Reference Survey	Online Workbook
No outages	36%	19%
1 outage	17%	28%
2 outages	19%	25%
3 or more outages	20%	19%
Don't know	8%	8%

Note: sums added before rounding.

Telephone versus Online

Overview and Number of Outages

Small Business - Comparing Telephone vs. Online: The core objective of the telephone reference survey was to establish a baseline among the broader customer base to mitigate any potential differences in the online workbook sample. Comparing the results from telephone survey versus the online workbook showed that:

1. Overall, the telephone and online samples look similar on key measures, particularly when it comes to general attitudes towards the electricity sector. Like with the residential sample, the percentage of customers who feel that their electricity bill has a significant impact on their organization's bottom line is relatively consistent between sample groups, with nearly equal proportions in the telephone and online methodologies agreeing with this statement. The online sample is more likely to disagree that their bill has a significant impact on their bottom line.

2. A slightly higher proportion of small business customers in the online workbook agree that they are well served by Ontario's electricity system. This is another piece of evidence that leads INNOVATIVE to believe that the samples are similar in terms of general attitudes towards the sector.

3. Small Business customers who completed the telephone survey are less likely to have experienced an outage within the past year. This can likely be attributed to either random distribution or external outage impacts (i.e. severe weather).

The tables below summarize the telephone and online workbook results.

Number of Outages in Past Year	Telephone Reference Survey	Online Workbook
No outages	42%	35%
1 outage	16%	26%
2 outages	15%	20%
3 or more outages	11%	12%
Don't know	15%	7%

Note: sums added before rounding.

Telephone versus Online

Attitudes Towards Electricity

Small Business

The tables below summarize the telephone and online workbook results for two key "environmental controls" – bill impact on organization's bottom line and general perceptions of Ontario's electricity sector.

The cost of my electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.	Telephone Reference Survey	Online Workbook
Strongly agree	31%	17%
Somewhat agree	28%	47%
Somewhat disagree	12%	16%
Strongly disagree	13%	16%
Don't know/No opinion	15%	4%
Agree (Strongly + Somewhat)	**59%**	**64%**
Disagree (Strongly + Somewhat)	**26%**	**32%**

Customers are well served by the electricity system in Ontario.	Telephone Reference Survey	Online Workbook
Strongly agree	33%	32%
Somewhat agree	42%	51%
Somewhat disagree	7%	4%
Strongly disagree	4%	3%
Don't know/No opinion	13%	9%
Agree (Strongly + Somewhat)	**76%**	**84%**
Disagree (Strongly + Somewhat)	**11%**	**7%**

INNOVATIVE RESEARCH GROUP

Residential Customers

Online Workbook Results

Online Workbook

Survey Design & Methodology

Residential

INNOVATIVE was engaged by Brantford Power to gather input on preferences on program expenditures and timing; and balancing outcomes. **Pages 16 to 73** show the actual pages of the workbook that was sent and completed by **Residential** customers. The only additions are the actual results.

Field Dates & Workbook Delivery

The **Residential Online Workbook** was sent to all Brantford Power residential customers who have provided the utility with an email address. Customers had an opportunity to complete the workbook between **November 12th and December 23rd, 2020**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class.

In total, the residential workbook was sent to **10,373** customers via e-blast from INNOVATIVE. Reminder emails were sent on two separate occasions between November 12th and December 23rd, 2020.

Residential Online Workbook Completes

A total of **1,508** (unweighted) Brantford Power residential customers completed the online workbook via a unique URL.

Sample Weighting

The residential online workbook sample has been weighted proportionately by consumption quartiles in order to be representative of the broader Brantford Power service territory.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by quartile.

Consumption Quartile	Frequency	Distribution
First Quartile	346 (375)	23% (25%)
Second Quartile	437 (375)	29% (25%)
Third Quartile	394 (375)	26% (25%)
Fourth Quartile	331 (375)	22% (25%)
Total	1,508 (1,500)	100% (100%)

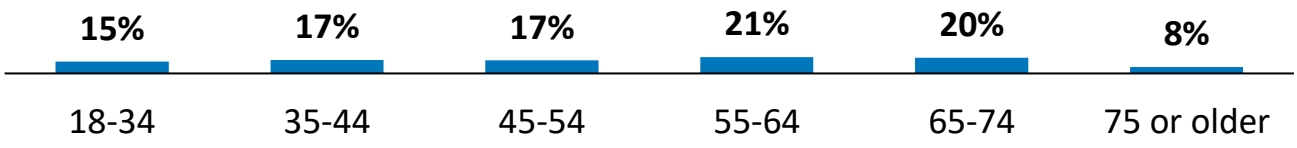
Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Online Workbook

Residential

Demographic breakdown: Telephone vs. Online

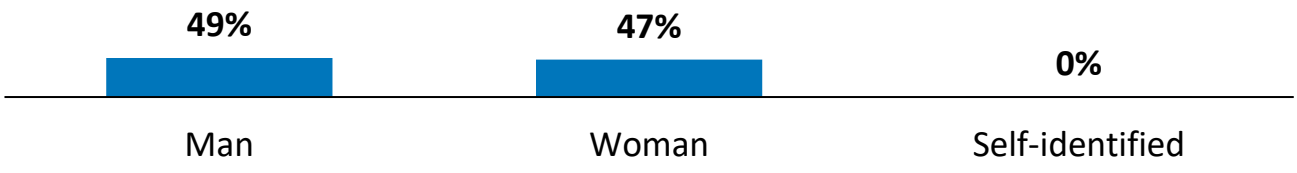
Q Age



"Prefer not to say"(3%) not shown.

n=1,500

Q Gender



"Prefer not to say"(2%) not shown.

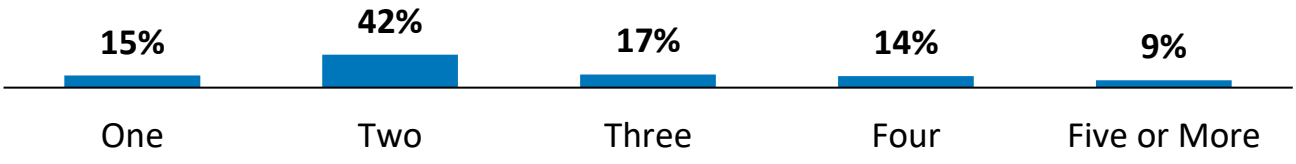
n=1,500

Online Workbook

Demographic breakdown: Telephone vs. Online

Residential

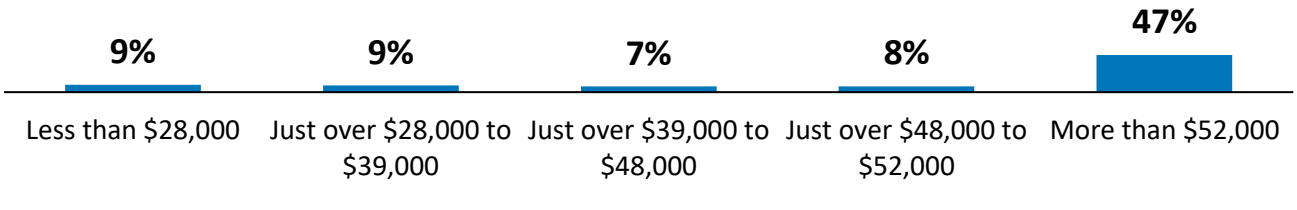
Q Household Size



"Prefer not to say":
Telephone 1%; Online 2%

n=1,500

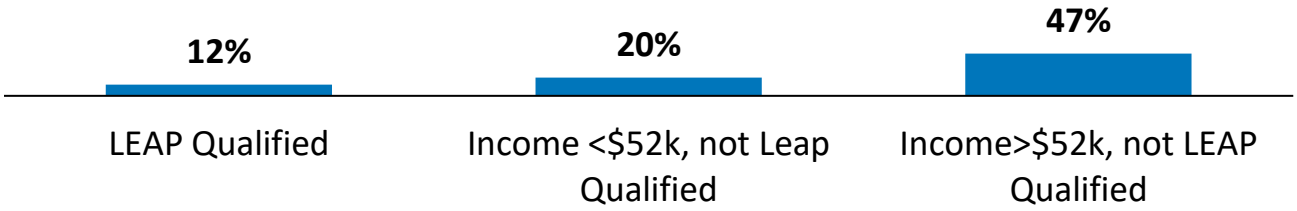
Q After Tax Household Income



"Prefer not to say" (21%) not shown.

n=1,500

Q LEAP Qualification (calculated based on household size and income)



"Prefer not to say" (21%) not shown.

n=1,500

INNOVATIVE RESEARCH GROUP

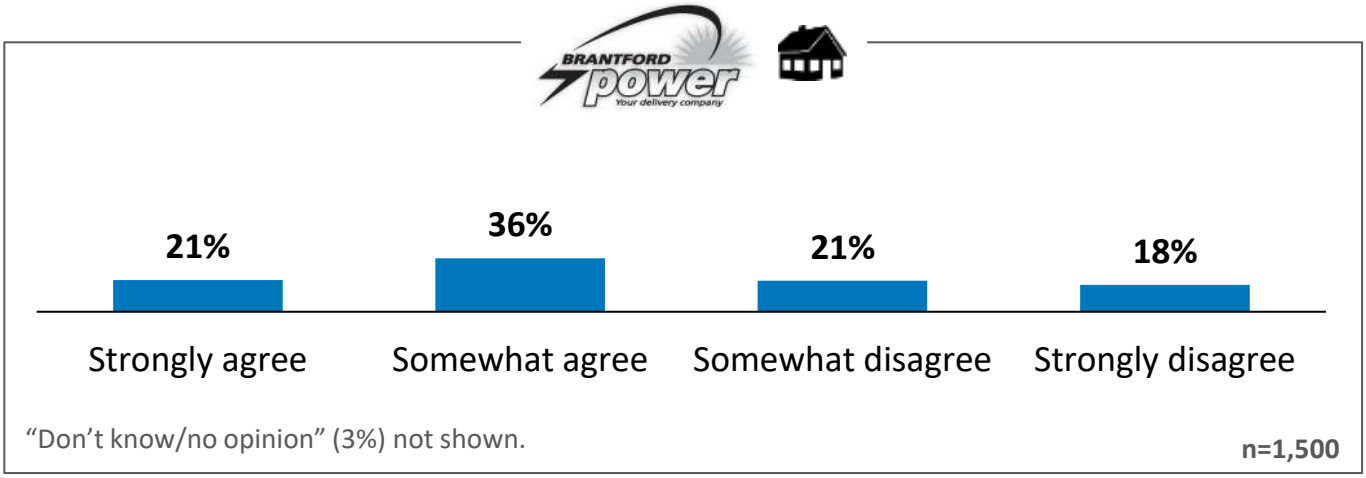
Online Workbook

Environmental Controls: Telephone vs. Online

Residential

Now we would like to shift the focus, and ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?

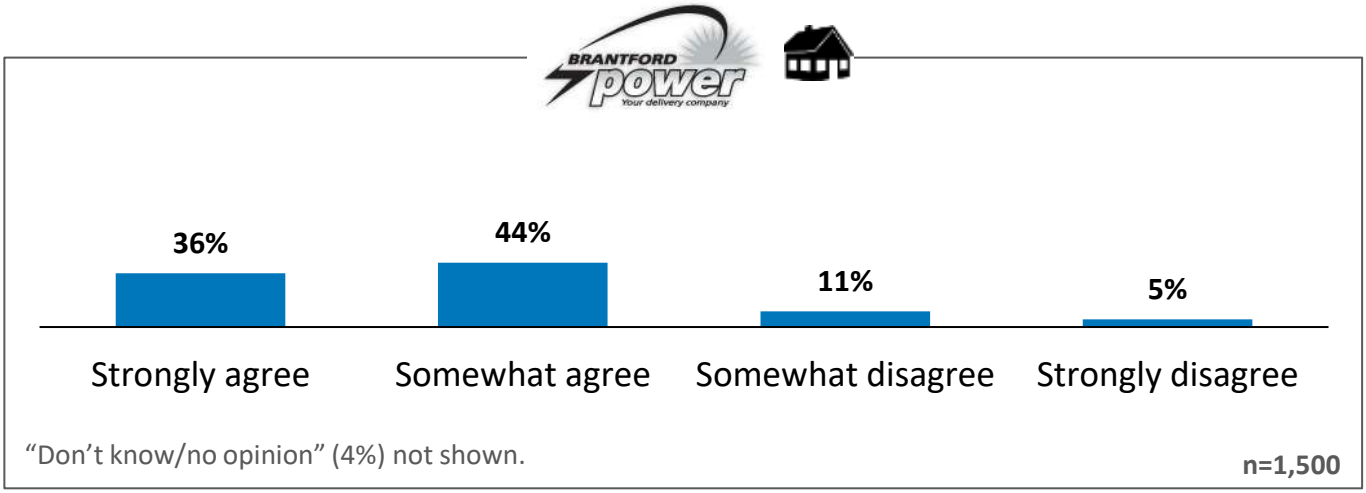
Q The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.



"Don't know/no opinion" (3%) not shown.

n=1,500

Q Customers are well served by the electricity system in Ontario.



"Don't know/no opinion" (4%) not shown.

n=1,500

Online Workbook

Residential

Planning for the Future: 2022-2026 Rate Application

About this Customer Engagement

Welcome to Brantford Power's customer engagement survey!

As Brantford Power plans for the future, they need your input on choices that will impact the services you receive and the rates that you pay for the delivery of electricity.

- **Brantford Power is looking for your input on its draft 2022-2026 business plan** to ensure it is making spending decisions that matter to you, the customer.
- **In early 2021, Brantford Power plans to present, justify, and defend** its business plan to the public regulator, the Ontario Energy Board (OEB).
- **In January 2022, Brantford Power will be updating the rate that you pay** for the delivery of electricity to your home or business.

While you may have recently heard that Brantford Power is considering merging with its neighbouring utility Energy+, the feedback that you provide in this survey will be critical to planning for the future, regardless of the outcome of this potential merger.

This survey will take approximately 20-30 minutes to complete and can be done so at your convenience. Once you begin, your progress will be saved, and you can return to the customer engagement at any time.

All individual responses will be kept confidential. Innovative Research Group (INNOVATIVE), an independent research company, has been hired to gather your feedback.

Those who complete the questions that follow will be invited to enter a draw to win one of two (2) $500 gift cards.

If you are reading this on a smaller mobile device, you may want to consider accessing the survey from a tablet, desktop or laptop instead so that it is easier for you to read.

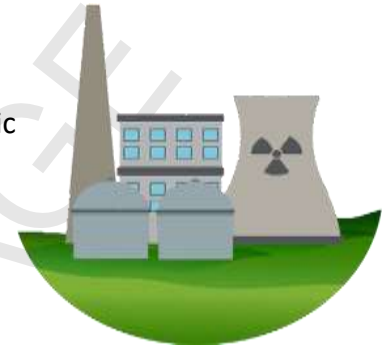
INNOVATIVE RESEARCH GROUP

Brantford Power's role in Ontario's electricity system

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

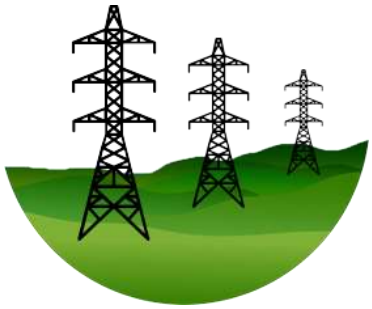


Ontario gets its electricity from a mix of energy sources. More than half comes from nuclear power. The remainder comes from a mix of hydroelectric and natural gas, and to a lesser extent, wind and solar.

Ontario Power Generation, a government-owned company, generates almost half of Ontario's electricity. The other half comes from multiple generators who have contracts with the grid operator to provide power from a variety of sources.

Transmission

How electricity travels across Ontario



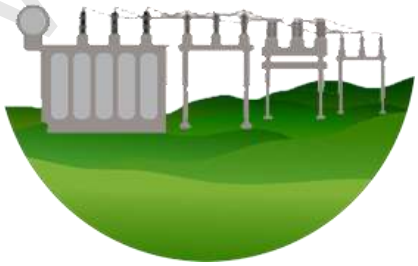
Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which are owned and operated by Hydro One.

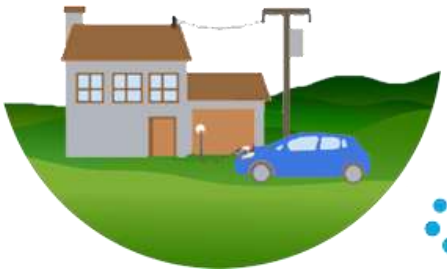
Local Distribution

How electricity is delivered to the end-consumer

Brantford Power is responsible for the last step of the journey: distributing electricity to customers through its distribution system.

- Brantford Power manages all aspects of the electricity distribution business throughout the majority of the City of Brantford and is regulated by the Ontario Energy Board (OEB).
- Brantford Power has been operating since 1935 and is wholly owned by the City of Brantford, the community which it serves, and is funded by the distribution rates paid by its customers.
- Brantford Power services over 74 square kilometres and over 41,000 residential and business customers.



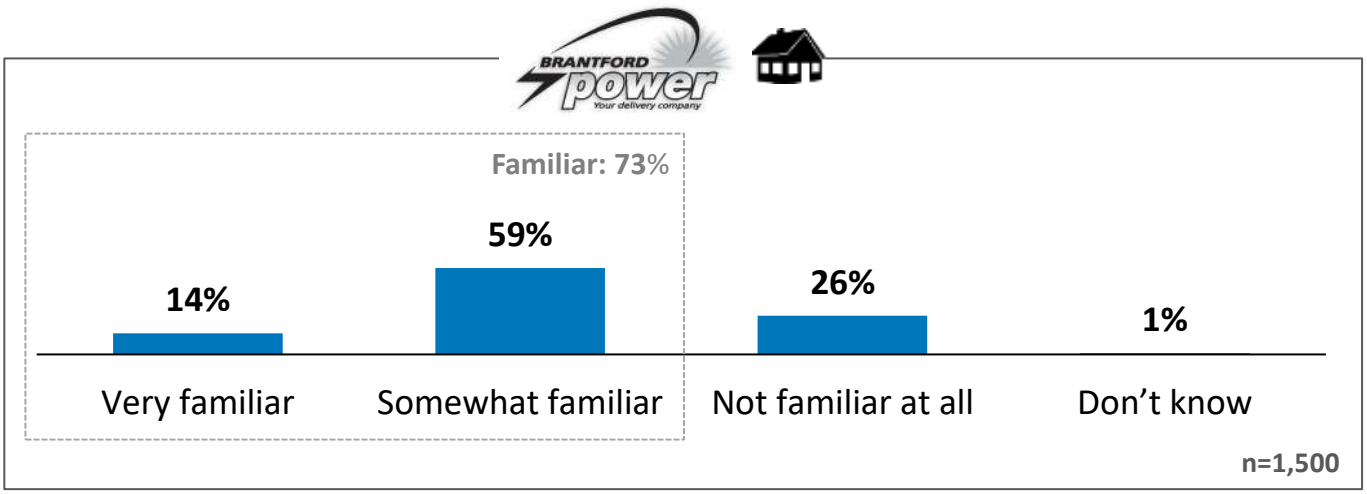


Online Workbook

Familiarity with Brantford Power

Residential

Q How familiar are you with Brantford Power, which operates the electricity distribution system in your community?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Very familiar	12%	15%	15%	15%
Somewhat familiar	58%	63%	60%	53%
Not familiar at all	28%	22%	24%	31%

Bill Impact on Finances	Significant impact	Impact	No Impact
Very familiar	15%	13%	15%
Somewhat familiar	54%	60%	60%
Not familiar at all	29%	26%	24%

How much of my electricity bill goes to Brantford Power?

- Every item and charge on your bill is mandated by the provincial government or regulated by the Ontario Energy Board (OEB), the provincial energy regulator.
- While Brantford Power is responsible for collecting payment for the entire electricity bill, it retains only the distribution portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- **Distribution makes up about 17% of the typical residential customer's bill, excluding the Ontario Electricity Rebate (OER).** For residential customers, Brantford Power's portion of the delivery line on the bill is fixed and does not change based on the amount of electricity you use. The rest of the bill does change based on your usage.
- The rest of your bill payment is passed onto provincial transmission companies, power generation companies, the government and regulatory agencies.

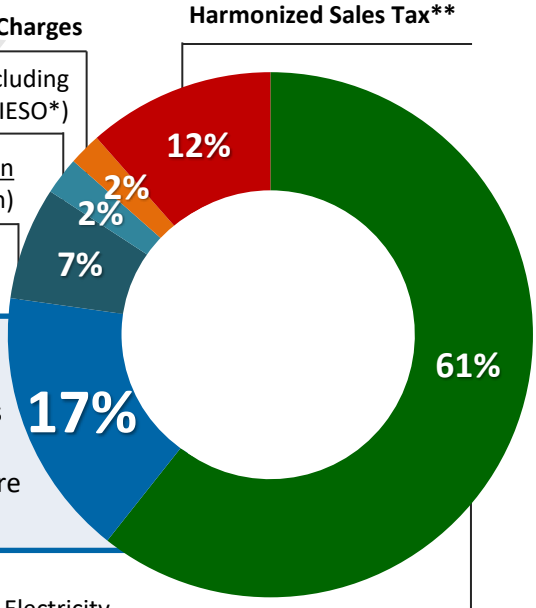
BPI Sample Monthly Bill
(Based on monthly usage of 700 kWh)

Account Number:
2xxxxx-XX

Meter Number:
000000

Your Electricity Charges	
Electricity	93.28
Delivery	39.73
Regulatory Charges	3.07
Total Electricity Charges	**$136.08**
HST	17.69
Bill before Ontario Electricity Rebate	153.77
Ontario Electricity Rebate	(-$45.18)
Total Amount	**$108.59**

Delivery:
Distribution
Brantford Power's typical portion of the total bill before OER is **$25.48**



*IESO = Independent Electricity System Operator

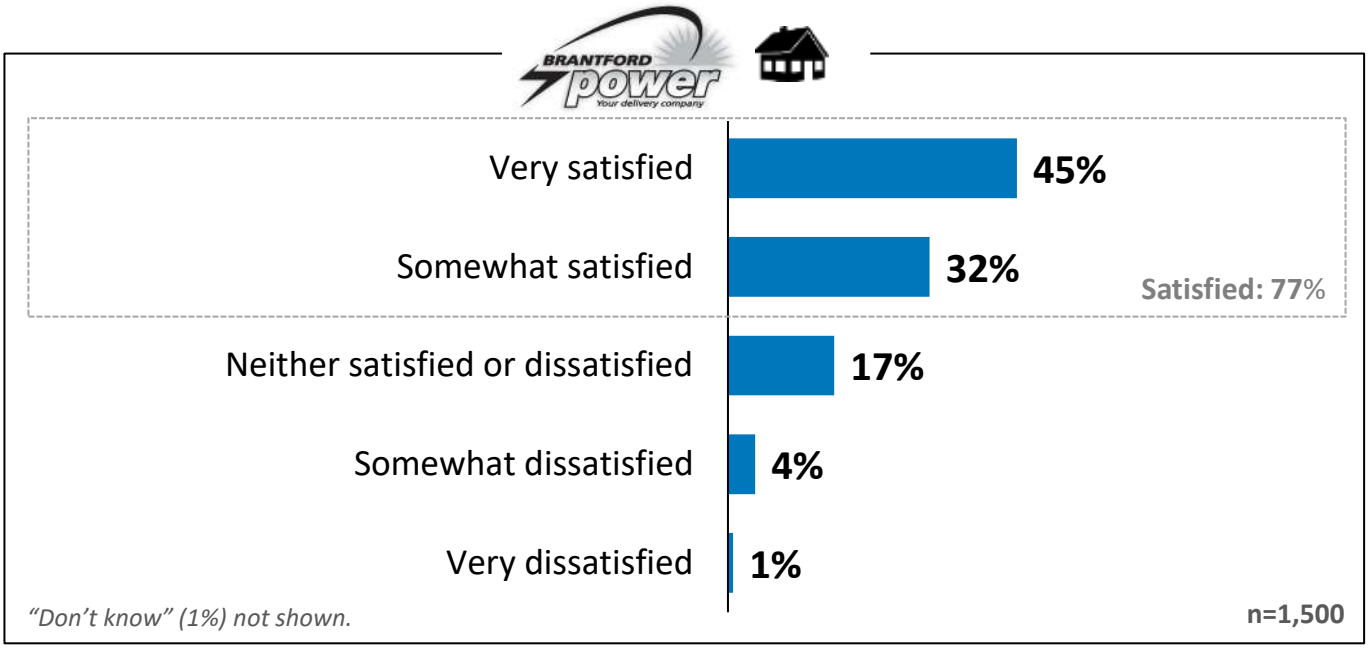
* As of November 2020. Chart is based on total bill of $153.77 excluding the Ontario Electricity Rebate. Chart may not total 100% due to rounding.

Online Workbook

Overall Satisfaction with Brantford Power

Residential

Q Thinking specifically about the services provided to you and your community by Brantford Power, overall, how satisfied or dissatisfied are you with the services that you receive?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Satisfied Very + Somewhat	79%	81%	77%	73%
Neutral	16%	13%	17%	20%
Dissatisfied Very + Somewhat	4%	5%	5%	6%

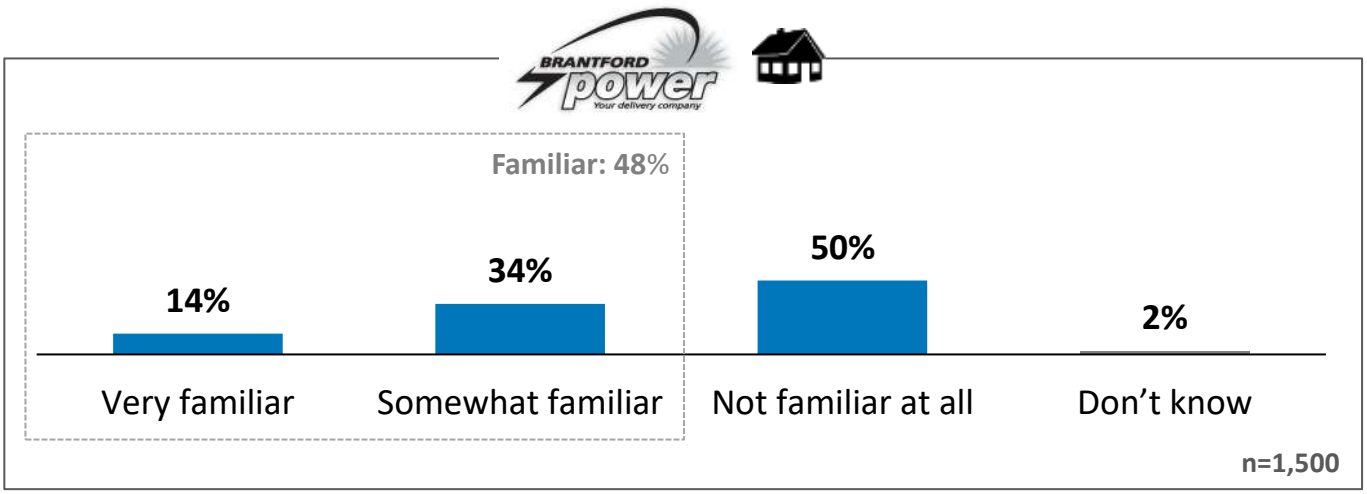
Bill Impact on Finances	Significant impact	Impact	No Impact
Satisfied Very + Somewhat	63%	76%	86%
Neutral	23%	19%	10%
Dissatisfied Very + Somewhat	13%	4%	3%

Online Workbook

Residential

Familiarity with Percentage of Bill Remitted to Brantford Power

Q Before this survey, how familiar were you with the amount of your electricity bill that went to Brantford Power?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Very familiar	12%	13%	14%	16%
Somewhat familiar	34%	36%	34%	32%
Not familiar at all	50%	48%	49%	52%

Bill Impact on Finances	Significant impact	Impact	No Impact
Very familiar	17%	14%	12%
Somewhat familiar	36%	35%	32%
Not familiar at all	43%	49%	54%

Online Workbook

Residential

How Can Brantford Power Improve Services?

Q Is there anything in particular you would like Brantford Power to do to improve its services to you?

Additional Comments (n=1,500)	%
Lower rates/costs too high	6%
Improve reliability/less outages	3%
Keep rates affordable/fair (seniors/low income/COVID-19)	2%
Revise/eliminate time of use/peak rates/smart metering	2%
Improve billing - clarity/payment terms/methods/website	2%
Delivery charges too high/lower/eliminate	2%
No issues/satisfied with service	2%
Offer incentives/discounts/rebate/renewable energy programs (electric cars/solar panels)	2%
Find internal efficiencies/ways to control reduce costs	1%
Improve outage communication/mobile app/on-line	1%
Improve customer service/resolve billing problems	1%
Invest in infrastructure/move cables underground	1%
Provide more info on energy consumption/conservations/ways to reduce costs	1%
Other	1%
None	73%

Note: "Don't know" (<1%) not shown.

Online Workbook

Brantford Power Background

Building Brantford Power's plan

Brantford Power develops its business plan based on information and input from **internal engineering and technical experts** who closely monitor the pressures on the distribution system, develop solutions to address these challenges, and recommend investments that support its plans. Brantford Power works with municipal planners and directly with developers to forecast where infrastructure investments are required for future growth.

The plan also considers Brantford Power's **legal and regulatory requirements**, and **customer feedback** collected through both ongoing dialogues and specific engagements, such as this one.

The draft 2022-2026 business plan that you are going to be asked about focuses on many of the same objectives as in the past five-year period, as well as new challenges, including increased growth in the community and evolving customer expectations.

Below are some of the highlights of Brantford Power's 2022-2026 proposed plan.

Objective	Proposed Approach in 2022-2026
Maintain the current levels of reliability and outage performance, in line with the previous 5 years.	- Proactively replacing equipment that is at increased risk of failure. - Installing more automated devices in an effort to reduce the number and length of outages. - Implementing an Outage Management System and 24/7 System Monitoring.
Keep budget increases within inflation except for new requirements or unusual market situations (example: unusual increase in steel prices).	- Making budget and spending choices with consideration of priority levels and a view to affordability.
Maintain historic levels of customer service performance, with an eye on meeting evolving customer expectations.	- Ensuring the I.T. systems and staff expertise are available to meet the evolving customer expectations for performance including customer information accuracy, appointment scheduling, telephone accessibility. - Implementing an Outage Management System with a customer outage map on the Brantford Power website.
Keep in line with industry standards for technological change, without "leading the pack" in innovation.	- Implementing an Outage Management System with a customer outage map on the Brantford Power website. - Continuing to install automated reclosers, making the system smarter and more efficient. - Implementing a multi-year cyber security plan.
Comply with requirements to connect customers, maintain safety and implement regulatory and government policies, enable local customer and economic growth.	- Planning capital budgets to enable the connection of all new customers and new residential, commercial and industrial developments. - Implementing a multi-year cyber security program. - Continuing and enhancing safety programs. - In 2022, Brantford Power is planning to make a $1.3M capital investment to increase capacity in the northwest section of the city. This will ensure Brantford Power is prepared to serve the expected residential and industrial customer growth in that area as well as lowering outage risk for existing customers.

Online Workbook

Residential

Additional Comments: Changes to Approach or Objectives

Q Is there is anything in particular you would change about the approach/objectives above or any other comments you would like to make?

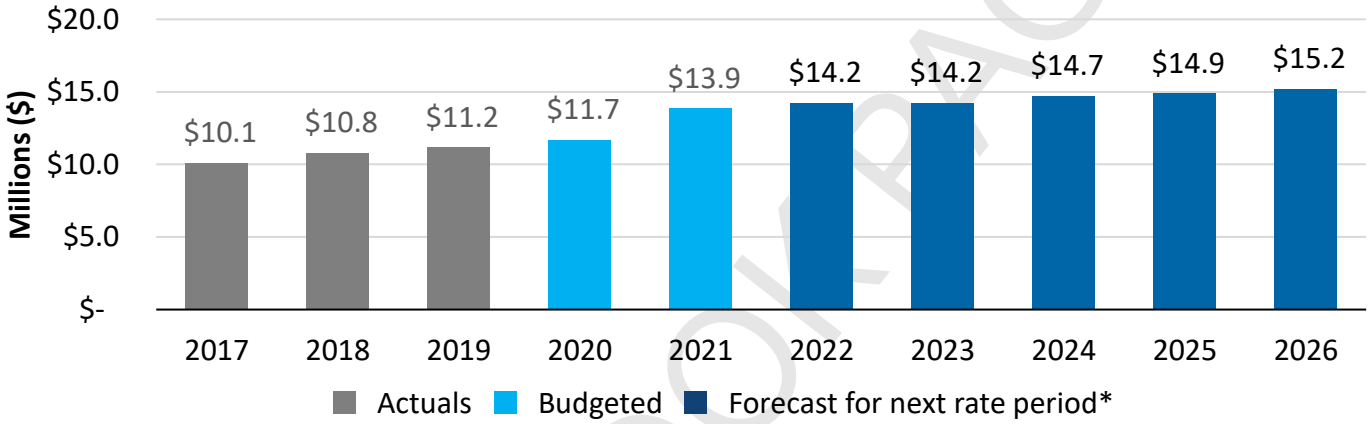
Additional Comments (n=1,500)	%
Find ways to lower rates- affordable/no increase/impact of COVID-19	4%
Plan/objectives - lack clarity/ transparency/need more information/excuse to raise rates	3%
Implement/support green /alternate (renewable) energy sources/energy conservation	2%
Focus on reliability - make improvements/power outages/invest in infrastructure	2%
Improved outage communication- new technology/map/app/automation	1%
Plan/objectives - well thought out/attainable/clear	1%
Work within budget/keep increases in line with inflation/recovering economy	1%
Find internal efficiencies -wages/salaries/manpower needs/profits	1%
Developer/company/government should fund additional costs	1%
Lead the pack/be proactive/set higher standards (improve vs. maintain)	1%
Other	1%
None	82%

Operating expenses

Although the focus of this engagement is on Brantford Power's capital expenditures, operating expenses are a significant portion of the budget. Brantford Power's operating budget covers recurring expenses for core business functions like reading meters; producing customer bills; providing customer services; the operation and maintenance of equipment, buildings, and vehicles; as well as administration expenses.

It is estimated that if Brantford Power continues with its draft plan, its operating expenses would increase by an average of **1.9% per year** for the 2022-2026 period.

Brantford Power Current and Forecasted Operating Expenses, per Year (Millions)



** These estimates are preliminary, and are subject to change as the business plan is finalized.*

Between 2020 and 2021, Brantford Power will see an increase in operating expenses. This increase can largely be attributed to three drivers:

1. **Enhancements in cyber security:** New cyber security measures are required to enable Brantford Power to make progress on its plan to further heighten its cybersecurity, consistent with requirements from the Ontario Energy Board.
2. **Increase in Line Crew and Technical Resource Costs:** Brantford Power has fallen below the historic staffing level in its line crew and requires additional support in its Engineering group, and is therefore proposing to hire new employees in these functions in order to safely restore power as quickly as possible during an outage, as well as supporting the operation and maintenance of the distribution system. Increases to remain competitive in the technical and trades labour market, in order to attract and retain technical expertise are included.
3. **Increase in Administration Professionals:** Brantford Power has assessed that it requires new staff, some of which will be hired on a temporary basis. These positions will contribute to meeting regulatory requirements, helping administer the company by bringing new subject matter expertise, and filling an existing gap in the executive management team.

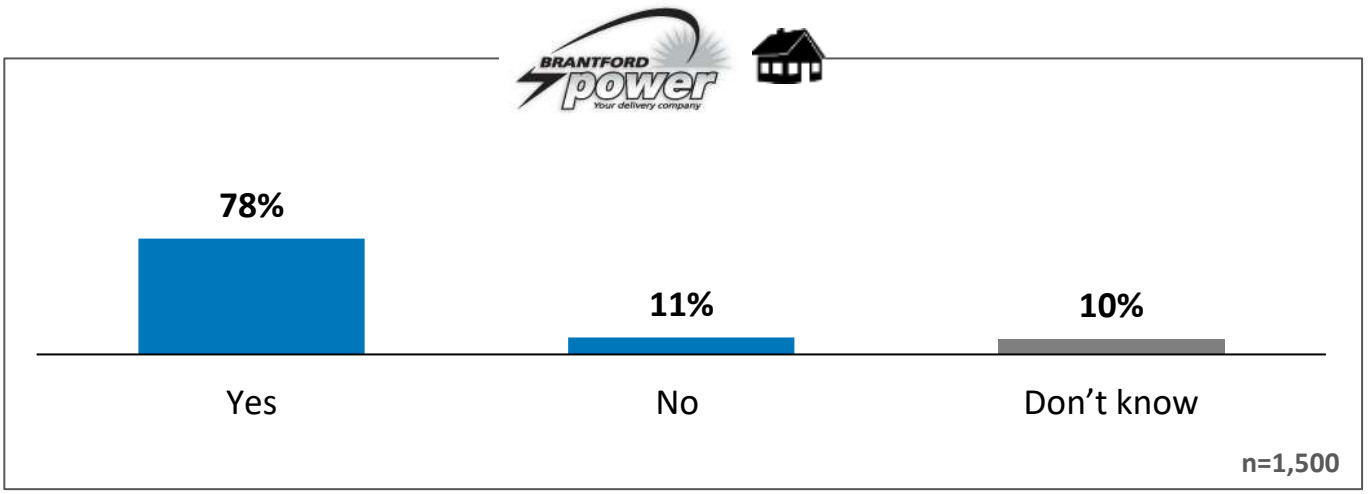
In 2022, the costs reflect increases due to the implementation of third party 24/7 control room monitoring, as well as costs to prepare Brantford Power's application to the Ontario Energy Board.

Online Workbook

Brantford Power Background

Residential

Q Is it clear what type of expenses are included in Brantford Power's operating budget?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Yes	80%	79%	81%	74%
No	11%	11%	10%	14%

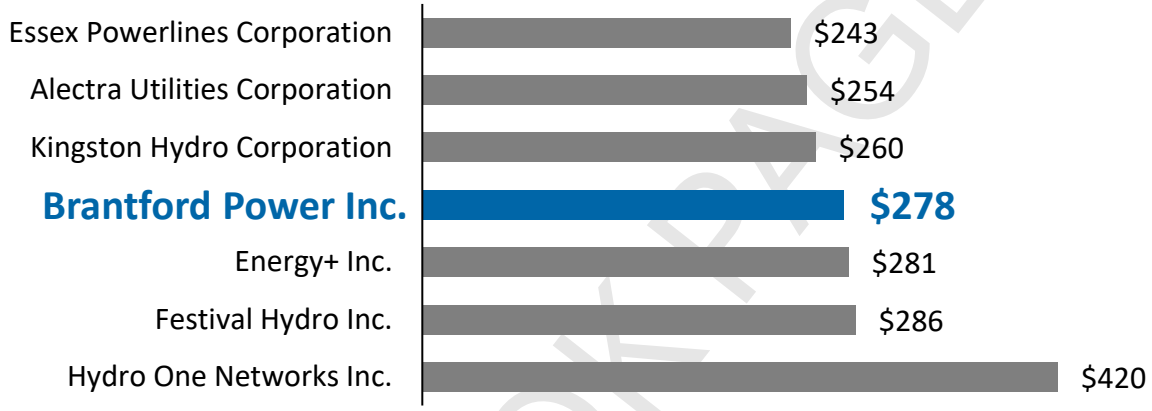
Bill Impact on Finances	Significant impact	Impact	No Impact
Yes	65%	79%	87%
No	21%	11%	7%

How does Brantford Power compare to its peers?

According to the latest publicly-available Ontario Energy Board (OEB) data, compared to its peers, both in terms of number of customers and geography, Brantford Power's operating expenses per customer were less than some neighbouring utilities, including Energy+ and Festival Hydro, and slightly more than others.

2019 Operating & Maintenance and Administration (OM&A) Per Customer ($)

Source: OEB 2019 Yearbook of Distributors



Benchmarking isn't the only way that Brantford Power measures its operational efficiency. Under provincial regulation, each year, Brantford Power is required to find internal cost savings, whether through new technologies, or operational efficiencies.

- **Industry Partnerships:** Brantford Power is a member of the GridSmartCity Co-operative, an organization that brings together 15 Ontario large distribution companies (LDCs) to collaborate and share knowledge, skills and expertise – with some of the goals being increased efficiency and cost savings through economies of scale. Participation in this group, as well as the Utilities Standards Forum, allows Brantford Power to decrease the costs spent on such items as IT and HR policy development, Health and Safety training and policies, and the development of Engineering Standards.

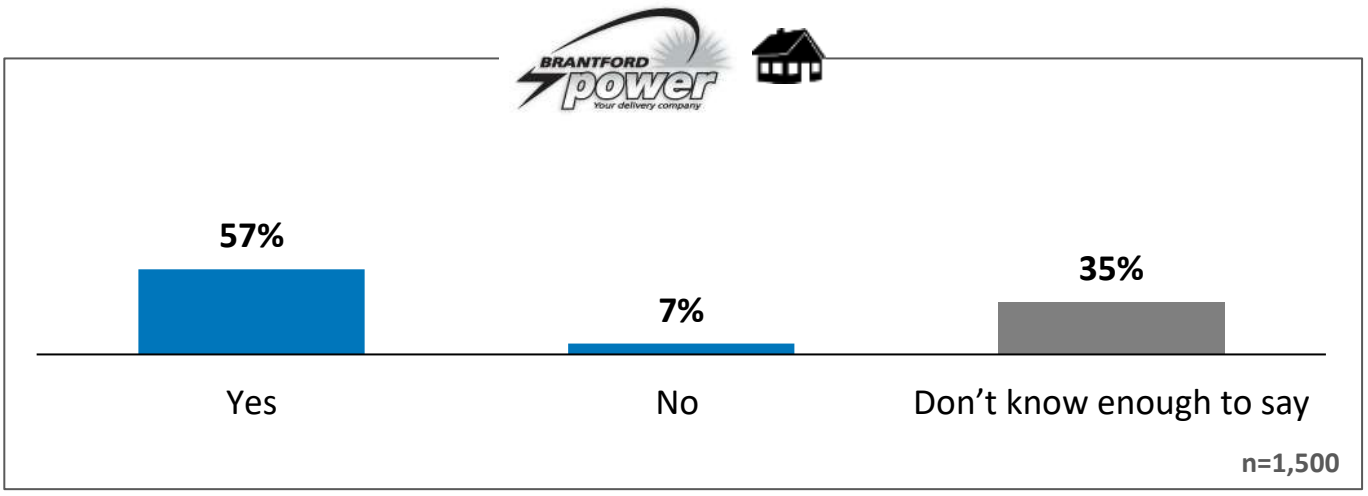
- **Reducing Facility Costs:** Brantford Power's facility relocation includes joint occupancy with three other tenants, including neighbouring utility, Energy+. These tenants will make lease payments to Brantford Power and as a result Brantford Power has been able to reduce the building costs included in rates. Brantford Power and Energy+ intend to pursue further savings together through the sharing of certain costs common to local distribution companies, for example a mechanic's bay and warehouse management.

Online Workbook

Brantford Power Background

Residential

Q Based on what you know, do you believe that Brantford Power should be looking to pursue more industry partnerships to find efficiencies?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Yes	57%	58%	58%	57%
No	8%	8%	6%	7%

Bill Impact on Finances	Significant impact	Impact	No Impact
Yes	58%	56%	61%
No	8%	8%	7%

Online Workbook

Approach to Operating Expenses

The Ontario Energy Board (OEB), the provincial energy regulator, conducts an open and transparent review process where experts from the OEB and intervenor groups review and challenge every dollar that Brantford Power proposes to spend. Detailed discussion regarding Brantford Power's operating budget are conducted by experts from the OEB and intervenors as part of the formal rate application review. Intervenors are knowledgeable industry experts who represent and act on behalf of various customer groups.

Therefore, questions about Brantford Power's operating expenses will not be asked in this customer engagement. Brantford Power plans to file this application in early 2021 at which point you are encouraged to participate in the OEB process if you are interested in commenting on Brantford Power's operating expenses. Details will be available at that time at oeb.ca/participate.

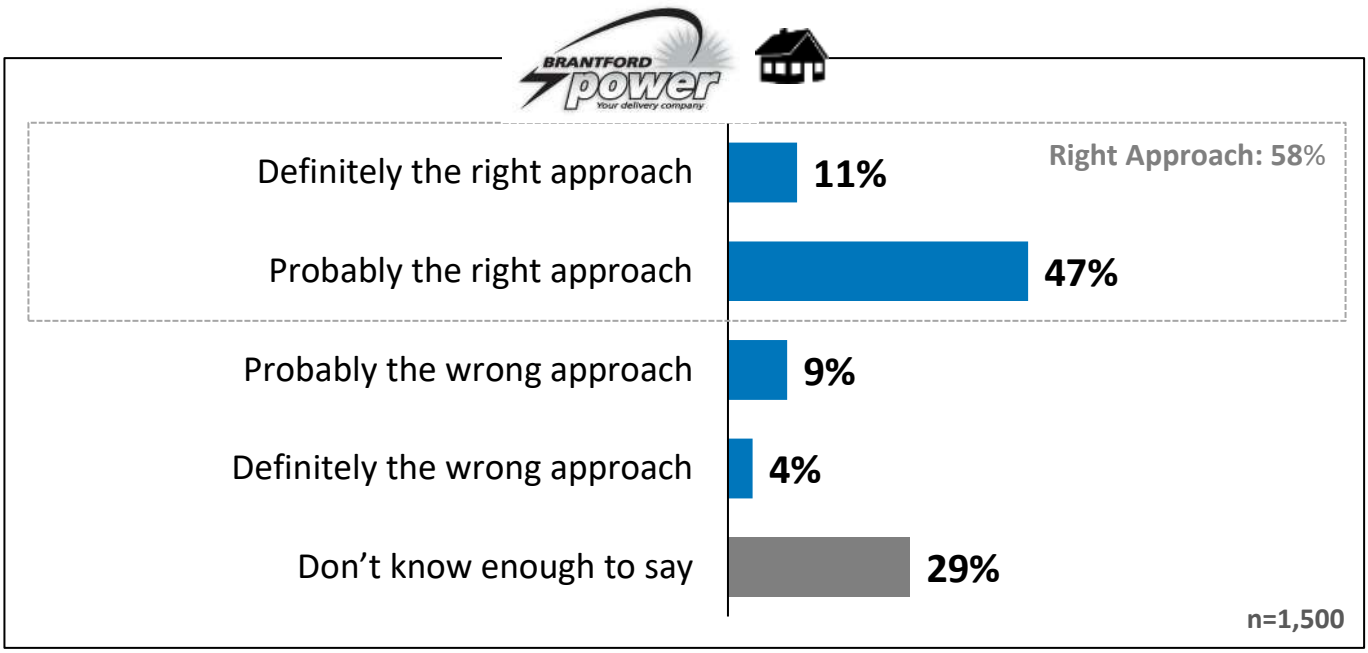
This engagement is focused on collecting your views on the trade-offs in capital investments.

Online Workbook

Approach to Operating Expenses

Residential

Q Does leaving the detailed discussion about Brantford Power's operating budget to OEB experts and intervenors seem like the right approach or wrong approach to you?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Right approach	63%	62%	58%	50%
Wrong approach	11%	12%	14%	16%
Don't know enough to say	25%	26%	28%	35%

Bill Impact on Finances	Significant impact	Impact	No Impact
Right approach	48%	56%	67%
Wrong approach	21%	13%	10%
Don't know enough to say	31%	31%	23%

Online Workbook

Approach to Operating Expenses

Residential

Q [If wrong approach] And why do you say leaving the detailed discussion about Brantford Power's operating budget to the OEB and intervenors is the wrong approach?

"Wrong approach" leaving operating discussion to OEB (n=167) Asked only of those who said "wrong approach" to previous question	**%**
Customers should be involved/have a say/local input is key	23%
OEB/interveners- bureaucracy/increases cost/mismanagement/not in customers' best interest	23%
Customers should be informed/findings posted/process transparent	13%
Brantford Power better understands the system/the needs of its customers/should be involved	12%
Brantford Power should manage itself/control its own budget and spending	11%
Need more information/transparency of costs/information misleading	8%
Brantford Power needs to be accountable-current operations/decisions/past mismanagement	6%
Keeping consumer costs low should be a priority/focus on finding efficiencies	2%
Other	2%

Brantford Power's capital budget

Brantford Power's **capital budget** covers items that have lasting benefits over many years, such as investments in the core distribution system, including poles, wires, cables, switches and transformers.

Based on information and input from Brantford Power's internal engineering and technical experts, emerging pressures on the distribution system, and ongoing conversations with customers, Brantford Power has assembled a draft capital budget for the five-year period between 2022 and 2026 that is estimated to be **$24.6 million**.

Brantford Power classifies the costs of four types of capital investment between 2022 and 2026. Each of these four investment categories helps Brantford Power pace and prioritize projects.

2022-2026 Forecasted Capital Investments (Millions)*

**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

Mandatory Investments ($12.1 Million)

"Must do" investments for new subdivisions, new upgraded commercial and industrial services, and relocating assets based on road infrastructure needs.

Replacing Equipment ($5.9 Million)

Replacement of existing overhead wires, poles, and pole mounted transformers, underground cables and transformers and distribution station upgrades.

Keeping the Business Running ($3.5 Million)

These are investments needed to support the distribution system, such as tools, vehicles, buildings, software and computers.

Preparing for Future Growth and Modernization ($3.2 Million)

These investments consist of projects that address capacity constraints, improve system reliability and supply new growth.

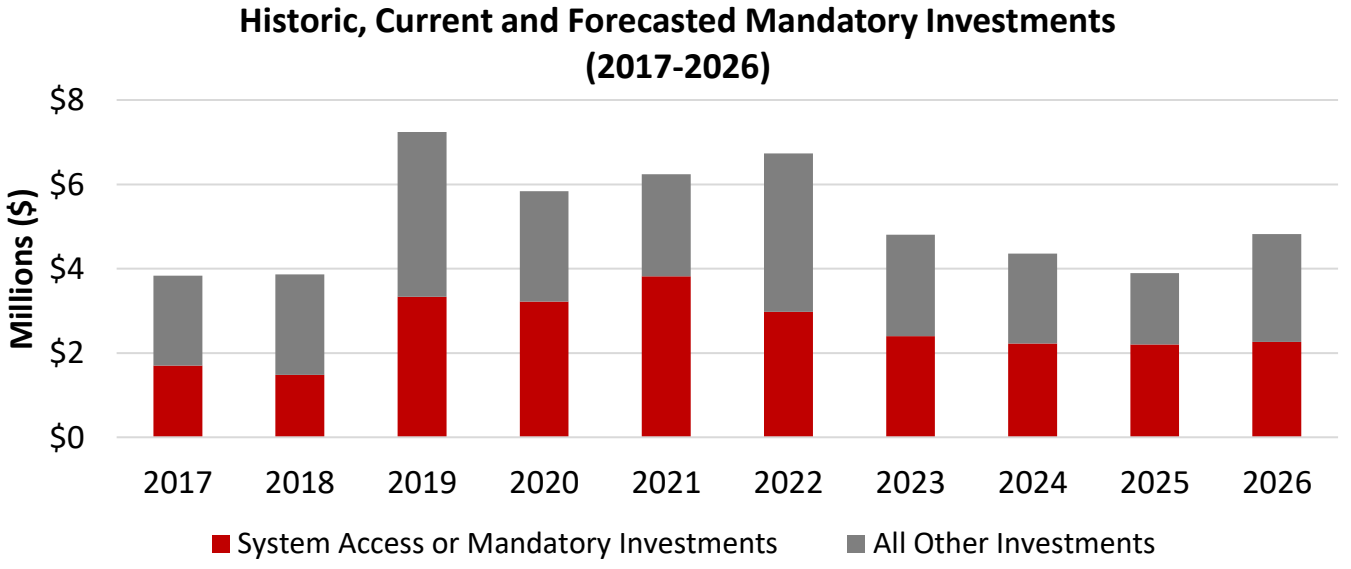
Mandatory investments

Federal, provincial and municipal governments as well as regulators set requirements and standards that Brantford Power must satisfy. Mandatory investments can be broken down into three categories:

- **Connecting customers**: This includes connecting customers to the grid when a new home or building is constructed or modified.
- **Moving equipment**: This includes moving equipment like poles and cables for road widening.
- **Mandated obligations**: This includes installing and maintaining customer meters and transferring electricity from the provincial transmission system.

Since 2017, these types of investments have accounted for more than a third of Brantford Power's total capital budget.

That means that about **1-in-3 of the dollars** in the capital plan are already committed and not available for other investments.



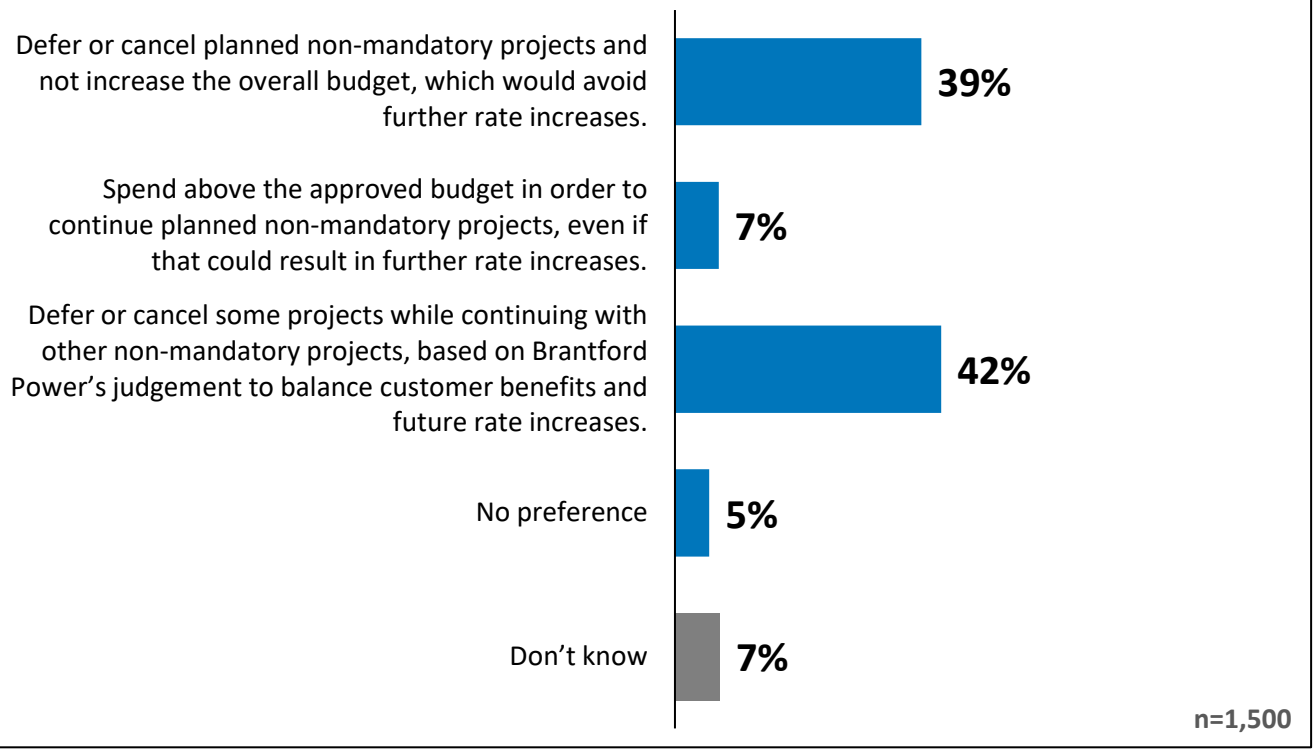
Please note, the chart above does not include a one-time investment of $15M in 2020 related to the purchase of a facility by Brantford Power, which has been reviewed and approved by the OEB. Excluding those facility costs, mandatory investments account for nearly half of all capital investments since 2017.

Online Workbook

Approach to Mandatory Investments

Residential

Q When mandatory spending exceeds what is included in the budget, what do you feel Brantford Power should do?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Defer/cancel non-mandatory spending	36%	41%	37%	42%
Spend above budget	7%	6%	7%	8%
Based on Brantford Power judgment	43%	42%	43%	39%
No preference	8%	5%	3%	5%

Bill Impact on Finances	Significant impact	Impact	No Impact
Defer/cancel non-mandatory spending	49%	42%	32%
Spend above budget	4%	5%	10%
Based on Brantford Power judgment	30%	43%	48%
No preference	7%	4%	5%

Online Workbook

Residential

Additional Comments: Approach to Mandatory Investments

Q When mandatory spending exceeds what is included in the budget, what do you feel Brantford Power should do?

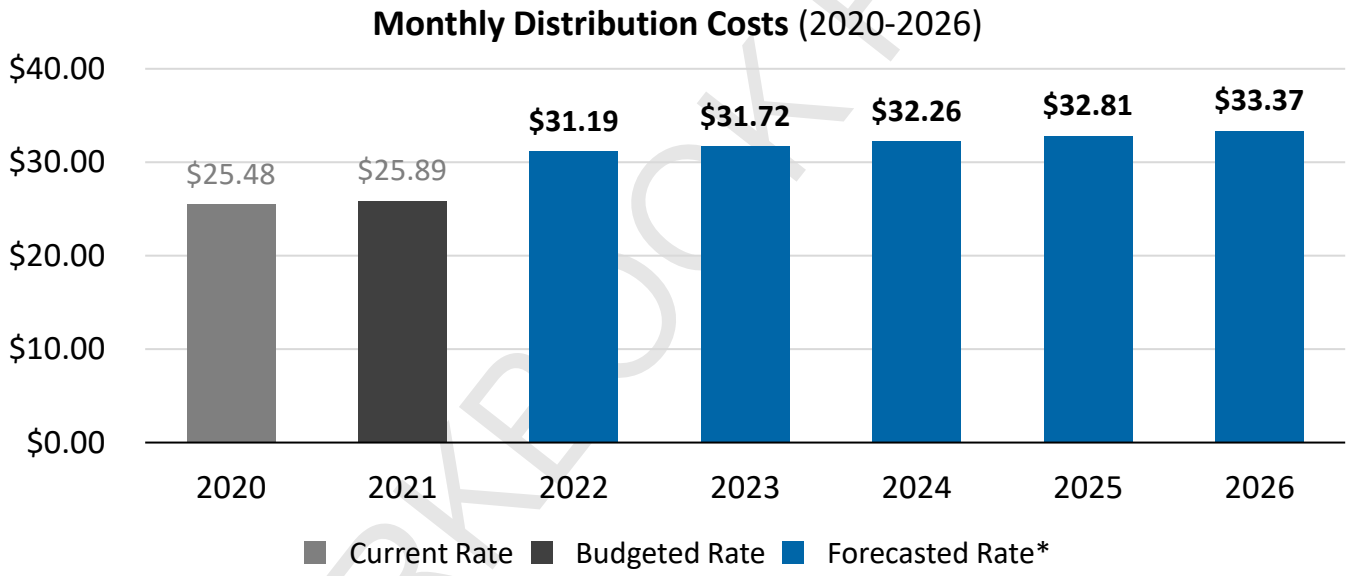
Additional Comments (n=160) 89% of respondents did not provide additional feedback	**%**
Future analysis/ revenue/cost analysis/budgeting	38%
Decrease rate increases/cut spending/cut extra charges	35%
Customers shouldn't pay/charge based on service provided	12%
Solar generation/other sources should be considered	4%
Residential and business area should be considered	4%
Brantford Power is doing great	2%
Check meters/secure network	2%
More information required	2%
None	1%
Don't know	1%

How much will Brantford Power's draft plan cost me?

Remember, the current typical Brantford Power residential customer's electricity bill is about $154 per month before Ontario Electricity Rebate or about $109 per month after Ontario Electricity Rebate, of which $25.48 goes to Brantford Power.

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $31.19 in 2022, an increase of $5.30 per month compared to the budgeted $25.89 in 2021.

- For the period of 2023-2026, the annual bill increase is limited by the Ontario Energy Board (OEB) to an amount less than the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the 2023-2026 period, the distribution portion of the bill would increase by an average of 1.7% per year.



**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

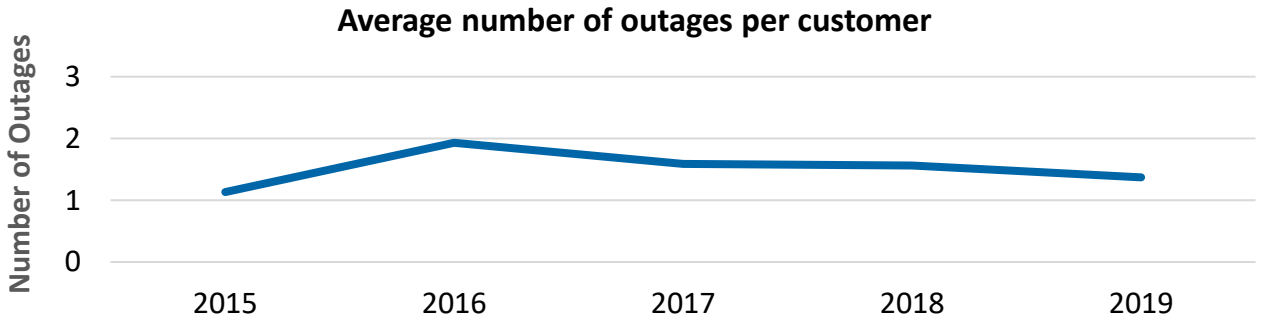
Brantford Power is looking for your input on its draft plan to ensure it is making the spending decisions that matter to you, the customer.

The following sections of this workbook will explore 7 choices that Brantford Power needs to make in order to help finalize its capital plan. Brantford Power will need to demonstrate to the OEB both what they heard from customers, as well as how they reflected your feedback in its plans.

System Reliability

Brantford Power tracks both the average number of power outages per customer and how long those interruptions last.

Between 2015 and 2019, the typical Brantford Power customer experienced **fewer than two outages per year**. An outage is defined as a power interruption that lasts longer than one minute.



Over the same period, the average **duration** of an outage has been about 50 minutes. Meaning, when the power does go out, Brantford Power is typically able to restore power in less than one hour.

Since 2015, nearly half of all outages have been traced back to two causes – loss of supply from the transmission system (27%) operated by Hydro One and defective equipment within Brantford Power's distribution system (20%).

While transmission system failures are largely out of the control of Brantford Power, there are investments that can be made to attempt to reduce the impacts of equipment failure.

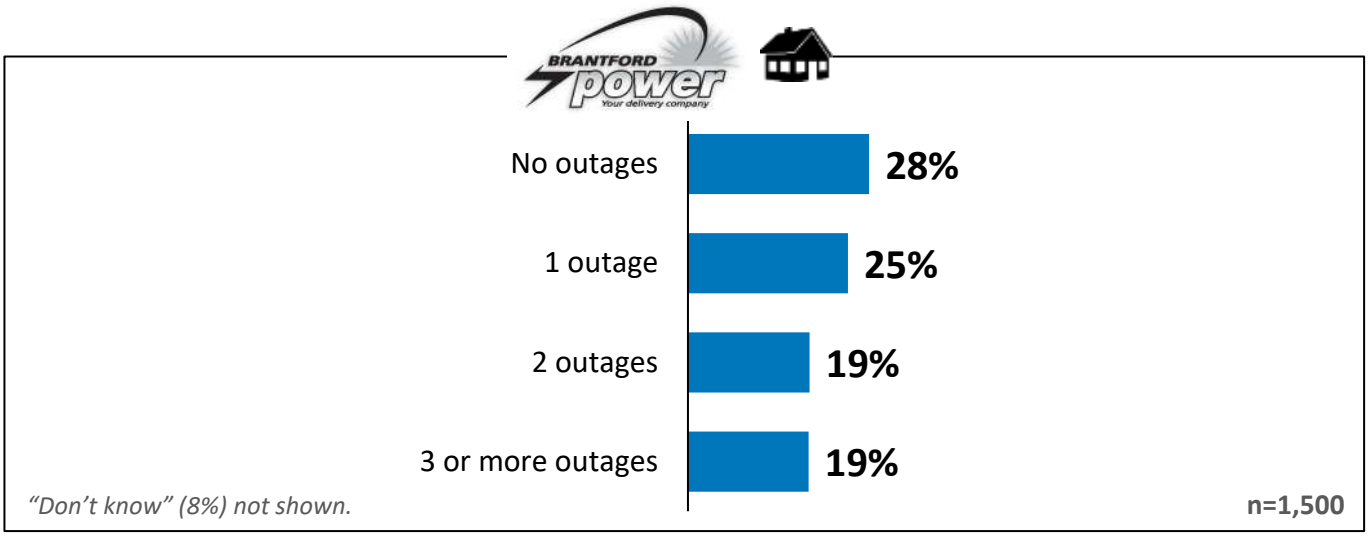
Keep in mind that these are system averages, and your actual experience may be different. Some customers connected to newer lines may not experience any outages while others may experience more than the average number of outages each year.

Online Workbook

Reliability Experience

Residential

Q Have you experienced any power outages at your home or at your business in the past 12 months which lasted longer than one minute?



"Don't know" (8%) not shown.

n=1,500

Electricity Consumption	Low	Medium-Low	Medium-High	High
No outages	23%	18%	15%	21%
1 outage	33%	27%	32%	22%
2 outages	21%	28%	28%	25%
3 or more outages	16%	17%	21%	23%

Bill Impact on Finances	Significant impact	Impact	No Impact
No outages	17%	20%	20%
1 outage	23%	29%	32%
2 outages	29%	23%	24%
3 or more outages	23%	20%	16%

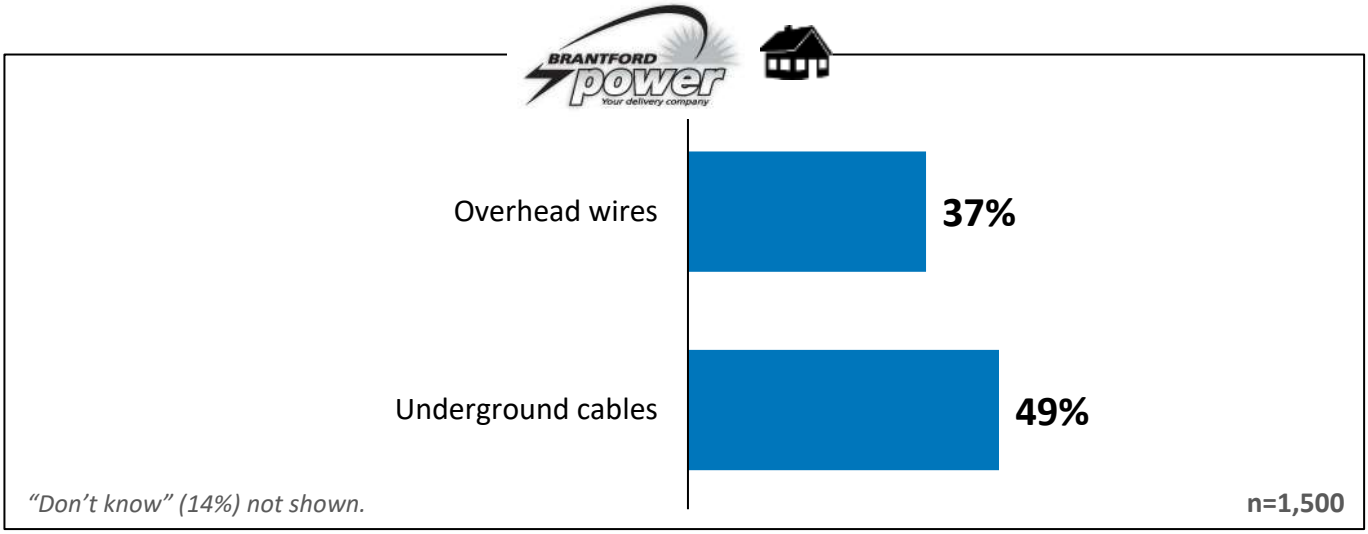
LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
No outages	24%	17%	21%
1 outage	26%	30%	28%
2 outages	21%	26%	26%
3 or more outages	19%	21%	18%

Online Workbook

Reliability Experience

Residential

Q To the best of your knowledge, does your home receive electrical service via overhead wires, or underground cables?



"Don't know" (14%) not shown.

n=1,500

Online Workbook

Replacing Poles in Poor Condition

Pole Replacement

Background: Brantford Power owns 10,052 poles within its service territory. Each year, Brantford Power inspects and tests one third of all poles, and selects poles for replacement based on their condition, age, and the consequences of their potential failure.

Current Approach: On average, each year, since 2017, Brantford Power has replaced 80 poles identified as having a high risk of failure, though the number varied with some years exceeding 100 pole replacements.

Customers served by lines connected to high-risk poles are more likely to experience power outages and when they do, those outages are more likely to last longer and be more expensive to fix.

While poles do not typically cause an outage under regular circumstances, poles in poor condition are more likely to contribute to an outage during inclement weather.

Brantford Power anticipates that, based on the most recent assessment, approximately 70 poles will need to be replaced in 2021, and that similar replacements levels will be required for the period between 2022 and 2026. Falling significantly behind on this investment program can be costly, and may have an increased risk of outages.

2022-2026 Proposed Approach: In its current draft plan, with an emphasis on affordability and balancing the overall spending levels, Brantford Power is proposing to reduce the number of poles replaced each year to 60. Part of the reason for this reduction is to address budget constraints resulting from increased spending in the "mandatory" category as a result of customer growth.

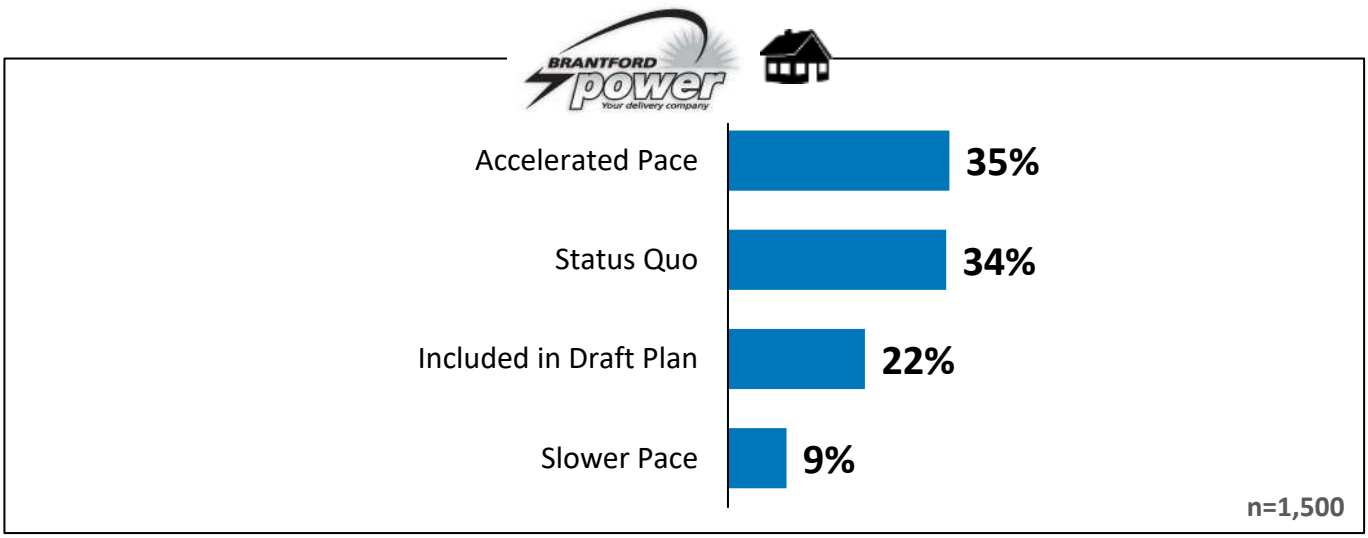
Option	Poles Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.12 more per year)*	80 per year	This approach is in line with the past few years, and would lead to similar outage experiences
Status Quo ***Additional*** *$0.01 per month annually ($0.06 more per year)*	70 per year	This approach is in line with the expected recommendations from the utility's prioritization system.
Included in Draft Plan *Within the proposed increase*	60 per year	This approach reduces the budget but may lead to a slight increase in risk of outages.
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.06 less per year)*	50 per year	This is the option with the lowest cost impact but a higher risk of outages.

Online Workbook

Replacing Poles in Poor Condition

Residential

Q Which of the following options do you prefer?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Accelerated Pace	35%	36%	33%	35%
Status Quo	38%	33%	39%	27%
Included in Draft Plan	20%	21%	21%	24%
Slower Pace	6%	9%	8%	13%

Bill Impact on Finances	Significant impact	Impact	No Impact
Accelerated Pace	24%	29%	46%
Status Quo	32%	38%	34%
Included in Draft Plan	23%	26%	16%
Slower Pace	21%	7%	4%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Accelerated Pace	25%	35%	38%
Status Quo	36%	36%	34%
Included in Draft Plan	27%	18%	21%
Slower Pace	12%	11%	7%

Online Workbook

Residential

Additional Comments: Replacing Poles in Poor Condition

Q Which of the following options do you prefer?

Additional Comments (n=126) 92% of respondents did not provide additional feedback	%
Costs acceptable/reliability is paramount/fix now	17%
Maintenance crucial/keep system up to date/pay now to save later	15%
Move lines underground/eliminate poles	14%
No further increases/find other revenue streams/work within budget	12%
Survey difficult to understand/issues with survey/need more information	10%
Unnecessary/no cost benefit/service satisfactory/no issues	10%
Prioritize replacement/replace only as necessary	9%
Newer infrastructure/technology offers reliability	4%
Investigate cost savings/lower rates/reduce consumption	3%
Other	2%
None	3%
Don’t know	2%

Making Choices (2 of 7)

Porcelain Device Replacements

Background: Brantford Power has nearly 1,000 porcelain devices in its system that are used to protect electrical distribution equipment from the damaging effects of lightning strikes and electrical current surges. These devices are attached to distribution poles.

When these devices fail unexpectedly, often during inclement weather events, it can lead to prolonged outages, impacting between 10 and 40 customers, as well as increased reactive replacement costs. The device failures can pose a risk to employee safety when working on power lines close to these devices.

Based on outage statistics for the previous 5 years, it is estimated that broken porcelain devices are responsible for nearly 74% of customer outages caused by defective equipment or approximately 15% of all outages.

Current Approach: In recent years, Brantford Power determined that all porcelain devices in the system will need to be replaced. In 2020, Brantford Power will be replacing 60 devices – leaving over 900 still in need of replacement.

2022-2026 Proposed Approach: Brantford Power is planning to triple the budget for this project from 2020 to 2021 and is proposing to continue with this pace of replacement in 2022-2026.

While the project spending is not as significant as other projects in this consultation, there are implications to customers. Proactively replacing a porcelain device near your home or business could result in a planned outage that lasts between 1-2 hours. Of course, customers would be notified prior to any planned outage that could impact their service.

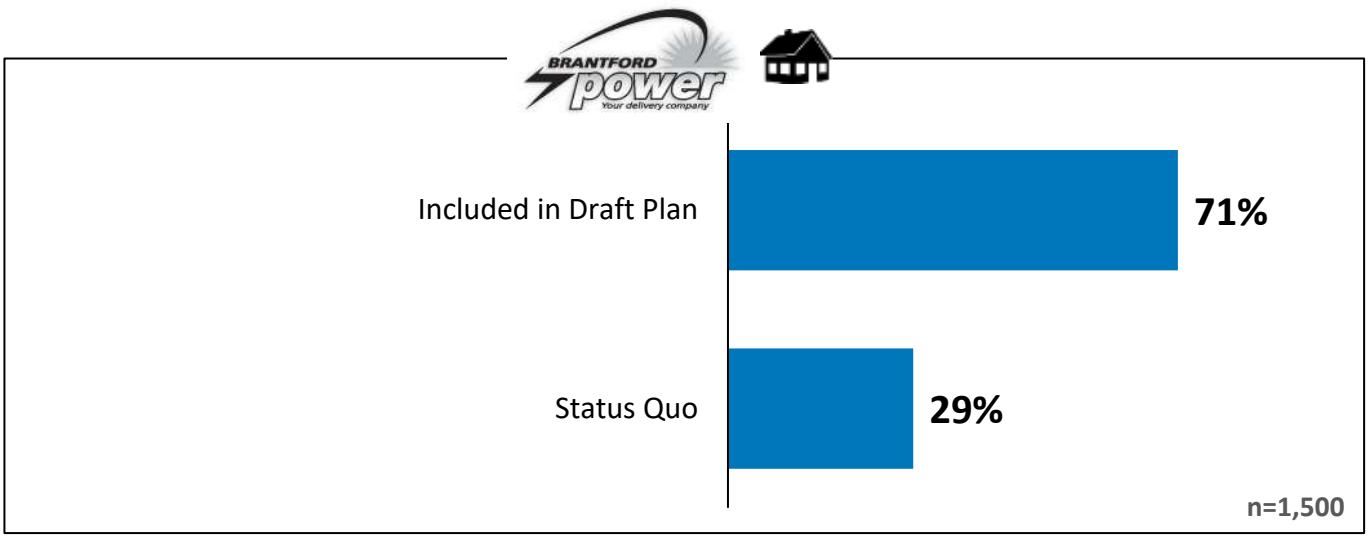
Option	Porcelain Device Replacements	Expected Outcome
Included in Draft Plan *Within the proposed increase*	150 per year	Longer, unplanned outages related to porcelain devices will be reduced, at the price of an increase in shorter, planned outages which customers are notified about.
Status Quo ***Decrease*** *of $0.01 per month annually ($0.05 less per year)*	60 per year	As equipment continues to fail, customers may experience more unplanned outages, especially during severe weather.

Online Workbook

Porcelain Device Replacement

Residential

Q Which of the following options do you prefer?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Included in Draft Plan	75%	72%	72%	65%
Status Quo	25%	28%	28%	35%

Bill Impact on Finances	Significant impact	Impact	No Impact
Included in Draft Plan	55%	67%	83%
Status Quo	45%	33%	17%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Included in Draft Plan	67%	72%	73%
Status Quo	33%	28%	27%

Online Workbook

Residential

Additional Comments: Porcelain Device Replacement

Q Which of the following options do you prefer?

Additional Comments (n=95) 94% of respondents did not provide additional feedback	%
Further increases unacceptable/find other revenue streams/work within budget	17%
Be proactive/pay now to save later	15%
Costs acceptable/reliability/safety is paramount	15%
Survey difficult to understand/need more information	11%
Prioritize replacement/replace only as necessary	9%
Investigate new technology/infrastructure	8%
Move lines underground	8%
Investigate cost saving/combine with pole replacement	6%
Don't trust survey/leading questions	5%
Other	2%
None	4%

Making Choices (3 of 7)

Transformer Replacements

Background: Brantford Power owns 3,620 transformers within its service territory. Transformers are responsible for reducing electricity voltage from higher levels to safely serve homes and businesses in the community. They are typically either located on the ground, in underground vaults, or attached to distribution poles.

Current Approach: On average, since 2017, Brantford Power has been replacing approximately 20 transformers per year – this includes both reactive (due to equipment failure) and proactive replacements.

Based on historical outage statistics, 20% of customer outages were caused by defective equipment failure. Transformer failure is the second-highest cause in this category, next to porcelain devices. Failed transformers were responsible for nearly 14% of all customer outages caused by defective equipment from 2015 to now. In more recent years, these failures have been occurring during hot weather due to increased air conditioning usage.

Typically, up to 30 customers are impacted by a single transformer failure. The duration of the outage varies and can take up to 3 hours to replace the transformer.

Similar to the pole replacement program, Brantford Power selects transformers for proactive replacement based on an asset management system which contains data regarding the condition of assets and other critical factors that would impact the likelihood and the impact of an outage.

2022-2026 Proposed Approach: Brantford Power is proposing to increase the number of transformers it replaces each year from 20 to 27. This change will help reduce the backlog of transformers that are at increased risk of failure.

As with poles, Brantford Power will always need to replace transformers, therefore, this is a matter of whether customers would rather pay more during the upcoming rate period, to expedite the replacements, or push some level of investment beyond the next five years.

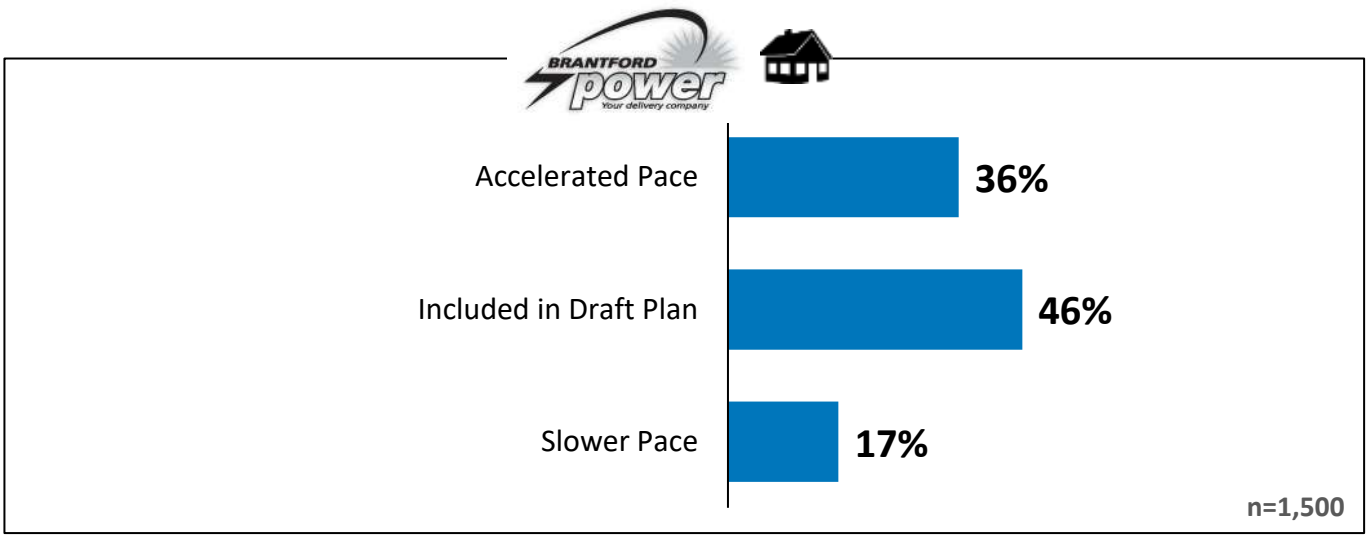
Option	Transformers Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.08 more per year)*	40 per year	Reduce the risk of outage to the 1,200 customers per year connected to the highest risk transformers.
Included in Draft Plan *Within the proposed increase*	27 per year	Reduce the risk of outage to the 810 customers connected to the highest risk transformers
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.04 less per year)*	20 per year	Continue with status quo, reducing the risk of outage each year to the 600 customers connected to the highest risk transformers

Online Workbook

Transformer Replacements

Residential

Q Which of the following options do you prefer?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Accelerated Pace	40%	38%	36%	31%
Included in Draft Plan	44%	49%	45%	47%
Slower Pace	16%	14%	19%	21%

Bill Impact on Finances	Significant impact	Impact	No Impact
Accelerated Pace	26%	31%	47%
Included in Draft Plan	41%	51%	45%
Slower Pace	32%	18%	9%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Accelerated Pace	30%	37%	38%
Included in Draft Plan	49%	42%	49%
Slower Pace	22%	21%	13%

Online Workbook

Residential

Additional Comments: Transformer Replacements

Q Which of the following options do you prefer?

Additional Comments (n=81) 95% of respondents did not provide additional feedback	%
Further increases unacceptable/find other revenue streams/work within budget	21%
Costs acceptable/reliability/safety is paramount	20%
Preventative maintenance crucial/pay now to save later	13%
Survey difficult to understand/customers are not qualified/need more info	10%
Move service underground	9%
Prioritize replacement/replace only as necessary	7%
Investigate cost savings/combine replacements	4%
Don't trust survey/leading questions	4%
Issue due to mismanagement/lack of foresight/maintenance	3%
Replacement unnecessary/service acceptable/no issues	2%
Investigate newer technology/infrastructure	1%
None	5%
Don’t know	1%

Making Choices (4 of 7)

Underground Structure Replacements

Background: Brantford Power operates and maintains a large system of underground infrastructure that includes vaults, junction boxes, manholes, and junction pads. Underground structures are an essential part of Brantford Power's distribution system. These devices provide structural support, housing, and access to the electrical distribution equipment, such as submersible transformers and buried cables. There are 2,137 underground structures in Brantford Power's service territory.

Each year, Brantford Power completes a visual inspection of one third of all structures to determine their condition. Brantford Power establishes the required replacement levels, using the condition assessment information combined with age and impending risk to safety. These replacements have no direct linkage to outages.

Brantford Power will need to continue to replace these assets reactively if they are identified as at risk of imminent failure in order to address safety risks such as trip hazards.

Current Approach: Since 2017, Brantford Power has proactively replaced on average about 24 vault and junction boxes per year.

2022-2026 Proposed Approach: For affordability concerns, Brantford Power has proposed to slow down the pace to 10 replacements per year.

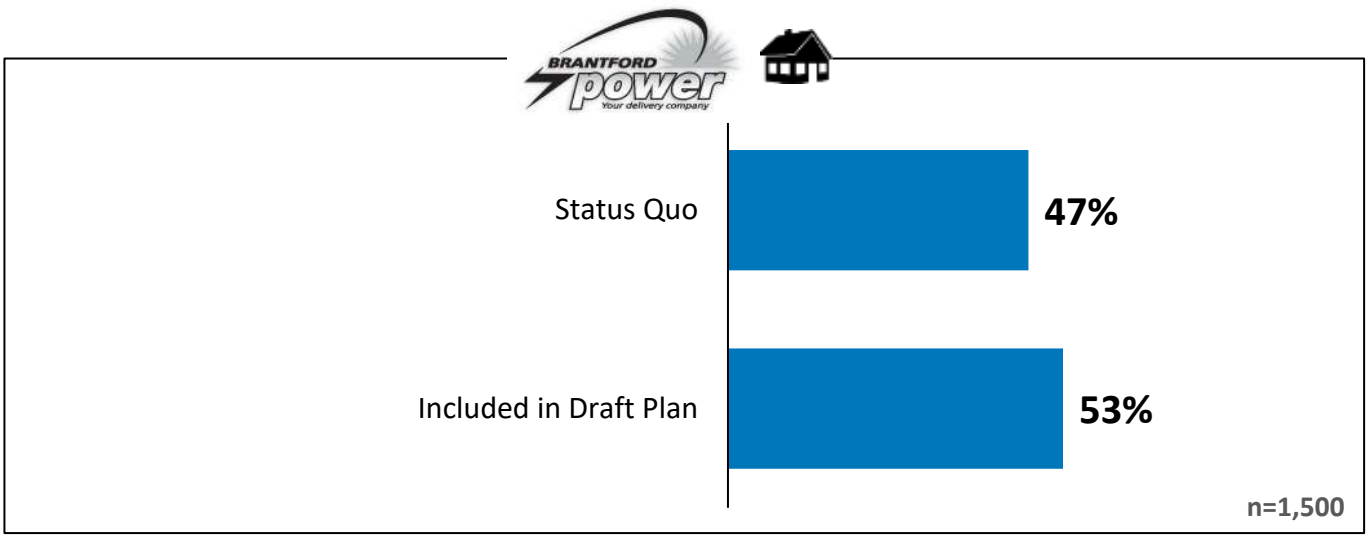
Option	**Underground Structures**	**Expected Outcome**
Status Quo ***Additional*** *$0.01 per month annually ($0.10 more per year)*	Status quo	Continue with status quo
Included in Draft Plan *Within the proposed increase*	Decrease the cost of replacements by about 60%	Delay the removal/replacement of underground structures. Structures with a potential risk to safety would still be replaced.

Online Workbook

Underground Structure Replacements

Residential

Q Which of the following options do you prefer?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Status Quo	51%	50%	44%	44%
Included in Draft Plan	49%	50%	56%	56%

Bill Impact on Finances	Significant impact	Impact	No Impact
Status Quo	42%	45%	52%
Included in Draft Plan	58%	55%	48%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Status Quo	42%	50%	46%
Included in Draft Plan	58%	50%	54%

Online Workbook

Residential

Additional Comments: Underground Structure Replacements

Q Which of the following options do you prefer?

Additional Comments (n=65) 96% of respondents did not provide additional feedback	%
Be proactive/pay now to save later	15%
Further increases unacceptable/cost concerns/find other revenue streams	15%
Move service underground	14%
Costs acceptable/reliability/safety is paramount	12%
Investigate cost savings/find efficiencies/combine replacements	9%
Unnecessary replacement/system acceptable/no issues	6%
Don't trust survey/leading questions	5%
Need more information/not qualified to answer	3%
Prioritize replacement/replace only as necessary	3%
Investigate newer technology	3%
Issue of mismanagement/lack of planning/investment	3%
Other	3%
None	8%

Making Choices (5 of 7)

Automated Reclosers

Background: Automated reclosers are devices which allow Brantford Power to potentially avoid an outage under certain conditions, such as, when a tree branch or animal comes into contact with a power line. In these cases, if there is a recloser on the line it automatically briefly shuts off power to the power line and then quickly restores power, resulting in only a momentary interruption or flicker.

Without the reclosers, these situations would lead to an outage, requiring the deployment of a line crew to restore power. The deployment of these devices also helps to reduce the number of customers affected by an outage, as well as deliver an additional benefit of helping identify and monitor the outage. As more and more of these devices are installed, they will enable Brantford Power to implement "self-healing" capabilities in its system.

Implementation of a greater amount of reclosers will also support Brantford Power's implementation of the 24/7 system monitoring discussed in the question below.

Current Approach: Brantford Power has been installing this type of equipment where outages have historically been most likely to occur, and where reliability is of increased importance, for instance hospitals. Brantford Power installed its first automated recloser in 2004 and began increasing the pace of installations in 2015.

On average, since 2017, Brantford Power has been installing approximately three new reclosers per year. Depending on where it's located and the nature of the customers in the area, each recloser can impact anywhere between 50 and 2,700 customers, with an average to date of just over 1,000 customers per recloser.

