EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

2024 Cost of Service

Orangeville Hydro Limited
EB-2023-0045

TABLE OF CONTENTS

TABLE OF FIGURES

1.1 GENERAL REQUIREMENTS

1.1.1 CERTIFICATION

I, Amy Long, Chief Financial Officer, of Orangeville Hydro Limited ("OHL"), hereby certify that, to the best of my knowledge the evidence filed in support of Orangeville Hydro Limited's 2024 Cost of Service Application (EB-2023-0045):

- Is accurate, consistent and complete.
- The practice direction has been followed for confidential information.
- Does not include any personal information that is not otherwise redacted in accordance with rule 9A of the OEB's Rules of Practice and Procedure.
- The appropriate processes and internal controls are in place for the preparation, review, verification and oversight of all deferral and variance accounts, regardless of whether the accounts are proposed for disposition.

This certification is provided pursuant to the Ontario Energy Board's Chapter 2 and Chapter 5 Filing Requirements for Electricity Distribution Rate Applications, as issued on December 15, 2022.

Amy Long
Chief Financial Officer
Orangeville Hydro Limited

Orangeville Hydro Limited also confirms the following:

1. Except where specifically identified in the Application, OHL followed Chapter 2 of the OEB's "Filing Requirements for Electricity Distribution Applications" dated December 15, 2022, (Filing Requirements) to prepare this application.
2. Practice Direction has been followed regarding confidential information.
3. Chapter 2 appendices have been filed in live Microsoft Excel format, including a PDF and Excel copy of the current tariff sheets.
4. Orangeville's application is not filed after the commencement of the rate year for which the application is intended to set rates.
5. A text searchable and bookmarked PDF has been filed.

6. The links within Excel models filed have been broken and the models have been named so they can be easily identified.
7. Any amendments to the OEB models have been identified throughout the application.

1.2 APPLICATION SUMMARY AND BUSINESS PLAN

1.2.1 INTRODUCTION

OHL is pleased to present its Cost of Service ("CoS") application ("the Application") for rates effective May 1, 2024. This application consists of the following Exhibits, and live Excel models in support of the evidence presented in this Application.

Exhibits:

- Exhibit 1: Administration Documents
- Exhibit 2: Rate Base and Capital
- Exhibit 3: Customer and Load Forecast
- Exhibit 4: Operating Expenses
- Exhibit 5: Cost of Capital and Capital Structure
- Exhibit 6: Revenue Requirement and Other Revenue
- Exhibit 7: Cost Allocation
- Exhibit 8: Rate Design
- Exhibit 9: Deferral and Variance Accounts.

Models:

- Cost of Service Checklist
- Load Forecast Model
- RTSR Workform
- PILs Workform
- Cost Allocation
- Revenue Requirement Workform
- DVA Continuity Schedule
- GA Analysis Workform
- Tariff Schedule and Bill Impacts Model
- Benchmarking Spreadsheet Forecast Model
- Chapter 2 Appendices
- Load Profile

All documents and models have been submitted to the Ontario Energy Board ("OEB") via the RESS filing system. The application, along with all supporting evidence will also be posted on OHL's website once the application has been received by the OEB. There are no materials that are being filed on a confidential basis at this time in this application.

1.2.2 EXECUTIVE SUMMARY AND BUSINESS PLAN

OHL has developed a Business Plan, included in Appendix 1-A, to address the expectation of the OEB's *"Handbook for Utility Rate Applications"*, issued October 13, 2016. Key elements of the Application and Business Plan are:

1. Rates are being requested that are similar, though higher, than current rates. OHL currently has the 14th lowest distribution revenue in the province, based on the 2021 OEB yearbook statistics.
2. Identification of strategic customer focused objectives, discussed in the attached Business Plan, that drive capital and OM&A plans and related investments over the 2024-2028 period.
3. A Distribution System Plan with projects and programs that are aligned with OHL's strategic objectives. The capital expenditure program is based on meeting the growth needs of OHL's customer base while also investing enough each year to ensure the system remains reliable.
4. OHL's goals for the period are to implement its planned projects and programs that align with OHL's strategic objectives, and to meet or exceed all targets for performance metrics identified in the Asset Condition Assessment, Distribution System Plan, and Business Plan.
5. Conducted customer engagement to ensure that the preferences of OHL's customers are identified and considered in developing OHL's strategic objectives.
6. Evaluation and forecasting of performance metrics that are consistent with the OEB's Renewed Regulatory Framework ("RRF").
7. Rate-setting approaches that are consistent with historical OEB-approved approaches to ensure alignment between OEB policies and RRF framework.
8. OHL is proud of its reliability scores for the last few years. Although OHL's reliability stats declined in 2020 and 2021, we have taken steps to improve reliability going-forward, and it is shown with the strong reliability stats in 2022. While there is no

guarantee of reliability from year to year, OHL has been making and will continue to make investments designed to help improve reliability.