2022-2026 Proposed Approach: In its current draft plan, Brantford Power is proposing to continue with the status quo of installing three reclosers per year. That said, there is an opportunity to accelerate the pace of rolling out this technology, which would lead to a greater chance of decreasing the number of sustained outages, and reducing number of customers affected by an outage and the length of some outages.

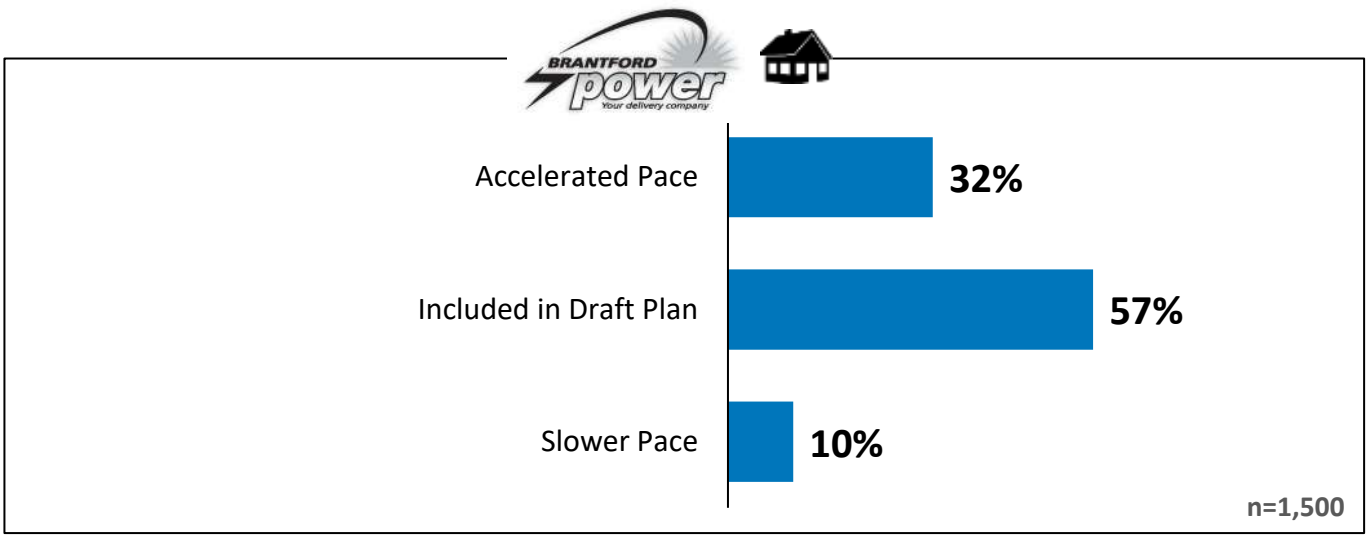
Option	Automated Reclosers	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.09 more per year)*	Replace 5 devices per year	Greater likelihood that the program will avoid or limit outages; quicker ability to implement "self-healing" capabilities in the future.
Included in Draft Plan *Within the proposed increase*	Replace 3 devices per year	The status quo will allow Brantford Power to roll out this equipment gradually, slowing the ability to implement "self-healing" capabilities in the future.
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.09 less per year)*	Replace 1 device per year	Lower likelihood that the program will avoid or limit outages; slower ability to implement "self-healing" capabilities in the future.

Online Workbook

Automated Reclosers

Residential

Q Which of the following options do you prefer?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Accelerated Pace	35%	34%	31%	29%
Included in Draft Plan	56%	56%	59%	59%
Slower Pace	9%	10%	9%	13%

Bill Impact on Finances	Significant impact	Impact	No Impact
Accelerated Pace	24%	27%	42%
Included in Draft Plan	56%	63%	53%
Slower Pace	21%	11%	5%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Accelerated Pace	28%	36%	33%
Included in Draft Plan	62%	51%	60%
Slower Pace	10%	13%	7%

Online Workbook

Additional Comments: Automated Reclosers

Q Which of the following options do you prefer?

Additional Comments (n=55) 96% of respondents did not provide additional feedback	**%**
Consider other methods of energy conservation (underground)/new vs older model	35%
Reduce cost/winter maintenance/reduce outages	16%
Make cost affordable/use cost where its needed	12%
More information required/confused	11%
Maintain/improve services	11%
Review mandated budget/future investment	4%
Be more transparent	4%
Other	2%
None	6%

Making Choices (6 of 7)

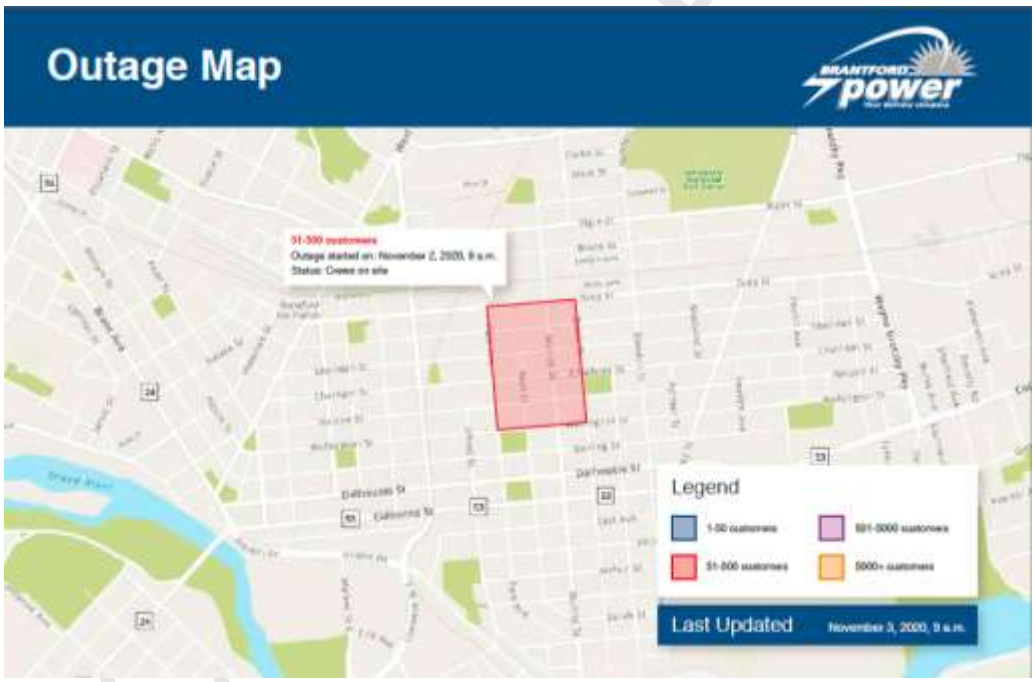
Outage Management System

Background: Brantford Power currently monitors outages using a combination of software, communication devices and manual processes. An Outage Management System would assist Brantford Power with identifying, monitoring, and reporting outages.

Current Approach: Brantford Power does not currently have an Outage Management System in place.

2022-2026 Proposed Approach: Brantford Power is planning to implement an Outage Management System to assist with identifying, monitoring, and reporting outages. As one of the key benefits of the Outage Management System, Brantford Power will be able to display outages on its website in the form of an outage map, which customers can access.

The outage map will indicate where there is an outage, as well as other information regarding the outage.



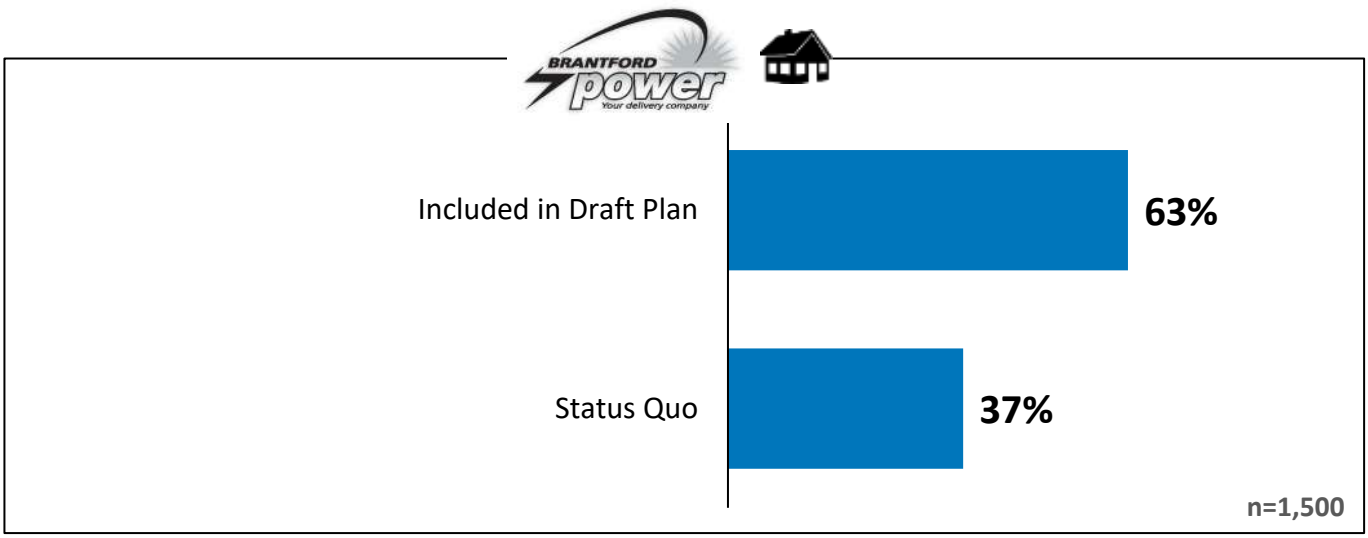
Option	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Implement an Outage Management System to assist with monitoring, reporting, and recording outages by 2022, and implement an outage map on Brantford Power's website.
Status Quo ***Decrease*** *of $0.21 per month annually ($2.57 less per year)*	Brantford Power will continue to monitor its outages using an informal combination of existing systems; however, customers will not be able to access outage data through an online outage map.

Online Workbook

Outage Management System

Residential

Q Which of the following options do you prefer?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Included in Draft Plan	67%	62%	62%	62%
Status Quo	33%	38%	38%	38%

Bill Impact on Finances	Significant impact	Impact	No Impact
Included in Draft Plan	53%	57%	75%
Status Quo	47%	43%	25%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Included in Draft Plan	61%	62%	65%
Status Quo	39%	38%	35%

Online Workbook

Residential

Additional Comments: Outage Management System

Q Which of the following options do you prefer?

Additional Comments (n=122) 92% of respondents did not provide additional feedback	**%**
Reduce power outages/use alternative resolution/make maps and data available online	31%
Plan for future cost/improve maintenance	17%
Does not make a difference/not required/waste of money	15%
Require more information/transparency	13%
Project plan is a great idea/satisfied	11%
Lower rates/get rid of daytime rates	8%
Take customer feedback seriously	2%
Other	2%
None	1%

Making Choices (7 of 7)

24/7 Control Room Coverage

Background: A Control Room is used by local distribution companies to monitor and operate the distribution system, including monitoring the flow of electricity within the distribution system as well as identifying and locating outages, and dispatching line crews to restore power.

The Control Room can act as a central communications hub for distribution company resources during an outage. This assists line crews with the restoration of power as well as helping to provide outage details to customers. A control room can optimize the use of reclosers to help reduce the impact of an outage to a smaller number of customers.

Many local distribution companies have an in house 24/7 control room. Brantford Power currently monitors and operates the system through a combination of computer systems and manual processes. For some limited control room functions, Brantford Power purchases these services from a third party.

Current Approach: During regular business hours (8 a.m. to 4 p.m.), Brantford Power monitors the system for unplanned outages, allowing crews to be quickly dispatched when an outage does occur.

Outside of regular business hours and on weekends, Brantford Power personnel are on-call and are prepared to respond to any unplanned outage when notified. However, the system is not monitored to the same extent as it is during business hours. After hours outages are typically identified through automated system notifications, or through customers who call in to report an outage.

2022-2026 Proposed Approach: Starting in 2022, Brantford Power is proposing to expand the third-party system control room monitoring services to 24/7 coverage. This will assist Brantford Power in responding to after-hours outages more quickly.

This approach would be significantly less costly than staffing a 24/7 control room in house.

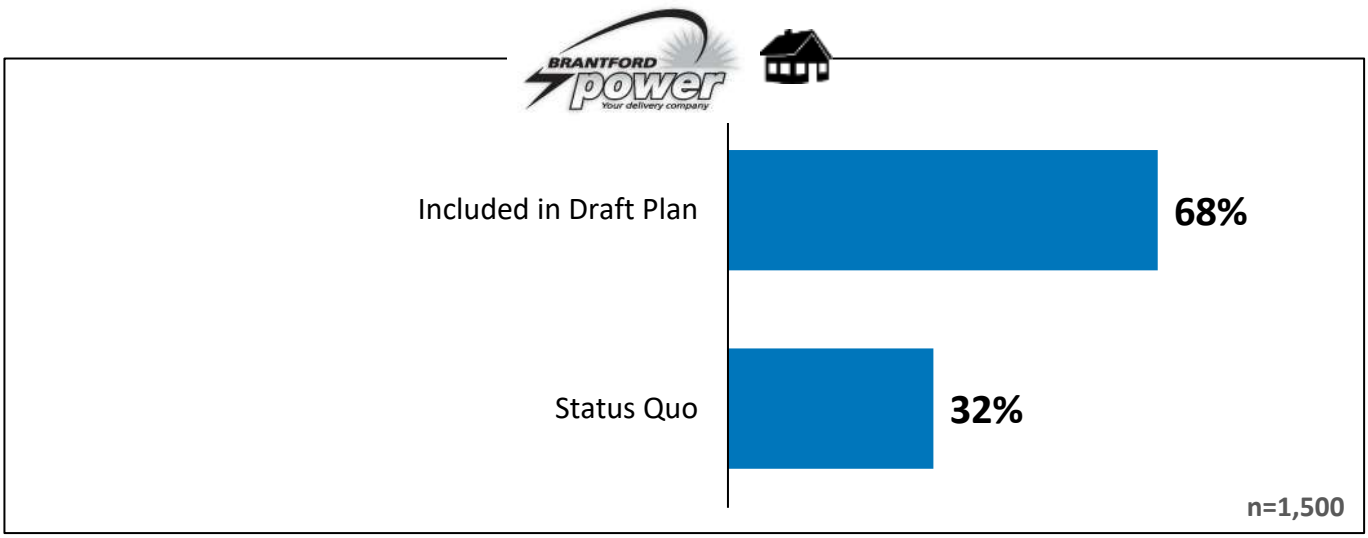
Option	Control Room Project	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Work with a third party to monitor the distribution system after hours.	After-hours and major outages may be shorter in length, improving reliability.
Status Quo ***Decrease*** *of $0.15 per month annually ($1.75 less per year)*	Stay with the status quo- no after-hours monitoring.	Some outages are expected to be longer in duration, particularly overnight outages or major outages.

Online Workbook

24/7 Control Room Coverage

Residential

Q Which of the following options do you prefer?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Included in Draft Plan	71%	66%	68%	66%
Status Quo	29%	34%	32%	34%

Bill Impact on Finances	Significant impact	Impact	No Impact
Included in Draft Plan	59%	63%	77%
Status Quo	41%	37%	23%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Included in Draft Plan	71%	68%	67%
Status Quo	29%	32%	33%

Online Workbook

Residential

Additional Comments: 24/7 Control Room Coverage

Q Which of the following options do you prefer?

Additional Comments (n=84) 94% of respondents did not provide additional feedback	**%**
Reduce power outages in areas/reduce rates/alternative resolution	43%
Improve customer service/maintenance/maintain future budgeting	16%
Require additional information/transparency	13%
It's not worth it/not needed	10%
It is a good investment	6%
Too expensive/lower rates	5%
No changes required	2%
Other	3%
None	1%

Representative Workbook

Investment Alternative Summary

Residential

Impact of Choices

Investment alternative summary

Throughout this workbook, you have been asked about **7 key choices** that could impact your rates. Below is a summary of your answers to the questions that could impact your rates.

At the bottom of this page you will find the total bill impact based on all of your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire; your potential rate impact will be re-calculated. You will have the opportunity to continue adjusting your answers until you feel you've reached the best balance for you.

Q Residential Customer Bill Impact Change and Magnitude of Bill Impact (**MEAN**)

Range of Impacts
+$0.04
-$0.40

$(0.11) **$(0.11)**

Note: There is no statistical significance between the average initial total and the average final total.

n=1,500

About the "Range of Impacts"

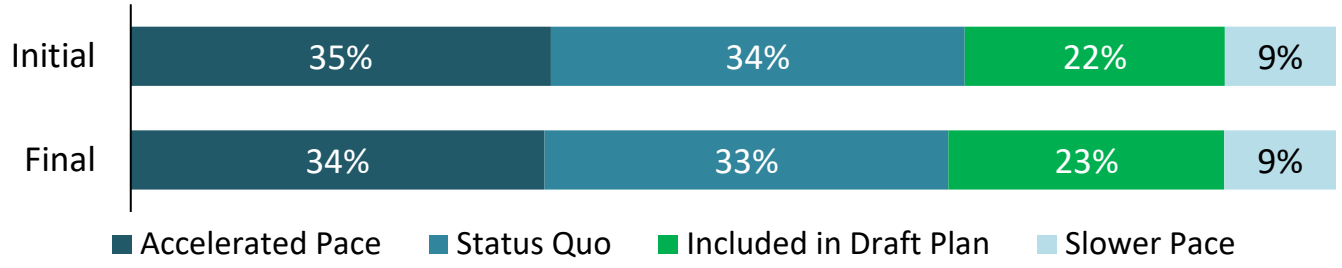
The "Range of Impacts" signifies the highest and lowest possible range of bill impacts above and beyond the Draft Plan. For instance, if a customer, where possible, were to select the most accelerated option, their bill impact would result in an **additional $0.04** per month annually. If they were to select the biggest decrease for each question, it would result in a **decrease of $0.40** per month annually

Representative Workbook

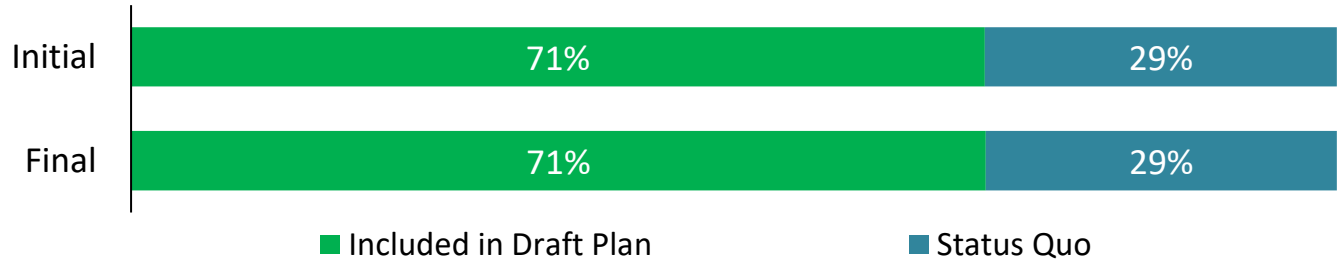
Change in Initial vs. Final Response by Project

Residential

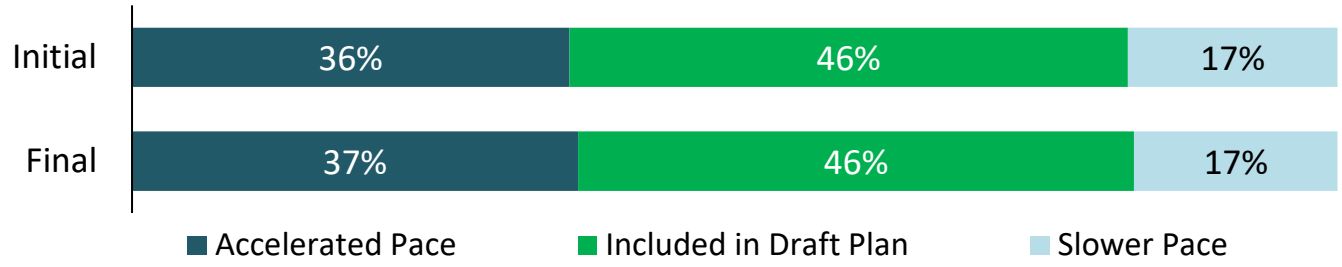
Q Pole Replacement



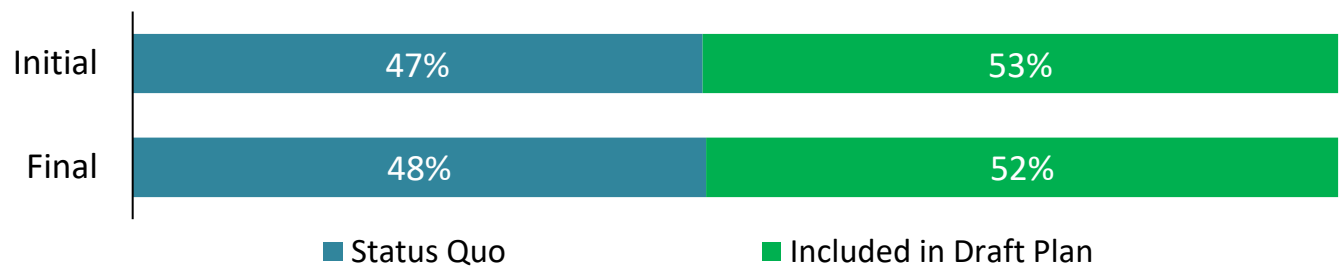
Q Porcelain Device Replacements



Q Transformer Replacements



Q Underground Structure Replacements

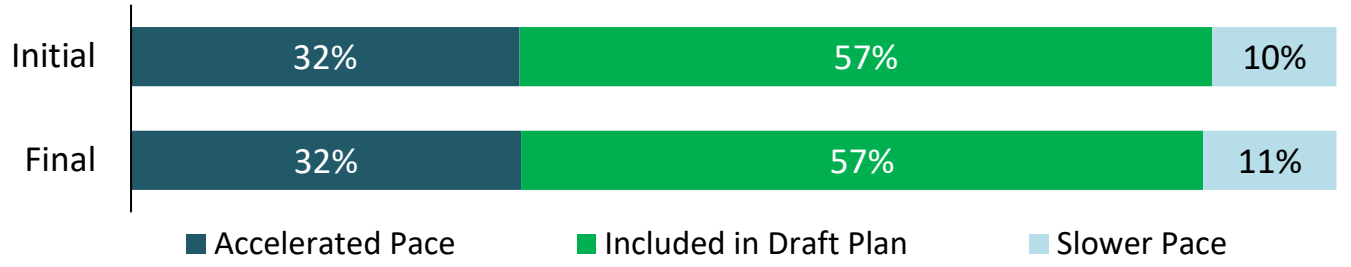


Representative Workbook

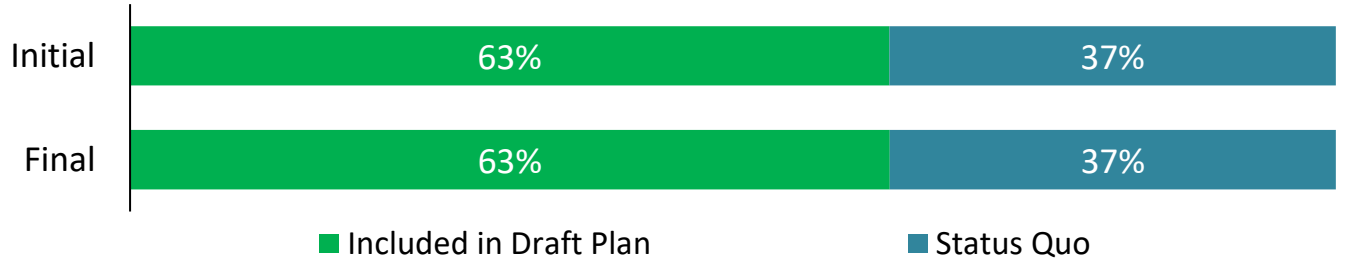
Residential

Change in Initial vs. Final Response by Project

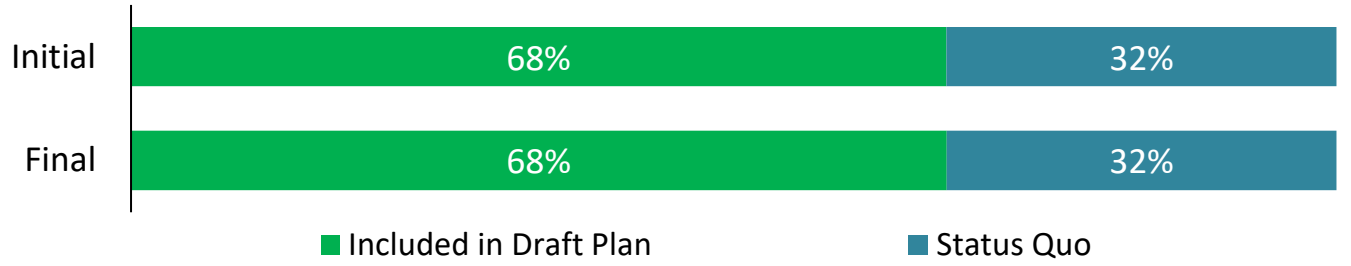
Q Automated Reclosers



Q Outage Management System



Q 24/7 Control Room Coverage



Brantford Power Background

Assessing Brantford Power's draft 2022-2026 plan

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $31.19 in 2022, an increase of $5.30 per month compared to the budgeted $25.89 in 2021.

- Consistent with the Ontario Energy Board (OEB)'s schedule, Brantford Power's distribution rates are updated once per year, typically starting on January 1.
- For the period 2023-2026, the annual bill increase is limited by the OEB to the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the period from 2023 to 2026, the distribution portion of the bill would increase by an average of 1.7% per year.

Estimated Typical Residential Annual Increase in Monthly Bill (5 year forecast)

	Year	Average Residential Bill (Total after tax and OER)	Distribution Portion of Bill	Incremental Rate Change (Distribution portion)
Current Rate	2020	$108.59	$25.48	
Budgeted Rate	2021	$109.00	$25.89	$0.41
Forecast for next rate period	**2022**	$114.30	$31.19	$5.30
	2023	$114.83	$31.72	$0.53
	2024	$115.37	$32.26	$0.54
	2025	$115.92	$32.81	$0.55
	2026	$116.48	$33.37	$0.56
				$7.48

The total increase in monthly distribution costs between 2021 and 2026 is forecasted to be $7.48. That means, the typical residential customer will be paying **$7.48 more on the distribution portion of their bill by 2026.**

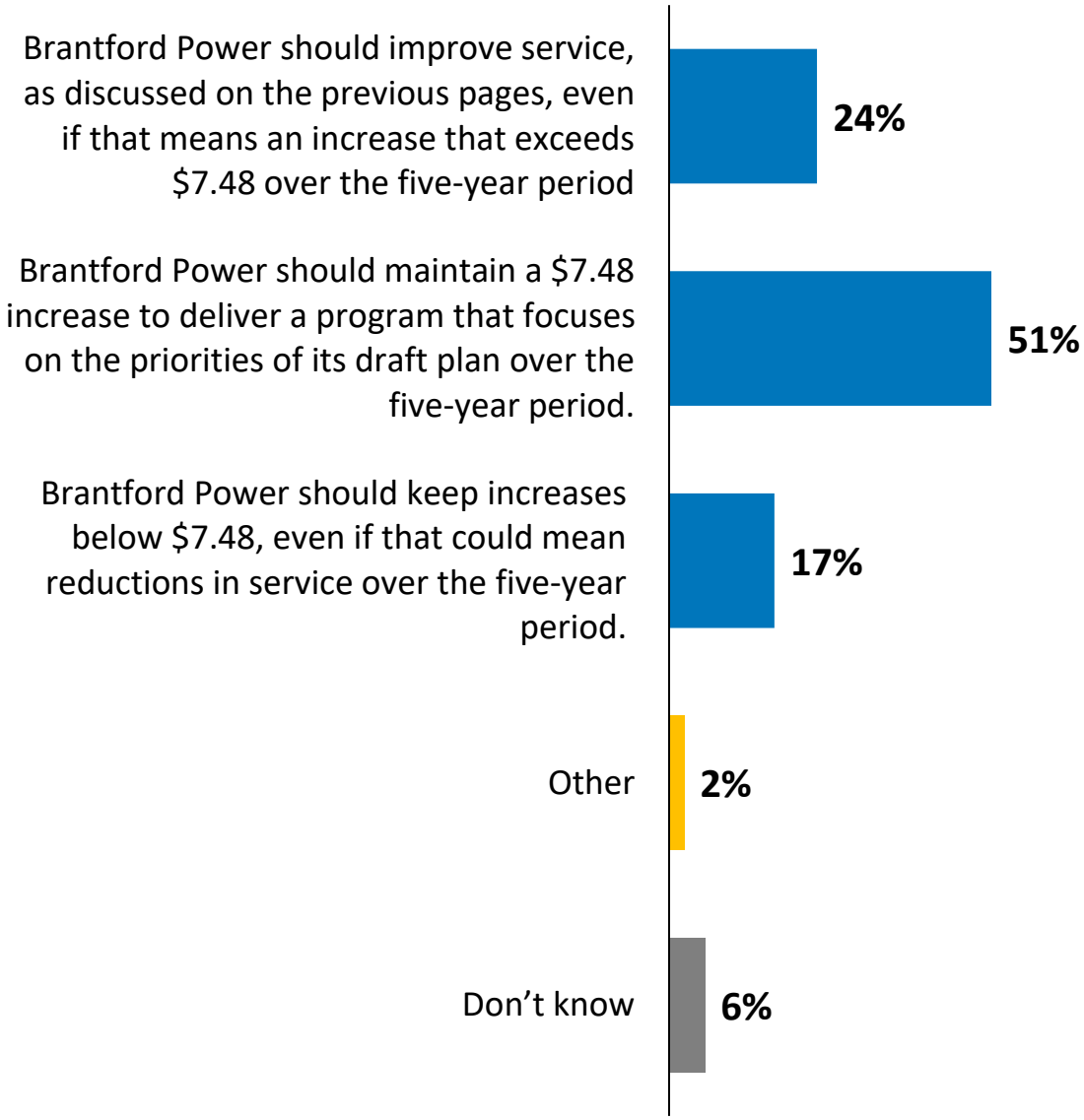
**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized. Estimates are based on usage of 700 kWh per month using a typical Time-of-Use consumption pattern.*

Online Workbook

Assessing Brantford Power's draft 2021-2025 plan

Residential

Q Considering what you know about Brantford Power's draft 2022-2026 plan – which would see the typical residential customer's distribution portion of their bill increase by $7.48 over the five-year period – which of the following best represents your point of view?



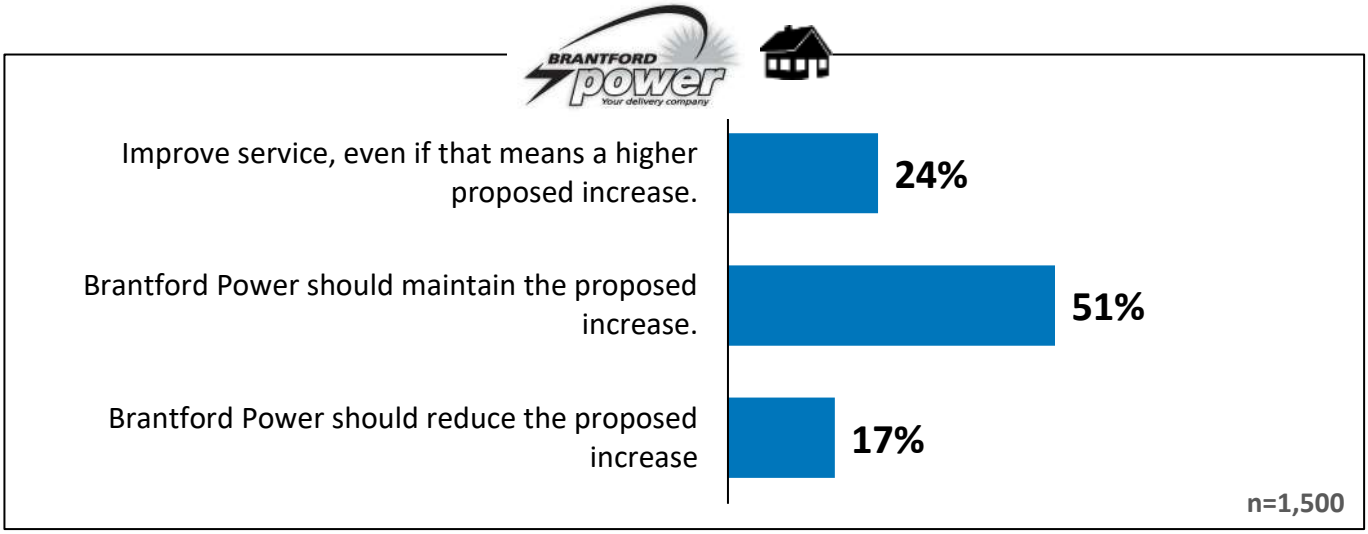
n=1,500

Online Workbook

Assessing Brantford Power's draft 2021-2025 plan

Residential

Q Considering what you know about Brantford Power's draft 2022-2026 plan – which would see the typical residential customer's distribution portion of their bill increase by $7.48 over the five-year period – which of the following best represents your point of view?



Electricity Consumption	Low	Medium-Low	Medium-High	High
Improve service	25%	26%	22%	21%
Maintain increase	55%	49%	52%	50%
Reduce increase	12%	17%	19%	19%

Bill Impact on Finances	Significant impact	Impact	No Impact
Improve service	16%	18%	34%
Maintain increase	43%	56%	54%
Reduce increase	26%	20%	9%

LEAP Qualification	LEAP Qualified	Not Qualified (<$52k)	Not Qualified (>$52k)
Improve service	15%	24%	28%
Maintain increase	51%	51%	52%
Reduce increase	20%	16%	15%

Online Workbook

Final Comments

Residential

Q Thinking about your answer to the previous question, why do you feel that Brantford Power should take that approach over the 2022-2026 period? (Optional)

Final Comments 71% of respondents did not provide additional feedback	**Improve services (n=122)**	**Maintain Increase (n=184)**	**Reduce Increase (n=93)**
Increase is reasonable- reliability/investment is vital to keep up with demand	51%	20%	--
Proposed increase too high - exceeds inflation/economic and financial hardships (COVID-19)	--	10%	41%
Improve/maintain system/investment in technology/infrastructure is cost effective/proactive	30%	9%	5%
Make improvements/invest as needed- control costs/stay within budget/balanced approach	5%	17%	3%
Maintain service/minimal to no increases/prioritize/status quo/some outages are reasonable	3%	10%	11%
Brantford Power has done a good job of planning/informing customer/continue to operate with transparency	6%	8%	2%
Find ways to keep costs/rates low/alternate power sources	1%	3%	13%
Cut back on salaries/operating costs/focus on finding efficiencies/reduce spending	1%	2%	9%
Need more information/transparency of costs/information misleading/lack confidence	1%	5%	4%
Draft plan is well thought out/improvements to increase system reliability/cost is nominal	1%	6%	1%
Re-evaluate amount of yearly increase to make more manageable/average out costs over time	--	2%	4%
Developers/builders/government should contribute/incur cost/new growth generates revenue	--	1%	3%
Other	2%	5%	3%
None	1%	1%	--

Note: "Don't know" (<1%) not shown.

Online Workbook

Final Comments

Residential

Q Do you have any final comments regarding Brantford Power or the customer engagement that you just completed? (Optional)

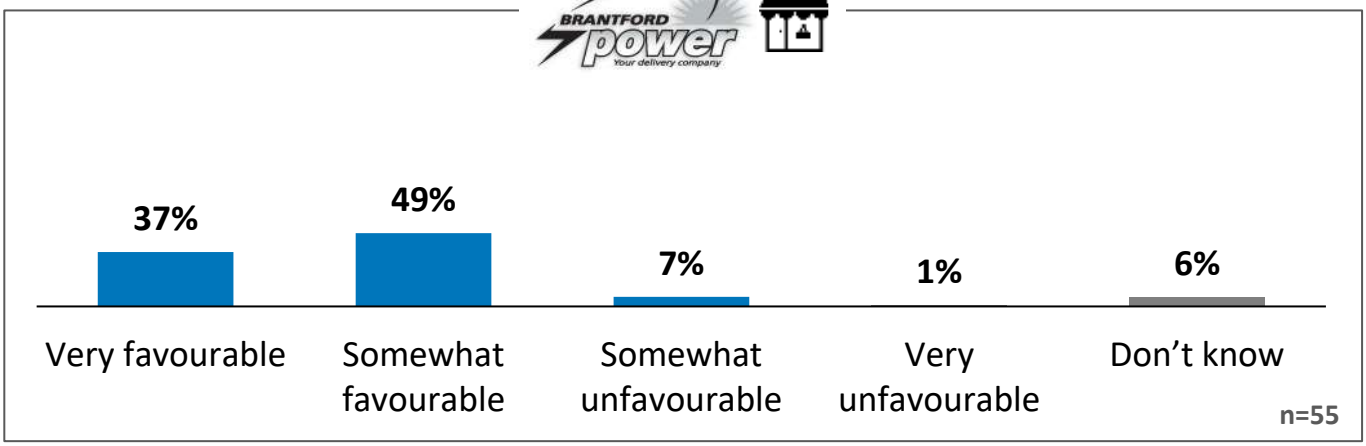
Final Comments (n=287) 81% of respondents did not provide additional feedback	**%**
BP values customer input/communicates future plans/good survey/informative	28%
Economy is recovering/COVID-19/not the time for increases/lower rates	10%
Brantford Power provides an excellent service to the community/cares about customers	9%
Brantford Power will not use input provided/issues with survey/excuse to raise rates	7%
Find internal efficiencies -wages/salaries/manpower needs/wasteful spending	7%
Poor planning/lacks clarity/ transparency/need more information	7%
Make improvements/invest as needed- control costs/stay within budget	5%
Find ways to reduce rates/time of day/delivery charges	4%
Developer/company/government should fund additional costs	3%
Maintain service/status-quo/some outages are reasonable	2%
Provide rebates/financial support for low/fixed income customers	2%
Consider green/alternate (renewable) energy sources	2%
Brantford Power needs to remain independent/no merger	1%
Reliability is important	1%
Re-evaluate amount of yearly increase to make more manageable/average out costs over time	1%
Other	5%
None	6%

Online Workbook

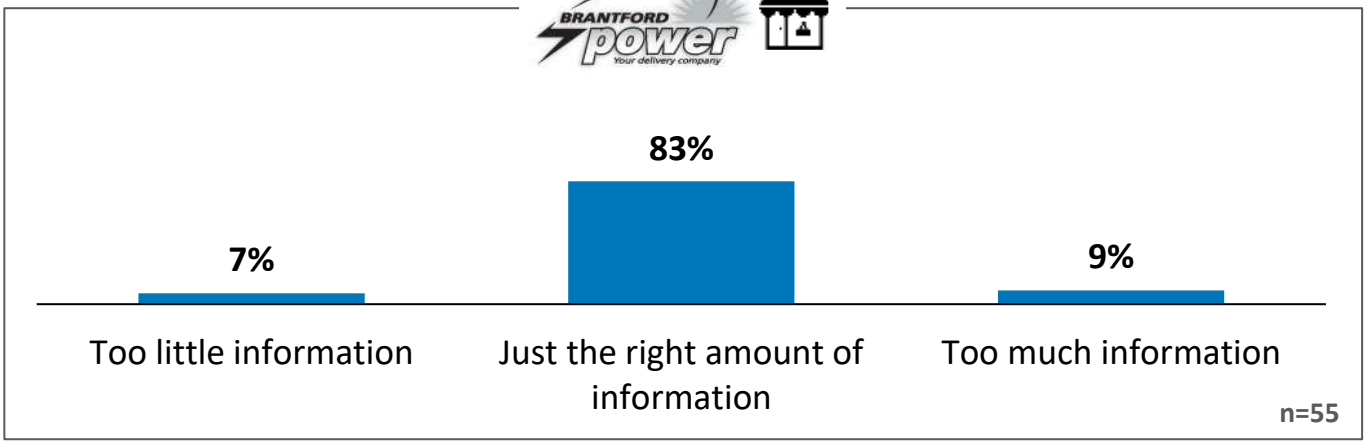
Final Thoughts

Residential

Q Overall, did you have a favourable or unfavourable impression of the customer engagement you just completed?



Q In this customer engagement, do you feel that Brantford Power provided too much information, not enough, or just the right amount?



Online Workbook

Final Comments

Residential

Q Was there any content missing that you would have liked to have seen included in this customer engagement? (Optional)

Final Comments (n=244) 84% of respondents did not provide additional feedback	%
A further breakdown of BPs expenses/ Access to BPs research & data (past and present)	12%
Information is too difficult to understand/ Too much information/Survey is biased	12%
Information regarding employee wages	12%
Customer usage vs rates/ on peak & off peak rates	9%
Decrease in rates/Costs already too high	7%
Positive feedback/Approves of information given	6%
More information regarding renewable energy sources	6%
How cost increase was determined	5%
How unexpected failures of transmission methods will impact costs /Bury lines underground	4%
Rebate concerns /OESP/ BP community initiative projects	3%
Comparison of BPs data to other regions	1%
Other	16%
None	5%
Don't know	3%

INNOVATIVE RESEARCH GROUP

Small Business Customers

Online Workbook Results

Online Workbook

Survey Design & Methodology

Small Business

INNOVATIVE was engaged by Brantford Power to gather input on preferences on program expenditures and timing; and balancing outcomes. **Pages 76 to 121** show the actual pages of the workbook that was sent and completed by **Small Business** customers. The only additions are the actual results.

Field Dates & Workbook Delivery

The **Small Business Online Workbook** was sent to all Brantford Power small business customers who have provided the utility with an email address. Customers had an opportunity to complete the workbook between **November 16th and December 23rd, 2020**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class.

In total, the small business workbook was sent to **787** customers via e-blast from INNOVATIVE. Reminder emails were sent on two separate occasions between November 16th and December 23rd, 2020. Brantford Power also conducted follow-up telephone calls to encourage small business customer participation.

Residential Online Workbook Completes

A total of **55** (unweighted) Brantford Power small business customers completed the online workbook via a unique URL.

Sample Weighting

The small business online workbook sample has been weighted proportionately by consumption in order to be representative of the broader Brantford Power service territory.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by quartile.

Consumption Quartile	Frequency	Distribution
First Quartile	6 (8)	11% (15%)
Second Quartile	14 (19)	25% (35%)
Third Quartile	20 (16)	36% (29%)
Fourth Quartile	15 (12)	27% (21%)
Total	55 (55)	100% (100%)

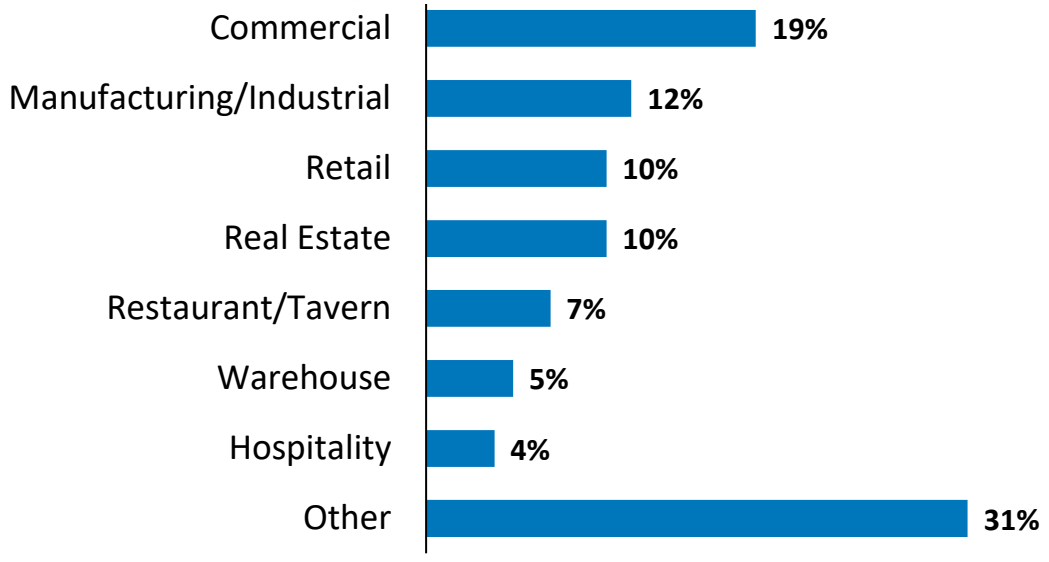
Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Online Workbook

Demographics

Small Business

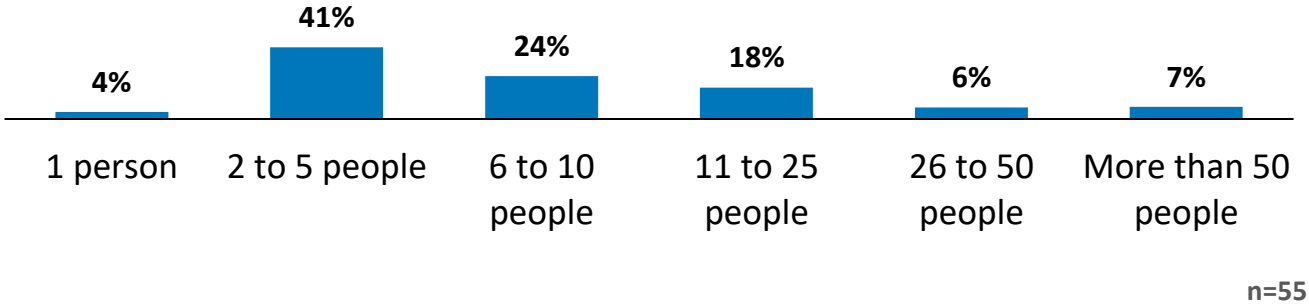
Q Which of the following best describes the sector in which your business operates?



"Prefer not to say" (1%) not shown.

n=55

Q Including yourself, how many people work at your organization?



n=55

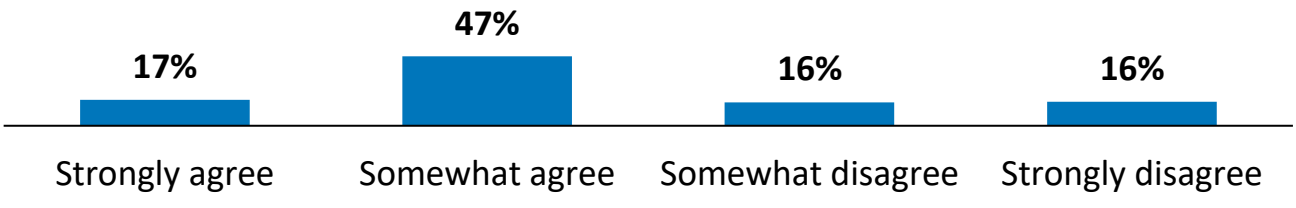
Online Workbook

Environmental Controls

Small Business

Now we would like to shift the focus, and ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?

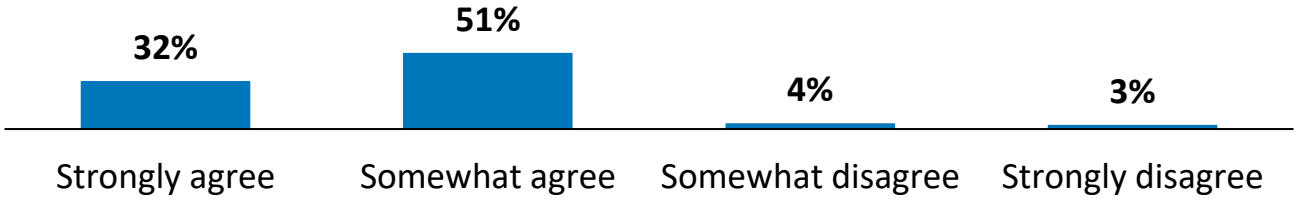
Q The cost of my organization's electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.



"Don't know/no opinion" (4%) not shown.

n=55

Q Customers are well served by the electricity system in Ontario.



"Don't know/no opinion" (4%) not shown.

n=55

About this Customer Engagement

Welcome to Brantford Power's customer engagement survey!

As Brantford Power plans for the future, they need your input on choices that will impact the services you receive and the rates that you pay for the delivery of electricity.

- **Brantford Power is looking for your input on its draft 2022-2026 business plan** to ensure it is making spending decisions that matter to you, the customer.
- **In early 2021, Brantford Power plans to present, justify, and defend** its business plan to the public regulator, the Ontario Energy Board (OEB).
- **In January 2022, Brantford Power will be updating the rate that you pay** for the delivery of electricity to your home or business.

While you may have recently heard that Brantford Power is considering merging with its neighbouring utility Energy+, the feedback that you provide in this survey will be critical to planning for the future, regardless of the outcome of this potential merger.

This survey will take approximately 20-30 minutes to complete and can be done so at your convenience. Once you begin, your progress will be saved, and you can return to the customer engagement at any time.

All individual responses will be kept confidential. Innovative Research Group (INNOVATIVE), an independent research company, has been hired to gather your feedback.

Those who complete the questions that follow will be invited to enter a draw to win one of two (2) $500 gift cards.

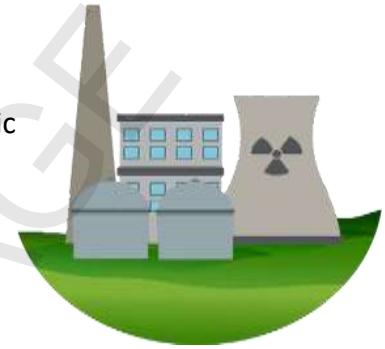
If you are reading this on a smaller mobile device, you may want to consider accessing the survey from a tablet, desktop or laptop instead so that it is easier for you to read.

Brantford Power's role in Ontario's electricity system

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

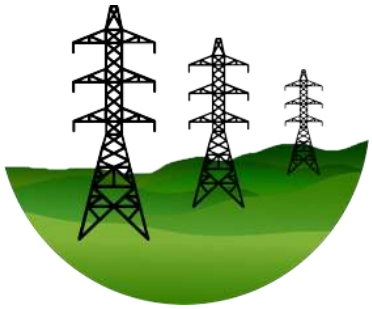


Ontario gets its electricity from a mix of energy sources. More than half comes from nuclear power. The remainder comes from a mix of hydroelectric and natural gas, and to a lesser extent, wind and solar.

Ontario Power Generation, a government-owned company, generates almost half of Ontario's electricity. The other half comes from multiple generators who have contracts with the grid operator to provide power from a variety of sources.

Transmission

How electricity travels across Ontario



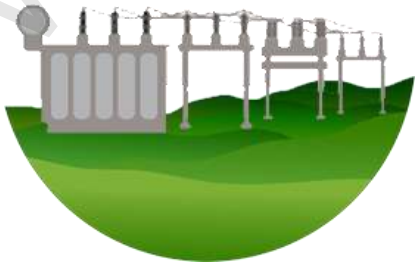
Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which are owned and operated by Hydro One.

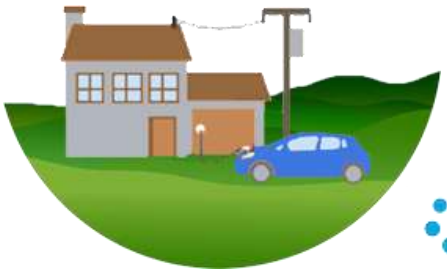
Local Distribution

How electricity is delivered to the end-consumer

Brantford Power is responsible for the last step of the journey: distributing electricity to customers through its distribution system.

- Brantford Power manages all aspects of the electricity distribution business throughout the majority of the City of Brantford and is regulated by the Ontario Energy Board (OEB).
- Brantford Power has been operating since 1935 and is wholly owned by the City of Brantford, the community which it serves, and is funded by the distribution rates paid by its customers.
- Brantford Power services over 74 square kilometres and over 41,000 residential and business customers.

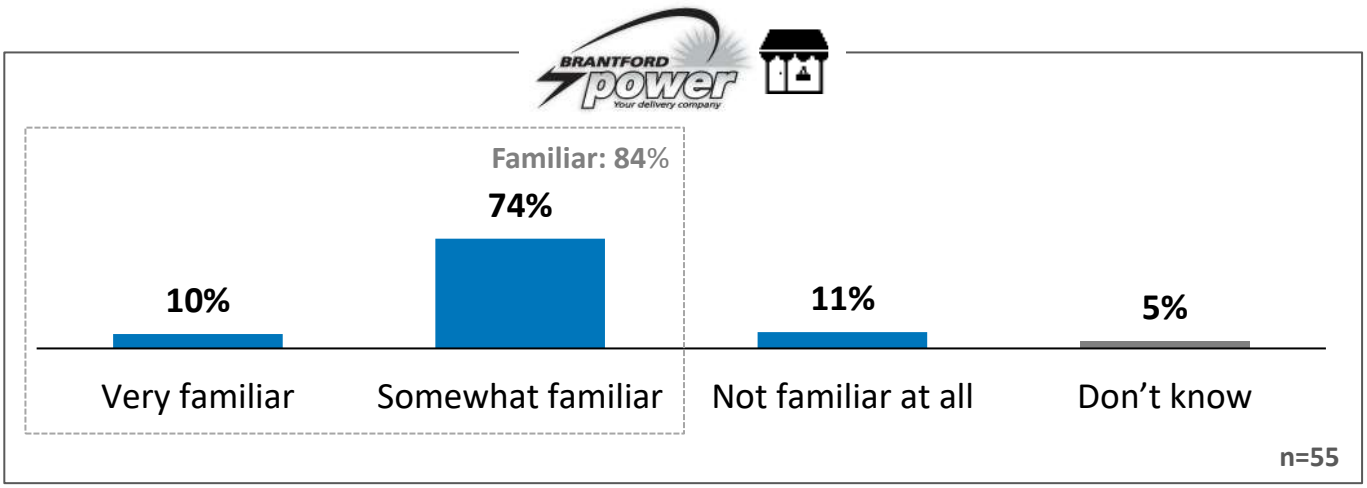




Online Workbook

Familiarity with Brantford Power

Q How familiar are you with Brantford Power, which operates the electricity distribution system in your community?



How much of my organization's electricity bill goes to Brantford Power?

- Every item and charge on your bill is mandated by the provincial government or regulated by the Ontario Energy Board (OEB), the provincial energy regulator.
- While Brantford Power is responsible for collecting payment for the entire electricity bill, it retains only the distribution portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- **Distribution makes up about 13% of the typical small business customer's bill, excluding the Ontario Electricity Rebate (OER).**
- The rest of your bill payment is passed onto provincial transmission companies, power generation companies, the government and regulatory agencies.

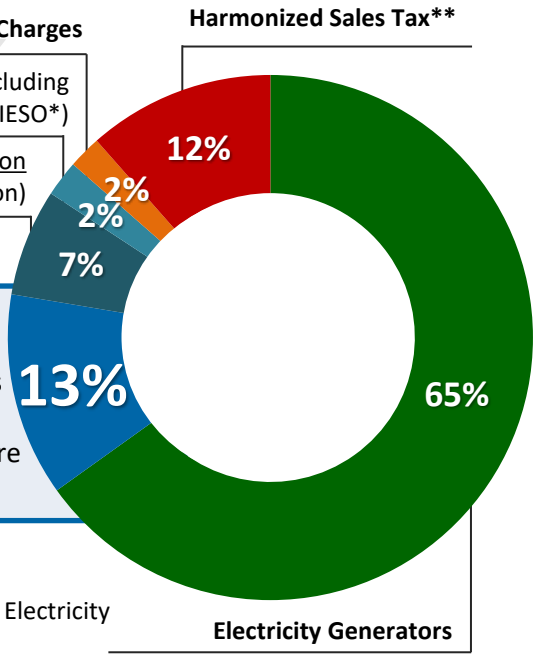
BPI Sample Monthly Bill
(Based on monthly usage of 2,000 kWh)

Account Number:
2xxxxx-XX

Meter Number:
000000

Your Electricity Charges	
Electricity	266.52
Delivery	87.42
Regulatory Charges	8.30
Total Electricity Charges	$362.24
HST	47.09
Bill before Ontario Electricity Rebate	409.33
Ontario Electricity Rebate	(-$120.26)
Total Amount	$289.06

Delivery:
Distribution
Brantford Power's typical portion of the total bill before OER is **$51.28**



*IESO = Independent Electricity System Operator

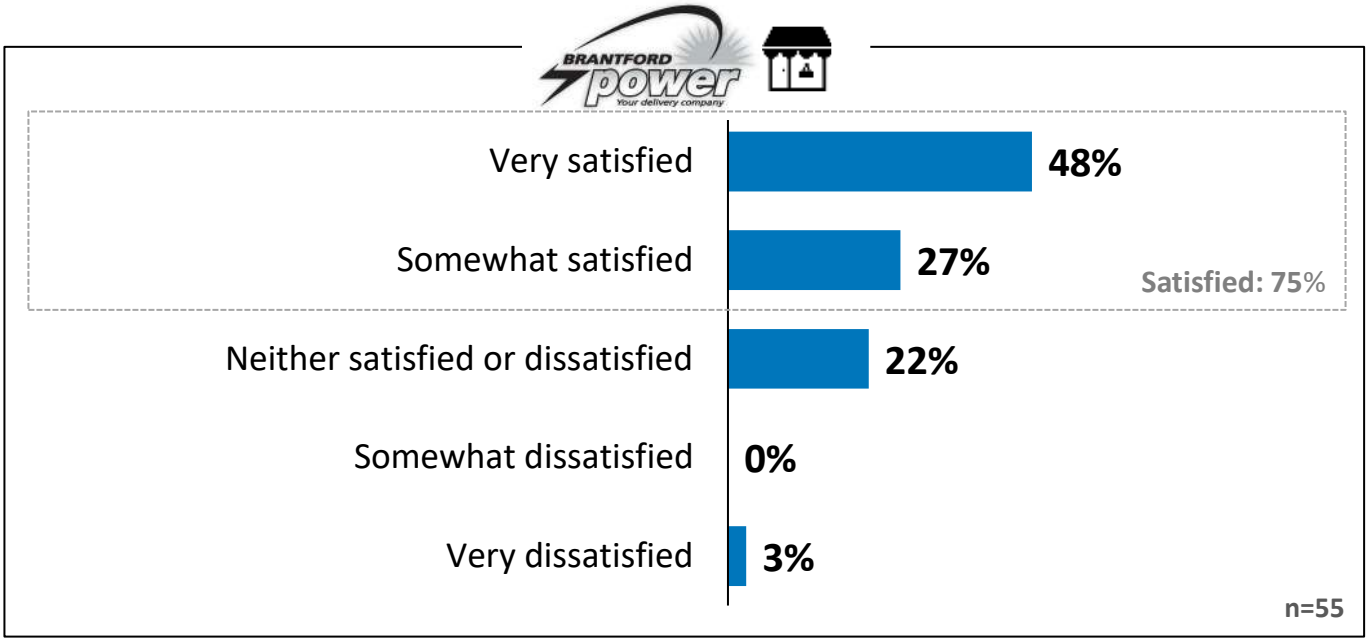
* As of November 2020. Chart is based on total bill of $409.33 excluding the Ontario Electricity Rebate. Chart may not total 100% due to rounding.

Online Workbook

Overall Satisfaction with Brantford Power

Small Business

Q Thinking specifically about the services provided to your organization and your community by Brantford Power, overall, how satisfied or dissatisfied are you with the services that your organization receives?

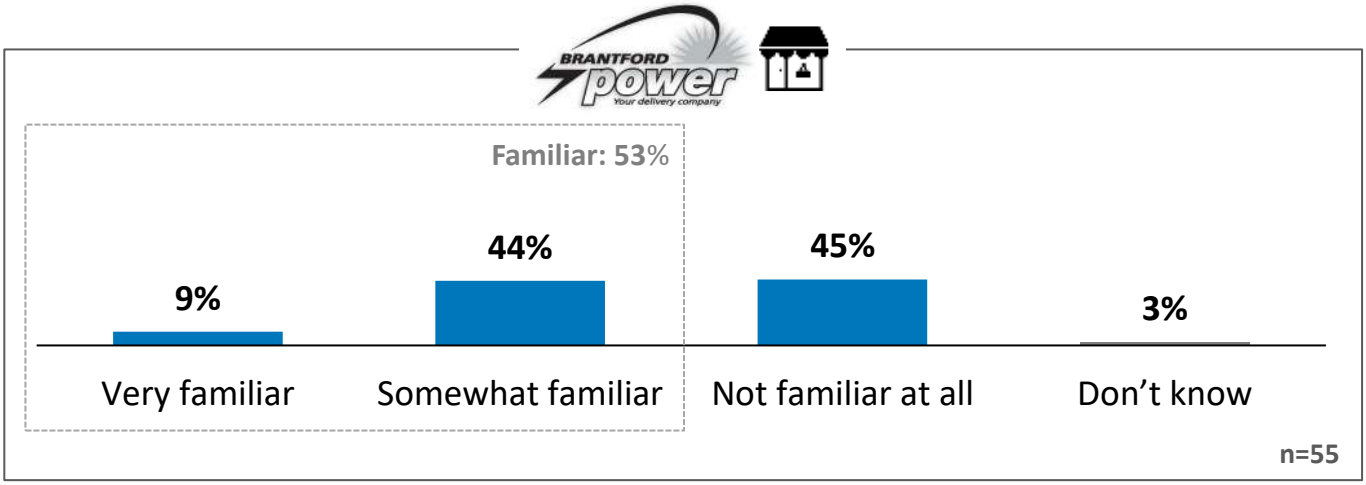


Online Workbook

Small Business

Familiarity with Percentage of Bill Remitted to Brantford Power

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Brantford Power?



Online Workbook

How Can Brantford Power Improve Services?

Q Is there anything in particular you would like Brantford Power to do to improve its services to your organization?

Additional Comments (n=55)	%
Improve billing - clarity/payment terms/methods/website	4%
Lower rates/costs too high	3%
Improve customer service/resolve billing problems	3%
Improve reliability/less outages	3%
Keep rates affordable/fair (seniors/low income/COVID-19)	3%
Offer incentives/discounts/rebate/renewable energy programs (electric cars/solar panels)	1%
No issues/satisfied with service	1%
Improve outage communication/mobile app/on-line	1%
None	81%

Building Brantford Power's plan

Brantford Power develops its business plan based on information and input from **internal engineering and technical experts** who closely monitor the pressures on the distribution system, develop solutions to address these challenges, and recommend investments that support its plans. Brantford Power works with municipal planners and directly with developers to forecast where infrastructure investments are required for future growth.

The plan also considers Brantford Power's **legal and regulatory requirements**, and **customer feedback** collected through both ongoing dialogues and specific engagements, such as this one.

The draft 2022-2026 business plan that you are going to be asked about focuses on many of the same objectives as in the past five-year period, as well as new challenges, including increased growth in the community and evolving customer expectations.

Below are some of the highlights of Brantford Power's 2022-2026 proposed plan.

Objective	Proposed Approach in 2022-2026
Maintain the current levels of reliability and outage performance, in line with the previous 5 years.	- Proactively replacing equipment that is at increased risk of failure. - Installing more automated devices in an effort to reduce the number and length of outages. - Implementing an Outage Management System and 24/7 System Monitoring.
Keep budget increases within inflation except for new requirements or unusual market situations (example: unusual increase in steel prices).	- Making budget and spending choices with consideration of priority levels and a view to affordability.
Maintain historic levels of customer service performance, with an eye on meeting evolving customer expectations.	- Ensuring the I.T. systems and staff expertise are available to meet the evolving customer expectations for performance including customer information accuracy, appointment scheduling, telephone accessibility. - Implementing an Outage Management System with a customer outage map on the Brantford Power website.
Keep in line with industry standards for technological change, without "leading the pack" in innovation.	- Implementing an Outage Management System with a customer outage map on the Brantford Power website. - Continuing to install automated reclosers, making the system smarter and more efficient. - Implementing a multi-year cyber security plan.
Comply with requirements to connect customers, maintain safety and implement regulatory and government policies, enable local customer and economic growth.	- Planning capital budgets to enable the connection of all new customers and new residential, commercial and industrial developments. - Implementing a multi-year cyber security program. - Continuing and enhancing safety programs. - In 2022, Brantford Power is planning to make a $1.3M capital investment to increase capacity in the northwest section of the city. This will ensure Brantford Power is prepared to serve the expected residential and industrial customer growth in that area as well as lowering outage risk for existing customers.

Online Workbook

Small Business

Additional Comments: Changes to Approach or Objectives

Q Is there is anything in particular you would change about the approach/objectives above or any other comments you would like to make?

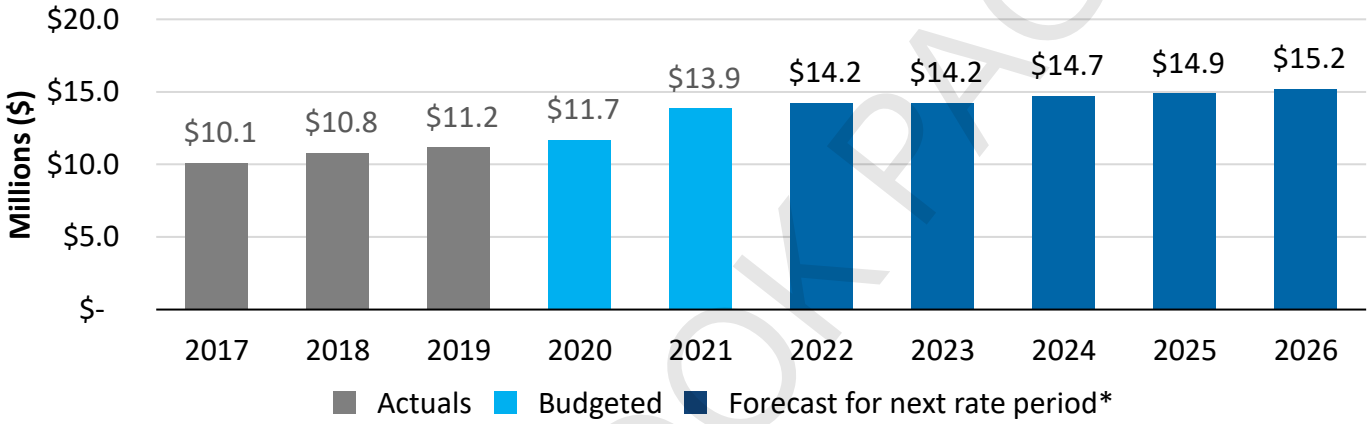
Additional Comments (n=55)	%
Find ways to lower rates- affordable/no increase/impact of COVID-19	2%
Focus on reliability - make improvements/power outages/invest in infrastructure	1%
Improved outage communication- new technology/map/app/automation	1%
Work within budget/keep increases in line with inflation/recovering economy	1%
Other	1%
None	90%

Operating expenses

Although the focus of this engagement is on Brantford Power's capital expenditures, operating expenses are a significant portion of the budget. Brantford Power's operating budget covers recurring expenses for core business functions like reading meters; producing customer bills; providing customer services; the operation and maintenance of equipment, buildings, and vehicles; as well as administration expenses.

It is estimated that if Brantford Power continues with its draft plan, its operating expenses would increase by an average of **1.9% per year** for the 2022-2026 period.

Brantford Power Current and Forecasted Operating Expenses, per Year (Millions)



** These estimates are preliminary, and are subject to change as the business plan is finalized.*

Between 2020 and 2021, Brantford Power will see an increase in operating expenses. This increase can largely be attributed to three drivers:

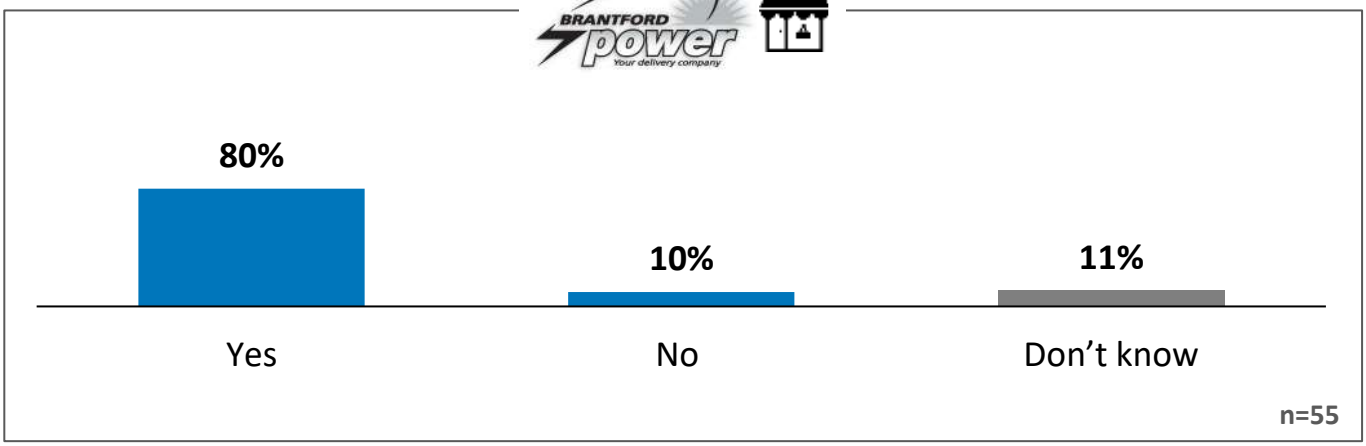
1. **Enhancements in cyber security:** New cyber security measures are required to enable Brantford Power to make progress on its plan to further heighten its cybersecurity, consistent with requirements from the Ontario Energy Board.
2. **Increase in Line Crew and Technical Resource Costs:** Brantford Power has fallen below the historic staffing level in its line crew and requires additional support in its Engineering group, and is therefore proposing to hire new employees in these functions in order to safely restore power as quickly as possible during an outage, as well as supporting the operation and maintenance of the distribution system. Increases to remain competitive in the technical and trades labour market, in order to attract and retain technical expertise are included.
3. **Increase in Administration Professionals:** Brantford Power has assessed that it requires new staff, some of which will be hired on a temporary basis. These positions will contribute to meeting regulatory requirements, helping administer the company by bringing new subject matter expertise, and filling an existing gap in the executive management team.

In 2022, the costs reflect increases due to the implementation of third party 24/7 control room monitoring, as well as costs to prepare Brantford Power's application to the Ontario Energy Board.

Online Workbook

Brantford Power Background

Q Is it clear what type of expenses are included in Brantford Power's operating budget?

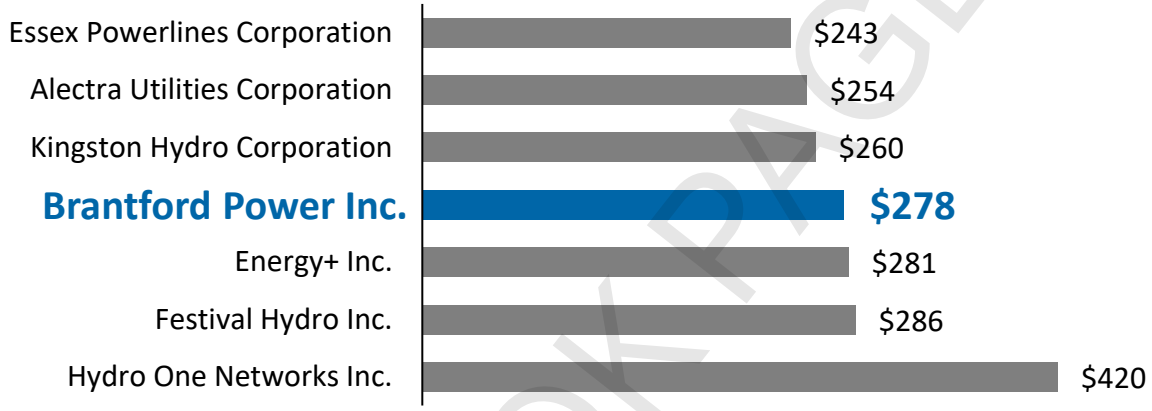


How does Brantford Power compare to its peers?

According to the latest publicly-available Ontario Energy Board (OEB) data, compared to its peers, both in terms of number of customers and geography, Brantford Power's operating expenses per customer were less than some neighbouring utilities, including Energy+ and Festival Hydro, and slightly more than others.

2019 Operating & Maintenance and Administration (OM&A) Per Customer ($)

Source: OEB 2019 Yearbook of Distributors



Benchmarking isn't the only way that Brantford Power measures its operational efficiency. Under provincial regulation, each year, Brantford Power is required to find internal cost savings, whether through new technologies, or operational efficiencies.

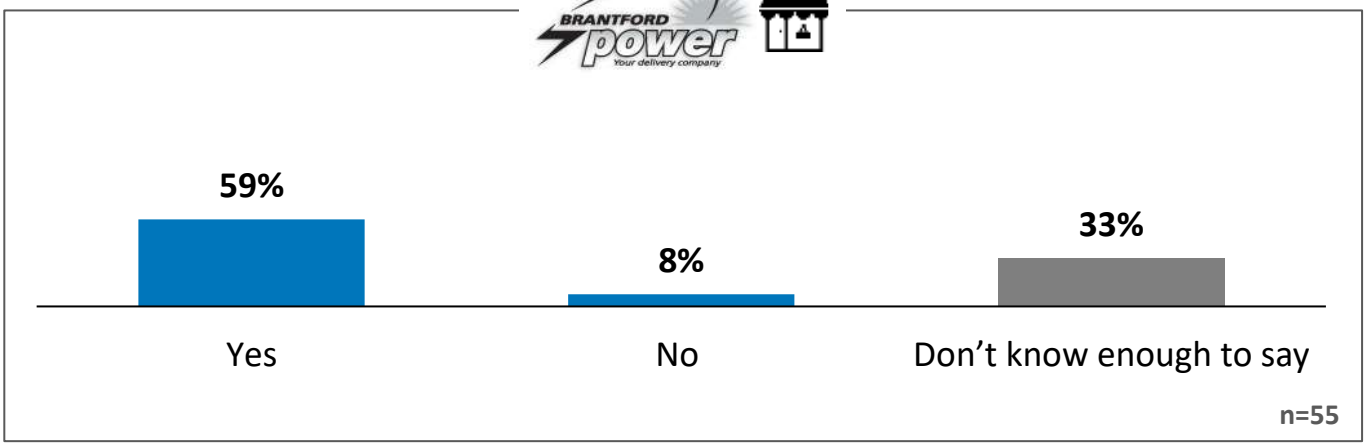
- **Industry Partnerships:** Brantford Power is a member of the GridSmartCity Co-operative, an organization that brings together 15 Ontario large distribution companies (LDCs) to collaborate and share knowledge, skills and expertise – with some of the goals being increased efficiency and cost savings through economies of scale. Participation in this group, as well as the Utilities Standards Forum, allows Brantford Power to decrease the costs spent on such items as IT and HR policy development, Health and Safety training and policies, and the development of Engineering Standards.

- **Reducing Facility Costs:** Brantford Power's facility relocation includes joint occupancy with three other tenants, including neighbouring utility, Energy+. These tenants will make lease payments to Brantford Power and as a result Brantford Power has been able to reduce the building costs included in rates. Brantford Power and Energy+ intend to pursue further savings together through the sharing of certain costs common to local distribution companies, for example a mechanic's bay and warehouse management.

Online Workbook

Brantford Power Background

Q Based on what you know, do you believe that Brantford Power should be looking to pursue more industry partnerships to find efficiencies?



Online Workbook

Approach to Operating Expenses

The Ontario Energy Board (OEB), the provincial energy regulator, conducts an open and transparent review process where experts from the OEB and intervenor groups review and challenge every dollar that Brantford Power proposes to spend. Detailed discussion regarding Brantford Power's operating budget are conducted by experts from the OEB and intervenors as part of the formal rate application review. Intervenors are knowledgeable industry experts who represent and act on behalf of various customer groups.

Therefore, questions about Brantford Power's operating expenses will not be asked in this customer engagement. Brantford Power plans to file this application in early 2021 at which point you are encouraged to participate in the OEB process if you are interested in commenting on Brantford Power's operating expenses. Details will be available at that time at oeb.ca/participate.

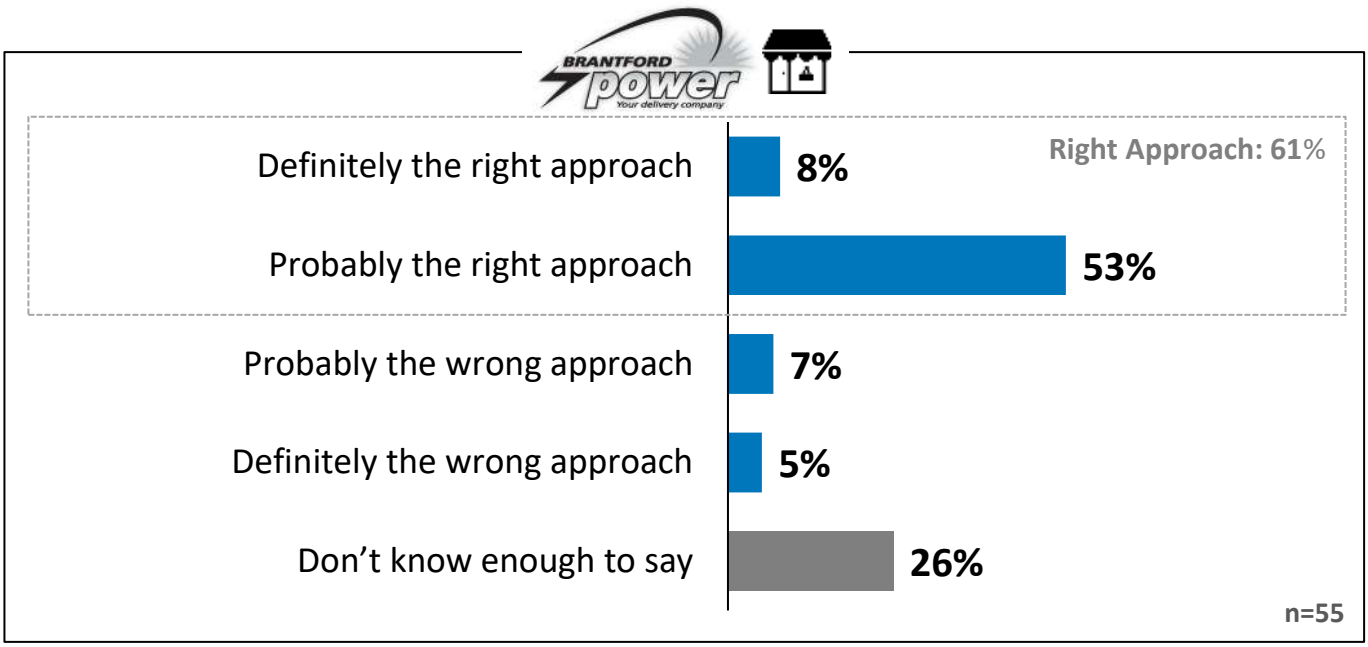
This engagement is focused on collecting your views on the trade-offs in capital investments.

Online Workbook

Approach to Operating Expenses

Small Business

Q Does leaving the detailed discussion about Brantford Power's operating budget to OEB experts and intervenors seem like the right approach or wrong approach to you?



Q [If wrong approach] And why do you say leaving the detailed discussion about Brantford Power's operating budget to the OEB and intervenors is the wrong approach?

"Wrong approach" leaving operating discussion to OEB (n=7) Asked only of those who said "wrong approach" to previous question
Why ask generic questions without specifics?
The customers using the service should be included in these discussions as we have a vested interest and stake in what and how it is spent. OEB and intervenors have their own interest and might not fully appreciate how the actual customers are affected.
People with hands on experience need to have a say, not some person sitting in an office in Toronto.
It doesn't seem transparent.
I just don't feel as though they are looking out for the end user's best interest in keeping the costs down. It seems as though they approve all requests for increases and not expect accountability for reining in costs wherever possible to keep any increases to a minimum.
Customers should always have involvement when it comes to the services they are buying from the vendor. shows that their input is important
Calm headed local large and small business hydro customers should be allowed to sit in on discussions prior to the formal application.

Brantford Power's capital budget

Brantford Power's **capital budget** covers items that have lasting benefits over many years, such as investments in the core distribution system, including poles, wires, cables, switches and transformers.

Based on information and input from Brantford Power's internal engineering and technical experts, emerging pressures on the distribution system, and ongoing conversations with customers, Brantford Power has assembled a draft capital budget for the five-year period between 2022 and 2026 that is estimated to be **$24.6 million**.

Brantford Power classifies the costs of four types of capital investment between 2022 and 2026. Each of these four investment categories helps Brantford Power pace and prioritize projects.

2022-2026 Forecasted Capital Investments (Millions)*

**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

Mandatory Investments ($12.1 Million)

"Must do" investments for new subdivisions, new upgraded commercial and industrial services, and relocating assets based on road infrastructure needs.

Replacing Equipment ($5.9 Million)

Replacement of existing overhead wires, poles, and pole mounted transformers, underground cables and transformers and distribution station upgrades.

Keeping the Business Running ($3.5 Million)

These are investments needed to support the distribution system, such as tools, vehicles, buildings, software and computers.

Preparing for Future Growth and Modernization ($3.2 Million)

These investments consist of projects that address capacity constraints, improve system reliability and supply new growth.

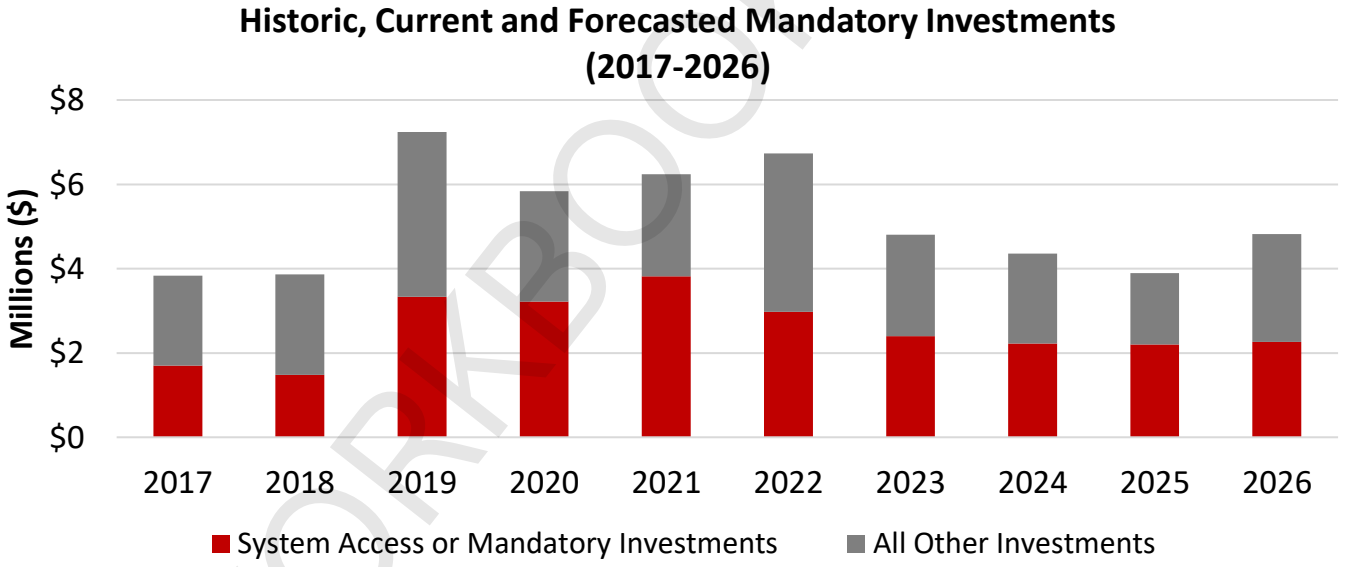
Mandatory investments

Federal, provincial and municipal governments as well as regulators set requirements and standards that Brantford Power must satisfy. Mandatory investments can be broken down into three categories:

- **Connecting customers**: This includes connecting customers to the grid when a new home or building is constructed or modified.
- **Moving equipment**: This includes moving equipment like poles and cables for road widening.
- **Mandated obligations**: This includes installing and maintaining customer meters and transferring electricity from the provincial transmission system.

Since 2017, these types of investments have accounted for more than a third of Brantford Power's total capital budget.

That means that about **1-in-3 of the dollars** in the capital plan are already committed and not available for other investments.



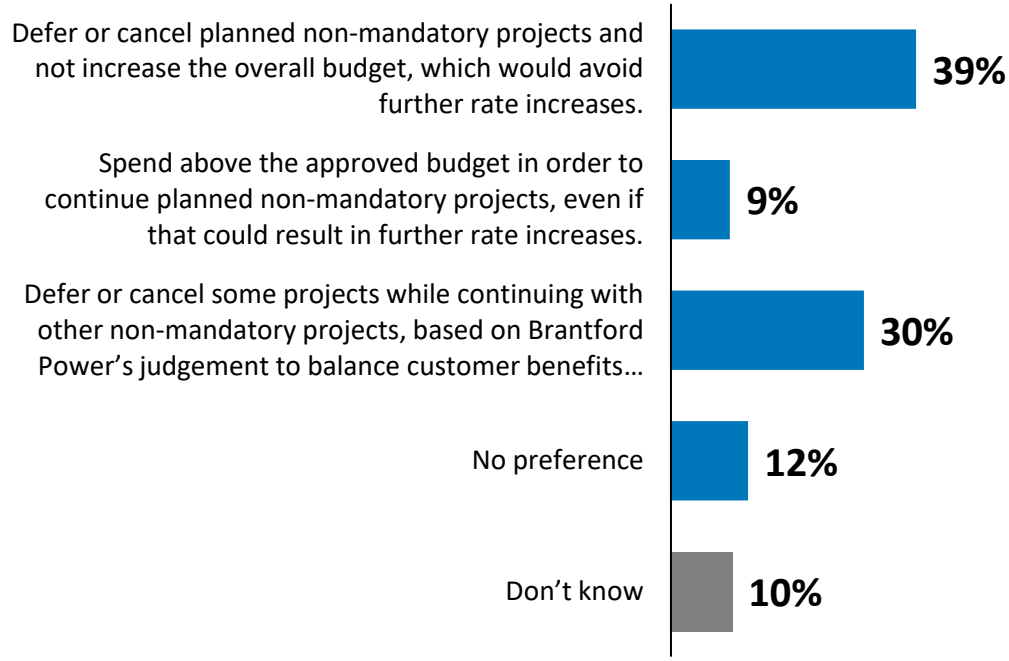
Please note, the chart above does not include a one-time investment of $15M in 2020 related to the purchase of a facility by Brantford Power, which has been reviewed and approved by the OEB. Excluding those facility costs, mandatory investments account for nearly half of all capital investments since 2017.

Online Workbook

Approach to Mandatory Investments

Small Business

Q When mandatory spending exceeds what is included in the budget, what do you feel Brantford Power should do?



Additional Comments (n=7)

48 respondents did not provide additional feedback

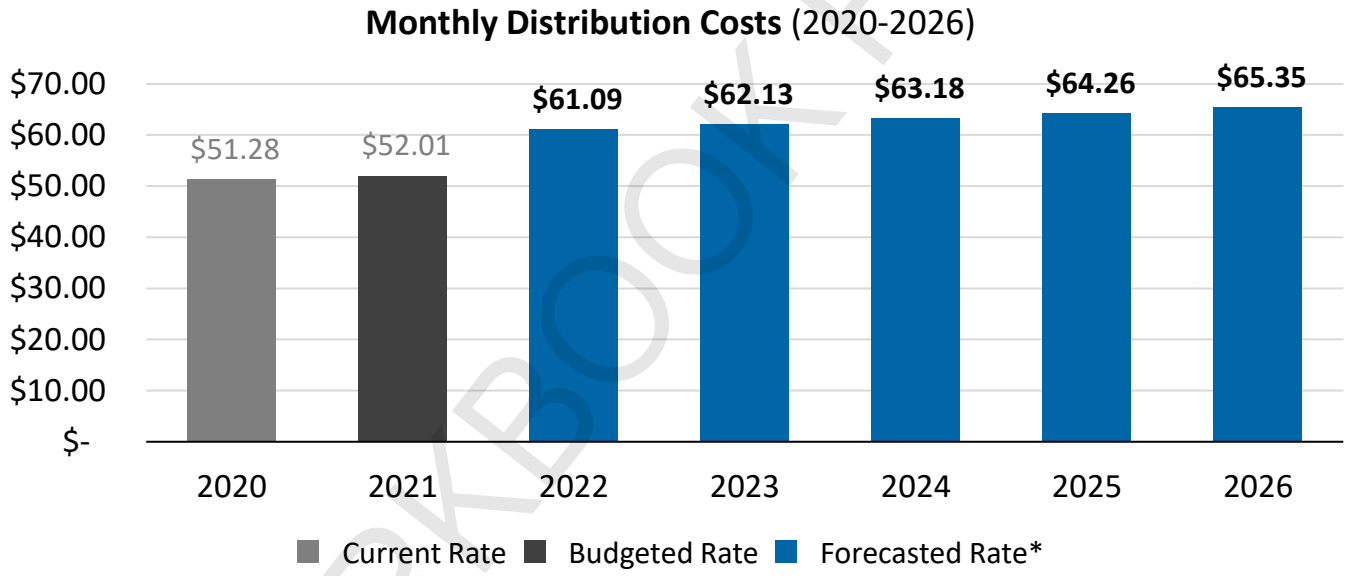
The decision depends upon the size of overrun and the affected projects. Sometimes the better course of action is to finish what is started, even though there will be an overrun. The costs associated with not completing those projects may end up costing a lot more if deferred.
So far, I think Brantford Power is doing fine. If there are operational complexities, it doesn't seem to reflect in your service delivery.
Power to new sub-divisions are developers' expenses and should not be paid for by regular customers.
It is imperative to find savings in technology to reduce the future rate increases.
I find that in this position - it is pay now or pay much more later. Non-mandatory projects do have a habit of becoming expensive, urgent and mandatory projects.
Ensure charges to developers for new subdivisions/commercial properties are increased so that they bear the cost of this. Ensure connection to the grid for new properties is charged to new occupant/landlord. Review these current charges to the other local areas to ensure not undercharging.
Another option could be to take the matter to the customers at that point in time to get feedback and then make the decision based on the feedback.

How much will Brantford Power's draft plan cost my organization?