The proposals of the application have been summarized below.

A. Revenue Requirement

Revenue Requirement can be defined as the amount of revenue a utility must collect from rates charged to consumers to recover the cost of doing business. These costs include operating and maintenance expenses, depreciation expenses, taxes, and a reasonable return on the utility's investment.

The proposed Service Revenue Requirement for the 2024 test year of $7,321,205 reflects an increase of $2,096,301 or 40% relative to the 2014 Board Approved, or a Compounded Annual Growth Rate ("CAGR") of 3.4% between 2014 and 2024.

The Base Revenue Requirement on which rates are calculated is $6,919,019 which is the Service Revenue Requirement minus the revenue offsets of $402,186. This represents 45% relative to the 2014 Board Approved Base Revenue Requirement or a CAGR of 3.8% between 2014 and 2024.

Table 1-1 – Revenue Requirement

Particulars	2014 Board Approved	2024 Test MIFRS	Variance $	Variance %
OM&A Expenses	$ 3,255,183	$ 4,235,523	$ 980,340	30%
Depreciation Expense	816,068	1,124,239	308,171	38%
Property Taxes	-	44,298	44,298	0%
Income Taxes (Grossed Up)	57,510	184,067	126,557	220%
Deemed Interest Expense	372,948	731,835	358,887	96%
Return on Deemed Equity	723,195	1,001,242	278,047	38%
Service Revenue Requirement	**$ 5,224,904**	**$ 7,321,205**	**$ 2,096,301**	**40%**
Less Revenue Offsets	(466,089)	(402,186)	63,903	-14%
Base Revenue Requirement	**$ 4,758,815**	**$ 6,919,019**	**$ 2,160,204**	**45%**

OHL has not needed to complete a CoS application since 2014, but it became evident in 2022 that it was necessary to move forward with a 2024 application. Many factors contributed to that decision, the main items being:

- Prior to 2022, OHL's regulatory Return on Equity ("ROE") was above the deemed ROE every year, with the exception of 2015. The reduction of ROE in 2022 was due to a

customer refund as a result of an OEB Assurance of Voluntary Compliance for overbilling of fixed charges. This billing calculation change reduced revenues going forward.

- Projected OM&A expenses have increased significantly over prior years, with the drivers explained throughout Exhibit 4.
- Average fixed assets have increased over $8M since 2014, which is a 49% increase.
- Cost of Power has increased by over $2.5M since 2014, although the Working Capital Allowance rate has gone down to 7.5% from 10%.
- Other Revenues, which offset the Base Revenue Requirement, are lower than the 2014 approved Revenue Offsets.
- Interest rates on debt have increased significantly in the past year. Any new debt is being taken at a rate potentially more than double its current rate.

Table 1-2 – Revenue Deficiency

Description	2024 Test Existing Rates	2024 Test - Required Revenue
Revenue		
Revenue Deficiency		**$ 829,921**
Distribution Revenue	$ 6,089,098	$ 6,089,098
Other Operating Revenue (Net)	$ 402,186	$ 402,186
Total Revenue	**$ 6,491,285**	**$ 7,321,205**

Deficiency as a % of Total Revenue - 2024 Test Year	11.3%
Deficiency as a % of Total Revenue at Existing Rates	12.8%
Deficiency as a % of Distribution Revenue at existing rates	13.6%

As can be seen in the table above, the Revenue Deficiency as a percentage of Distribution Revenue at existing rates is 13.6%.

The main drivers of growth in revenue requirement have been the increase in assets as well as the annual costs that are required to serve OHL customers. Payments in Lieu of Taxes (“PILS”) have increased because of higher income before taxes. Increased OM&A expenses, interest expense and depreciation expense affect the return on deemed equity. The changes in OM&A expenses are discussed further in Exhibit 4 and the increase in fixed assets is discussed in Exhibit 2.