Remember, the current typical Brantford Power small business customer's electricity bill is about $409 per month before Ontario Electricity Rebate or about $289 per month after Ontario Electricity Rebate, of which $51.28 goes to Brantford Power.

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $61.09 in 2022, an increase of $9.08 per month compared to the budgeted $52.01 in 2021.

- For the period of 2023-2026, the annual bill increase is limited by the Ontario Energy Board (OEB) to an amount less than the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the 2023-2026 period, the distribution portion of the bill would increase by an average of 1.7% per year.



**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

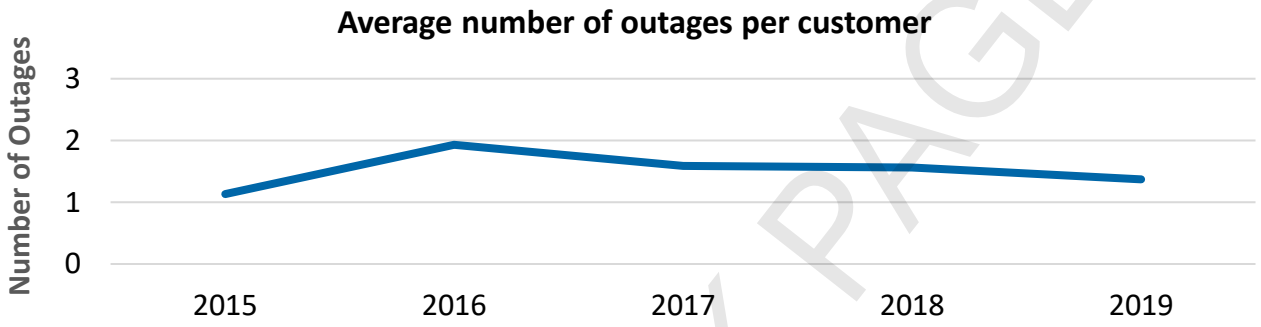
Brantford Power is looking for your input on its draft plan to ensure it is making the spending decisions that matter to you, the customer.

The following sections of this workbook will explore 7 choices that Brantford Power needs to make in order to help finalize its capital plan. Brantford Power will need to demonstrate to the OEB both what they heard from customers, as well as how they reflected your feedback in its plans.

System Reliability

Brantford Power tracks both the average number of power outages per customer and how long those interruptions last.

Between 2015 and 2019, the typical Brantford Power customer experienced **fewer than two outages per year**. An outage is defined as a power interruption that lasts longer than one minute.



Over the same period, the average **duration** of an outage has been about 50 minutes. Meaning, when the power does go out, Brantford Power is typically able to restore power in less than one hour.

Since 2015, nearly half of all outages have been traced back to two causes – loss of supply from the transmission system (27%) operated by Hydro One and defective equipment within Brantford Power's distribution system (20%).

While transmission system failures are largely out of the control of Brantford Power, there are investments that can be made to attempt to reduce the impacts of equipment failure.

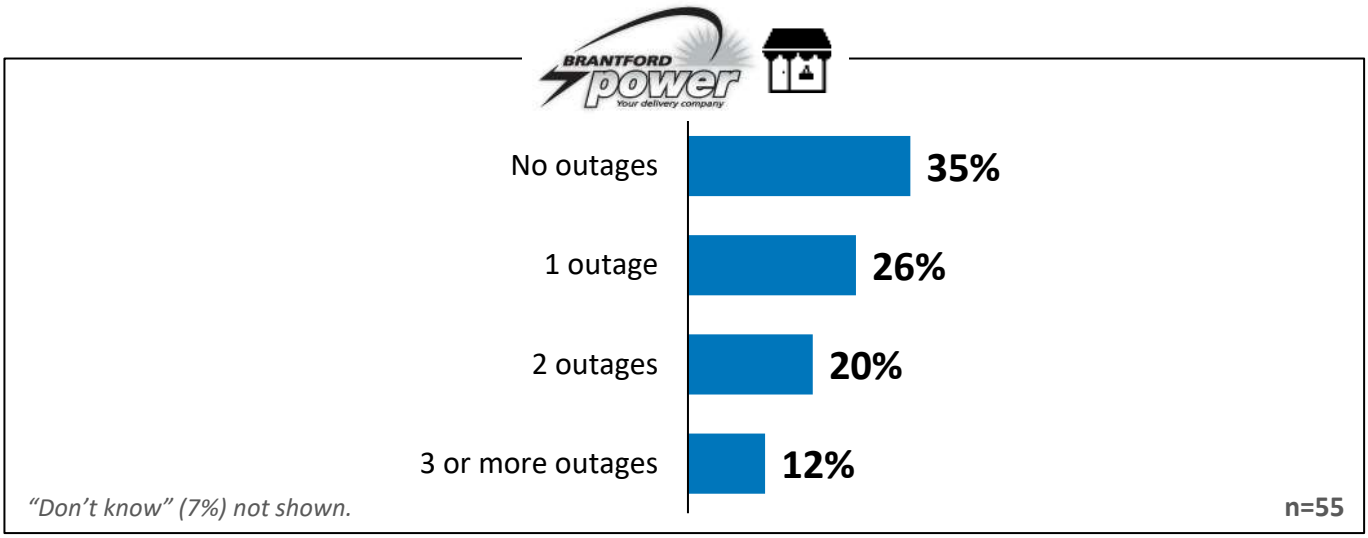
Keep in mind that these are system averages, and your actual experience may be different. Some customers connected to newer lines may not experience any outages while others may experience more than the average number of outages each year.

Online Workbook

Reliability Experience

Small Business

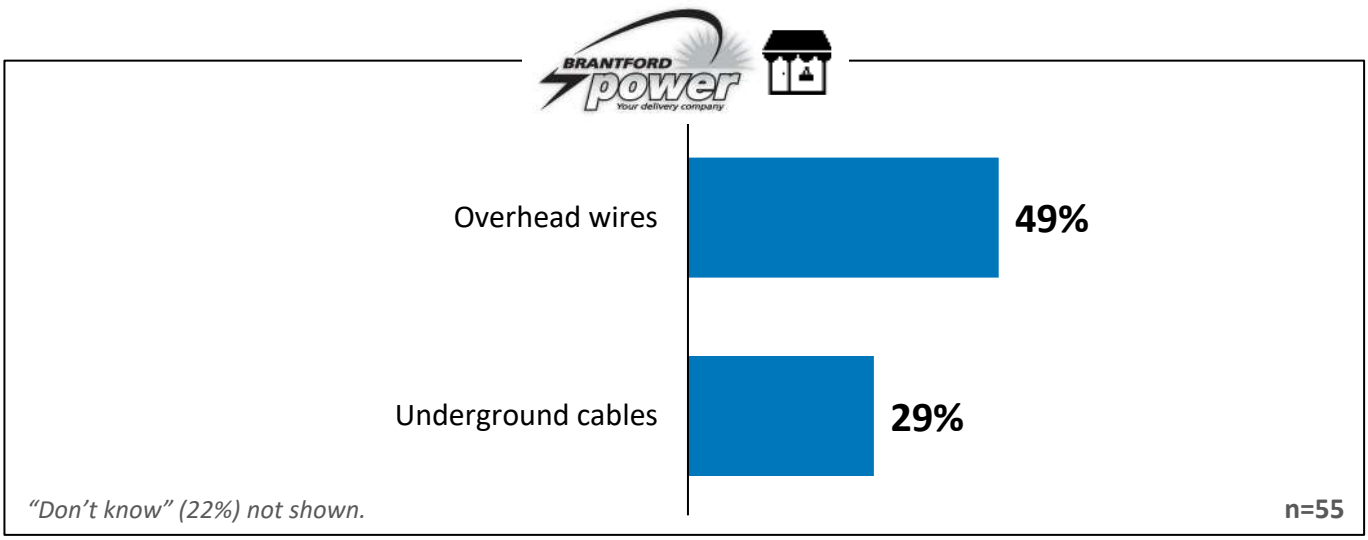
Q Have you experienced any power outages at your business in the past 12 months which lasted longer than one minute?



"Don't know" (7%) not shown.

n=55

Q To the best of your knowledge, does your business receive electrical service via overhead wires, or underground cables?



"Don't know" (22%) not shown.

n=55

Pole Replacement

Background: Brantford Power owns 10,052 poles within its service territory. Each year, Brantford Power inspects and tests one third of all poles, and selects poles for replacement based on their condition, age, and the consequences of their potential failure.

Current Approach: On average, each year, since 2017, Brantford Power has replaced 80 poles identified as having a high risk of failure, though the number varied with some years exceeding 100 pole replacements.

Customers served by lines connected to high-risk poles are more likely to experience power outages and when they do, those outages are more likely to last longer and be more expensive to fix.

While poles do not typically cause an outage under regular circumstances, poles in poor condition are more likely to contribute to an outage during inclement weather.

Brantford Power anticipates that, based on the most recent assessment, approximately 70 poles will need to be replaced in 2021, and that similar replacements levels will be required for the period between 2022 and 2026. Falling significantly behind on this investment program can be costly, and may have an increased risk of outages.

2022-2026 Proposed Approach: In its current draft plan, with an emphasis on affordability and balancing the overall spending levels, Brantford Power is proposing to reduce the number of poles replaced each year to 60. Part of the reason for this reduction is to address budget constraints resulting from increased spending in the "mandatory" category as a result of customer growth.

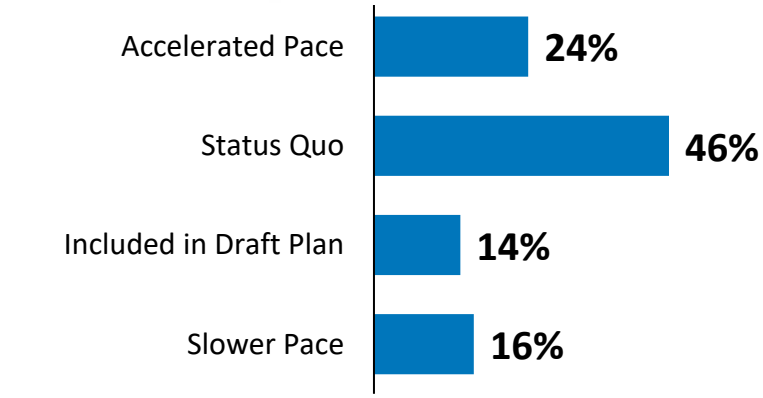
Option	Poles Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.02 per month annually ($0.20 more per year)*	80 per year	This approach is in line with the past few years, and would lead to similar outage experiences .
Status Quo ***Additional*** *$0.01 per month annually ($0.10 more per year)*	70 per year	This approach is in line with the expected recommendations from the utility's prioritization system.
Included in Draft Plan *Within the proposed increase*	60 per year	This approach reduces the budget but may lead to a slight increase in risk of outages.
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.10 less per year)*	50 per year	This is the option with the lowest cost impact but a higher risk of outages.

Online Workbook

Replacing Poles in Poor Condition

Small Business

Q Which of the following options do you prefer?



Additional Comments (n=4)

51 respondents did not provide additional feedback

The less risk of outages is the best option as it will prevent business from loosing money from sales and possibly products going bad due to power outage.
Putting it off is not going to make it cheaper later, better to maintain.
Prices are already too high for consumers, so I don't agree with any of this.
As a business that relies on power to keep our deliverables cold, the fewer the outages, the better.

Making Choices (2 of 7)

Porcelain Device Replacements

Background: Brantford Power has nearly 1,000 porcelain devices in its system that are used to protect electrical distribution equipment from the damaging effects of lightning strikes and electrical current surges. These devices are attached to distribution poles.

When these devices fail unexpectedly, often during inclement weather events, it can lead to prolonged outages, impacting between 10 and 40 customers, as well as increased reactive replacement costs. The device failures can pose a risk to employee safety when working on power lines close to these devices.

Based on outage statistics for the previous 5 years, it is estimated that broken porcelain devices are responsible for nearly 74% of customer outages caused by defective equipment or approximately 15% of all outages.

Current Approach: In recent years, Brantford Power determined that all porcelain devices in the system will need to be replaced. In 2020, Brantford Power will be replacing 60 devices – leaving over 900 still in need of replacement.

2022-2026 Proposed Approach: Brantford Power is planning to triple the budget for this project from 2020 to 2021 and is proposing to continue with this pace of replacement in 2022-2026.

While the project spending is not as significant as other projects in this consultation, there are implications to customers. Proactively replacing a porcelain device near your home or business could result in a planned outage that lasts between 1-2 hours. Of course, customers would be notified prior to any planned outage that could impact their service.

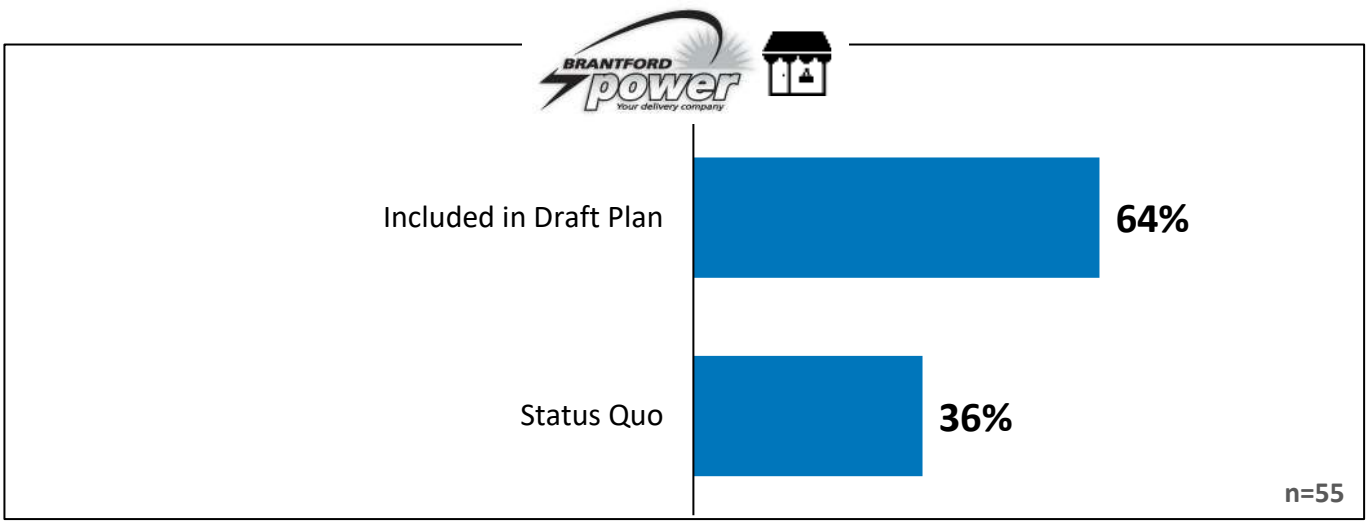
Option	Porcelain Device Replacements	Expected Outcome
Included in Draft Plan *Within the proposed increase*	150 per year	Longer, unplanned outages related to porcelain devices will be reduced, at the price of an increase in shorter, planned outages which customers are notified about.
Status Quo ***Decrease*** *of $0.01 per month annually ($0.09 less per year)*	60 per year	As equipment continues to fail, customers may experience more unplanned outages, especially during severe weather.

Online Workbook

Porcelain Device Replacement

Small Business

Q Which of the following options do you prefer?



Additional Comments (n=3) 52 respondents did not provide additional feedback
See answer for prior questions. Prices are too high for consumers as it is.
Replace all older and defective equipment as soon as possible to reduce longer outages. It would be preferred that these planned outages be conducted during off hours for most business to avoid loss of business; i.e. between 11pm-5am.
It will become more expensive to change these in the future (increased wages etc.) so do them at 150 per year.

Online Workbook

Transformer Replacements

Small Business

Making Choices (3 of 7)

Transformer Replacements

Background: Brantford Power owns 3,620 transformers within its service territory. Transformers are responsible for reducing electricity voltage from higher levels to safely serve homes and businesses in the community. They are typically either located on the ground, in underground vaults, or attached to distribution poles.

Current Approach: On average, since 2017, Brantford Power has been replacing approximately 20 transformers per year – this includes both reactive (due to equipment failure) and proactive replacements.

Based on historical outage statistics, 20% of customer outages were caused by defective equipment failure. Transformer failure is the second-highest cause in this category, next to porcelain devices. Failed transformers were responsible for nearly 14% of all customer outages caused by defective equipment from 2015 to now. In more recent years, these failures have been occurring during hot weather due to increased air conditioning usage.

Typically, up to 30 customers are impacted by a single transformer failure. The duration of the outage varies and can take up to 3 hours to replace the transformer.

Similar to the pole replacement program, Brantford Power selects transformers for proactive replacement based on an asset management system which contains data regarding the condition of assets and other critical factors that would impact the likelihood and the impact of an outage.

2022-2026 Proposed Approach: Brantford Power is proposing to increase the number of transformers it replaces each year from 20 to 27. This change will help reduce the backlog of transformers that are at increased risk of failure.

As with poles, Brantford Power will always need to replace transformers, therefore, this is a matter of whether customers would rather pay more during the upcoming rate period, to expedite the replacements, or push some level of investment beyond the next five years.

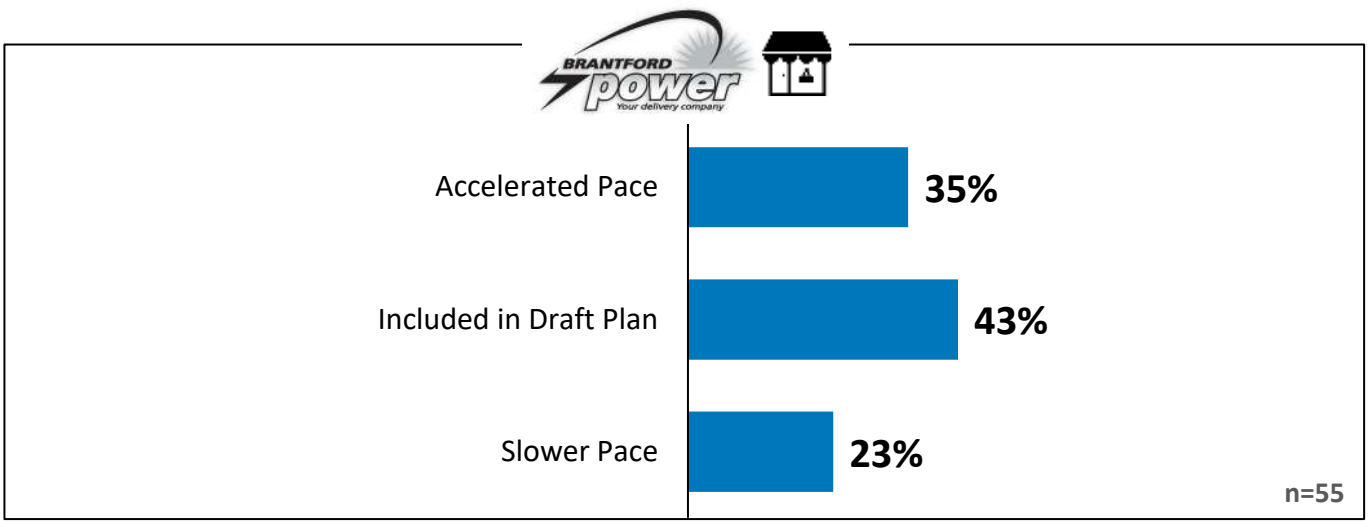
Option	Transformers Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.14 more per year)*	40 per year	Reduce the risk of outage to the 1,200 customers per year connected to the highest risk transformers.
Included in Draft Plan *Within the proposed increase*	27 per year	Reduce the risk of outage to the 810 customers connected to the highest risk transformers
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.07 less per year)*	20 per year	Continue with status quo, reducing the risk of outage each year to the 600 customers connected to the highest risk transformers

Online Workbook

Transformer Replacements

Small Business

Q Which of the following options do you prefer?



Additional Comments (n=2)

53 respondents did not provide additional feedback

There should be some economies of scale in performing this task - increased efficiency of staff/equipment and other resources - assuming this is a "good weather task" develop a team who primarily does this and nothing else for an extended period to decrease the length of time for each replacement
There is no option to disagree. Your questionnaire is faulty. Prices are too high as it is and there is no transparency that people can actually understand.

Making Choices (4 of 7)

Underground Structure Replacements

Background: Brantford Power operates and maintains a large system of underground infrastructure that includes vaults, junction boxes, manholes, and junction pads. Underground structures are an essential part of Brantford Power's distribution system. These devices provide structural support, housing, and access to the electrical distribution equipment, such as submersible transformers and buried cables. There are 2,137 underground structures in Brantford Power's service territory.

Each year, Brantford Power completes a visual inspection of one third of all structures to determine their condition. Brantford Power establishes the required replacement levels, using the condition assessment information combined with age and impending risk to safety. These replacements have no direct linkage to outages.

Brantford Power will need to continue to replace these assets reactively if they are identified as at risk of imminent failure in order to address safety risks such as trip hazards.

Current Approach: Since 2017, Brantford Power has proactively replaced on average about 24 vault and junction boxes per year.

2022-2026 Proposed Approach: For affordability concerns, Brantford Power has proposed to slow down the pace to 10 replacements per year.

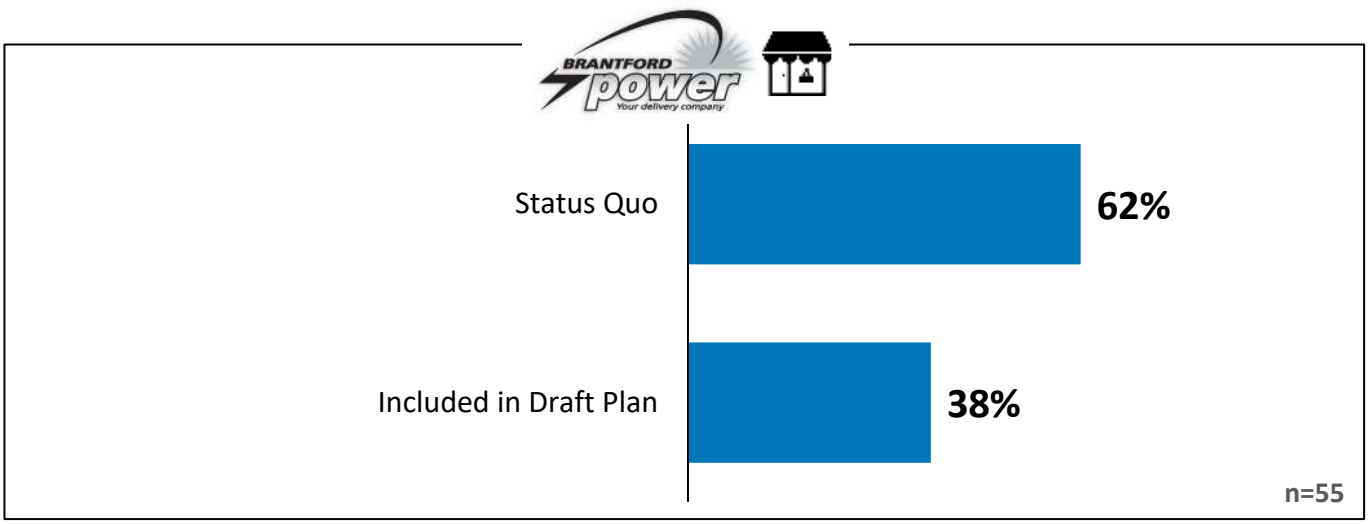
Option	**Underground Structures**	**Expected Outcome**
Status Quo ***Additional*** *$0.01 per month annually ($0.16 more per year)*	Status quo	Continue with status quo
Included in Draft Plan *Within the proposed increase*	Decrease the cost of replacements by about 60%	Delay the removal/replacement of underground structures. Structures with a potential risk to safety would still be replaced.

Online Workbook

Porcelain Device Replacement

Small Business

Q Which of the following options do you prefer?



Additional Comments (n=3)

52 respondents did not provide additional feedback

Move service underground. See answer on previous question. Your questionnaire is faulty. It is imperative that we move to a sub-terrain install of the power grid. The long-term benefits are less outages, less maintenance , less materials. At this time most European power distribution is sub-terrain, Canada is years behind because cost has been the main concern for budgets to appease the short-term concerns, this has to change, other nations have proven the ROI is worth it and eventually the increased efficiency and reduction of maintenance will help to bring power distribution costs.
Do this while roads are already torn up for water or surface work! Frustrating when road work isn't coordinated!
See answer on previous question. Your questionnaire is faulty.

Making Choices (5 of 7)

Automated Reclosers

Background: Automated reclosers are devices which allow Brantford Power to potentially avoid an outage under certain conditions, such as, when a tree branch or animal comes into contact with a power line. In these cases, if there is a recloser on the line it automatically briefly shuts off power to the power line and then quickly restores power, resulting in only a momentary interruption or flicker.

Without the reclosers, these situations would lead to an outage, requiring the deployment of a line crew to restore power. The deployment of these devices also helps to reduce the number of customers affected by an outage, as well as deliver an additional benefit of helping identify and monitor the outage. As more and more of these devices are installed, they will enable Brantford Power to implement "self-healing" capabilities in its system.

Implementation of a greater amount of reclosers will also support Brantford Power's implementation of the 24/7 system monitoring discussed in the question below.

Current Approach: Brantford Power has been installing this type of equipment where outages have historically been most likely to occur, and where reliability is of increased importance, for instance hospitals. Brantford Power installed its first automated recloser in 2004 and began increasing the pace of installations in 2015.

On average, since 2017, Brantford Power has been installing approximately three new reclosers per year. Depending on where it's located and the nature of the customers in the area, each recloser can impact anywhere between 50 and 2,700 customers, with an average to date of just over 1,000 customers per recloser.

2022-2026 Proposed Approach: In its current draft plan, Brantford Power is proposing to continue with the status quo of installing three reclosers per year. That said, there is an opportunity to accelerate the pace of rolling out this technology, which would lead to a greater chance of decreasing the number of sustained outages, and reducing number of customers affected by an outage and the length of some outages.

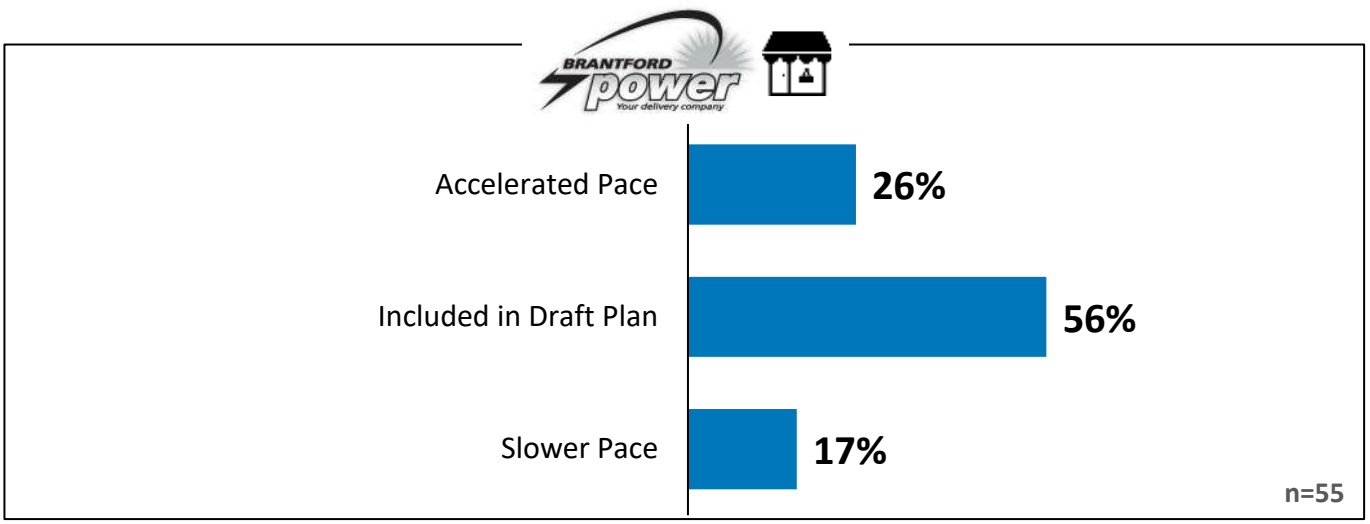
Option	Automated Reclosers	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.16 more per year)*	Replace 5 devices per year	Greater likelihood that the program will avoid or limit outages; quicker ability to implement "self-healing" capabilities in the future.
Included in Draft Plan *Within the proposed increase*	Replace 3 devices per year	The status quo will allow Brantford Power to roll out this equipment gradually, slowing the ability to implement "self-healing" capabilities in the future.
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.16 less per year)*	Replace 1 device per year	Lower likelihood that the program will avoid or limit outages; slower ability to implement "self-healing" capabilities in the future.

Online Workbook

Automated Reclosers

Small Business

Q Which of the following options do you prefer?



Additional Comments (n=3) 52 respondents did not provide additional feedback
See answer on previous questions.
Instead, move these devices to underground cable runs and newer tech.
I believe that with the other measures previously discussed, the status quo can continue and it will lead to lower risk of outages.

Making Choices (6 of 7)

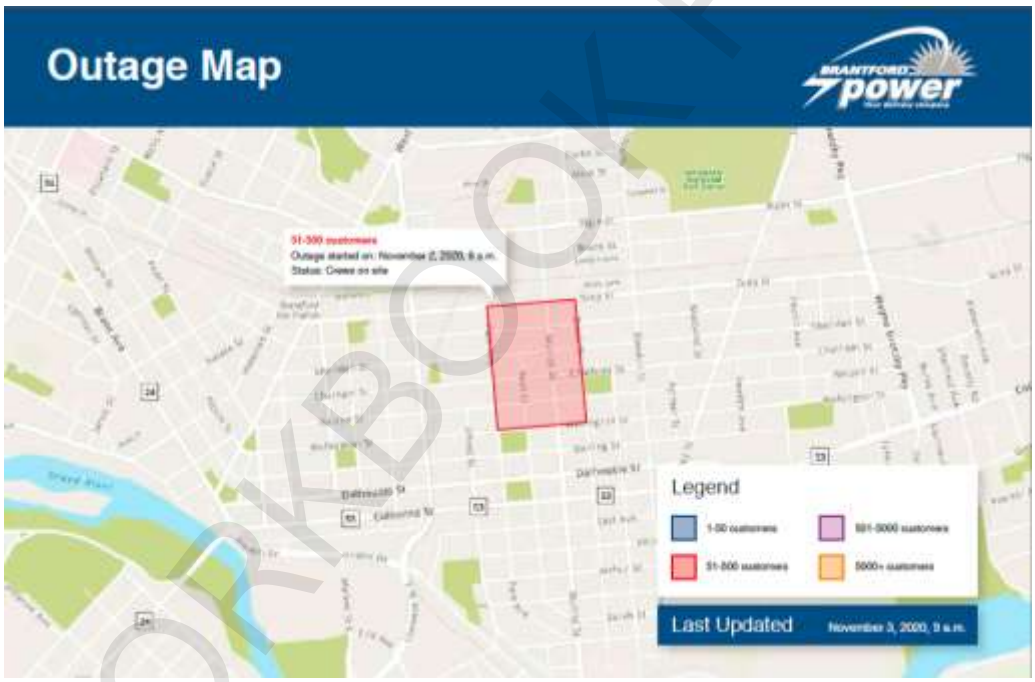
Outage Management System

Background: Brantford Power currently monitors outages using a combination of software, communication devices and manual processes. An Outage Management System would assist Brantford Power with identifying, monitoring, and reporting outages.

Current Approach: Brantford Power does not currently have an Outage Management System in place.

2022-2026 Proposed Approach: Brantford Power is planning to implement an Outage Management System to assist with identifying, monitoring, and reporting outages. As one of the key benefits of the Outage Management System, Brantford Power will be able to display outages on its website in the form of an outage map, which customers can access.

The outage map will indicate where there is an outage, as well as other information regarding the outage.



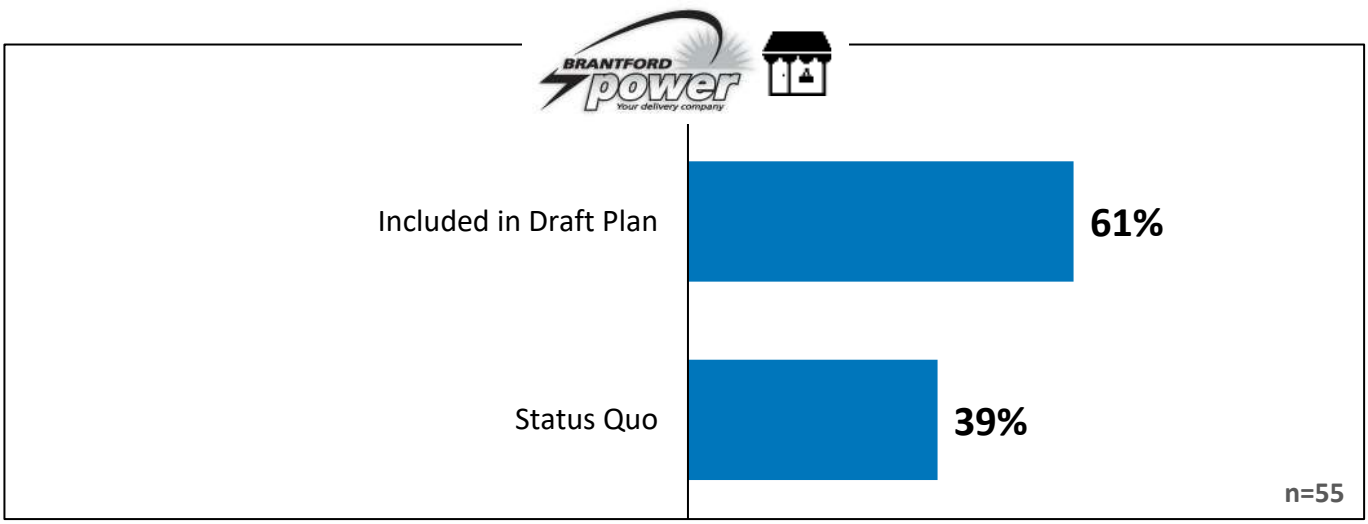
Option	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Implement an Outage Management System to assist with monitoring, reporting, and recording outages by 2022, and implement an outage map on Brantford Power's website.
Status Quo ***Decrease*** *of $0.36 per month annually ($4.37 less per year)*	Brantford Power will continue to monitor its outages using an informal combination of existing systems; however, customers will not be able to access outage data through an online outage map.

Online Workbook

Outage Management System

Small Business

Q Which of the following options do you prefer?



Additional Comments (n=4)

51 respondents did not provide additional feedback

The amount of outages are minimal in Brantford and a management system that provides a map would only be needed very periodically.
See previous answers.
If you are in a power outage you already know it. Many people now have smart technology to advise them as well. Use of social networks is simple and generally effective but communicate how to access in bills.
An outage management system is the way to go, this is the future and necessary, not only to monitor but to communicate with customers in the event of an outage and give estimates on when the power will be restored. This will limit the amount of calls made and less pressure on staff when there's a power outage.

Making Choices (7 of 7)

24/7 Control Room Coverage

Background: A Control Room is used by local distribution companies to monitor and operate the distribution system, including monitoring the flow of electricity within the distribution system as well as identifying and locating outages, and dispatching line crews to restore power.

The Control Room can act as a central communications hub for distribution company resources during an outage. This assists line crews with the restoration of power as well as helping to provide outage details to customers. A control room can optimize the use of reclosers to help reduce the impact of an outage to a smaller number of customers.

Many local distribution companies have an in house 24/7 control room. Brantford Power currently monitors and operates the system through a combination of computer systems and manual processes. For some limited control room functions, Brantford Power purchases these services from a third party.

Current Approach: During regular business hours (8 a.m. to 4 p.m.), Brantford Power monitors the system for unplanned outages, allowing crews to be quickly dispatched when an outage does occur.

Outside of regular business hours and on weekends, Brantford Power personnel are on-call and are prepared to respond to any unplanned outage when notified. However, the system is not monitored to the same extent as it is during business hours. After hours outages are typically identified through automated system notifications, or through customers who call in to report an outage.

2022-2026 Proposed Approach: Starting in 2022, Brantford Power is proposing to expand the third-party system control room monitoring services to 24/7 coverage. This will assist Brantford Power in responding to after-hours outages more quickly.

This approach would be significantly less costly than staffing a 24/7 control room in house.

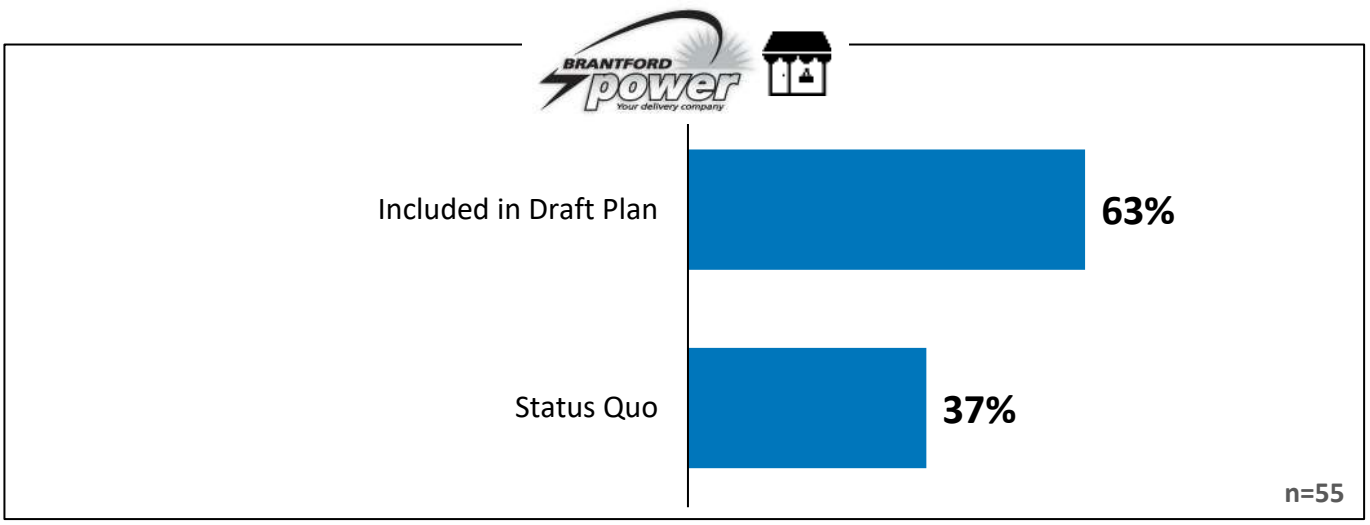
Option	Control Room Project	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Work with a third party to monitor the distribution system after hours.	After-hours and major outages may be shorter in length, improving reliability.
Status Quo ***Decrease*** *of $0.25 per month annually ($2.97 less per year)*	Stay with the status quo- no after-hours monitoring.	Some outages are expected to be longer in duration, particularly overnight outages or major outages.

Online Workbook

24/7 Control Room Coverage

Small Business

Q Which of the following options do you prefer?



Additional Comments (n=1)

54 respondents did not provide additional feedback

Prices are too high for consumers to manage. When you can talk about how the prices will benefit consumers then you will get what WE need.

Online Workbook

Investment Alternative Summary

Impact of Choices

Investment alternative summary

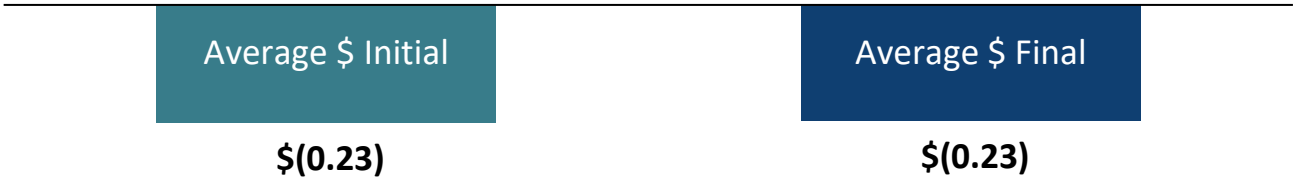
Throughout this workbook, you have been asked about **7 key choices** that could impact your rates. Below is a summary of your answers to the questions that could impact your rates.

At the bottom of this page you will find the total bill impact based on all of your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire; your potential rate impact will be re-calculated. You will have the opportunity to continue adjusting your answers until you feel you've reached the best balance for you.

Q Residential Customer Bill Impact Change and Magnitude of Bill Impact (**MEAN**)

Range of Impacts
+$0.05
-$0.66



Note: There is no statistical significance between the average initial total and the average final total.

n=55

About the "Range of Impacts"

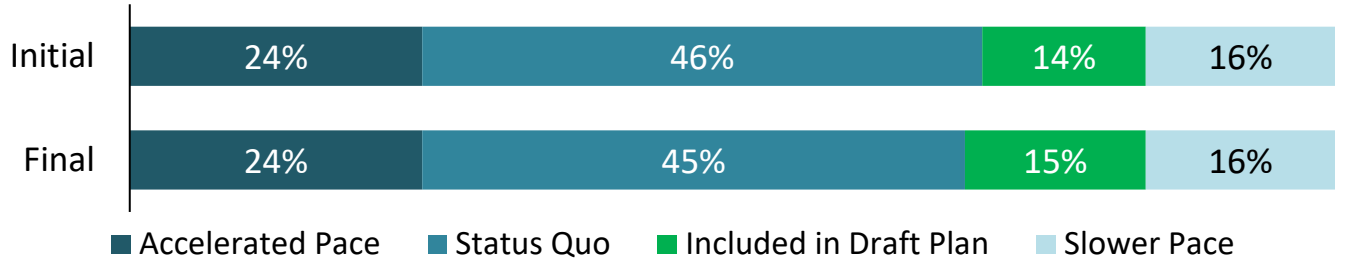
The "Range of Impacts" signifies the highest and lowest possible range of bill impacts above and beyond the Draft Plan. For instance, if a customer, where possible, were to select the most accelerated option, their bill impact would result in an **additional $0.05** per month annually. If they were to select the biggest decrease for each question, it would result in a **decrease of $0.66** per month annually

Representative Workbook

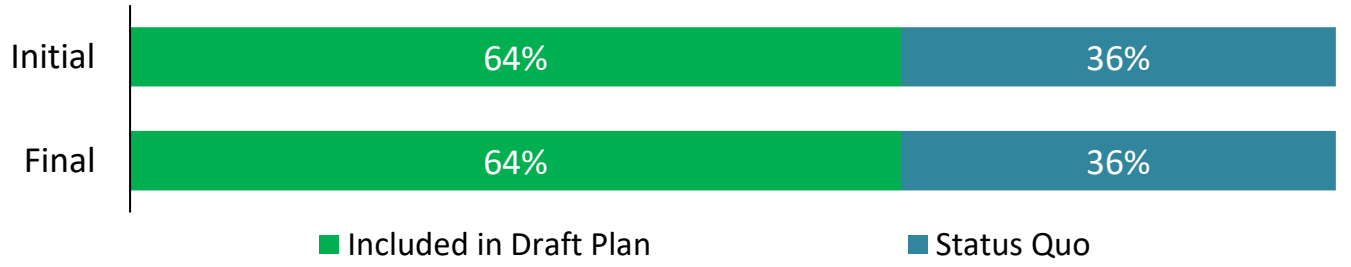
Change in Initial vs. Final Response by Project

Small Business

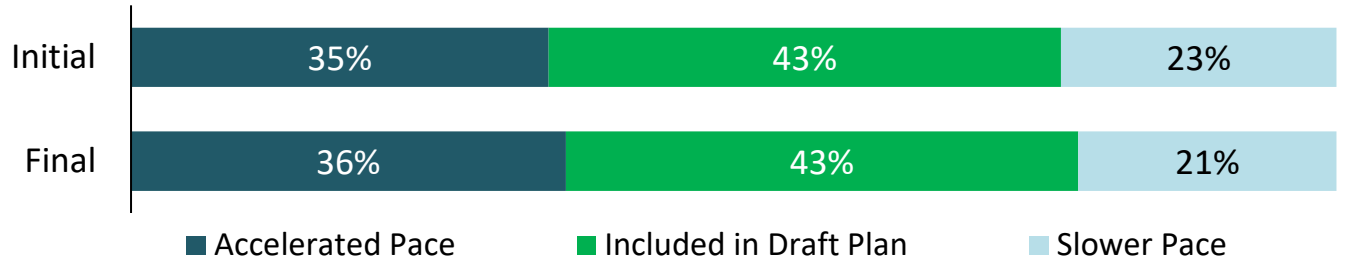
Q Pole Replacement



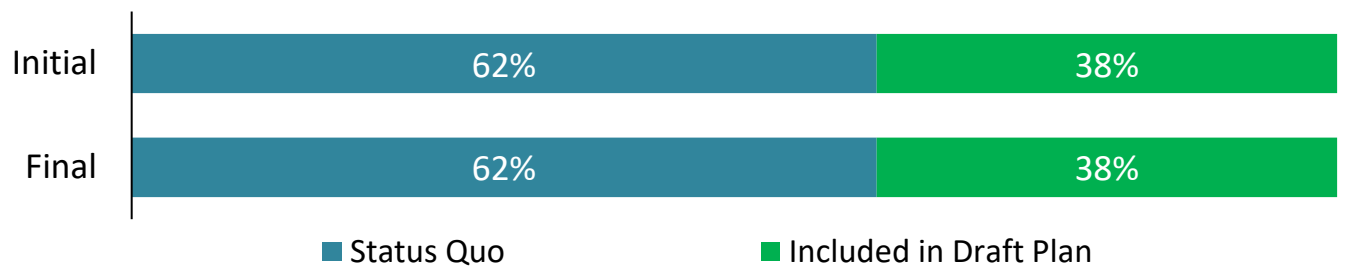
Q Porcelain Device Replacements



Q Transformer Replacements



Q Underground Structure Replacements

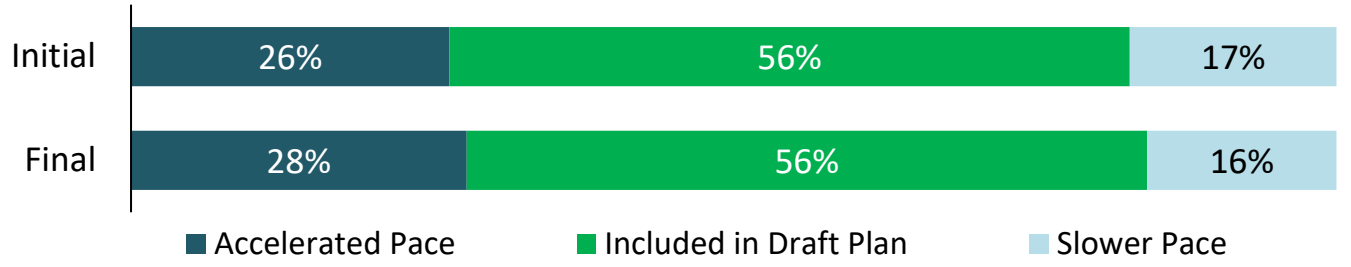


Representative Workbook

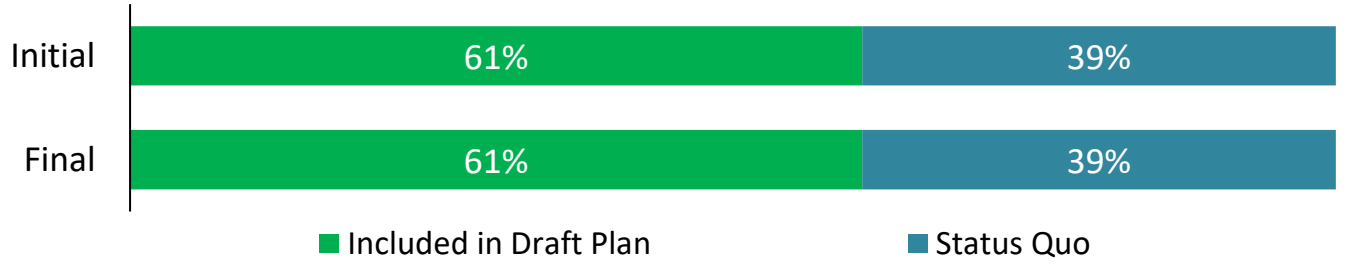
Small Business

Change in Initial vs. Final Response by Project

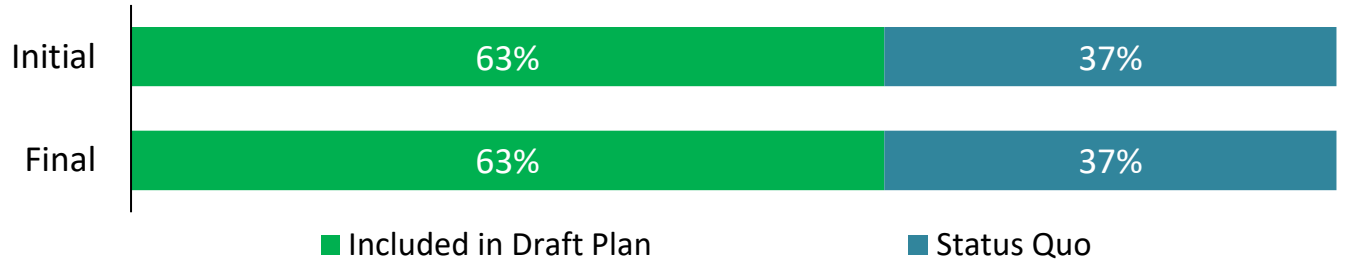
Q Automated Reclosers



Q Outage Management System



Q 24/7 Control Room Coverage



Assessing Brantford Power's draft 2022-2026 plan

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $61.09 in 2022, an increase of $9.08 per month compared to the budgeted $52.01 in 2021.

- Consistent with the Ontario Energy Board (OEB)'s schedule, Brantford Power's distribution rates are updated once per year, typically starting on January 1.
- For the period 2023-2026, the annual bill increase is limited by the OEB to the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the period from 2023 to 2026, the distribution portion of the bill would increase by an average of 1.7% per year.

Estimated Typical Small Business Annual Increase in Monthly Bill (5 year forecast)

	Year	Average Small Business Bill (Total after tax and OER)	Distribution Portion of Bill	Incremental Rate Change (Distribution portion)
Current Rate	2020	$289.06	$51.28	
Budgeted Rate	2021	$289.79	$52.01	$0.73
Forecast for next rate period	**2022**	$298.87	$61.09	$9.08
	2023	$299.91	$62.13	$1.04
	2024	$300.96	$63.18	$1.06
	2025	$302.04	$64.26	$1.07
	2026	$303.13	$65.35	$1.09
				$13.34

The total increase in monthly distribution costs between 2021 and 2026 is forecasted to be $13.34. That means, the typical small business customer will be paying **$13.34 more on the distribution portion of their bill by 2026.**

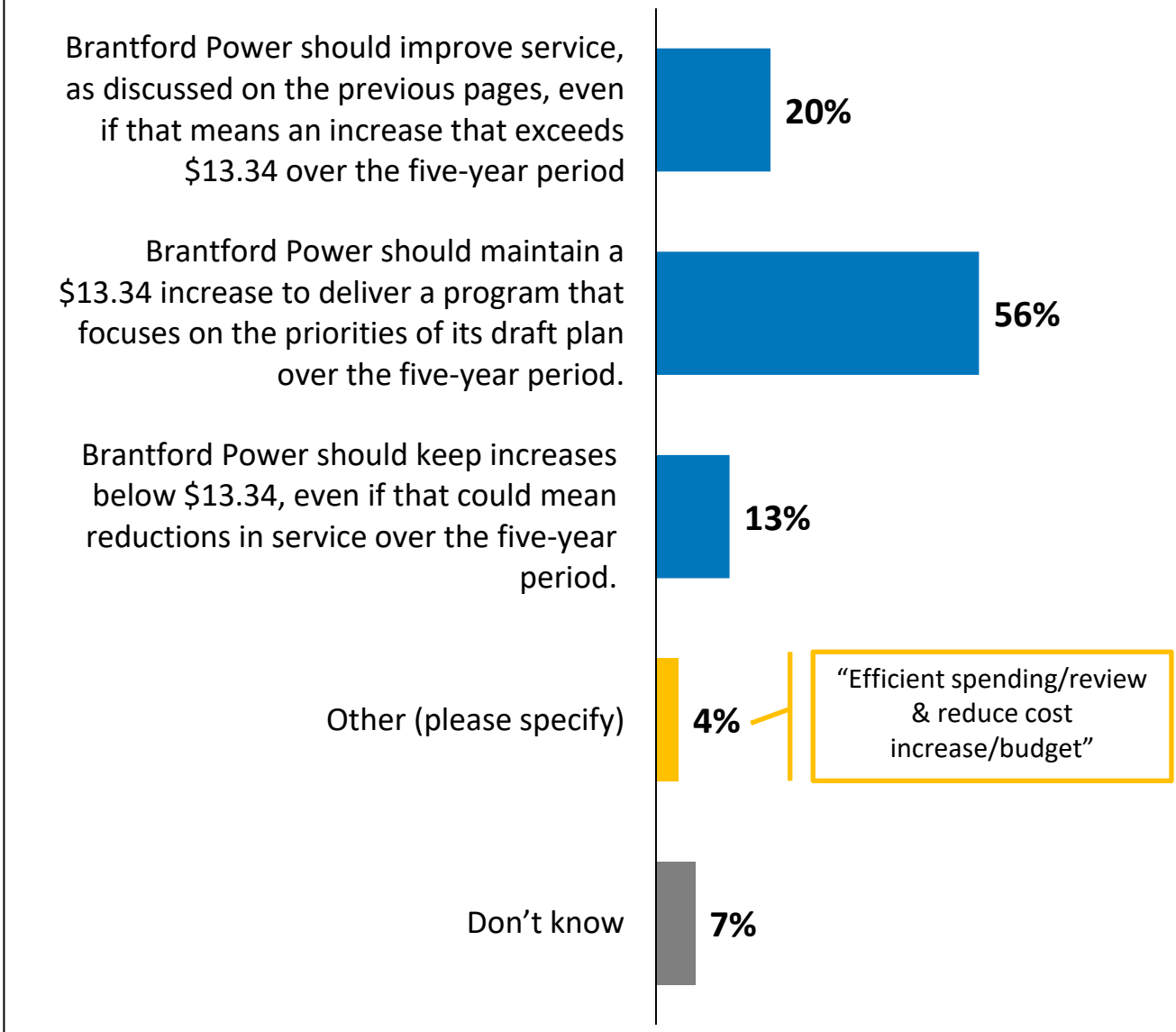
**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized. Estimates are based on usage of 2,000 kWh per month using a typical Time-of-Use consumption pattern.*

Online Workbook

Small Business

Assessing Brantford Power's draft 2021-2025 plan

Q Considering what you know about Brantford Power's draft 2022-2026 plan – which would see the typical small business customer's distribution portion of their bill increase by $13.34 over the five-year period – which of the following best represents your point of view?



n=55

Online Workbook

Final Comments

Q Thinking about your answer to the previous question, why do you feel that Brantford Power should take that approach over the 2022-2026 period? (Optional)

Final Comments (n=17) 38 respondents did not provide additional feedback
With all the measures discussed, a $13.34 increase over a 5 year period is reasonable to achieve the goals.
The R&M factors indicated are reasonable.
Take stock of what you have in place, and determine what you need to maintain and update the distribution system - Guiding Principle: effective system and efficient administration
Since we are never anywhere near a delivery or distribution charge of $51.02 per month (our 2 bills total between $400 and $500 per month) - I assume the small businesses this $51.02 average applies to are small offices. Not all small businesses are offices or small store fronts, etc. We, as many other small businesses, are a manufacturer, and find the distribution, as well as other charges are excessive.
Power is a requirement for every SMB in your area . In respect to the proposed charges increases they are a drop in the ocean compared to the potential lost revenue for a business with no power even with a small outage . In my opinion you should double or triple this funding and build underground distribution as a faster rate .
People struggle with affording to live. Increasing anything at this time or over the next 5 years will cause more homelessness, debt on bill payments, and breaking up families.
Our power gird is very reliable compared to other areas. Please keep system reliability as a major directive
Our business relies on electrical power to run our compressors, refrigerators and freezers as well as utilities. The cost of losing power over a long period would be catastrophic for us.
Need to stick to its budget.
Many more people will be working out of their home for the foreseeable future making dependable electricity essential.
Keep as much of the workforce, maintenance, monitoring and IT in house as possible for control and cost savings. Outside contracts usually end up costing more
It would be nice to do everything, but the business environment is uncertain so we all need to prioritize our investments and expenses. A structured approach to focusing in the most significant enhancements needs to be done, which may defer some initiatives to future years.
if it ain't broke, don't fix it.
Equipment and structures must be maintained and be replaced eventually for efficiency, but it cannot be at any cost.
Better for business.
As per an earlier response ensure developers and new infrastructure pays its own way - transparency of what the costs are ahead of time will help. Small business is not easy to run - while your amounts look small, it is only a piece of the overall increases small business experiences.
A higher tariff might be a bigger burden on electricity consumers.

Online Workbook

Final Comments

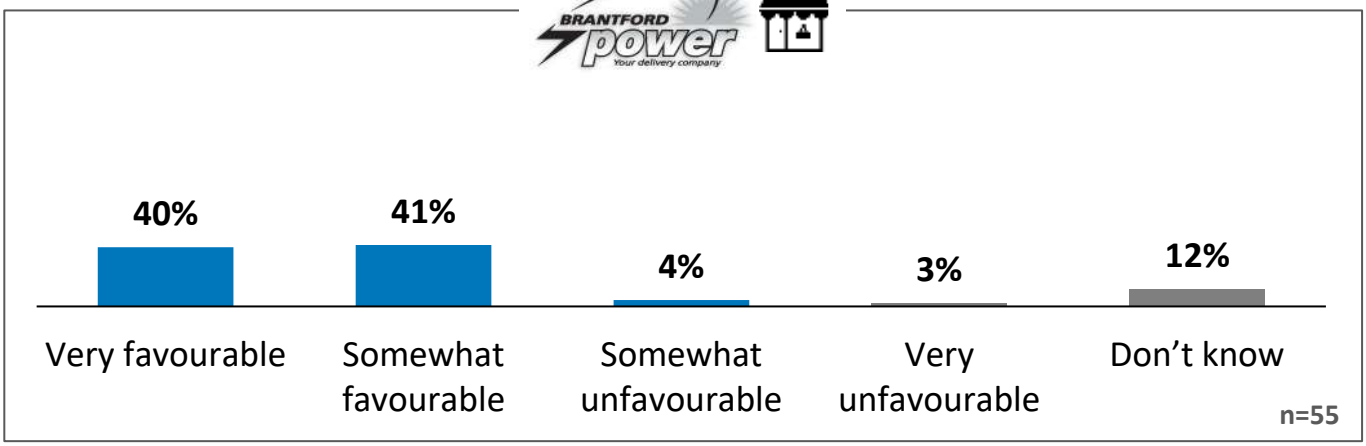
Q Do you have any final comments regarding Brantford Power or the customer engagement that you just completed? (Optional)

Final Comments (n=16) 39 respondents did not provide additional feedback
The huge jump from 21 to 22 is a bigger concern. 2020 should have shown savings in staffing and overhead costs, as well as efficiencies in work-from-home strategies for admin.
Thank you for the opportunity to offer my opinion in this matter , I appreciate it.
Thanks for the opportunity to comment.
Thanks for allowing my input.
Since I am not familiar with the distribution system I cannot comment on specifics
Raising rates in the middle of a global pandemic seems like a poor idea - whatever decision is reached it should be delayed until life is somewhat "back to normal". Do your costs reflect employees working at home instead of an office setting and if a large # of employees are doing this, can office space be reduced and thus sublet to another business.
Please continue to do what you already do well and keep the lights on.
None.
None.
It was actually very interesting !
If there was fair competition in pricing I would go to the place that gives me a cheaper price. However, we have no other choice because you have the monopoly.
I find that Brantford Power makes more of an effort to keep the power going unlike Hydro One which I have experienced more then enough power outages with them to see the difference in service.
I feel very unqualified to speak to these issues. As a small business owner, I of course do not want an increase and question if the increase only falls on the small business owner. Brantford has very few outages for very limited times. I do think we need to keep systems working and in good order but not sure we need to spend a bunch of money making upgrades that are nice but maybe not necessary.
I feel that Brantford Power is managed very well. Please don't merge with Energy+. Talk to electricians who have worked with them and they will report that they are very hard to deal with and make upgrades and changes to customers unnecessarily difficult. Please keep management local.
I appreciate the privilege of having a say in the affairs of Branford Power.
Even though we recognize the need for repair and improvements over time, there has to be something to balance out constant increases. Small business must constantly absorb these increases, to the point that we see more and more small businesses fail. We cannot just increase our pricing at will without consequences. It is becoming more and more frustrating and difficult to conduct business.

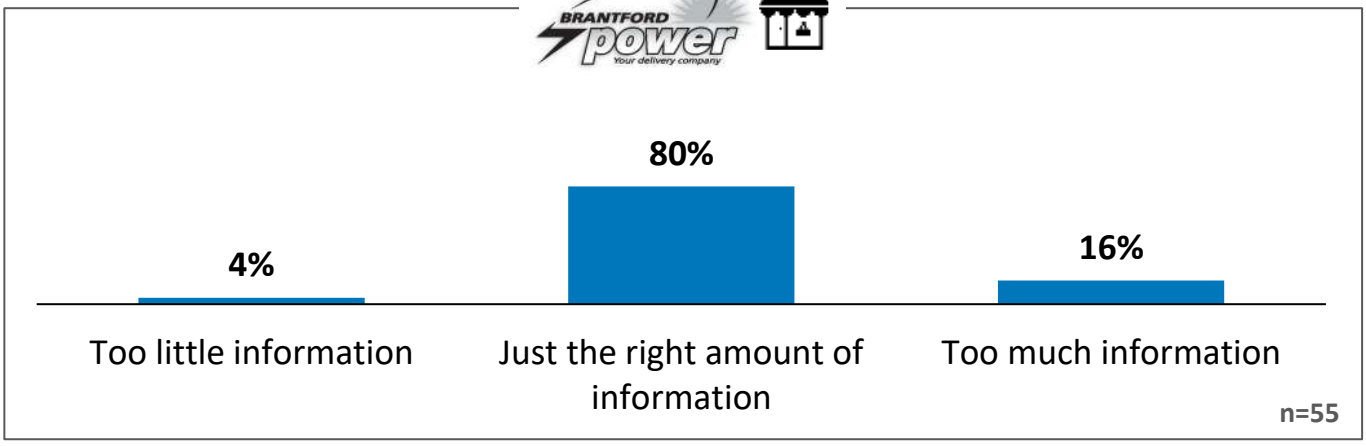
Online Workbook

Final Thoughts

Q Overall, did you have a favourable or unfavourable impression of the customer engagement you just completed?



Q In this customer engagement, do you feel that Brantford Power provided too much information, not enough, or just the right amount?



Online Workbook

Final Comments

Q Was there any content missing that you would have liked to have seen included in this customer engagement? (Optional)

Final Comments (n=7) 38 respondents did not provide additional feedback
The replacement of power lines and towers with underground services.
Plain English of the benefits.
Not enough technical data on the present system not enough information about possible future technical improvements. The overhead administration cost appear to be high.
No.
I think the purpose of this customer engagement was two-fold. First, to gather information and second, to educate. It did well on both.
Full disclosure of redundancies or layoffs due to sub contractor or third party proposed engagement.
Cost for the monitoring systems and software updates.

INNOVATIVE RESEARCH GROUP

GS>50kW Customers

Online Workbook Results

Online Workbook

Survey Design & Methodology

Commercial
GS > 50 kW

INNOVATIVE was engaged by Brantford Power to gather input on preferences on program expenditures and timing; and balancing outcomes. **Pages 124 to 167** show the actual pages of the workbook that was sent and completed by **Commercial and Industrial** customers. The only additions are the actual results.

Field Dates & Workbook Delivery

The **Commercial and Industrial Online Workbook** was sent to all Brantford Power GS>50kW customers who have provided the utility with an email address. Customers had an opportunity to complete the workbook between **November 18th and December 23rd, 2020**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class.

In total, the GS>50kW workbook was sent to **253** customers via e-blast from INNOVATIVE. Reminder emails were sent on two separate occasions between November 18th and December 23rd, 2020. Brantford Power also conducted follow-up telephone calls to encourage small business customer participation.

Residential Online Workbook Completes

A total of **25** (unweighted) Brantford Power commercial and industrial customers completed the online workbook via a unique URL.

Sample Weighting

Due to sample size this data has not been weighted, and is presented in n-sizes rather than percentages. Results should be treated as directional only. *The table below summarizes the sample breakdown by quartile.*

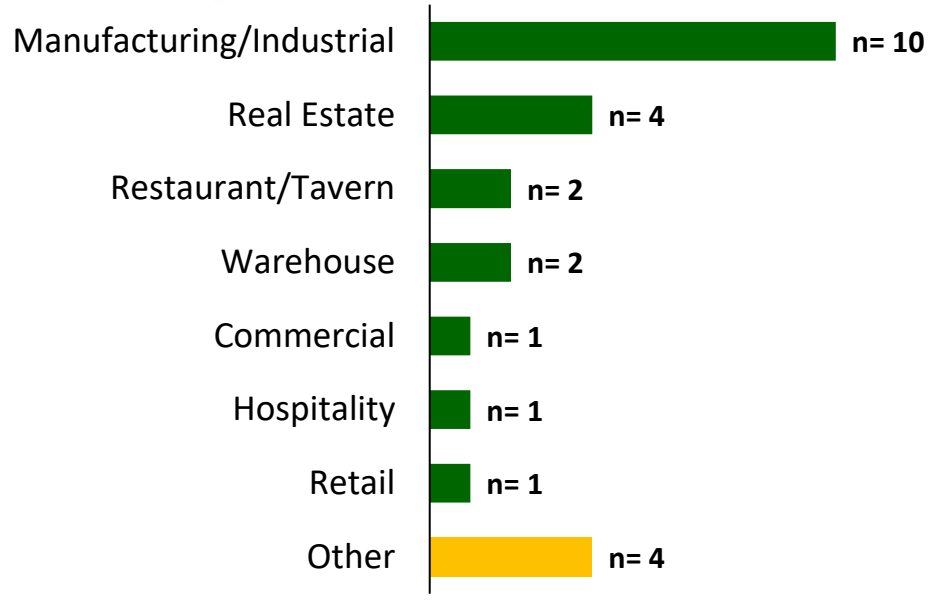
Consumption Quartile	Frequency	Distribution
First Quartile	5	20%
Second Quartile	9	36%
Third Quartile	6	24%
Fourth Quartile	5	20%
Total	25	100%

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Online Workbook
Demographics

Commercial
GS > 50 kW

Q Which of the following best describes the sector in which your business operates?



n=25

Q Including yourself, how many people work at your organization?

"Don't know": n=1

n=25

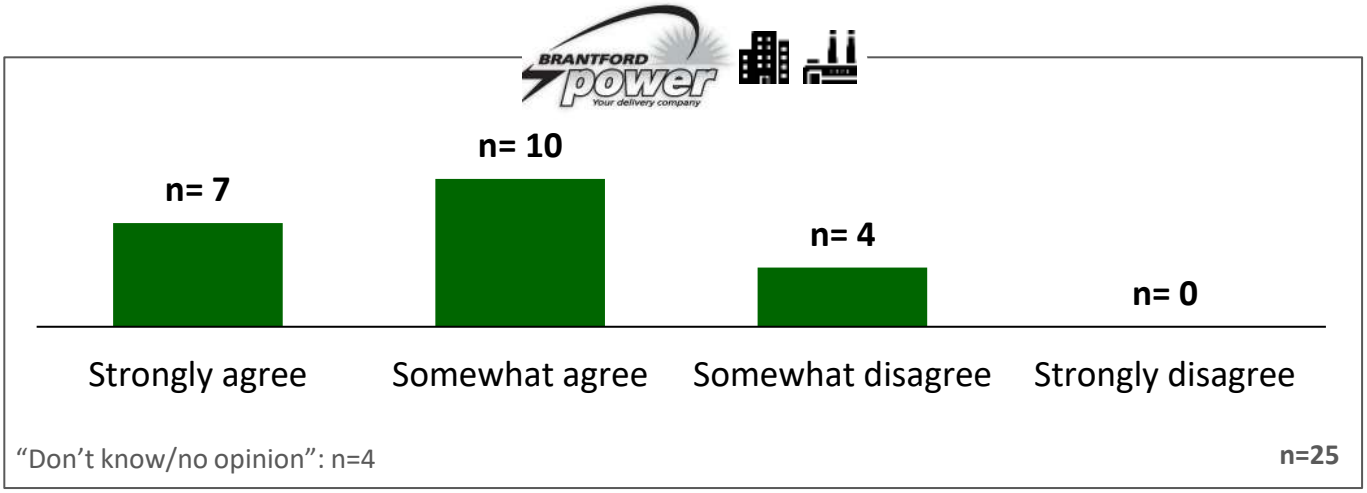
Online Workbook

Environmental Controls: Telephone vs. Online

Commercial
GS > 50 kW

Now we would like to shift the focus, and ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?

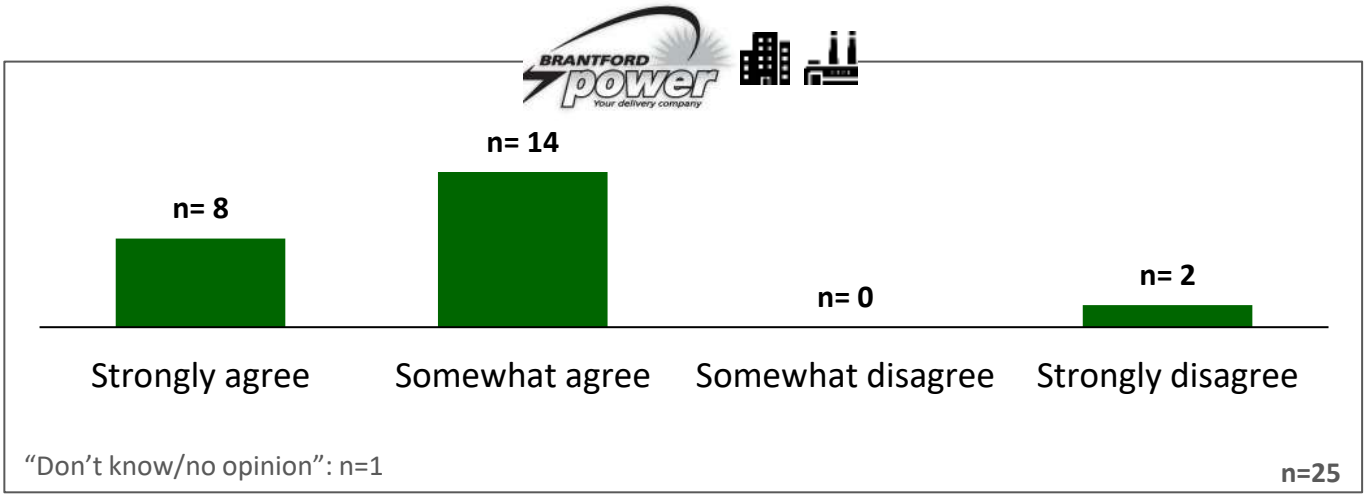
Q The cost of my organization's electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.



"Don't know/no opinion": n=4

n=25

Q Customers are well served by the electricity system in Ontario.



"Don't know/no opinion": n=1

n=25

Online Workbook

Commercial
GS > 50 kW

Planning for the Future: 2022-2026 Rate Application

Welcome to Brantford Power's customer engagement survey!

As Brantford Power plans for the future, they need your input on choices that will impact the services you receive and the rates that you pay for the delivery of electricity.

- **Brantford Power is looking for your input on its draft 2022-2026 business plan** to ensure it is making spending decisions that matter to you, the customer.
- **In early 2021, Brantford Power plans to present, justify, and defend** its business plan to the public regulator, the Ontario Energy Board (OEB).
- **In January 2022, Brantford Power will be updating the rate that you pay** for the delivery of electricity to your home or business.

While you may have recently heard that Brantford Power is considering merging with its neighbouring utility Energy+, the feedback that you provide in this survey will be critical to planning for the future, regardless of the outcome of this potential merger.

This survey will take approximately 20-30 minutes to complete and can be done so at your convenience. Once you begin, your progress will be saved, and you can return to the customer engagement at any time.

All individual responses will be kept confidential. Innovative Research Group (INNOVATIVE), an independent research company, has been hired to gather your feedback.

Those who complete the questions that follow will be invited to enter a draw to win one of two (2) $500 gift cards.

If you are reading this on a smaller mobile device, you may want to consider accessing the survey from a tablet, desktop or laptop instead so that it is easier for you to read.

***Note**: The estimates throughout this survey are for illustrative purposes only, and may not reflect the actual size of your organization's monthly electricity bill.*

For the purpose of this exercise, the estimates are based on a customer with average monthly demand of 250 kW and average monthly consumption of 100,000 kWh.

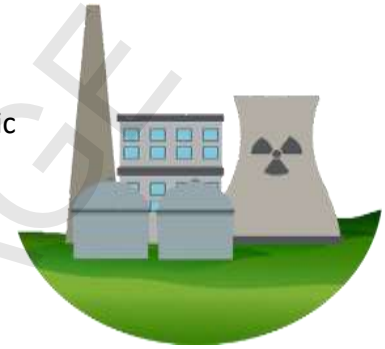
INNOVATIVE RESEARCH GROUP

Brantford Power's role in Ontario's electricity system

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

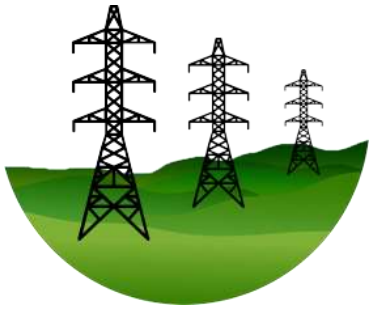


Ontario gets its electricity from a mix of energy sources. More than half comes from nuclear power. The remainder comes from a mix of hydroelectric and natural gas, and to a lesser extent, wind and solar.

Ontario Power Generation, a government-owned company, generates almost half of Ontario's electricity. The other half comes from multiple generators who have contracts with the grid operator to provide power from a variety of sources.

Transmission

How electricity travels across Ontario



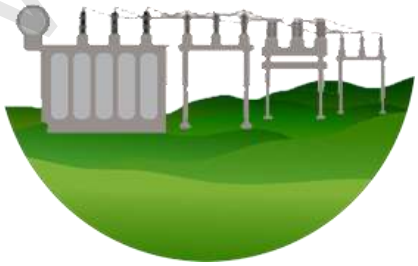
Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which are owned and operated by Hydro One.

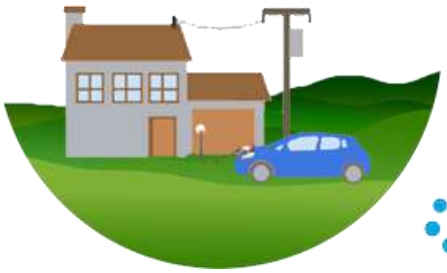
Local Distribution

How electricity is delivered to the end-consumer

Brantford Power is responsible for the last step of the journey: distributing electricity to customers through its distribution system.

- Brantford Power manages all aspects of the electricity distribution business throughout the majority of the City of Brantford and is regulated by the Ontario Energy Board (OEB).
- Brantford Power has been operating since 1935 and is wholly owned by the City of Brantford, the community which it serves, and is funded by the distribution rates paid by its customers.
- Brantford Power services over 74 square kilometres and over 41,000 residential and business customers.



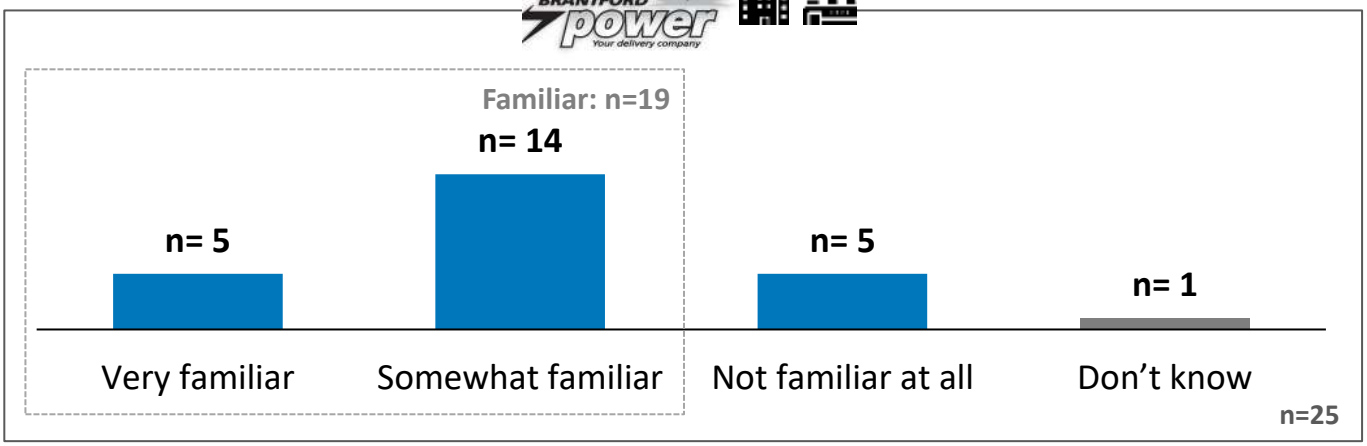


Online Workbook

Familiarity with Brantford Power

Commercial
GS > 50 kW

Q How familiar are you with Brantford Power, which operates the electricity distribution system in your community?



Online Workbook
Electricity 101

Commercial
GS > 50 kW

How much of my organization's electricity bill goes to Brantford Power?

- Every item and charge on your bill is mandated by the provincial government or regulated by the Ontario Energy Board (OEB), the provincial energy regulator.
- While Brantford Power is responsible for collecting payment for the entire electricity bill, it retains only the distribution portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- **Distribution makes up about 5% of the typical commercial and industrial customer's bill.**
- The rest of your bill payment is passed onto provincial transmission companies, power generation companies, the government and regulatory agencies.

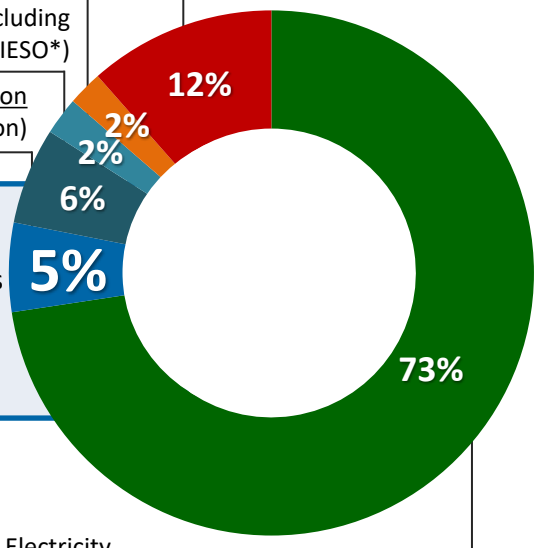
BPI Sample Monthly Bill
(Based on 250 kW monthly demand)

Account Number:
2xxxxx-XX

Meter Number:
000000

Your Electricity Charges	
IESO Wholesale Electricity	13,680
Delivery	2,590.99
Regulatory Charges	402.73
Total Electricity Charges	$16,673.72
HST	2,167.58
Total Amount	$18,841.30

Delivery:
Distribution
Brantford Power's typical portion of the total bill is
$1,032.75



*IESO = Independent Electricity System Operator

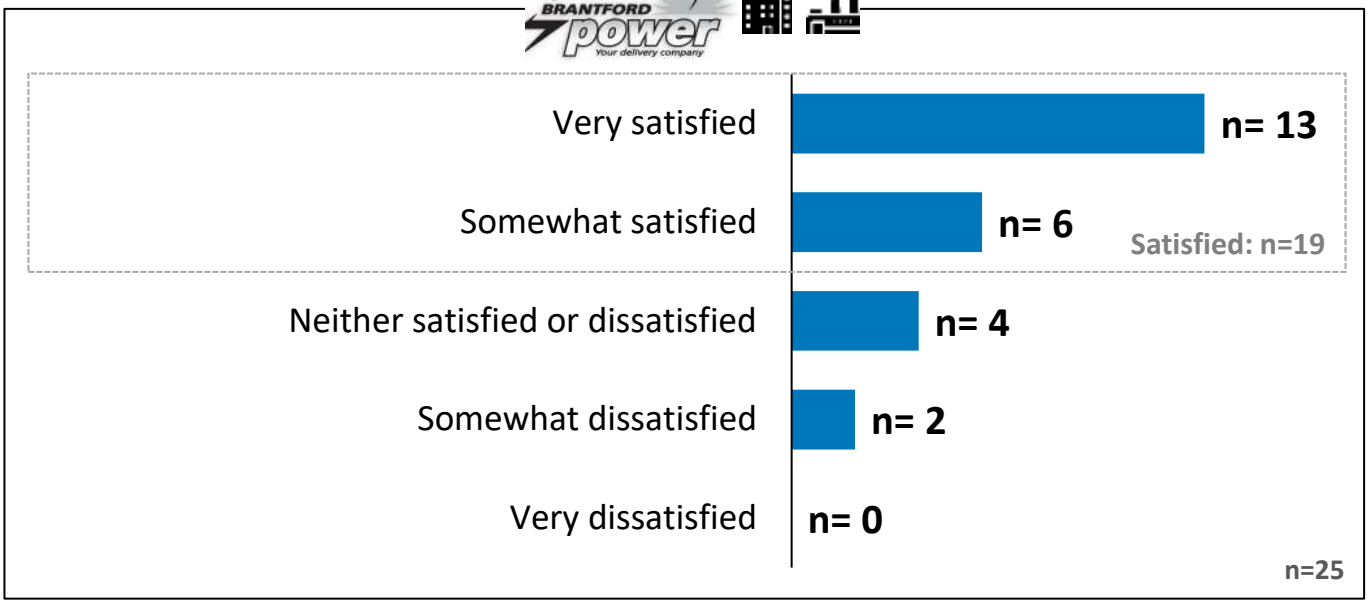
* As of November 2020. Chart may not total 100% due to rounding.

Online Workbook

Overall Satisfaction with Brantford Power

Commercial
GS > 50 kW

Q Thinking specifically about the services provided to your organization and your community by Brantford Power, overall, how satisfied or dissatisfied are you with the services that your organization receives?

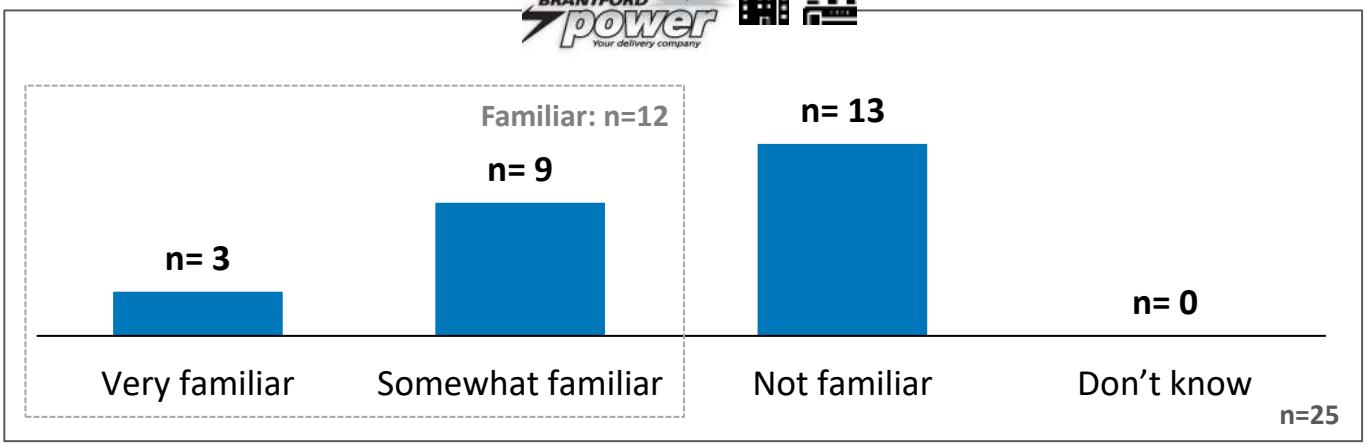


Online Workbook

Commercial
GS > 50 kW

Familiarity with Percentage of Bill Remitted to Brantford Power

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Brantford Power?



Online Workbook

How Can Brantford Power Improve Services?

Commercial
GS > 50 kW

Q Is there anything in particular you would like Brantford Power to do to improve its services to your organization?

Additional Comments (n=8) 17 respondents did not provide additional feedback
It would be beneficial to replace the old submeter and not just the main for our building.
Lower the rates.
No.
Not sure if you can improve this however, we have large machines that draw power and sometimes when there is a power flicker or surge it can cause issues with the machines.
Price will be low for small business like us.
Provide programs for commercial users to reduce their overall electricity bill. Come out to customers and show them how they can save energy costs. Introduce LED lights, implement strategies to conserve energy.
Reduce rates.
The cost needs to be lowered.

Online Workbook

Brantford Power Background

Commercial
GS > 50 kW

Building Brantford Power's plan

Brantford Power develops its business plan based on information and input from **internal engineering and technical experts** who closely monitor the pressures on the distribution system, develop solutions to address these challenges, and recommend investments that support its plans. Brantford Power works with municipal planners and directly with developers to forecast where infrastructure investments are required for future growth.

The plan also considers Brantford Power's **legal and regulatory requirements**, and **customer feedback** collected through both ongoing dialogues and specific engagements, such as this one.

The draft 2022-2026 business plan that you are going to be asked about focuses on many of the same objectives as in the past five-year period, as well as new challenges, including increased growth in the community and evolving customer expectations.

Below are some of the highlights of Brantford Power's 2022-2026 proposed plan.

Objective	Proposed Approach in 2022-2026
Maintain the current levels of reliability and outage performance, in line with the previous 5 years.	- Proactively replacing equipment that is at increased risk of failure. - Installing more automated devices in an effort to reduce the number and length of outages. - Implementing an Outage Management System and 24/7 System Monitoring.
Keep budget increases within inflation except for new requirements or unusual market situations (example: unusual increase in steel prices).	- Making budget and spending choices with consideration of priority levels and a view to affordability.
Maintain historic levels of customer service performance, with an eye on meeting evolving customer expectations.	- Ensuring the I.T. systems and staff expertise are available to meet the evolving customer expectations for performance including customer information accuracy, appointment scheduling, telephone accessibility. - Implementing an Outage Management System with a customer outage map on the Brantford Power website.
Keep in line with industry standards for technological change, without "leading the pack" in innovation.	- Implementing an Outage Management System with a customer outage map on the Brantford Power website. - Continuing to install automated reclosers, making the system smarter and more efficient. - Implementing a multi-year cyber security plan.
Comply with requirements to connect customers, maintain safety and implement regulatory and government policies, enable local customer and economic growth.	- Planning capital budgets to enable the connection of all new customers and new residential, commercial and industrial developments. - Implementing a multi-year cyber security program. - Continuing and enhancing safety programs. - In 2022, Brantford Power is planning to make a $1.3M capital investment to increase capacity in the northwest section of the city. This will ensure Brantford Power is prepared to serve the expected residential and industrial customer growth in that area as well as lowering outage risk for existing customers.

Online Workbook

Commercial
GS > 50 kW

Additional Verbatim: Changes to Approach or Objectives

Q Is there is anything in particular you would change about the approach/objectives above or any other comments you would like to make?

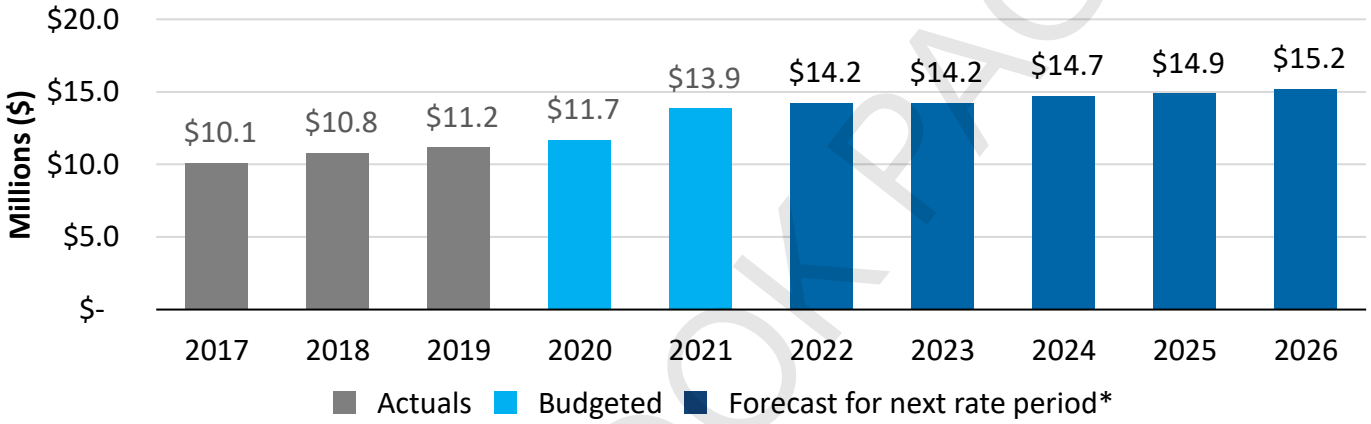
Additional Comments (n=3) 22 respondents did not provide additional feedback
Objectives aligned (and ambitious).
The number of outage occurrence has gone up. There are times when the weather is not bad however the power goes out. Improving the reliability is important for business and residential.
We expect the technology and logistics to be kept current.

Operating expenses

Although the focus of this engagement is on Brantford Power's capital expenditures, operating expenses are a significant portion of the budget. Brantford Power's operating budget covers recurring expenses for core business functions like reading meters; producing customer bills; providing customer services; the operation and maintenance of equipment, buildings, and vehicles; as well as administration expenses.

It is estimated that if Brantford Power continues with its draft plan, its operating expenses would increase by an average of **1.9% per year** for the 2022-2026 period.

Brantford Power Current and Forecasted Operating Expenses, per Year (Millions)



** These estimates are preliminary, and are subject to change as the business plan is finalized.*

Between 2020 and 2021, Brantford Power will see an increase in operating expenses. This increase can largely be attributed to three drivers:

1. **Enhancements in cyber security:** New cyber security measures are required to enable Brantford Power to make progress on its plan to further heighten its cybersecurity, consistent with requirements from the Ontario Energy Board.
2. **Increase in Line Crew and Technical Resource Costs:** Brantford Power has fallen below the historic staffing level in its line crew and requires additional support in its Engineering group, and is therefore proposing to hire new employees in these functions in order to safely restore power as quickly as possible during an outage, as well as supporting the operation and maintenance of the distribution system. Increases to remain competitive in the technical and trades labour market, in order to attract and retain technical expertise are included.
3. **Increase in Administration Professionals:** Brantford Power has assessed that it requires new staff, some of which will be hired on a temporary basis. These positions will contribute to meeting regulatory requirements, helping administer the company by bringing new subject matter expertise, and filling an existing gap in the executive management team.

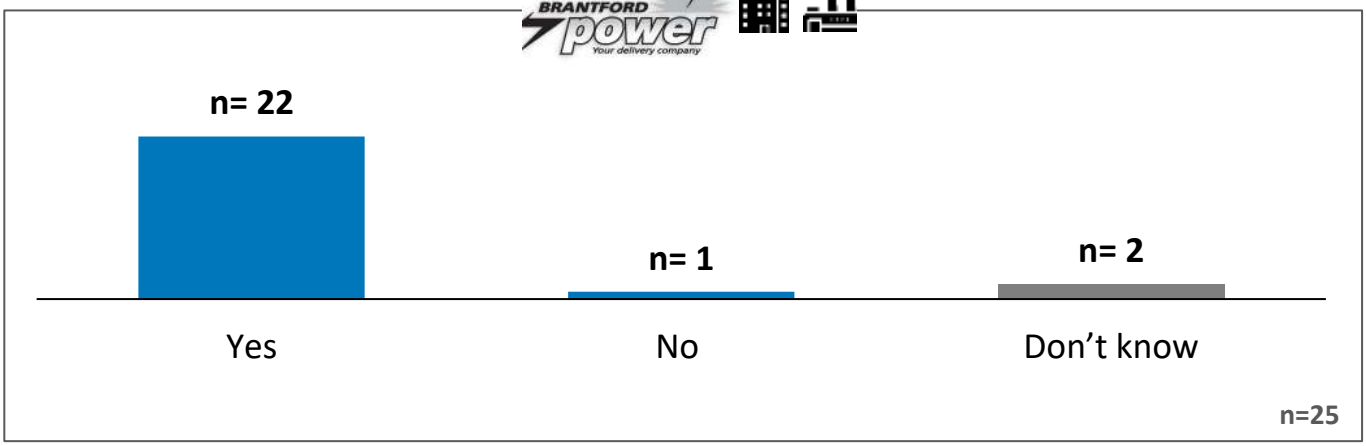
In 2022, the costs reflect increases due to the implementation of third party 24/7 control room monitoring, as well as costs to prepare Brantford Power's application to the Ontario Energy Board.

Online Workbook

Brantford Power Background

Commercial
GS > 50 kW

Q Is it clear what type of expenses are included in Brantford Power's operating budget?

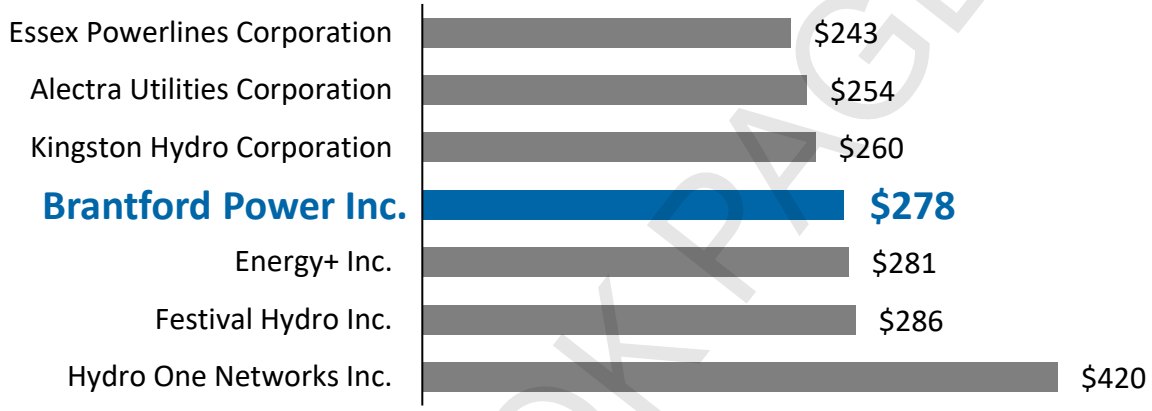


How does Brantford Power compare to its peers?

According to the latest publicly-available Ontario Energy Board (OEB) data, compared to its peers, both in terms of number of customers and geography, Brantford Power's operating expenses per customer were less than some neighbouring utilities, including Energy+ and Festival Hydro, and slightly more than others.

2019 Operating & Maintenance and Administration (OM&A) Per Customer ($)

Source: OEB 2019 Yearbook of Distributors



Benchmarking isn't the only way that Brantford Power measures its operational efficiency. Under provincial regulation, each year, Brantford Power is required to find internal cost savings, whether through new technologies, or operational efficiencies.

- **Industry Partnerships:** Brantford Power is a member of the GridSmartCity Co-operative, an organization that brings together 15 Ontario large distribution companies (LDCs) to collaborate and share knowledge, skills and expertise – with some of the goals being increased efficiency and cost savings through economies of scale. Participation in this group, as well as the Utilities Standards Forum, allows Brantford Power to decrease the costs spent on such items as IT and HR policy development, Health and Safety training and policies, and the development of Engineering Standards.

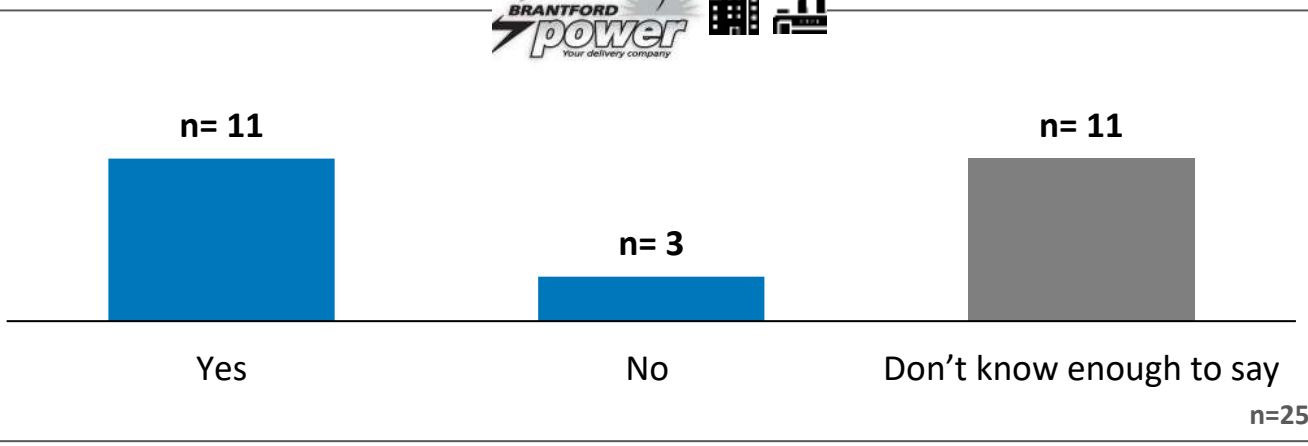
- **Reducing Facility Costs:** Brantford Power's facility relocation includes joint occupancy with three other tenants, including neighbouring utility, Energy+. These tenants will make lease payments to Brantford Power and as a result Brantford Power has been able to reduce the building costs included in rates. Brantford Power and Energy+ intend to pursue further savings together through the sharing of certain costs common to local distribution companies, for example a mechanic's bay and warehouse management.

Online Workbook

Brantford Power Background

Commercial
GS > 50 kW

Q Based on what you know, do you believe that Brantford Power should be looking to pursue more industry partnerships to find efficiencies?



n=25

Online Workbook

Approach to Operating Expenses

The Ontario Energy Board (OEB), the provincial energy regulator, conducts an open and transparent review process where experts from the OEB and intervenor groups review and challenge every dollar that Brantford Power proposes to spend. Detailed discussion regarding Brantford Power's operating budget are conducted by experts from the OEB and intervenors as part of the formal rate application review. Intervenors are knowledgeable industry experts who represent and act on behalf of various customer groups.

Therefore, questions about Brantford Power's operating expenses will not be asked in this customer engagement. Brantford Power plans to file this application in early 2021 at which point you are encouraged to participate in the OEB process if you are interested in commenting on Brantford Power's operating expenses. Details will be available at that time at oeb.ca/participate.

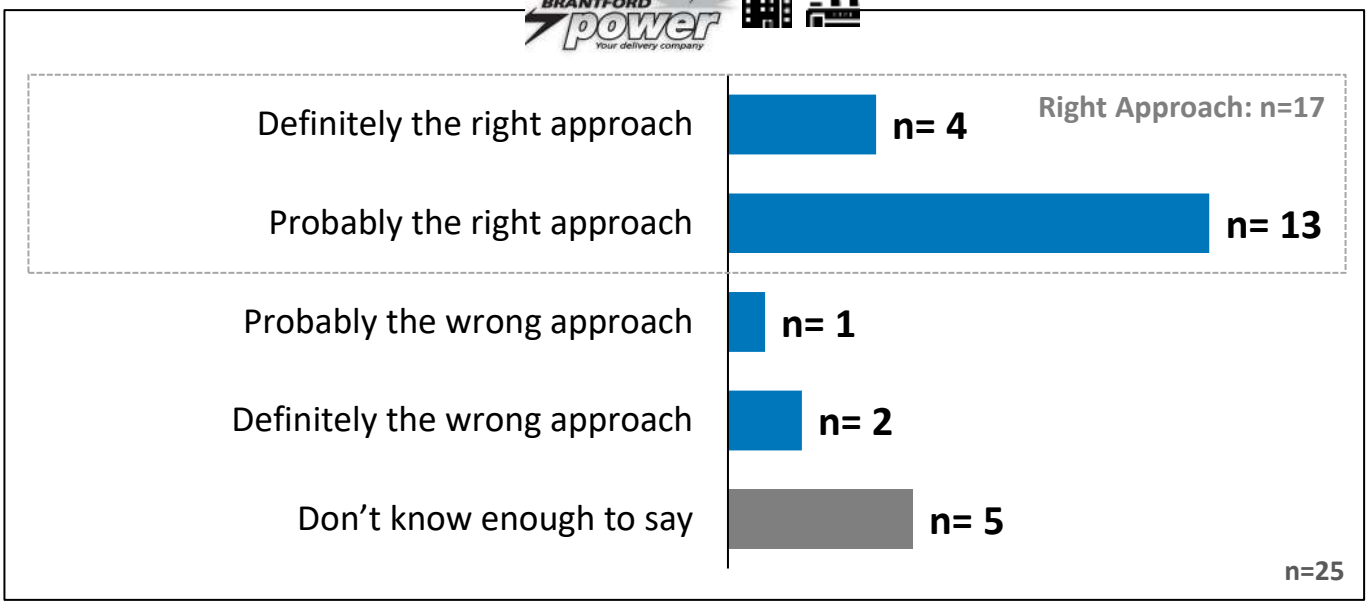
This engagement is focused on collecting your views on the trade-offs in capital investments.

Online Workbook

Approach to Operating Expenses

Commercial
GS > 50 kW

Q Does leaving the detailed discussion about Brantford Power's operating budget to OEB experts and intervenors seem like the right approach or wrong approach to you?



Q [If wrong approach] And why do you say leaving the detailed discussion about Brantford Power's operating budget to the OEB and intervenors is the wrong approach?

"Wrong approach" leaving operating discussion to OEB (n=3) Asked only of those who said "wrong approach" to previous question
Do not rely on the OEB. Get further input from industry leaders from across the country, outside our borders. OEB is not trustworthy, lack of confidence in their decision's and management.
OEB and intervenors are not presenting a customer perspective- these people are way too far away from the results of their decisions.
Too far removed from the actual operating expenses and the community in which they will be spent.

Online Workbook

Background Information

Commercial
GS > 50 kW

Brantford Power's capital budget

Brantford Power's **capital budget** covers items that have lasting benefits over many years, such as investments in the core distribution system, including poles, wires, cables, switches and transformers.

Based on information and input from Brantford Power's internal engineering and technical experts, emerging pressures on the distribution system, and ongoing conversations with customers, Brantford Power has assembled a draft capital budget for the five-year period between 2022 and 2026 that is estimated to be **$24.6 million**.

Brantford Power classifies the costs of four types of capital investment between 2022 and 2026. Each of these four investment categories helps Brantford Power pace and prioritize projects.

2022-2026 Forecasted Capital Investments (Millions)*

**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

Mandatory Investments ($12.1 Million)

"Must do" investments for new subdivisions, new upgraded commercial and industrial services, and relocating assets based on road infrastructure needs.

Replacing Equipment ($5.9 Million)

Replacement of existing overhead wires, poles, and pole mounted transformers, underground cables and transformers and distribution station upgrades.

Keeping the Business Running ($3.5 Million)

These are investments needed to support the distribution system, such as tools, vehicles, buildings, software and computers.

Preparing for Future Growth and Modernization ($3.2 Million)

These investments consist of projects that address capacity constraints, improve system reliability and supply new growth.

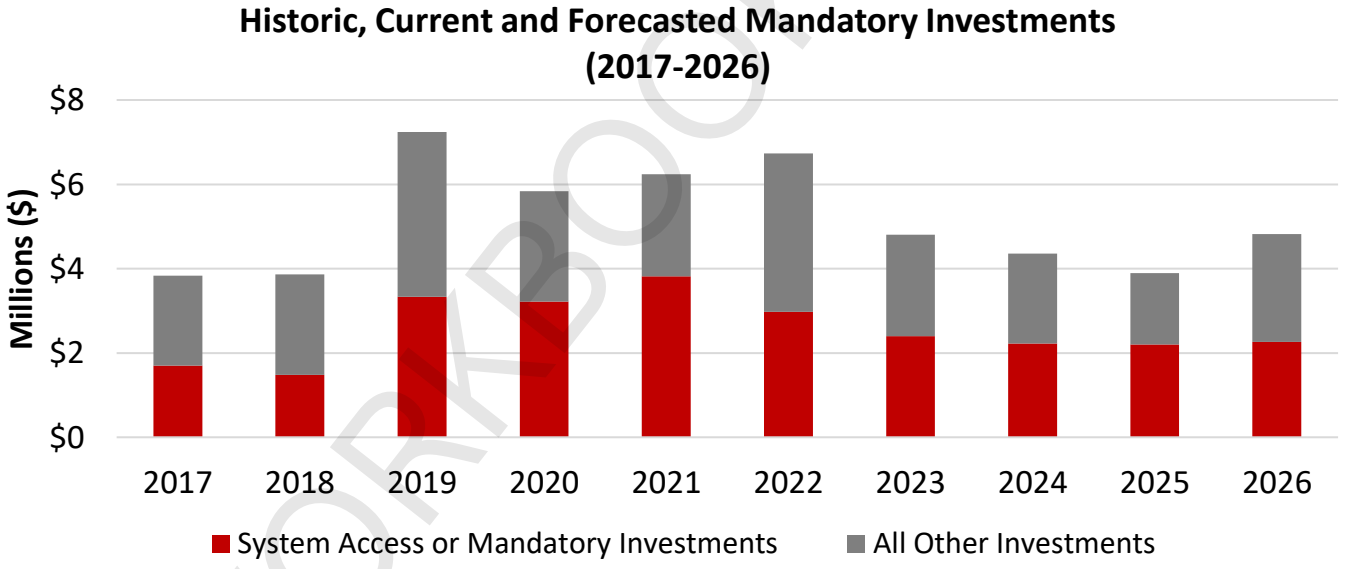
Mandatory investments

Federal, provincial and municipal governments as well as regulators set requirements and standards that Brantford Power must satisfy. Mandatory investments can be broken down into three categories:

- **Connecting customers**: This includes connecting customers to the grid when a new home or building is constructed or modified.
- **Moving equipment**: This includes moving equipment like poles and cables for road widening.
- **Mandated obligations**: This includes installing and maintaining customer meters and transferring electricity from the provincial transmission system.

Since 2017, these types of investments have accounted for more than a third of Brantford Power's total capital budget.

That means that about **1-in-3 of the dollars** in the capital plan are already committed and not available for other investments.



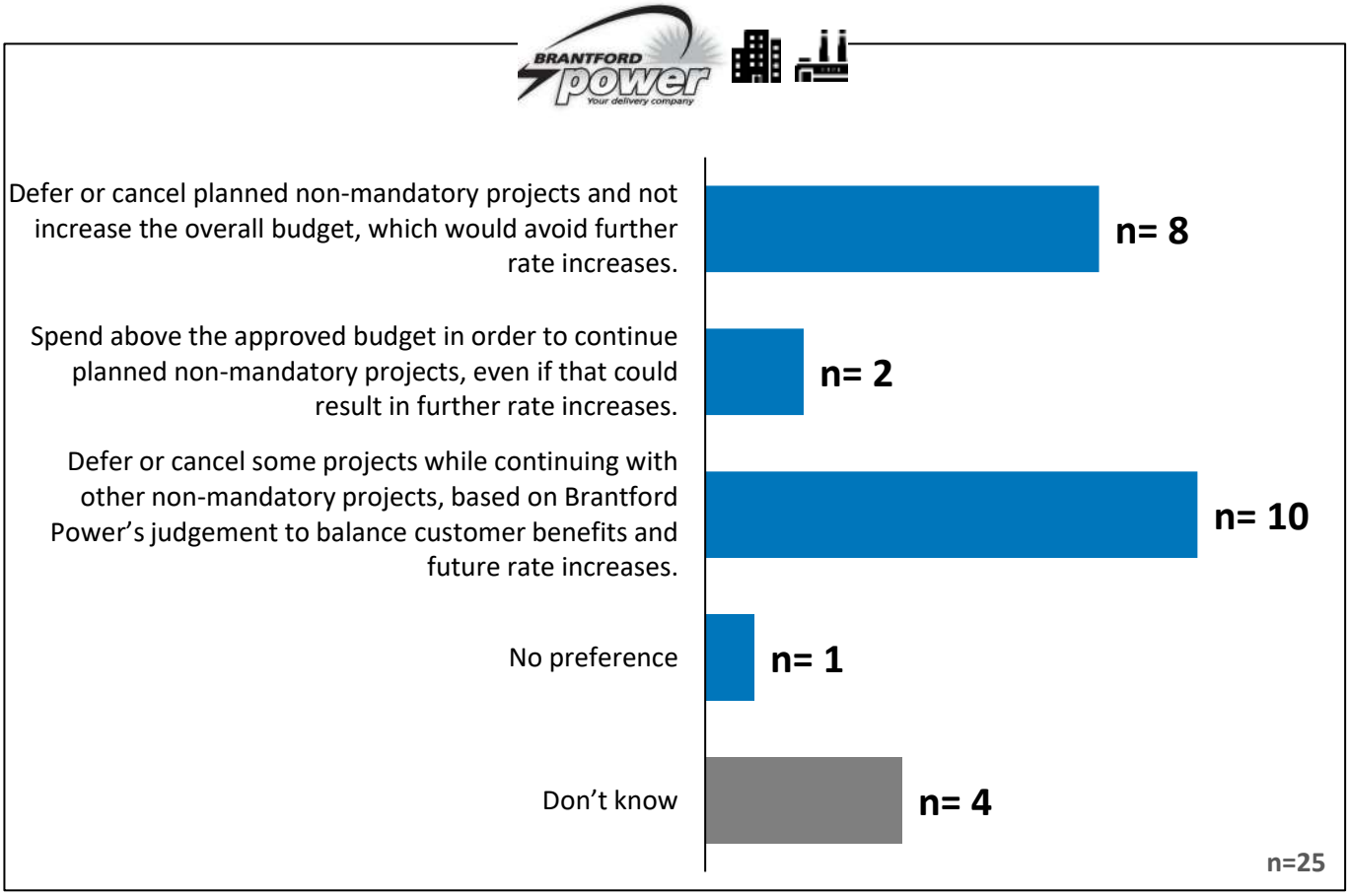
Please note, the chart above does not include a one-time investment of $15M in 2020 related to the purchase of a facility by Brantford Power, which has been reviewed and approved by the OEB. Excluding those facility costs, mandatory investments account for nearly half of all capital investments since 2017.

Online Workbook

Approach to Mandatory Investments

Commercial
GS > 50 kW

Q When mandatory spending exceeds what is included in the budget, what do you feel Brantford Power should do?



Additional Comments (n=5)

20 respondents did not provide additional feedback

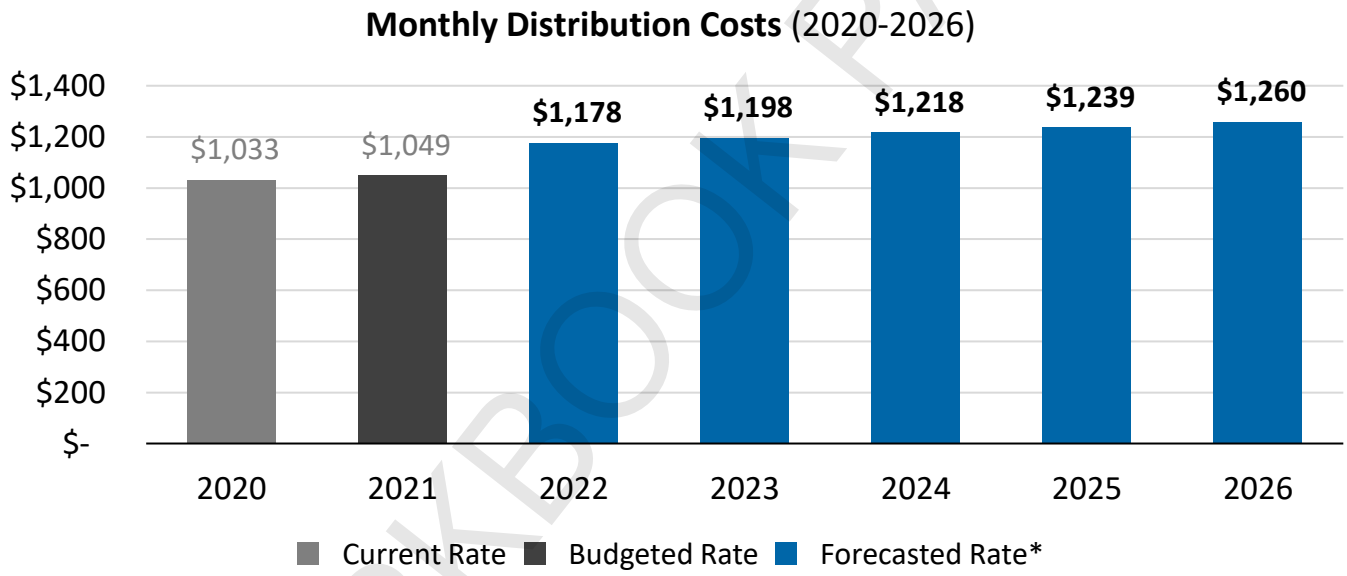
A dollar invested now can save thousands in the future.
I would have to trust that what is best for the consumer - if you can postpone of course to be fiscally you should postpone. If it can't be postponed as in long run would be more expensive that need to bite the bullet and do it.
The balance must not make the cost of electricity such that business will not locate here because of high electrical rates. Same for homeowners.
With all the money that is spent you would think you can budget correctly.
You are asking questions that really need more input and background then you are providing.

How much will Brantford Power's draft plan cost my organization?

Remember, the current typical Brantford Power commercial and industrial customer's electricity bill is about $18,841 per month, of which $1,032.75 goes to Brantford Power.

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $1,178 in 2022, an increase of $128.68 per month compared to the budgeted $1,049 in 2021.

- For the period of 2023-2026, the annual bill increase is limited by the Ontario Energy Board (OEB) to an amount less than the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the 2023-2026 period, the distribution portion of the bill would increase by an average of 1.7% per year.



**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

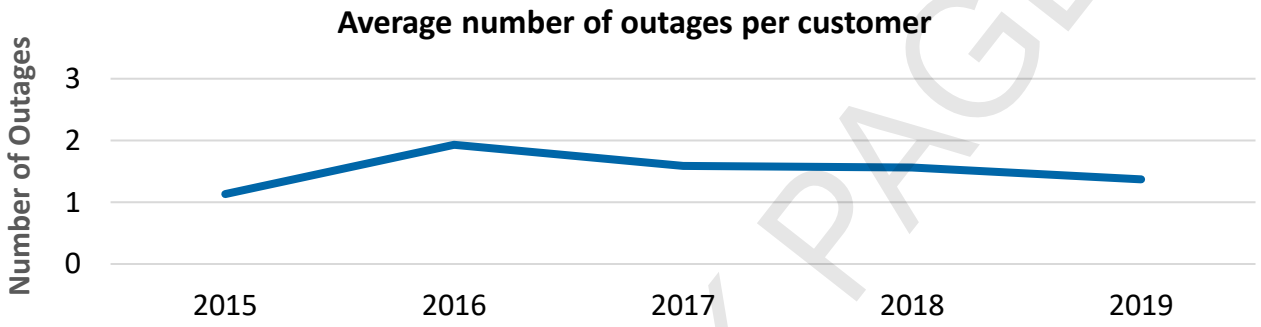
Brantford Power is looking for your input on its draft plan to ensure it is making the spending decisions that matter to you, the customer.

The following sections of this workbook will explore 7 choices that Brantford Power needs to make in order to help finalize its capital plan. Brantford Power will need to demonstrate to the OEB both what they heard from customers, as well as how they reflected your feedback in its plans.

System Reliability

Brantford Power tracks both the average number of power outages per customer and how long those interruptions last.

Between 2015 and 2019, the typical Brantford Power customer experienced **fewer than two outages per year**. An outage is defined as a power interruption that lasts longer than one minute.



Over the same period, the average **duration** of an outage has been about 50 minutes. Meaning, when the power does go out, Brantford Power is typically able to restore power in less than one hour.

Since 2015, nearly half of all outages have been traced back to two causes – loss of supply from the transmission system (27%) operated by Hydro One and defective equipment within Brantford Power's distribution system (20%).

While transmission system failures are largely out of the control of Brantford Power, there are investments that can be made to attempt to reduce the impacts of equipment failure.

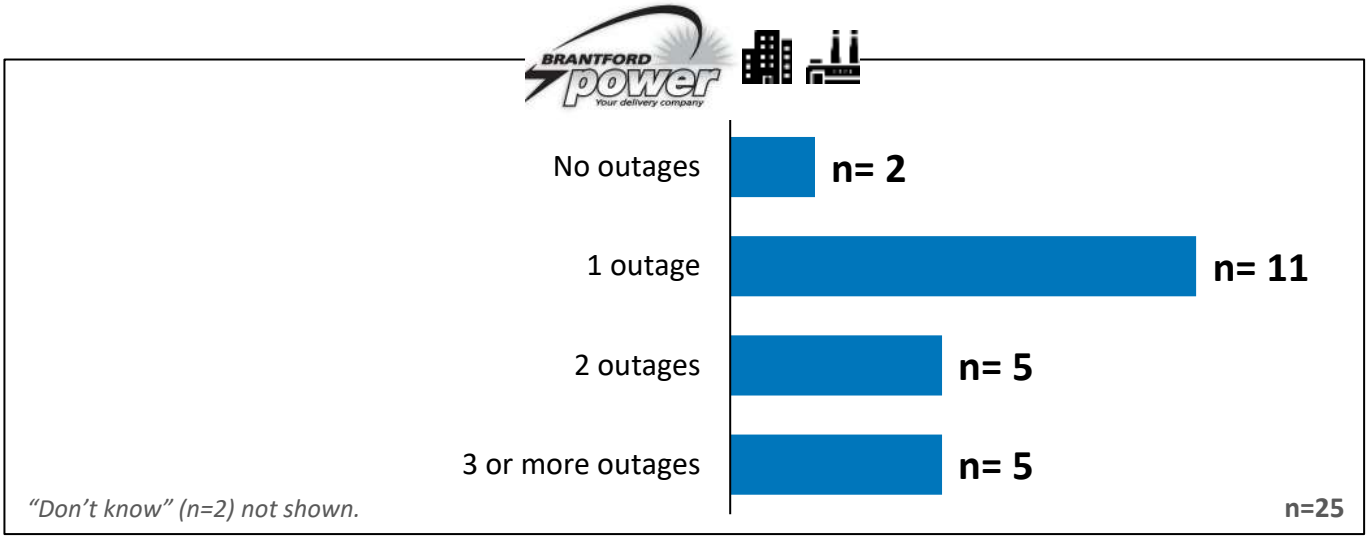
Keep in mind that these are system averages, and your actual experience may be different. Some customers connected to newer lines may not experience any outages while others may experience more than the average number of outages each year.

Online Workbook

Reliability Experience

Commercial
GS > 50 kW

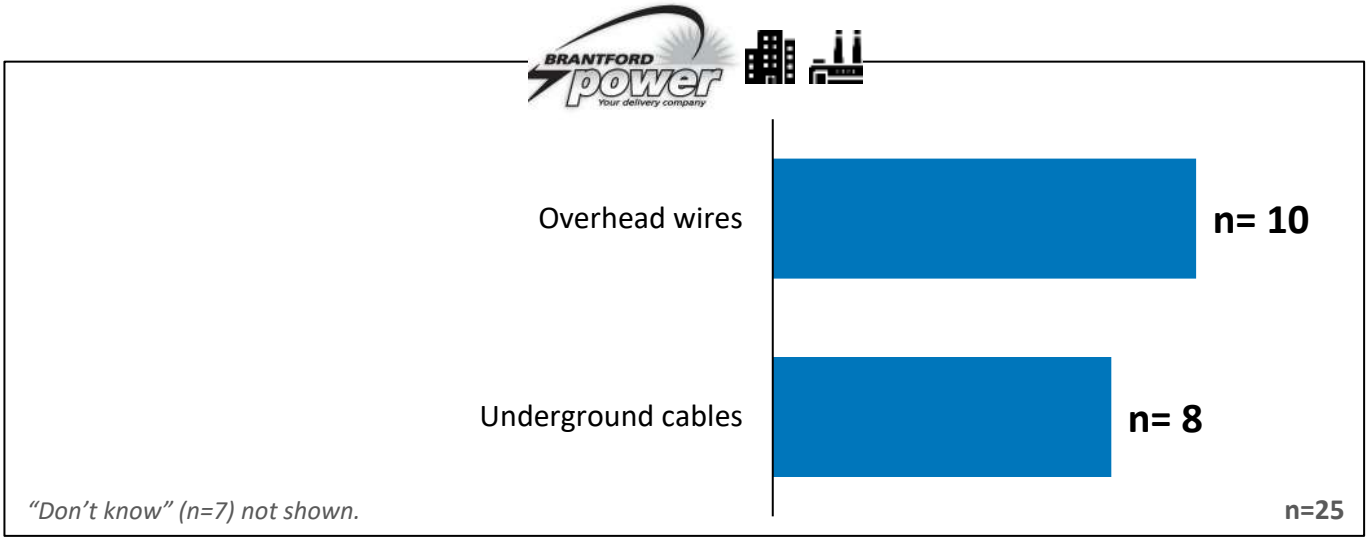
Q Have you experienced any power outages at your business in the past 12 months which lasted longer than one minute?



"Don't know" (n=2) not shown.

n=25

Q To the best of your knowledge, does your business receive electrical service via overhead wires, or underground cables?



"Don't know" (n=7) not shown.

n=25

Online Workbook

Replacing Poles in Poor Condition

Commercial
GS > 50 kW

Pole Replacement

Background: Brantford Power owns 10,052 poles within its service territory. Each year, Brantford Power inspects and tests one third of all poles, and selects poles for replacement based on their condition, age, and the consequences of their potential failure.

Current Approach: On average, each year, since 2017, Brantford Power has replaced 80 poles identified as having a high risk of failure, though the number varied with some years exceeding 100 pole replacements.

Customers served by lines connected to high-risk poles are more likely to experience power outages and when they do, those outages are more likely to last longer and be more expensive to fix.

While poles do not typically cause an outage under regular circumstances, poles in poor condition are more likely to contribute to an outage during inclement weather.

Brantford Power anticipates that, based on the most recent assessment, approximately 70 poles will need to be replaced in 2021, and that similar replacements levels will be required for the period between 2022 and 2026. Falling significantly behind on this investment program can be costly, and may have an increased risk of outages.

2022-2026 Proposed Approach: In its current draft plan, with an emphasis on affordability and balancing the overall spending levels, Brantford Power is proposing to reduce the number of poles replaced each year to 60. Part of the reason for this reduction is to address budget constraints resulting from increased spending in the "mandatory" category as a result of customer growth.

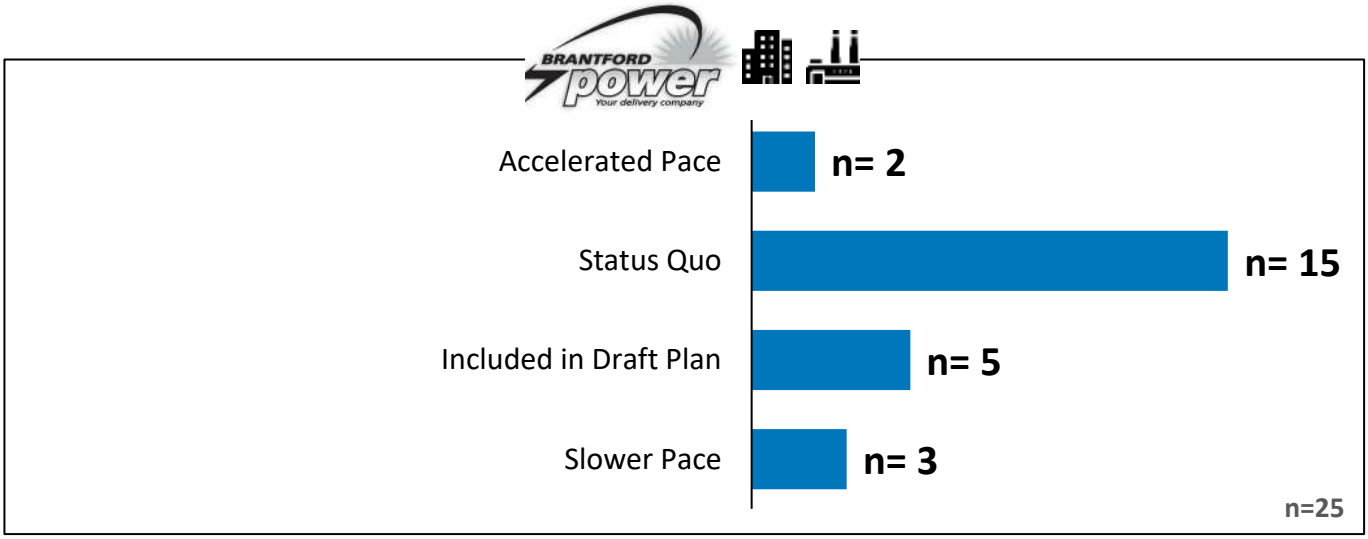
Option	Poles Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.24 per month annually ($2.83 more per year)*	80 per year	This approach is in line with the past few years, and would lead to similar outage experiences
Status Quo ***Additional*** *$0.12 per month annually ($1.42 more per year)*	70 per year	This approach is in line with the expected recommendations from the utility's prioritization system.
Included in Draft Plan *Within the proposed increase*	60 per year	This approach reduces the budget but may lead to a slight increase in risk of outages.
Slower Pace ***Decrease*** *of $0.12 per month annually ($1.42 less per year)*	50 per year	This is the option with the lowest cost impact but a higher risk of outages.

Online Workbook

Replacing Poles in Poor Condition

Commercial
GS > 50 kW

Q Which of the following options do you prefer?



Additional Comments (n=3) 22 respondents did not provide additional feedback
Cost savings are to be high priority.
Do not want an increase! Prefer to have equipment replaced at 80 per year with no increase. Shift the costs to another part of your pie - whoever is collecting the largest chunk get them to take smaller portion.
Putting things off only leads to increased costs down the road.

Making Choices (2 of 7)

Porcelain Device Replacements

Background: Brantford Power has nearly 1,000 porcelain devices in its system that are used to protect electrical distribution equipment from the damaging effects of lightning strikes and electrical current surges. These devices are attached to distribution poles.

When these devices fail unexpectedly, often during inclement weather events, it can lead to prolonged outages, impacting between 10 and 40 customers, as well as increased reactive replacement costs. The device failures can pose a risk to employee safety when working on power lines close to these devices.

Based on outage statistics for the previous 5 years, it is estimated that broken porcelain devices are responsible for nearly 74% of customer outages caused by defective equipment or approximately 15% of all outages.

Current Approach: In recent years, Brantford Power determined that all porcelain devices in the system will need to be replaced. In 2020, Brantford Power will be replacing 60 devices – leaving over 900 still in need of replacement.

2022-2026 Proposed Approach: Brantford Power is planning to triple the budget for this project from 2020 to 2021 and is proposing to continue with this pace of replacement in 2022-2026.

While the project spending is not as significant as other projects in this consultation, there are implications to customers. Proactively replacing a porcelain device near your home or business could result in a planned outage that lasts between 1-2 hours. Of course, customers would be notified prior to any planned outage that could impact their service.

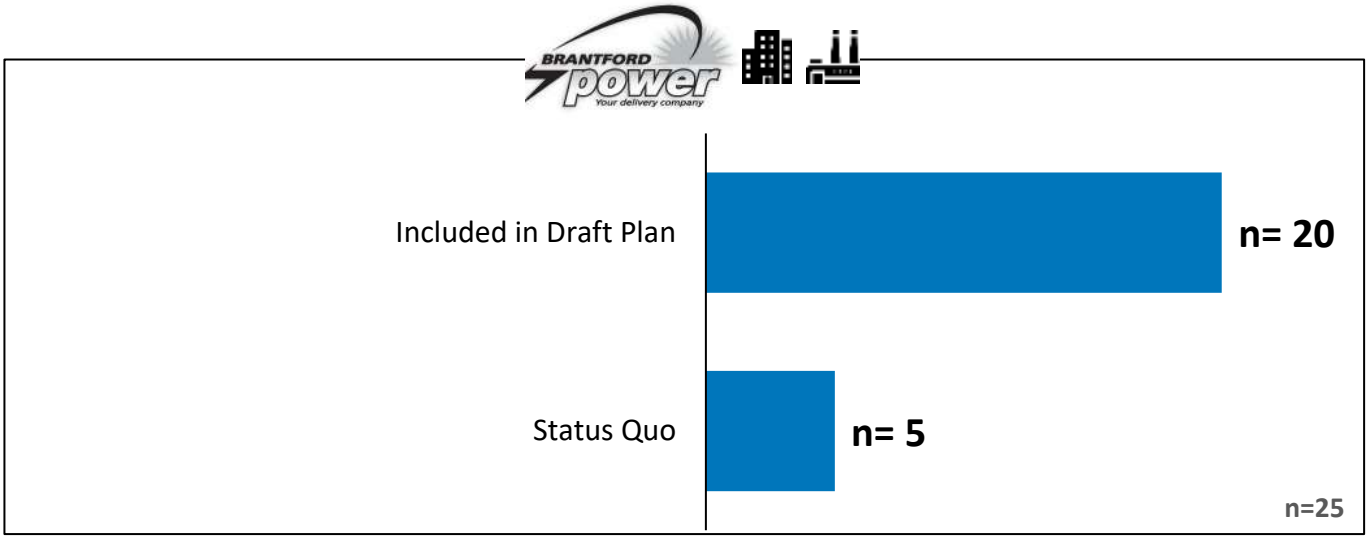
Option	Porcelain Device Replacements	Expected Outcome
Included in Draft Plan *Within the proposed increase*	150 per year	Longer, unplanned outages related to porcelain devices will be reduced, at the price of an increase in shorter, planned outages which customers are notified about.
Status Quo ***Decrease*** *of $0.11 per month annually ($1.33 less per year)*	60 per year	As equipment continues to fail, customers may experience more unplanned outages, especially during severe weather.

Online Workbook

Porcelain Device Replacement

Commercial
GS > 50 kW

Q Which of the following options do you prefer?



Additional Comments (n=3) 22 respondents did not provide additional feedback
Once again replace 150 per year BUT no increase. Shift the pie and have another part of the pie take on the impact of extra cost. Don't pass it on to consumer. Find ways to reduce overall cost in other areas. The average OPG pension is north of $1.5M thanks to tax payers and end users. This is absolutely ridiculous to think the average persons pension is only a fraction of Hydro worker's.
Better a planned outage than an emergency outage. They cost more to repair and may take longer.
So you are asking for good or bad. Really!

Making Choices (3 of 7)

Transformer Replacements

Background: Brantford Power owns 3,620 transformers within its service territory. Transformers are responsible for reducing electricity voltage from higher levels to safely serve homes and businesses in the community. They are typically either located on the ground, in underground vaults, or attached to distribution poles.

Current Approach: On average, since 2017, Brantford Power has been replacing approximately 20 transformers per year – this includes both reactive (due to equipment failure) and proactive replacements.

Based on historical outage statistics, 20% of customer outages were caused by defective equipment failure. Transformer failure is the second-highest cause in this category, next to porcelain devices. Failed transformers were responsible for nearly 14% of all customer outages caused by defective equipment from 2015 to now. In more recent years, these failures have been occurring during hot weather due to increased air conditioning usage.

Typically, up to 30 customers are impacted by a single transformer failure. The duration of the outage varies and can take up to 3 hours to replace the transformer.

Similar to the pole replacement program, Brantford Power selects transformers for proactive replacement based on an asset management system which contains data regarding the condition of assets and other critical factors that would impact the likelihood and the impact of an outage.

2022-2026 Proposed Approach: Brantford Power is proposing to increase the number of transformers it replaces each year from 20 to 27. This change will help reduce the backlog of transformers that are at increased risk of failure.

As with poles, Brantford Power will always need to replace transformers, therefore, this is a matter of whether customers would rather pay more during the upcoming rate period, to expedite the replacements, or push some level of investment beyond the next five years.

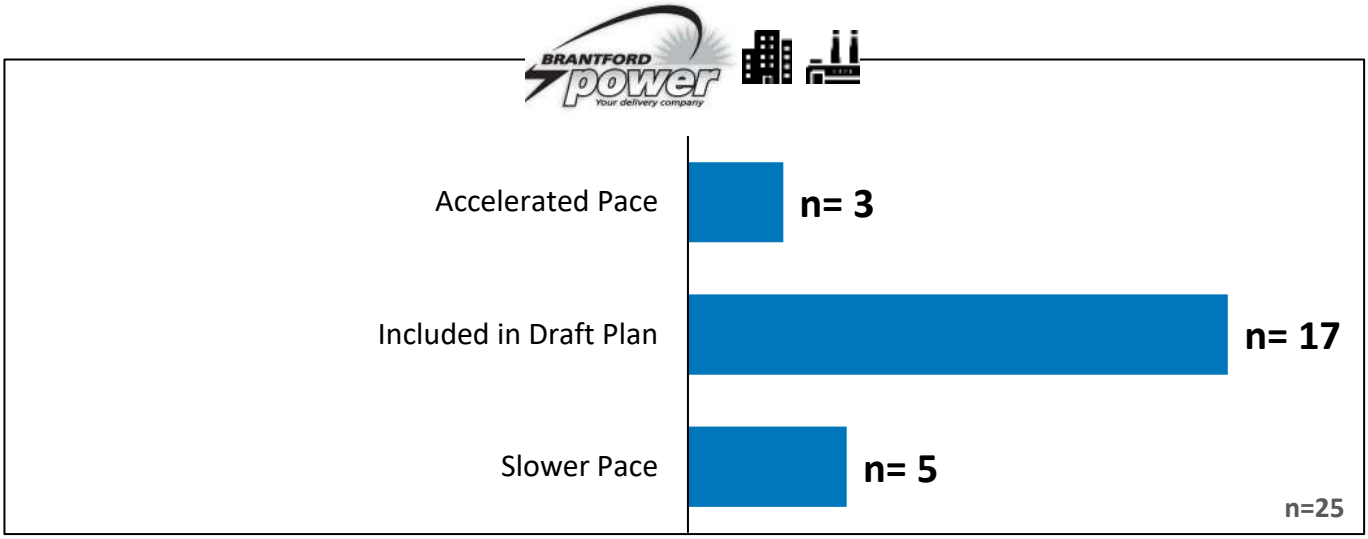
Option	Transformers Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.16 per month annually ($1.96 more per year)*	40 per year	Reduce the risk of outage to the 1,200 customers per year connected to the highest risk transformers.
Included in Draft Plan *Within the proposed increase*	27 per year	Reduce the risk of outage to the 810 customers connected to the highest risk transformers
Slower Pace ***Decrease*** *of $0.09 per month annually ($1.06 less per year)*	20 per year	Continue with status quo, reducing the risk of outage each year to the 600 customers connected to the highest risk transformers

Online Workbook

Transformer Replacements

Commercial
GS > 50 kW

Q Which of the following options do you prefer?



Additional Comments (n=2)

23 respondents did not provide additional feedback

Replace 40 per year and do not increase the rate. Shift cost elsewhere i.e. reduce costs of administration, reduce pensions and benefits and get them in line with private sector!
Slower pace focused on higher risk equipment - most will last a long time still.

Online Workbook

Underground Structure Replacements

Commercial
GS > 50 kW

Making Choices (4 of 7)

Underground Structure Replacements

Background: Brantford Power operates and maintains a large system of underground infrastructure that includes vaults, junction boxes, manholes, and junction pads. Underground structures are an essential part of Brantford Power's distribution system. These devices provide structural support, housing, and access to the electrical distribution equipment, such as submersible transformers and buried cables. There are 2,137 underground structures in Brantford Power's service territory.

Each year, Brantford Power completes a visual inspection of one third of all structures to determine their condition. Brantford Power establishes the required replacement levels, using the condition assessment information combined with age and impending risk to safety. These replacements have no direct linkage to outages.

Brantford Power will need to continue to replace these assets reactively if they are identified as at risk of imminent failure in order to address safety risks such as trip hazards.

Current Approach: Since 2017, Brantford Power has proactively replaced on average about 24 vault and junction boxes per year.

2022-2026 Proposed Approach: For affordability concerns, Brantford Power has proposed to slow down the pace to 10 replacements per year.

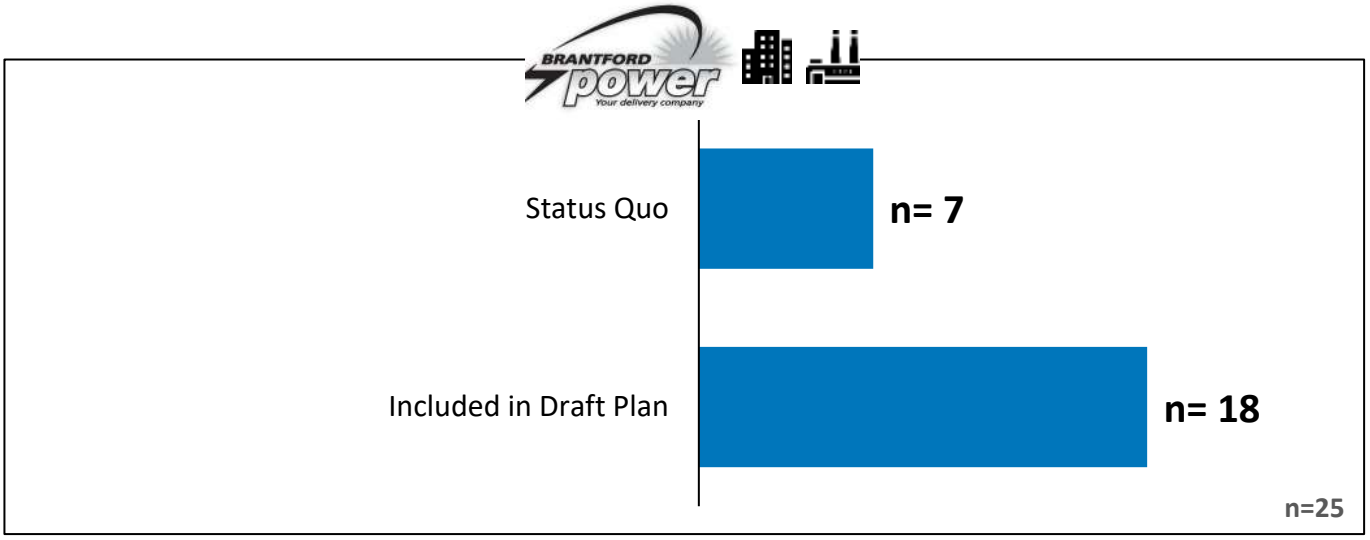
Option	**Underground Structures**	**Expected Outcome**
Status Quo ***Additional*** *$0.19 per month annually ($2.33 more per year)*	Status quo	Continue with status quo
Included in Draft Plan *Within the proposed increase*	Decrease the cost of replacements by about 60%	Delay the removal/replacement of underground structures. Structures with a potential risk to safety would still be replaced.

Online Workbook

Underground Structure Replacements

Commercial
GS > 50 kW

Q Which of the following options do you prefer?



Note: No additional comments were recorded.

Making Choices (5 of 7)

Automated Reclosers

Background: Automated reclosers are devices which allow Brantford Power to potentially avoid an outage under certain conditions, such as, when a tree branch or animal comes into contact with a power line. In these cases, if there is a recloser on the line it automatically briefly shuts off power to the power line and then quickly restores power, resulting in only a momentary interruption or flicker.

Without the reclosers, these situations would lead to an outage, requiring the deployment of a line crew to restore power. The deployment of these devices also helps to reduce the number of customers affected by an outage, as well as deliver an additional benefit of helping identify and monitor the outage. As more and more of these devices are installed, they will enable Brantford Power to implement "self-healing" capabilities in its system.

Implementation of a greater amount of reclosers will also support Brantford Power's implementation of the 24/7 system monitoring discussed in the question below.

Current Approach: Brantford Power has been installing this type of equipment where outages have historically been most likely to occur, and where reliability is of increased importance, for instance hospitals. Brantford Power installed its first automated recloser in 2004 and began increasing the pace of installations in 2015.

On average, since 2017, Brantford Power has been installing approximately three new reclosers per year. Depending on where it's located and the nature of the customers in the area, each recloser can impact anywhere between 50 and 2,700 customers, with an average to date of just over 1,000 customers per recloser.

2022-2026 Proposed Approach: In its current draft plan, Brantford Power is proposing to continue with the status quo of installing three reclosers per year. That said, there is an opportunity to accelerate the pace of rolling out this technology, which would lead to a greater chance of decreasing the number of sustained outages, and reducing number of customers affected by an outage and the length of some outages.

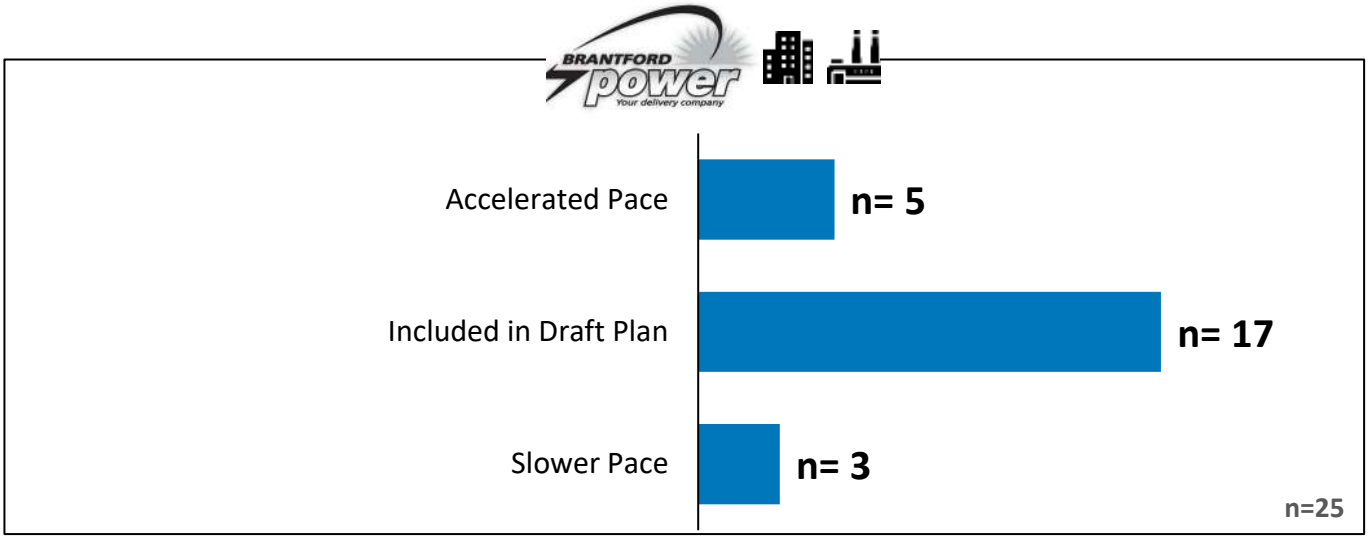
Option	Automated Reclosers	Expected Outcome
Accelerated Pace ***Additional*** *$0.19 per month annually ($2.28 more per year)*	Replace 5 devices per year	Greater likelihood that the program will avoid or limit outages; quicker ability to implement "self-healing" capabilities in the future.
Included in Draft Plan *Within the proposed increase*	Replace 3 devices per year	The status quo will allow Brantford Power to roll out this equipment gradually, slowing the ability to implement "self-healing" capabilities in the future.
Slower Pace ***Decrease*** *of $0.19 per month annually ($2.28 less per year)*	Replace 1 device per year	Lower likelihood that the program will avoid or limit outages; slower ability to implement "self-healing" capabilities in the future.

Online Workbook

Automated Reclosers

Commercial
GS > 50 kW

Q Which of the following options do you prefer?



Additional Comments (n=1)

24 respondents did not provide additional feedback

System is reliable but needs to be more affordable.

Making Choices (6 of 7)

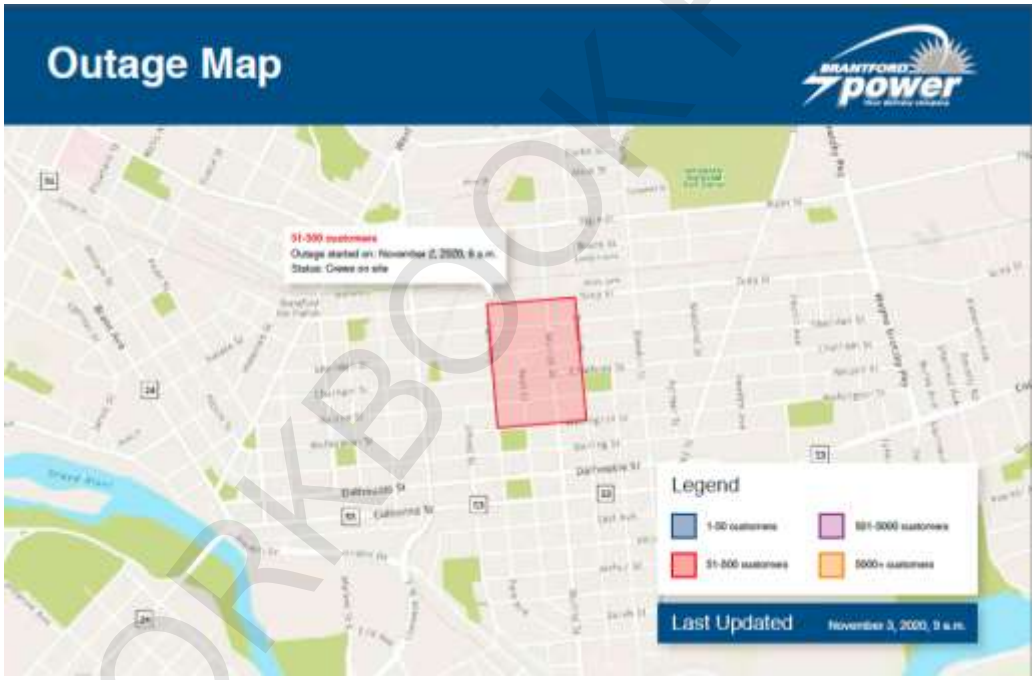
Outage Management System

Background: Brantford Power currently monitors outages using a combination of software, communication devices and manual processes. An Outage Management System would assist Brantford Power with identifying, monitoring, and reporting outages.

Current Approach: Brantford Power does not currently have an Outage Management System in place.

2022-2026 Proposed Approach: Brantford Power is planning to implement an Outage Management System to assist with identifying, monitoring, and reporting outages. As one of the key benefits of the Outage Management System, Brantford Power will be able to display outages on its website in the form of an outage map, which customers can access.

The outage map will indicate where there is an outage, as well as other information regarding the outage.



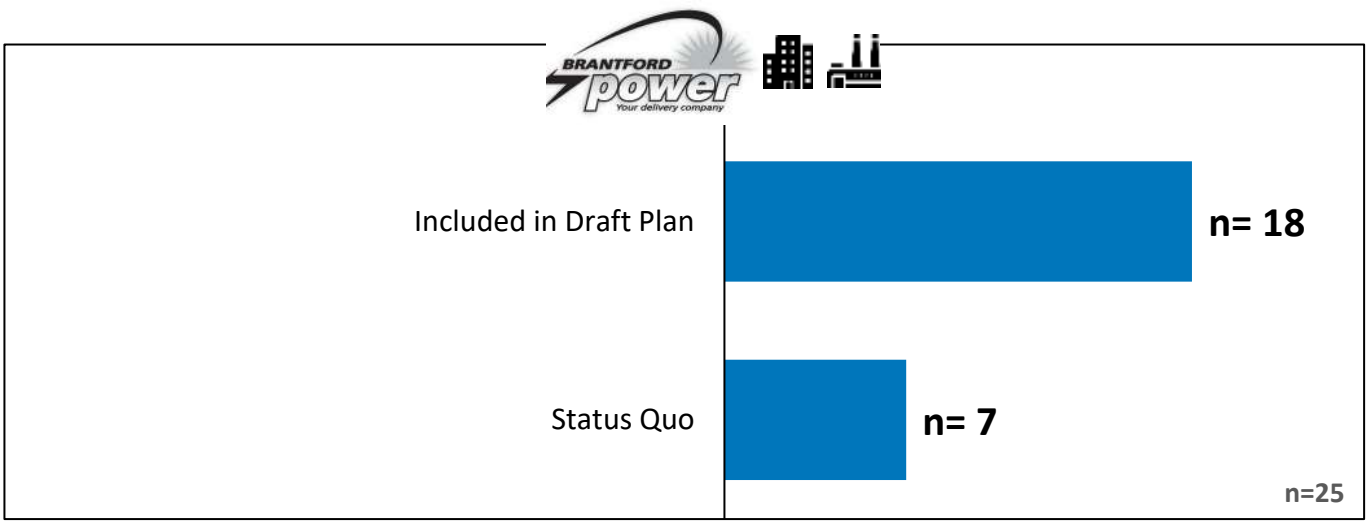
Option	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Implement an Outage Management System to assist with monitoring, reporting, and recording outages by 2022, and implement an outage map on Brantford Power's website.
Status Quo ***Decrease*** *of $5.20 per month annually ($62.46 less per year)*	Brantford Power will continue to monitor its outages using an informal combination of existing systems; however, customers will not be able to access outage data through an online outage map.

Online Workbook

Outage Management System

Commercial
GS > 50 kW

Q Which of the following options do you prefer?



Additional Comments (n=3) 22 of respondents did not provide additional feedback
Why can you not e-mail when outages are in a certain area?
This should have been implemented years ago.
No need for customer tracking.

Making Choices (7 of 7)

24/7 Control Room Coverage

Background: A Control Room is used by local distribution companies to monitor and operate the distribution system, including monitoring the flow of electricity within the distribution system as well as identifying and locating outages, and dispatching line crews to restore power.

The Control Room can act as a central communications hub for distribution company resources during an outage. This assists line crews with the restoration of power as well as helping to provide outage details to customers. A control room can optimize the use of reclosers to help reduce the impact of an outage to a smaller number of customers.

Many local distribution companies have an in house 24/7 control room. Brantford Power currently monitors and operates the system through a combination of computer systems and manual processes. For some limited control room functions, Brantford Power purchases these services from a third party.

Current Approach: During regular business hours (8 a.m. to 4 p.m.), Brantford Power monitors the system for unplanned outages, allowing crews to be quickly dispatched when an outage does occur.

Outside of regular business hours and on weekends, Brantford Power personnel are on-call and are prepared to respond to any unplanned outage when notified. However, the system is not monitored to the same extent as it is during business hours. After hours outages are typically identified through automated system notifications, or through customers who call in to report an outage.

2022-2026 Proposed Approach: Starting in 2022, Brantford Power is proposing to expand the third-party system control room monitoring services to 24/7 coverage. This will assist Brantford Power in responding to after-hours outages more quickly.

This approach would be significantly less costly than staffing a 24/7 control room in house.

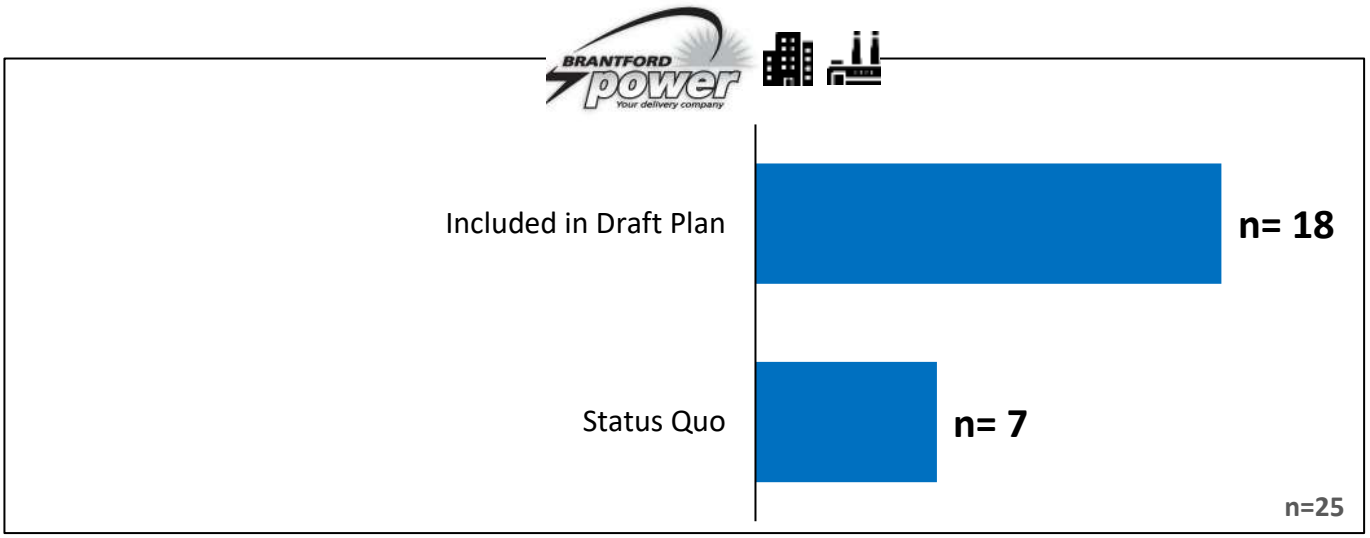
Option	Control Room Project	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Work with a third party to monitor the distribution system after hours.	After-hours and major outages may be shorter in length, improving reliability.
Status Quo ***Decrease*** *of $3.54 per month annually ($42.42 less per year)*	Stay with the status quo- no after-hours monitoring.	Some outages are expected to be longer in duration, particularly overnight outages or major outages.

Online Workbook

24/7 Control Room Coverage

Commercial
GS > 50 kW

Q Which of the following options do you prefer?



Additional Comments (n=2)

23 respondents did not provide additional feedback

Urgency after hours is less critical - saving is helping city be more competitive.
Third party sounds like higher costs.

Representative Workbook

Investment Alternative Summary

Commercial
GS > 50 kW

Impact of Choices

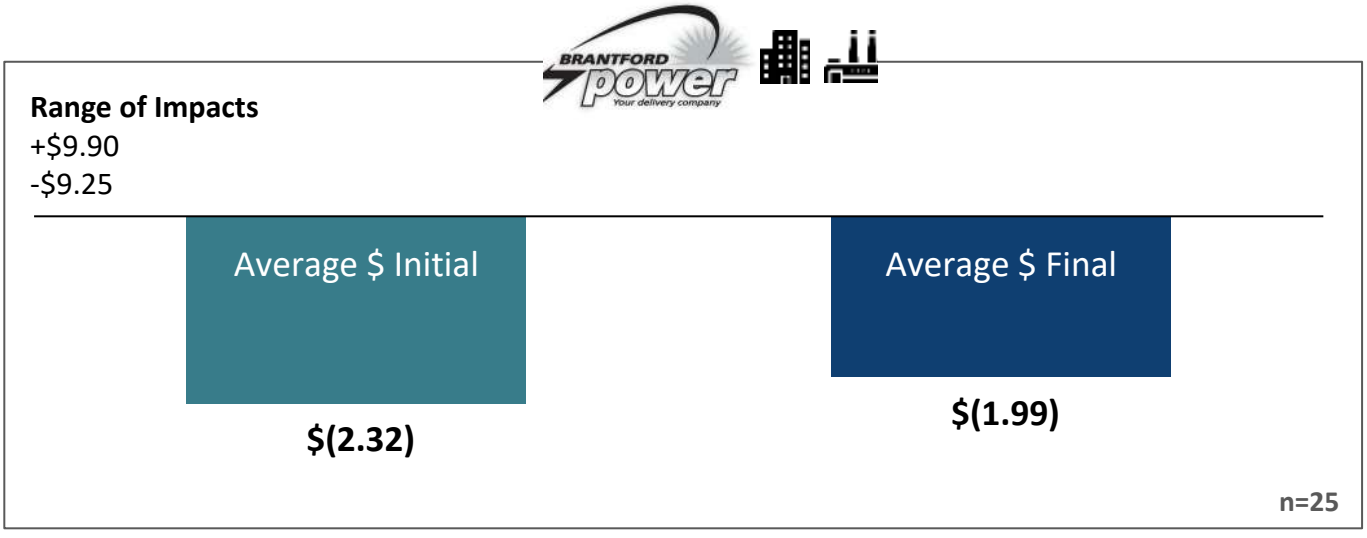
Investment alternative summary

Throughout this workbook, you have been asked about **7 key choices** that could impact your rates. Below is a summary of your answers to the questions that could impact your rates.

At the bottom of this page you will find the total bill impact based on all of your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire; your potential rate impact will be re-calculated. You will have the opportunity to continue adjusting your answers until you feel you've reached the best balance for you.

Q Commercial & Industrial Customer Bill Impact Change and Magnitude of Bill Impact (**MEAN**)



Note: Small n-size, interpret results with caution. There is no statistical significance between the average initial total and the average final total.

About the "Range of Impacts"

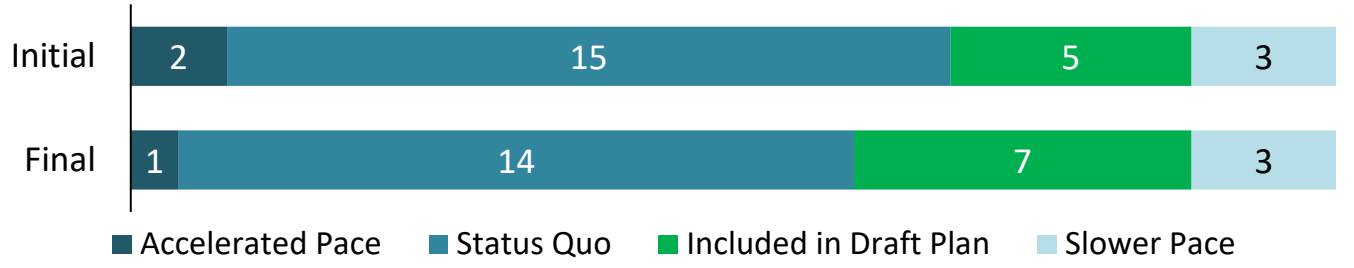
The "Range of Impacts" signifies the highest and lowest possible range of bill impacts above and beyond the Draft Plan. For instance, if a customer, where possible, were to select the most accelerated option, their bill impact would result in an **additional $9.90** per month annually. If they were to select the biggest decrease for each question, it would result in a **decrease of $9.25** per month annually

Representative Workbook

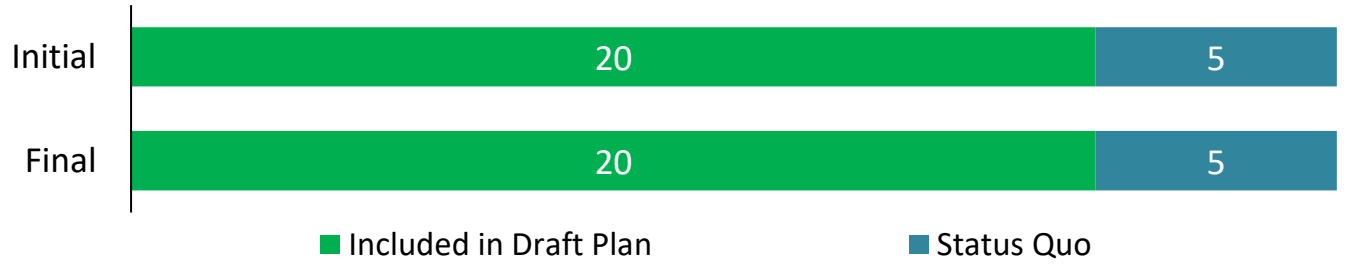
Change in Initial vs. Final Response by Project

Commercial
GS > 50 kW

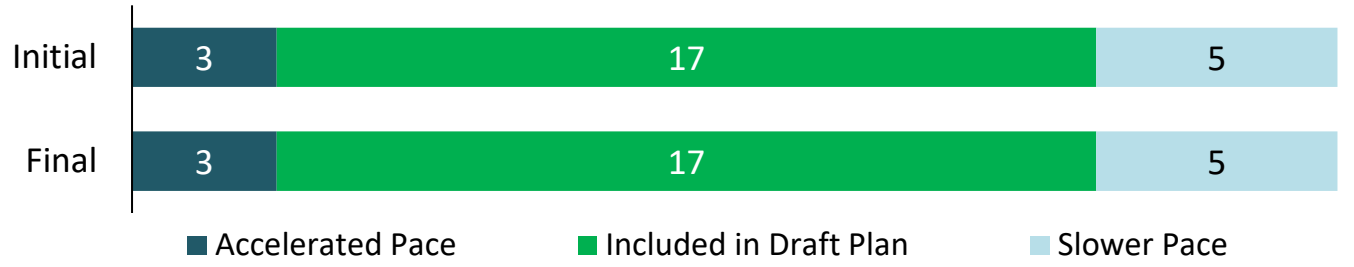
Q Pole Replacement



Q Porcelain Device Replacements



Q Transformer Replacements



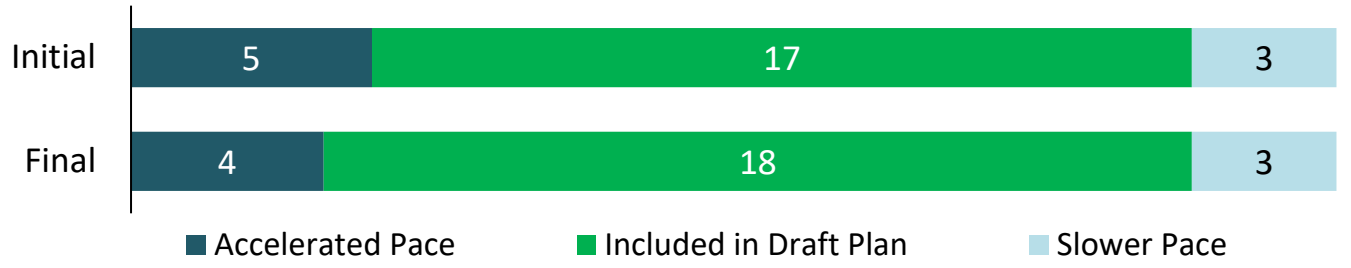
Q Underground Structure Replacements

Representative Workbook

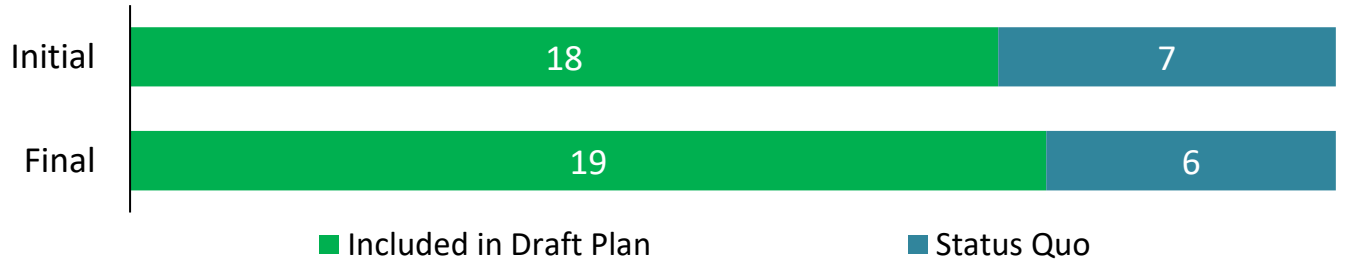
Change in Initial vs. Final Response by Project

Commercial
GS > 50 kW

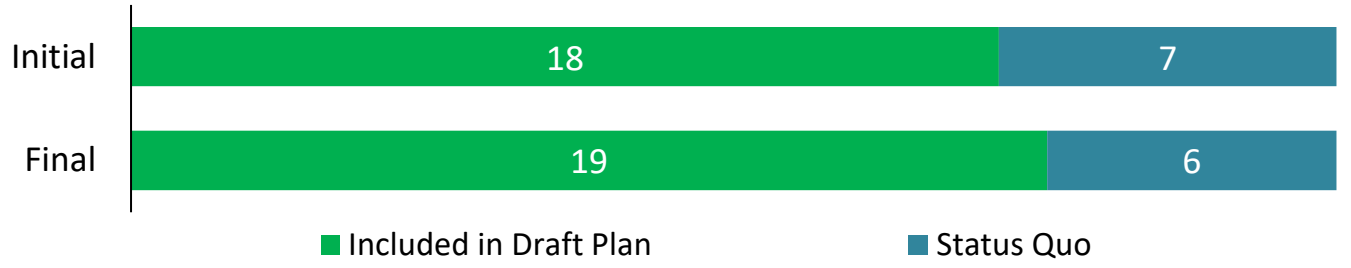
Q Automated Reclosers



Q Outage Management System



Q 24/7 Control Room Coverage



Assessing Brantford Power's draft 2022-2026 plan

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $1,178 in 2022, an increase of $128.68 per month compared to the budgeted $1,049 in 2021.

- Consistent with the Ontario Energy Board (OEB)'s schedule, Brantford Power's distribution rates are updated once per year, typically starting on January 1.
- For the period 2023-2026, the annual bill increase is limited by the OEB to the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the period from 2023 to 2026, the distribution portion of the bill would increase by an average of 1.7% per year.

Estimated Typical Commercial and Industrial Annual Increase in Monthly Bill (5 year forecast)

	Year	Average Commercial/Industrial Bill (Total after tax)	Distribution Portion of Bill	Incremental Rate Change (Distribution portion)
Current Rate	2020	$18,841.30	$ 1,032.75	
Budgeted Rate	2021	$18,857.78	$ 1,049.23	$16.47
Forecast for next rate period	**2022**	$18,986.46	$1,177.91	$128.68
	2023	$19,006.48	$1,197.93	$20.02
	2024	$19,026.84	$1,218.29	$20.36
	2025	$19,047.56	$1,239.01	$20.71
	2026	$19,068.62	$1,260.07	$21.06
				$210.84

The total increase in monthly distribution costs between 2021 and 2026 is forecasted to be $210.84. That means, the typical commercial and industrial customer will be paying **$210.84 more on the distribution portion of their bill by 2026.**

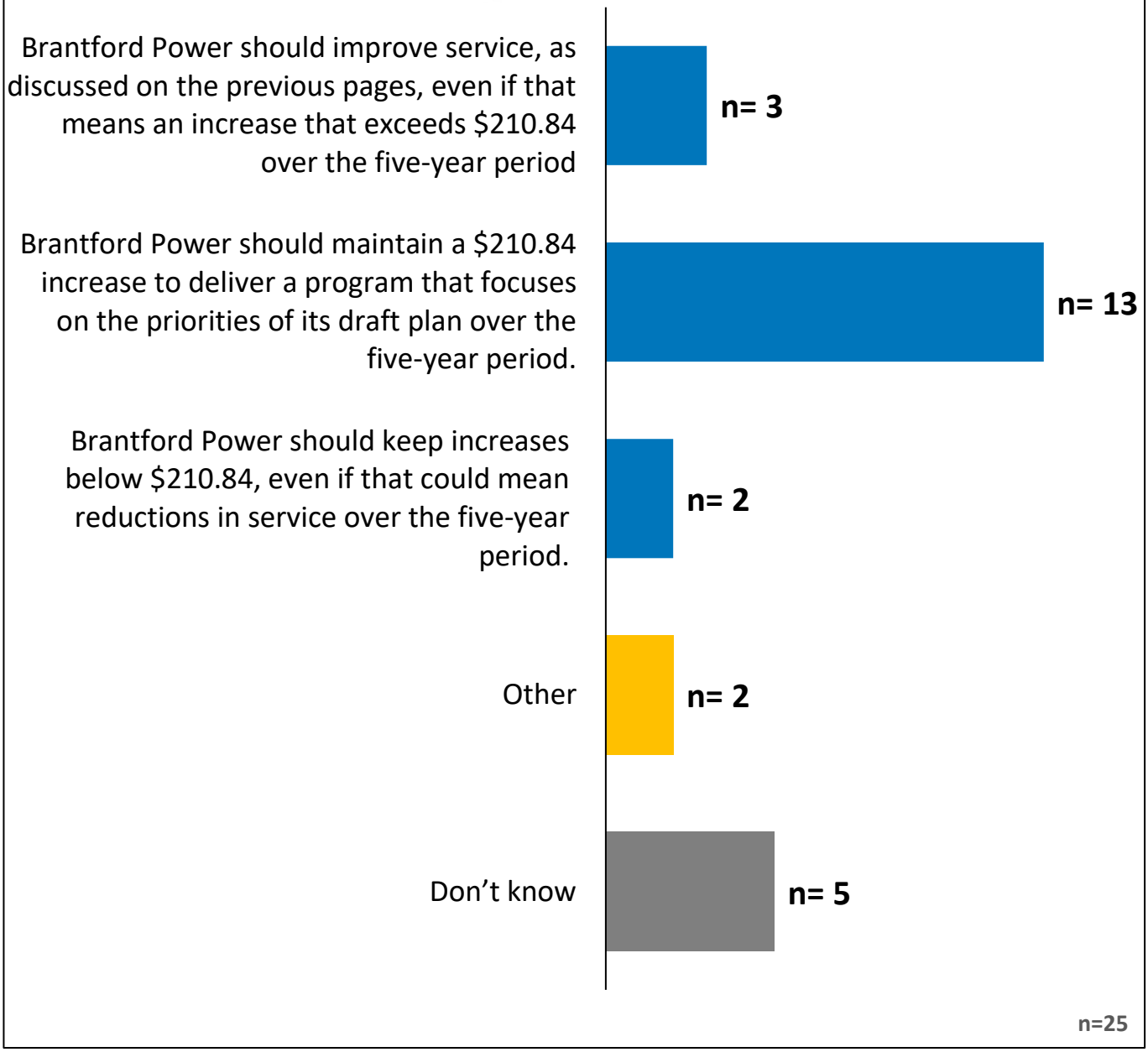
**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized. Estimates are based on a customer with average monthly demand of 250 kW and average monthly consumption of 100,000 kWh.*

Online Workbook

Assessing Brantford Power's draft 2021-2025 plan

Commercial
GS > 50 kW

Q Considering what you know about Brantford Power's draft 2022-2026 plan – which would see the typical commercial and industrial customer's distribution portion of their bill increase by $210.84 over the five-year period – which of the following best represents your point of view?



INNOVATIVE RESEARCH GROUP

Online Workbook
Final Comments

Commercial
GS > 50 kW

Q Thinking about your answer to the previous question, why do you feel that Brantford Power should take that approach over the 2022-2026 period? (Optional)

Final Comments (n=6) 19 respondents did not provide additional feedback
Balanced approach to keeping up and making improvements at a rate that does not price electric power out of reach for business and residential.
City is more efficient when aggressive cost saving parameters are adhered to - this still allows for creative efficiency improvements within the budget
Electricity keeps going up each year. Lets find ways to reduce costs, introduce cost savings measure for the end user. LED lights and how to implement them in a commercial building, give incentives to customers.
I have three businesses and the hydro bill is my most costly bill winter and summer. I would like to see a lower rate for businesses. If the delivery charges are the cause then you need to work on that price. Something has to give.
This means less chances of outages
With the amount it costs business for hydro, some of these "NEW" plans should have been implemented years ago, bills keep going up and service does not improve. With the amount of people it takes to do maintenance in 1 area its no wonder costs are so high.

Q Do you have any final comments regarding Brantford Power or the customer engagement that you just completed? (Optional)

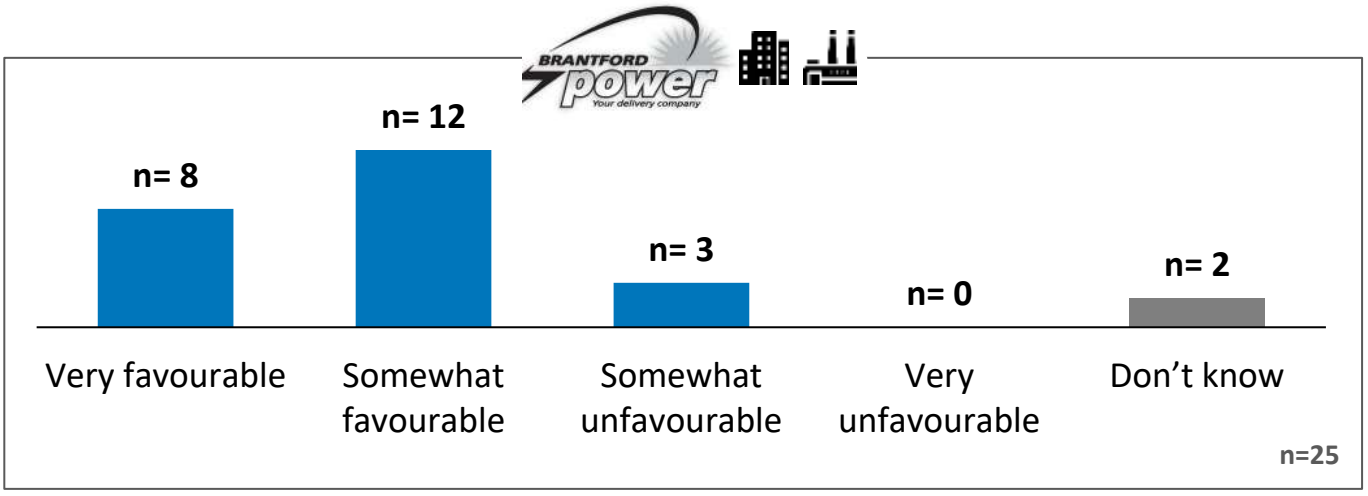
Final Comments (n=5) 20 respondents did not provide additional feedback
An affordable system is preferred over the state-of-the-art system that drives business out of town
Brantford power should decrease price for electricity to small business
Lower business rates.
The process to show customer where the bulk of the costs are going is good. However, each and every part of the electricity bill needs to be assessed for efficiencies. There are people in Ontario who have not had a pay increase in years and don't have generous pension plans. Let's reduce the pensions and benefits to come in line with the rest of the community. Don't compare yourselves to the teachers or civil servants. Compare yourself to the average person without a pension and perhaps then you will find ways to reduce our electrical bill and at the same time replace the old infrastructure.
We do need to keep the system current and understand that upgrading and maintenance ends up being cheaper then waiting until something is broke. It is just really hard with expenses constantly increasing.

Online Workbook

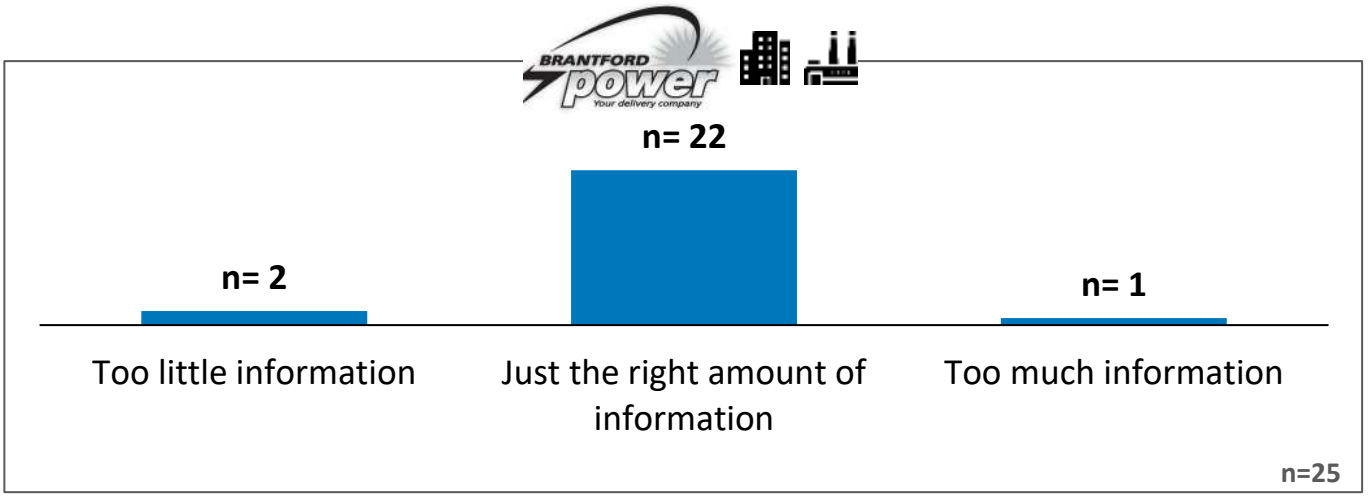
Final Thoughts

Commercial
GS > 50 kW

Q Overall, did you have a favourable or unfavourable impression of the customer engagement you just completed?



Q In this customer engagement, do you feel that Brantford Power provided too much information, not enough, or just the right amount?



Building Understanding.

Personalized research to connect you and your audiences.

For more information, please contact:

Julian Garas
Senior Consultant
(t) 416-640-4133
(e) jgaras@innovativeresearch.ca

Jason Lockhart
Vice President
(t) 416-642-7177
(e) jlockhart@innovativeresearch.ca

Appendix 2.0

Customer Engagement

Residential Online Workbook Layout

Residential Workbook

November 2020

PROPRIETARY AND CONFIDENTIAL

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

About this Customer Engagement

Welcome to Brantford Power's customer engagement survey!

As Brantford Power plans for the future, they need your input on choices that will impact the services you receive and the rates that you pay for the delivery of electricity.

- **Brantford Power is looking for your input on its draft 2022-2026 business plan** to ensure it is making spending decisions that matter to you, the customer.
- **In early 2021, Brantford Power plans to present, justify, and defend** its business plan to the public regulator, the Ontario Energy Board (OEB).
- **In January 2022, Brantford Power will be updating the rate that you pay** for the delivery of electricity to your home or business.

While you may have recently heard that Brantford Power is considering merging with its neighbouring utility Energy+, the feedback that you provide in this survey will be critical to planning for the future, regardless of the outcome of this potential merger.

This survey will take approximately 20-30 minutes to complete and can be done so at your convenience. Once you begin, your progress will be saved, and you can return to the customer engagement at any time.

All individual responses will be kept confidential. Innovative Research Group (INNOVATIVE), an independent research company, has been hired to gather your feedback.

Those who complete the questions that follow will be invited to enter a draw to win one of two (2) $500 gift cards.

If you are reading this on a smaller mobile device, you may want to consider accessing the survey from a tablet, desktop or laptop instead so that it is easier for you to read.

(FOR OPEN ACCESS ONLY) Would you like to complete this survey on behalf of your business or organization, or your home?
□ Business or organization □ Home

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

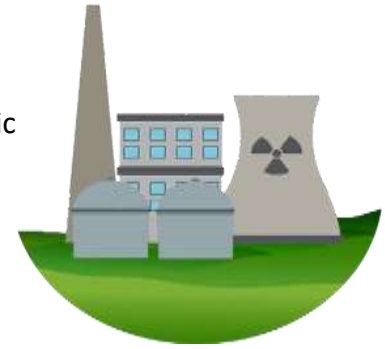
Electricity 101

Brantford Power's role in Ontario's electricity system

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

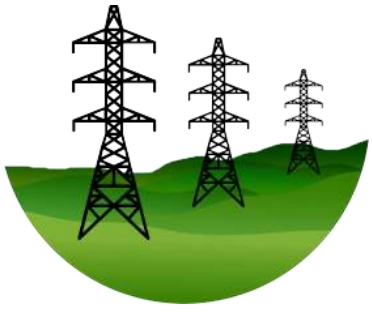


Ontario gets its electricity from a mix of energy sources. More than half comes from nuclear power. The remainder comes from a mix of hydroelectric and natural gas, and to a lesser extent, wind and solar.

Ontario Power Generation, a government-owned company, generates almost half of Ontario's electricity. The other half comes from multiple generators who have contracts with the grid operator to provide power from a variety of sources.

Transmission

How electricity travels across Ontario



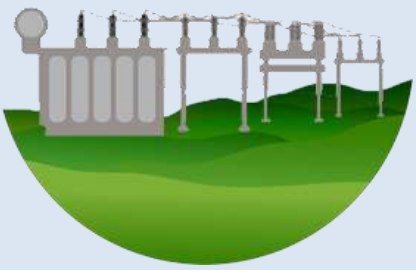
Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which are owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Brantford Power is responsible for the last step of the journey: distributing electricity to customers through its distribution system.