B. Load Forecast Summary

The purpose of weather normalization is to predict future customer consumption based on normal weather conditions. To achieve this goal, the relationship between weather change and customer consumption must be defined. OHL reviewed the various processes used by earlier CoS applicants and is proposing to adopt a weather normalization methodology using Multifactor Regression ("MR") for its load forecast.

In summary, OHL has used the regression analysis methodology to determine a prediction model. With regards to the overall process of load forecasting, it is OHL's view that conducting a regression analysis on historical purchases to produce an equation that will predict energy purchases is appropriate. OHL knows by month the exact number of kWh's purchased from the IESO for use by customers of OHL. With a regression analysis these purchases can be related to other monthly explanatory variables such as heating degree days and cooling degree days which occur in the same month. The result of the regression analysis produces an equation that predicts the purchases based on the explanatory variables. This prediction model is then used as the basis to forecast the total level of weather normalized purchase for OHL for the bridge and test year, which is converted to billed kWh by rate class. A detailed explanation of the process is provided in Exhibit 3. Streetlights, sentinel lights and USL customers are measured as connections. The 2024 Load Forecast compared to 2014 Board Approved is presented in the Table below and detailed explanations can be found in Exhibit 3.

Table 1-3 – Load Forecast – Number of customers or connections

Customer Class	2014 Board Approved	2024 Test Year	Variance	% Variance
Residential	10,325	11,725	1,400	14%
GS<50	1,141	1,176	35	3%
GS>50	124	126	2	2%
Street Lights (conn)	2,870	3,015	145	5%
Sentinel Lights (conn)	155	158	3	2%
USL (conn)	104	97	(7)	-7%
Total	**14,719**	**16,296**	**1,577**	**11%**

Table 1-4 – Load Forecast – kWh

Customer Class	2014 Board Approved	2024 Test Year	Variance	% Variance
Residential	90,278,404	93,562,278	3,283,874	4%
GS<50	37,678,912	34,272,791	(3,406,121)	-9%
GS>50	121,733,913	133,456,842	11,722,929	10%
Street Lights (conn)	1,861,618	883,782	(977,836)	-53%
Sentinel Lights (conn)	122,536	99,920	(22,616)	-18%
USL (conn)	358,304	370,613	12,309	3%
Total	**252,033,687**	**262,646,227**	**10,612,540**	**4%**

Table 1-5 – Load Forecast – kW

Customer Class	2014 Board Approved	2024 Test Year	Variance	% Variance
Residential				
GS<50				
GS>50	293,725	313,259	19,534	7%
Street Lights (conn)	5,230	2,462	(2,768)	-53%
Sentinel Lights (conn)	339	278	(61)	-18%
USL (conn)				
Total	**299,294**	**315,998**	**16,704**	**6%**

OHL's customer base is steadily growing, which is evident with the continual increase in the number of customers. This is mainly due to intensification in Orangeville, and significant new builds in Grand Valley. OHL foresees this steady growth to continue in the near future. This growth has contributed to the increase in residential kWh consumption. There have also been plant expansions within the GS>50 customer class, which is contributing to the kWh and kW increase since 2014.

C. Rate Base and Distribution System Plan ("DSP")

A Rate Base is the value of the property on which a utility is permitted to earn a specified rate of return in accordance with rules set by the OEB. The Rate Base underlying OHL's revenue requirement includes a forecast of net fixed assets, plus a working capital allowance defined as 7.5% of the sum of the cost of power and controllable expenses. Controllable expenses include operations and maintenance, billing and collecting, and administration expenses.

OHL's DSP documents its asset management processes and capital expenditure plan for the 2024-2028 period, which integrates qualitative and quantitative information resulting in an optimal investment plan that covers:

- Customer value considerations
- System expansion considerations
- System renewal considerations
- Regional planning considerations
- Renewable generation considerations
- Smart grid considerations
- Alignment with public policy objectives

The proposed Rate Base for the 2024 Test Year of $26,742,584 reflects an increase of $7,426,489 from the 2014 Board Approved. The CAGR of 3.3% suggests a prudent and reasonable investment in the distribution assets and is necessary in order to meet obligations towards its distribution system such as maintaining its assets at high electrical safety standards. These expenditures are outlined in Exhibit 2 of this application.

The increase in Rate Base is driven by a 49% growth in average net book value of assets, partially offset by a reduction in working capital allowance, as the OEB specified percentage is now 7.5%, where it was 10% in 2014.