- Brantford Power manages all aspects of the electricity distribution business throughout the majority of the City of Brantford and is regulated by the Ontario Energy Board (OEB).
- Brantford Power has been operating since 1935 and is wholly owned by the City of Brantford, the community which it serves, and is funded by the distribution rates paid by its customers.
- Brantford Power services over 74 square kilometres and over 41,000 residential and business customers.



QA. How familiar are you with Brantford Power, which operates the electricity distribution system in your community?

- □ Very familiar
- □ Somewhat familiar
- □ Not familiar at all
- □ Don't know

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Electricity 101

How much of my electricity bill goes to Brantford Power?

- Every item and charge on your bill is mandated by the provincial government or regulated by the Ontario Energy Board (OEB), the provincial energy regulator.
- While Brantford Power is responsible for collecting payment for the entire electricity bill, it retains only the distribution portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- **Distribution makes up about 17% of the typical residential customer's bill, excluding the Ontario Electricity Rebate (OER).** For residential customers, Brantford Power's portion of the delivery line on the bill is fixed and does not change based on the amount of electricity you use. The rest of the bill does change based on your usage.
- The rest of your bill payment is passed onto provincial transmission companies, power generation companies, the government and regulatory agencies.

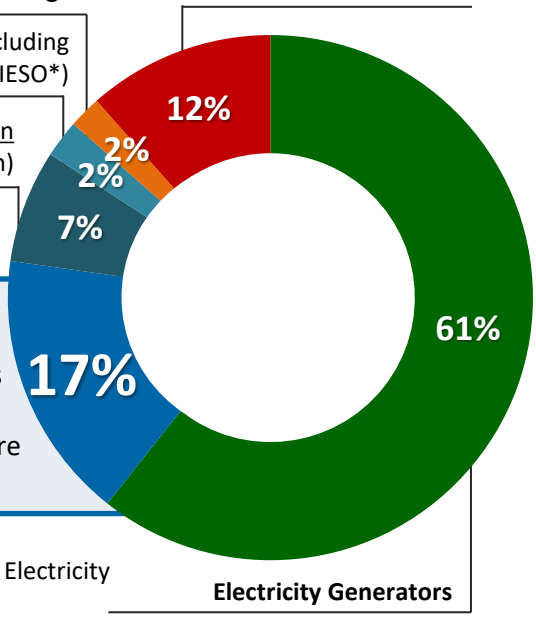
BPI Sample Monthly Bill
(Based on monthly usage of 700 kWh)

Account Number:
2xxxxx-XX

Meter Number:
000000

Your Electricity Charges	
Electricity	93.28
Delivery	39.73
Regulatory Charges	3.07
Total Electricity Charges	**$136.08**
HST	17.69
Bill before Ontario Electricity Rebate	153.77
Ontario Electricity Rebate	(-$45.18)
Total Amount	**$108.59**

Delivery: Distribution
Brantford Power's typical portion of the total bill before OER is **$25.48**



*IESO = Independent Electricity System Operator

* As of November 2020. Chart is based on total bill of $153.77 excluding the Ontario Electricity Rebate. Chart may not total 100% due to rounding.

Link to next page

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q1. Thinking specifically about the services provided to you and your community by Brantford Power, overall, how satisfied or dissatisfied are you with the services that you receive?

- □ Very satisfied
- □ Somewhat satisfied
- □ Neither satisfied nor dissatisfied
- □ Somewhat dissatisfied
- □ Very dissatisfied
- □ Don't know

Q2. Before this survey, how familiar were you with the amount of your electricity bill that went to Brantford Power?

- □ Very familiar
- □ Somewhat familiar
- □ Not familiar
- □ Don't know

Q3. Is there anything in particular you would like Brantford Power to do to improve its services to you?

Brantford Power Background

Building Brantford Power's plan

Brantford Power develops its business plan based on information and input from **internal engineering and technical experts** who closely monitor the pressures on the distribution system, develop solutions to address these challenges, and recommend investments that support its plans. Brantford Power works with municipal planners and directly with developers to forecast where infrastructure investments are required for future growth.

The plan also considers Brantford Power's **legal and regulatory requirements**, and **customer feedback** collected through both ongoing dialogues and specific engagements, such as this one.

The draft 2022-2026 business plan that you are going to be asked about focuses on many of the same objectives as in the past five-year period, as well as new challenges, including increased growth in the community and evolving customer expectations.

Below are some of the highlights of Brantford Power's 2022-2026 proposed plan.

Objective	Proposed Approach in 2022-2026
Maintain the current levels of reliability and outage performance, in line with the previous 5 years.	- Proactively replacing equipment that is at increased risk of failure. - Installing more automated devices in an effort to reduce the number and length of outages. - Implementing an Outage Management System and 24/7 System Monitoring.
Keep budget increases within inflation except for new requirements or unusual market situations (example: unusual increase in steel prices).	- Making budget and spending choices with consideration of priority levels and a view to affordability.
Maintain historic levels of customer service performance, with an eye on meeting evolving customer expectations.	- Ensuring the I.T. systems and staff expertise are available to meet the evolving customer expectations for performance including customer information accuracy, appointment scheduling, telephone accessibility. - Implementing an Outage Management System with a customer outage map on the Brantford Power website.
Keep in line with industry standards for technological change, without "leading the pack" in innovation.	- Implementing an Outage Management System with a customer outage map on the Brantford Power website. - Continuing to install automated reclosers, making the system smarter and more efficient. - Implementing a multi-year cyber security plan.

Table continues on next page

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Comply with requirements to connect customers, maintain safety and implement regulatory and government policies, enable local customer and economic growth.	- **Planning capital budgets to enable the connection of all new customers and new residential, commercial and industrial developments.** - **Implementing a multi-year cyber security program.** - **Continuing and enhancing safety programs.** - **In 2022, Brantford Power is planning to make a $1.3M capital investment to increase capacity in the northwest section of the city. This will ensure Brantford Power is prepared to serve the expected residential and industrial customer growth in that area as well as lowering outage risk for existing customers.**

Q4. Is there is anything in particular you would change about the approach/objectives above or any other comments you would like to make? (OPEN)

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

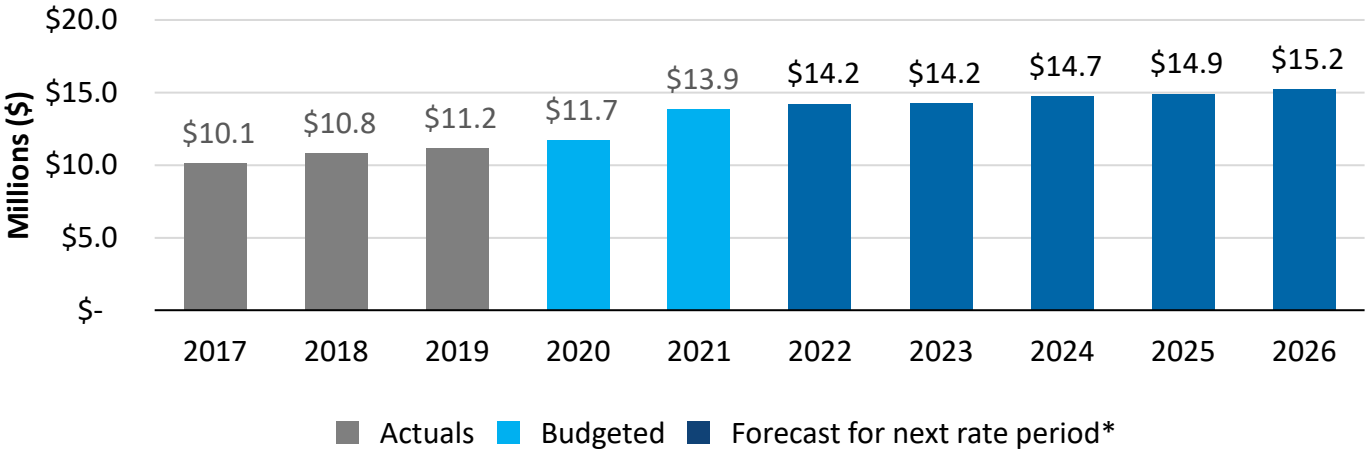
Brantford Power Background

Operating expenses

Although the focus of this engagement is on Brantford Power's capital expenditures, operating expenses are a significant portion of the budget. Brantford Power's operating budget covers recurring expenses for core business functions like reading meters; producing customer bills; providing customer services; the operation and maintenance of equipment, buildings, and vehicles; as well as administration expenses.

It is estimated that if Brantford Power continues with its draft plan, its operating expenses would increase by an average of **1.9% per year** for the 2022-2026 period.

Brantford Power Current and Forecasted Operating Expenses, per Year (Millions)



** These estimates are preliminary, and are subject to change as the business plan is finalized.*

Between 2020 and 2021, Brantford Power will see an increase in operating expenses. This increase can largely be attributed to three drivers:

1. **Enhancements in cyber security:** New cyber security measures are required to enable Brantford Power to make progress on its plan to further heighten its cybersecurity, consistent with requirements from the Ontario Energy Board.

2. **Increase in Line Crew and Technical Resource Costs:** Brantford Power has fallen below the historic staffing level in its line crew and requires additional support in its Engineering group, and is therefore proposing to hire new employees in these functions in order to safely restore power as quickly as possible during an outage, as well as supporting the operation and maintenance of the distribution system. Increases to remain competitive in the technical and trades labour market, in order to attract and retain technical expertise are included.

3. **Increase in Administration Professionals:** Brantford Power has assessed that it requires new staff, some of which will be hired on a temporary basis. These positions will contribute to meeting regulatory requirements, helping administer the company by bringing new subject matter expertise, and filling an existing gap in the executive management team.

In 2022, the costs reflect increases due to the implementation of third party 24/7 control room monitoring, as well as costs to prepare Brantford Power's application to the Ontario Energy Board.

Q5. Is it clear what type of expenses are included in Brantford Power's operating budget?		
☐ Yes	☐ No	☐ Don't know

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

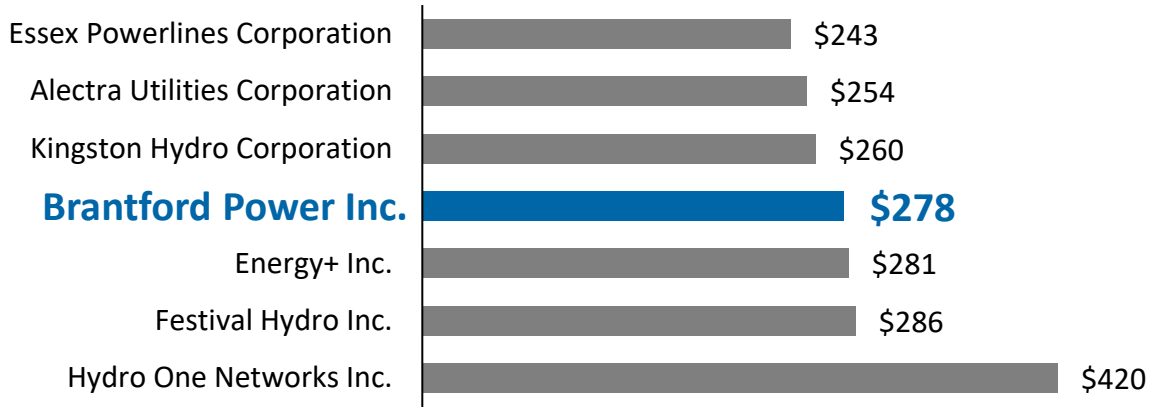
Brantford Power Background

How does Brantford Power compare to its peers?

According to the latest publicly-available Ontario Energy Board (OEB) data, compared to its peers, both in terms of number of customers and geography, Brantford Power's operating expenses per customer were less than some neighbouring utilities, including Energy+ and Festival Hydro, and slightly more than others.

2019 Operating & Maintenance and Administration (OM&A) Per Customer ($)

Source: OEB 2019 Yearbook of Distributors



Benchmarking isn't the only way that Brantford Power measures its operational efficiency. Under provincial regulation, each year, Brantford Power is required to find internal cost savings, whether through new technologies, or operational efficiencies.

- **Industry Partnerships:** Brantford Power is a member of the GridSmartCity Co-operative, an organization that brings together 15 Ontario large distribution companies (LDCs) to collaborate and share knowledge, skills and expertise – with some of the goals being increased efficiency and cost savings through economies of scale. Participation in this group, as well as the Utilities Standards Forum, allows Brantford Power to decrease the costs spent on such items as IT and HR policy development, Health and Safety training and policies, and the development of Engineering Standards.

- **Reducing Facility Costs:** Brantford Power's facility relocation includes joint occupancy with three other tenants, including neighbouring utility, Energy+. These tenants will make lease payments to Brantford Power and as a result Brantford Power has been able to reduce the building costs included in rates. Brantford Power and Energy+ intend to pursue further savings together through the sharing of certain costs common to local distribution companies, for example a mechanic's bay and warehouse management.

Q6. Based on what you know, do you believe that Brantford Power should be looking to pursue more industry partnerships to find efficiencies?

- □ Yes
- □ No
- □ Don't know enough to say

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Brantford Power Background

The Ontario Energy Board (OEB), the provincial energy regulator, conducts an open and transparent review process where experts from the OEB and intervenor groups review and challenge every dollar that Brantford Power proposes to spend. Detailed discussion regarding Brantford Power's operating budget are conducted by experts from the OEB and intervenors as part of the formal rate application review. Intervenors are knowledgeable industry experts who represent and act on behalf of various customer groups.

Therefore, questions about Brantford Power's operating expenses will not be asked in this customer engagement. Brantford Power plans to file this application in early 2021 at which point you are encouraged to participate in the OEB process if you are interested in commenting on Brantford Power's operating expenses. Details will be available at that time at oeb.ca/participate.

This engagement is focused on collecting your views on the trade-offs in capital investments.

Q7. Does leaving the detailed discussion about Brantford Power's operating budget to OEB experts and intervenors seem like the right approach or wrong approach to you?

- □ Definitely the right approach
- □ Probably the right approach
- □ Probably the wrong approach
- □ Definitely the wrong approach
- □ Don't know enough to say

Q7b. [If wrong approach] And why do you say leaving the detailed discussion about Brantford Power's operating budget to the OEB and intervenors is the wrong approach?

Brantford Power Background

Brantford Power's capital budget

Brantford Power's **capital budget** covers items that have lasting benefits over many years, such as investments in the core distribution system, including poles, wires, cables, switches and transformers.

Based on information and input from Brantford Power's internal engineering and technical experts, emerging pressures on the distribution system, and ongoing conversations with customers, Brantford Power has assembled a draft capital budget for the five-year period between 2022 and 2026 that is estimated to be **$24.6 million**.

Brantford Power classifies the costs of four types of capital investment between 2022 and 2026. Each of these four investment categories helps Brantford Power pace and prioritize projects.

2022-2026 Forecasted Capital Investments (Millions)*

**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

Mandatory Investments ($12.1 Million)

"Must do" investments for new subdivisions, new upgraded commercial and industrial services, and relocating assets based on road infrastructure needs.

Replacing Equipment ($5.9 Million)

Replacement of existing overhead wires, poles, and pole mounted transformers, underground cables and transformers and distribution station upgrades.

Keeping the Business Running ($3.5 Million)

These are investments needed to support the distribution system, such as tools, vehicles, buildings, software and computers.

Preparing for Future Growth and Modernization ($3.2 Million)

These investments consist of projects that address capacity constraints, improve system reliability and supply new growth.

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Brantford Power Background

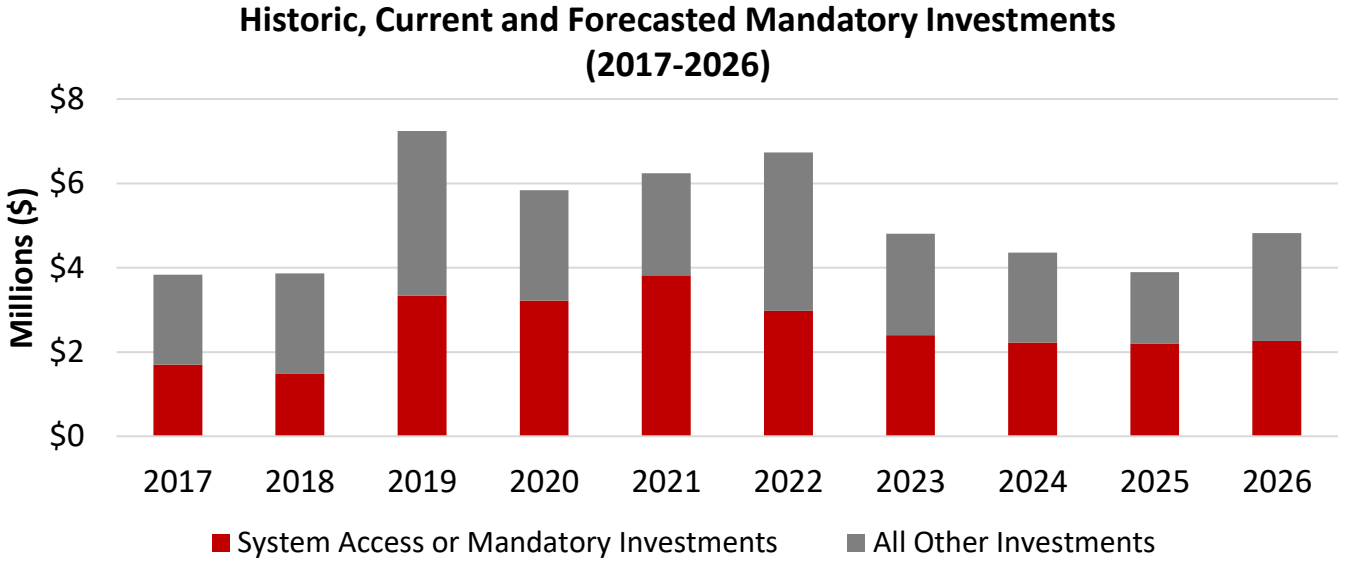
Mandatory investments

Federal, provincial and municipal governments as well as regulators set requirements and standards that Brantford Power must satisfy. Mandatory investments can be broken down into three categories:

- **Connecting customers**: This includes connecting customers to the grid when a new home or building is constructed or modified.
- **Moving equipment**: This includes moving equipment like poles and cables for road widening.
- **Mandated obligations**: This includes installing and maintaining customer meters and transferring electricity from the provincial transmission system.

Since 2017, these types of investments have accounted for more than a third of Brantford Power's total capital budget.

That means that about **1-in-3 of the dollars** in the capital plan are already committed and not available for other investments.



Please note, the chart above does not include a one-time investment of $15M in 2020 related to the purchase of a facility by Brantford Power, which has been reviewed and approved by the OEB. Excluding those facility costs, mandatory investments account for nearly half of all capital investments since 2017.

Q8. When mandatory spending exceeds what is included in the budget, what do you feel Brantford Power should do?

- ☐ Defer or cancel planned non-mandatory projects and not increase the overall budget, which would avoid further rate increases.
- ☐ Spend above the approved budget in order to continue planned non-mandatory projects, even if that could result in further rate increases.
- ☐ Defer or cancel some projects while continuing with other non-mandatory projects, based on Brantford Power's judgement to balance customer benefits and future rate increases.
- ☐ No preference
- ☐ Don't know

Additional Feedback (Optional)

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

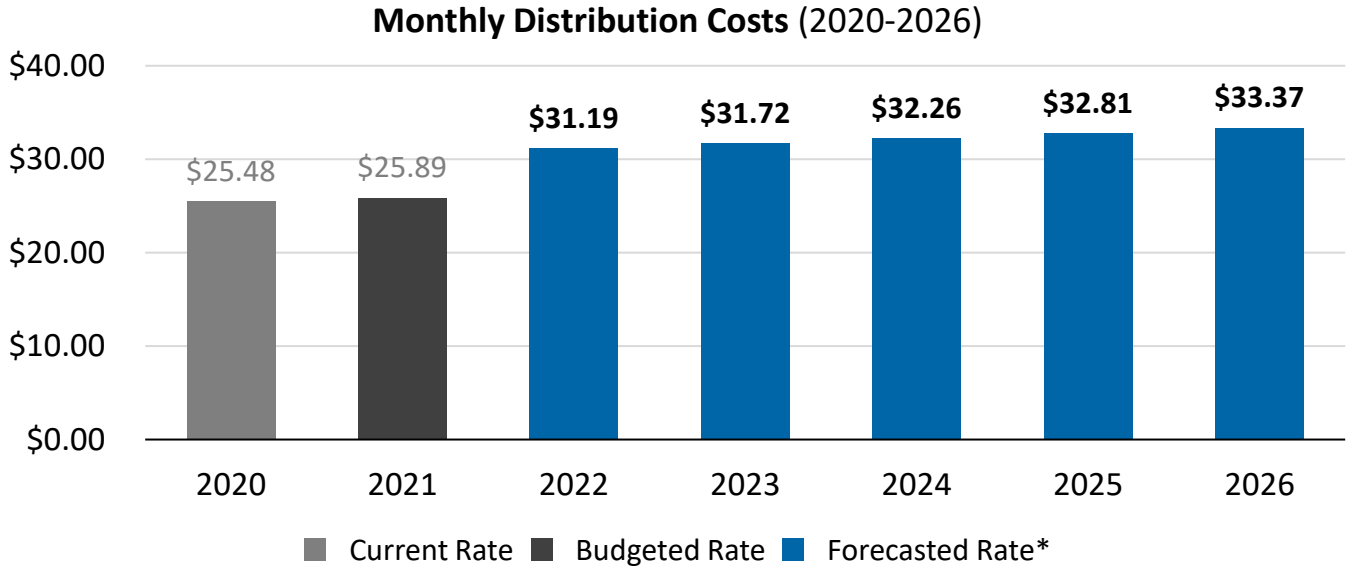
Brantford Power Background

How much will Brantford Power's draft plan cost me?

Remember, the current typical Brantford Power residential customer's electricity bill is about $154 per month before Ontario Electricity Rebate or about $109 per month after Ontario Electricity Rebate, of which $25.48 goes to Brantford Power.

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $31.19 in 2022, an increase of $5.30 per month compared to the budgeted $25.89 in 2021.

- For the period of 2023-2026, the annual bill increase is limited by the Ontario Energy Board (OEB) to an amount less than the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the 2023-2026 period, the distribution portion of the bill would increase by an average of 1.7% per year.



**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized.*

Brantford Power is looking for your input on its draft plan to ensure it is making the spending decisions that matter to you, the customer.

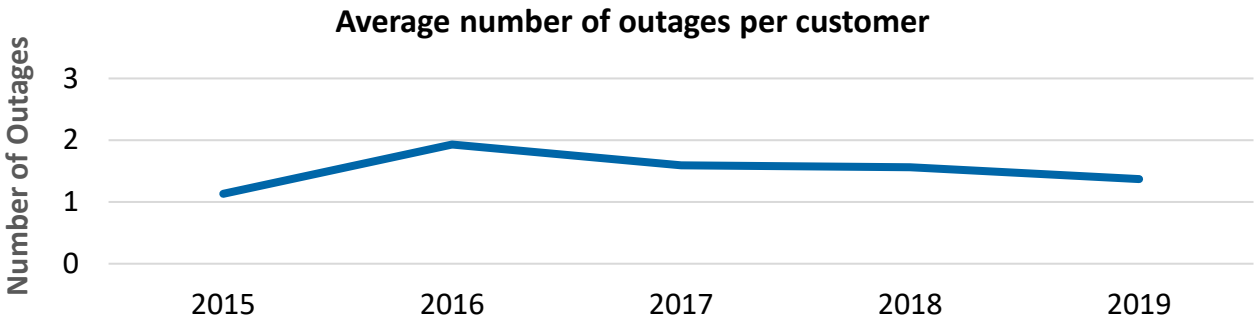
The following sections of this workbook will explore 7 choices that Brantford Power needs to make in order to help finalize its capital plan. Brantford Power will need to demonstrate to the OEB both what they heard from customers, as well as how they reflected your feedback in its plans.

Brantford Power Background

System Reliability

Brantford Power tracks both the average number of power outages per customer and how long those interruptions last.

Between 2015 and 2019, the typical Brantford Power customer experienced **fewer than two outages per year**. An outage is defined as a power interruption that lasts longer than one minute.



Over the same period, the average **duration** of an outage has been about 50 minutes. Meaning, when the power does go out, Brantford Power is typically able to restore power in less than one hour.

Since 2015, nearly half of all outages have been traced back to two causes – loss of supply from the transmission system (27%) operated by Hydro One and defective equipment within Brantford Power's distribution system (20%).

While transmission system failures are largely out of the control of Brantford Power, there are investments that can be made to attempt to reduce the impacts of equipment failure.

Keep in mind that these are system averages, and your actual experience may be different. Some customers connected to newer lines may not experience any outages while others may experience more than the average number of outages each year.

Q9. Have you experienced any power outages at home in the past 12 months which lasted longer than one minute?

- □ No outages
- □ 1 outage
- □ 2 outages
- □ 3 or more outages
- □ Don't know

Q10. To the best of your knowledge, does your home receive electrical service via overhead wires, or underground cables?

- □ Overhead wires
- □ Underground cables
- □ Don't know

Making Choices (1 of 7)

Pole Replacement

Background: Brantford Power owns 10,052 poles within its service territory. Each year, Brantford Power inspects and tests one third of all poles, and selects poles for replacement based on their condition, age, and the consequences of their potential failure.

Current Approach: On average, each year, since 2017, Brantford Power has replaced 80 poles identified as having a high risk of failure, though the number varied with some years exceeding 100 pole replacements.

Customers served by lines connected to high-risk poles are more likely to experience power outages and when they do, those outages are more likely to last longer and be more expensive to fix.

While poles do not typically cause an outage under regular circumstances, poles in poor condition are more likely to contribute to an outage during inclement weather.

Brantford Power anticipates that, based on the most recent assessment, approximately 70 poles will need to be replaced in 2021, and that similar replacements levels will be required for the period between 2022 and 2026. Falling significantly behind on this investment program can be costly, and may have an increased risk of outages.

2022-2026 Proposed Approach: In its current draft plan, with an emphasis on affordability and balancing the overall spending levels, Brantford Power is proposing to reduce the number of poles replaced each year to 60. Part of the reason for this reduction is to address budget constraints resulting from increased spending in the “mandatory” category as a result of customer growth.

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q11. Which of the following options do you prefer?

Option	Poles Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.12 more per year)*	80 per year	This approach is in line with the past few years, and would lead to similar outage experiences
Status Quo ***Additional*** *$0.01 per month annually ($0.06 more per year)*	70 per year	This approach is in line with the expected recommendations from the utility's prioritization system.
Included in Draft Plan *Within the proposed increase*	60 per year	This approach reduces the budget but may lead to a slight increase in risk of outages.
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.06 less per year)*	50 per year	This is the option with the lowest cost impact but a higher risk of outages.
Additional Feedback (Optional)		

Making Choices (2 of 7)

Porcelain Device Replacements

Background: Brantford Power has nearly 1,000 porcelain devices in its system that are used to protect electrical distribution equipment from the damaging effects of lightning strikes and electrical current surges. These devices are attached to distribution poles.

When these devices fail unexpectedly, often during inclement weather events, it can lead to prolonged outages, impacting between 10 and 40 customers, as well as increased reactive replacement costs. The device failures can pose a risk to employee safety when working on power lines close to these devices.

Based on outage statistics for the previous 5 years, it is estimated that broken porcelain devices are responsible for nearly 74% of customer outages caused by defective equipment or approximately 15% of all outages.

Current Approach: In recent years, Brantford Power determined that all porcelain devices in the system will need to be replaced. In 2020, Brantford Power will be replacing 60 devices – leaving over 900 still in need of replacement.

2022-2026 Proposed Approach: Brantford Power is planning to triple the budget for this project from 2020 to 2021 and is proposing to continue with this pace of replacement in 2022-2026.

While the project spending is not as significant as other projects in this consultation, there are implications to customers. Proactively replacing a porcelain device near your home or business could result in a planned outage that lasts between 1-2 hours. Of course, customers would be notified prior to any planned outage that could impact their service.

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q12. Which of the following options do you prefer?

Option	Porcelain Device Replacements	Expected Outcome
Included in Draft Plan *Within the proposed increase*	150 per year	Longer, unplanned outages related to porcelain devices will be reduced, at the price of an increase in shorter, planned outages which customers are notified about.
Status Quo ***Decrease*** *of $0.01 per month annually ($0.05 less per year)*	60 per year	As equipment continues to fail, customers may experience more unplanned outages, especially during severe weather.
Additional Feedback (Optional)		

Making Choices (3 of 7)

Transformer Replacements

Background: Brantford Power owns 3,620 transformers within its service territory. Transformers are responsible for reducing electricity voltage from higher levels to safely serve homes and businesses in the community. They are typically either located on the ground, in underground vaults, or attached to distribution poles.

Current Approach: On average, since 2017, Brantford Power has been replacing approximately 20 transformers per year – this includes both reactive (due to equipment failure) and proactive replacements.

Based on historical outage statistics, 20% of customer outages were caused by defective equipment failure. Transformer failure is the second-highest cause in this category, next to porcelain devices. Failed transformers were responsible for nearly 14% of all customer outages caused by defective equipment from 2015 to now. In more recent years, these failures have been occurring during hot weather due to increased air conditioning usage.

Typically, up to 30 customers are impacted by a single transformer failure. The duration of the outage varies and can take up to 3 hours to replace the transformer.

Similar to the pole replacement program, Brantford Power selects transformers for proactive replacement based on an asset management system which contains data regarding the condition of assets and other critical factors that would impact the likelihood and the impact of an outage.

2022-2026 Proposed Approach: Brantford Power is proposing to increase the number of transformers it replaces each year from 20 to 27. This change will help reduce the backlog of transformers that are at increased risk of failure.

As with poles, Brantford Power will always need to replace transformers, therefore, this is a matter of whether customers would rather pay more during the upcoming rate period, to expedite the replacements, or push some level of investment beyond the next five years.

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q13. Which of the following options do you prefer?

Option	Transformers Replaced	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.08 more per year)*	40 per year	Reduce the risk of outage to the 1,200 customers per year connected to the highest risk transformers.
Included in Draft Plan *Within the proposed increase*	27 per year	Reduce the risk of outage to the 810 customers connected to the highest risk transformers
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.04 less per year)*	20 per year	Continue with status quo, reducing the risk of outage each year to the 600 customers connected to the highest risk transformers
Additional Feedback (Optional)		

Making Choices (4 of 7)

Underground Structure Replacements

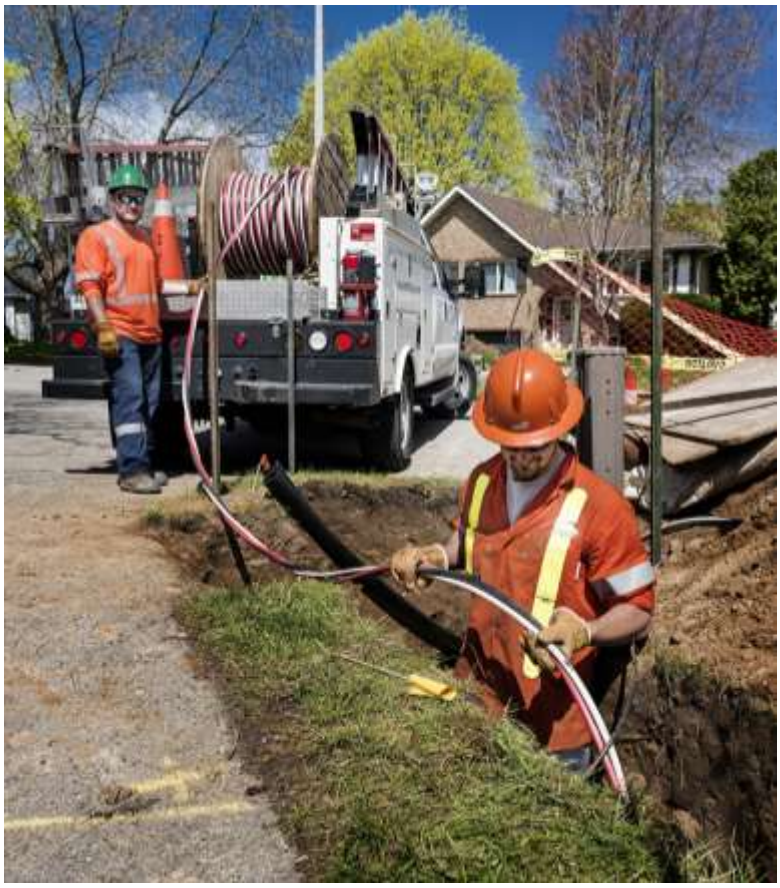
Background: Brantford Power operates and maintains a large system of underground infrastructure that includes vaults, junction boxes, manholes, and junction pads. Underground structures are an essential part of Brantford Power's distribution system. These devices provide structural support, housing, and access to the electrical distribution equipment, such as submersible transformers and buried cables. There are 2,137 underground structures in Brantford Power's service territory.

Each year, Brantford Power completes a visual inspection of one third of all structures to determine their condition. Brantford Power establishes the required replacement levels, using the condition assessment information combined with age and impending risk to safety. These replacements have no direct linkage to outages.

Brantford Power will need to continue to replace these assets reactively if they are identified as at risk of imminent failure in order to address safety risks such as trip hazards.

Current Approach: Since 2017, Brantford Power has proactively replaced on average about 24 vault and junction boxes per year.

2022-2026 Proposed Approach: For affordability concerns, Brantford Power has proposed to slow down the pace to 10 replacements per year.



Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q14. Which of the following options do you prefer?

Option	Underground Structures	Expected Outcome
Status Quo ***Additional*** *$0.01 per month annually ($0.10 more per year)*	Status quo	Continue with status quo
Included in Draft Plan *Within the proposed increase*	Decrease the cost of replacements by about 60%	Delay the removal/replacement of underground structures. Structures with a potential risk to safety would still be replaced.
Additional Feedback (Optional)		

Making Choices (5 of 7)

Automated Reclosers

Background: Automated reclosers are devices which allow Brantford Power to potentially avoid an outage under certain conditions, such as, when a tree branch or animal comes into contact with a power line. In these cases, if there is a recloser on the line it automatically briefly shuts off power to the power line and then quickly restores power, resulting in only a momentary interruption or flicker.

Without the reclosers, these situations would lead to an outage, requiring the deployment of a line crew to restore power. The deployment of these devices also helps to reduce the number of customers affected by an outage, as well as deliver an additional benefit of helping identify and monitor the outage. As more and more of these devices are installed, they will enable Brantford Power to implement "self-healing" capabilities in its system.

Implementation of a greater amount of reclosers will also support Brantford Power's implementation of the 24/7 system monitoring discussed in the question below.

Current Approach: Brantford Power has been installing this type of equipment where outages have historically been most likely to occur, and where reliability is of increased importance, for instance hospitals. Brantford Power installed its first automated recloser in 2004 and began increasing the pace of installations in 2015.

On average, since 2017, Brantford Power has been installing approximately three new reclosers per year. Depending on where it's located and the nature of the customers in the area, each recloser can impact anywhere between 50 and 2,700 customers, with an average to date of just over 1,000 customers per recloser.

2022-2026 Proposed Approach: In its current draft plan, Brantford Power is proposing to continue with the status quo of installing three reclosers per year. That said, there is an opportunity to accelerate the pace of rolling out this technology, which would lead to a greater chance of decreasing the number of sustained outages, and reducing number of customers affected by an outage and the length of some outages.

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q15. Which of the following options do you prefer?

Option	Automated Reclosers	Expected Outcome
Accelerated Pace ***Additional*** *$0.01 per month annually ($0.09 more per year)*	Replace 5 devices per year	Greater likelihood that the program will avoid or limit outages; quicker ability to implement "self-healing" capabilities in the future.
Included in Draft Plan *Within the proposed increase*	Replace 3 devices per year	The status quo will allow Brantford Power to roll out this equipment gradually, slowing the ability to implement "self-healing" capabilities in the future.
Slower Pace ***Decrease*** *of $0.01 per month annually ($0.09 less per year)*	Replace 1 device per year	Lower likelihood that the program will avoid or limit outages; slower ability to implement "self-healing" capabilities in the future.
Additional Feedback (Optional)		

Making Choices (6 of 7)

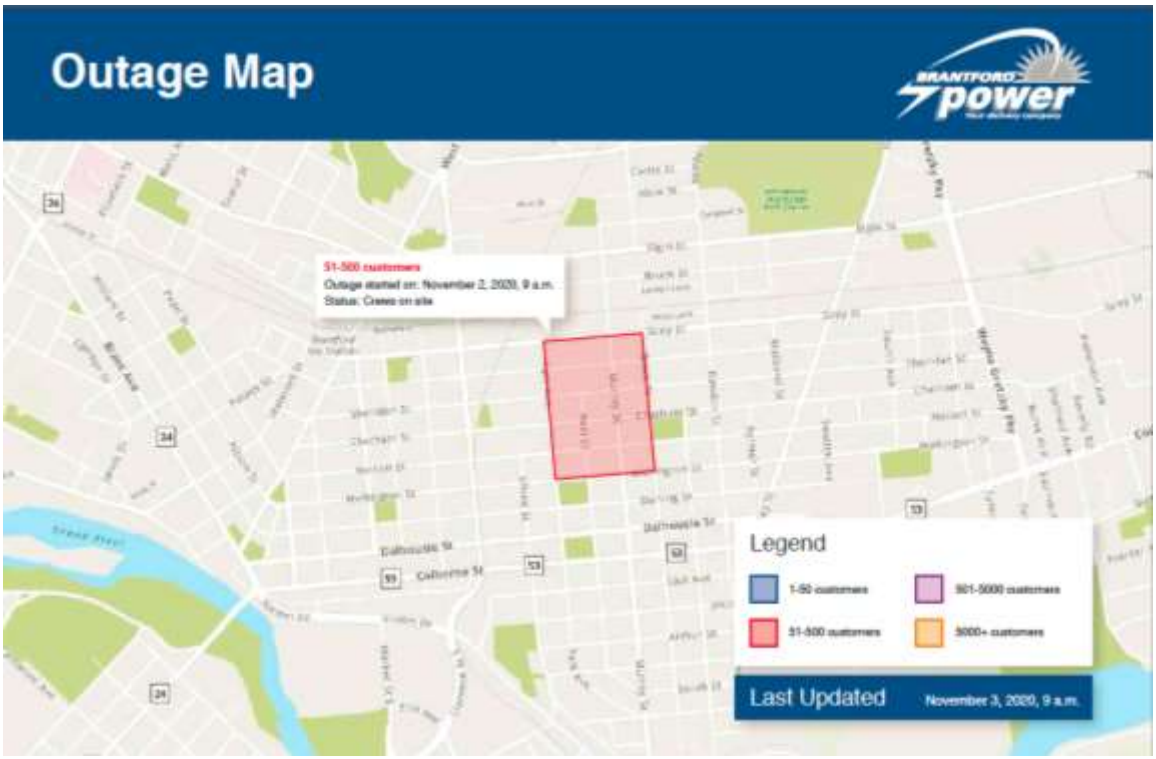
Outage Management System

Background: Brantford Power currently monitors outages using a combination of software, communication devices and manual processes. An Outage Management System would assist Brantford Power with identifying, monitoring, and reporting outages.

Current Approach: Brantford Power does not currently have an Outage Management System in place.

2022-2026 Proposed Approach: Brantford Power is planning to implement an Outage Management System to assist with identifying, monitoring, and reporting outages. As one of the key benefits of the Outage Management System, Brantford Power will be able to display outages on its website in the form of an outage map, which customers can access.

The outage map will indicate where there is an outage, as well as other information regarding the outage.



Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q16. Which of the following options do you prefer?	
Option	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Implement an Outage Management System to assist with monitoring, reporting, and recording outages by 2022, and implement an outage map on Brantford Power's website.
Status Quo ***Decrease*** *of $0.21 per month annually ($2.57 less per year)*	Brantford Power will continue to monitor its outages using an informal combination of existing systems; however, customers will not be able to access outage data through an online outage map.
Additional Feedback (Optional)	

Making Choices (7 of 7)

24/7 Control Room Coverage

Background: A Control Room is used by local distribution companies to monitor and operate the distribution system, including monitoring the flow of electricity within the distribution system as well as identifying and locating outages, and dispatching line crews to restore power.

The Control Room can act as a central communications hub for distribution company resources during an outage. This assists line crews with the restoration of power as well as helping to provide outage details to customers. A control room can optimize the use of reclosers to help reduce the impact of an outage to a smaller number of customers.

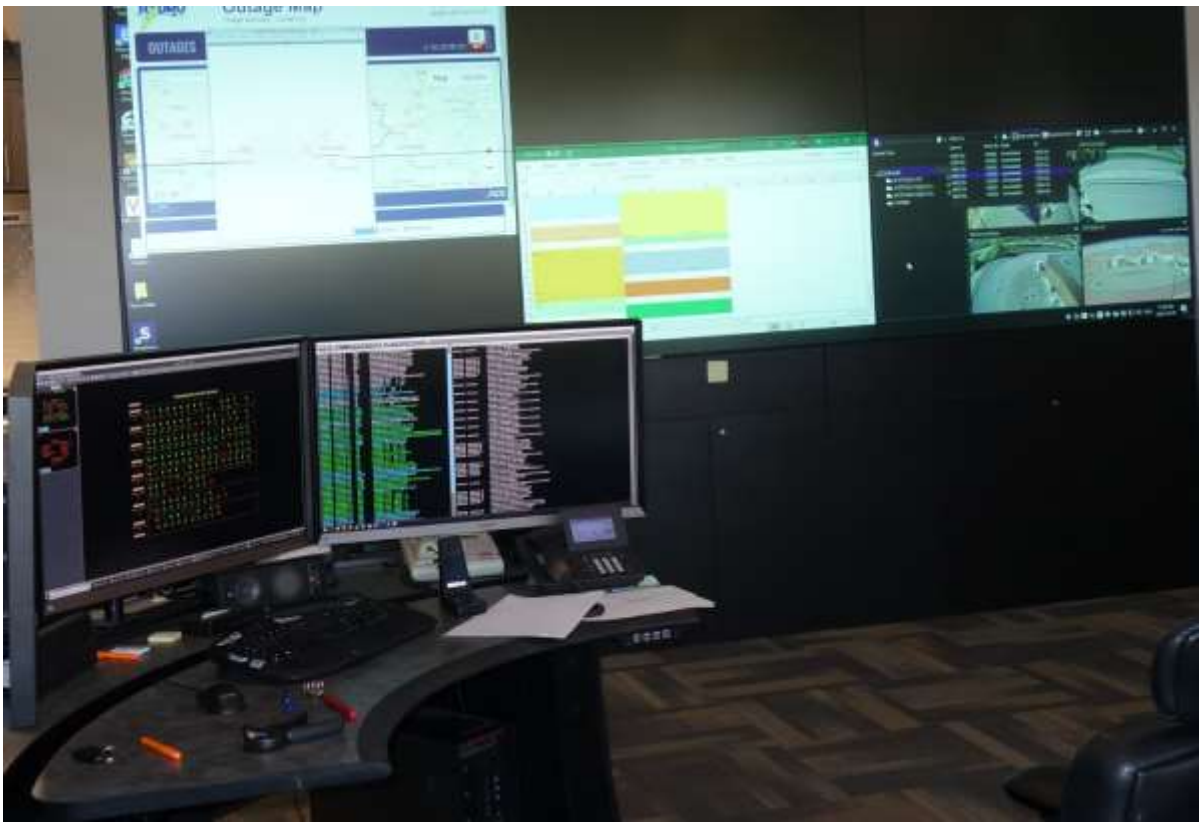
Many local distribution companies have an in house 24/7 control room. Brantford Power currently monitors and operates the system through a combination of computer systems and manual processes. For some limited control room functions, Brantford Power purchases these services from a third party.

Current Approach: During regular business hours (8 a.m. to 4 p.m.), Brantford Power monitors the system for unplanned outages, allowing crews to be quickly dispatched when an outage does occur.

Outside of regular business hours and on weekends, Brantford Power personnel are on-call and are prepared to respond to any unplanned outage when notified. However, the system is not monitored to the same extent as it is during business hours. After hours outages are typically identified through automated system notifications, or through customers who call in to report an outage.

2022-2026 Proposed Approach: Starting in 2022, Brantford Power is proposing to expand the third-party system control room monitoring services to 24/7 coverage. This will assist Brantford Power in responding to after-hours outages more quickly.

This approach would be significantly less costly than staffing a 24/7 control room in house.



Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q17. Which of the following options do you prefer?

Option	Control Room Project	Expected Outcome
Included in Draft Plan *Within the proposed increase*	Work with a third party to monitor the distribution system after hours.	After-hours and major outages may be shorter in length, improving reliability.
Status Quo ***Decrease*** *of $0.15 per month annually ($1.75 less per year)*	Stay with the status quo- no after-hours monitoring.	Some outages are expected to be longer in duration, particularly overnight outages or major outages.
Additional Feedback (Optional)		

Impact of Choices

Investment alternative summary

Throughout this workbook, you have been asked about **7 key choices** that could impact your rates. Below is a summary of your answers to the questions that could impact your rates.

At the bottom of this page you will find the total bill impact based on all of your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire; your potential rate impact will be re-calculated. You will have the opportunity to continue adjusting your answers until you feel you've reached the best balance for you.

Pole Replacement

- ☑ **Accelerated Pace:** Additional $0.01 per month annually ($0.12 more per year)
- ☐ **Status Quo:** Additional $0.01 per month annually: ($0.06 more per year)
- ☐ **Included in Draft Plan**: *Within the proposed increase*
- ☐ **Slower Pace:** Decrease of $0.01 per month annually ($0.06 less per year)

Porcelain Device Replacements

- ☐ **Included in Draft Plan**: *Within the proposed increase*
- ☐ **Status Quo:** Decrease of $0.01 per month annually ($0.05 less per year)

Transformer Replacements

- ☐ **Accelerated Pace:** Additional $0.01 per month annually ($0.08 more per year)
- ☐ **Included in Draft Plan**: *Within the proposed increase*
- ☐ **Slower Pace:** Decrease of $0.01 per month annually ($0.04 less per year)

Underground Structure Replacements

- ☐ **Status Quo:** Additional $0.01 per month annually ($0.10 more per year)
- ☐ **Included in Draft Plan**: *Within the proposed increase*

Automated Reclosers

- ☐ **Accelerated Pace:** Additional $0.01 per month annually ($0.09 more per year)
- ☐ **Included in Draft Plan**: *Within the proposed increase*
- ☐ **Slower Pace**: Decrease of $0.01 per month annually ($0.09 less per year)

Outage Management System

- ☐ **Included in Draft Plan**: *Within the proposed increase*
- ☐ **Status Quo:** Decrease of $0.21 per month annually ($2.57 less per year)

24/7 Control Room Coverage

- ☐ **Included in Draft Plan**: *Within the proposed increase*
- ☐ **Status Quo:** Decrease of $0.15 per month annually ($1.75 less per year)

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

The total impact of your choices would result in:

+/- $X.XX per month annually (+/- per year)

This is in addition to the estimated average annual increase of $7.48 on your monthly bill over the five-year planning period under Brantford Power's draft plan.

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Brantford Power Background

Assessing Brantford Power's draft 2022-2026 plan

It is estimated that if Brantford Power continues with its draft plan, the distribution portion of the bill will be $31.19 in 2022, an increase of $5.30 per month compared to the budgeted $25.89 in 2021.

- Consistent with the Ontario Energy Board (OEB)'s schedule, Brantford Power's distribution rates are updated once per year, typically starting on January 1.
- For the period 2023-2026, the annual bill increase is limited by the OEB to the rate of inflation with the exception of any one-time capital expenditures.
- As a result, over the period from 2023 to 2026, the distribution portion of the bill would increase by an average of 1.7% per year.

Estimated Typical Residential Annual Increase in Monthly Bill (5 year forecast)

	Year	Average Residential Bill (Total after tax and OER)	Distribution Portion of Bill	Incremental Rate Change (Distribution portion)
Current Rate	2020	$108.59	$25.48	
Budgeted Rate	2021	$109.00	$25.89	$0.41
Forecast for next rate period	**2022**	$114.30	$31.19	$5.30
	2023	$114.83	$31.72	$0.53
	2024	$115.37	$32.26	$0.54
	2025	$115.92	$32.81	$0.55
	2026	$116.48	$33.37	$0.56
				$7.48

The total increase in monthly distribution costs between 2021 and 2026 is forecasted to be $7.48. That means, the typical residential customer will be paying **$7.48 more on the distribution portion of their bill by 2026.**

**These estimates are preliminary and are subject to your feedback and other updates as the business plans are finalized. Estimates are based on usage of 700 kWh per month using a typical Time-of-Use consumption pattern.*

Brantford Power Customer Engagement

Planning for the Future: 2022-2026 Rate Application

Q18. Considering what you know about Brantford Power's draft 2022-2026 plan – which would see the typical residential customer's distribution portion of their bill increase by $7.48 over the five-year period – which of the following best represents your point of view?

- □ Brantford Power should improve service, as discussed on the previous pages, even if that means an increase that exceeds $7.48 over the five-year period
- □ Brantford Power should maintain a $7.48 increase to deliver a program that focuses on the priorities of its draft plan over the five-year period.
- □ Brantford Power should keep increases below $7.48, even if that could mean reductions in service over the five-year period.
- □ Other [Please specify]
- □ Don't know

Q19. Thinking about your answer to the previous question, why do you feel that Brantford Power should take that approach over the 2022-2026 period? (Optional)

Q20. Do you have any final comments regarding Brantford Power or the customer engagement that you just completed? (Optional)

New Page

Q21. Now we would like to shift the focus, and ask you some general questions about the electricity system in Ontario.

To what extent do you agree or disagree with the following statements?

The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.

- □ Strongly agree
- □ Somewhat agree
- □ Somewhat disagree
- □ Strongly disagree
- □ Don't know/No opinion

Customers are well served by the electricity system in Ontario.

- □ Strongly agree
- □ Somewhat agree
- □ Somewhat disagree
- □ Strongly disagree
- □ Don't know/No opinion

About you

More about you

For Brantford Power to be better prepared to plan, they need to understand the demographics of their customers.

The following questions are for statistical purposes only. This information is used to segment and group similar people together when the survey results are analysed.

Q22. Do you identify as:

- ☐ A man
- ☐ A woman
- ☐ Prefer to self-describe
- ☐ Prefer not to say

Q23. What age category do you fall into?

- ☐ Under 18
- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55-64
- ☐ 65-74
- ☐ 75 or older
- ☐ Prefer not to say

Q24. Including yourself, how many people live in your household?

- ☐ Single person household
- ☐ 2 people
- ☐ 3 people
- ☐ 4 people
- ☐ 5 people
- ☐ 6 people
- ☐ 7 people
- ☐ 8 of more people
- ☐ Prefer not to say

Q25. Which of the following categories best describes the total annual income, after taxes, of all the members of your household?

- ☐ Less than $28,000
- ☐ $28,000 to less than $39,000
- ☐ $39,000 to less than $48,000
- ☐ $48,000 to less than $52,000
- ☐ $52,000 to less than $70,000
- ☐ $70,000 to less than $90,000
- ☐ $90,000 to less than $120,000
- ☐ $120,000 or more
- ☐ Prefer not to say

Final Thoughts

Feedback on Brantford Power's customer engagement

Brantford Power values your feedback. This is the first time the utility has conducted a review about its upcoming plans in this type of format.

Q26. Overall, did you have a favourable or unfavourable impression of the customer engagement you just completed?
□ Very favourable □ Somewhat favourable □ Somewhat unfavourable □ Very unfavourable □ Don't know
Q27. In this customer engagement, do you feel that Brantford Power provided too much information, not enough, or just the right amount?
□ Too little information □ Just the right amount of information □ Too much information
Q28. Was there any content missing that you would have liked to have seen included in this customer engagement? (OPEN)
□ None

Thank you for participating!

You have now completed Brantford Power's customer engagement survey.

Please enter your name, email, and customer billing address if you wish to be entered into the draw for your chance to win one of two $500 gift cards.

Your email will be used to contact you if you are one of the randomly selected prize winners and your billing address will be used to verify that you are a Brantford Power customer. Your email and customer billing address will be treated as strictly confidential and will not be shared with any third parties. This information will be deleted once the draw is complete.

O I do not wish to be entered into the draw

Contact Information

Your name: _____

Email Address: _____

Confirm Email: _____

Billing Address

Address*: _____

City*: _____

Postal Code*: _____

Phone No.*: _____

** Mandatory fields*

Note: Only Brantford Power customers are permitted to participate in this voluntary review, therefore, postal codes are collected and used by Innovative Research Group Inc. solely for maintaining the integrity of the consultation by validating legitimate participation in the process. Your personal information shall remain under the custody and control of Innovative Research Group Inc. and will not be disclosed to any third parties.

If you have any additional questions or comments about this customer engagement, email: **customerservices@brantfordpower.ca**

Attachment 1-E

2017 Audited Financial Statements

Financial Statements of

Brantford Power Inc.

December 31, 2017

Brantford Power Inc.
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December 31, 2017

Brantford Power Inc.

Management Report
December 31, 2017

The accompanying financial statements are the responsibility of management of Brantford Power Inc. (the Company). In management's opinion, these financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Management has selected accounting principles and methods that are appropriate to the Company's circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. The notes to the financial statements and any other supplementary information presented are consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, that transactions are properly authorized and that the Company's assets are properly accounted for and adequately safeguarded.

The financial statements have been examined by KPMG LLP, the external auditors of the Company. The responsibility of the external auditors is to express their opinion on whether the financial statements are fairly presented, in all material respects, in accordance with IFRS.

The board of directors, through the audit committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The audit committee meets periodically with management, as well with the external auditors to satisfy itself that each party is properly discharging its responsibilities with respect to internal controls and financial reporting. The audit committee also reviews the financial statements and recommends their approval to the board of directors. KPMG LLP has full and free access to the audit committee, with and without the presence of management.

Paul Kwasnik
President and Chief Executive Officer
April 25, 2018

Brian D'Amboise, CPA, CA
Chief Financial Officer
April 25, 2018

KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton Ontario L8P 4W7
Canada
Telephone (905) 523-8200
Fax (905) 523-2222

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Brantford Power Inc.:

We have audited the accompanying financial statements of Brantford Power Inc., which comprise the statement of financial position as at December 31, 2017, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brantford Power Inc. as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
April 25, 2018

Brantford Power Inc.
Statement of Financial Position
as at December 31, 2017

Assets	2017 $	2016 $
Current Assets		
Cash and cash equivalents - note 5	**16,374,261**	11,533,132
Accounts receivable - note 6	**11,327,306**	13,755,582
Due from affiliates - note 12	**36,997**	36,442
Unbilled revenue	**10,541,037**	12,170,485
Materials and supplies - note 7	**911,407**	884,390
Prepaid expenses	**181,872**	389,658
Total Current Assets	**39,372,880**	38,769,689
Non-Current Assets		
Property, plant and equipment - note 8	**68,584,181**	65,365,386
Intangible assets - note 9	**1,388,818**	1,582,147
Deferred tax assets - note 15	**1,142,130**	902,975
Total Non-Current Assets	**71,115,129**	67,850,508
Total Assets	**110,488,009**	106,620,197
Regulatory balances - note 10	**3,420,314**	3,951,867
Total Assets and Regulatory Balances	**113,908,323**	110,572,064

Signed on behalf of the Board:

Director

Director

See accompanying notes

Brantford Power Inc.
Statement of Financial Position
as at December 31, 2017

Liabilities and Equity	**2017**	2016
	$	$
Current Liabilities		
Accounts payable and accrued liabilities - note 11	**14,786,962**	14,310,675
Accounts payable to the City of Brantford - note 12	**361,267**	671,649
Interest payable to the City of Brantford - note 13	**1,015,945**	1,049,608
Customer deposits	**2,195,671**	1,703,721
Current portion of long-term debt - note 13	**1,082,608**	1,034,099
Payments in lieu of corporate income taxes - note 15	**174,298**	55,579
Total Current Liabilities	**19,616,751**	18,825,331
Non-Current Liabilities		
Long-term debt - note 13	**38,805,697**	39,887,507
Post-employment benefits - note 14	**1,416,269**	1,332,175
Accumulated vested sick leave credits	**78,125**	106,296
Deferred revenues - note 16	**2,042,424**	1,204,648
Derivative liabilities - note 25	**85,993**	184,071
Deferred payments in lieu of corporate income taxes - note 15	**3,037,972**	2,260,981
Total Non-Current Liabilities	**45,466,480**	44,975,678
Total Liabilities	**65,083,231**	63,801,009
Equity		
Share capital - note 17	**22,437,505**	22,437,505
Retained earnings	**22,025,766**	19,739,713
Accumulated other comprehensive income	**686,753**	696,215
Total Equity	**45,150,024**	42,873,433
Total Liabilities and Equity	**110,233,255**	106,674,442
Regulatory balances - note 10	**3,675,068**	3,897,622
Total Liabilities, Equity and Regulatory Balances	**113,908,323**	110,572,064

Contingencies and Commitments - note 20

Brantford Power Inc.

Statement of Comprehensive Income

for the year ended December 31, 2017, with comparative information for 2016

	2017	2016
	$	$
Revenue		
Distribution revenue	**17,142,791**	17,468,409
IESO conservation programs	**1,376,804**	2,152,870
Other income - note 18	**761,179**	892,776
	19,280,774	20,514,055
Sale of energy	**110,222,544**	122,179,183
Total revenue	**129,503,318**	142,693,238
Operating Expenses		
Distribution operations and maintenance - note 21	**3,561,397**	3,770,009
Billing and collecting - note 21	**3,009,904**	3,181,279
General administration - note 21	**3,896,536**	3,828,321
IESO conservation programs - note 21	**1,320,510**	1,832,908
Impairment loss on due from affiliates	**-**	45,758
Amortization - note 23	**3,205,213**	3,171,502
	14,993,560	15,829,777
Cost of power purchased	**108,827,919**	120,083,640
Total operating expenses	**123,821,479**	135,913,417
Income from operating activities	**5,681,839**	6,779,821
Finance income - note 19	**445,158**	413,111
Finance costs - note 19	**(1,732,182)**	(1,790,392)
Income before income taxes	**4,394,815**	5,402,540
Income tax expense - note 15	**989,763**	931,941
Net income for the year	**3,405,052**	4,470,599
Net movement in regulatory balances, net of tax		
Net movement in regulatory balances	**(634,530)**	(2,657,244)
Income tax on movement in regulatory balances	**325,531**	96,762
	(308,999)	(2,560,482)
Net income for the year and net movement in regulatory balances	**3,096,053**	1,910,117
Other comprehensive loss		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefits - note 14	**(12,874)**	(32,232)
Tax on remeasurements	**3,412**	8,543
Other comprehensive loss for the year	**(9,462)**	(23,689)
Total comprehensive income for the year	**3,086,591**	1,886,428

Brantford Power Inc.

Statement of Changes in Equity

for the year ended December 31, 2017, with comparative information for 2016

	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total
	$	$	$	$	$
Balance at January 1, 2016	22,437,505		18,639,596	719,904	41,797,005
Net income and net movement in regulatory balances	-	-	1,910,117	-	1,910,117
Other comprehensive loss	-	-	-	(23,689)	(23,689)
Dividends	-	-	(810,000)	-	(810,000)
Balance at December 31, 2016	**22,437,505**	**-**	**19,739,713**	**696,215**	**42,873,433**
Balance at January 1, 2017	22,437,505		19,739,713	696,215	42,873,433
Net income and net movement in regulatory balances	-	-	3,096,053	-	3,096,053
Other comprehensive loss	-	-	-	(9,462)	(9,462)
Dividends	-	-	(810,000)	-	(810,000)
Balance at December 31, 2017	**22,437,505**	**-**	**22,025,766**	**686,753**	**45,150,024**

Brantford Power Inc.

Statement of Cash Flows

for the year ended December 31, 2017, with comparative information for 2016

	2017	2016
	$	$
Operating activities		
Net income and net movement in regulatory balances	**3,096,053**	1,910,117
Items not affecting cash		
Amortization - note 23	**3,404,714**	3,373,041
Amortization of deferred revenue	**(36,586)**	(17,705)
Loss on disposal of property, plant and equipment	**60,527**	111,424
Income tax expense	**989,763**	931,941
Other items not affecting cash - note 22	**(55,029)**	(48,731)
	7,459,442	6,260,087
Changes in non-cash working capital components - note 22	**4,862,928**	(4,204,876)
Regulatory balances	**308,999**	2,560,482
Contributions received from customers	**524,289**	494,077
Income tax paid	**(329,796)**	-
Income tax received	**-**	130,134
Net cash from operating activities	**12,825,862**	5,239,904
Investing activities		
Acquisition of property, plant and equipment	**(6,402,548)**	(3,579,049)
Acquisition of intangible assets	**(143,159)**	(993,100)
Proceeds from disposal of property, plant and equipment	**55,000**	29,248
Net cash used by investing activities	**(6,490,707)**	(4,542,901)
Financing activities		
Repayment of long-term debt	**(1,034,099)**	(1,141,430)
Receipt of (decrease in) deferred revenues	**350,073**	(103,520)
Dividends paid	**(810,000)**	(810,000)
Net cash used by financing activities	**(1,494,026)**	(2,054,950)
Change in cash and cash equivalents	**4,841,129**	(1,357,947)
Cash and cash equivalents, beginning of year	**11,533,132**	12,891,079
Cash and cash equivalents, end of year	**16,374,261**	11,533,132

1. Description of Business

On March 1, 2000, Brantford Power Inc. (the Company) was incorporated under the Business Corporations Act (Ontario) along with its affiliate companies, Brantford Hydro Inc. and Brantford Energy Corporation. The incorporations were pursuant to the provisions of the Energy Competition Act, 1998. The Company is a wholly-owned subsidiary of Brantford Energy Corporation which is wholly owned by the City of Brantford. The Company provides electricity distribution services to residents of the City of Brantford. The operations of the company are regulated by the Ontario Energy Board (OEB).

The Company's head office is located at 84 Market Street and it maintains operational offices at 220 Colborne Street and 400 Grand River Avenue. All of these offices are located in the City of Brantford.

2. Basis of Presentation

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were approved by the Board of Directors on April 25, 2018.

Basis of measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

Use of estimates and judgments

Assumptions and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

2. Basis of Presentation - continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3 - measurement of unbilled revenue

(ii) Notes 3, 8 and 9 - estimation of useful lives of its property, plant and equipment and intangible assets.

(iii) Notes 3 and 10 - recognition and measurement of regulatory balances

(iv) Notes 3 and 14 - measurement of defined benefit obligations: key actuarial assumptions

(v) Note 20 - recognition and measurement of provisions and contingencies

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statement is included in the following notes:

(i) Note 20 - commitments and contingencies; whether a contingency is a liability

Rate regulation

The Company is regulated by the Ontario Energy Board (OEB), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (LDCs), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Company is required to bill customers for the debt retirement charge set by the province for certain customer classes. The Company may file to recover uncollected debt retirement charges from the Ontario Electricity Financial Corporation (OEFC) once each year.

2. Basis of Presentation - continued

Rate setting - Distribution revenue

For the distribution revenue, the Company files a Cost of Service (COS) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Company's business. The Company estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years, an Incentive Rate Mechanism (IRM) application is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for a 2-factor Input Price Index which accounts for the average weekly earnings for Ontario workers and the Gross Domestic Product Implicit Price Inflator - Final Domestic Demand (GDP IPI-FDD) net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from the customers.

In 2016, the Company filed a COS application for rates effective January 1, 2017 to December 31, 2017 for which a Decision and Rate order was issued November 24, 2016.

The OEB issued a new distribution rate design for residential electricity customers which will be phased in over a four year period commencing January 2016. Under this new policy, electricity distributors will structure residential rates so that all the distribution charge will be collected through a fully fixed monthly charge instead of the current fixed and variable rate charge.

Rate setting - Electricity rates

Under an established Regulated Price Plan, the OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. Remaining consumers pay either the market price for electricity or the contracted price for electricity if they have enrolled with a retailer. The Company is billed for the cost of the electricity that its customers use and pass this cost on to the customer at a cost without a mark-up.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

Financial instruments

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities with the exception of derivative liabilities. Loans and receivables and other liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described later in this note under ***Impairment of assets***. The Company has a derivative instrument related to its long-term debt facility with the Royal Bank of Canada. This is classified as a financial asset or liability at fair value through profit or loss.

Hedge accounting has not been used in the presentation of these financial statements.

Cash and cash equivalents include cash and short-term instruments with maturities of three months or less from the date of acquisition.

3. Significant Accounting Policies - continued

Revenue recognition

Sale and distribution of electricity

Revenue from the sale and distribution of electricity is recognized as the electricity is delivered to customers on the basis of cyclical meter readings and estimated customer usage since the last meter reading date to the end of the year. Revenue includes electricity supplied, distribution, and any other regulatory charges or credits. The related cost of power is recorded on the basis of power used.

For customer billings related to the electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Company has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Company is acting as an agent for this billing stream.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered or contract milestones are achieved. Amounts received in advance of these milestones are presented as deferred revenue.

Certain customers and developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. Cash contributions are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Company's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Government grants and the related performance incentive payments under the Independent Electricity System Operator (IESO) programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received. Funding for IESO related performance incentive payments is recognized as revenue in the year when the Company receives confirmation by the applicable agency that the performance incentive payments will be received.

3. Significant Accounting Policies - continued

Materials and supplies

Materials and supplies, the majority of which are consumed by the Company in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

Property, plant and equipment

Items of property, plant and equipment (PP&E) used in rate-regulated activities and acquired prior to January 1, 2014 were measured at deemed cost established on January 1, 2014 less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Company has concluded it does not have any legal or constructive obligation to remove PP&E.

3. Significant Accounting Policies - continued

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use. The Company applies the half year rule for depreciation in the year of acquisition.

The estimated useful service life are as follows.

Buildings	20-50 years
Transformer station	20-50 years
Distribution stations	30 years
Distribution lines - overhead	3-60 years
Distribution lines - underground	3-60 years
Distribution transformers	3-40 years
Distribution meters	15-35 years
Vehicles	8-20 years
Office furniture	10 years
Computer hardware	2-4 years
Tools and other equipment	5-15 years

3. Significant Accounting Policies - continued

Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2014 were measured at deemed cost established on January 1, 2014, less accumulated amortization. All other intangible assets are measured at cost.

Payments to obtain rights to access land (land rights) are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Company does not hold title. Land rights acquired after January 1, 2014 are measured at cost less accumulated amortization.

Capital contributions relate to projects undertaken by the Company that required the alteration of a neighbouring utility's PP&E to accommodate the Company's joint use of those facilities for its PP&E. Capital contributions paid are measured at cost less accumulated amortization.

Computer software that is acquired or developed by the Company after January 1, 2014, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Land rights	50 years
Capital contribution paid	45 years
Software	2-5 years
Other	5 years

3. Significant Accounting Policies - continued

Impairment of assets

Financial assets measured at amortized cost

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

During 2016, the Company recorded an impairment loss of $45,758 related to the receivable balance from their affiliate, Brantford Generation Inc. No impairment losses were incurred during 2017.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Significant Accounting Policies - continued

Customer deposits

Customer deposits represent cash deposits from electricity distribution customers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Regulatory balances

Regulatory asset balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory liability balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Company.

Regulatory asset balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will be approved by the OEB for recovery through rates. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory asset balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory asset balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

3. Significant Accounting Policies - continued

When the Company is required to refund amounts to ratepayers in the future, the Company recognizes a regulatory liability balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

Post employment benefits

Pension plan

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the Fund), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Company is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

Post-employment benefits, other than pension

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

3. Significant Accounting Policies - continued

Accumulated vested sick leave credits

Certain employees have accumulated sick leave credits and are entitled to receive special payments upon separation or retirement. Payments are charged to the liability when made. The annual change in accumulated vested sick leave entitlements are expensed in the year earned. An estimate of sick time utilized in excess of the annual entitlement has been made and a related accrual has been recorded under IFRS.

Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and late payments on customer electricity accounts receivable balances.

Finance costs comprise interest expense on borrowings, interest on customer deposits and the gain or loss on derivative liabilities. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

3. Significant Accounting Policies - continued

Payments in lieu of corporate income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the *Electricity Act*, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

4. Future Changes in Accounting Policy and Disclosures

The Company is still evaluating the adoption of the following new and revised standards along with any subsequent amendments.

Revenue recognition

The International Accounting Standards Board (IASB) issued IFRS 15, *Revenue from Contracts with Customers (IFRS 15)*. IFRS 15 replaces IAS 11, *Construction Contracts*, IAS 18 Revenue and various interpretations and establishes principles regarding the nature, amount, timing and uncertainty of revenue arising from contracts with customers. The standard requires entities to recognize revenue for the transfer of goods or services to customers measured at the amounts an entity expects to be entitled to in exchange for those goods or services. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company will adopt IFRS 15 and the clarifications in its financial statements for the annual period beginning January 1, 2018. The Company does not expect the standard to have a material impact on the financial statements.

Financial instruments

In July 2014, the IASB issued a new standard, IFRS 9 *Financial Instruments*, which will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively. The Company will adopt IFRS 9 in its financial statements for the annual period beginning January 1, 2018. The Company does not expect the standard to have a material impact on the financial statements.

Leases

In January 2016, IASB issued IFRS 16 to establish principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 replaces IAS 17 and it is effective for annual periods beginning on or after January 1, 2019. The Company will adopt IFRS 16 in its financial statements for the annual period beginning January 1, 2019. The Company does not expect the standard to have a material impact on the financial statements.

5. Cash and Cash Equivalents

	2017	2016
	$	$
Bank balances	**16,372,361**	11,531,032
Cash balances	**1,900**	2,100
	16,374,261	11,533,132

6. Accounts Receivable

	2017	2016
	$	$
Trade receivables	**11,777,768**	14,269,160
Other trade receivables	**83,258**	84,853
Billable work	**560,280**	301,569
Allowance for doubtful accounts	**(1,094,000)**	(900,000)
	11,327,306	13,755,582

7. Material and Supplies

The amount of inventory consumed by the Company and recognized as an expense during 2017 was $139,990 (2016 - $284,378).

8. Property, Plant and Equipment

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Cost or deemed cost	$	$	$	$	$
Balance at January 1, 2017	1,127,545	70,267,269	3,049,074	20,438	74,464,326
Additions	1,677,792	3,676,089	538,326	510,341	6,402,548
Transfers	-	20,438	-	(20,438)	-
Disposals/retirements	-	(131,835)	(16,187)	-	(148,022)
Balance at December 31, 2017	2,805,337	73,831,961	3,571,213	510,341	80,718,852
Balance at January 1, 2016	1,127,545	67,397,774	2,441,561	79,199	71,046,079
Additions	-	3,019,062	618,748	21,277	3,659,087
Transfers	-	-	-	(80,038)	(80,038)
Disposals/retirements	-	(149,567)	(11,235)	-	(160,802)
Balance at December 31, 2016	1,127,545	70,267,269	3,049,074	20,438	74,464,326
Accumulated depreciation	$	$	$	$	$
Balance at January 1, 2017	82,812	8,196,064	820,064	-	9,098,940
Depreciation	27,078	2,728,532	312,616	-	3,068,226
Disposals/retirements	-	(16,308)	(16,187)	-	(32,495)
Balance December 31, 2017	109,890	10,908,288	1,116,493	-	12,134,671
Balance at January 1, 2016	55,132	5,410,835	524,875	-	5,990,842
Depreciation	27,680	2,805,359	295,189	-	3,128,228
Disposals/retirements	-	(20,130)	-	-	(20,130)
Balance December 31,2016	82,812	8,196,064	820,064	-	9,098,940

8. Property, Plant and Equipment - continued

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
	$	$	$	$	$
Carrying amounts					
At December 31, 2017	2,695,447	62,923,673	2,454,720	510,341	68,584,181
At December 31, 2016	1,044,733	62,071,205	2,229,010	20,438	65,365,386

During the year, no borrowing costs were capitalized as part of the cost of property, plant and equipment.

At December 31, 2017, property, plant and equipment with a carrying amount of $68,584,181 (2016 - $65,365,386) are subject to general security agreements.

9. Intangible Assets

	Land rights	Capital contributions paid	Software	Other	Total
Cost or deemed cost	$	$	$	$	$
Balance at January 1, 2017	98,187	414,608	1,596,438	49,438	2,158,671
Additions	-	-	143,159	-	143,159
Balance at December 31, 2017	98,187	414,608	1,739,597	49,438	2,301,830
Balance at January 1, 2016	98,187	414,608	604,148	48,628	1,165,571
Additions	-	-	992,290	810	993,100
Balance at December 31, 2016	98,187	414,608	1,596,438	49,438	2,158,671
Accumulated depreciation	$	$	$	$	$
Balance at January 1, 2017	5,852	17,573	512,623	40,476	576,524
Depreciation	2,017	9,208	318,703	6,560	336,488
Balance December 31, 2017	7,869	26,781	831,326	47,036	913,012
Balance at January 1, 2016	3,813	8,359	289,249	24,131	325,552
Depreciation	2,039	9,214	223,374	16,345	250,972
Balance December 31, 2016	5,852	17,573	512,623	40,476	576,524
Carrying amounts					
At December 31, 2017	90,318	387,827	908,271	2,402	1,388,818
At December 31, 2016	92,335	397,035	1,083,815	8,962	1,582,147

10. Regulatory Balances

Reconciliation of the carrying amount for each class of regulatory balances

	January 1, 2017 $	Additions $	Recovery/ reversal $	December 31, 2017 $	Remaining recovery/ reversal years
Regulatory deferral account debit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	702,077	(292,757)	221,446	630,766	2
Retailer cost variance accounts	125,152	90	(77,108)	48,134	5
Deferred meter costs	916,733	(783,880)	-	132,853	1
Other regulatory accounts	838,918	811,939	(838,918)	811,939	5
Regulatory settlement account	-	102,104	-	102,104	-
Future income tax	1,368,987	325,531	-	1,694,518	N/A
	3,951,867	163,027	(694,580)	3,420,314	

	January 1, 2016 $	Additions $	Recovery/ reversal $	December 31, 2016 $	Remaining years
Regulatory deferral account debit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	3,191,590	919,138	(3,408,651)	702,077	2
Retailer cost variance accounts	76,321	48,831	-	125,152	6
Deferred meter costs	1,636,146	-	(719,413)	916,733	2
Other regulatory accounts	721,499	6,070	111,349	838,918	6
Future income tax	1,272,225	96,762	-	1,368,987	N/A
	6,897,781	1,070,801	(4,016,715)	3,951,867	

10. Regulatory Balances - continued

	January 1, 2017 $	Additions $	Recovery/ reversal $	December 31,2017 $	Remaining recovery/ reversal years $
Regulatory deferral account credit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	3,846,881	1,581,547	(1,753,360)	3,675,068	2
Regulatory settlement account	50,741	(1,131,391)	1,080,650	-	2
	3,897,622	450,156	(672,710)	3,675,068	

	January 1, 2016 $	Additions $	Recovery/ reversal $	December 31, 2016 $	Remaining years
Regulatory deferral account credit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	4,029,337	(2,062,797)	1,880,341	3,846,881	2
Regulatory settlement account	253,717	601,865	(804,841)	50,741	2
	4,283,054	(1,460,932)	1,075,500	3,897,622	

10. Regulatory Balances - continued

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Company has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 deferral accounts can be done on an annual basis through application to the OEB. Group 2 and other deferral accounts can be settled during a cost of service application to the OEB. An application was made to the OEB to repay $2,008,933 of the Group 1 deferral accounts and collect $894,157 of the Group 2 and other deferral accounts. Approval was received November 24, 2016. Effective January 1, 2017, the approved account balances were moved to the regulatory settlement account.

The OEB requires the Company to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. The rates were as follows:

Quarter	**2017**	**2016**
January 1 to March 31	1.10%	1.10%
April 1 to June 30	1.10%	1.10%
July 1 to September 30	1.10%	1.10%
October 31 to December 31	1.50%	1.10%

11. Accounts Payable and Accrued Liabilities

	2017	2016
	$	$
Accounts payable and accruals - energy purchases	**9,204,719**	10,686,591
Debt retirement charge payable to OEFC	**335,690**	311,372
Payroll payable	**666,784**	489,890
IESO conservation program funding	**820,012**	647,591
Other	**3,759,757**	2,175,231
	14,786,962	14,310,675

12. Related Party Transactions

The Company is a wholly owned subsidiary of Brantford Energy Corporation and Brantford Energy Corporation is wholly owned by the Corporation of the City of Brantford (the City). Brantford Energy Corporation also owns Brantford Hydro Inc. and Brantford Generation Inc.

The Company obtains certain administrative and management services from the City and Brantford Energy Corporation. The Company also provides services to the City, Brantford Generation Inc. and Brantford Hydro Inc. These services were made in the normal course of business, are non-interest bearing, have terms of net thirty days and have been recorded at the exchange amounts.

The Company has entered into a shared services agreement with the City, whereby the City will provide administrative, maintenance and operational services to the Company. The exchange amount for these services has been set out in the agreement. As at December 31, 2017 the balance owing to the City for these services was $361,267 (2016 - $671,649).

Details of the transactions between the Company and the City are detailed below:

	2017	2016
City of Brantford	**$**	$
Revenues		
Sale of electricity	**8,446,448**	7,427,151
Other services	**240,289**	247,813
	8,686,737	7,674,964
Operating expenses		
Shared services agreement	**1,777,497**	2,222,506
Property taxes	**20,912**	18,671
	1,798,409	2,241,177

12. Related Party Transactions - continued

The Company provides administrative support to their affiliates. Details of these charges are presented by affiliate in the following charts.

The Company obtains management services from Brantford Energy Corporation.

Details of the transactions between the Company and Brantford Energy Corporation are presented below:

Brantford Energy Corporation	**2017** **$**	2016 $
Revenues		
Administrative support	**64,491**	72,804
	64,491	72,804
Operating expenses		
Management fees	**97,910**	127,832
	97,910	127,832

The Company purchases dark fibre optics services from Brantford Hydro Inc.

The Company charges pole rental fees to Brantford Hydro Inc. These rental fees allow fibre optic cables to be attached to the Company's distribution assets. The Company also provides other services such as, water heater tank disposal handling and assistance when fibre optic maintenance is done in proximity of electrical plant.

Details of the transactions between the Company and Brantford Hydro Inc. are presented below:

Brantford Hydro Inc.	**2017** **$**	2016 $
Revenue		
Administrative support	**190,182**	167,209
Pole rental fees	**47,963**	46,779
Other services	**6,640**	8,146
	244,785	222,134
Operating expenses		
Dark fibre optic services	**3,600**	3,600
	3,600	3,600

12. Related Party Transactions - continued

Brantford Generation Inc. ceased commercial operations during 2016. Details of the transactions between the Company and Brantford Generation Inc. are presented below:

Brantford Generation Inc.	**2017** **$**	2016 $
Revenue		
Administrative support	**-**	52,401
Sale of energy	**-**	73,963
	-	126,364
Operating expenses		
Cost of power purchased	**-**	802,551
	-	802,551

Balances owing from affiliates are as follows:

	2017 **$**	2016 $
Brantford Energy Corporation	**1,269**	(31,664)
Brantford Hydro Inc.	**35,728**	68,106
Total due from affiliates	**36,997**	36,442

Key management personnel

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

	2017 **$**	2016 $
Directors' fees	**25,335**	25,455
Salaries and other short-term benefits	**921,487**	859,589
Post-employment benefits	**636**	3,817
	947,458	888,861

13. Long-Term Debt

	2017	2016
	$	$
Note payable, bearing interest at 4.20%, repayable to the City, interest only payable annually - due February, 2021	**24,189,168**	24,189,168
Royal Bank, non-revolving term facility with interest at prime repayable in varying quarterly instalments, due January, 2020	**1,782,643**	2,272,716
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 5.14% repayable in semi annual instalments of $86,522 due December, 2032	**1,800,332**	1,877,837
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 4.95% repayable in semi annual instalments of $138,371 due December, 2050	**4,490,000**	4,542,543
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 3.46% repayable in semi annual instalments of $237,885 due October, 2027	**4,022,428**	4,352,535
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 3.90% repayable in semi annual instalments of $113,683 due December, 2042	**3,603,734**	3,686,807
	39,888,305	40,921,606
Less current portion	**1,082,608**	1,034,099
	38,805,697	39,887,507

The City has an option to extend the maturity date of the promissory note for successive five year periods. The City also has the option to convert the principal sum outstanding into common shares of the Company at a conversion ratio of $100 per common share. Interest payable to the City of $1,015,945 (2016 - $1,049,608) was outstanding as at December 31, 2017.

The Company entered into a swap agreement during 2006 with Royal Bank to fix the interest rate. The agreement represents a notional principal amount of $5,900,000. Under the terms of the agreement, the Company has contracted to pay interest at a fixed rate of 4.71% plus a stamping fee rate of 0.80% while receiving a variable rate equivalent to the one month Canadian Dollar Offered Rate to be repriced quarterly.

These credit facilities are secured by general security agreements over all assets of the Company and an assignment of related fire insurance.

13. Long-Term Debt - continued

Estimated principal repayment requirements are as follows:

	$
2018	1,082,608
2019	1,132,993
2020	1,186,290
2021	24,824,706
2022	660,776
Thereafter	11,000,932

14. Post-Employment Benefits

Ontario Municipal Employees Retirement System (OMERS) Pension Plan

All full-time, permanent and certain contract employees of the Company are eligible to participate in the OMERS defined pension plan (the plan).

The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2017, the Company made employer contributions of $496,550 to OMERS (2016 - $476,802), of which $6,319 (2016 - $60,490) has been capitalized as part of PP&E and the remaining amount of $490,231 (2016 - $416,312) has been recognized in profit or loss. The Company estimates that a contribution of $547,415 to OMERS will be made during the next fiscal year.

As at December 31, 2017, OMERS had approximately 482,000 members. The most recently available OMERS annual report is for the year ended December 31, 2017, which reported that the plan was 94% funded, with an unfunded liability of $5.4 billion. This unfunded liability is likely to result in future payments by participating employers and members.

Post-employment benefits other than pension

The Company acquired various life insurance, health care related and dental coverage plan liabilities for certain retired employees of the former Hydro-Electric Commission of the City of Brantford. Travel, dental, vision and semi-private health care coverage is continued until the retiree reaches 65 years of age. Life insurance and extended health care coverage is continued until the retiree's death. The Company is also obligated to provide post retirement benefits to eligible active employees.

The Company measures the accrued benefit obligation for accounting purposes as of December 31 of each year. The accrued benefit obligation as at December 31, 2017 and the expense for the period ended December 31, 2017 are based on actuarial valuations done as at January 1, 2015.

14. Post-Employment Benefits - continued

The obligation is unfunded since no assets have been segregated and restricted to provide the post-retirement benefits.

Significant assumptions

The key weighted-average assumptions used by the Company for the measurement of the benefit obligation and benefit expense are summarized as follows:

	2017	2016
	$	$
To determine benefit obligation at end of year		
Discount rate	**3.50%**	3.75%
To determine benefit expense (income) for the year		
Discount rate	**3.40%**	3.50%
Rate of increase in future compensation	**N/A**	N/A
Health care cost trend rates at end of year		
Initial rate	**7.00%**	7.00%
Ultimate rate	**4.75%**	4.75%
Year ultimate rate reached	**2023**	2023

Sensitivity analysis	**Change in Obligation**	**Change in Expense**
	$	$
Impact of 1% increase in assumed health care trend rate	155,700	18,000
Impact of 1% decrease in assumed health care trend rate	(131,700)	(14,900)

	2017	2016
	$	$
Reconciliation of the obligation		
Defined benefit obligation, beginning of year	**1,332,175**	1,236,004
Included in profit or loss		
Current service cost	**76,196**	71,100
Interest cost	**48,360**	47,982
Included in OCI		
Actuarial losses	**12,874**	32,236
Benefits paid	**(53,336)**	(55,147)
Defined benefit obligation, end of year	**1,416,269**	1,332,175

15. Income Tax Expense

	2017	2016
	$	$
Current tax expense		
Current year	**256,970**	55,579
Adjustment for prior years	**191,545**	(30,630)
	448,515	24,949
Deferred tax expense		
Change in recognized deductible temporary differences	**541,248**	906,992
	541,248	906,992
Total income tax expense	**989,763**	931,941
Reconciliation of effective tax rate		
Income before taxes	**4,394,815**	5,402,540
Canada and Ontario statutory income tax rates	**26.5 %**	26.5 %
Expected tax provision on income at statutory rates	**1,164,626**	1,431,673
Increase (decrease) in income taxes resulting from:		
Permanent differences	**2,039**	2,039
Prior periods and other	**(171,107)**	(501,771)
Income tax expense	**995,558**	931,941

Significant components of the Company's deferred tax balances:

	2017	2016
	$	$
Deferred tax assets (liabilities)		
Property, plant and equipment	**(2,594,078)**	(2,260,981)
Cumulative eligible capital	**184,920**	182,740
Post-employment benefits	**396,010**	378,630
Allowance for doubtful accounts	**289,910**	238,500
Regulatory balances	**(443,894)**	10,981
Corporate minimum tax credits available for carry forward	**242,570**	-
Other	**28,720**	92,124
	(1,895,842)	(1,358,006)

16. Deferred Revenue

	2017	2016
	$	$
Contributions received from customers	**1,692,351**	1,204,648
Other	**350,073**	-
	2,042,424	1,204,648

17. Share Capital

	2017	2016
	$	$
Authorized		
Unlimited number of common shares		
Issued		
1,001 common shares	**22,437,505**	22,437,505

Dividends

The Company has established a dividend policy to pay a pure residual non-cumulative approach to dividends whereby no specified targeted dividend payout ratios or dollar amounts will be prescribed in advance.

The Company paid aggregate dividends in the year on common shares of $809 per share (2016 - $809), which amount to total dividends paid in the year of $810,000 (2016 -$810,000).

18. Other Revenue

	2017	2016
	$	$
Specific services charges	**356,655**	554,231
Management fees	**254,673**	292,414
Property rental	**113,253**	110,161
Retailer revenue	**23,841**	27,853
Loss on disposal of assets	**(60,527)**	(111,424)
Customer contributions	**36,586**	17,705
Other revenue	**36,698**	1,836
	761,179	892,776

19. Finance Income and Finance Costs

	2017	2016
	$	$
Finance Income		
Interest income on bank deposits	**163,612**	128,536
Late payment charges	**281,546**	284,575
	445,158	413,111
Finance Costs		
Interest on long-term debt	**1,736,378**	1,822,902
Interest expense on customer deposits	**30,418**	12,708
Gain on derivative liabilities	**(93,421)**	(104,187)
Other	**58,807**	58,969
	1,732,182	1,790,392
Net finance costs recognized in profit or loss	**1,287,024**	1,377,281

20. Contingencies and Commitments

General liability insurance

The Company has obtained general liability and enhanced directors and officers insurance coverage from the Municipal Electric Association Reciprocal Insurance Exchange (The Mearie Group) expiring January 1, 2019. The Mearie Group is an insurance reciprocal whereby all members through the unincorporated group share risks with each other. Members of the Mearie Group are assessed a premium deposit at policy execution. Should the group experience losses that are in excess of the accumulated premium deposits of its members combined with reserves and supplementary insurance, members would be assessed a supplementary or retro assessment on a pro-rata basis for the years in which the Company was a member.

As at December 31, 2017, the Company has not been made aware of any additional assessments. Participation in The Mearie Group covers a three year underwriting period which expires on January 1, 2019.

General

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

21. Operating Expenses

	2017	2016
Distribution operations and maintenance	**$**	$
Salaries and benefits	**1,673,587**	1,531,933
Other staff costs	**78,668**	90,062
City of Brantford shared services	**928,280**	919,657
Contracted services	**296,267**	356,415
Building utilities and maintenance	**40,614**	44,782
Materials and supplies	**240,759**	359,793
Equipment repairs and maintenance	**35,385**	30,460
Vehicle	**181,486**	169,807
Other	**86,351**	267,100
	3,561,397	3,770,009

	2017	2016
Billing and Collecting	**$**	$
Salaries and benefits	**1,175,035**	1,152,991
Other staff costs	**10,489**	20,524
City of Brantford shared services	**341,401**	436,863
Contracted services	**384,763**	401,363
Allowance for doubtful accounts	**515,553**	528,913
Materials and supplies	**4,735**	8,625
Equipment repairs and maintenance and vehicle	**4,476**	38,730
Postage	**358,908**	357,234
Other	**214,544**	236,036
	3,009,904	3,181,279

	2017	2016
General administration	**$**	$
Salaries and benefits	**2,235,247**	1,988,625
Other staff costs	**82,260**	85,891
City of Brantford shared services	**664,852**	731,214
Contracted services	**468,287**	539,026
Materials and supplies	**15,237**	31,407
Equipment repairs and maintenance	**3,383**	-
Vehicle	**182**	-
Other	**427,088**	452,158
	3,896,536	3,828,321

21. Operating Expenses - continued

	2017	2016
IESO conservation programs	**$**	$
Incentives paid to customers	**798,576**	1,140,609
Salaries and benefits	**265,543**	246,789
Other staff costs	**17,888**	16,659
City of Brantford shared services	**28,981**	29,241
Contracted services	**149,507**	295,503
Materials and supplies	**4,601**	58,851
Other	**55,414**	45,256
	1,320,510	1,832,908

22. Statement of Cash Flows

	2017	2016
	$	$
Changes in non-cash working capital		
Accounts receivable	**2,428,276**	(3,663,016)
Unbilled revenue	**1,629,448**	(20,607)
Materials and supplies	**(27,017)**	246,205
Prepaid expenses	**207,786**	(58,027)
Accounts payable and accrued liabilities	**476,287**	(564,807)
Accounts payable to the City of Brantford	**(310,382)**	221,924
Finance costs	**1,736,378**	1,822,902
Interest paid on long term debt	**(1,769,243)**	(2,191,309)
Due from affiliates	**(555)**	(95,793)
Customer deposits	**491,950**	97,652
	4,862,928	(4,204,876)
Other items not affecting cash		
Post-employment benefits	**71,220**	63,939
Vested sick leave	**(28,171)**	(4,741)
Derivative liabilities	**(98,078)**	(107,983)
Other	**-**	54
	(55,029)	(48,731)

23. Amortization

	2017	2016
	$	$
Amortization of capital assets	**3,205,213**	3,171,502
Amortization of capital assets charged to distribution operations and maintenance	**199,501**	201,539
	3,404,714	3,373,041

24. Capital Disclosures

The Company's main objectives when managing capital are to:

- ensure ongoing access to funding to maintain and improve the electricity distribution system;
- ensure compliance with covenants related to its credit facilities; and
- closely align its capital structure with the deemed capital structure established by the OEB.