Table 1-6 – Rate Base

Rate Base Calculation	2014 Board Approved	2024 Test Year	Variance ($)	Variance %
Net Capital Assets in Service				
Opening Balance	15,800,862	23,340,703	7,539,841	48%
Ending Balance	16,639,780	25,121,954	8,482,174	51%
Average Balance	**16,220,321**	**24,231,328**	**8,011,007**	**49%**
Working Capital Allowance	3,095,774	2,511,255	(584,518)	-19%
Total Rate Base	**19,316,095**	**26,742,584**	**7,426,489**	**38%**
Compound Annual Growth Rate (from 2014 Board Approved)				**3.3%**

The working capital allowance in the Test Year is $2,511,255. This is a decrease of $584,518 or 19% from the 2014 OEB approved amount, primarily due to the decrease in working capital allowance rate used in 2024 of 7.5% from the former rate of 10% used in 2014, as well as the 11.7% Ontario Electricity Rebate in 2024.

Working Capital related expenses have grown to $33,483,404 in 2024 from $30,957,735 or 8% over the past 10 years. An analysis of the working capital is provided in Exhibit 2.4 Allowance for Working Capital.

Table 1-7 – Working Capital Allowance

Working Capital Allowance	2024 Test MIFRS	2014 Board Approved	Variance	% Variance
Recoverable OM&A Expenses	4,235,523	3,255,183	980,340	30%
Taxes Other than Income Taxes	44,298		44,298	0%
Less Allocated Depreciation in OM&A	(95,304)	(60,470)	(34,834)	58%
Total Eligible Distribution Expenses	**4,184,517**	**3,194,713**	**989,804**	**31%**
Power Supply Expenses	29,298,887	27,763,022	1,535,865	6%
Total Working Capital Expenses	**33,483,404**	**30,957,735**	**2,525,669**	**8%**
Working Capital Factor	7.5%	10.0%	-2.5%	-25%
Working Capital Allowance	**$2,511,255**	**$3,095,774**	**($584,518)**	**-19%**

Distribution System Plan

The table below summarizes the capital expenditures requested for the test year and the change in capital expenditures since OHL's last CoS application. There is a significant increase in overall capital increases, yet the CAGR for Rate Base is 3.3%, as seen in Table 1-6 Rate Base.

Table 1-8 – Capital Expenditure Summary

Category	2014 Board Approved	2024 Test Year	Variance ($)	Variance %
System Access (Gross)	411,106	1,359,889	948,783	231%
System Renewal (Gross)	525,050	787,454	262,404	50%
System Service (Gross)	595,456	818,940	223,484	38%
General Plant (Gross)	493,500	710,917	217,417	44%
Gross Capital Expenses	**2,025,112**	**3,677,200**	**1,652,088**	**82%**
Contributed Capital	(298,474)	(718,936)	(420,462)	141%
Net Capital Expenses	**1,726,638**	**2,958,264**	**1,231,626**	**71%**

The key objectives for OHL's capital expenditures over the next five years include:

- Ensuring our existing and future customers enjoy the benefit of a safe and reliable distribution system,
- Ensuring our staff can work safely on and near the distribution system,
- Mitigating the inherent risks (electrical hazards to the general public, as well as staff and contractors) of a distribution system through an effective asset management program,

- Understanding customer preferences – how our customers wish to receive service and how do they wish to interact with the utility to obtain the information they require and understand the goals, objectives, and priorities of the utility,
- Ensuring our load, generation, and storage customers have access to the distribution system as well as a long-term secure supply of energy, and
- Ensuring all regulatory compliance obligations are achieved.

Capital investments are necessary to ensure a safe and reliable distribution system and to meet OHL's obligation to connect new customers. It is important to OHL that there is a strong understanding of the entire system to determine priority assets that require replacement or repair. Main drivers of the 2024 test year capital plan are:

- Continuation of voltage conversion projects throughout the service area
- Renewal of system assets, such as transformer, hardware, meter, and pole replacements
- Customer driven projects are included as two significant subdivisions are projected to be connected in 2024
- A new customer portal, a new GIS system, a new electric pickup truck, and a new roof on the main OHL office building all drive the general plant budget
- Finally, significant inflationary price increases are affecting all areas of the capital budget, and have been incorporated in the 2024 test year values

OHL has adopted the good utility practices expected in the electricity distribution industry. This has included adhering to the OEB's Distribution System Code that "sets out both good utility practices, minimum performance standards for electricity distribution systems in Ontario, and minimum inspection requirements for distribution equipment". Consistent with good utility practices, over the years OHL has strived to maintain its equipment in safe and reliable working order and upgraded or replaced its equipment often in conjunction with government and regulatory requirements. OHL has been prudent when incurring costs as customer satisfaction survey results indicate that the low price of electricity is an important factor to customers.

D. Operations, Maintenance and Administration Expense

The proposed OM&A expenditures for the 2024 Test Year have been derived through a detailed budgeting and business planning process aligned with OHL's strategic and core values. These expenditures are required so that OHL can maintain the distribution business service quality and reliability standards in compliance with the Distribution System Code and other regulatory

bodies while also responding to customer needs and preferences. The proposed OM&A expenses for the 2024 test year of $4,235,523 reflects an increase of $980,340 or 30% relative to the 2014 Board Approved. This equates to a CAGR of 2.7%. The following table summarizes OHL's OM&A trend from 2014 Board Approved to the 2024 Test Year.

Table 1-9 – Summary of Recoverable OM&A Expenses

Component	2024 Test Year	2014 Board Approved	Variance	% Variance
Operations	1,008,856	472,964	535,892	113%
Maintenance	350,426	574,086	(223,660)	-39%
Billing and Collecting	1,191,556	690,788	500,768	72%
Community Relations	61,354	16,092	45,262	281%
Administrative and General	1,623,330	1,501,253	122,077	8%
Total	**$ 4,235,523**	**$ 3,255,183**	**$ 980,340**	**30%**
CAGR				**2.7%**

The primary drivers for the OM&A costs shown in the table above are more fully described in Exhibit 4. Highlights are outlined below:

- Labour costs – OHL's workforce has fluctuated over the past 10 years, with a number of retirements, and newer staff moving into those positions. The number of staff reduced significantly in 2017, and OHL feels that the number of staff included in the 2024 test year are appropriate to meet the current needs of the customers, as well as current regulatory and industry requirements. With regular salary increases for unionized and non-union staff, labour costs account for a large portion of the total OM&A increase. Labour costs affect all categories of OM&A.

- Operations and Maintenance
    - It was identified with the increase in interest in Electric vehicles and DERs, along with improvement of the GIS system, that a restructuring of the Engineering Department was required. This brings the full-time staff in Engineering back to 3, as it was in previous years.
    - Additional costs for the improved GIS system are also a driver of the increase.
    - Locate costs are expected to increase by 31% over the 2022 actuals. This is because of changes to meet the requirements of the *Ontario Infrastructure Notification System Act*. Additional staff were hired by our locates contractor to ensure the deadlines are met for locate services.

  - Vegetation management – within the past 10 years, OHL has increased its vegetation management program significantly. This was due to past storms which identified the need for additional tree trimming to improve reliability and safety.

- Billing and Collecting – This increase is largely driven by salary costs, as well as contract costs.
  - IT and cyber security costs have increased, due to the additional cyber security requirements to improve cyber safety.
  - Inflationary increases have been seen on all contractors, specifically the meter data transmission costs, the meter data settlement provider and Operational Data Storage ("ODS") costs.
  - Since 2014, OHL began using a bill printing and mailing provider which increased costs in this area.
  - In 2024 OHL will be implementing a new customer portal, which will incur additional costs going forward. This portal will have improved cyber security controls, as well as improved customer experience, and additional methods for OHL to engage with customers.

- Community Relations – this category is higher, as more community events are planned. Additionally, it includes a portion of one staff member's time, which was not included in 2014.

- Administration
  - Labour costs have increased, as well as inflationary increases with outside contractor costs.
  - Insurance costs have increased significantly since 2014.
  - 2024 includes 1/5 of the forecasted cost of service expenses.

Looking at OM&A on a per customer basis removes some of the impact of growth in the analysis of changes in operating costs. According to the 2021 OEB Yearbook statistics, OHL had the 15th lowest OM&A cost per customer out of 57 utilities in the province.