As at December 31, 2017, the Company's definition of capital includes shareholder's equity and long-term debt. This definition remains unchanged from prior years. As at December 31, 2017, shareholder's equity amounts to $45,150,024 (2016 - $42,873,433) and long-term debt, amounts to $38,805,697 (2016 - $39,887,507). The Company's capital structure as at December 31, 2017 is 46% debt and 54% equity (2016 - 48% debt and 52% equity). There have been no changes in the Company's approach to capital management during the year.

The Company's long-term debt agreements include both financial and non-financial covenants. As at December 31, 2017 the Company was in compliance with all covenants.

25. Financial Instruments

All financial instruments are initially recorded on the statement of financial position at fair value except for certain related party transactions. They are subsequently valued either at fair value or amortized cost depending on the classification selected by the Company for the financial instrument.

Interest Rate Risk

Interest is paid on customer deposits at a market rate reset quarterly as directed by the Ontario Energy Board.

A term facility loan bears interest at a floating rate and thus, the carrying value approximates fair value. However, the Company has entered into an interest rate swap transaction, derivative instrument, the effect of which is to fix the interest rate on the $1,786,000 term facility loan at 4.71%. The potential replacement cost to the Company of the interest rate swaps, representing estimated fair value as presented on the balance sheet, was $85,993 (2016 - $184,071), which was in the favour of Royal Bank. The Company entered into this interest rate swap transaction to fix the interest rate over the long-term and intends to hold this to maturity at which time there should be no replacement cost.

Credit Risk

The Company grants credit to its customers in the normal course of business and monitors their financial condition and reviews the credit history of new customers. The Company is currently holding customer deposits on hand in the amount of $2,195,671 (2016 - $1,703,721) which is reflected on the Statement of Financial Position. Customer deposits are limited to those allowed under the OEB's Retail Settlement Code. Allowances of $1,094,000 (2016 - $900,000) are also maintained for potential credit losses. The Company's accounts receivable do not reflect the concentrated risk of default from exposure to large customers. At December 31, 2017, the outstanding amounts receivable from the largest ten customers represented $2,538,747 or 27% (2016 - $3,057,900 or 27%) of the total outstanding accounts receivable. Management believes that it has adequately provided for any exposure to normal customer and retailer credit risk.

Liquidity Risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cashflows generated from operations to meet its requirements.

25. Financial Instruments - continued

Prudential Support

The Company Inc. is required, through the Independent Electricity System Operator (IESO), to provide security to mitigate the company's risk of default based on its expected activity in the electricity market. The IESO could draw on this guarantee if the Company fails to make a payment required by a default notice issued by the IESO. The maximum potential payment is the face value of the bank letter of credit. As at December 31, 2017, the Company provided prudential support in the form of a bank letter of credit of $13,057,140 (2016 - $13,057,140).

Revolving Term Facility

As at December 31, 2017, the Company has been authorized for a revolving term facility of $7,000,000 of which NIL had been drawn upon. The facility bears interest at prime and is secured by a general security agreement over all assets of the Company and assignment of related fire insurance.

Fair Value of Other Financial Instruments

a) Establishing fair value

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accounts payable to the City, interest payable to the City, and due to/from affiliates approximate their fair values due to the immediate or short-term maturity of these financial instruments.

Fair values for other financial instruments, detailed below, have been estimated with reference to quoted market prices for actual or similar instruments where available, except for certain related party transactions.

Customer deposits fair value equals carrying value. Interest is paid on deposits on a monthly basis at a market rate, reset quarterly, as directed by the OEB.

The fixed rate long-term debt facility, maturing December 2032, funded by the Ontario Infrastructure and Lands Corporation (OILC) has an estimated fair value of $2,006,100 (carrying value - $1,800,332). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2017, of 3.50% per annum, (actual rate – 5.14% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

25. Financial Instruments - continued

The fixed rate long-term debt facility, maturing December 2050, funded by the OILC has an estimated fair value of $5,354,700 (carrying value - $4,490,000). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2017, of 3.55% per annum, (actual rate – 4.95% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The fixed rate long-term debt facility, maturing October 2027, funded by the OILC has an estimated fair value of $4,028,300 (carrying value - $4,022,428). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2017, of 3.28% per annum, (actual rate – 3.46% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The fixed rate long-term debt facility, maturing December 2042, funded by the OILC has an estimated fair value of $3,700,200 (carrying value - $3,603,734). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2017, of 3.55% per annum, (actual rate – 3.90% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The promissory note payable to the City has an estimated fair value of $26,185,200 (carrying value - $24,189,168). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2017, of 3.55% per annum, (actual rate – 4.20% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The fair value of derivative instruments is calculated using pricing models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money and yield curves.

b) Fair value hierarchy

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

25. Financial Instruments - continued

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Statement of Financial Position Sheet, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3	Total financial assets and liabilities at fair value
	$	**$**	**$**	$
Financial Assets				
Cash and cash equivalents	16,374,261	-	-	16,374,261
Total financial assets	**16,374,261**	**-**	**-**	**16,374,261**
Financial capital liabilities				
Customer deposits	2,195,671	-	-	2,195,671
Derivative liabilities	85,993	-	-	85,993
Total financial liabilities	**2,281,664**	**-**	**-**	**2,281,664**

During the year, there has been no transfer of amounts between Level 1 and Level 2 and no financial assets or liabilities have been identified as Level 3.

26. Comparative Figures

Certain prior year figures have been reclassified to conform with the current year's presentation.

Attachment 1-F

2018 Audited Financial Statements

Financial Statements of

Brantford Power Inc.

December 31, 2018

Brantford Power Inc.
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Brantford Power Inc.

Management Report
December 31, 2018

The accompanying financial statements are the responsibility of management of Brantford Power Inc. (the Company). In management's opinion, these financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Management has selected accounting principles and methods that are appropriate to the Company's circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. The notes to the financial statements and any other supplementary information presented are consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, that transactions are properly authorized and that the Company's assets are properly accounted for and adequately safeguarded.

The financial statements have been examined by KPMG LLP, the external auditors of the Company. The responsibility of the external auditors is to express their opinion on whether the financial statements are fairly presented, in all material respects, in accordance with IFRS.

The board of directors, through the audit committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The audit committee meets periodically with management, as well with the external auditors to satisfy itself that each party is properly discharging its responsibilities with respect to internal controls and financial reporting. The audit committee also reviews the financial statements and recommends their approval to the board of directors. KPMG LLP has full and free access to the audit committee, with and without the presence of management.

Paul Kwasnik
President and Chief Executive Officer
April 24, 2019

Brian D'Amboise, CPA, CA
Chief Financial Officer
April 24, 2019

KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton Ontario L8P 4W7
Canada
Telephone (905) 523-8200
Fax (905) 523-2222

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Brantford Power Inc.:

Opinion

We have audited the financial statements of Brantford Power Inc. (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled are other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

April 24, 2019

Brantford Power Inc.

Statement of Financial Position

as at December 31, 2018

Assets	2018 $	2017 $
Current Assets		
Cash and cash equivalents - note 7	**16,946,199**	16,374,261
Accounts receivable - note 8	**10,721,509**	11,327,306
Due from affiliates - note 14	**7,570**	36,997
Unbilled revenue	**10,989,214**	10,541,037
Materials and supplies - note 9	**763,763**	911,407
Prepaid expenses	**347,773**	181,872
Total Current Assets	**39,776,028**	39,372,880
Non-Current Assets		
Property, plant and equipment - note 10	**70,221,198**	68,586,583
Intangible assets - note 11	**2,332,908**	1,386,416
Deferred tax assets - note 17	**649,705**	957,210
Total Non-Current Assets	**73,203,811**	70,930,209
Total Assets	**112,979,839**	110,303,089
Regulatory balances - note 12	**3,572,534**	3,420,314
Total Assets and Regulatory Balances	**116,552,373**	113,723,403

Signed on behalf of the Board:

Director

Director

See accompanying notes

Brantford Power Inc.
Statement of Financial Position
as at December 31, 2018

Liabilities and Equity	**2018**	2017
	$	$
Current Liabilities		
Accounts payable and accrued liabilities - note 13	**14,627,353**	14,786,962
Accounts payable to the City of Brantford - note 14	**352,335**	361,267
Interest payable to the City of Brantford - note 15	**1,015,945**	1,015,945
Customer deposits	**1,886,318**	2,195,671
Current portion of long-term debt - note 15	**1,132,993**	1,082,608
Payments in lieu of corporate income taxes	**292,639**	174,298
Total Current Liabilities	**19,307,583**	19,616,751
Non-Current Liabilities		
Long-term debt - note 15	**37,676,059**	38,805,697
Post-employment benefits - note 16	**1,224,800**	1,416,269
Accumulated vested sick leave credits	**61,883**	78,125
Deferred revenues - note 18	**3,037,769**	2,042,424
Derivative liabilities - note 27	**39,354**	85,993
Deferred tax liabilities - note 17	**2,720,751**	2,853,052
Total Non-Current Liabilities	**44,760,616**	45,281,560
Total Liabilities	**64,068,199**	64,898,311
Equity		
Share capital - note 19	**22,437,505**	22,437,505
Retained earnings	**23,238,982**	22,025,766
Accumulated other comprehensive income	**873,788**	686,753
Total Equity	**46,550,275**	45,150,024
Total Liabilities and Equity	**110,618,474**	110,048,335
Regulatory balances - note 12	**5,933,899**	3,675,068
Total Liabilities, Equity and Regulatory Balances	**116,552,373**	113,723,403

Contingencies and Commitments - note 22

Brantford Power Inc.

Statement of Comprehensive Income

for the year ended December 31, 2018, with comparative information for 2017

	2018	2017
	$	$
Revenue		
Distribution revenue	**17,437,596**	17,142,791
IESO conservation programs	**1,690,308**	1,376,804
Other income - note 20	**566,264**	761,179
	19,694,168	19,280,774
Sale of energy	**109,916,976**	110,222,544
Total revenue	**129,611,144**	129,503,318
Operating Expenses		
Distribution operations and maintenance - note 23	**3,812,993**	3,561,397
Billing and collecting - note 23	**3,303,909**	3,009,904
General administration - note 23	**4,269,183**	3,896,536
IESO conservation programs - note 23	**1,325,866**	1,320,510
Amortization - note 25	**3,164,977**	3,205,213
	15,876,928	14,993,560
Cost of power purchased	**107,788,878**	108,827,919
Total operating expenses	**123,665,806**	123,821,479
Income from operating activities	**5,945,338**	5,681,839
Finance income - note 21	**552,596**	445,158
Finance costs - note 21	**(1,745,054)**	(1,732,182)
Income before income taxes	**4,752,880**	4,394,815
Income tax expense - note 17	**683,053**	989,763
Net income for the year	**4,069,827**	3,405,052
Net movement in regulatory balances, net of tax		
Net movement in regulatory balances	**(2,281,930)**	(634,530)
Income tax on movement in regulatory balances	**175,319**	325,531
	(2,106,611)	(308,999)
Net income for the year and net movement in regulatory balances	**1,963,216**	3,096,053
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefits - note 16	**254,469**	(12,874)
Tax on remeasurements	**(67,434)**	3,412
Other comprehensive income (loss) for the year	**187,035**	(9,462)
Total comprehensive income for the year	**2,150,251**	3,086,591

Brantford Power Inc.

Statement of Changes in Equity

for the year ended December 31, 2018, with comparative information for 2017

	Share capital	Retained earnings	Accumulated other comprehensive income	Total
	$	$	$	$
Balance at January 1, 2017	22,437,505	19,739,713	696,215	42,873,433
Net income and net movement in regulatory balances	-	3,096,053	-	3,096,053
Other comprehensive loss	-	-	(9,462)	(9,462)
Dividends	-	(810,000)	-	(810,000)
Balance at December 31, 2017	**22,437,505**	**22,025,766**	**686,753**	**45,150,024**
Balance at January 1, 2018	22,437,505	22,025,766	686,753	45,150,024
Net income and net movement in regulatory balances	-	1,963,216	-	1,963,216
Other comprehensive income	-	-	187,035	187,035
Dividends	-	(750,000)	-	(750,000)
Balance at December 31, 2018	**22,437,505**	**23,238,982**	**873,788**	**46,550,275**

Brantford Power Inc.

Statement of Cash Flows

for the year ended December 31, 2018, with comparative information for 2017

	2018	2017
	$	$
Operating activities		
Net income and net movement in regulatory balances	**1,963,216**	3,096,053
Items not affecting cash		
Amortization - note 25	**3,401,470**	3,404,714
Amortization of deferred revenue	**(48,824)**	(36,586)
Loss on disposal of property, plant and equipment	**213,961**	60,527
Income tax expense	**683,053**	989,763
Other items not affecting cash - note 24	**119**	(55,029)
	6,212,995	7,459,442
Changes in non-cash working capital components - note 24	**(305,742)**	4,862,928
Regulatory balances	**2,106,611**	308,999
Contributions received from customers	**813,883**	524,289
Income tax paid	**(469,811)**	(329,796)
Income tax received	**12,861**	-
Net cash from operating activities	**8,370,797**	12,825,862
Investing activities		
Acquisition of property, plant and equipment	**(5,066,619)**	(6,402,548)
Acquisition of intangible assets	**(1,138,919)**	(143,159)
Proceeds from disposal of property, plant and equipment	**9,000**	55,000
Net cash used by investing activities	**(6,196,538)**	(6,490,707)
Financing activities		
Repayment of long-term debt	**(1,082,608)**	(1,034,099)
Receipt of deferred revenues	**230,287**	350,073
Dividends paid	**(750,000)**	(810,000)
Net cash used by financing activities	**(1,602,321)**	(1,494,026)
Change in cash and cash equivalents	**571,938**	4,841,129
Cash and cash equivalents, beginning of year	**16,374,261**	11,533,132
Cash and cash equivalents, end of year	**16,946,199**	16,374,261

1. Description of Business

On March 1, 2000, Brantford Power Inc. (the Company) was incorporated under the Business Corporations Act (Ontario) along with its affiliate companies, Brantford Hydro Inc. and Brantford Energy Corporation. The incorporations were pursuant to the provisions of the Energy Competition Act, 1998. The Company is a wholly-owned subsidiary of Brantford Energy Corporation which is wholly owned by the City of Brantford. The Company provides electricity distribution services to residents of the City of Brantford. The operations of the company are regulated by the Ontario Energy Board (OEB).

The Company's head office is located at 84 Market Street and it maintains operational offices at 220 Colborne Street and 400 Grand River Avenue. All of these offices are located in the City of Brantford.

2. Basis of Presentation

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were approved by the Board of Directors on April 24, 2019.

Basis of measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

Use of estimates and judgments

Assumptions and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years affected.

2. Basis of Presentation - continued

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3 - measurement of unbilled revenue

(ii) Notes 3, 10 and 11 - estimation of useful lives of its property, plant and equipment and intangible assets

(iii) Notes 3 and 12 - recognition and measurement of regulatory balances

(iv) Notes 3 and 16 - measurement of defined benefit obligations: key actuarial assumptions

(v) Note 22 - recognition and measurement of provisions and contingencies

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statement is included in the following notes:

(i) Note 3 - determination of the performance obligation for contributions from customers and related amortization period

(ii) Note 22 - commitments and contingencies; whether a contingency is a liability

Rate regulation

The Company is regulated by the Ontario Energy Board (OEB), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (LDCs), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Company is required to bill customers for the debt retirement charge set by the province for certain customer classes. The Company may file to recover uncollected debt retirement charges from the Ontario Electricity Financial Corporation (OEFC) once each year. The debt retirement charge program ended March 31, 2018.

2. Basis of Presentation - continued

Rate setting - Distribution revenue

For the distribution revenue, the Company files a Cost of Service (COS) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Company's business. The Company estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years, an Incentive Rate Mechanism (IRM) application is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for a 2-factor Input Price Index which accounts for the average weekly earnings for Ontario workers and the Gross Domestic Product Implicit Price Inflator - Final Domestic Demand (GDP IPI-FDD) net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from the customers.

In 2017, the Company filed an IRM application for rates effective January 1, 2018 to December 31, 2018 for which a Decision and Rate Order was issued December 14, 2017.

The OEB issued a new distribution rate design for residential electricity customers which will be phased in over a four year period commencing January 2016. Under this new policy, electricity distributors will structure residential rates so that all the distribution charge will be collected through a fully fixed monthly charge instead of the current fixed and variable rate charge.

Rate setting - Electricity rates

Under an established Regulated Price Plan, the OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. Remaining consumers pay either the market price for electricity or the contracted price for electricity if they have enrolled with a retailer. The Company is billed for the cost of the electricity that its customers use and pass this cost on to the customer at a cost without a mark-up.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

Financial instruments

Financial assets and financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost with the exception of derivatives using the effective interest method less any impairment for the financial assets as described later in this note under ***Impairment of assets***. The Company has a derivative instrument related to its long-term debt facility with the Royal Bank of Canada. This is classified as a financial asset or liability at fair value through profit or loss.

Hedge accounting has not been used in the presentation of these financial statements.

Cash and cash equivalents include cash and short-term instruments with maturities of three months or less from the date of acquisition.

Use of estimates and judgments

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included later in this note under ***Revenue recognition - Capital contributions***.

3. Significant Accounting Policies - continued

Revenue recognition

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Company has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Company has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Company is acting as an agent for this billing stream. The debt retirement charge program ended March 31, 2018.

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Company's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Company has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

3. Significant Accounting Policies - continued

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Amounts received in advance are presented as deferred revenue.

Government grants and the related performance incentive payments under Conservation and Demand Management (CDM) programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

Materials and supplies

Materials and supplies, the majority of which are consumed by the Company in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

Property, plant and equipment

Items of property, plant and equipment (PP&E) used in rate-regulated activities and acquired prior to January 1, 2014 were measured at deemed cost established on January 1, 2014 less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct. Borrowing costs that can be traced to specific assets are capitalized as part of the cost of those assets based on the actual cost of debt incurred on the Company's borrowings.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

3. Significant Accounting Policies - continued

Property, plant and equipment - continued

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Company has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use. The Company applies the half year rule for depreciation in the year of acquisition.

The estimated useful service life are as follows.

Buildings	20-50 years
Transformer station	20-50 years
Distribution stations	30 years
Distribution lines - overhead	3-60 years
Distribution lines - underground	3-60 years
Distribution transformers	3-40 years
Distribution meters	15-35 years
Vehicles	8-20 years
Office furniture	10 years
Computer hardware	2-4 years
Tools and other equipment	5-15 years
Other	5 years

3. Significant Accounting Policies - continued

Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2014 were measured at deemed cost established on January 1, 2014, less accumulated amortization. All other intangible assets are measured at cost.

Payments to obtain rights to access land (land rights) are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Company does not hold title. Land rights acquired after January 1, 2014 are measured at cost less accumulated amortization.

Capital contributions relate to projects undertaken by the Company that required the alteration of a neighbouring utility's PP&E to accommodate the Company's joint use of those facilities for its PP&E. Capital contributions paid are measured at cost less accumulated amortization.

Computer software that is acquired or developed by the Company after January 1, 2014, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Land rights	50 years
Capital contribution paid	45 years
Software	2-10 years

Impairment of assets

Financial assets measured at amortized cost

A loss provision for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss provision is measured at an amount equal to the lifetime expected credit losses for the asset. Interest on impaired assets continues to be recognized through unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the impairment requirements are no longer met.

3. Significant Accounting Policies - continued

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Customer deposits

Customer deposits represent cash deposits from electricity distribution customers to guarantee the payment of energy bills. Interest is paid on customer deposits.
Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant Accounting Policies - continued

Regulatory balances

Regulatory asset balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory liability balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Company.
Regulatory asset balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will be approved by the OEB for recovery through rates. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory asset balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.
The probability of recovery of the regulatory asset balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.
When the Company is required to refund amounts to ratepayers in the future, the Company recognizes a regulatory liability balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

Post employment benefits

Pension plan

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the Fund), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

3. Significant Accounting Policies - continued

Pension plan - continued

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Company is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

Post-employment benefits, other than pension

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

Accumulated vested sick leave credits

Certain employees have accumulated sick leave credits and are entitled to receive special payments upon separation or retirement. Payments are charged to the liability when made. The annual change in accumulated vested sick leave entitlements are expensed in the year earned. An estimate of sick time utilized in excess of the annual entitlement has been made and a related accrual has been recorded under IFRS.

Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and late payments on customer electricity accounts receivable balances.
Finance costs comprise interest expense on borrowings, interest on customer deposits and the gain or loss on derivative liabilities. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

3. Significant Accounting Policies - continued

Payments in lieu of corporate income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the *Electricity Act*, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

4. Changes in Accounting Policies

IFRS 15 - Revenue from Contracts with Customers and IFRS 9 Financial Instruments

The Company has initially applied IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* from January 1, 2018 on a retrospective basis. The following practical expedients have been used in the initial application of these new standards:

For completed contracts, the Company did not restate contracts that:

a) Began and ended within the same annual reporting period; or

b) Were completed at the beginning of January 1, 2018.

Adoption of these standards did not have a material impact on comparative information.

5. Future Changes in Accounting Policy and Disclosures

Leases

In January 2016, IASB issued IFRS 16 to establish principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 replaces IAS 17 and it is effective for annual periods beginning on or after January 1, 2019. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by the lessor. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company will adopt IFRS 16 in its financial statements for the annual period beginning January 1, 2019. The Company does not expect the standard to have a material impact on the financial statements.

6. Subsequent Event

Subsequent to year end, the Company waived all conditions on its offer to purchase the land and building at 150 Savannah Oaks Drive, Brantford Ontario. The Company will take possession of this property on April 26, 2019 and will be consolidating its three locations into the new facility at a date still to be determined.

On February 11, 2019, the Company executed a committed term sheet with Royal Bank to borrow up to $25,000,000 towards the purchase and repurposing of the facilities. The funds will be drawn, as needed, through multiple transactions to fund the purchase of 150 Savannah Oaks Drive and refurbishments to the property. The loan is secured through a general security agreement over all property, assets and undertakings of the Company.

7. Cash and Cash Equivalents

	2018	2017
	$	$
Bank balances	**16,944,299**	16,372,361
Cash balances	**1,900**	1,900
	16,946,199	16,374,261

8. Accounts Receivable

	2018	2017
	$	$
Trade receivables	**10,950,034**	11,777,768
Other trade receivables	**59,357**	83,258
Billable work	**566,118**	560,280
Allowance for doubtful accounts	**(854,000)**	(1,094,000)
	10,721,509	11,327,306

9. Material and Supplies

The amount of inventory consumed by the Company and recognized as an expense during 2018 was $123,379 (2017 - $139,990).

10. Property, Plant and Equipment

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Cost or deemed cost	$	$	$	$	$
Balance at January 1, 2018	2,805,337	73,831,961	3,620,651	510,341	80,768,290
Additions	-	3,847,451	466,615	752,553	5,066,619
Transfers	-	281,388	-	(281,388)	-
Disposals/retirements	-	(275,388)	(1,208)	-	(276,596)
Balance at December 31, 2018	2,805,337	77,685,412	4,086,058	981,506	85,558,313
Balance at January 1, 2017	1,127,545	70,267,269	3,098,512	20,438	74,513,764
Additions	1,677,792	3,676,089	538,326	510,341	6,402,548
Transfers	-	20,438	-	(20,438)	-
Disposals/retirements	-	(131,835)	(16,187)	-	(148,022)
Balance at December 31, 2017	2,805,337	73,831,961	3,620,651	510,341	80,768,290
Accumulated depreciation	$	$	$	$	$
Balance at January 1, 2018	109,890	10,908,288	1,163,529	-	12,181,707
Depreciation	27,079	2,821,605	360,359	-	3,209,043
Disposals/retirements	-	(52,427)	(1,208)	-	(53,635)
Balance December 31, 2018	136,969	13,677,466	1,522,680	-	15,337,115
Balance at January 1, 2017	82,812	8,196,064	860,540	-	9,139,416
Depreciation	27,078	2,728,532	319,176	-	3,074,786
Disposals/retirements	-	(16,308)	(16,187)	-	(32,495)
Balance December 31,2017	109,890	10,908,288	1,163,529	-	12,181,707

10. Property, Plant and Equipment - continued

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
	$	$	$	$	$
Carrying amounts					
At December 31, 2018	2,668,368	64,007,946	2,563,378	981,506	70,221,198
At December 31, 2017	2,695,447	62,923,673	2,457,122	510,341	68,586,583

During the year, no borrowing costs were capitalized as part of the cost of property, plant and equipment.

At December 31, 2018, property, plant and equipment with a carrying amount of $70,221,198 (2017 -$68,586,583) are subject to general security agreements.

11. Intangible Assets

	Land rights	Capital contributions paid	Software	Work in progress	Total
Cost or deemed cost	$	$	$	$	$
Balance at January 1, 2018	98,187	414,608	1,739,597	-	2,252,392
Additions	-	-	8,581	1,130,338	1,138,919
Balance at December 31, 2018	98,187	414,608	1,748,178	1,130,338	3,391,311
Balance at January 1, 2017	98,187	414,608	1,596,438	-	2,109,233
Additions	-	-	143,159	-	143,159
Balance at December 31, 2017	98,187	414,608	1,739,597	-	2,252,392
Accumulated depreciation	$	$	$	$	$
Balance at January 1, 2018	7,869	26,781	831,326	-	865,976
Depreciation	2,017	9,208	181,202	-	192,427
Balance December 31, 2018	9,886	35,989	1,012,528	-	1,058,403
Balance at January 1, 2017	5,852	17,573	512,623	-	536,048
Depreciation	2,017	9,208	318,703	-	329,928
Balance December 31, 2017	7,869	26,781	831,326	-	865,976
Carrying amounts					
At December 31, 2018	88,301	378,619	735,650	1,130,338	2,332,908
At December 31, 2017	90,318	387,827	908,271	-	1,386,416

At December 31, 2018, intangible assets with a carrying amount of $2,332,908 (2017 -$1,386,416) are subject to general security agreements.

12. Regulatory Balances

Reconciliation of the carrying amount for each class of regulatory balances

	January 1, 2018 $	Additions $	Recovery/ reversal $	December 31, 2018 $	Remaining years
Regulatory deferral account debit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	630,766	358,988	-	989,754	1
Retailer cost variance accounts	48,134	(2,684)	-	45,450	4
Deferred meter costs	132,853	913	-	133,766	4
Other regulatory accounts	811,939	(102,880)	(220,873)	488,186	4
Regulatory settlement account	102,104	(56,563)	-	45,541	-
Future income tax	1,694,518	175,319	-	1,869,837	*
	3,420,314	373,093	(220,873)	3,572,534	

	January 1, 2017 $	Additions $	Recovery/ reversal $	December 31, 2017 $	Remaining years
Regulatory deferral account debit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	702,077	(292,757)	221,446	630,766	2
Retailer cost variance accounts	125,152	90	(77,108)	48,134	5
Deferred meter costs	916,733	(783,880)	-	132,853	1
Other regulatory accounts	838,918	811,939	(838,918)	811,939	5
Regulatory settlement account	-	102,104	-	102,104	-
Future income tax	1,368,987	325,531	-	1,694,518	*
	3,951,867	163,027	(694,580)	3,420,314	

* These balances will reverse as the related deferred tax balance reverses.

12. Regulatory Balances - continued

	January 1, 2018 $	Additions $	Recovery/ reversal $	December 31,2018 $	Remaining years $
Regulatory deferral account credit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	3,675,068	2,258,831	-	5,933,899	1
	3,675,068	2,258,831	-	5,933,899	

	January 1, 2017 $	Additions $	Recovery/ reversal $	December 31, 2017 $	Remaining years
Regulatory deferral account credit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	3,846,881	1,581,547	(1,753,360)	3,675,068	2
Regulatory settlement account	50,741	(1,131,391)	1,080,650	-	2
	3,897,622	450,156	(672,710)	3,675,068	

12. Regulatory Balances - continued

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Company has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 and certain other deferral accounts can be done on an annual basis through application to the OEB. Group 2 and the remaining other deferral accounts can be settled during a cost of service application to the OEB. An application was made to the OEB to collect $220,873 of the other deferral accounts. Approval was received December 14, 2017. Effective January 1, 2018, the approved account balances were moved to the regulatory settlement account.

The OEB requires the Company to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. The rates were as follows:

Quarter	**2018**	**2017**
January 1 to March 31	1.50%	1.10%
April 1 to June 30	1.89%	1.10%
July 1 to September 30	1.89%	1.10%
October 1 to December 31	2.17%	1.50%

13. Accounts Payable and Accrued Liabilities

	2018	2017
	$	$
Accounts payable and accruals - energy purchases	**8,429,616**	9,204,719
Debt retirement charge payable to OEFC	**-**	335,690
Payroll payable	**460,846**	666,784
IESO conservation program funding	**875,946**	820,012
Other	**4,860,945**	3,759,757
	14,627,353	14,786,962

14. Related Party Transactions

The Company is a wholly owned subsidiary of Brantford Energy Corporation and Brantford Energy Corporation is wholly owned by the Corporation of the City of Brantford (the City). Brantford Energy Corporation also owns Brantford Hydro Inc.

14. Related Party Transactions - continued

The Company obtains certain administrative and management services from the City and Brantford Energy Corporation. The Company also provides services to the City, Brantford Energy Corporation and Brantford Hydro Inc. These services were made in the normal course of business, are non-interest bearing, have terms of net thirty days and have been recorded at the exchange amounts.

The Company has entered into a shared services agreement with the City, whereby the City will provide administrative, maintenance and operational services to the Company. The exchange amount for these services has been set out in the agreement. As at December 31, 2018 the balance owing to the City for these services was $352,335 (2017 - $361,267).

Details of the transactions between the Company and the City are detailed below:

	2018	2017
City of Brantford	**$**	$
Revenues		
Sale of electricity	**7,157,637**	8,446,448
Other services	**479,871**	240,289
	7,637,508	8,686,737
Operating expenses		
Shared services agreement	**1,771,376**	1,777,497
Property taxes	**24,205**	20,912
	1,795,581	1,798,409

The Company has entered into a shared services agreement with Brantford Energy Corporation and Brantford Hydro Inc., whereby the Company will provide administrative support to its affiliates. The exchange amount for these services has been set out in the agreement.

The Company obtains management services from Brantford Energy Corporation.

Details of the transactions between the Company and Brantford Energy Corporation are presented below:

	2018	2017
Brantford Energy Corporation	**$**	$
Revenues		
Administrative support	**56,299**	64,491
	56,299	64,491
Operating expenses		
Management fees	**93,422**	97,910
	93,422	97,910

14. Related Party Transactions - continued

The Company purchases dark fibre optics services from Brantford Hydro Inc.

The Company charges pole rental fees to Brantford Hydro Inc. These rental fees allow fibre optic cables to be attached to the Company's distribution assets. The Company also provides other services such as, water heater tank disposal handling and assistance when fibre optic maintenance is done in proximity of electrical plant.

Details of the transactions between the Company and Brantford Hydro Inc. are presented below:

	2018	2017
Brantford Hydro Inc.	**$**	$
Revenues		
Administrative support	**137,388**	190,182
Pole rental fees	**53,178**	47,963
Other services	**12,664**	6,640
	203,230	244,785
Operating expenses		
Dark fibre optic services	**3,600**	3,600
Other services	**4,995**	-
	8,595	3,600

Balances owing (to)/from affiliates are as follows:

	2018	2017
	$	$
Brantford Energy Corporation	**(10,297)**	1,269
Brantford Hydro Inc.	**17,867**	35,728
Total due from affiliates	**7,570**	36,997

Key management personnel

The key management personnel of the Company have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

	2018	2017
	$	$
Directors' fees	**24,990**	25,335
Salaries and other short-term benefits	**853,150**	921,487
Post-employment benefits	**219**	636
	878,359	947,458

15. Long-Term Debt

	2018	2017
	$	$
Note payable, bearing interest at 4.20%, repayable to the City, interest only payable annually due February, 2021	**24,189,168**	24,189,168
Royal Bank, non-revolving term facility with interest at prime repayable in quarterly instalments, due January, 2021	**1,265,770**	1,782,643
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 5.14% repayable in semi annual instalments of $86,523 due December, 2032	**1,718,774**	1,800,332
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 4.95% repayable in semi annual instalments of $138,371 due December, 2050	**4,434,822**	4,490,000
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 3.46% repayable in semi annual instalments of $237,885 due October, 2027	**3,683,194**	4,022,428
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 3.90% repayable in semi annual instalments of $113,683 due December, 2042	**3,517,324**	3,603,734
	38,809,052	39,888,305
Less current portion	**1,132,993**	1,082,608
	37,676,059	38,805,697

The City has an option to extend the maturity date of the promissory note for successive five year periods. The City also has the option to convert the principal sum outstanding into common shares of the Company at a conversion ratio of $100 per common share. Interest payable to the City of $1,015,945 (2017 - $1,015,945) was outstanding as at December 31, 2018.

The Company entered into a swap agreement during 2006 with Royal Bank to fix the interest rate. The agreement represents a notional principal amount of $5,900,000. Under the terms of the agreement, the Company has contracted to pay interest at a fixed rate of 4.71% plus a stamping fee rate of 0.80% while receiving a variable rate equivalent to the one month Canadian Dollar Offered Rate to be repriced quarterly.

These credit facilities are secured by general security agreements over all assets of the Company and an assignment of related fire insurance.

15. Long-Term Debt - continued

Estimated principal repayment requirements are as follows:

	$
2019	1,132,993
2020	1,186,290
2021	24,970,476
2022	660,776
2023	687,048
Thereafter	10,171,469
	38,809,052

16. Post-Employment Benefits

Ontario Municipal Employees Retirement System (OMERS) Pension Plan

All full-time, permanent and certain contract employees of the Company are eligible to participate in the OMERS defined pension plan (the plan).

The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2018, the Company made employer contributions of $525,027 to OMERS (2017 - $496,550), of which $25,006 (2017 - $6,319) has been capitalized as part of PP&E and the remaining amount of $500,021 (2017 - $490,231) has been recognized in profit or loss. The Company estimates that a contribution of $539,000 to OMERS will be made during the next fiscal year.

As at December 31, 2018, OMERS had approximately 482,000 members. The most recently available OMERS annual report is for the year ended December 31, 2018, which reported that the plan was 96% funded, with an unfunded liability of $4.2 billion. This unfunded liability is likely to result in future payments by participating employers and members.

Post-employment benefits other than pension

The Company acquired various life insurance, health care related and dental coverage plan liabilities for certain retired employees of the former Hydro-Electric Commission of the City of Brantford. Travel, dental, vision and semi-private health care coverage is continued until the retiree reaches 65 years of age. Life insurance and extended health care coverage is continued until the retiree's death. The Company is also obligated to provide post retirement benefits to eligible active employees.

The Company measures the accrued benefit obligation for accounting purposes as of December 31 of each year. The accrued benefit obligation as at December 31, 2018 and the expense for the period ended December 31, 2018 are based on actuarial valuations done as at December 31, 2018.

The obligation is unfunded since no assets have been segregated and restricted to provide the post-retirement benefits.

16. Post-Employment Benefits - continued

Significant assumptions

The key weighted-average assumptions used by the Company for the measurement of the benefit obligation and benefit expense are summarized as follows:

	2018	2017
	$	$
To determine benefit obligation at end of year		
Discount rate	**3.40%**	3.50%
To determine benefit expense (income) for the year		
Discount rate	**4.00%**	3.40%
Rate of increase in future compensation	**N/A**	N/A
Health care cost trend rates at end of year		
Initial rate	**6.00%**	7.00%
Ultimate rate	**4.75%**	4.75%
Year ultimate rate reached	**2024**	2023

Sensitivity analysis	**Change in Obligation**	**Change in Expense**
	$	$
Impact of 1% increase in assumed health care trend rate	83,200	18,500
Impact of 1% decrease in assumed health care trend rate	(70,400)	(14,700)

	2018	2017
	$	$
Reconciliation of the obligation		
Defined benefit obligation, beginning of year	**1,416,269**	1,332,175
Included in profit or loss		
Current service cost	**79,800**	76,196
Interest cost	**49,700**	48,360
Included in OCI		
Actuarial (gains) losses	**(254,469)**	12,874
Benefits paid	**(66,500)**	(53,336)
Defined benefit obligation, end of year	**1,224,800**	1,416,269

17. Income Tax Expense

	2018	2017
	$	$
Current tax expense		
Current year	**562,442**	256,970
Adjustment for prior years	**12,841**	191,545
	575,283	448,515
Deferred tax expense		
Change in recognized deductible temporary differences	**107,770**	541,248
	107,770	541,248
Total income tax expense	**683,053**	989,763
Reconciliation of effective tax rate		
Income before taxes	**4,752,880**	4,394,815
Canada and Ontario statutory income tax rates	**26.5 %**	26.5 %
Expected tax provision on income at statutory rates	**1,259,513**	1,164,626
Increase (decrease) in income taxes resulting from:		
Permanent differences	**2,775**	2,039
Prior periods	**12,841**	191,545
Other	**(592,076)**	(368,447)
Income tax expense	**683,053**	989,763

Significant components of the Company's deferred tax balances:

	2018	2017
	$	$
Deferred tax assets (liabilities)		
Property, plant and equipment	**(2,519,542)**	(2,409,158)
Post-employment benefits	**340,970**	396,010
Allowance for doubtful accounts	**226,310**	289,910
Regulatory balances	**(201,209)**	(443,894)
Corporate minimum tax credits available for carry forward	**-**	242,570
Other	**82,425**	28,720
	(2,071,046)	(1,895,842)

18. Deferred Revenue

	2018	2017
	$	$
Contributions received from customers	**2,457,409**	1,692,351
Other	**580,360**	350,073
	3,037,769	2,042,424

19. Share Capital

	2018	2017
	$	$
Authorized		
Unlimited number of common shares		
Issued		
1,001 common shares	**22,437,505**	22,437,505

Dividends

The Company has established a dividend policy to pay a pure residual non-cumulative approach to dividends whereby no specified targeted dividend payout ratios or dollar amounts will be prescribed in advance.
The Company paid aggregate dividends in the year on common shares of $749 per share (2017 - $809), which amount to total dividends paid in the year of $750,000 (2017 -$810,000).

20. Other Revenue

	2018	2017
	$	$
Specific services charges	**335,683**	356,655
Management fees	**193,688**	254,673
Property rental	**132,520**	113,253
Retailer revenue	**20,543**	23,841
Loss on disposal of assets	**(213,961)**	(60,527)
Customer contributions	**48,824**	36,586
Other revenue	**48,967**	36,698
	566,264	761,179

21. Finance Income and Finance Costs

	2018	2017
	$	$
Finance Income		
Interest income on bank deposits	**316,999**	163,612
Late payment charges	**235,597**	281,546
	552,596	445,158
Finance Costs		
Interest on long-term debt	**1,689,423**	1,736,378
Interest expense on customer deposits	**38,949**	30,418
Gain on derivative liabilities	**(42,125)**	(93,421)
Other	**58,807**	58,807
	1,745,054	1,732,182
Net finance costs recognized in profit (loss)	**1,192,458**	1,287,024

22. Contingencies and Commitments

General liability insurance

The Company has obtained general liability and enhanced directors and officers insurance coverage from the Municipal Electric Association Reciprocal Insurance Exchange (The Mearie Group) expiring January 1, 2021. The Mearie Group is an insurance reciprocal whereby all members through the unincorporated group share risks with each other. Members of the Mearie Group are assessed a premium deposit at policy execution. Should the group experience losses that are in excess of the accumulated premium deposits of its members combined with reserves and supplementary insurance, members would be assessed a supplementary or retro assessment on a pro-rata basis for the years in which the Company was a member.
As at December 31, 2018, the Company has not been made aware of any additional assessments. Participation in The Mearie Group covers a three year underwriting period which expires on December 31, 2021.

General

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

23. Operating Expenses

	2018	2017
Distribution operations and maintenance	**$**	$
Salaries and benefits	**1,705,532**	1,673,587
Other staff costs	**169,255**	78,668
City of Brantford shared services	**976,458**	928,280
Contracted services	**347,625**	296,267
Building utilities and maintenance	**54,153**	40,614
Materials and supplies	**404,683**	240,759
Equipment repairs and maintenance	**20,653**	35,385
Vehicle	**293,744**	181,486
Other	**(159,110)**	86,351
	3,812,993	3,561,397

	2018	2017
Billing and Collecting	**$**	$
Salaries and benefits	**1,247,930**	1,175,035
Other staff costs	**16,171**	10,489
City of Brantford shared services	**319,153**	341,401
Contracted services	**513,137**	384,763
Bad debt expense	**642,842**	515,553
Materials and supplies	**8,214**	4,735
Equipment repairs and maintenance and vehicle	**2,163**	4,476
Postage	**371,556**	358,908
Other	**182,743**	214,544
	3,303,909	3,009,904

	2018	2017
General administration	**$**	$
Salaries and benefits	**2,183,773**	2,235,247
Other staff costs	**77,177**	82,260
City of Brantford shared services	**651,480**	664,852
Contracted services	**566,261**	468,287
Building project costs	**262,918**	-
Materials and supplies	**44,635**	15,237
Equipment repairs and maintenance	**-**	3,383
Vehicle	**1,176**	182
Other	**481,763**	427,088
	4,269,183	3,896,536

23. Operating Expenses - continued

	2018	2017
IESO conservation programs	**$**	$
Incentives paid to customers	**816,352**	798,576
Salaries and benefits	**215,318**	265,543
Other staff costs	**15,813**	17,888
City of Brantford shared services	**26,466**	28,981
Contracted services	**163,465**	149,507
Materials and supplies	**9,072**	4,601
Other	**79,380**	55,414
	1,325,866	1,320,510

24. Statement of Cash Flows

	2018	2017
	$	$
Changes in non-cash working capital		
Accounts receivable	**605,797**	2,428,276
Unbilled revenue	**(448,177)**	1,629,448
Materials and supplies	**147,644**	(27,017)
Prepaid expenses	**(165,901)**	207,786
Accounts payable and accrued liabilities	**(159,609)**	476,287
Accounts payable to the City of Brantford	**(8,932)**	(310,382)
Finance costs	**1,689,423**	1,736,378
Interest paid on long term debt	**(1,686,061)**	(1,769,243)
Due from affiliates	**29,427**	(555)
Customer deposits	**(309,353)**	491,950
	(305,742)	4,862,928
Other items not affecting cash		
Post-employment benefits	**63,000**	71,220
Vested sick leave	**(16,242)**	(28,171)
Derivative liabilities	**(46,639)**	(98,078)
	119	(55,029)

25. Amortization

	2018	2017
	$	$
Amortization of capital assets	**3,164,977**	3,205,213
Amortization of capital assets charged to distribution operations and maintenance	**236,493**	199,501
	3,401,470	3,404,714

26. Capital Disclosures

The Company's main objectives when managing capital are to:

- ensure ongoing access to funding to maintain and improve the electricity distribution system;
- ensure compliance with covenants related to its credit facilities; and
- closely align its capital structure with the deemed capital structure established by the OEB.

As at December 31, 2018, the Company's definition of capital includes shareholder's equity and long-term debt. This definition remains unchanged from prior years. As at December 31, 2018, shareholder's equity amounts to $46,550,275 (2017 - $45,150,024) and long-term debt, amounts to $37,676,059 (2017 - $38,805,697). The Company's capital structure as at December 31, 2018 is 45% debt and 55% equity (2017 - 46% debt and 54% equity). There have been no changes in the Company's approach to capital management during the year.
The Company's long-term debt agreements include both financial and non-financial covenants. As at December 31, 2018 the Company was in compliance with all covenants.

27. Financial Instruments

All financial instruments are initially recorded on the statement of financial position at fair value except for certain related party transactions. They are subsequently valued either at fair value or amortized cost depending on the classification selected by the Company for the financial instrument.

Interest Rate Risk

Interest is paid on customer deposits at a market rate reset quarterly as directed by the Ontario Energy Board.

A term facility loan bears interest at a floating rate and thus, the carrying value approximates fair value. However, the Company has entered into an interest rate swap transaction, derivative instrument, the effect of which is to fix the interest rate on the $1,269,000 term facility loan at 4.71%. The potential replacement cost to the Company of the interest rate swaps, representing estimated fair value as presented on the balance sheet, was $39,354 (2017 - $85,993), which was in the favour of Royal Bank. The Company entered into this interest rate swap transaction to fix the interest rate over the long-term and intends to hold this to maturity at which time there should be no replacement cost.

Credit Risk

The Company grants credit to its customers in the normal course of business and monitors their financial condition and reviews the credit history of new customers. The Company is currently holding customer deposits on hand in the amount of $1,886,318 (2017 - $2,195,671) which is reflected on the Statement of Financial Position. Customer deposits are limited to those allowed under the OEB's Retail Settlement Code. Allowances of $854,000 (2017 - $1,094,000) are also maintained for potential credit losses. The Company's accounts receivable do not reflect the concentrated risk of default from exposure to large customers. At December 31, 2018, the outstanding amounts receivable from the largest ten customers represented $2,657,618 or 26% (2017 - $2,538,747 or 27%) of the total outstanding accounts receivable. Management believes that it has adequately provided for any exposure to normal customer and retailer credit risk.

Liquidity Risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cashflows generated from operations to meet its requirements.

27. Financial Instruments - continued

Prudential Support

The Company Inc. is required, through the Independent Electricity System Operator (IESO), to provide security to mitigate the company's risk of default based on its expected activity in the electricity market. The IESO could draw on this guarantee if the Company fails to make a payment required by a default notice issued by the IESO. The maximum potential payment is the face value of the bank letter of credit. As at December 31, 2018, the Company provided prudential support in the form of a bank letter of credit of $13,057,140 (2017 - $13,057,140).

Revolving Term Facility

As at December 31, 2018, the Company has been authorized for a revolving term facility of $7,000,000 of which NIL had been drawn upon. The facility bears interest at prime and is secured by a general security agreement over all assets of the Company and assignment of related fire insurance.

Fair Value of Other Financial Instruments

a) Establishing fair value

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accounts payable to the City, interest payable to the City, and due to/from affiliates approximate their fair values due to the immediate or short-term maturity of these financial instruments.

Fair values for other financial instruments, detailed below, have been estimated with reference to quoted market prices for actual or similar instruments where available, except for certain related party transactions.

Customer deposits fair value equals carrying value. Interest is paid on deposits on a monthly basis at a market rate, reset quarterly, as directed by the OEB.

The fixed rate long-term debt facility, maturing December 2032, funded by the Ontario Infrastructure and Lands Corporation (OILC) has an estimated fair value of $1,863,000 (carrying value - $1,718,774). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2018, of 3.82% per annum, (actual rate – 5.14% per annum).

The fixed rate long-term debt facility, maturing December 2050, funded by the OILC has an estimated fair value of $5,060,100 (carrying value - $4,434,822). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2018, of 3.86% per annum, (actual rate – 4.95% per annum).

27. Financial Instruments - continued

The fixed rate long-term debt facility, maturing October 2027, funded by the OILC has an estimated fair value of $3,631,500 (carrying value - $3,683,194). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2018, of 3.59% per annum, (actual rate – 3.46% per annum).

The fixed rate long-term debt facility, maturing December 2042, funded by the OILC has an estimated fair value of $3,537,200 (carrying value - $3,517,324). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2018, of 3.86% per annum, (actual rate – 3.90% per annum).

The promissory note payable to the City has an estimated fair value of $25,203,700 (carrying value - $24,189,168). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2018, of 3.86% per annum, (actual rate – 4.20% per annum).

The fair value of derivative instruments is calculated using pricing models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money and yield curves.

b) Fair value hierarchy

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

27. Financial Instruments - continued

The following table presents the financial instruments recorded at fair value in the Statement of Financial Position Sheet, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3	Total financial assets and liabilities at fair value
	$	**$**	**$**	$
Financial Assets				
Cash and cash equivalents	16,946,199	-	-	16,946,199
Total financial assets	**16,946,199**	**-**	**-**	**16,946,199**
Financial capital liabilities				
Customer deposits	1,886,318	-	-	1,886,318
Derivative liabilities	39,354	-	-	39,354
Total financial liabilities	**1,925,672**	**-**	**-**	**1,925,672**

During the year, there has been no transfer of amounts between Level 1 and Level 2 and no financial assets or liabilities have been identified as Level 3.

28. Comparative Figures

Certain prior year figures have been reclassified to conform with the current year's presentation.

Attachment 1-G

2019 Audited Financial Statements

Financial Statements of

Brantford Power Inc.

December 31, 2019

Brantford Power Inc.
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Brantford Power Inc.

Management Report
December 31, 2019

The accompanying financial statements are the responsibility of management of Brantford Power Inc. (the Company). In management's opinion, these financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Management has selected accounting principles and methods that are appropriate to the Company's circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. The notes to the financial statements and any other supplementary information presented are consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, that transactions are properly authorized and that the Company's assets are properly accounted for and adequately safeguarded.

The financial statements have been examined by KPMG LLP, the external auditors of the Company. The responsibility of the external auditors is to express their opinion on whether the financial statements are fairly presented, in all material respects, in accordance with IFRS.

The board of directors, through the audit committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The audit committee meets periodically with management, as well with the external auditors to satisfy itself that each party is properly discharging its responsibilities with respect to internal controls and financial reporting. The audit committee also reviews the financial statements and recommends their approval to the board of directors. KPMG LLP has full and free access to the audit committee, with and without the presence of management.

Paul Kwasnik
President and Chief Executive Officer
May 27, 2020

Brian D'Amboise, CPA, CA
Chief Financial Officer
May 27, 2020

KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton ON L8P 4W7
Canada
Telephone 905-523-8200
Fax 905-523-2222

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Brantford Power Inc.:

Opinion

We have audited the financial statements of Brantford Power Inc. (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled are other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

May 27, 2020

Brantford Power Inc.
Statement of Financial Position
as at December 31, 2019

Assets	**2019**	2018
	$	$
Cash and cash equivalents - note 5	**7,778,501**	16,946,199
Accounts receivable - note 6	**10,275,929**	10,721,509
Due from affiliates - note 12	**-**	7,570
Unbilled revenue	**12,999,322**	10,989,214
Materials and supplies - note 7	**961,519**	763,763
Prepaid expenses	**239,928**	347,773
Payments in lieu of corporate income taxes - note 15	**1,384,051**	-
Total Current Assets	**33,639,250**	39,776,028
Property, plant and equipment - note 8	**88,086,448**	70,221,198
Intangible assets - note 9	**3,055,793**	2,332,908
Deferred tax assets - note 15	**1,064,730**	649,705
Total Non-Current Assets	**92,206,971**	73,203,811
Total Assets	**125,846,221**	112,979,839
Regulatory balances - note 10	**6,413,314**	3,572,534
Total Assets and Regulatory Balances	**132,259,535**	116,552,373

Signed on behalf of the Board:

Director

Director

See accompanying notes

Brantford Power Inc.
Statement of Financial Position
as at December 31, 2019

Liabilities and Equity	**2019**	2018
	$	$
Accounts payable and accrued liabilities - note 11	**17,687,878**	14,627,353
Due to affiliates - note 12	**119,622**	-
Accounts payable to the City of Brantford - note 12	**582,430**	352,335
Interest payable to the City of Brantford - note 13	**1,015,945**	1,015,945
Customer deposits	**2,081,534**	1,886,318
Current portion of long-term debt - note 13	**1,186,290**	1,132,993
Payments in lieu of corporate income taxes - note 15	**-**	292,639
Total Current Liabilities	**22,673,699**	19,307,583
Long-term debt - note 13	**49,347,944**	37,676,059
Post-employment benefits - note 14	**1,245,300**	1,224,800
Accumulated vested sick leave credits	**-**	61,883
Deferred revenues - note 16	**4,725,784**	3,037,769
Derivative liabilities - note 25	**720,354**	39,354
Deferred tax liabilities - note 15	**4,905,280**	2,720,751
Total Non-Current Liabilities	**60,944,662**	44,760,616
Total Liabilities	**83,618,361**	64,068,199
Equity		
Share capital - note 17	**22,437,505**	22,437,505
Retained earnings	**24,934,889**	23,238,982
Accumulated other comprehensive income	**313,985**	873,788
Total Equity	**47,686,379**	46,550,275
Total Liabilities and Equity	**131,304,740**	110,618,474
Regulatory balances - note 10	**954,795**	5,933,899
Total Liabilities, Equity and Regulatory Balances	**132,259,535**	116,552,373

Contingencies and Commitments - note 20
Subsequent event - note 27

Brantford Power Inc.

Statement of Comprehensive Income

for the year ended December 31, 2019, with comparative information for 2018

	2019	2018
	$	$
Revenue		
Distribution revenue	**17,908,538**	17,437,596
IESO conservation programs	**1,553,047**	1,690,308
Other income - note 18	**957,034**	566,264
	20,418,619	19,694,168
Sale of energy	**111,743,409**	109,916,976
Total revenue	**132,162,028**	129,611,144
Operating Expenses		
Distribution operations and maintenance - note 21	**3,842,294**	3,794,522
Billing and collecting - note 21	**3,512,063**	3,303,909
General administration - note 21	**4,395,549**	4,287,654
IESO conservation programs - note 21	**1,658,795**	1,325,866
Amortization - note 23	**3,557,438**	3,164,977
	16,966,139	15,876,928
Cost of power purchased	**118,301,973**	107,788,878
Total operating expenses	**135,268,112**	123,665,806
Income from operating activities	**(3,106,084)**	5,945,338
Finance income - note 19	**614,541**	552,596
Finance costs - note 19	**(1,723,787)**	(1,745,054)
Income before income taxes	**(4,215,330)**	4,752,880
Income tax expense - note 15	**1,158,647**	683,053
Net income for the year	**(5,373,977)**	4,069,827
Net movement in regulatory balances, net of tax		
Net movement in regulatory balances	**6,525,149**	(2,281,930)
Income tax on movement in regulatory balances	**1,294,735**	175,319
	7,819,884	(2,106,611)
Net income for the year and net movement in regulatory balances	**2,445,907**	1,963,216
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefits - note 14	**(59,400)**	254,469
Tax on remeasurements	**15,741**	(67,434)
Unrealized loss on derivatives	**(702,237)**	-
Tax on unrealized loss	**186,093**	-
Other comprehensive (loss) income for the year	**(559,803)**	187,035
Total comprehensive income for the year	**1,886,104**	2,150,251

Brantford Power Inc.

Statement of Changes in Equity

for the year ended December 31, 2019, with comparative information for 2018

	Share capital	Retained earnings	Accumulated other comprehensive income	Total
	$	$	$	$
Balance at January 1, 2018	22,437,505	22,025,766	686,753	67,175,790
Net income and net movement in regulatory balances	-	1,963,216	-	3,926,432
Other comprehensive income	-	-	187,035	187,035
Dividends	-	(750,000)	-	(1,500,000)
Balance at December 31, 2018	**22,437,505**	**23,238,982**	**873,788**	**69,789,257**
Balance at January 1, 2019	22,437,505	23,238,982	873,788	69,789,257
Net income and net movement in regulatory balances	-	2,445,907	-	4,891,814
Other comprehensive loss	-	-	(559,803)	(559,803)
Dividends	-	(750,000)	-	(1,500,000)
Balance at December 31, 2019	**22,437,505**	**24,934,889**	**313,985**	**72,621,268**

Brantford Power Inc.

Statement of Cash Flows

for the year ended December 31, 2019, with comparative information for 2018

	2019	2018
	$	$
Operating activities		
Net income and net movement in regulatory balances	**2,445,907**	1,963,216
Items not affecting cash		
Amortization - note 23	**3,802,139**	3,401,470
Amortization of deferred revenue	**(83,361)**	(48,824)
Loss on disposal of property, plant and equipment	**110,195**	213,961
Income tax expense	**1,158,647**	683,053
Other items not affecting cash - note 22	**(122,020)**	119
	7,311,507	6,212,995
Changes in non-cash working capital components - note 22	**1,845,258**	(305,742)
Regulatory balances	**(7,819,884)**	2,106,611
Contributions received from customers	**1,773,026**	813,883
Income tax paid	**(862,534)**	(469,811)
Income tax received	**-**	12,861
Net cash from operating activities	**2,247,373**	8,370,797
Investing activities		
Acquisition of property, plant and equipment	**(21,386,317)**	(5,066,619)
Acquisition of intangible assets	**(1,074,839)**	(1,138,919)
Proceeds from disposal of property, plant and equipment	**72,553**	9,000
Net cash used by investing activities	**(22,388,603)**	(6,196,538)
Financing activities		
Proceeds of issuance of long-term debt	**13,000,000**	-
Repayment of long-term debt	**(1,156,341)**	(1,082,608)
Debt issuance costs	**(118,477)**	-
Receipt of deferred revenues	**(1,650)**	230,287
Dividends paid	**(750,000)**	(750,000)
Net cash from (used) by financing activities	**10,973,532**	(1,602,321)
Change in cash and cash equivalents	**(9,167,698)**	571,938
Cash and cash equivalents, beginning of year	**16,946,199**	16,374,261
Cash and cash equivalents, end of year	**7,778,501**	16,946,199

1. Description of Business

On March 1, 2000, Brantford Power Inc. (the Company) was incorporated under the Business Corporations Act (Ontario) along with its affiliate companies, Brantford Hydro Inc. and Brantford Energy Corporation. The incorporations were pursuant to the provisions of the Energy Competition Act, 1998. The Company is a wholly-owned subsidiary of Brantford Energy Corporation which is wholly owned by the City of Brantford. The Company provides electricity distribution services to residents of the City of Brantford. The operations of the company are regulated by the Ontario Energy Board (OEB).

The Company's head office is located at 84 Market Street and it maintains operational offices at 220 Colborne Street and 400 Grand River Avenue. The Company purchased 150 Savannah Oaks during 2019 with the intention of consolidating its three operational locations to this facility during 2020. All of these offices are located in the City of Brantford.

2. Basis of Presentation

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were approved by the Board of Directors on May 27, 2020.

Basis of measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

Use of estimates and judgments

Assumptions and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

2. Basis of Presentation - continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3 - measurement of unbilled revenue

(ii) Notes 3, 8 and 9 - estimation of useful lives of its property, plant and equipment and intangible assets.

(iii) Notes 3 and 10 - recognition and measurement of regulatory balances

(iv) Notes 3 and 14 - measurement of defined benefit obligations: key actuarial assumptions

(v) Note 20 - recognition and measurement of provisions and contingencies

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statement is included in the following notes:

(i) Note 3 - leases: whether an arrangement contains a lease

(ii) Note 20 - commitments and contingencies; whether a contingency is a liability

Rate regulation

The Company is regulated by the Ontario Energy Board (OEB), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (LDCs), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

2. Basis of Presentation - continued

Rate setting - Distribution revenue

For the distribution revenue, the Company files a Cost of Service (COS) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Company's business. The Company estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years, an Incentive Rate Mechanism (IRM) application is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for a 2-factor Input Price Index which accounts for the average weekly earnings for Ontario workers and the Gross Domestic Product Implicit Price Inflator - Final Domestic Demand (GDP IPI-FDD) net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from the customers.

In 2018, the Company filed an IRM application for rates effective January 1, 2019 to December 31, 2019 for which a Decision and Interim Rate order was issued December 20, 2018.

The OEB issued a distribution rate design for residential electricity customers which was phased in over a four year period commencing January 2016. Under this policy, electricity distributors were to structure residential rates so that all the distribution charge would be collected through a fully fixed monthly charge instead of the current fixed and variable rate charge. The Company has transitioned to fully fixed rates for residential customers effective January 1, 2019.

In 2019, the Company filed an ICM application for rate increases on incremental capital expenditures relating to the purchase and refurbishment of 150 Savannah Oaks, for which a Decision and Rate order was issued on January 23, 2020 to apply rate riders effective March 1, 2020.

2. Basis of Presentation - continued

Rate setting - Electricity rates

Under an established Regulated Price Plan, the OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. Remaining consumers pay either the market price for electricity or the contracted price for electricity if they have enrolled with a retailer. The Company is billed for the cost of the electricity that its customers use and pass this cost on to the customer at a cost without a mark-up.

Effective March 24, 2020, the Government of Ontario issued an Emergency Order and as a result, all residential and small business customers will be charged one rate for electricity consumed regardless of the time of day it is consumed until May 31, 2020.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

Financial instruments

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities with the exception of derivative liabilities. Loans and receivables and other liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described later in this note under *Impairment of assets*. The Company has two derivative instruments related to its long-term debt facilities with the Royal Bank of Canada. The non-fully hedged instrument is classified as a financial asset or liability at fair value through profit or loss.

Hedge accounting has been used in the presentation of these financial statements for the fully hedged instrument, which has been classified as a financial liability at fair value through other comprehensive income.

Cash and cash equivalents include cash and short-term instruments with maturities of three months or less from the date of acquisition.

Use of estimates and judgments

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included later in this note under ***Revenue recognition - Capital contributions***.

3. Significant Accounting Policies - continued

Revenue recognition

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Company has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Company has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Company's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order to receive ongoing access to electricity. The Company has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

3. Significant Accounting Policies - continued

Revenue recognition - continued

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

Materials and supplies

Materials and supplies, the majority of which are consumed by the Company in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

Property, plant and equipment

Items of property, plant and equipment (PP&E) used in rate-regulated activities and acquired prior to January 1, 2014 were measured at deemed cost established on January 1, 2014 less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct. Borrowing costs that can be traced to specific assets are capitalized as part of the cost of those assets based on the actual cost of debt incurred on the Company's borrowings.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related

3. Significant Accounting Policies - continued

gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Company has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use. The Company applies the half year rule for depreciation in the year of acquisition.

The estimated useful service life are as follows.

Buildings	20-50 years
Transformer station	20-50 years
Distribution stations	30 years
Distribution lines - overhead	3-60 years
Distribution lines - underground	3-60 years
Distribution transformers	3-40 years
Distribution meters	15-35 years
Vehicles	8-20 years
Office furniture	10 years
Computer hardware	2-4 years
Tools and other equipment	5-15 years
Other	5 years

3. Significant Accounting Policies - continued

Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2014 were measured at deemed cost established on January 1, 2014, less accumulated amortization. All other intangible assets are measured at cost.

Payments to obtain rights to access land (land rights) are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Company does not hold title. Land rights acquired after January 1, 2014 are measured at cost less accumulated amortization.

Capital contributions relate to projects undertaken by the Company that required the alteration of a neighbouring utility's PP&E to accommodate the Company's joint use of those facilities for its PP&E. Capital contributions paid are measured at cost less accumulated amortization.

Computer software that is acquired or developed by the Company after January 1, 2014, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Land rights	50 years
Capital contribution paid	45 years
Software	2-10 years

3. Significant Accounting Policies - continued

Impairment of assets

Financial assets measured at amortized cost

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized. No impairment losses were incurred during 2019 or 2018.

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Significant Accounting Policies - continued

Customer deposits

Customer deposits represent cash deposits from electricity distribution customers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

Leased assets

At inception of a contract, the Company assesses whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Company with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize the right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less or for leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. Significant Accounting Policies - continued

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Regulatory balances

Regulatory asset balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory liability balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Company.

Regulatory asset balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will be approved by the OEB for recovery through rates. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory asset balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory asset balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Company is required to refund amounts to ratepayers in the future, the Company recognizes a regulatory liability balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

3. Significant Accounting Policies - continued

Post employment benefits

Pension plan

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the Fund), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Company is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

Post-employment benefits, other than pension

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

3. Significant Accounting Policies - continued

Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and late payments on customer electricity accounts receivable balances.

Finance costs comprise interest expense on borrowings, interest on customer deposits and the gain or loss on derivative liabilities. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

Payments in lieu of corporate income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the *Electricity Act*, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

4. Changes in Accounting Policies

IFRS 16 Leases

The Company implemented IFRS 16 Leases with an effective date of January 1, 2019. The Company used the following practical expedients and recognition exemptions when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

— Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term;

— Applied the exemption not to recognize right-of-use assets and liabilities for leases for which the underlying asset is of low value;

— Applied this standard to all contracts that were previously identified as leases by applying IAS 17 *Leases* and IFRIC 4 *Determining whether and Arrangement contains a Lease*;

There are no transitional impacts to report as the Company has determined that all arrangements that contain a lease meet the recognition exemptions.

5. Cash and Cash Equivalents

	2019	2018
	$	$
Bank balances	**7,776,601**	16,944,299
Cash balances	**1,900**	1,900
	7,778,501	16,946,199

6. Accounts Receivable

	2019	2018
	$	$
Trade receivables	**10,147,674**	10,950,034
Other trade receivables	**227,344**	59,357
Billable work	**1,164,911**	566,118
Allowance for doubtful accounts	**(1,264,000)**	(854,000)
	10,275,929	10,721,509

7. Material and Supplies

The amount of inventory consumed by the Company and recognized as an expense during 2019 was $162,489 (2018 - $123,379).

8. Property, Plant and Equipment

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Cost or deemed cost	$	$	$	$	$
Balance at January 1, 2019	2,805,337	77,685,412	4,086,058	981,506	85,558,313
Additions	-	5,918,825	658,439	14,809,053	21,386,317
Transfers	-	454,750	-	(454,750)	-
Disposals/retirements	-	(208,309)	(134,837)	-	(343,146)
Balance at December 31, 2019	2,805,337	83,850,678	4,609,660	15,335,809	106,601,484
Balance at January 1, 2018	2,805,337	73,831,961	3,620,651	510,341	80,768,290
Additions	-	3,847,451	466,615	752,553	5,066,619
Transfers	-	281,388	-	(281,388)	-
Disposals/retirements	-	(275,388)	(1,208)	-	(276,596)
Balance at December 31, 2018	2,805,337	77,685,412	4,086,058	981,506	85,558,313
Accumulated depreciation	$	$	$	$	$
Balance at January 1, 2019	136,969	13,677,466	1,522,680	-	15,337,115
Depreciation	27,078	2,930,927	380,314	-	3,338,319
Disposals/retirements	-	(42,240)	(118,158)	-	(160,398)
Balance December 31, 2019	164,047	16,566,153	1,784,836	-	18,515,036
Balance at January 1, 2018	109,890	10,908,288	1,163,529	-	12,181,707
Depreciation	27,079	2,821,605	360,359	-	3,209,043
Disposals/retirements	-	(52,427)	(1,208)	-	(53,635)
Balance December 31,2018	136,969	13,677,466	1,522,680	-	15,337,115

8. Property, Plant and Equipment - continued

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
	$	$	$	$	$
Carrying amounts					
At December 31, 2019	2,641,290	67,284,525	2,824,824	15,335,809	88,086,448
At December 31, 2018	2,668,368	64,007,946	2,563,378	981,506	70,221,198

During the year, the Company purchased land and building at 150 Savannah Oaks and 29 Tallgrass Crt in the amount of $11,550,000 included in construction-in-progress. The Company is refurbishing the existing building and constructing a vehicle garage with the intention of moving its operations to the new facility in 2020. Borrowing costs in the amount of $224,885 (2018 - $nil) were capitalized as part of the cost of property, plant and equipment.

Subsequent to year-end, the Company sold land at 179 Garden Ave. with a carrying amount of $1,677,792 for a net gain of $650,208.

At December 31, 2019, property, plant and equipment with a carrying amount of $88,086,448 (2018 - $70,221,198) are subject to general security agreements.

9. Intangible Assets

	Land rights	Capital contributions paid	Software	Work in progress	Total
Cost or deemed cost	$	$	$	$	$
Balance at January 1, 2019	98,187	414,608	1,748,178	1,130,338	3,391,311
Additions	-	-	1,074,839	-	1,074,839
Transfers	-	-	1,089,526	(1,089,526)	-
Balance at December 31, 2019	98,187	414,608	3,912,543	40,812	4,466,150
Balance at January 1, 2018	98,187	414,608	1,739,597	-	2,252,392
Additions	-	-	8,581	1,130,338	1,138,919
Balance at December 31, 2018	98,187	414,608	1,748,178	1,130,338	3,391,311
Accumulated depreciation	$	$	$	$	$
Balance at January 1, 2019	9,886	35,989	1,012,528	-	1,058,403
Depreciation	2,017	9,208	340,729	-	351,954
Balance December 31, 2019	11,903	45,197	1,353,257	-	1,410,357
Balance at January 1, 2018	7,869	26,781	831,326	-	865,976
Depreciation	2,017	9,208	181,202	-	192,427
Balance December 31, 2018	9,886	35,989	1,012,528	-	1,058,403
Carrying amounts					
At December 31, 2019	86,284	369,411	2,559,286	40,812	3,055,793
At December 31, 2018	88,301	378,619	735,650	1,130,338	2,332,908

At December 31, 2019, all intangible assets are subject to general security agreements.

10. Regulatory Balances

Reconciliation of the carrying amount for each class of regulatory balances

	January 1, 2019 $	Additions $	Recovery/ reversal $	December 31, 2019 $	Remaining years
Regulatory deferral account debit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	989,754	1,111,856	500,452	2,602,062	1
Retailer cost variance accounts	45,450	(13,466)	-	31,984	3
Deferred meter costs	133,766	1,280	-	135,046	3
Other regulatory accounts	488,186	(8,536)	-	479,650	3
Regulatory settlement account	45,541	(45,541)	-	-	-
Future income tax	1,869,837	1,294,735	-	3,164,572	*
	3,572,534	2,340,328	500,452	6,413,314	

	January 1, 2018 $	Additions $	Recovery/ reversal $	December 31, 2018 $	Remaining years
Regulatory deferral account debit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	630,766	358,988	-	989,754	1
Retailer cost variance accounts	48,134	(2,684)	-	45,450	4
Deferred meter costs	132,853	913	-	133,766	4
Other regulatory accounts	811,939	(102,880)	(220,873)	488,186	4
Regulatory settlement account	102,104	(56,563)	-	45,541	-
Future income tax	1,694,518	175,319	-	1,869,837	*
	3,420,314	373,093	(220,873)	3,572,534	

* These balances will reverse as the related deferred tax balances reverses.

10. Regulatory Balances - continued

	January 1, 2019 $	Additions $	Recovery/ reversal $	December 31,2019 $	Remaining years $
Regulatory deferral account credit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	5,933,899	(1,817,772)	(3,610,807)	505,320	1
Regulatory settlement account	-	125,300	-	125,300	-
Other regulatory accounts	-	324,175	-	324,175	-
	5,933,899	(1,368,297)	(3,610,807)	954,795	

	January 1, 2018 $	Additions $	Recovery/ reversal $	December 31, 2018 $	Remaining years
Regulatory deferral account credit balances					
Group 1 deferred accounts					
Retail Settlement Variance Accounts	3,675,068	2,258,831	-	5,933,899	1
	3,675,068	2,258,831	-	5,933,899	

10. Regulatory Balances - continued

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Company has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 and certain other deferral accounts can be done on an annual basis through application to the OEB. Group 2 and the remaining other deferral accounts can be settled during a cost of service application to the OEB. An application was made to the OEB to collect $3,110,355 of the other deferral accounts. Approval was received December 20, 2018. Effective January 1, 2019, the approved account balances were moved to the regulatory settlement account.

The OEB requires the Company to estimate its income taxes when it files a COS application to set its rates. As a result, the Company has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Company's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. The rates were as follows:

Quarter	**2019**	**2018**
January 1 to March 31	2.45%	1.50%
April 1 to June 30	2.18%	1.89%
July 1 to September 30	2.18%	1.89%
October 1 to December 31	2.18%	2.17%

11. Accounts Payable and Accrued Liabilities

	2019	2018
	$	$
Accounts payable and accruals - energy purchases	**9,631,887**	8,429,616
Payroll payable	**405,131**	460,846
IESO conservation program funding	**517,188**	875,946
Other	**7,133,672**	4,860,945
	17,687,878	14,627,353

12. Related Party Transactions

The Company is a wholly owned subsidiary of Brantford Energy Corporation and Brantford Energy Corporation is wholly owned by the Corporation of the City of Brantford (the City). Brantford Energy Corporation also owns Brantford Hydro Inc.

The Company obtains certain administrative and management services from the City and Brantford Energy Corporation. The Company also provides services to the City, Brantford Energy Corporation

12. Related Party Transactions - continued

and Brantford Hydro Inc. These services were made in the normal course of business, are non-interest bearing, have terms of net thirty days and have been recorded at the exchange amounts.

The Company has entered into a shared services agreement with the City, whereby the City will provide administrative, maintenance and operational services to the Company. The exchange amount for these services has been set out in the agreement. As at December 31, 2019 the balance owing to the City for these services was $582,430 (2018 - $352,335).

Details of the transactions between the Company and the City are detailed below:

	2019	2018
City of Brantford	**$**	$
Revenues		
Sale of electricity	**5,899,322**	7,157,637
Other services	**299,686**	479,871
	6,199,008	7,637,508
Operating expenses		
Shared services agreement	**1,779,774**	1,771,376
Property taxes	**263,806**	24,205
	2,043,580	1,795,581

The Company has entered into a shared services agreement with Brantford Energy Corporation and Brantford Hydro Inc., whereby the Company will provide administrative support to its affiliates. The exchange amount for these services has been set out in the agreement.

The Company obtains management services from Brantford Energy Corporation.

Details of the transactions between the Company and Brantford Energy Corporation are presented below:

	2019	2018
Brantford Energy Corporation	**$**	$
Revenues		
Administrative support	**61,330**	56,299
	61,330	56,299
Operating expenses		
Shared service fees	**285,902**	-
Management fees	**214,302**	93,422
	214,302	93,422

12. Related Party Transactions - continued

The Company purchases dark fibre optics services from Brantford Hydro Inc.

The Company charges pole rental fees to Brantford Hydro Inc. These rental fees allow fibre optic cables to be attached to the Company's distribution assets. The Company also provides other services such as, water heater tank disposal handling and assistance when fibre optic maintenance is done in proximity of electrical plant.

Details of the transactions between the Company and Brantford Hydro Inc. are presented below:

	2019	2018
Brantford Hydro Inc.	**$**	$
Revenue		
Administrative support	**110,169**	137,388
Pole rental fees	**99,476**	53,178
Financial information system fees	**73,626**	-
Other services	**50,431**	12,664
	333,702	203,230
Operating expenses		
Dark fibre optic services	**3,600**	3,600
Other services	**7,871**	4,995
	11,471	8,595

Balances owing (to)/from affiliates are as follows:

	2019	2018
	$	$
Brantford Energy Corporation	**(251,404)**	(10,297)
Brantford Hydro Inc.	**131,782**	17,867
Total due from affiliates	**(119,622)**	7,570

Key management personnel

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

	2019	2018
	$	$
Directors' fees	**22,083**	24,990
Salaries and other short-term benefits	**608,947**	853,150
Post-employment benefits	**-**	219
	631,030	878,359

13. Long-Term Debt

	2019	2018
	$	$
Note payable, bearing interest at 4.20%, repayable to the City, interest only payable annually - due February, 2021	**24,189,168**	24,189,168
Royal Bank, non-revolving term facility with interest at prime repayable in quarterly instalments, due January, 2021	**722,299**	1,265,770
Royal Bank, net advances on long-term non-revolving term facility	**12,858,803**	-
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 5.14% repayable in semi annual instalments of $86,523 due December, 2032	**1,632,957**	1,718,774
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 4.95% repayable in semi annual instalments of $138,371 due December, 2050	**4,376,902**	4,434,822
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 3.46% repayable in semi annual instalments of $237,885 due October, 2027	**3,326,654**	3,683,194
Ontario Infrastructure and Lands Corporation non-revolving term facility with interest at 3.90% repayable in semi annual instalments of $113,683 due December, 2042	**3,427,451**	3,517,324
	50,534,234	38,809,052
Less current portion	**1,186,290**	1,132,993
	49,347,944	37,676,059

The City has an option to extend the maturity date of the promissory note for successive five year periods. The City also has the option to convert the principal sum outstanding into common shares of the Company at a conversion ratio of $100 per common share. Interest payable to the City of $1,015,945 (2018 - $1,015,945) was outstanding as at December 31, 2019.

The Company entered into a swap agreement during 2006 with Royal Bank to fix the interest rate. The agreement represents a notional principal amount of $5,900,000. Under the terms of the agreement, the Company has contracted to pay interest at a fixed rate of 4.71% plus a stamping fee rate of 0.80% while receiving a variable rate equivalent to the one month Canadian Dollar Offered Rate to be repriced quarterly.

13. Long-Term Debt - continued

During the year the Company was authorized for a $25,000,000 non-revolving term facility, of which $13,000,000 has been drawn on. The Company has committed to receiving the full amount in construction advances by October 1, 2020. This term loan is drawn down through bankers acceptances and rolled over until the earlier of substantial completion of the facility and April 26, 2021 at which time a repayment term will be selected by the Company. The term facility is currently payable interest only and will convert to quarterly blended payments of principal and interest, bearing interest at prime. Currently the debt bears interest at the BA rate plus 0.55%.

The Company entered into a swap agreement during 2019 with Royal Bank to fix the interest rate on the term facility used towards the purchase and construction of 150 Savannah Oaks and 29 Tallgrass Crt. The agreement represents a notional amount of $25,000,000. Under the terms of the agreement, the Company has contracted to pay interest at a fixed rate of 2.54%.

These credit facilities are secured by general security agreements over all assets of the Company and an assignment of related fire insurance.

Estimated principal repayment requirements are as follows:

	$
2020	1,186,290
2021	24,972,005
2022	660,776
2023	687,048
2024	714,395
Thereafter	22,313,720
	50,534,234

14. Post-Employment Benefits

Ontario Municipal Employees Retirement System (OMERS) Pension Plan

All full-time, permanent and certain contract employees of the Company are eligible to participate in the OMERS defined pension plan (the plan).

The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2019, the Company made employer contributions of $500,177 to OMERS (2018 - $525,027), of which $17,784 (2018 - $25,006) has been capitalized as part of PP&E and the remaining amount of $482,393 (2018 - $500,021) has been recognized in profit or loss. The Company estimates that a contribution of $580,700 to OMERS will be made during the next fiscal year.

As at December 31, 2019, OMERS had over 500,000 members. The most recently available OMERS annual report is for the year ended December 31, 2019, which reported that the plan was 97% funded, with an unfunded liability of $3.4 billion. This unfunded liability is likely to result in future payments by participating employers and members.

14. Post-Employment Benefits - continued

Post-employment benefits other than pension

The Company acquired various life insurance, health care related and dental coverage plan liabilities for certain retired employees of the former Hydro-Electric Commission of the City of Brantford. Travel, dental, vision and semi-private health care coverage is continued until the retiree reaches 65 years of age. Life insurance and extended health care coverage is continued until the retiree's death. The Company is also obligated to provide post retirement benefits to eligible active employees.

The Company measures the accrued benefit obligation for accounting purposes as of December 31 of each year. The accrued benefit obligation as at December 31, 2019 and the expense for the period ended December 31, 2019 are based on actuarial valuations done as at January 1, 2019.

The obligation is unfunded since no assets have been segregated and restricted to provide the post-retirement benefits.

Significant assumptions

The key weighted-average assumptions used by the Company for the measurement of the benefit obligation and benefit expense are summarized as follows:

	2019	2018
	$	$
To determine benefit obligation at end of year		
Discount rate	**3.20%**	3.40%
To determine benefit expense (income) for the year		
Discount rate	**4.00%**	4.00%
Rate of increase in future compensation	**N/A**	N/A
Health care cost trend rates at end of year		
Initial rate	**6.00%**	6.00%
Ultimate rate	**4.75%**	4.75%
Year ultimate rate reached	**2024**	2024

Sensitivity analysis	**Change in Obligation**	**Change in Expense**
	$	$
Impact of 1% increase in assumed health care trend rate	104,500	13,100
Impact of 1% decrease in assumed health care trend rate	(87,600)	(10,500)

14. Post-Employment Benefits - continued

	2019	2018
	$	$
Reconciliation of the obligation		
Defined benefit obligation, beginning of year	**1,224,800**	1,416,269
Included in profit or loss		
Current service cost	**51,100**	79,800
Interest cost	**48,300**	49,700
Included in OCI		
Actuarial losses (gains)	**59,400**	(254,469)
Benefits paid	**(138,300)**	(66,500)
Defined benefit obligation, end of year	**1,245,300**	1,224,800

15. Income Tax Expense

	2019	2018
	$	$
Current tax expense		
Current year	**(816,414)**	562,442
Adjustment for prior years	**3,723**	12,841
	(812,691)	575,283
Deferred tax expense		
Change in recognized deductible temporary differences	**1,971,338**	107,770
	1,971,338	107,770
Total income tax expense	**1,158,647**	683,053
Reconciliation of effective tax rate		
Income before taxes	**(4,215,330)**	4,752,880
Canada and Ontario statutory income tax rates	**26.5 %**	26.5 %
Expected tax provision on income at statutory rates	**(1,117,062)**	1,259,513
Increase (decrease) in income taxes resulting from:		
Permanent differences	**2,886**	2,775
Prior periods	**3,723**	12,841
Regulatory balances	**1,729,165**	(589,675)
Other	**539,935**	(2,401)
Income tax expense	**1,158,647**	683,053

Significant components of the Company's deferred tax balances:

	2019	2018
	$	$
Deferred tax assets (liabilities)		
Property, plant and equipment	**(3,832,579)**	(2,519,542)
Post-employment benefits	**330,005**	340,970
Allowance for doubtful accounts	**334,960**	226,310
Regulatory balances	**(1,072,701)**	(201,209)
Non-capital losses available for carry forward	**197,742**	-
Other	**202,023**	82,425
	(3,840,550)	(2,071,046)

16. Deferred Revenue

	2019	2018
	$	$
Contributions received from customers	**4,147,074**	2,457,409
Other	**578,710**	580,360
	4,725,784	3,037,769

17. Share Capital

	2019	2018
	$	$
Authorized		
Unlimited number of common shares		
Issued		
1,001 common shares	**22,437,505**	22,437,505

Dividends

The Company has established a dividend policy to pay a pure residual non-cumulative approach to dividends whereby no specified targeted dividend payout ratios or dollar amounts will be prescribed in advance.

The Company paid aggregate dividends in the year on common shares of $1,499 per share (2018 - $1,499), which amount to total dividends paid in the year of $1,500,000 (2018 -$1,500,000).

18. Other Revenue

	2019	2018
	$	$
Specific services charges	**226,984**	335,683
Management fees	**245,124**	193,688
Property rental	**259,841**	132,520
Retailer revenue	**30,802**	20,543
Loss on disposal of assets	**(110,195)**	(213,961)
Customer contributions	**195,226**	48,824
Other revenue	**109,252**	48,967
	957,034	566,264

19. Finance Income and Finance Costs

	2019	2018
	$	$
Finance Income		
Interest income on bank deposits	**288,258**	316,999
Late payment charges	**326,283**	235,597
	614,541	552,596
Finance Costs		
Interest on long-term debt	**1,632,356**	1,689,423
Interest expense on customer deposits	**51,854**	38,949
Gain on derivative liabilities	**(19,230)**	(42,125)
Other	**58,807**	58,807
	1,723,787	1,745,054
Net finance costs recognized in profit or loss	**1,109,246**	1,192,458

20. Contingencies and Commitments

General liability insurance

The Company has obtained general liability and enhanced directors and officers insurance coverage from the Municipal Electric Association Reciprocal Insurance Exchange (The Mearie Group) expiring January 1, 2021. The Mearie Group is an insurance reciprocal whereby all members through the unincorporated group share risks with each other. Members of the Mearie Group are assessed a premium deposit at policy execution. Should the group experience losses that are in excess of the accumulated premium deposits of its members combined with reserves and supplementary insurance, members would be assessed a supplementary or retro assessment on a pro-rata basis for the years in which the Company was a member.

As at December 31, 2019, the Company has not been made aware of any additional assessments. Participation in The Mearie Group covers a two year underwriting period which expires on January 1, 2021.

General

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

21. Operating Expenses

	2019	2018
Distribution operations and maintenance	**$**	$
Salaries and benefits	**1,544,925**	1,690,712
Other staff costs	**149,092**	166,883
City of Brantford shared services	**974,340**	976,458
Contracted services	**572,083**	347,625
Building utilities and maintenance	**68,824**	54,153
Materials and supplies	**322,923**	404,683
Equipment repairs and maintenance	**23,930**	20,653
Vehicle	**221,608**	293,744
Other	**(35,431)**	(160,389)
	3,842,294	3,794,522

	2019	2018
Billing and Collecting	**$**	$
Salaries and benefits	**1,134,652**	1,248,735
Other staff costs	**16,002**	15,366
City of Brantford shared services	**295,080**	319,153
Contracted services	**700,370**	513,137
Allowance for doubtful accounts	**881,423**	642,842
Materials and supplies	**10,005**	8,214
Equipment repairs and maintenance and vehicle	**-**	2,163
Postage	**364,962**	371,556
Other	**109,569**	182,743
	3,512,063	3,303,909

	2019	2018
General administration	**$**	$
Salaries and benefits	**1,851,532**	2,198,594
Other staff costs	**70,387**	79,548
City of Brantford shared services	**637,440**	651,480
Contracted services	**795,386**	566,261
Building utilities and maintenance	**396,119**	-
Building project costs	**(32,899)**	262,918
Materials and supplies	**37,455**	44,635
Vehicle	**80**	1,176
Other	**640,049**	483,042
	4,395,549	4,287,654

21. Operating Expenses - continued

	2019	2018
IESO conservation programs	**$**	$
Incentives paid to customers	**1,101,079**	816,352
Salaries and benefits	**141,174**	215,318
Other staff costs	**5,845**	15,813
City of Brantford shared services	**22,976**	26,466
Contracted services	**328,601**	163,465
Materials and supplies	**4,344**	9,072
Other	**54,776**	79,380
	1,658,795	1,325,866

22. Statement of Cash Flows

	2019	2018
	$	$
Changes in non-cash working capital		
Accounts receivable	**445,580**	605,797
Unbilled revenue	**(2,010,108)**	(448,177)
Materials and supplies	**(197,756)**	147,644
Prepaid expenses	**107,845**	(165,901)
Accounts payable and accrued liabilities	**3,060,525**	(159,609)
Accounts payable to the City of Brantford	**230,095**	(8,932)
Interest paid on long term debt	**1,629,686**	1,689,423
Finance costs	**(1,743,017)**	(1,686,061)
Due to affiliates	**127,192**	29,427
Customer deposits	**195,216**	(309,353)
	1,845,258	(305,742)
Other items not affecting cash		
Post-employment benefits	**(38,900)**	63,000
Vested sick leave	**(61,883)**	(16,242)
Derivative liabilities	**(21,237)**	(46,639)
	(122,020)	119

23. Amortization

	2019	2018
	$	$
Amortization of capital assets	**3,557,438**	3,164,977
Amortization of capital assets charged to distribution operations and maintenance	**244,701**	236,493
	3,802,139	3,401,470

24. Capital Disclosures

The Company's main objectives when managing capital are to:

- ensure ongoing access to funding to maintain and improve the electricity distribution system;
- ensure compliance with covenants related to its credit facilities; and
- closely align its capital structure with the deemed capital structure established by the OEB.

As at December 31, 2019, the Company's definition of capital includes shareholder's equity and long-term debt. This definition remains unchanged from prior years. As at December 31, 2019, shareholder's equity amounts to $72,621,268 (2018 - $69,789,257) and long-term debt, amounts to $49,347,944 (2018 - $37,676,059). The Company's capital structure as at December 31, 2019 is 40% debt and 60% equity (2018 - 35% debt and 65% equity). There have been no changes in the Company's approach to capital management during the year.

The Company's long-term debt agreements include both financial and non-financial covenants. As at December 31, 2019 the Company was in compliance with all covenants.

25. Financial Instruments

All financial instruments are initially recorded on the statement of financial position at fair value except for certain related party transactions. They are subsequently valued either at fair value or amortized cost depending on the classification selected by the Company for the financial instrument.

Interest Rate Risk

Interest is paid on customer deposits at a market rate reset quarterly as directed by the Ontario Energy Board.

A term facility loan bears interest at a floating rate and thus, the carrying value approximates fair value. However, the Company has entered into an interest rate swap transaction, derivative instrument, the effect of which is to fix the interest rate on the $724,000 term facility loan at 4.71% and the $13,000,000 advanced funds on the $25,000,000 term facility loan at 2.54%. The potential replacement cost to the Company of the interest rate swaps, representing estimated fair value as presented on the balance sheet, was $720,354 (2018 - $39,354), which was in the favour of Royal Bank. The Company entered into these interest rate swap transactions to fix the interest rate over the long-term and intends to hold this to maturity at which time there should be no replacement cost.

Credit Risk

The Company grants credit to its customers in the normal course of business and monitors their financial condition and reviews the credit history of new customers. The Company is currently holding customer deposits on hand in the amount of $2,081,534 (2018 - $1,886,318) which is reflected on the Statement of Financial Position. Customer deposits are limited to those allowed under the OEB's Retail Settlement Code. Allowances of $1,264,000 (2018 - $854,000) are also maintained for potential credit losses. The Company's accounts receivable do not reflect the concentrated risk of default from exposure to large customers. At December 31, 2019, the outstanding amounts receivable from the largest ten customers represented $2,600,133 or 25% (2018 - $2,657,618 or 26%) of the total outstanding accounts receivable. Management believes that it has adequately provided for any exposure to normal customer and retailer credit risk.

Liquidity Risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cashflows generated from operations to meet its requirements.

Prudential Support

The Company is required, through the Independent Electricity System Operator (IESO), to provide security to mitigate the company's risk of default based on its expected activity in the electricity market. The IESO could draw on this guarantee if the Company fails to make a payment required by a default notice issued by the IESO. The maximum potential payment is the face value of the bank letter of credit. As at December 31, 2019, the Company provided prudential support in the form of a bank letter of credit of $13,057,140 (2018 - $13,057,140).

25. Financial Instruments - continued

Revolving Term Facility

As at December 31, 2019, the Company has been authorized for a revolving term facility of $7,000,000 of which NIL had been drawn upon. The facility bears interest at prime and is secured by a general security agreement over all assets of the Company and assignment of related fire insurance.

Subsequent to December 31, 2019 the Company has been authorized for an additional revolving term facility of $7,000,000 for a total of $14,000,000.

Fair Value of Other Financial Instruments

a) Establishing fair value

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accounts payable to the City, interest payable to the City, and due to/from affiliates approximate their fair values due to the immediate or short-term maturity of these financial instruments.

Fair values for other financial instruments, detailed below, have been estimated with reference to quoted market prices for actual or similar instruments where available, except for certain related party transactions.

Customer deposits fair value approximates carrying value. Interest is paid on deposits on a monthly basis at a market rate, reset quarterly, as directed by the OEB.

The fixed rate long-term debt facility, maturing December 2032, funded by the Ontario Infrastructure and Lands Corporation (OILC) has an estimated fair value of $1,837,700 (carrying value - $1,632,957). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2019, of 3.12% per annum, (actual rate – 5.14% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The fixed rate long-term debt facility, maturing December 2050, funded by the OILC has an estimated fair value of $5,408,800 (carrying value - $4,376,902). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2019, of 3.21% per annum, (actual rate – 4.95% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The fixed rate long-term debt facility, maturing October 2027, funded by the OILC has an estimated fair value of $3,369,800 (carrying value - $3,326,654). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2019, of 2.94% per annum, (actual rate – 3.46% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

25. Financial Instruments - continued

The fixed rate long-term debt facility, maturing December 2042, funded by the OILC has an estimated fair value of $3,704,400 (carrying value - $3,427,451). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2019, of 3.14% per annum, (actual rate – 3.90% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The promissory note payable to the City has an estimated fair value of $27,008,300 (carrying value - $24,189,168). The fair value was determined using the present value of the cash flows using the quoted OILC market rate for the debt at December 31, 2019, of 3.14% per annum, (actual rate – 4.20% per annum). The loan is classified as an Other Liability (OL) with no resulting adjustment to carrying value.

The carrying values of the two Royal Bank facility loans approximate their fair values as the loans bear interest at current rates.

The fair value of derivative instruments is calculated using pricing models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money and yield curves.

b) Fair value hierarchy

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

25. Financial Instruments - continued

The following table presents the financial instruments recorded at fair value in the Statement of Financial Position Sheet, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3	Total financial assets and liabilities at fair value
	$	**$**	**$**	$
Financial Assets				
Cash and cash equivalents	7,778,501	-	-	7,778,501
Total financial assets	**7,778,501**	**-**	**-**	**7,778,501**
Financial capital liabilities				
Customer deposits	2,081,534	-	-	2,081,534
Derivative liabilities	720,354	-	-	720,354
Total financial liabilities	**2,801,888**	**-**	**-**	**2,801,888**

During the year, there has been no transfer of amounts between Level 1 and Level 2 and no financial assets or liabilities have been identified as Level 3.

26. Comparative Figures

Certain prior year figures have been reclassified to conform with the current year's presentation.

27. Subsequent Event

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Company's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

Attachment 1-H

Reconciliation of Financial Statements to RRR

BRANTFORD POWER INC.
OEB TRIAL BALANCE RECONCILED TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Accounting 2017	Regulatory 2017	Difference 2017		Differences Explained
Assets					
Current Assets	39,372,880	39,335,881	(36,997)		
				(36,997)	Credit Balances Allocated to A/P for Regulatory, current asset for Accounting
				(36,997)	
				0	
Other Assets	71,115,129	68,280,649	(2,834,480)		
				(1,692,351)	Contributed Capital classified as PP&E in Regulatory, Deferred Revenue for Accounting
				(1,142,130)	Future PILS considered as future PILS for Regulatory, Asset for Accounting
				(2,834,481)	
				(0)	
Regulatory Assets	3,420,314	(587,903)	(4,008,217)	(1,694,518)	Deferred Tax Asset Variance Account, Future PILS for Regulatory, Regulatory Asset for Accounting
				(2,313,700)	Regulatory Assets & Liabilities Included in Other Assets & Deferred Charges for Regulatory, Regulatory deferral account credit balance for accounting
				(4,008,218)	
				(1)	
Total Assets	113,908,323	107,028,627	(6,879,696)		
Liabilities and Shareholder's Equity					
Current Liabilities	(19,616,751)	(19,579,757)	36,994	36,997	Credit Balances Allocated to A/P for Regulatory, current asset for Accounting
				36,997	
				3	
Other Liabilities	(45,466,480)	(40,937,481)	4,528,999	1,692,351	Contributed Capital classified as PP&E in Regulatory, Deferred Revenue for Accounting
				1,142,130	Future PILS considered as future PILS for Regulatory, Asset for Accounting
				1,694,518	Deferred Tax Asset Variance Account, Future PILS for Regulatory, Regulatory Asset for Accounting
				4,528,999	
				(0)	
Shareholder's Equity	(45,150,024)	(45,150,024)	-		
	(3,675,068)	(1,361,363)	2,313,705	2,313,700	Regulatory Assets & Liabilities Included in Other Assets & Deferred Charges for Regulatory, Regulatory deferral account credit balance for accounting
				2,313,700	
				(5)	
Total Liabilities and Shareholder's Equity	(113,908,323)	(107,028,625)	6,879,698		
	-	2	2		
STATEMENT OF OPERATIONS					
Revenue	(129,948,476)	(127,608,875)	2,339,601	(46,593)	Interest on Regulatory Assets and Liabilties interest income for accounting, Regulatory movement for Regulatory
				(93,421)	Other financing expense for Accounting, other income for Regulatory
				1,297,502	RSVA Revenue included in Sale of Energy for Regulatory, Regualtory movement for Accounting
				(449,363)	LRAM DVA change Distribution Revenue for Regulatory, Regulatory movement for Accounting
				1,376,804	CDM Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				254,673	Management Fees Charged to Affiliates 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				2,339,602	
				1	

Expenses	125,553,661	123,780,630	(1,773,031)	93,421	Other financing expense for Accounting, other income for Regulatory
				(149,622)	RSVA adjustment included in cost of power purchased for Regulatory, regulatory movement for Accounting
				(64,574)	OPEB Cash vs. Accrual Amount, General Admin for Regulatory, Regulatory Movement for accounting
				47,180	Interest Expense on Regulatory Liabilities included in other financing expenses for accounting, regulatory movement for Accounting
				(19,258)	Moving property tax included in Accounting O&M Taxes for regulatory
				(8,250)	Donations, Other donations in Regulatory General Admin for accounting
				(1,320,393)	CDM Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				(255,534)	Management Fees Paid to Affiliate Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				(97,910)	Board Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				1,909	Clearing account
				(1,773,031)	
				0	
Other Donations	-	8,250	8,250	8,250	Donations, Other donations in Regulatory General Admin for accounting
				8,250	
				-	
Other Income/Deductions	-	42,360	42,360	(1,376,804)	CDM Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				(254,673)	Management Fees Charged to Affiliates 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				1,320,393	CDM Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				255,534	Management Fees Paid to Affiliate Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				97,910	Board Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				42,360	
				(0)	
Income Before Taxes	(4,394,815)	(3,819,995)	574,820		
Payments in Lieu of Corporate Income Taxes	989,763	683,490	(306,273)	(325,531)	Taxes on SOE / COP Variance adjusted through movement in regulatory on DVA balances, included in taxes for regulatory
				19,258	Property Taxes, included seperately for Accounting, 6105 Taxes for Regulatory
				(306,273)	
				-	
Regulatory Movement	308,999	-	(308,999)	325,531	Taxes on SOE / COP Variance adjusted through movement in regulatory on DVA balances, included in taxes for regulatory
				(1,297,502)	RSVA Revenue included in Sale of Energy for Regulatory, Regualtory movement for Accounting
				149,622	RSVA adjustment included in cost of power purchased for Regulatory, regulatory movement for Accounting
				46,593	Interest on Regulatory Assets and Liabilties interest income for accounting, Regulatory movement for Regulatory
				(47,180)	Interest Expense on Regulatory Liabilities included in other financing expenses for accounting, regulatory movement for Accounting
				449,363	LRAM DVA change Distribution Revenue for Regulatory, Regulatory movement for Accounting
				64,574	OPEB Cash vs. Accrual Amount, General Admin for Regulatory, Regulatory Movement for accounting
				(308,999)	
				0	
NET INCOME	(3,096,053)	(3,136,505)	(40,452)		

BRANTFORD POWER INC.
OEB TRIAL BALANCE RECONCILED TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Accounting 2018	Regulatory 2018	Difference 2018		Differences Explained
Assets					
Current Assets	39,776,028	39,768,457	(7,571)		
				(7,570)	Credit Balances Allocated to A/P for Regulatory, current asset for Accounting
				(7,570)	
Other Assets	73,203,811	70,096,697	(3,107,114)		
				(2,457,410)	Contributed Capital classified as PP&E in Regulatory, Deferred Revenue for Accounting
				(649,705)	Future PILS considered as future PILS for Regulatory, Asset for Accounting
				(3,107,115)	
				(1)	
Regulatory Assets	3,572,534	(2,007,244)	(5,579,778)	(1,869,837)	Deferred Tax Asset Variance Account, Future PILS for Regulatory, Regulatory Asset for Accounting
				(3,709,941)	Regulatory Assets & Liabilities Included in Other Assets & Deferred Charges for Regulatory, Regulatory deferral account credit balance for accounting
				(5,579,778)	
Total Assets	116,552,373	107,857,910	(8,694,463)		
Liabilities and Shareholder's Equity					
Current Liabilities	(19,307,582)	(19,300,016)	7,566	7,570	Credit Balances Allocated to A/P for Regulatory, current asset for Accounting
				7,570	
Other Liabilities	(44,760,616)	(39,783,665)	4,976,951	2,457,410	Contributed Capital classified as PP&E in Regulatory, Deferred Revenue for Accounting
				649,705	Future PILS considered as future PILS for Regulatory, Asset for Accounting
				1,869,837	Deferred Tax Asset Variance Account, Future PILS for Regulatory, Regulatory Asset for Accounting
				4,976,952	
				0	
Shareholder's Equity	(46,550,275)	(46,550,275)	-		
	(5,933,899)	(2,223,958)	3,709,941	3,709,941	Regulatory Assets & Liabilities Included in Other Assets & Deferred Charges for Regulatory, Regulatory deferral account credit balance for accounting
				3,709,941	
				-	
Total Liabilities and Shareholder's Equity	(116,552,372)	(107,857,914)	8,694,458		
	1	(3)	(4)		
STATEMENT OF OPERATIONS					
Revenue	(130,163,740)	(127,466,588)	2,697,152	(32,448)	Interest on Regulatory Assets and Liabilties interest income for accounting, Regulatory movement for Regulatory
				(42,125)	Other financing expense for Accounting, other income for Regulatory
				852,097	RSVA Revenue included in Sale of Energy for Regulatory, Regualtory movement for Accounting
				(9,736)	LRAM DVA change Distribution Revenue for Regulatory, Regulatory movement for Accounting
				1,690,308	CDM Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				193,688	Management Fees Charged to Affiliates 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				45,367	Affordability Trust Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				2,697,152	
				0	

Expenses	125,410,860	124,983,187	(427,673)	42,125	Other financing expense for Accounting, other income for Regulatory
				1,452,537	RSVA adjustment included in cost of power purchased for Regulatory, regulatory movement for Accounting
					Amortization on Capital Contributions, amortization for Accounting other income for regulatory
				(64,574)	OPEB Cash vs. Accrual Amount, General Admin for Regulatory, Regulatory Movement for accounting
				84,053	Interest Expense on Regulatory Liabilities included in other financing expenses for accounting, regulatory movement for Accounting
				(19,704)	Moving property tax included in Accounting O&M Taxes for regulatory
				(9,388)	Donations, Other donations in Regulatory General Admin for accounting
				(1,377,020)	CDM Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				(142,511)	Management Fees Paid to Affiliate Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				(269,199)	Building/Interest on Deposit from Tenant Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
					Clearing account
				(427,673)	
				(0)	
Other Donations	-	9,388	9,388	9,388	Donations, Other donations in Regulatory General Admin for accounting
				9,388	
				-	
Other Income/Deductions	-	(16,641)	(16,641)	(1,690,308)	CDM Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				(193,688)	Management Fees Charged to Affiliates 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				(45,367)	Affordability Trust Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				1,377,020	CDM Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				30,570	Affordability Trust Fund Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				142,511	Management Fees Paid to Affiliate Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				269,199	Building/Interest on Deposit from Tenant Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				93,422	Board Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				(16,641)	
				(0)	
Income Before Taxes	(4,752,880)	(2,474,013)	2,278,867		
Payments in Lieu of Corporate Income Taxes	683,053	527,438	(155,615)	(175,319)	Taxes on SOE / COP Variance adjusted through movement in regulatory on DVA balances, included in taxes for regulatory
				19,704	Property Taxes, included seperately for Accounting, 6105 Taxes for Regulatory
				(155,615)	
				-	
Regulatory Movement	2,106,611	-	(2,106,611)	175,319	Taxes on SOE / COP Variance adjusted through movement in regulatory on DVA balances, included in taxes for regulatory
				(852,097)	RSVA Revenue included in Sale of Energy for Regulatory, Regualtory movement for Accounting
				(1,452,537)	RSVA adjustment included in cost of power purchased for Regulatory, regulatory movement for Accounting
				32,448	Interest on Regulatory Assets and Liabilties interest income for accounting, Regulatory movement for Regulatory
				(84,053)	Interest Expense on Regulatory Liabilities included in other financing expenses for accounting, regulatory movement for Accounting
				9,736	LRAM DVA change Distribution Revenue for Regulatory, Regulatory movement for Accounting
				64,574	OPEB Cash vs. Accrual Amount, General Admin for Regulatory, Regulatory Movement for accounting
				(2,106,611)	
				(0)	
NET INCOME	(1,963,216)	(1,946,575)	16,641		

BRANTFORD POWER INC.
OEB TRIAL BALANCE RECONCILED TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Accounting 2019	Regulatory 2019	Difference 2019		Differences Explained
Assets					
Current Assets	33,519,628	33,588,531	68,903	(50,292)	Difference in spares
				119,622	Credit Balances Allocated to A/P for Regulatory, current asset for Accounting
				(428)	Clearing account
				68,903	
Other Assets	92,206,971	87,045,459	(5,161,512)		
				(4,147,074)	Contributed Capital classified as PP&E in Regulatory, Deferred Revenue for Accounting
				50,292	Difference recorded in Spares
				(1,064,730)	Future PILS considered as future PILS for Regulatory, Asset for Accounting
				(5,161,512)	
				(0)	
Regulatory Assets	6,413,314	1,851,242	(4,562,072)	(3,164,572)	Deferred Tax Asset Variance Account, Future PILS for Regulatory, Regulatory Asset for Accounting
				(1,397,501)	Regulatory Assets & Liabilities Included in Other Assets & Deferred Charges for Regulatory, Regulatory deferral account credit balance for accounting
				(4,562,073)	
Total Assets	132,139,913	122,485,231	(9,654,682)		
Liabilities and Shareholder's Equity					
Current Liabilities	(22,554,076)	(22,673,703)	(119,627)	(119,622)	Credit Balances Allocated to A/P for Regulatory, current asset for Accounting
				(119,622)	
Other Liabilities	(60,944,662)	(52,568,286)	8,376,376	4,147,074	Contributed Capital classified as PP&E in Regulatory, Deferred Revenue for Accounting
				1,064,730	Future PILS considered as future PILS for Regulatory, Asset for Accounting
				3,164,572	Deferred Tax Asset Variance Account, Future PILS for Regulatory, Regulatory Asset for Accounting
				8,376,376	
Shareholder's Equity	(47,686,379)	(47,686,379)	0		
	(954,795)	442,706	1,397,501	1,397,501	Regulatory Assets & Liabilities Included in Other Assets & Deferred Charges for Regulatory, Regulatory deferral account credit balance for accounting
				1,397,501	
Total Liabilities and Shareholder's Equity	(132,139,912)	(122,485,662)	9,654,250		
	1	(431)	(432)		
STATEMENT OF OPERATIONS					
Revenue	(132,776,569)	(136,670,742)	(3,894,173)	(82,760)	Interest on Regulatory Assets and Liabilties interest income for accounting, Regulatory movement for Regulatory
				(19,230)	Other financing expense for Accounting, other income for Regulatory
				(3,562,409)	RSVA Revenue included in Sale of Energy for Regulatory, Regualtory movement for Accounting
				195,226	Amortization on Capital Contributions, amortization for Accounting other income for regulatory
				(2,612,614)	DVA Disposition included as Sale of Energy for Regulatory Regulatory Movement for Accounting
				323,588	PILS Variance DVA change Distribution Revenue for Regulatory, Regulatory movement for Accounting
				1,553,374	CDM Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				245,124	Management Fees Charged to Affiliates 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				65,527	Affordability Trust Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				(3,894,173)	
				0	

Expenses	136,991,899	133,826,236	(3,165,663)	19,230	Other financing expense for Accounting, other income for Regulatory
				(650,668)	RSVA adjustment included in cost of power purchased for Regulatory, regulatory movement for Accounting
				(195,226)	Amortization on Capital Contributions, amortization for Accounting other income for regulatory
				(64,574)	OPEB Cash vs. Accrual Amount, General Admin for Regulatory, Regulatory Movement for accounting
				124,287	Interest Expense on Regulatory Liabilities included in other financing expenses for accounting, regulatory movement for Accounting
				(141,511)	Moving property tax included in Accounting O&M Taxes for regulatory
				(13,785)	Donations, Other donations in Regulatory General Admin for accounting
				(1,712,765)	CDM Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				(131,266)	Management Fees Paid to Affiliate Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				(185,512)	Building/Interest on Deposit from Tenant Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				428	Clearing account
				(3,165,663)	
				(0)	
Other Donations	-	13,785	13,785	13,785	Donations, Other donations in Regulatory General Admin for accounting
				13,785	
				-	
Other Income/Deductions	-	379,819	379,819	(1,553,374)	CDM Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				(245,124)	Management Fees Charged to Affiliates 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				(65,527)	Affordability Trust Revenues 4375 - Non-utility Revenue Other Revenue for accounting, Other income/Deductions for Regulatory
				1,712,765	CDM Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				131,266	Management Fees Paid to Affiliate Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				185,512	Building/Interest on Deposit from Tenant Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				214,302	Board Expenses 4380 included as Other General Admin for Accounting, Other income/Deductions for Regulatory
				379,819	
				0	
Income Before Taxes	4,215,330	(2,830,721)	(7,046,051)		
Payments in Lieu of Corporate Income Taxes	1,158,647	5,422	(1,153,225)	(1,294,735)	Taxes on SOE / COP Variance adjusted through movement in regulatory on DVA balances, included in taxes for regulatory
				141,511	Property Taxes, included seperately for Accounting, 6105 Taxes for Regulatory
				(1,153,224)	
				0	
Regulatory Movement	(7,819,885)	-	7,819,885	1,294,735	Taxes on SOE / COP Variance adjusted through movement in regulatory on DVA balances, included in taxes for regulatory
				3,562,409	RSVA Revenue included in Sale of Energy for Regulatory, Regualtory movement for Accounting
				650,668	RSVA adjustment included in cost of power purchased for Regulatory, regulatory movement for Accounting
				82,760	Interest on Regulatory Assets and Liabilties interest income for accounting, Regulatory movement for Regulatory
				(124,287)	Interest Expense on Regulatory Liabilities included in other financing expenses for accounting, regulatory movement for Accounting
				2,612,614	DVA Disposition included as Sale of Energy for Regulatory Regulatory Movement for Accounting
				(323,588)	PILS Variance DVA change Distribution Revenue for Regulatory, Regulatory movement for Accounting
				64,574	OPEB Cash vs. Accrual Amount, General Admin for Regulatory, Regulatory Movement for accounting
				7,819,884	
				(1)	
NET INCOME	(2,445,908)	(2,825,298)	(379,390)		

Attachment 1-I

2019 Annual Report

FUTURE READY

2019 BRANTFORD ENERGY CORPORATION ANNUAL REPORT

BRANTFORD energy

ABOUT US

OUR MISSION, VISION & VALUES

BRANTFORD power
Your delivery company

Mission

Brantford Power provides safe, reliable and competitively priced services to our customers while ensuring excellent shareholder returns.

Vision

Brantford Power is driven to be a leading electricity distribution company.

Values

- Safety
- Openness and integrity in all relationships
- Innovation and creativity
- A customer focus
- Employee engagement

BRANTFORD hydro
Your solutions company

Mission

As a growth company, Brantford Hydro Inc. delivers environmentally sustainable telecommunications and energy related services that enhance the competitiveness of businesses and the quality of life for customers.

Vision

The vision of Brantford Hydro Inc. is to become a leader in Brantford and surrounding areas by growing our business lines through strategic investments and partnerships, enhancing the value of the company to both our customers and shareholders.

Values

- We value open and honest communication with internal and external stakeholders as we strive for success in a competitive business environment.
- We seek to ensure maximum customer satisfaction by delivering exceptional value through the provision of efficient and dependable products and services.
- We value our customers, business partners and other stakeholders, and will treat them with fairness, respect and integrity as they are integral components to our success.
- We value innovation in services, thinking and actions.
- We anticipate and adapt quickly and effectively to the ever-changing business landscape.

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MESSAGE FROM THE CHAIR AND CEO & PRESIDENT

In 2019, Brantford Energy Corporation (BEC) reached many milestones in its ongoing journey to ensure that we are future ready. When planning ahead, and while carrying out our day-to-day work, we are always conscious of the need to strike a balance between shareholder value and providing the superior level of service that our customers have come to expect, while continuing to maintain an exemplary safety record and competitive rates.

We are dedicated to ensuring the safety of our employees, our customers and members of the public. Brantford Power strengthened its commitment to safety in 2019 by hiring its own Health and Safety Manager. Safety is top of mind every day, and we were proud to end 2019 with more than 695,700 hours without a lost-time injury. We also expanded our public safety outreach with several new initiatives. We launched a partnership with the Grand Erie District School Board and the Brant Haldimand Norfolk Catholic District School Board to sponsor electricity safety sessions for all elementary schools in our service territory.

In addition, Brantford Power formed a partnership with MySafeWork, a non-profit organization that inspires companies to build a strong safety culture and is committed to preventing vulnerable workers from being killed, injured, and harassed on the job. Founder and President Rob Ellis was joined by Brantford Power personnel for impactful, two-way discussions to increase workplace safety awareness among our employees, contractors and post-secondary students. Our free annual Powerline Safety Seminar provides us with an important opportunity to talk face-to-face with contractors and first responders about how to safely work in close proximity to powerlines. Our ongoing partnership with the Children's Safety Village of Brant ensures that school-age children learn life-saving safety tips.

Brantford Power invested $9.79 million in 2019 in technology, equipment and distribution system infrastructure. Our investments were focused on upgrading our technology to ensure that it is **future ready**, with the most significant advancement being the implementation of a new customer information system (CIS). This project supports the BEC key strategic priority to maintain a continued focus on providing operational excellence and customer service. The new, modern CIS is designed and supported by a leading firm in the industry, and is utilized by 38 other local distribution companies. The agile system provides us with enhanced capabilities to respond to industry and billing changes, offers the flexibility to introduce more self-serve options for our customers and will allow us to adopt future technological advancements. We also formulated and finalized a cyber security road map for the next four years which is in line with the framework and the expectations of the Ontario Energy Board. We take this commitment seriously and are committed to achieving this goal.

When planning investments in our distribution system infrastructure, our focus is on ensuring reliable service for a growing community, while mitigating the impact on customer rates. Brantford Power was very busy in 2019 connecting 406 new services to our distribution system; almost double the 207 connections in 2018. The increase in activity was driven by the fact that the City of Brantford had a record year in 2019 for building single family homes.

In 2019, Brantford Power made significant progress on a multi-year project to install automated switches to help maintain high system reliability in downtown Brantford. We also implemented improvements to the transformer station on Powerline Road that Brantford Power jointly owns with Energy+ Inc. to protect the station equipment, improve performance and ensure continuity of service. In addition, we undertook a significant line relocation project in response to a Hydro One Networks Inc. request to decommission an idle transmission line carrying a Brantford Power distribution circuit. Brantford Power was able to complete this major request from Hydro One within one year, which required rerouting almost three km of powerlines in our distribution system in multiple areas, including successfully completing a highly complex initiative to string new powerlines across Highway 403.

Brantford Power continues to collaborate with industry partners to help us reduce operating, maintenance and administration costs, and improve customer service. In 2019 we joined the Utilities Standards Forum, a non-profit, volunteer based corporation comprised of 53 Ontario local distribution companies (LDCs) who collaborate, share best practices and troubleshoot common challenges. We continue to realize efficiencies thanks to our membership in the GridSmartCity Cooperative and we gain valuable insight and information as a member of the Electricity Distributors Association. Playing an active role in these important industry organizations ensures that we are **future ready** for the rapid changes in our evolving sector.

Brantford Power is proud to give back to the community. We provide ongoing support to the Brantford Food Bank through employee food donations and an annual volunteer event.

Once again in 2019, we were the main sponsor of the JCI Santa Claus Parade and entered a team in the Rotary Brantford Classic Run. Our employees rallied together to support the 21st Annual Dan Ritchie Barbecue and Raffle, an event that has raised over $80,000 to date for Participation Support Services.

In order to be **future ready**, Brantford Power planned ahead by developing new leaders and creating opportunities to pass on valuable knowledge to the next generation of skilled employees. In previous annual reports, we forecasted the departure of a large amount of institutional knowledge, especially in Operations. As predicted, in 2019 key Operations personnel retired. We took the first step in the anticipated transition and recruited and promoted from within. While we are still learning and adjusting to the new roles, we have bridged the gap and continue to maintain our high service levels. The business also had to adapt to changes in the delivery of energy conservation programs that affected our customers. We have been managing through the wind down of the programs and assisting customers in any way that we can.

One of Brantford Power's most significant achievements in 2019, and a key strategic priority, was the acquisition of a new home. The purchase of the facility at 150 Savannah Oaks Drive and the surrounding land provides great value for ratepayers, employees and our shareholder. It also allows the utility to consolidate its operations by repurposing the existing building.

As well as housing all Brantford Power employees in one location, we will receive the benefit of collaborating with Energy+ Inc., our neighbouring LDC, as a long-term tenant and a shared service partner. We will also be renting additional office space to our affiliate organization Brantford Hydro, to house its operations and telecommunications servers.

The first phase of the renovations, which involves modifications to the office space, is progressing well and we remain committed to our goal of relocating all employees to the new facility by the end of 2020. The purchase and renovation of 150 Savannah Oaks will ensure that Brantford Power is **future ready**, operating out of its own local facility and continuing to serve Brantford for generations to come.

Brantford, like any city, is not immune to emergencies; as evidenced by floods, wind storms and at the time of writing this report, the Coronavirus pandemic. In 2019, Brantford Power had the forethought to invest in emergency preparation. We focused on becoming proficient with the incident management approach to emergency management and our leadership team achieved certification. Training that included mock emergency simulations paid off in Q1 2020, as the organization began managing through the effects of COVID-19. A session on resiliency held in 2019 also proved very helpful and relevant.

In 2019, NetOptiks, the telecommunications division of Brantford Hydro, experienced another solid year of growth and technical investment. NetOptiks added 13 kilometres of fibre optic cable and 71 new connections to its core network to provide additional transport capacity and customer connectivity. In the fall of 2019, NetOptiks embarked on a new technical journey to start constructing a data centre at 150 Savannah Oaks that will provide critical infrastructure and a **future ready** geographically redundant point of presence at the new headquarters of Brantford Hydro.

Brantford Hydro's Enersure Home Comfort division continues to be one of the top choices in Brantford and surrounding areas for reliable and energy-efficient water softeners, water heaters, furnaces, and central air conditioning systems, installing 221 new rental units in 2019. Enersure's modern fleet of ultra-high-efficiency products such as "hot water on demand" tankless heaters and combined heat pump furnace technology allows our customers a wide range of new options for their homes as well as cost savings over traditional heating and cooling options.

At the time that this report was being produced, BEC, along with the rest of the world, was experiencing the impacts of COVID-19 and as a result, we chose to condense the 2019 BEC Annual Report.

We are optimistic about the year ahead. In 2020, we will be preparing for a rate application that will involve customer engagement to ensure that our long-term plans are aligned with customer needs and expectations. We are also looking forward to having all employees under one roof to further enhance our service.

BEC remains committed to investing in people, systems and assets to ensure that we are **future ready** and able to continue to provide exceptional service to the growing City of Brantford for decades to come.

Scott Saint
Chair, Board of Directors

Paul Kwasnik
CEO & President

"WE ARE OPTIMISTIC ABOUT THE YEAR AHEAD. BEC REMAINS COMMITTED TO INVESTING IN PEOPLE, SYSTEMS AND ASSETS TO ENSURE THAT WE ARE FUTURE READY."

KEY STRATEGIC PRIORITIES

BEC operates as a holding company for two businesses - Brantford Power Inc. and Brantford Hydro Inc.
Its sole shareholder is the Corporation of the City of Brantford.

1. A continued focus on providing operational excellence and customer service within Brantford Power.
2. To be active in the changing electricity distribution sector and pursue opportunities for collaboration or new relationships that may add value to the LDC business.
3. To evaluate and assess investment in a Brantford Power common operations facility.
4. A continued focus on operational excellence and customer service within Brantford Hydro.
5. Pursue growth of telecom business within and outside of Brantford, both organically through network expansion and through mergers, acquisitions and/or partnerships.

BOARD OF DIRECTORS

Our Board of Directors is comprised of industry experts and local business and community leaders who dedicate their experience and expertise to the governance and strategic direction of the businesses.

Brantford Energy Corporation
Scott Saint, Chair
Craig Mann
Councillor Greg Martin
Gerry Smits
Councillor John Utley
Peter Vicano

Brantford Power Inc.
Scott Saint, Chair
Craig Mann
Councillor Greg Martin
Neil Sandford
Terry Smith
Gerry Smits
Ron Stewart
Councillor John Utley
Peter Vicano
Andy Woodburn (joined June 2019)

Brantford Hydro Inc.
Craig Mann, Chair
Councillor Greg Martin
Scott Saint
Gerry Smits
Councillor John Utley
Peter Vicano

Officers
Paul Kwasnik
CEO & President

Brian D'Amboise
CFO, Vice President, Corporate Services

Executive Team
Paul Kwasnik
CEO & President

Brian D'Amboise
CFO & Vice President, Corporate Services

Sinisa Grkovic
Vice President, Engineering & Operations

Executive Team
Paul Kwasnik
CEO & President

Brian D'Amboise
CFO & Vice President, Corporate Services

James Nagle
COO

BEC BY THE NUMBERS

Brantford Energy

DELIVERED AN AVERAGE OF OVER **$2.2 MILLION** ANNUALLY TO THE CITY OF BRANTFORD OVER THE LAST 5 YEARS

Brantford Power

97% OF CUSTOMERS REPORTED OVERALL **CUSTOMER SERVICE SATISFACTION**

37,814 CALLS ANSWERED

SPONSORED ELECTRICITY SAFETY SESSIONS FOR **5,786** ELEMENTARY STUDENTS

MORE THAN **695,700** HOURS WITHOUT A LOST-TIME INJURY

DELIVERED **994,307,847** KILOWATT HOURS OF ELECTRICITY

515 km OF POWERLINES MAINTAINED

ON AVERAGE, CUSTOMERS EXPERIENCED **1 POWER INTERRUPTION**

Brantford Hydro

NetOptiks

MAINTAINS **338 km** OF FIBRE-OPTIC CABLE

71 NEW CONNECTIONS

enersure Home Comfort

221 NEW UNITS INSTALLED

4,387 RENTAL UNITS

CONTRIBUTING TO OUR COMMUNITY

The Brantford Power Inc. Board of Directors advanced the vision of a new local home for Brantford Power at 150 Savannah Oaks Drive in April 2019, allowing us to continue to serve the community for future generations.

Brantford Power joined forces with MySafeWork, a non-profit organization that inspires companies to build a strong safety culture and is committed to preventing vulnerable workers from being killed, injured, and harassed on the job. Founder and President Rob Ellis (middle) was joined by Brantford Power employees for an impactful discussion with Powerline students at Conestoga College.

Our employees rallied together in 2019 to support the 21st Annual Dan Ritchie Barbecue and Raffle. This event has raised over $80,000 to date for Participation Support Services.

An enthusiastic team of over 30 participants proudly represented Brantford Power in the 37th Rotary Brantford Classic Run. We enjoyed supporting a great cause and participating in some friendly competition. Our team rose to the challenge and finished in first place in the 5 km Corporate Teams Category!

Brantford Power is proud to provide ongoing support to the Brantford Food Bank through employee food donations and an annual volunteer event that provides us with the opportunity to see firsthand the need for the foodbank and the positive impact that it has on the community.

Brantford Power formed a partnership with the Grand Erie District School Board and the Brant Haldimand Norfolk Catholic District School Board in 2019 to sponsor electricity safety sessions for all elementary schools in our service territory. Our safety messages have reached 5,786 students so far.

BEC 2019 FINANCIAL STATEMENTS

Brantford Energy Corporation

The Brantford Energy Group of Companies recorded a $2.89 million net income in 2019 compared to the $2.46 million net income reported in 2018. This net income reflects the 2019 operating results from Brantford Power Inc. and Brantford Hydro Inc.

Brantford Power Inc.

Brantford Power Inc. reported a 2019 net income of $2.44 million which exceeded budget expectations for the year. The resulting higher than expected net income is largely due to higher than planned distribution and other income and lower than planned operations and maintenance expenses. As a result of this favourable performance, Brantford Power Inc. continues to reflect the strong financial position necessary to make further investments to improve service and the reliability of the electricity distribution system.

Brantford Hydro Inc.

Brantford Hydro Inc. reported a 2019 net income of $439,000, which exceeded budget expectations for the year. The 2019 net income decreased by 11.1% or $55,000 from the $494,000 reported in 2018. The better than planned net income is attributable to reduced business development costs for the year. As a result of this favourable performance, Brantford Hydro Inc. continues to reflect the strong financial position necessary for the Company to proceed with its future growth plans.

Management is responsible for the preparation of a summary of the audited (consolidated) financial statements.

The following summary financial statements are based upon the audited (consolidated) financial statements upon which our auditors (KPMG LLP) expressed an unmodified opinion dated May 27, 2020.

The summary (consolidated) financial statements do not contain all disclosures required by International Financial Reporting Standard applied in the preparation of the audited (consolidated) financial statements of the Companies. Reading the summary (consolidated) financial statements, therefore, is not a substitute for reading the audited (consolidated) financial statements of the Companies.

SUMMARIZED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31	2019 ($)	2018 ($)
ASSETS		
Current assets	34,466,418	40,797,492
Property, plant and equipment	93,516,783	75,031,402
Other assets	4,175,102	3,005,403
TOTAL ASSETS	**132,158,303**	**118,834,297**
Regulatory assets	6,413,314	3,572,534
TOTAL ASSETS and Regulatory Balances	**138,571,617**	**122,406,831**
LIABILITIES		
Current liabilities	23,149,027	19,608,204
Long-term debt	50,651,279	38,979,394
Other liabilities	12,329,314	7,566,803
TOTAL LIABILITIES	**86,129,620**	**66,154,401**
SHAREHOLDER'S EQUITY		
Capital stock	23,895,512	23,895,512
Retained earnings	27,262,440	25,529,997
Accumulated other comprehensive income	329,250	893,022
TOTAL EQUITY	**51,487,202**	**50,318,531**
TOTAL LIABILITIES & EQUITY	**137,616,822**	**116,472,932**
Regulatory liabilities	954,795	5,933,899
Total Liabilities, Equity and Regulatory Balances	**138,571,617**	**122,406,831**

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2019 ($)	2018 ($)
REVENUE		
Sale of energy	111,743,409	109,916,976
Electricity distribution and service revenue	17,908,538	17,437,596
Fibre optic and retail service revenue	3,459,685	3,166,768
IESO conservation programs	1,553,047	1,690,308
Other revenue	680,685	347,736
	135,345,364	**132,559,384**
EXPENSES		
Cost of power purchased	118,301,973	107,788,878
Operations, maintenance and administration	13,617,270	13,036,400
IESO conservation programs	1,658,795	1,325,866
Other expenses	4,230,586	3,774,690
	137,808,624	**125,925,834**
Income (loss) from operating expenses	**(2,463,260)**	**6,633,550**
Finance income and costs		
Finance Income	626,417	569,382
Finance Costs	(1,779,583)	(1,799,794)
Income (loss) before income taxes and regulatory movement	**(3,616,426)**	**5,403,138**
Income tax expense	1,318,413	838,898
Net income (loss) before regulatory movement	**(4,934,839)**	**4,564,240**
Movement in regulatory balances, net of tax	7,819,884	(2,106,611)
Net income for the year and net movement in regulatory balances	**2,885,045**	**2,457,629**
Retained earnings - Beginning of year	**25,529,997**	**24,222,368**
Transitional Adjustment	(2,602)	-
Dividends	(1,150,000)	(1,150,000)
Retained earnings - End of year	**27,262,440**	**25,529,997**

SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31	2019 ($)	2018 ($)
OPERATING ACTIVITIES		
Net income	2,885,045	2,457,629
Changes to net income not involving cash	7,622,129	6,153,924
Changes to regulatory accounts and income taxes	(8,821,960)	1,426,309
Net change in non-cash working capital balances related to operations	2,045,323	(482,205)
	3,730,537	**9,555,657**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(23,871,587)	(7,277,965)
Proceeds from disposal of property, plant and equipment	197,740	32,150
	(23,673,847)	**(7,245,815)**
FINANCING ACTIVITIES		
Proceeds of issuance of long-term debt	13,000,000	-
Repayment of long-term debt	(1,156,341)	(1,082,608)
Other financing activities	(122,820)	-
Dividends paid	(1,150,000)	(1,150,000)
	10,570,839	**(2,232,608)**
(Decrease) increase in cash and cash equivalents	**(9,372,471)**	**77,234**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**17,489,944**	**17,412,710**
CASH AND CASH EQUIVALENTS, END OF YEAR	**8,117,473**	**17,489,944**

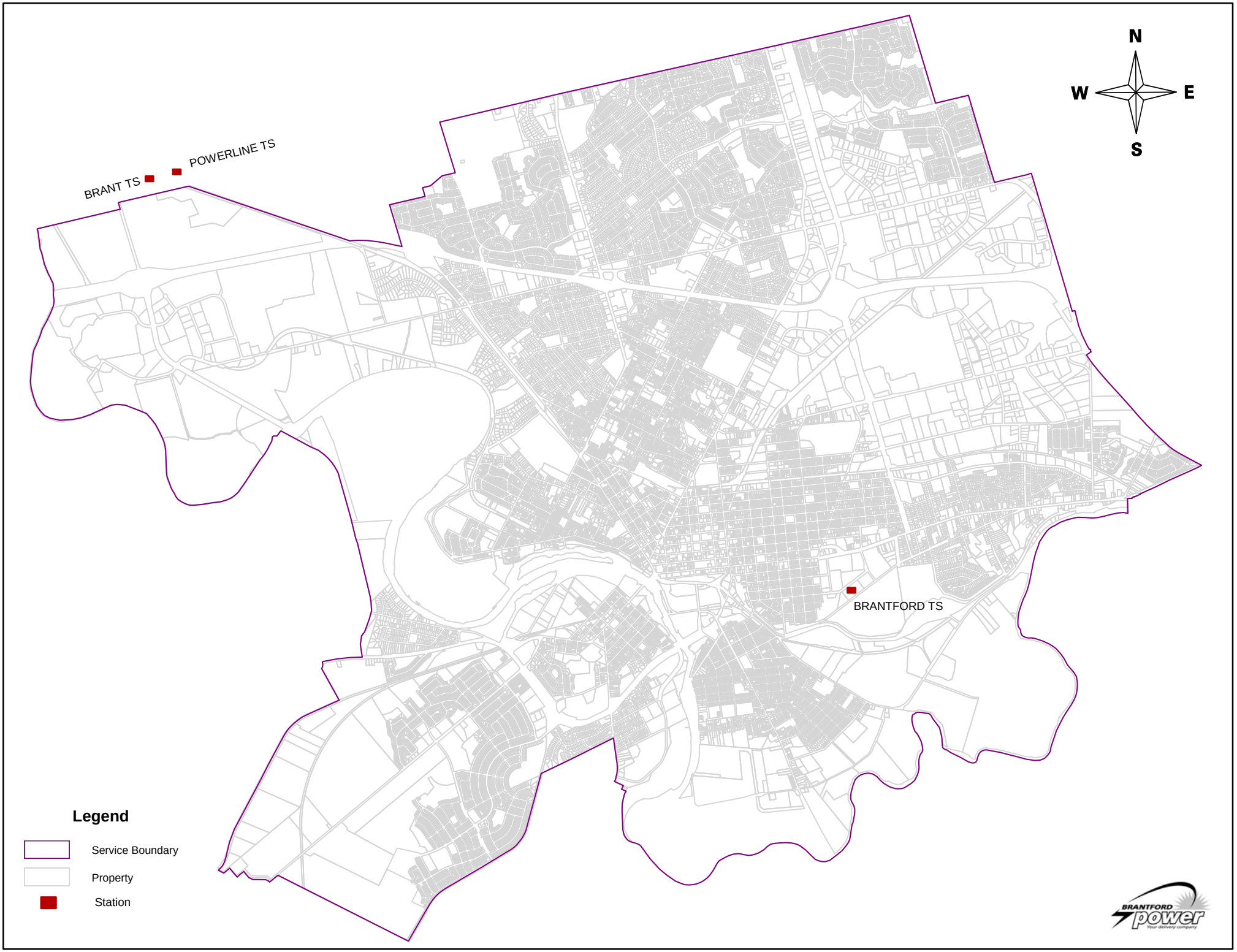
BRANTFORD energy

Brantford Energy Corporation
P.O. Box 308 Brantford, Ontario N3T 5N8

brantfordpower.com | enersure.ca | netoptiks.com

Attachment 1-J

Map of BPI Service Territory


N
W
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BRANT TS
POWERLINE TS
BRANTFORD TS
Legend
Service Boundary
Property
Station
BRANTFORD power
Your delivery company

Attachment 1-K

Executive Certification

I, Brian D'Amboise, CPA CA, Chief Financial Officer and Vice President of Corporate Services of Brantford Power Inc., hereby certify that the evidence in this Application is accurate, consistent and complete to the best of my knowledge

May 11, 2021

Brian D'Amboise, CPA CA, **Date**

CFO and VP Corporate Services

Attachment 1-L

2021/2022 Budget Reports

DATE: December 16, 2020 **REPORT NO. BPI-2012-003**

TO: Mr. Scott Saint, Chair and Directors

FROM: Brian D'Amboise, CFO & VP Corporate Services

PREPARED BY: Mariana Gonzalez, Corporate Controller

1.0 TYPE OF REPORT:

☐ **For Decision**

☐ **For Discussion**

☒ **For Information**

2.0 TOPIC: 2021-2022 BUDGET AND MULTI-YEAR FORECAST

3.0 RECOMMENDATION

That the Brantford Power Inc. (BPI) Board of Directors approve the proposed 2021-2022 Budget and Multi-Year forecast and recommend its approval to the Brantford Energy Corporation Board of Directors.

4.0 PURPOSE

To present to the Board of Directors for approval a proposed 2021 and 2022 Budgets and Multi-Year forecast with related background and explanatory information.

5.0 BACKGROUND

Management presents annually to the Board for approval, a proposed budget for the next fiscal year and financial forecasts for the subsequent four years. This year, Management is preparing a budget for both the 2021 and 2022 fiscal years and forecasts for 2023-2025. This is required as BPI must establish its expected cost of service to incorporate in the 2022 Cost of Service Rate Application scheduled to be filed with the Ontario Energy Board (OEB) in April 2021.

As a result of its anticipated Cost of Service application, BPI has engaged Innovative Research to conduct a customer engagement survey to obtain customer input on choices that will impact the services BPI provides them as well as the rates they pay for the delivery of electricity. While the survey has yet to be finalized, BPI has received the preliminary results from input of over 1500 customers represented by 14% of residential customers and 4% of small business customers who were emailed surveys.

These preferences have been incorporated into the budget proposal. While the survey remains open in efforts to increase the response rate of small business customers, Management does not anticipate the remaining results will be significantly different than the preliminary results obtained from Innovative Research. Nevertheless if the final results include material changes to customer preferences, Management will review and consider those changes to determine if any changes are required to this proposed budget.

Although Management will be submitting budgets for both 2021 and 2022 fiscal years at this time, the approvals will represent approval of the 2021 Budget for next year as normal and a notional approval of the 2022 financial plan that will be incorporated into the 2022 Cost of Service application. Management will present for final approval in the fall of 2021, an updated 2022 Budget and Multi-Year Forecast.

This updated budget is expected to be substantially in keeping with the 2022 financial plan approved this year as that will have been the basis of the rate application and resulting funding. However, it will be refreshed to reflect updated information available at that time.

Management provided a 2021 budget update report at the November Board meeting. This current report will provide the Board with an update on the key 2021-2022 budget issues along with commentary on how Management has addressed these issues in the budget proposal. By submitting this budget proposal for approval, Management believes it reflects a prudent financial plan for the business that balances the interest of the key stakeholders in a manner that will support a successful 2022 Cost of Service rate application.

Once the 2021-2022 Budget and Multi-Year Forecasts are approved by the BPI Board, the Company is obligated to obtain the approval of its shareholder, Brantford Energy Corporation (BEC). Provided the BPI Board approves the budget proposal on December 16, 2020, the approval from BEC will be requested later on December 16, 2020 when the BEC Board is convened.

6.0 INPUTS FROM OTHER SOURCES

BPI Leadership Team
BPI Residential and Business Customers

7.0 STRATEGIC PLANNING CONTEXT

Before addressing the specific budgetary issues, it is important to review with the Board the current trajectory of the business vis a vis the approved strategic plan and how those initiatives align with the distribution rate funding calendar established through the current OEB Cost of Service rebasing schedules.

Following the 2017 Cost of Service Rate Proceeding, BPI is not scheduled to rebase its distribution rates until 2022 meaning that the Distribution Rates established in 2017 remain the basis of BPI's revenues for 2021, the last remaining year of the current five year funding cycle subject to annual IRM rate adjustments approximating inflation.

BPI requested in 2019 and received approval for an interim funding adjustment over and above the traditional IRM adjustments in 2020 to compensate BPI for a portion of its capital investment in new operating and administrative facilities at 150 Savannah Oaks. BPI met the eligibility criteria as such investments exceeded the stipulated materiality threshold prescribed under the Ontario Energy Board's criteria for accessing the Incremental Capital Module (ICM) process. This incremental funding, which covered a portion of the cost of capital and amortization above a stipulated materiality level, did not and was not intended to provide any interim funding for related OM&A expenses.

In addition to the funding issues, the possibility of a merger presents some unique issues in developing assumptions for the 2021-2022 Budget and Multi-Year forecast. Further details will be addressed later in the report. However, the over-arching primary budget assumption is that BPI will continue to operate as a standalone going concern for the duration of the forecast period.

Nevertheless, some projects that are necessary for the continued going concern of BPI may not be of value in a merger scenario as such investments could be redundant or be thrown away once integration of the two organizations is achieved. In a few instances, the timing of such capital projects or the filling of vacant required positions may be deferred until later in 2021 or early 2022 to ensure that the status of the merger is known before committing funds to such initiatives. Should the merger not proceed, it may be desirable to advance the timing of these initiatives in 2021 provided funding sources can be identified at that time.

8.0 ANALYSIS

8.1 ANALYSIS – Introduction

As outlined above, BPI's funding levels are substantially in place for 2021 period including an adjustment starting in 2020 from the Incremental Capital Module application. As BPI nears the completion of the current Cost of Service funding cycle, the Company has made much progress on its planned business renewal agenda initiatives.

Among these initiatives are the following largely concurrent activities a number of which will continue into 2021:

- Completing the transition to a new Financial Information System (FIS) in 2017;
- Completing the transition to a new Customer Information System (CIS) in 2019 with expected implementation of final customer value elements slated for late 2020 or early 2021;
- Initiating in 2020 and continuing in 2021, the upgrade or replacement of the Geographic Information System (GIS) and future scheduled periodic software upgrades to core FIS and CIS systems;
- Acquisition and refurbishment of 150 Savannah Oaks to achieve a repurposed consolidated facility allowing for the centralization of operations and administration from the existing three separate leased locations;
- Continued LDC collaboration with the planned implementation of the shared warehouse, vehicle maintenance garage and vehicle fueling stations with Energy+ at the new facilities in addition to ongoing other collaboration activities largely through Grid Smart City;
- As the business renewal initiatives come to their conclusion, BPI will need to transition to new normal human resources complement to support succession planning and strategic projects to the level commensurate with the "new normal" staffing levels. This new level is expected to reflect the staffing necessary to support a modern and sustainable local distribution company that can provide the type and quality of services customers expect and to support the additional functions and shared services initiatives planned for the business;
- Finalization of BPI's next Distribution System Plan which will focus on the system access, system renewal, system service and general plant capital investments that will be required in the coming years. This updated plan will be reviewed by the OEB during the next Cost of Service rate application expected to be filed in early 2021 and will be filed as a standalone document should the merger proceed.

In addition to these business priorities, BPI is faced with a number of additional critical business activities during this same period. Among these include:

- Ongoing Implementation of BPI's current capital investment plan which is forecasting a higher level of system access investments likely to be required in the near term due to the higher levels of development in Brantford;
- Continued oversight of business priorities in the context of the ongoing Covid -19 Pandemic circumstances;
- Continued progress in BPI's implementation of the OEB's Cybersecurity Framework within the commitments and obligations of the program;

- Implementation of policy changes expected as the Ontario Government continues to move forward on its electricity sector priorities. With the restructured OEB now in place, BPI can expect new regulatory policies and directives related to further customer focused initiatives, distributed energy and sector benchmarking to name a few.

During this heightened period of change, BPI will need to build into its financial plan the requirement for temporary transitional resourcing on one time projects along with addressing as best as possible cost uncertainties related to the lack of a historical cost base for operating in an expanded consolidated facility at 150 Savannah Oaks or other revenue or cost uncertainties directly related to the Covid-19 circumstances.

As the current funding levels are based on the 2017 costs of service which included some provision for smoothed CIS and other system costs over the five year period, they do not provide for any overlapping costs that were not anticipated or exceeded the estimates prepared at that time. From the OEB's perspective any investments made today should be shown to achieve productivity savings and efficiencies in the future or be necessary to maintain current service levels.

Consequently, it is expected that the near term returns will be below the posted OEB return on equity due to unfunded cybersecurity, remaining succession planning overlap costs, new unfunded facility costs, increased new requirements, and new skilled trade labour rates, all of which are expected to put downward pressure on returns until the next rebasing of rates in 2022.

Some mitigation will occur prior to 2022 once BPI is in receipt of the full amount of anticipated rental income and related contributions to facility costs from Energy+. BEC and BHI began their contributions in August 2020. Furthermore, further mitigation will occur once BPI can monetize some of the savings anticipated in the multiple shared services initiatives planned with Energy+.

Nevertheless, the goal of the current financial plan is to complete the current strategic plan goals prior to the next rebasing when BPI will have established its "new normal" cost of service. It is expected achieved returns will be less volatile and more in keeping with the targeted rates established by the OEB in the future.

The 2021 Budget and Multi-Year Forecast has been prepared using similar objectives used in previous budget proposals, taking into consideration increased growth in the community and evolving customer expectations.

The following BPI objectives have been used to prepare the proposed budget plan:

1. Maintain the current level of reliability and outage performance, in line with the previous 5 years;

2. Keep budget increases within inflation except for new requirements or unusual market situations;

3. Maintain historical levels of customer service performance, with an eye on meeting evolving customer expectations;

4. Keep in line with industry standards for technological change, without "leading the pack" in innovation; and

5. Comply with requirements to connect customers, maintain safety and implement regulatory and government policies, enable local customer and economic growth.

8.2 ANALYSIS – Significant Budget Uncertainties

Management has identified the following areas that cannot be addressed with certainty in the budget proposal submitted to the Board of Directors:

1. Impact of Merger transaction currently under consideration;
2. Impact of Covid-19 Pandemic;
3. Impact of 150 Savannah Oaks Facilities at full occupancy; and
4. Government Policy Uncertainty.

The following narrative will highlight some of the key implications of these budget uncertainties and present Management's plans to address them.

1. **Impact of Energy+ Merger Discussions:** As final Board and Shareholder decisions have not yet been made with respect to the proposed merger of BPI with Energy+, the 2021 Budget and Multi-Year Forecast has been prepared on the basis that BPI remains and continues to operate as a stand-alone going concern.

   Notwithstanding this, Management has found it necessary to make certain accommodations and assumptions regarding this going concern assumption in BPI's 2021 Budget and Multi-Year Forecasts. Among these include the following:

   - **Executive and Vacant Position Recruiting:** Delay the recruitment of core Executive and other vacant positions until later in the year. Although these roles are essential to sustain a stand-alone utility, the reality is such positions will not be filled in early 2021 while the merger is being considered;
   - **Delay of Possibly Redundant Capital projects:** Certain capital projects that are required under the going concern assumption could be redundant or result in throw away costs should a merger proceed. Such projects will be intentionally scheduled for later in 2021 or beyond e.g. GIS system procurement, implementation of certain Cybersecurity program investments.

These two examples are good illustrations of activities that will likely be significantly impacted by a merger where productivity gains and synergies are possible by combining the related business processes and systems of both merger partners.

- **Delaying New Financing**: Delaying any additional long term financing to avoid the cost of securing new debt with lenders in advance of a merger transaction is deemed prudent. This will avoid Management efforts to negotiate and secure new credit facilities while avoiding possible merger transition complexities by requiring NewCo to absorb additional debt instruments from BPI that could be issued after the merger agreement is reached but before the transaction is closed. In addition, this new debt could be redundant under a NewCo scenario or new financing could be achieved at more competitive rates given the expected size of NewCo.
- **Rebased Distribution Rates:** The 2021 Budget and Multi-Year Forecasts reflect new rebased distribution rates effective January 1, 2022. BPI still intends to apply for new rates in April 2021. Should the merger proceed, the closing date of that transaction is expected to be no sooner than January 1, 2022. Subject to this merger proceeding, BPI's 2022 revenues would be impacted depending if BPI proceeds with its planned Cost of Service application or chooses to apply for 2022 IRM adjusted rates in anticipation of a successful merger.
- **Merger Evaluation or Transaction Costs:** As the merger deliberations are coordinated at the Holdco level, the costs of a merger investigation and subsequent transaction costs have been budgeted for in Brantford Energy Corporation. As BEC funds its operations from Management Fees from its subsidiaries, BPI's BEC Management Fees will be higher than normal to provide the necessary funding to its parent than they would otherwise be under a pure going concern assumption. It is important to note as such costs are on the account of the Shareholder, these costs are not recoverable from BPI customers.

2. **COVID-19:** As there continues to be uncertainty with respect to how the current COVID-19 Pandemic is impacting BPI customers and business operations, the budget includes provisions for dealing with this Pandemic where known or reasonable estimates can be made. For example, cleaning services and supplies, bad debts, and hangar rental costs to create distancing in BPI operations will be reflected in the planned spending. However it is not possible to fully predict the impact of the second wave and possible third wave on BPI's business.

   Although the OEB has set up a variance account for direct COVID related expenses, it has yet to pronounce on the acceptable identification, eligibility, measurement or recovery of such costs at the time of the drafting of this Report. Consequently, although Management intends to claim for any expenditures or lost revenues that may qualify, Management has not reflected such recoveries in the budget plan.

Based on current assessment of KPMG, the existence of the variance account does not meet the accounting standard threshold for recognizing a regulatory asset until such time as the OEB provides clear guidance for recording such amounts and provides some basis for determining the likelihood of recovery.

3. **Impact of 150 Savannah Oaks Facilities:** With the acquisition and near complete repurposing of the 150 Savannah Oaks facilities, the 2021 Budget and Multi-Year Forecasts have been prepared using the best assumptions available as outlined below related to the business's full transition to, and operation from the new facilities:

   - **Capital Cost:** will reflect the values outlined in the current project tracking including modest provisions in 2021 for post construction contingencies. At this time it is expected the facilities will be substantially completed and occupied by BPI by the end of 2020 with minor residual costs incurred plus the completion of the mechanics bay in early 2021 leading to E+ occupancy planned for February 1, 2021.
   - **Financing Costs:** During the construction period, financing costs have been capitalized into the capital cost of the facilities. Once the facilities move to fully "Used and Useful" by the end of 2020, financing costs will no longer be capitalized and will become part of the total annual operating costs of BPI impacting annual reported net income.
   - **Operating Cost:** Estimates have been made to reflect the expected costs of operating a fully functional expanded facility with tenants. As BPI has yet to operate in this fashion, there remains some budget uncertainty over the total cost of operating expenses net of those recovered from tenants.
   - **Rental Income:** The budgets for rental income are based on the lease rates and share of operating expenses reported in BPI's 2019 Incremental Capital Module. These rates were determined based on assumptions consistent with the current space allotments and project estimates, with the exception of minor known changes. Once the final costs have been determined, final lease rates will be calculated and incorporated in the leases of the various tenants. It is important that these rental activities are considered "Non-Utility" or non-regulated. As a result, the activities related to the leasing of excess space will have no bearing on the 2022 Cost of Service Application outcomes.
   - **Occupancy dates**: Although not finalized with certainty, the 2021 Budget has reflected the following occupancy dates for the consolidation into a single facility transition to 150 Savannah Oaks:
     - BPI, BEC and BHI fully occupied by December 31, 2020
     - E+ occupying by February 1, 2020
     - First floor tenant occupied by January 1, 2023

- **Sale of Surplus Savannah Oaks Property:** Subject to obtaining final direction of the Board regarding the sale of any surplus property from the 150 Savannah Oaks site, the current plans reflect a sale of most of the surplus land in 2023. The Board may wish to consider more timely disposition and consider the advantages or disadvantages of contributing these assets to the merger should that initiative be successful.
- **Government Policy Uncertainty:** The Board may recall, that the current Ontario Government included in their platform during the last general election that, if elected, they would deliver a further 12% savings to electricity customers. The Government has already taken some measures to this end which includes the following initiatives:
    - Elimination of the Fair Hydro Plan with a new Ontario Energy Rebate program to mitigate the cost of electricity for residential customers;
    - Restructuring and modernization of the governance structure at the OEB included updating their mandate to address sector innovation;
    - Introduction of customer choice between Time of Use and Tiered Pricing under the Regulated Price Plan; and
    - Transfer of certain Global Adjustment amounts to the tax base.

Management has incorporated into the 2021 Budget known impacts of announced government decisions and incorporated provisions where announcements have not been finalized but sufficient information exists that it is more likely than not that a change will take place that will impact revenues or costs.

Management **has not** incorporated any explicit contingencies to address yet to be announced policy changes. Such policy changes, should they occur, could impact BPI in 2021 and future years and will need to be addressed by the business once such announcements are made.

After reflecting the above impacts, Management has assessed the overall prudency of the proposed Budget and Multi-Year Forecast and determined that although reflecting a lower level of Net Income in 2021 before rate rebasing in 2022, it reflects a complete and prudent financial plan enabling the Company to continue with its agenda until the next rebasing in 2022.

8.3 ANALYSIS – Customer Engagement Survey

BPI issued a comprehensive engagement survey to its customers requesting feedback on BPI's planned investments included in the 2022-2026 draft business plan. In its workbook BPI noted a potential rate increase on distribution rates of $5.30 per month to residential customers in 2022 based on draft budget plans and historical actual investments.

The following preliminary outcomes have been received from the customer workbook and incorporated into the proposed plan:

1. **Pole replacements –** 35% (the largest group) of respondents support an accelerated approach representing an investment of 80 poles per year for an additional $0.12 per year, while 34% support the average level of pole replacements invested in the last 5 years of 70 poles per year. A combined total of 31% support a slower than normal pace of either 50 or 60 pole replacements per year. As a result of this feedback Management has revised (increased) its budget plans to incorporate investment levels in keeping with the customer preferences of 80 poles per year beginning in 2022.

2. **Porcelain Device Replacements –** 71% of customers support what was included in the draft plan to replace 150 porcelain devices per year within the proposed rate increased. As a result of this feedback Management has not modified the level of investment in porcelain device replacements in its proposed budget plan.

3. **Transformer Replacements –** 46% of customers support the level of investments included in the draft plan of 27 transformer replacements year within the proposed rate increase, while 36% supported an accelerated approach for an additional $0.08 per year. As a result of this feedback Management has not modified the level of investment in transformer replacements in its proposed budget plan.

4. **Underground Structure Replacements –** A majority of customers (53%) support the approach included in the draft plan which was to decrease the cost of replacements by approximately 60%. As a result of this feedback Management has not modified the level of investment in underground structure in its proposed budget plan.

5. **Automated Reclosers –** A majority of customers (57%) support the approach included in the draft plan to replace 3 devices per year within the proposed rate increase. As a result of this feedback Management has not modified the level of investments in automated reclosers in its proposed plan.

6. **Outage Management System** – A majority of customers (63%) support the implementation of an Outage Management System within the proposed increased. As BPI has delayed the implementation of a new GIS pending the outcome of the potential merger, an adjustment in the proposed budget has been made to shift the investment in an Outage Management System from 2022 to 2023 to account for this delay. The implementation of a new GIS is required prior to implementing an Outage Management System.

7. **24/7 Control Room Coverage -** A majority of customers (68%) support working with a third party to monitor the distribution system after hours. As a result of this feedback the cost of 3rd party monitoring services has been included in OM&A beginning in 2022.

While customers still have the ability to provide feedback on BPI's business plans the results are not expected to materiality deviate from the preliminary results obtained. Should the final results have different outcomes of customer preferences, management will review and consider those changes to determine if any changes are required to this proposed budget.

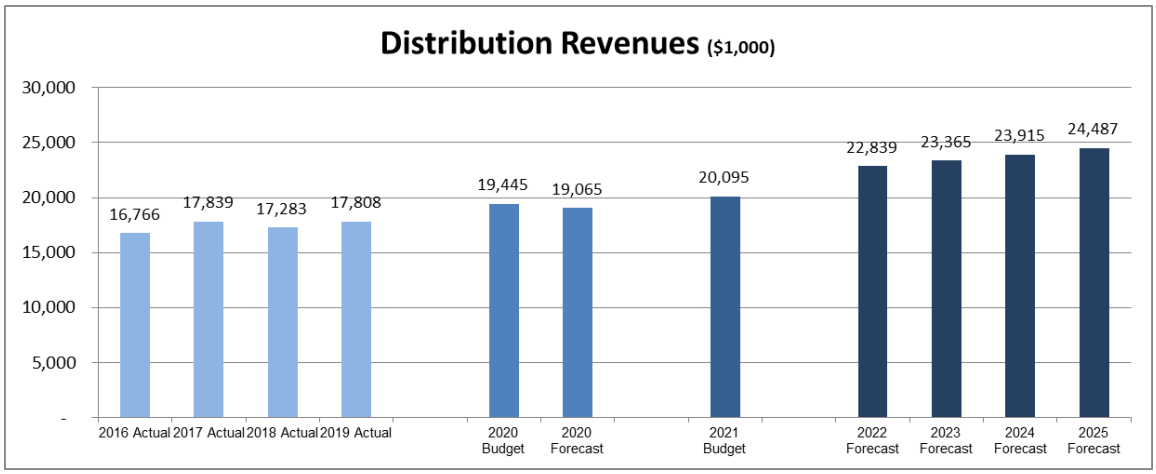
The customer rate impacts are subject to further updates including the incorporation of the final approved budget as well as further updates to load forecasting, cost allocation and rate design, potentially including the incorporation of a new load profile.

8.4 ANALYSIS - Distribution Revenues

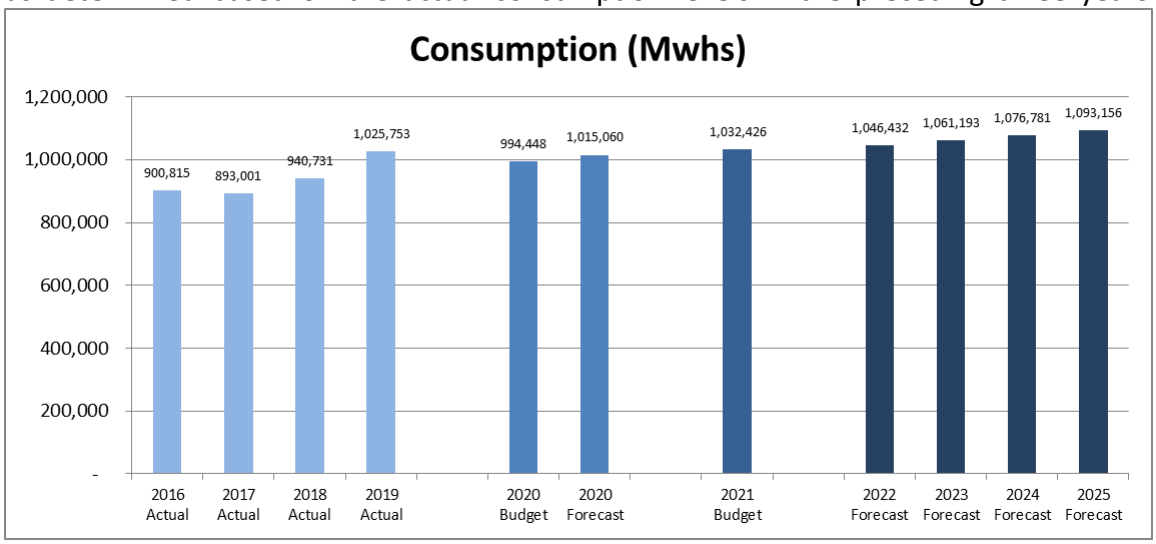
The Distribution Revenues for 2021 have been determined by the IRM inflation adjustment plus uplift as a result of load growth, and any funding resulting from the ICM application. As BPI has been prudent throughout the project, the total facility project costs are expected to be relatively in line with original estimates reviewed with the OEB.

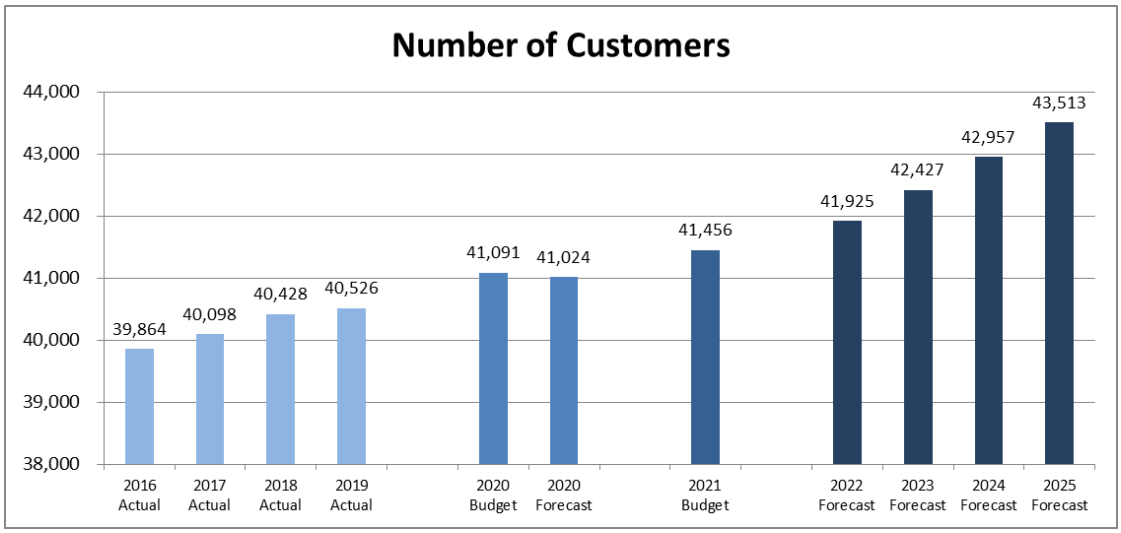
In addition, BPI received OEB approval in 2019 for the creation of a variance account to recover $441,000 in lost Collection of Accounts offset revenues provided for in the 2017 Cost of Service decision that is no longer available due to the OEB's removal of this charge. The OEB approved this account but final disposition will be determined as part of the 2022 Cost of Service application. At that time any deviations to the above funding entitlements would be reviewed and if authorized, trued up with customers.

Details of the distribution revenue components have been reflected on Schedule E – Schedule of Commodity Recoveries and Other Revenues and Financial Expenses. Based on the above assumptions, the 2021 Budget and Multi-Year Forecasts reflect the following revenue expectations:



The 2021 Budget and Multi-Year forecast assumes consumption levels, which are based on an internally developed load forecasts taking into account an average "weather" year as determined based on the actual consumption levels in the preceding three years.





8.5 ANALYSIS – Other Revenues

Specific Service Charges: As outlined above, the OEB has eliminated the Collection of Account Charge. This is expected to result in lost revenues of approximately $441,000 based on the amount contained in our 2017 Cost of Service Application. The budget has reflected the continuation of the $441,000 through the variance account mechanism. Other revenues have been budgeted in keeping with recent trending.

Rental Business Revenues: With respect to BPI entering the property rental business, suitable provisions have been reflected in keeping with the following applicable occupancy dates:

- BEC/BHI – August 4, 2020
- Energy+ - February 1, 2021
- First Floor Tenant – January 1, 2023

The Budget has reflected the mandatory lease accounting standards established by the International Accounting Standards Board (IASB) which came into effect on January 1, 2019. Consequently, the impact of these accounting rules has been incorporated into the 2021 Budget and Multi-Year Forecast.

Among the primary objectives of the new standard, was the elimination of off balance sheet financing achieved through operating leases. Going forward, the lessee, BEC, BHI, Energy+ and the First Floor Tenant will record a “right of use” asset offset by a lease liability. Although the cash flow for such leases would not have changed, the new standard requires the entity to capitalize the asset and amortize it over its useful life.

In the case of a lessee e.g. BPI leasing facilities from the City of Brantford or the Airport Hangar, the standard expects BPI to have acquired a "Right to Use Asset" and an offsetting Lease Obligation as financing for this asset. The Right to Use Asset is amortized over the lease term while the obligation is amortized as a loan with imputed interest being the highest at the beginning of the lease term. Given the remaining term of the leases is short, Management has continued to utilize the current operating cost treatment of City of Brantford (400 Grand River Ave & Airport Hangar) until terminated sometime in 2021.

In the case of a lessor e.g. BPI leasing facilities to BEC, BHI or E+; the portion of the facilities to be leased out will be reflected as a long term lease receivable to be amortized over the life of the lease term.

Consequently, the net impact to earnings is the difference between the imputed interest incomes on the long term lease receivable which is highest at the beginning of the term offset by amortization charges for the actual facilities which will be straight lined during the life of the asset. This differs from the historical approach where lease revenues reflected the actual rent payments.

8.6 ANALYSIS – OM&A Costs

As previously reported to the Board, the Renewed Regulatory Framework for Electricity Distributors introduced a number of years ago has significantly changed the approach of the OEB and intervenors when testing proposed costs of service. The process is much more focused on demonstrating the appropriateness of the quantum of the spending envelope considering actual inflation and productivity performance in the industry aligned with the priorities and expectations of customers.

This changed approach has resulted in a much more aggressive posture in Cost of Service proceedings with recent experience resulting in significant cut backs to proposed OM&A envelopes. Industry information seems to indicate those LDCs who proceeded to an actual hearing on this envelope did not improve their outcomes.

In fact, OEB decisions have gone to some length explaining that the input costs must be in keeping with inflation and Shareholders should pursue efficiencies at their cost and reap any productivity savings until the next rebasing in lieu of simply passing on all cost increases to customers to maintain profitability.

In this regard, BPI's Budget Process has focused on limiting the increase in permanent cost. Where possible, new staffing requirements have been funded by the redeployment of existing vacant resources to priority areas. The primary changes in total costs are expected to be attributable to the one-time transition costs on major projects such as GIS or Cybersecurity and the annualization and normalization of 150 Savannah Oaks Dr. operating costs. With these strategic projects completed, it is

expected that the later forecasted years will stabilize reflecting the expected "new normal" spending levels.

Labour costs reflect the scheduled annual increases in the collective agreements. BPI's collective agreement with the IBEW was updated earlier this year, and the updates have been incorporated into the 2021 budget and subsequent forecasts. The CUPE agreement expires on March 31, 2021. Budget provisions have been included to reflect modest increases.

The budget also reflects the necessary provisions to fully account for the outcomes of the BPI Korn Ferry compensation program review approved in late 2019 including adjustments to the Short Term Variable Pay program for eligible Expanded Leadership Team members and other non-union employees. These changes were necessary to align with the best practices of the sector.

Other cost increases are generally provided in the budget on the basis of "more likely than not" likelihood of occurrence. It is important to note that not all costs are funded in the base distribution rates. In some cases there are exclusions, in other cases the rates fund costs on a smoothed basis even though costs may be incurred in a lumpy pattern:

- Some BEC Management fees charged to BPI are not funded from ratepayers. These are expected to be higher in 2021 due to the budgetary provisions in BEC to fund merger related due diligence and possible transaction costs;
- The 2022 Cost of Service application costs that will be incurred in 2020 and 2021 are amortized and funded over the five year period regardless of the year in which they are actually expensed;
- BPI has provided for the full cost of a Cost of Service process in 2021 in addition to the costs already incurred in 2020. The strategic decision to file this application in April 2021 will depend on the status of the merger deliberations at that time, however costs will have been invested to prepare the application for submission.
- One time and new ongoing Cyber Security costs are currently unfunded until BPI's next rate rebasing scheduled for 2022 when on-going Cyber Security costs are expected to be included in BPI's funded cost of service;
- Any facility costs exceeding ICM funding plus operating costs exceeding costs embedded in 2017 cost of service funding will remain unfunded until 2022.

As a result any unfunded costs will need to be temporarily absorbed in the returns.

The challenge for the Executive and the other BPI leaders is to ensure the 2021 Budget balances the need to ensure the Company can achieve an adequate return to maintain a strong financial position while being able to absorb the above noted funding differences and still maintain the ability to deliver the Company's desired work plan and the expected service levels for Customers.

8.7 ANALYSIS – Labour Costs

There are number of issues that impact the future labour costs for BPI. Among the most significant are the following:

- The annualization of the 2020 IBEW settlement in addition to the scheduled increases planned for 2021 and beyond;
- Provisions have been made in the budget for CUPE, Non Union and IBEW increases reflecting the terms of the existing collective agreements or modest provisions for agreements to be negotiated before 2022;
- The need to bring on temporary staffing as back fill to major implementation projects e.g. GIS and Cybersecurity/ IT network segregation.
- The growing cost of statutory and non-statutory employee benefits.

The budget has balanced these various cost realities as the financial plan was developed for 2021 and beyond.

The chart below demonstrates growth in Corporate Services which reflects the addition of a Health and Safety Manager in 2020 and increases to the IT department for Cybersecurity and Systems Support. Further increases in headcount exist as a result of the new facilities which will be shared with E+ and affiliates. Where new requirements are identified, they are to the extent possible achieved by repurposing existing roles.

Brantford Power Inc.
2021-2022 Budget and Forecast
Draft Proposed Staffing Complement**

Department	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Forecast
Executive Team	4.0	4.3	3.3	4.3	5.0
Corporate Services	3.0	4.0	3.7	5.0	6.0
Customer Service	16.7	16.7	16.0	16.7	16.1
Engineering	5.3	7.5	6.3	7.0	7.0
Facilities	0.0	0.5	0.4	2.0	2.0
Finance	5.5	7.0	6.8	7.4	7.0
Operations	18.1	18.3	16.5	19.5	20.3
Regulatory	2.8	4.0	3.3	4.0	3.0
Communications	1.0	1.0	1.0	1.0	1.0
Scada, DG & Metering	4.0	5.0	4.0	4.0	4.0
CDM	1.2	0.2	0.0	0.0	0.0
Total	**61.6**	**68.5**	**61.3**	**70.9**	**71.4**
Full Time	**59.7**	**66.9**	**59.6**	**69.5**	**70.0**
Part Time	**1.9**	**1.6**	**1.7**	**1.4**	**1.4**
Total	**61.6**	**68.5**	**61.3**	**70.9**	**71.4**

*** The table reflects head count – as some of these individual provides services to affiliates or to E+, the cost reflected in the budget for these roles is net of related recoveries.*

8.8 ANALYSIS – Service Level Agreement (SLA)

The current BPI SLA arrangement with the City of Brantford was updated on January 1, 2017 to reflect the transfer of certain responsibilities from the City of Brantford to Brantford Power Inc. largely due to BPI's implementation of the new Financial Information System.

In addition, the budget reflects provisions for the BEC Group Shared Services based on the nature and costs of such services in keeping with the transfer pricing obligations BPI is required to adhere to pursuant to the Affiliate Relationships Code. Such budget provisions will be based on expected levels of support and services provided.

In addition, as the new facility will involve the transition to shared services with Energy+ in inventory management, vehicle fueling and fleet repairs – provisions for those costs and related recoveries will need to be reflected beginning in 2021. Some overhead costs will be necessary while these new services are commissioned.

Facility lease/rental and related SLA services from the City have been discontinued or are forecasted to be discontinued during 2021 consistent with the transition to 150 Savannah Oaks. The discontinuation of services has been to an extent impacted by the COVID-19 pandemic.

8.9 ANALYSIS – Information Systems Projects

The Board will recall that the original system integration report identified a number of information systems projects that BPI should consider to achieve the necessary renewal to its IT infrastructure. As a result, the 2021 Budget and Multi-Year forecast will reflect the anticipated costs for these initiatives as indicated below:

- **Cybersecurity:** As BPI continues to develop its cybersecurity program in keeping with the OEB's framework, additional one time and on-going investments will be required to meet these requirements and sustain compliance.

  In this regard, in collaboration with the City of Brantford IT Department, it has been determined that BPI will not be able to implement all aspects of the desired control environment prescribed by the OEB Cybersecurity framework without separating BPI's network as BPI's current configuration is fully integrated as a blended component of the City's network just like other City departments.

  As this project involves considerable investments, BPI is pursuing a number of alternatives to accomplish this independent separated network including:

  - Outsourcing the network and management to a third party;
  - Outsourcing the network and management to Energy+;or
  - Establish a BPI Network and outsource management to a third party or Energy+.

  The budget provides funding for such a transition. Due to the current merger discussions, Management is delaying proceeding with this initiative until later in 2021 to avoid redundant costs and investments until the merger outcome is known. Although the need for separation from the City is non-discretionary, the selected path forward may be different under a merger or standalone scenario.

  This delay in proceeding will cause a further delay in moving forward with desired Cybersecurity initiatives as network segregation is an enabler for many of the required controls to be implemented. Management is reviewing what interim mitigation measures may be available to continue to make progress on its Cybersecurity initiative until a segregated BPI network is available.

  BPI is currently assessing various options for shared services with Energy+ on achieving network segregation keeping in mind that until a merger is implemented likely in 2022, as a separate legal entity, BPI will need to maintain segregated email exchanges, separate FIS, CIS and other critical applications until integration activities can proceed post merger.

- **Financial Information System (FIS):** In addition to ongoing support and hosting fees to maintain this system, BPI must implement annual software updates as part of its maintenance arrangements.

In addition, BPI will be implementing by early 2021 the necessary changes in business processes to accommodate its new responsibilities in becoming a landlord and provider of shared services with E+ and also to administer the functions of operating of a fueling station and fleet maintenance garage in house.

The implementation of FIS improvements has been identified during the forecast period to improve related business processes.

- **Customer Information System (CIS):** The CIS implementation has been largely completed with the rollout of Phase II features planned for early 2021. In addition, modest provisions have been considered to deal with further expected changes and implementation of Government or OEB policy directives.

The budget also reflects the following Information System projects:

- **Implementation of new Geographical Information System (GIS)**: Although BPI had planned to implement a new GIS in 2020 the project was put on hold until the outcome of the merger is known. The 2021 Budget and subsequent forecast years reflect the implementation of a new GIS in 2022 with procurement activities starting back up in 2021.

  While the Customer Engagement Workbook issued during 2020 included plans for an Outage Management System (OMS) but did not include plans for a new GIS due to the initial schedule for this project, a new GIS must be implemented prior to the implementation of an OMS which has been budgeted in the forecast years. Through the 2020 Customer Engagement Workbook customers agreed with the plan to implement an OMS to support monitoring, reporting and recording outages. The project will still be implemented but not within the originally proposed timing.

Where firm costs are not yet known, Management has utilized the best information available to establish necessary IT budgetary provisions.

8.10 ANALYSIS – 150 Savannah Oaks Project

As this significant project nears completion, there still remain some financial implications to the initiative including the following:

- The conversion of the $25,000,000 to long term debt was completed on October 1, 2020 with an effective rate of 3.09%, BPI's Budget and Multi-Year Forecast has begun to reflect the repayment of this loan in its annual cash flow requirements. When combined with legacy debt, annual debt repayments are expected to range between $1.7 million to $2.1 million per year.
- Although the facilities are expected to be completed by the end of 2020, Management expects some "fit and finish" elements to be completed in January 2021 in addition to any post construction issues that may be identified. The budget continues to reflect the spending of the initial approved budget.

- Based on a professional assessment, BPI has confirmed that the replacement of the roof initially identified as a near term item, has been deferred to later years in the forecast period as some maintenance work is being completed as part of the facility refurbishments enabling an extension to the available productive life of the existing assets.

8.11 ANALYSIS – Other OM&A Costs

In addition to the above issues, Management has included in its proposal some additional costs in the areas below:

- Provision for bad debts to reflect the current pattern following the confirmation of seasonal disconnection periods and the ongoing impacts of COVID 19 on customers' ability to pay;
- Provision for third party labour relations support with respect to 2021 CUPE Collective Agreement negotiations;
- Provision for organization and leadership professional development training.

8.12 ANALYSIS – BEC Implications

The budget for BEC Management fees reflects BPI's share of BEC's operating costs. A full review of all other BEC Group intercompany allocations will be updated and re-calibrated based on current causation drivers. With the transfer of the CEO to BEC in 2019, BPI has continued to reflect additional service fees from BEC related to the BPI CEO functions.

In addition, as it is expected that BEC will incur additional transactional costs related to the merger evaluation and implementation, the level of Management Fees assessed to BPI in 2021 is expected to be higher than the baseline levels previously established. Such costs are deemed on the account of the shareholder and are not recoverable from BPI customers. This was not required in 2020 as BPI was able to declare a special $250,000 dividend.

8.13 ANALYSIS – Payments in Lieu of Corporate Income Taxes (PILS)

BPI is subject to PILS which parallels the corporate income tax regime applicable to other entities. Late in 2018, the Government announced accelerated Capital Cost Allowance deductions. This produces a current tax benefit which will be offset by future tax liabilities when such tax deductions are no longer available.

The OEB has mandated the full value of these savings be captured in a variance account for future disposition thereby removing any positive impacts on 2021 returns. Traditionally tax savings are shared 50/50 between the Company and Customers. The treatment of this item is interesting as it represents solely a timing difference. Any short term benefit due to accelerated deductions will be offset by higher PILS in the future when the available deductions have already been utilized.

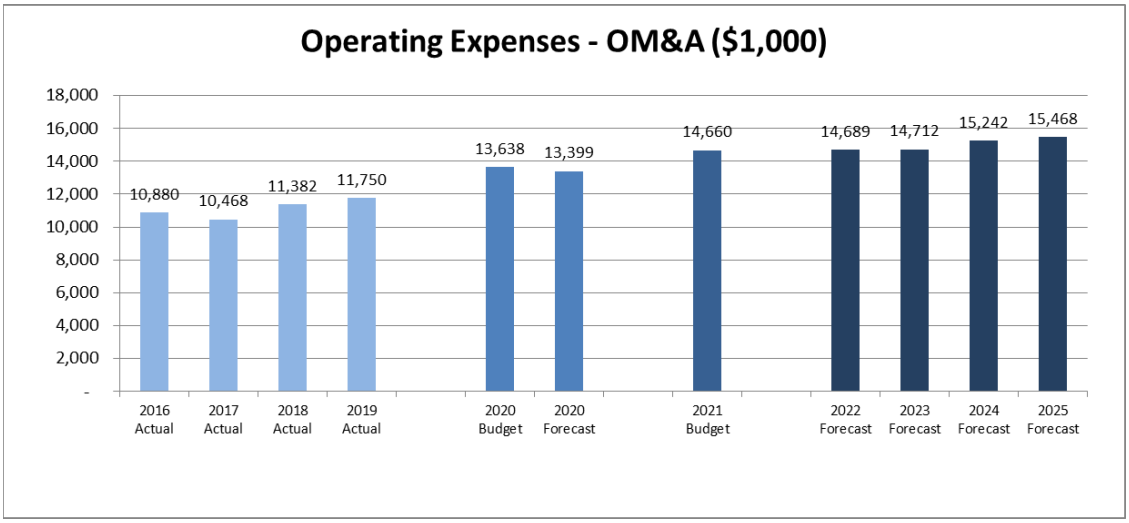
Although there is no impact on returns, this change will result in a positive cash flow benefit which has been reflected in the budgeted cash levels.

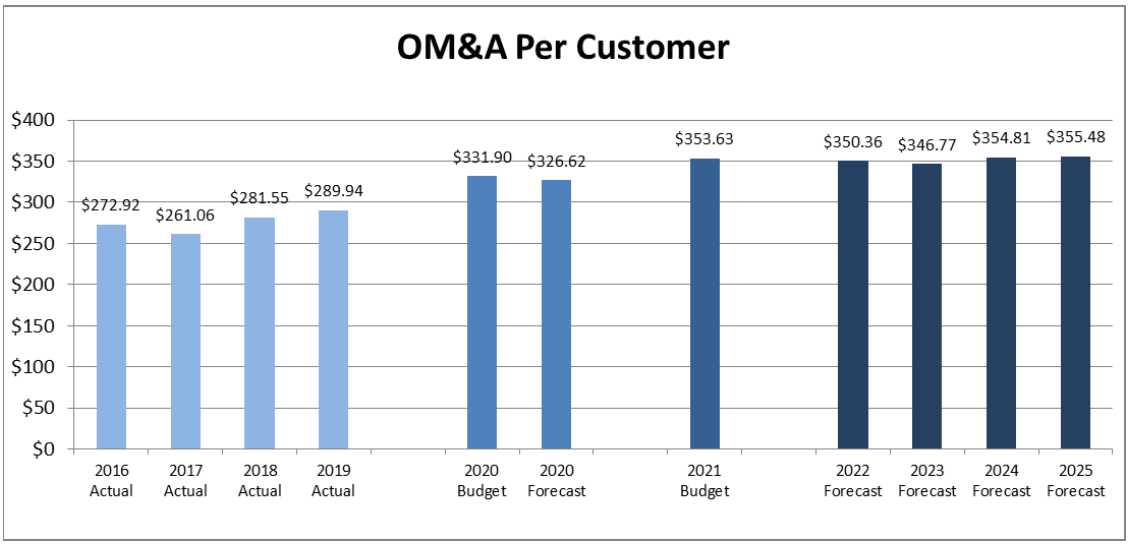
8.14 ANALYSIS – OM&A Summary

As previously outlined in the strategic considerations above, BPI continues to invest in a number of strategic initiatives which impact the overall OM&A envelope in 2021 and beyond. It is expected that with the substantial completion of the current strategic plan items and related completion of the significant business renewal agenda, the OM&A costs will stabilize as material one time and transitional and overlapping costs drop off allowing BPI to absorb some of the additional costs related to the new facilities and provide for the internal resources necessary for a modern and sustainable LDC.

However, new cost pressures will need to be funded for example, on-going cyber security monitoring costs or additional bad debts resulting from BPI's inability to pursue collections at certain times of the year. Given the uncertainty relating to the new facilities, Management has retained conservative but reasonable cost estimates throughout the budget and four year forecast period to ensure BPI can reflect "an all in" financial scenario.

Once final costs are known for operating the new facilities, cost for employee overlap are removed following actual retirements and shared services efficiencies are identified, Management expects refinements to the 2022 – 2025 OM&A levels.





8.15 ANALYSIS – Capital Plan

The proposed capital plan reflects prudent investments including certain priorities outlined in the Distribution System Plan:

- Completion of new consolidated facilities;
- Priority projects identified from BPI's asset management program;
- Expected increased investments for connection of new customers, specifically related to residential new subdivisions/Townhomes;
- Oak Park Rd. Line Extension to service new industrial/residential development;
- Provision for annual ongoing capital cost related to 150 Savannah Oaks – as property owner – it is likely some annual investments will be required to keep the facilities in a good state of repair;
- Other investments necessary to respond to customer concerns raised during the various customer engagement initiatives including:
    - Pole replacement activities using an accelerated approach of 80 poles per year;
    - Porcelain device replacements of 150 per year to address safety and reliability concerns;
    - Transformer replacements of 27 per year to reduce the risk of outage and maintain reliability; and
    - Automated reclosers of 3 devices per year.

The capital plan investments are conducive to the "Grow the Utility" objective in the strategic plan and to maintain reliability statistics and reduce the risk of outages to BPI's customers. BPI will need to balance these objectives with its own financial capacity and the capacity of customers to absorb such investments in future rate increases.

The pacing provided for in the capital plan has allowed for a sequencing of the capital program reflecting the funding available and resulting customer impacts. Any new non-discretionary obligations not budgeted for in the DSP or deviations in the planned costs for any priority item may result in modifications to the overall project listing should forecasted capital funding not be available to accommodate the initial listing of projects along with the new requirements.

As part of the budget process, capital plans related to system access have now been established based on a unit times rate forecast. Based on the developers' plans, BPI has estimated the cost and the number of lots to be energized and applied a probability factor based on the recent performance trending. This approach will help BPI analyze future investment variances to determine if they are the result of volume or pricing deviations.

This is a segment of the capital budget that is materially beyond the control of Management and in past years has contributed significantly to the overall performance variance against the approved budget. By continuing to use this method, BPI will be in a position to measure performance against target which over time should help to continuously refine the estimation process.

The capital plan reflects an updated investment plan that is directionally consistent with the priorities outlined in the prior Distribution System Plan but will reflect some differences due to new developments and the need to match and smooth the expenditures with available funding.

The current capital budget reflects the following planned expenditures:

Brantford Power Inc.

2021-2025 Draft Capital Budget ('000)

Capital Expenditure	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
System Access	5,718	4,717	3,244	6,844	6,279	5,496	4,322	4,401
System Renewal	1,383	1,006	1,071	1,025	2,516	1,318	1,308	1,313
System Service	1,119	477	335	385	307	316	320	325
General Plant (excluding 150 SO)	1,558	1,003	516	1,274	1,111	1,185	941	450
General Plant – 150 Savannah Oaks	12,631	17,593	14,506	2,840	100	100	100	3,722
Total Gross Expenditures	**22,428**	**24,796**	**19,673**	**12,368**	**10,314**	**8,415**	**6,991**	**10,211**

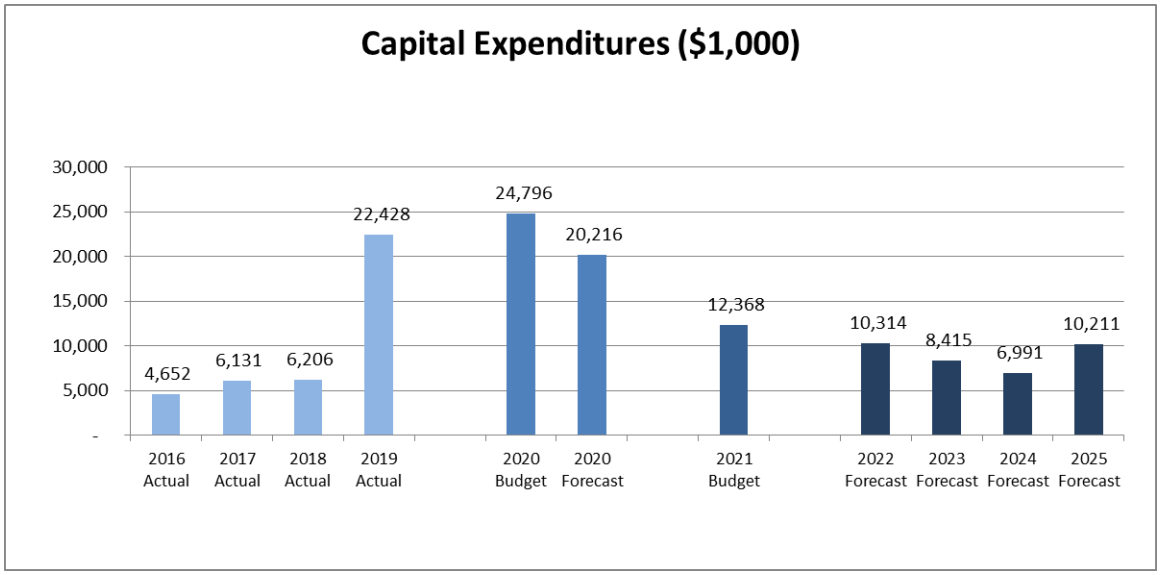
Capital Expenditure	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Capital Contributions	(1,773)	(1,180)	(900)	(2,251)	(2,505)	(1,950)	(1,304)	(1,461)
Total Net Expenditures	**20,655**	**23,616**	**18,773**	**10,117**	**7,808**	**6,466**	**5,687**	**8,750**

The "system access" category is representing a larger component of the overall capital budget due to growing demand for both the residential and industrial connections. This updated level of investment will be consistent with the amounts and rationale reflected in BPI's Distribution System Plan which is currently being updated as part of the 2022 Cost of Service rate application evidence.

Management has reviewed the timing of initiatives in all project categories to ensure the investments are commensurate with available capital, the customer's ability to pay and are consistent with customer priorities confirmed in the customer consultation process. With a higher value of non-discretionary customer access projects, the flexibility BPI has to smooth out these investments is more challenging than circumstances where all projects are within BPI's control.

Management has deferred vehicle replacements and other discretionary spending where necessary to address the increase in non-discretionary system access projects.

Schedule D provides a summary of the specific projects that are earmarked in the 2021 Budget and Multi-Year Forecast. The following graph illustrates the planned capital program.



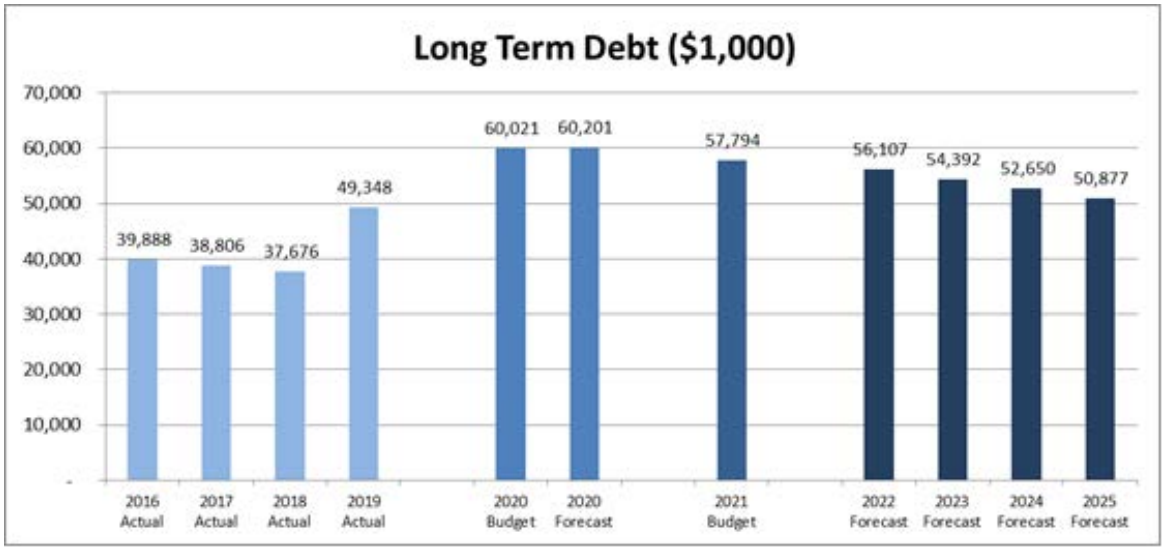
8.16 ANALYSIS – Financing

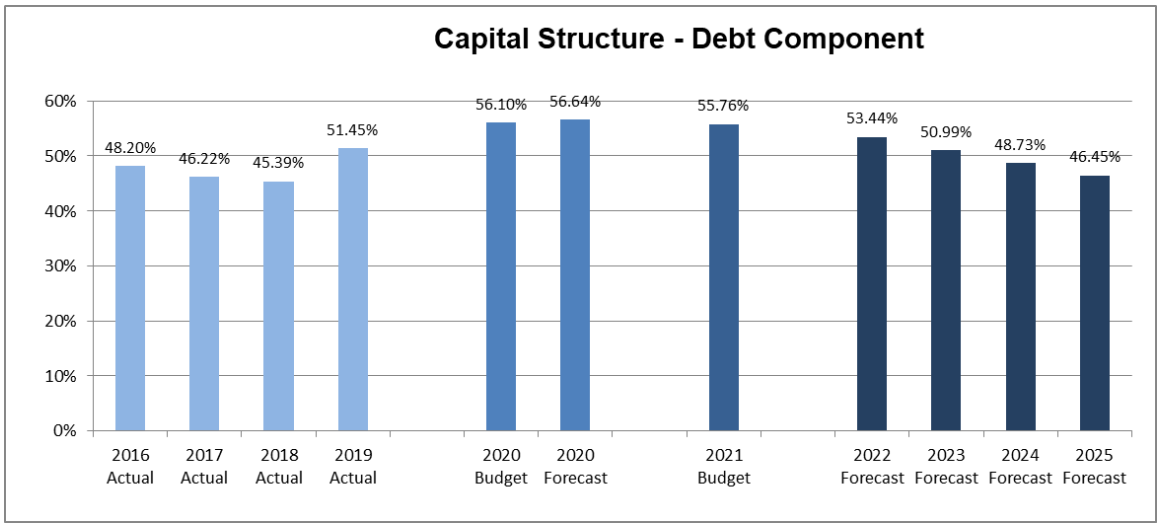
The financing plan in recent business plans was predicated on minimizing borrowings to enable BPI to create sufficient debt capacity to borrow $25,000,000 to complete the strategic goal of acquiring and refurbishing new consolidated facilities. The objective in the financial plan was to enable the achievement of this milestone while remaining within BPI's targeted debt level of 57%. This goal has been achieved with BPI reflecting a 56.7% debt level in its Q3 interim financial statements following the receipt of the final tranche of the planned $25,000,000 borrowing.

With the investment in facilities behind us, BPI now has the opportunity to recalibrate its capital structure. Among the principles to be considered will be the following:

- The capital structure strategy should be conservative to ensure that BPI can absorb any unanticipated financial setback either from modest reserves or unused established credit capacity;
- The Company's capital structure should be closely aligned over time with the deemed capital structure and working capital allowance used in determining distribution rates otherwise BPI will be constrained in its ability to deliver returns that are in keeping with those expected in the rate case. This would require the financial plan to address and plan for suitable:
    - Cash and working capital levels to ensure to the extent possible that the amounts on hand do not materially exceed the levels funded in distribution rates unless the need for reserves have been identified for future requirements;
    - Strategies to ensure borrowing levels identified as appropriate now do not impede the need to address major future lumpy investments such as any future levels of system renewal investments that the asset management plan identifies outside of the current forecast period;
    - Strategies to ensure the overall capital structure of BPI continues to approximate those deemed structure established by the OEB by using borrowings and dividends to adjust the debt or equity components as necessary.
- In addition to the fact that BPI already approximates its targeted level, Management is proposing to avoid any additional debt borrowing in 2021. As BPI is currently pursuing a merger, the efforts to secure, negotiate new Intercreditor arrangements etc. could complicate a potential merger transaction as NewCo will likely wish to restructure its debt portfolio.
- Depending on the cash requirements for non-discretionary capital projects, BPI intends to fund all capital expenditures in 2021 using working capital. Should this result in tight cash positions, BPI may need to temporarily utilize a portion of its $14,000,000 operating line to supplement available cash. Suitable cash flow forecasting is in place to monitor cash requirements.

- The Financial Forecast is also not currently reflecting any additional borrowings during the forecast period. As a result, cash levels and working capital levels appear modest in the subsequent years with current ratios showing between 1.2 and 1.4. Management will be updating its longer term financing plans during 2021 and update the forecasts accordingly.
- The Budget has reflected the anticipated City of Branford renewal the existing $24.2 million Promissory Note. As the City of Brantford is currently reviewing its options with respect to this financial instrument, changes to the financing plan may be required should the City choose to monetize or convert to equity a portion or all of its current holding of Promissory Notes.
- As the Capital Program is implemented, the actual timing and quantum of the financing could change to accommodate changing circumstances. The proposed Budget reflects the following Long Term Debt and Capital Structure.





Although the debt component approximates BPI's targeted 57% in 2021, the debt levels begin to fall in 2022 as principal payments continue and no new borrowings are reflected. BPI's updated financing plan will reflect sufficient borrowings to approximate BPI's targeted 57% debt levels.

The financing costs are based on the existing debt portfolio reflecting the current actual rates plus the forecasted rates for new borrowings. The current City promissory note of $24,189,000 was last renewed on February 1, 2016 and will carry the rate of 4.2% until January 31, 2021. Thereafter, the budget has assumed the rate will change to 3.95% which is equivalent to current prime plus 1.5% in keeping with the interest rate terms outlined in the Promissory Note.

The Board should note that the payment of promissory note interest is directly to the City of Brantford while the dividends are paid to the Brantford Energy Corporation, which will need to consider payment to the City.

8.17 ANALYSIS – Dividends

BPI has sustained a $750,000 dividend for a number of years with the exception of a one-time special dividend of $250,000 added in 2020 based on BPI's performance in 2019 and related to the one time disposition of the Garden Avenue Property. In this regard, Management anticipates that the dividend level will remain at this level and subsequent forecasted years.

Once the full impact of the new facilities are known and the OEB has determined BPI distribution revenue entitlements through the 2022 Cost of Service proceedings, BPI will be in a position to review the optimal level of dividends taking into account the long term capital requirements to fund the necessary longer term system renewal investments that are expected in the coming years.

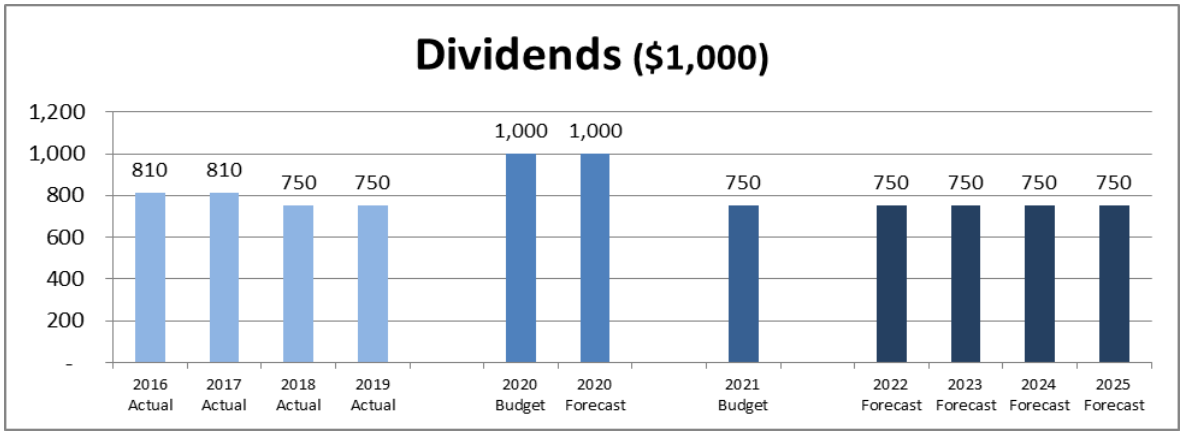
In addition to reduced net incomes in 2021, the dividend payout ratios are below industry norms as BPI retains capital for required investments.

Brantford Power Inc.
2021 Budget and Multi-Year Forecast
Summary of Dividends 2019 -2021 ($1,000)

Payments	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Dividends	$750	$750	$1,000	**$750**
Total Payments	**$750**	**$750**	**$1,000**	**$750**
Prior Year Reported/Projected Net Income	$1,963	$1,853	$2,445	**$2,371**
Total Dividend Payout % (Note 1)	38.2%	40.5%	40.9%	**31.6%**

Note 1: *Dividend payout ratio is based on the current year payout divided over the prior year's earnings. Many LDC's have specified dividend payout ratio from 50%-60%. Dividends at levels higher than these typical levels can be used to recalibrate the equity portion of the Company's Capital Structure.*

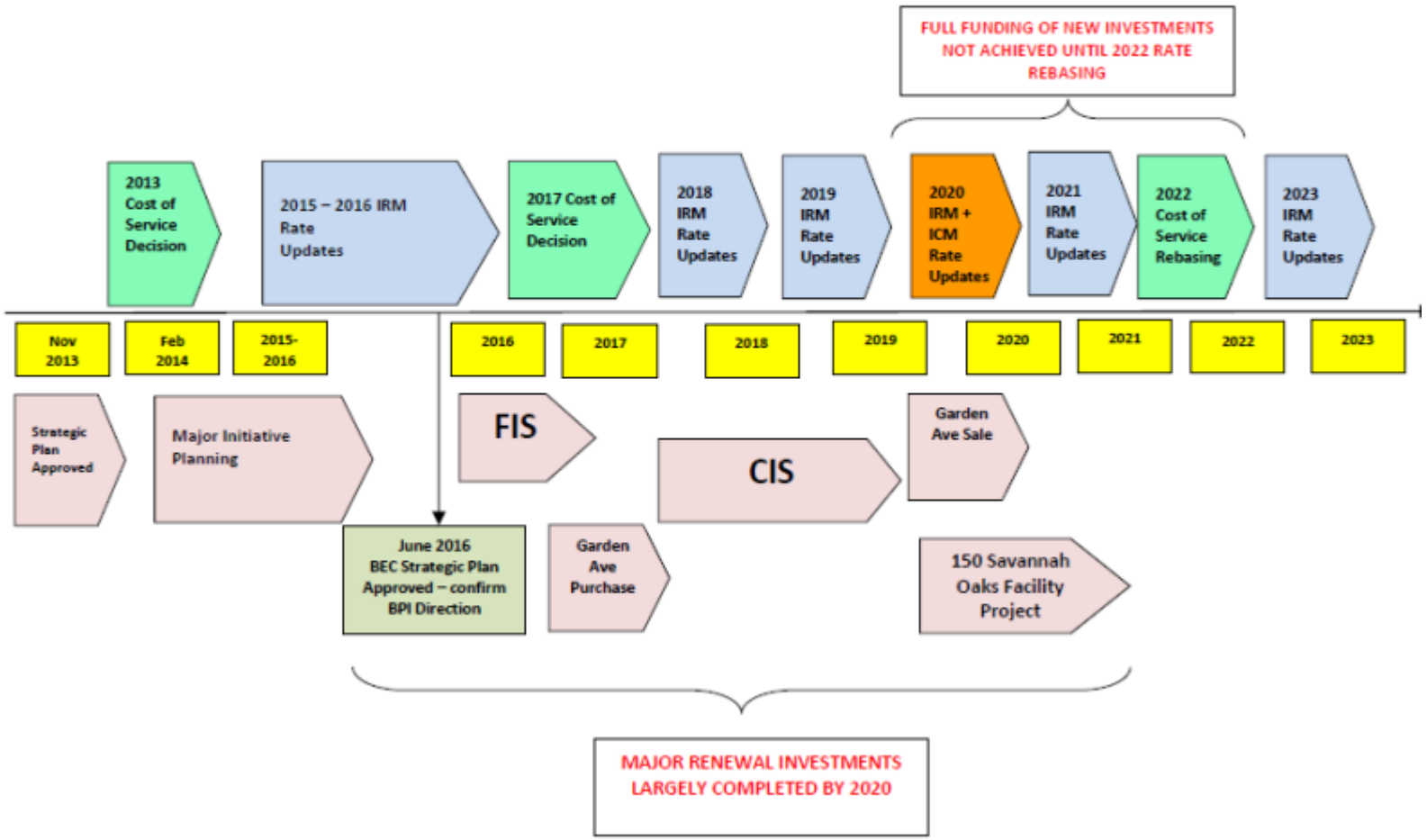
BPI's dividend record and forecast has been summarized below:



9.0 FINANCIAL IMPLICATIONS

The following graphic provides an updated visual perspective of the financial fundamentals that are impacting the financial performance of BPI in the immediate term. The major change from the similar graphic presented in recent years was the delay of the facility project and related financing to 2020 and resulting delays in ICM revenue adjustments until 2020 – resulting in some financial constraints as the return and new costs related to the facilities will not be fully funded until 2022.

BRANTFORD POWER INC.
COMPARISON OF INVESTMENT AND RATE FUNDING TIMELINES



Looking back during the years prior to the 2017 Cost of Service rebasing, BPI achieved strong returns as the business updated its strategic plan and began the procurement and approval processes necessary to embark on the renewal agenda prescribed by the Strategic Plan. During that time, the business achieved operating savings through attrition primarily in the management ranks combined with a few one-time initiatives such as CDM incentives and PILS recoveries.

By 2017 when BPI rebased its rates, the OM&A and Capital envelopes largely focused on current operations plus a smoothed phase in of Systems Integration Investments. The approved funding envelope did not provide anything towards the consolidation of operations into a single facility. As the prospect of BPI achieving actual building occupancy in 2017 was not possible, it was not appropriate or reasonable to expect such funding to be advanced by the OEB on speculation. That is why the use of the ICM tool is the earliest mechanism available to address this funding requirement.

As 2020 and 2021 reflects further years of investments in strategic initiatives such as cybersecurity and downtown automation as well as increased levels of investments in system access and system renewal projects compared to the previous 5 year period plan included in the last Distribution System Plan, the current funding envelope does not fully provide for the higher level of investment. With a partial “rebasing” for the new facilities achieved in 2020 through the Incremental Capital Module (ICM) process, combined with the reduction of OM&A related to one time FIS and CIS implementation costs, the financial performance was stabilized in 2020. It is not until 2022 with the next Cost of Service rebasing that the funding level will re-align with the actual cost of service incurred by BPI at that time.

Should efficiencies materialize following new building, these benefits will accrue to the business until 2022 when such savings will be returned to the customer.

As a result of these realities, the following conclusions can be made regarding the 2021 Budget and Multi-Year Forecast:

- As BPI completes its consolidated facilities project, the financing of this material investment has simultaneously reduced working capital levels including surplus cash and achieved a recapitalization of the Balance Sheet to BPI’s targeted 57% debt level which is much closer to the 60/40 deemed levels established by the OEB.
- This is consistent with the long term financial plan where borrowings were suspended after 2012 and strong earnings were retained to provide the capacity to fund the investments required for the various renewal initiatives. Notwithstanding this material increase in total debt, the addition of $25,000,000 in debt moves has not exceeded BPI’s targeted debt of 57% debt and remains below the OEB’s targeted debt level of 60%.

Although representing a material investment in the life of the Company, BPI has been able to confirm it was financially positioned to afford such an investment. The challenges outlined in this report are expected to be relatively short term largely due to the timing difference between incurring additional costs and the time such costs can be recovered in rates.

As previously outlined, BPI will be updating its borrowing forecast post 2021 to enable BPI to maintain a debt level approximating the targeted 57% level.

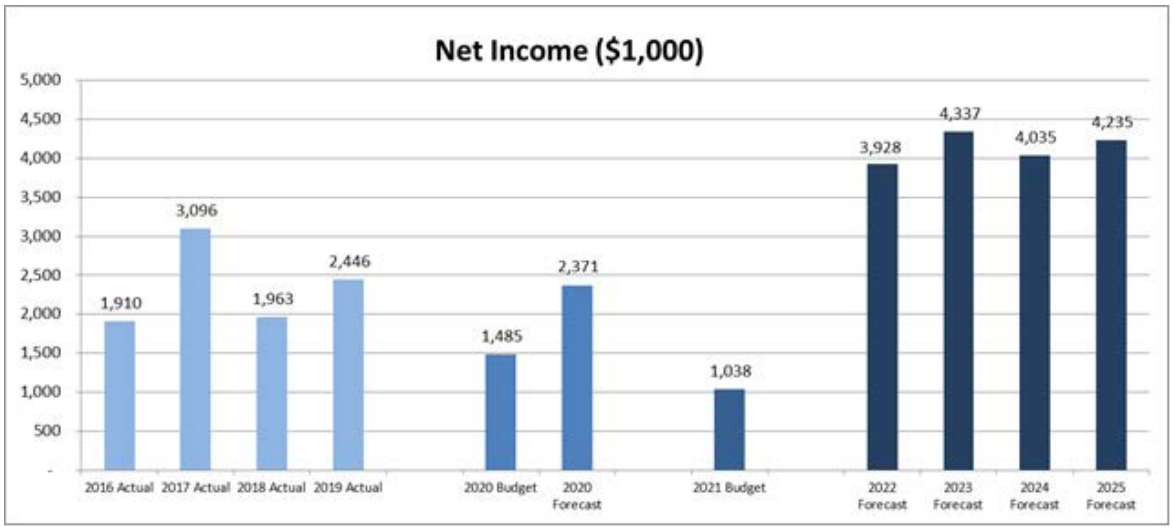
- BPI must also provide unfunded cybersecurity measures in order to comply with the OEB's framework and to protect its business interests and customer information. The level of investment necessary to segregate itself from the City IT network is unique to BPI. Although delayed due to merger considerations, this initiative remains a major requirement and regulatory obligation for the business.
- The new world of Covid-19 remains a challenge. To date BPI's revenue and cost impacts have been accommodated by delaying discretionary initiatives and delaying replacing necessary vacant positions. This approach is not sustainable over the long term. Furthermore, any new near term impacts are difficult to predict should the second wave and possible third wave begin to more negatively impact the customers' ability to pay their bills or add further costs for BPI to protect its employees and customers from the disease.

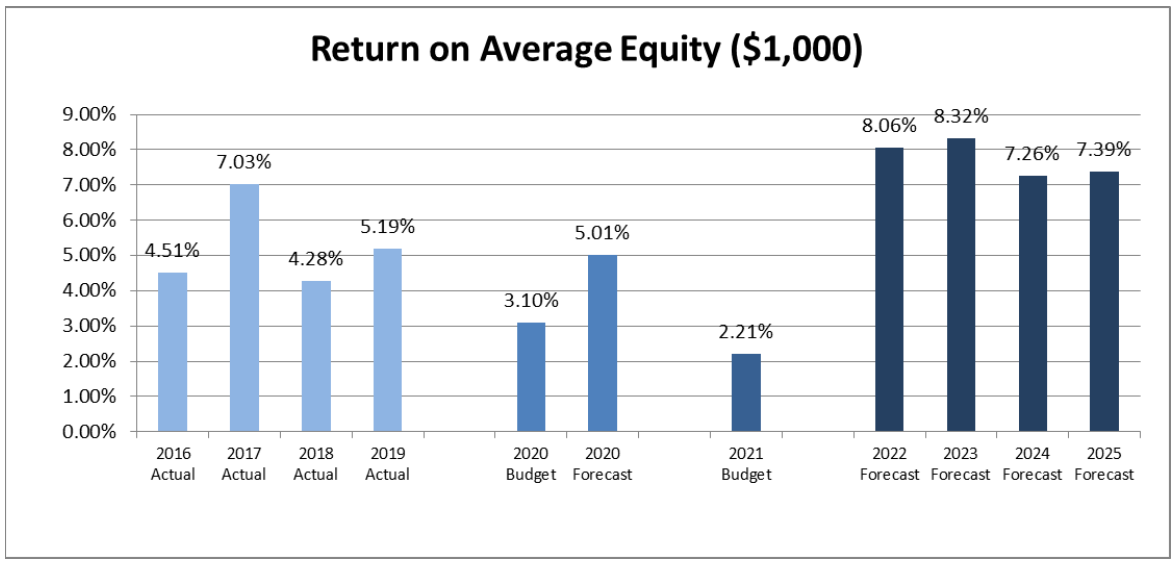
  Nevertheless, despite best efforts, it is not possible to predict with certainty if budget provisions planned will be sufficient to deal with such unexpected circumstances. Variance to such estimates will impact future reported earnings accordingly.

As BPI approaches the end of its current Strategic Planning cycle, the convergence of a number of strategic initiatives during 2020 and 2021 is adding some current year financial pressure to the business. The gain on sale of the Garden Avenue Property and anticipated ICM funding mitigated these pressures in 2020 but only the ICM funding adjustment is available to BPI in 2021.

Since many of these initiatives have yet to be funded in distribution rates, current year returns will experience downward pressures. However, hen transitional costs and overlapping costs have ended, BPI will be in good position to proceed with rate rebasing with a clearer view of its ongoing costs of service. This should lead to the potential for strong and stable returns thereafter allowing BPI to proceed with the investments outlined in the revised Distribution System Plan and pursue new strategic initiatives should the merger not be successful.

Consequently, Management is anticipating a 2021 Net Income of $1,037,580 that translates to a return of 2.2%, below the 8.78% targeted ROE.



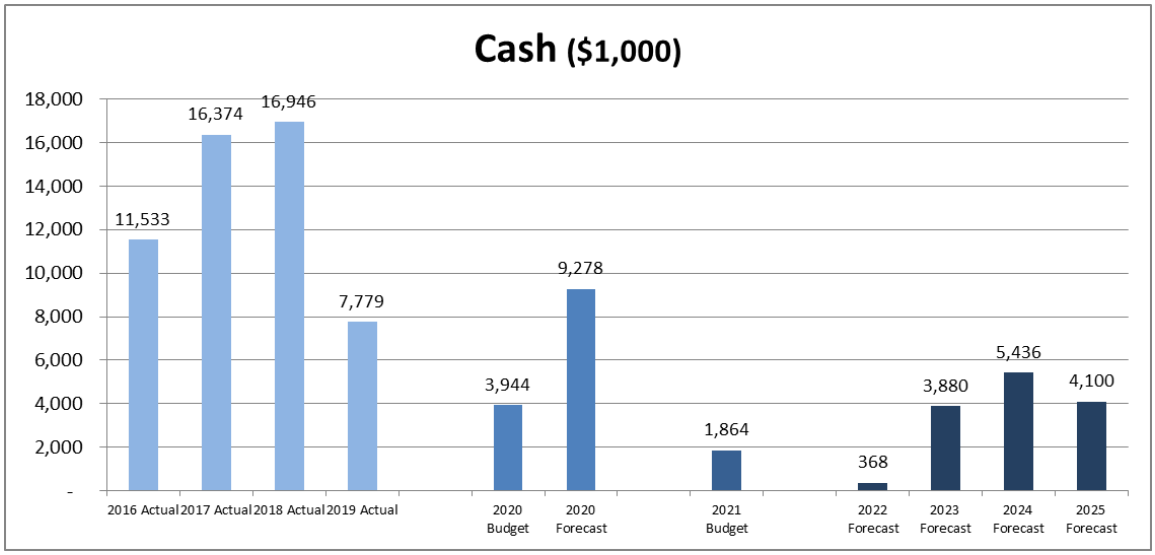


Notwithstanding the above, the targeted return for 2021 provides a base to maintain a strong financial position while setting the stage for improving returns later in the Financial Plan when transitional investments have been completed and the additional revenues from the future rebasing are reflected in BPI's financial performance.

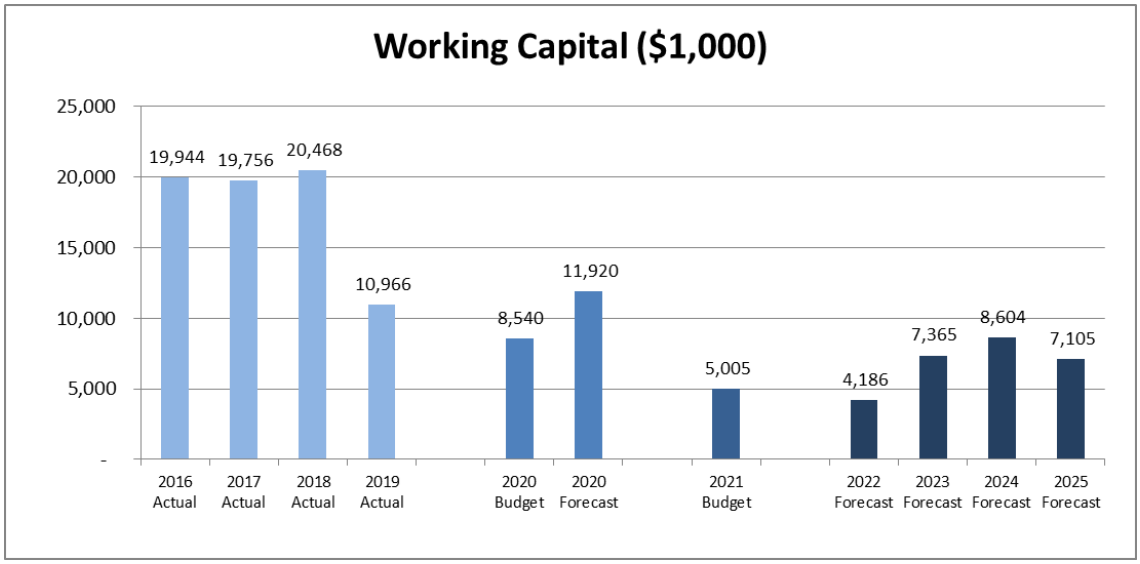
Despite some new financing for the consolidated facilities, cash levels are expected to be lower than recent history. As cost and revenue certainty become clearer after 2021, Management expects further reductions in cash and working capital to more closely align with the working capital levels provided for in the determination of return used to calculate distribution rates.

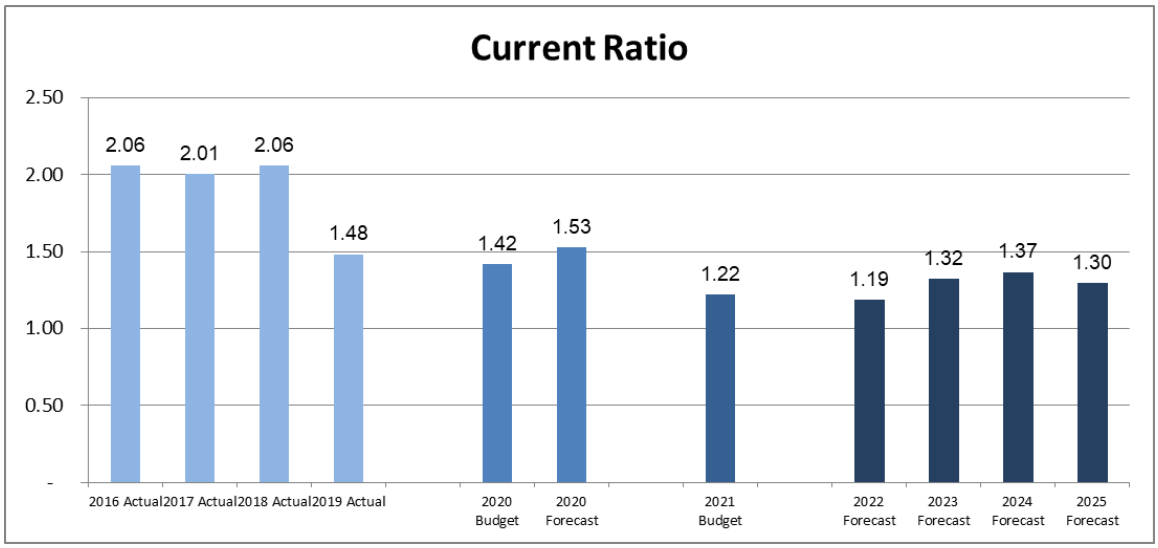
Cash levels will fall to $1,864,000 in 2021. It is important to put this relatively low value by historical standards into perspective:

- BPI has a $14,000,000 operating line of credit that is available;
- Despite the new borrowings of $25,000,000, BPI has yet to achieve the maximum leverage amounts. BPI could borrow to fund capital expenditures and retain working capital. As a result of the merger uncertainties, BPI has not budgeted any further borrowings during 2021 or the forecast period but Management will continue to monitor balances closely as cash can fluctuate heavily based on fluctuations to working capital and regulatory balances. BPI may need to borrow from its operating line to be able to invest in the required capital spending;



The Company's working capital levels remain above targets but have decreased due the significant reduction in the cash component.





In reviewing the Company's compliance with RBC and OILC debt covenants, the current forecast indicates that BPI is on side in every year. Before committing to new financing, BPI will ensure the Financial Plan will allow BPI to also comply with any new covenants imposed on it.

10.0 CONCLUSION

This report has provided the Board with an overview of the major budgetary issues and assumptions currently being addressed by the business and how the 2021-2022 Budget and Multi-Year Forecast have addressed them. As BPI approaches the end of the current IRM cycle, unfunded costs related to completing BPI's strategic renewal initiatives, expenses related to addressing succession planning of critical resources, planning and executing the major acquisition of facilities as well as the requirement to absorb unfunded compliance initiatives e.g. cyber security is coalescing in a focused period of time putting short term pressures on expected returns.

Nevertheless the strong financial position of Brantford Power resulting from its multi-year strategy of creating debt capacity and banking strong annual returns in anticipation of the time when BPI needed to undertake such investments, has placed BPI in an ideal position to proceed with the completion of these projects while maintaining a strong financial position just in time for the next Cost of Service rebasing in 2022.

At that time, BPI is expected to set its new base revenue levels for a substantially renewed LDC that continues to provide value to the customers and shareholder.

Submitted by,
Brian D'Amboise,
CFO & VP Corporate Services

ATTACHMENTS:

2021-2022 Budget and Multi-Year Forecast

BRANTFORD POWER INC.

2021

BUDGET AND MULTIYEAR FORECAST

A. Balance Sheet
B. Statement of Income and Retained Earnings
C. Statement of Cash Flows
D. Schedule of Capital Expenditures
E. Schedule of Sales of Energy, Distribution, Other Revenues and Financial Income and Costs
F. Schedule of Direct and Indirect Expenses net of Allocations
G. Schedule of Direct and Indirect Expenses before Allocations
H. Schedule of Direct and Indirect Expenses - Detail
I. Schedule of 150 Savannah Oaks Revenues and Expenses
J. Ratios and Statistics

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
BALANCE SHEET

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$ 7,778,501	$ 3,943,568	$ 9,277,712	**$ 1,864,317**	$ 368,498	$ 3,880,198	$ 5,435,803	$ 4,100,021
Accounts receivable	10,275,929	10,971,240	10,797,432	**10,721,240**	10,759,812	10,798,774	10,838,129	10,877,877
Unbilled revenue	12,999,322	12,408,727	12,933,727	**13,321,739**	13,588,170	13,859,930	14,137,130	14,419,870
Inventories	961,519	1,519,260	1,290,000	**1,315,800**	1,342,116	1,368,958	1,396,337	1,424,263
Prepaid expenses	239,928	185,000	239,500	**241,895**	246,730	251,660	256,690	261,820
Accounts receivable from affiliates	(119,622)	(17,847)	(22,975)	**(44,282)**	(25,524)	(26,047)	(26,707)	(27,241)
	32,135,578	29,009,949	34,515,396	**27,420,708**	26,279,802	30,133,473	32,037,382	31,056,611
PROPERTY, PLANT AND EQUIPMENT								
Distribution plant	83,900,116	89,501,139	90,756,268	**98,580,757**	107,287,668	114,011,292	119,547,787	125,166,097
Building	14,184,454	28,474,269	20,559,523	**23,399,523**	23,499,523	23,599,523	23,699,523	27,421,207
Land and land rights	1,859,753	2,491,961	7,585,093	**7,585,093**	7,585,093	5,247,025	5,247,025	5,247,025
Other equipment	6,657,161	7,679,809	5,946,198	**7,028,387**	7,718,076	8,486,872	9,260,700	9,589,604
Leased property - 150 Savannah Oaks	-	(551,494)	(637,830)	**(10,232,461)**	(9,980,441)	(11,581,807)	(11,123,855)	(10,665,904)
	106,601,484	127,595,683	124,209,252	**126,361,299**	136,109,919	139,762,906	146,631,180	156,758,029
Accumulated amortization	18,515,036	22,179,039	21,918,944	**25,999,232**	30,409,958	35,164,454	40,098,574	45,184,542
	88,086,448	105,416,645	102,290,309	**100,362,067**	105,699,961	104,598,452	106,532,605	111,573,487
INTANGIBLE ASSETS								
Intangible assets	4,466,150	5,005,813	4,528,526	**4,995,066**	5,653,906	6,315,610	6,731,876	7,105,961
Accumulated amortization	1,410,357	1,832,269	1,760,228	**2,146,116**	2,605,791	3,134,449	3,717,053	4,339,219
	3,055,793	3,173,544	2,768,297	**2,848,951**	3,048,114	3,181,160	3,014,823	2,766,742
OTHER ASSETS								
Finance lease receiavble	-	547,842	642,077	**10,311,571**	10,237,831	12,064,638	11,818,739	11,558,650
	-	547,842	642,077	**10,311,571**	10,237,831	12,064,638	11,818,739	11,558,650
REGULATORY BALANCES								
Regulatory balances	6,413,314	4,049,636	5,870,756	**3,757,662**	2,492,971	2,347,674	2,582,495	2,746,516
	6,413,314	4,049,636	5,870,756	**3,757,662**	2,492,971	2,347,674	2,582,495	2,746,516
	$ 129,691,133	$ 142,197,615	$ 146,086,835	**$ 144,700,959**	$ 147,758,680	$ 152,325,397	$ 155,986,044	$ 159,702,005

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
BALANCE SHEET

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued liabilities	$ 17,687,881	$ 14,888,826	$ 17,659,163	**$ 16,628,829**	$ 16,961,406	$ 17,300,634	$ 17,646,647	$ 17,999,580
Accounts payable to the City of Brantford	582,430	315,196	256,471	**177,379**	125,291	114,645	116,938	119,278
Interest payable to the City of Brantford	1,015,945	1,015,945	1,015,945	**960,512**	955,472	955,472	955,472	955,472
Payments in lieu of taxes payable	(1,384,051)	692,599	306,263	**619,055**	248,069	525,048	769,932	858,719
Current portion of long-term debt	1,186,290	1,494,178	1,034,539	**1,660,776**	1,687,046	1,714,394	1,742,864	1,772,503
Customer deposits	2,081,534	2,063,021	2,322,570	**2,369,021**	2,116,402	2,158,730	2,201,904	2,245,943
	21,170,030	20,469,765	22,594,950	**22,415,571**	22,093,686	22,768,923	23,433,758	23,951,495
LONG TERM DEBT								
Promissory note payable	24,189,168	24,189,168	24,189,168	**24,189,168**	24,189,168	24,189,168	24,189,167	24,189,167
Long-term debt	12,158,776	11,511,740	11,511,740	**10,854,651**	10,167,605	9,453,211	8,710,347	7,937,844
Long-term debt - 150 Savannah Oaks	13,000,000	24,320,361	24,500,000	**22,750,000**	21,750,000	20,750,000	19,750,000	18,750,000
	49,347,944	60,021,269	60,200,908	**57,793,819**	56,106,773	54,392,379	52,649,514	50,877,011
OTHER LONG TERM LIABILITIES								
Deferred revenue - capital contributions	4,147,074	4,955,411	4,895,747	**6,957,686**	9,216,040	10,865,361	11,829,595	12,917,229
Deferred revenue - other	578,710	24,763	24,763	**24,763**	24,763	24,763	24,763	24,763
Employee future benefits	1,245,300	1,618,631	1,484,284	**1,555,504**	1,626,724	1,697,944	1,769,164	1,840,384
Deferred payments in lieu of corporate income taxes	3,840,550	2,365,920	3,610,741	**345,555**	56,806	119,806	337,444	462,831
Derivative liabilities	720,354	195,338	3,666,888	**3,740,226**	3,815,030	3,872,256	3,930,340	3,989,295
	10,531,988	9,160,063	13,682,423	**12,623,734**	14,739,363	16,580,129	17,891,305	19,234,501
	81,049,962	89,651,098	96,478,280	**92,833,124**	92,939,822	93,741,431	93,974,577	94,063,007
SHAREHOLDER'S EQUITY								
Share capital	22,437,505	22,437,505	22,437,505	**22,437,505**	22,437,505	22,437,505	22,437,505	22,437,505
Retained earnings	24,934,887	24,826,320	26,306,097	**26,593,677**	29,771,415	33,358,330	36,643,663	40,128,737
Accumulated Other Comprehensive Loss	313,985	873,788	(1,861,628)	**(1,861,628)**	(1,861,628)	(1,861,628)	(1,861,628)	(1,861,628)
	47,686,376	48,137,613	46,881,974	**47,169,554**	50,347,292	53,934,207	57,219,540	60,704,614
Regulatory liabilities	954,795	4,408,906	2,726,581	**4,698,282**	4,471,566	4,649,759	4,791,928	4,934,385
	$ 129,691,133	$ 142,197,616	$ 146,086,835	**$ 144,700,959**	$ 147,758,680	$ 152,325,397	$ 155,986,044	$ 159,702,005

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
STATEMENT OF INCOME AND RETAINED EARNINGS

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
REVENUES								
Sale of energy (Schedule E)	$ 111,726,051	$ 126,435,906	$ 133,806,051	**$ 137,321,136**	$ 141,591,262	$ 146,045,653	$ 150,718,363	$ 155,547,876
Distribution revenues (Schedule E)	17,808,045	19,444,955	19,065,130	**20,095,238**	22,839,102	23,365,088	23,914,544	24,486,782
Other Revenues (Schedule E)	969,138	1,577,920	1,504,193	**1,337,073**	1,370,310	1,961,978	1,759,359	1,809,515
	130,503,233	147,458,782	154,375,374	**158,753,447**	165,800,674	171,372,718	176,392,267	181,844,173
EXPENSES								
Cost of power (Schedule E)	118,301,973	124,451,317	130,827,274	**136,084,450**	140,315,974	144,730,173	149,360,751	154,146,938
Operations, maintenance and administration	11,749,906	13,637,969	13,399,282	**14,660,336**	14,688,844	14,712,251	15,241,703	15,467,796
Amortization	3,557,438	3,826,679	3,633,715	**4,100,004**	4,350,071	4,515,392	4,725,402	4,894,312
	133,609,318	141,915,965	147,860,271	**154,844,789**	159,354,889	163,957,816	169,327,856	174,509,046
INCOME FROM OPERATING ACTIVITIES	(3,106,084)	5,542,817	6,515,103	**3,908,658**	6,445,786	7,414,902	7,064,411	7,335,126
FINANCE ACTIVITIES (Schedule F)								
Finance income	614,541	374,200	450,999	**991,615**	1,048,134	1,188,348	1,227,158	1,210,384
Finance costs	1,723,787	1,765,107	1,563,023	**2,313,989**	2,260,911	2,204,948	2,148,743	2,091,025
	(1,109,246)	(1,390,907)	(1,112,024)	**(1,322,374)**	(1,212,776)	(1,016,600)	(921,585)	(880,642)
INCOME BEFORE TAXES AND REGULATORY	(4,215,330)	4,151,910	5,403,079	**2,586,284**	5,233,010	6,398,302	6,142,826	6,454,484
INCOME TAXES (PILS)								
Current income taxes	(812,691)	692,599	306,263	**619,055**	248,069	525,048	769,932	858,719
Deferred income taxes	1,971,338	(482,604)	(478,776)	**(2,665,186)**	(288,750)	63,000	217,638	125,387
	1,158,647	209,995	(172,513)	**(2,046,131)**	(40,681)	588,048	987,570	984,106
REGULATORY IMPACTS								
Regulatory movement	6,525,150	(2,085,420)	(2,977,812)	**(1,234,401)**	(1,229,597)	(1,260,240)	(1,299,970)	(1,341,405)
Deferred income taxes on regulatory balances	1,294,735	(371,799)	(226,570)	**(2,360,434)**	(116,356)	(213,100)	180,047	106,100
	7,819,884	(2,457,219)	(3,204,383)	**(3,594,835)**	(1,345,953)	(1,473,339)	(1,119,923)	(1,235,305)
NET INCOME	$ 2,445,908	$ 1,484,696	$ 2,371,210	**$ 1,037,580**	$ 3,927,738	$ 4,336,915	$ 4,035,333	$ 4,235,074
Retained Earnings - Beginning of Year	$ 23,238,979	$ 24,341,624	$ 24,934,887	**$ 26,306,097**	$ 26,593,677	$ 29,771,415	$ 33,358,330	$ 36,643,663
Net Income	2,445,908	1,484,696	2,371,210	**1,037,580**	3,927,738	4,336,915	4,035,333	4,235,074
Dividends	(750,000)	(1,000,000)	(1,000,000)	**(750,000)**	(750,000)	(750,000)	(750,000)	(750,000)
RETAINED EARNINGS, End of Year	$ 24,934,887	$ 24,826,320	$ 26,306,097	**$ 26,593,677**	$ 29,771,415	$ 33,358,330	$ 36,643,663	$ 40,128,737

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
STATEMENT OF CASH FLOWS

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
CASH FLOWS FROM OPERATING								
Net Income and net movement in regulatory balances	$ 2,445,908	$ 1,484,696	$ 2,371,210	**$ 1,037,580**	$ 3,927,738	$ 4,336,915	$ 4,035,333	$ 4,235,074
Adjustments for non cash items								
(Gain)Loss on disposal of property, plant and equipmen	110,195	(428,056)	(378,000)	**199,944**	178,900	(79,431)	186,200	189,900
Amortization	3,718,778	4,022,280	3,753,779	**4,466,176**	4,870,401	5,283,154	5,516,724	5,708,134
Changes in non cash working capital	3,618,284	131,701	676,063	**(1,124,323)**	(703,068)	305,919	288,060	133,088
Deferred payment in lieu of corporate income taxes	296,113	(3,304,884)	(229,809)	**(3,265,186)**	(288,750)	63,000	217,638	125,387
Regulatory balances	(7,819,884)	1,962,172	2,314,344	**4,084,794**	1,037,975	323,491	(92,653)	(21,564)
Other items not affecting cash	(122,020)	88,996	1,009,905	**99,614**	125,224	107,241	107,701	108,172
	2,247,374	3,956,905	9,517,493	**5,498,599**	9,148,420	10,340,289	10,259,003	10,478,191
CASH FLOWS FROM INVESTING								
Acquisition of property, plant and equipment	(21,386,317)	(24,408,966)	(20,114,573)	**(11,959,117)**	(10,181,715)	(8,351,967)	(6,927,123)	(9,899,386)
Acquisition of intangible assets	(1,074,839)	(387,194)	(101,193)	**(409,102)**	(131,822)	(63,456)	(64,064)	(311,495)
Change in finance lease	-	3,652	(4,247)	**(74,863)**	(178,280)	(225,441)	(212,052)	(197,863)
Proceeds on disposal of property, plant and equipment	72,553	2,305,792	2,305,792	**-**	-	2,600,000	-	-
	(22,388,603)	(22,486,716)	(17,914,221)	**(12,443,081)**	(10,491,817)	(6,040,864)	(7,203,239)	(10,408,744)
CASH FLOWS FROM FINANCING								
Increase in long term borrowings (150SO)	13,000,000	12,000,000	12,000,000	**-**	-	-	-	-
Repayment of outstanding long term debt	(1,274,818)	(1,156,292)	(1,298,787)	**(1,780,852)**	(1,660,776)	(1,687,046)	(1,714,395)	(1,742,864)
Change in deferred revenue	(1,650)	984,732	194,725	**2,061,939**	2,258,355	1,649,320	964,234	1,087,634
Dividends	(750,000)	(1,000,000)	(1,000,000)	**(750,000)**	(750,000)	(750,000)	(750,000)	(750,000)
	10,973,532	10,828,440	9,895,938	**(468,913)**	(152,421)	(787,726)	(1,500,161)	(1,405,230)
INCREASE/(DECREASE) IN CASH	(9,167,697)	(7,701,371)	1,499,210	**(7,413,395)**	(1,495,819)	3,511,699	1,555,603	(1,335,783)
CASH AT BEGINNING OF YEAR	16,946,199	11,644,939	7,778,502	**9,277,712**	1,864,317	368,498	3,880,197	5,435,800
CASH AT END OF YEAR	$ 7,778,502	$ 3,943,568	$ 9,277,712	**$ 1,864,317**	$ 368,498	$ 3,880,197	$ 5,435,800	$ 4,100,017

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
STATEMENT OF CAPITAL EXPENDITURES

	2019 Actuals	2020 Budget	2020 Projected	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
SYSTEM ACCESS EXPENDITURES								
New Services (Roll-Ins)	$ 70,412	$ 310,325	$ 242,290	**$ 206,250**	$ 509,933	$ 615,471	$ 503,625	$ 342,287
Non-Residential Connections- Overhead	319,245	320,708	320,795	**355,240**	351,207	359,207	365,264	371,140
New Transformers- Overhead	147,051	-	-	**-**	-	-	-	-
Non-Residential Connections-Underground	160,976	981,478	981,479	**966,996**	1,005,449	1,017,306	1,043,768	1,053,517
New Transformers-Underground	772,665	-	-	**-**	-	-	-	-
New Metering	135,110	179,622	179,622	**159,296**	224,758	244,875	221,930	191,159
New Subdivisions & Townhomes	2,998,012	2,438,221	1,317,729	**3,532,000**	4,060,000	3,164,000	2,048,000	2,364,000
City Rebuilds	-	316,550	-	**50,192**	128,018	95,311	139,367	78,574
Garden Ave Project - Idle Line	1,114,376	169,783	451,077	**-**	-	-	-	-
Colborne/Dalhouse/Brant Ave/Icomm Intersection	-	-	-	**124,000**	-	-	-	-
Oak Park Road Line Ext	-	-	30,000	**1,450,000**	-	-	-	-
	5,717,847	**4,716,688**	**3,522,992**	**6,843,974**	**6,279,365**	**5,496,170**	**4,321,954**	**4,400,678**
SYSTEM RENEWAL EXPENDITURES								
Rebuild- Pole Replacements	506,981	308,034	308,034	**450,000**	612,000	624,240	636,725	649,459
Rebuild- Vault And Junction Box Replacements	239,303	73,179	78,534	**95,214**	99,092	101,542	103,955	106,338
Rebuild- Transformer Replacements	113,900	204,238	196,475	**200,717**	216,789	223,774	264,478	242,993
Ts Equip > 50 Kv	242,861	25,500	25,500	**10,000**	11,400	76,302	11,623	11,794
Brant Ave. Secondary	10,674	20,000	-	**-**	-	-	-	-
Rebuild- Underground Inspections	24,386	18,885	10,000	**25,000**	25,453	25,674	25,899	26,111
Rebuild- Overhead Inspections	83,739	83,000	107,590	**85,534**	86,678	88,838	89,774	91,017
Conductor Replacement	-	10,207	1,129	**10,000**	-	-	-	-
Feeder Egress	-	-	-	**-**	1,300,000	-	-	-
Meter Replacement	161,200	233,391	295,194	**30,962**	46,439	55,229	50,516	58,806
Porcelain Device Replacments	-	30,000	48,962	**117,745**	118,331	122,772	124,910	126,945
	1,383,044	**1,006,433**	**1,071,418**	**1,025,173**	**2,516,181**	**1,318,371**	**1,307,879**	**1,313,463**
SYSTEM SERVICE EXPENDITURES								
SCADA- Smart Fault Indicators	2,688	40,508	20,130	**30,237**	30,690	31,151	31,619	32,093
SCADA - Downtown Automation	1,001,820	47,486	294,348	**-**	-	-	-	-
SCADA - Other & Contingency	18,132	67,603	67,025	**107,264**	66,185	68,549	69,606	70,534
Auto Reclose Switches	94,287	169,482	180,474	**149,991**	154,255	159,581	161,862	164,239
Line Capacitors	1,763	51,864	-	**41,924**	-	-	-	-
New Load Break Switch Install	-	-	-	**55,316**	56,037	56,497	57,159	57,792
	$ 1,118,690	**$ 476,943**	**$ 561,977**	**$ 384,732**	**$ 307,167**	**$ 315,778**	**$ 320,246**	**$ 324,659**

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
STATEMENT OF CAPITAL EXPENDITURES

	2019 Actuals	2020 Budget	2020 Projected	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
GENERAL PLANT								
Vehicles	$ 349,071	$ 530,000	$ 30,000	**$ 720,000**	$ 380,000	$ 450,000	$ 450,000	$ -
Computer Hardware & Gis Tablets	21,442	56,200	30,000	**57,200**	40,775	41,565	42,371	43,192
Software - Financial Information System	15,201	126,450	23,199	**31,929**	63,055	15,074	15,161	15,284
Software - Customer Information System	1,058,807	50,433	77,994	**52,209**	47,707	48,381	48,903	49,639
Software - Cybersecurity	-	51,939	-	**55,420**	-	-	-	-
IT Migration	-	-	-	**269,543**	32,369	-	-	-
GIS	-	-	-	**57,439**	494,645	60,957	61,809	62,588
Outage Management System	-	-	-	**-**	-	537,290	-	-
Workforce Management System	-	-	-	**-**	-	-	290,392	-
Other Software & System Integration Projects	831	158,372	-	**-**	21,060	-	-	246,571
Standby/Spares Adjustment	109,922	-	-	**-**	-	-	-	-
Tools And Other Equipment	22,482	30,000	-	**30,600**	31,212	31,836	32,473	33,122
	1,577,756	**1,003,394**	**161,193**	**1,274,341**	**1,110,824**	**1,185,103**	**941,108**	**450,398**
NET CAPITAL EXPENDITURES BEFORE 150 SO	**9,797,337**	**7,203,457**	**5,317,580**	**9,528,219**	**10,213,537**	**8,315,423**	**6,891,187**	**6,489,197**
GENERAL PLANT - 150 SO								
Land	2,310,000	-	-	**-**	-	-	-	-
Building	10,091,035	16,389,436	13,806,176	**2,840,000**	100,000	100,000	100,000	3,721,684
Vehicles	-	100,000	100,000	**-**	-	-	-	-
Interest	229,885	589,767	378,510	**-**	-	-	-	-
Furniture, Fixtures & Equipment	-	513,500	613,500	**-**	-	-	-	-
CAPITAL EXPENDITURES - 150 SO	**12,630,920**	**17,592,703**	**14,898,186**	**2,840,000**	**100,000**	**100,000**	**100,000**	**3,721,684**
NET CAPITAL EXPENDITURES	**$ 22,428,257**	**$ 24,796,160**	**$ 20,215,766**	**$ 12,368,219**	**$ 10,313,537**	**$ 8,415,423**	**$ 6,991,187**	**$ 10,210,881**
CAPITAL CONTRIBUTIONS	**(1,773,027)**	**(1,179,846)**	**(900,000)**	**(2,251,303)**	**(2,505,130)**	**(1,949,868)**	**(1,304,058)**	**(1,460,830)**
TOTAL CAPITAL EXPENDITURES (Inc. CC)	**$ 20,655,230**	**$ 23,616,314**	**$ 19,315,766**	**$ 10,116,916**	**$ 7,808,407**	**$ 6,465,555**	**$ 5,687,129**	**$ 8,750,051**

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF SALES OF ENERGY, DISTRIBUTION, OTHER REVENUES, AND FINANCIAL INCOME AND EXPENSES

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Actuals
SALE OF ENERGY								
Energy	$ 98,314,436	$ 110,112,295	$ 116,297,499	**$ 120,174,960**	$ 124,003,842	$ 127,998,089	$ 132,190,143	$ 136,518,473
Transmission	12,055,459	12,682,934	13,439,128	**13,386,494**	13,764,504	14,159,296	14,572,345	15,003,765
Wholesale market service charges	3,696,520	3,367,094	3,796,816	**3,483,728**	3,543,923	3,606,002	3,670,129	3,736,230
Repayment of prior year regulatory differences	(2,612,614)	-	-	**-**	-	-	-	-
Smart Meter Entity	272,251	273,583	272,607	**275,954**	278,992	282,267	285,747	289,407
	111,726,051	126,435,906	133,806,051	**137,321,136**	141,591,262	146,045,653	150,718,363	155,547,876
COST OF POWER								
Energy	102,480,446	108,644,193	113,952,986	**118,674,655**	122,455,609	126,399,859	130,539,452	134,813,605
Transmission	12,149,049	12,683,960	13,232,744	**13,884,782**	14,276,038	14,684,687	15,112,261	15,558,861
Wholesale market service charges	3,408,022	2,868,767	3,376,172	**3,270,662**	3,327,175	3,385,457	3,445,662	3,507,721
Smart Meter Entity	264,457	254,398	265,371	**254,350**	257,151	260,169	263,377	266,751
	118,301,973	124,451,317	130,827,274	**136,084,450**	140,315,974	144,730,173	149,360,751	154,146,938
REGULATORY MOVEMENT								
Retail settlement variance adjustment	6,566,677	(2,116,442)	(2,995,168)	**(1,254,154)**	(1,276,533)	(1,316,724)	(1,358,276)	(1,401,602)
Interest (expense) on regulatory assets	(41,527)	31,022	17,356	**19,753**	46,936	56,485	58,306	60,197
	6,525,150	(2,085,420)	(2,977,812)	**(1,234,401)**	(1,229,597)	(1,260,240)	(1,299,970)	(1,341,405)
	(50,773)	(100,831)	965	**2,285**	45,691	55,240	57,641	59,533
DISTRIBUTION REVENUE								
Revenue	17,808,045	18,406,055	18,126,961	**18,829,623**	22,839,102	23,365,088	23,914,544	24,486,782
ICM Revenue	-	1,038,900	938,168	**1,265,615**	-	-	-	-
	$ 17,808,045	$ 19,444,955	$ 19,065,130	**$ 20,095,238**	$ 22,839,102	$ 23,365,088	$ 23,914,544	$ 24,486,782

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF SALES OF ENERGY, DISTRIBUTION, OTHER REVENUES, AND FINANCIAL INCOME AND EXPENSES

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Actuals
		-		-	-	-	-	-
OTHER REVENUES								
Specific service charges								
New Account Set Up Fee	$ 141,135	$ 155,857	$ 165,385	**$ 159,542**	$ 162,732	$ 165,987	$ 169,307	$ 172,693
Mfit Service Charges	10,022	7,574	9,749	**8,773**	8,773	8,773	8,773	8,773
Other	75,826	17,587	14,802	**16,621**	16,621	16,621	16,621	16,621
	226,983	181,018	189,936	**184,936**	188,127	191,381	194,701	198,087
Management fees	245,124	182,567	232,551	**206,837**	195,818	198,056	199,856	197,779
Pole rental revenue	259,841	431,937	378,050	**440,550**	447,158	453,866	460,674	467,584
SSS admin revenue	117,851	124,288	121,722	**125,287**	126,691	128,202	129,807	131,495
Additional rent revenue	-	-	-	**343,409**	299,316	566,380	577,710	589,324
Retailer recoveries	30,802	34,939	32,608	**30,313**	28,679	27,132	25,669	24,285
Early disposal of assets	(173,941)	(199,944)	(250,000)	**(199,944)**	(178,900)	(182,500)	(186,200)	(189,900)
Customer Contributions	195,226	195,115	151,327	**189,364**	246,775	300,548	339,824	373,196
Gain on disposal of land	63,746	628,000	628,000	**-**	-	261,932	-	-
Other revenue (expense)	109,252	-	-	**16,320**	16,646	16,979	17,319	17,665
	1,074,885	1,577,920	1,484,193	**1,337,073**	1,370,310	1,961,978	1,759,359	1,809,515
IESO CDM								
IESO CDM funding	1,553,047	1,967,069	300,000	**3,465,893**	-	-	-	-
IESO CDM expenditures	(1,658,795)	(1,967,069)	(280,000)	**(3,465,893)**	-	-	-	-
	(105,748)	-	20,000	**-**	-	-	-	-
FINANCE INCOME								
150 Savannah Oaks Lease Income	-	29,259	13,055	**555,703**	598,707	709,493	696,105	681,915
Late payment charges	326,283	239,612	326,794	**336,598**	341,499	346,401	351,303	356,205
Bank interest income	288,258	105,329	111,150	**99,315**	107,928	132,453	179,750	172,264
	614,541	374,200	450,999	**991,615**	1,048,134	1,188,348	1,227,158	1,210,384
FINANCE COSTS								
Interest on promissory note - City of Brantford	1,015,945	1,015,945	1,015,945	**960,512**	955,472	955,472	955,472	955,472
Interest on other long term debt	616,410	615,940	538,020	**513,070**	487,670	460,890	433,860	405,210
Interest on other long term debt - 150 SO	-	117,953	-	**753,180**	722,290	691,390	660,490	629,590
Gain on derivative liabilites	(19,230)	(78,500)	(77,000)	**(6,542)**	-	-	-	-
IESO fees	58,807	59,800	58,660	**59,800**	61,000	62,200	63,400	64,700
Interest on customer deposits	51,854	33,969	27,398	**33,969**	34,479	34,996	35,521	36,053
	$ 1,723,787	$ 1,765,107	$ 1,563,023	**$ 2,313,989**	$ 2,260,911	$ 2,204,948	$ 2,148,743	$ 2,091,025

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF DIRECT AND INDIRECT EXPENSES - NET OF ALLOCATIONS

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
DIRECT EXPENSES								
DISTRIBUTION OPERATIONS AND MAINTENANCE								
Distribution operations and maintenance	$ 2,166,766	$ 1,701,142	$ 2,004,835	**$ 2,351,294**	$ 2,393,104	$ 2,337,865	$ 2,401,179	$ 2,337,865
Engineering operations and maintenance	573,717	730,509	662,945	**330,843**	318,675	321,391	327,016	331,820
SCADA, Smart Grid, DG and Metering	609,060	732,620	598,540	**621,272**	556,554	571,723	577,730	604,926
Tree Trimming Services	383,432	365,880	371,799	**379,235**	386,820	394,560	402,450	410,500
Transformer Station operations and maintenance	109,836	90,100	102,721	**109,100**	110,846	112,621	114,427	116,262
	3,842,811	3,620,252	3,740,841	**3,791,745**	3,765,998	3,738,160	3,822,801	3,801,372
BILLING AND COLLECTING								
Customer Services	2,605,640	2,871,490	2,669,900	**2,817,957**	2,746,328	2,761,972	2,809,096	2,845,910
LEAP Program	25,000	25,000	37,500	**25,012**	30,000	30,450	30,907	31,370
Bad debts	881,423	600,000	800,000	**700,000**	750,000	700,000	700,000	700,000
	3,512,063	3,496,490	3,507,400	**3,542,969**	3,526,328	3,492,422	3,540,003	3,577,280
DIRECT GENERAL AND ADMINISTRATIVE								
Board of Directors	41,221	58,625	58,625	**59,675**	60,869	62,086	63,328	64,594
Executive Team	732,234	986,513	875,689	**798,301**	1,064,393	1,104,438	1,101,463	1,285,860
Finance	807,278	909,916	946,948	**978,397**	929,195	923,592	964,648	965,428
Regulatory	364,809	533,053	552,381	**694,546**	413,042	406,306	413,325	463,982
Corporate communications	156,574	137,564	157,157	**119,662**	150,195	137,449	153,136	142,488
Industry associations	81,000	67,320	67,296	**68,642**	70,015	71,415	72,843	74,300
Regulatory fees and costs	184,132	207,716	184,516	**351,644**	216,807	220,059	223,360	226,711
150 Savannah Oaks operating costs (Schedule I)	439,325	950,131	852,984	**1,148,284**	1,171,400	1,194,800	1,218,700	1,243,200
Corporate Services - IT/Project Mgr	342,793	1,017,317	871,560	**1,079,950**	1,562,096	1,579,905	1,800,094	1,688,172
Corporate Services - Human Resources	372,737	774,175	583,775	**777,626**	728,381	732,328	798,233	843,241
	3,522,104	5,642,330	5,150,932	**6,076,728**	6,366,393	6,432,379	6,809,131	6,997,976
TOTAL DIRECT EXPENSES	$ 10,876,978	$ 12,759,072	$ 12,399,172	**$ 13,411,441**	$ 13,658,720	$ 13,662,961	$ 14,171,936	$ 14,376,628

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF DIRECT AND INDIRECT EXPENSES - NET OF ALLOCATIONS

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
INDIRECT GENERAL AND ADMINISTRATIVE EXPENSES								
OPERATIONS, MAINTENANCE AND ADMINISTRATION								
Retiree benefits	$ 198,250	$ 191,220	$ 236,972	**$ 250,594**	$ 264,247	$ 269,529	$ 274,923	$ 280,420
Records management, mail, telephone & duplicating	13,056	13,737	15,394	**15,702**	16,020	16,340	16,670	17,010
Insurance and risk management	149,837	176,174	160,745	**165,464**	168,770	172,150	175,590	179,100
Purchasing and dispatch	8,288	9,000	10,704	**10,918**	11,140	11,360	11,590	11,820
Property charges	(32,899)	-	-	**-**	-	-	-	-
Legal	13,400	12,000	21,858	**13,942**	14,220	14,500	14,790	15,090
Affordability Fund Trust	10,076	-	-	**-**	-	-	-	-
Brantford Energy Corp Management Fees	472,751	476,767	554,437	**792,274**	555,728	565,411	576,204	587,728
TOTAL INDIRECT EXPENSES	872,928	878,898	1,000,110	**1,248,895**	1,030,125	1,049,291	1,069,767	1,091,168
TOTAL OPERATIONS, MAINTENANCE AND ADMINISTRATIVE EXPENSES	$ 11,749,906	$ 13,637,969	$ 13,399,282	**$ 14,660,336**	$ 14,688,844	$ 14,712,251	$ 15,241,703	$ 15,467,796

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF DIRECT AND INDIRECT EXPENSES BEFORE ALLOCATIONS

	2019 Actuals	2020 Budget	2019 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2023 Forecast
DIRECT EXPENSES								
DISTRIBUTION OPERATIONS AND MAINTENANCE								
Distribution operations and maintenance	$ 1,958,609	$ 2,670,815	$ 2,457,141	**$ 3,285,637**	$ 3,294,463	$ 3,275,158	$ 3,370,421	$ 3,302,905
Engineering operations and maintenance	445,754	824,240	692,965	**537,793**	546,754	557,487	566,859	574,606
SCADA, Smart Grid, DG and Metering	434,800	656,066	598,540	**595,980**	599,397	615,507	626,382	651,248
Tree Trimming Services	383,432	365,880	371,799	**379,235**	386,820	394,560	402,450	410,500
Transformer Station operations and maintenance	109,836	90,100	102,721	**109,100**	110,846	112,621	114,427	116,262
	3,332,431	4,607,100	4,223,167	**4,907,744**	4,938,281	4,955,334	5,080,538	5,055,520
BILLING AND COLLECTING								
Customer Services	2,310,559	2,780,316	2,669,900	**2,718,366**	2,716,267	2,756,311	2,803,231	2,839,513
LEAP Program	25,000	25,000	37,500	**25,012**	30,000	30,450	30,907	31,370
Bad debts	881,423	600,000	800,000	**700,000**	750,000	700,000	700,000	700,000
	3,216,983	3,405,316	3,507,400	**3,443,378**	3,496,267	3,486,761	3,534,138	3,570,883
DIRECT GENERAL AND ADMINISTRATIVE								
Board of Directors	33,817	58,625	58,625	**59,675**	60,869	62,086	63,328	64,594
Executive Team	642,889	928,444	875,689	**772,916**	1,059,020	1,103,510	1,100,501	1,284,867
Finance	705,515	868,450	946,948	**935,466**	916,310	921,165	962,135	962,847
Regulatory fees and costs	302,959	505,420	552,381	**663,424**	405,527	404,891	412,226	462,853
Corporate communications	142,355	131,788	157,157	**116,975**	148,943	137,218	152,897	142,488
Industry associations	81,000	67,320	67,296	**68,642**	70,015	71,415	72,843	74,300
Regulatory fees and costs	184,132	207,716	184,516	**351,644**	216,807	220,059	223,360	226,711
150 Savannah Oaks - operational costs	439,325	950,131	852,984	**1,148,284**	1,171,400	1,194,800	1,218,700	1,243,200
Corporate Services - IT/Project Mgr	275,175	1,024,623	927,582	**1,093,471**	1,583,421	1,607,821	1,837,153	1,706,897
Corporate Services - Human Resources	340,249	752,814	583,775	**758,953**	722,745	731,267	797,134	842,112
	3,147,416	5,495,331	5,206,954	**5,969,451**	6,355,057	6,454,232	6,840,277	7,010,870
TOTAL DIRECT EXPENSES	$ 9,696,830	$ 13,507,747	$ 12,937,520	**$ 14,320,573**	$ 14,789,605	$ 14,896,326	$ 15,454,953	$ 15,637,273

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF DIRECT AND INDIRECT EXPENSES BEFORE ALLOCATIONS

	2019 Actuals	2020 Budget	2019 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2023 Forecast
INDIRECT EXPENSES								
INDIRECT GENERAL AND ADMINISTRATIVE EXPENSES								
Retiree benefits	$ 198,250	$ 191,220	$ 236,972	**$ 250,594**	$ 264,247	$ 269,529	$ 274,923	$ 34,390
Records management, mail, telephone & duplicating	71,308	29,798	30,954	**31,763**	32,400	33,050	33,710	179,100
Insurance and risk management	149,837	176,174	160,745	**165,464**	168,770	172,150	175,590	179,100
Treasury and accounting	-	-	-	**-**	-	-	-	-
Purchasing and dispatch	8,288	9,000	10,704	**10,918**	11,140	11,360	11,590	11,820
Management information systems	640,709	290,186	303,403	**309,471**	77,368	-	-	-
Property charges	506,918	316,651	480,924	**78,528**	-	-	-	-
Legal	13,400	12,000	21,858	**13,942**	14,220	14,500	14,790	15,090
Human resources	-	5,700	5,000	**5,700**	5,810	5,930	6,050	6,170
Brantford Energy Corp Management Fees	472,751	476,767	554,437	**792,274**	555,728	565,411	576,204	587,728
Fleet recovery	(78,489)	(67,608)	(81,513)	**(36,602)**	(21,920)	(22,360)	(22,810)	(23,270)
	2,023,657	1,439,888	1,723,484	**1,622,053**	1,107,763	1,049,571	1,070,047	990,128
GRAND TOTAL OPERATIONS, MAINTENANCE AND ADMINISTRATIVE EXPENSES	$ 11,720,487	$ 14,947,635	$ 14,661,004	**$ 15,942,626**	$ 15,897,368	$ 15,945,897	$ 16,525,000	$ 16,627,401

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF DIRECT AND INDIRECT EXPENSES - DETAIL

	2019 Actuals	2020 Budget	2020 Projection	Direct Salaries, Wages & Benefits	Direct Goods & Services	City SLA	Total Gross Direct & Indirect Costs	Allocation of Indirect Costs to Operational Accounts	Fully Allocated Direct & Indirect Costs	Allocation to Affiliate, Capital or Billable Projects	Net Direct and Indirect Costs
DISTRIBUTION OPERATIONS AND MAINTENANCE											
Distribution operations and maintenance	$ 2,166,766	$ 1,701,142	$ 2,004,835	1,857,323	1,428,314	-	**$ 3,285,637**	50,263	**$ 3,335,900**	(984,606)	**$ 2,351,294**
Engineering operations and maintenance	573,717	730,509	662,945	428,093	109,699	-	**537,793**	30,562	**568,354**	(237,511)	**330,843**
SCADA, Smart Grid, DG and Metering	609,060	732,620	598,540	471,748	124,232	-	**595,980**	65,620	**661,600**	(40,328)	**621,272**
Tree Trimming Services	383,432	365,880	371,799	-	-	379,235	**379,235**	-	**379,235**	-	**379,235**
Transformer Station operations and maintenance	109,836	90,100	102,721	-	109,100	-	**109,100**	-	**109,100**	-	**109,100**
	3,842,811	3,620,252	3,740,841	2,757,165	1,771,345	379,235	**4,907,744**	146,445	**5,054,189**	(1,262,445)	**3,791,745**
BILLING AND COLLECTING											
Customer Services	2,605,640	2,871,490	2,669,900	1,458,617	1,259,749	-	**2,718,366**	99,591	**2,817,957**	-	**2,817,957**
LEAP Program	25,000	25,000	37,500	-	25,012	-	**25,012**	-	**25,012**	-	**25,012**
Bad debts	881,423	600,000	800,000	-	700,000	-	**700,000**	-	**700,000**	-	**700,000**
	3,512,063	3,496,490	3,507,400	1,458,617	1,984,761	-	**3,443,378**	99,591	**3,542,969**	-	**3,542,969**
DIRECT GENERAL AND ADMINISTRATIVE											
Board of Directors	41,221	58,625	58,625	38,250	21,425	-	**59,675**	-	**59,675**	-	**59,675**
Executive Team	732,234	986,513	875,689	575,799	197,118	-	**772,916**	25,484	**798,401**	(100)	**798,301**
Finance	807,278	909,916	946,948	800,884	134,582	-	**935,466**	42,932	**978,397**	-	**978,397**
Corporate Services and Regulatory Affairs	364,809	533,053	552,381	496,715	166,709	-	**663,424**	31,122	**694,546**	-	**694,546**
Corporate communications	156,574	137,564	157,157	77,370	39,605	-	**116,975**	2,687	**119,662**	-	**119,662**
Industry associations	81,000	67,320	67,296	-	68,642	-	**68,642**	-	**68,642**	-	**68,642**
Regulatory fees and costs	184,132	207,716	184,516	-	351,644	-	**351,644**	-	**351,644**	-	**351,644**
150 Savannah Oaks expenses	439,325	0	852,984	180,000	968,284	-	**1,148,284**	-	**1,148,284**	-	**1,148,284**
Corporate Services - IT/Project Mgr	342,793	1,017,317	871,560	193,430	900,041	-	**1,093,471**	6,224	**1,099,695**	(19,745)	**1,079,950**
Corporate Services - Human Resources	372,737	774,175	583,775	576,353	182,600	-	**758,953**	18,673	**777,626**	-	**777,626**
	3,522,104	4,692,199	5,150,932	2,938,801	3,030,650	-	**5,969,451**	127,122	**6,096,573**	(19,845)	**6,076,728**
TOTAL DIRECT EXPENSES	$ 10,876,978	$ 11,808,941	$ 12,399,172	$ 7,154,582	$ 6,786,756	$ 379,235	**$ 14,320,573**	$ 373,158	**$ 14,693,731**	$ (1,282,290)	**13,411,441**

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF DIRECT AND INDIRECT EXPENSES - DETAIL

	2019 Actuals	2020 Budget	2020 Projection	Direct Salaries, Wages & Benefits	Direct Goods & Services	City SLA	Total Gross Direct & Indirect Costs	Allocation of Indirect Costs to Operational Accounts	Fully Allocated Direct & Indirect Costs	Allocation to Affiliate, Capital or Billable Projects	Net Direct and Indirect Costs
INDIRECT GENERAL AND ADMINISTRATIVE EXPENSES											
Retiree benefits	$ 198,250	$ 191,220	$ 236,972	$ -	$ 250,594	$ -	**$ 250,594**	$ -	**$ 250,594**	$ -	**$ 250,594**
Records management, mail, telephone & duplicatir	13,056	13,737	15,394	-	-	31,763	**31,763**	(16,061)	**15,702**	-	**15,702**
Insurance and risk management	149,837	176,174	160,745	-	-	165,464	**165,464**	-	**165,464**	-	**165,464**
Purchasing and dispatch	8,288	9,000	10,704	-	-	10,918	**10,918**	-	**10,918**	-	**10,918**
Management information systems	(0)	-	-	-	-	309,471	**309,471**	(309,471)	**-**	-	**-**
Property charges	(32,899)	-	(0)	-	-	78,528	**78,528**	(78,528)	**-**	-	**-**
Legal	13,400	12,000	21,858	-	-	13,942	**13,942**	-	**13,942**	-	**13,942**
Human resources	-	-	-	-	-	5,700	**5,700**	(5,700)	**-**	-	**-**
Brantford Energy Corp Management Fees	472,751	476,767	554,437	-	792,274	-	**792,274**	-	**792,274**	-	**792,274**
Fleet recovery	(517)	-	-	25,576	(102,483)	40,304	**(36,602)**	36,602	**-**	-	**-**
TOTAL INDIRECT EXPENSES	862,852	878,898	1,000,110	25,576	940,386	656,090	**1,622,053**	(373,158)	**1,248,895**	-	**1,248,895**
GRAND TOTAL OM&A EXPENSES	$ 11,739,830	$ 12,687,839	$ 13,399,282	$ 7,180,159	$ 7,727,142	$ 1,035,325	**$ 15,942,626**	$ -	**$ 15,942,626**	$ (1,282,290)	**$ 14,660,336**

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF 150 SAVANNAH OAKS REVENUES AND EXPENSES

	2019 Actuals	2020 Budget	2020 Projection	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
REGULATED REVENUE								
ICM Revenue	$ -	$ 1,038,900	$ 938,168	**$ 1,265,615**	$ -	$ -	$ -	$ -
Distribution Revenue	-	-	-	**-**	1,473,409	1,502,877	1,532,934	1,563,593
	-	1,038,900	938,168	**1,265,615**	1,473,409	1,502,877	1,532,934	1,563,593
REGULATED OPERATING EXPENSES								
Property Taxes	-	177,815	170,719	**226,730**	231,266	235,894	240,628	245,467
Electricity	-	81,267	74,460	**84,211**	85,890	87,625	89,361	91,149
Facility Maintenance	-	112,768	72,425	**97,751**	99,775	101,774	103,825	105,929
Insurance	-	16,941	21,012	**22,063**	22,511	22,985	23,458	23,931
Salaries, Wages & Benefits	-	80,146	20,710	**94,673**	96,567	98,460	100,406	102,405
Other Opertional Costs	-	56,261	122,943	**78,526**	80,104	81,682	83,312	84,995
	-	525,197	482,269	**603,954**	616,112	628,420	640,990	653,876
REGULATED OTHER EXPENSES								
Amortization	-	160,267	93,106	**213,241**	214,193	215,144	216,096	251,516
Borrowing costs	-	62,621	-	**399,863**	383,464	367,059	350,654	334,249
	-	222,888	93,106	**613,104**	597,656	582,203	566,750	585,766
NET REGULATED INCOME	-	290,814	362,794	**48,557**	259,640	292,254	325,194	323,951
NON-REGULATED REVENUE								
E+ - Additional Rental Revenue	-	-	-	**311,735**	267,004	272,338	277,786	283,370
E+ - Lease Interest Income	-	-	-	**533,070**	578,788	575,755	572,534	569,116
BHI - Additional Rental Revenue	-	-	-	**29,354**	29,945	30,543	31,154	31,780
BHI - Lease Interest Income	-	26,326	4,713	**13,766**	13,195	12,609	12,009	11,394
BEC - Additional Rental Revenue	-	-	-	**2,437**	2,437	2,437	2,437	2,437
BEC - Lease Interest Income	-	2,933	8,342	**8,866**	6,724	2,093	2,067	2,041
Tenant 3 - Additional Rental Revenue	-	-	-	**-**	-	261,086	266,308	271,662
Tenant 3 - Lease Interest Income	-	-	-	**-**	-	119,037	109,494	99,364
	-	29,259	13,055	**899,229**	898,093	1,275,897	1,273,789	1,271,164
NON-REGULATED OPERATING EXPENSES								
Property Taxes	-	154,908	153,865	**204,346**	208,434	212,606	216,872	221,233
Electricity	-	70,798	67,109	**75,897**	77,410	78,975	80,539	82,151
Facility Maintenance	-	98,241	64,422	**88,101**	89,925	91,726	93,575	95,471
Insurance	-	14,759	18,938	**19,885**	20,289	20,715	21,142	21,569
Salaries, Wages & Benefits	-	69,821	18,665	**85,327**	87,033	88,740	90,494	92,295
Other Opertional Costs	-	49,013	47,717	**70,774**	72,196	73,618	75,088	76,605
	-	457,540	370,715	**544,330**	555,288	566,380	577,710	589,324
NON-REGULATED OTHER EXPENSES								
Amortization	-	-	82,268	**188,418**	189,259	190,100	190,941	222,238
Borrowing costs	-	55,332	-	**353,317**	338,826	324,331	309,836	295,341
E+ - Lease Amortization Recovery	-	-	-	**(110,637)**	(221,273)	(221,273)	(221,273)	(221,273)
BHI - Lease Amortization Recovery	-	(30,069)	(14,576)	**(29,152)**	(29,152)	(29,152)	(29,152)	(29,152)
BEC - Lease Amortization Recovery	-	(2,537)	(797)	**(1,595)**	(1,595)	(1,595)	(1,595)	(1,595)
Tenant 3 - Lease Amortization Recovery	-	-	-	**-**	-	(205,932)	(205,932)	(205,932)
	-	22,726	66,894	**400,352**	276,066	56,480	42,826	59,628
NON-REGULATED INCOME (LOSS)	-	(451,007)	(424,555)	**(45,453)**	66,739	653,037	653,254	622,213
INCOME (LOSS) ON 150 SAVANNAH OAKS	$ -	$ (160,192)	$ (61,761)	**$ 3,104**	$ 326,379	$ 945,291	$ 978,448	$ 946,164

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF RATIOS AND STATISTICS

	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Current Ratio (OILC not less than 1.1:1)	1.5	1.4	1.5	**1.2**	1.2	1.3	1.4	1.3
Quick Ratio	0.4	0.2	0.4	**0.1**	0.0	0.2	0.2	0.2
Working Capital	10,965,547	8,540,184	11,920,446	**5,005,137**	4,186,116	7,364,550	8,603,624	7,105,116
Debt to Equity (OILC <60%)	51.4%	56.1%	56.6%	**55.8%**	53.4%	51.0%	48.7%	46.4%
Debt to Equity (RBC <65% exclude City Note)	21.9%	43.7%	44.1%	**42.8%**	40.0%	37.2%	34.5%	31.9%
Debt to Equity (Regulatory)	51.4%	56.1%	56.6%	**55.8%**	53.4%	51.0%	48.7%	46.4%
Dividend Payout Ratio (Regular and Special)	24.2%	40.9%	40.9%	**31.6%**	72.3%	19.1%	17.3%	18.6%
Return on Equity	5.3%	3.1%	5.0%	**2.2%**	8.1%	8.3%	7.3%	7.2%
Return on Assets	3.8%	2.1%	1.7%	**0.7%**	2.7%	2.9%	2.6%	2.7%
Debt Service Coverage (OILC no less than 1.2:1)	2.58	2.70	2.67	**2.13**	3.16	3.57	3.53	8.35
OM&A Cost per Customer	$ 289.94	$ 331.90	$ 326.62	**$ 353.63**	$ 350.36	$ 346.77	$ 354.81	$ 355.48
Distribution Revenue per Customer	$ 439.42	$ 473.22	$ 464.73	**$ 484.73**	$ 544.76	$ 550.71	$ 556.70	$ 562.75
Net Regulatory Assets (Liabilities)	5,458,519	(359,270)	3,144,175	**(940,620)**	(1,978,595)	(2,302,086)	(2,209,433)	(2,187,869)
STAFFING LEVELS (FULL TIME EQUIVALENT)								
Executive Team	4.0	4.3	3.3	**4.3**	5.0	5.0	5.0	5.0
Customer Service	16.7	16.7	16.0	**16.7**	16.1	16.1	16.1	16.1
Engineering	5.3	7.5	6.3	**7.0**	7.0	7.0	7.0	7.0
Facilities	-	2.0	0.6	**2.0**	2.0	2.0	2.0	2.0
Finance	5.5	7.0	6.8	**7.4**	7.0	7.0	7.0	7.0
Health and Safety	-	1.0	1.0	**1.0**	1.00	1.00	1.00	1.00
Human Resources	2.0	2.0	1.7	**2.0**	2.00	2.00	2.00	2.00
Operations	18.1	18.3	16.5	**19.5**	20.3	19.3	19.3	19.3
Regulatory	2.8	4.0	3.2	**4.0**	3.0	3.0	3.0	3.0
IT	1.0	1.0	1.0	**2.0**	3.0	3.0	3.0	3.0
Communications	1.0	1.0	1.0	**1.0**	1.0	1.0	1.0	1.0
Scada, DG & Metering	4.0	5.0	4.0	**4.0**	4.0	4.0	4.0	4.0
	60.4	69.7	61.3	**70.9**	71.3	70.3	70.3	70.3
Conservation and Demand Management	1.2	0.2	-	**-**	-	-	-	-
	61.6	69.9	61.3	**70.9**	71.3	70.3	70.3	70.3
Full Time	60.2	68.5	59.9	**69.5**	69.9	68.9	68.9	68.9
Part-Time	1.4	1.4	1.4	**1.4**	1.4	1.4	1.4	1.4
	61.6	69.9	61.3	**70.9**	71.3	70.3	70.3	70.3

BRANTFORD POWER INC.
2021 BUDGET AND MULTI-YEAR FORECAST
SCHEDULE OF RATIOS AND STATISTICS

	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
ENERGY SOLD (Mwh)								
Residential	321,152	296,943	323,052	**305,671**	309,184	312,950	316,959	321,181
General Service < 50 KW	102,562	99,004	92,582	**95,884**	96,719	97,595	98,525	99,513
General Service > 50 KW (includes Back-up/Standby)	592,014	589,426	590,367	**621,872**	631,533	641,657	652,310	663,479
Street lighting	8,145	7,429	7,314	**7,307**	7,309	7,310	7,311	7,313
Sentinel lighting	209	227	192	**189**	196	202	209	216
Unmetered Scattered Load	1,671	1,419	1,553	**1,503**	1,491	1,479	1,467	1,454
	1,025,752	994,448	1,015,060	**1,032,428**	1,046,432	1,061,192	1,076,781	1,093,157
ENERGY PURCHASED (Mwh)								
Independent Electricity Systems Operator & Others	1,097,832	1,019,363	1,042,008	**1,059,836**	1,074,212	1,089,365	1,105,367	1,122,178
LINE LOSSES/UNACCOUNTED FOR ENERGY	(26,973)	(24,915)	(26,948)	**(27,409)**	(27,781)	(28,172)	(28,586)	(29,021)
LINE LOSSES/UNACCOUNTED FOR ENERGY %	(2.7%)	(2.4%)	(2.6%)	**(2.6%)**	(2.6%)	(2.6%)	(2.6%)	(2.6%)
DEMAND (KW's)								
General Service > 50 KW	1,678,804	1,617,728	1,551,065	**1,600,379**	1,625,970	1,652,681	1,680,706	1,710,013
Street lighting	9,156	22,352	20,442	**18,089**	18,092	18,096	18,099	18,102
	1,687,960	1,640,080	1,571,507	**1,618,468**	1,644,063	1,670,777	1,698,805	1,728,115
CUSTOMER COUNT								
Residential	36,805	37,359	37,294	**37,707**	38,156	38,636	39,144	39,676
General Service < 50 KW	2,827	2,837	2,830	**2,841**	2,854	2,867	2,881	2,896
General Service > 50 KW (includes Back-up/Standby)	486	499	492	**503**	514	525	536	548
Unmetered Scattered Load	408	395	409	**406**	402	399	396	392
	40,526	41,091	41,024	**41,456**	41,925	42,427	42,957	43,513
CONNECTIONS								
Street lighting	5,771	5,774	5,771	**5,772**	5,773	5,774	5,775	5,776
Sentinel lighting	499	568	492	**507**	523	540	558	577
	6,270	6,343	6,263	**6,279**	6,296	6,314	6,333	6,353
CUSTOMER COUNT BY SUPPLY OPTION								
Distributor - Regulated Price Plan	38,843	39,645	39,528	**40,086**	40,653	41,228	41,812	42,406
Distributor - Market Price	336	324	370	**378**	386	395	403	412
Retailer - Distributor Consolidated Billing	1,347	1,122	1,126	**992**	887	805	742	695
Retailer - Retailer Consolidated Billing	-	-	-	**-**	-	-	-	-
	40,526	41,091	41,024	**41,456**	41,925	42,427	42,957	43,513
	-	-	-					
ENERGY GENERATORS								
BCPI Load Transfer	1	1	1	**1**	1	1	1	1
Embedded Generator	1	1	1	**1**	1	1	1	1
RESOP	1	1	1	**1**	1	1	1	1
Fit/Microfit	153	188	188	**188**	188	188	188	188
	156	191	191	**191**	191	191	191	191