E. Cost of Capital

In this application, OHL seeks to recover a weighted average cost of capital of 6.48% through rates in the 2024 test year. OHL has followed the Report of the Board on Cost of Capital for Ontario's Regulated Utilities, December 11, 2009, in determining the applicable cost of capital. In calculating the applicable cost of capital, OHL has used the OEB's deemed capital structure of 56% long-term debt, 4% short-term debt, and 40% equity, in conjunction with the cost of capital parameters in the OEB's letter of October 20, 2022, for deemed debt rates and allowed return on equity. There have been no deviations from the OEB cost of capital parameters. The long-term debt rate is based on the weighted average cost of OHL's long-term debt rate, as described in Exhibit 5.

The following table summarizes OHL's capital structure, cost of capital, and the associated return on rate base included in its 2024 revenue requirement.

Table 1-10 – Overview of Capital Structure

2024 Test Year Component	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
Long-term Debt	56%	$ 14,975,847	4.54%	$ 680,597
Short-term Debt	4%	$ 1,069,703	4.79%	$ 51,239
Total Debt	**60%**	**$ 16,045,550**	**4.56%**	**$ 731,835**
Common Equity	40%	$10,697,033	9.36%	$ 1,001,242
Preferred Shares		0		
Total Equity	**40%**	**$ 10,697,033**	**9.36%**	**$ 1,001,242**
2024 Test Year Proposed Total	**100%**	**$ 26,742,584**	**6.48%**	**$ 1,733,078**

OHL acknowledges that the OEB may adjust the cost of capital parameters applicable to rate changes effective in 2023, and therefore commits to updating its application to reflect the revised 2024 parameters, if required.

F. Cost Allocation and Rate Design

The main objectives of a Cost Allocation study are to provide information on any apparent cross-subsidization among a distributor's rate classifications and to eventually be used in future rate applications. OHL has prepared and is filing a cost allocation information filing consistent with the utility's understanding of the Directions, the Guidelines, the Model and the Instructions issued by the Board back in November of 2006 and all subsequent updates. OHL has prepared

a Cost Allocation Study for 2024 based on an allocation of the 2024 Test Year costs (i.e., the 2024 forecast revenue requirement) to the various customer classes using allocators that are based on the forecast class loads (kW and kWh) by class, customer counts, etc. Furthermore, OHL applied the following principles when developing its cost allocation proposal:

1. Consistency with the last practice used in the previous CoS application.
2. Rate stability.
3. The avoidance of rate shock.

The table below shows the utility's proposed Revenue to Cost reallocation based on an analysis of the proposed results from the Cost Allocation Study vs the Board imposed floor and ceiling ranges.

Table 1-11 – Proposed Revenue to Cost Ratios

Rate Class	2024 Calculated R/C Ratios	2024 Proposed R/C Ratios	Variance %	Board Targets Min to Max	
Residential	105.1%	105.1%	0.0%	85.0%	115.0%
General Service < 50 kW	116.3%	110.5%	-5.7%	80.0%	120.0%
General Service 50 to 4,999	76.9%	80.0%	3.1%	80.0%	120.0%
Sentinel Lighting	58.5%	80.0%	21.5%	80.0%	120.0%
Street Lighting	82.9%	82.9%	0.0%	80.0%	120.0%
Unmetered Scattered Load	81.7%	81.7%	0.0%	80.0%	120.0%

There were two classes that were outside of their respective band thresholds: GS>50 and Sentinel Lighting. OHL has proposed an increase in revenues allocated to each of these classes, to bring them up to the bottom end of their respective bands.

The Proposed Revenue to Cost ratios impacted one customer class, Sentinel Lights, by increasing its bill impacts outside of the 10% threshold. There are no plans to mitigate these rates, as OHL feels these rates are appropriate for this customer class to cover their respective overall costs to complete the billing process, and so other customer classes are not cross subsidizing the Sentinel Light class.

OHL has not proposed any new customer classes or any changes to the definition of its existing customer classes.

For all classes other than Residential, distribution revenues are derived from a combination of fixed monthly charges and volumetric charges based either on consumption (kWh) or demand

(kW). Commodity charges and deferral and variance rate riders, along with OHL specific rate adders are added to the distribution rates to arrive at a final all-encompassing bill.

The table below shows OHL's existing 2023 rates in comparison to the 2024 proposed rates. The GS>50, Sentinel light and streetlight classes volumetric rates are based on a kW Billing Determinant.

Table 1-12 – Comparison of Current to Proposed 2024 Rates

Rate Class	Current 2023 Monthly Service Charge	Proposed 2024 Monthly Service Charge
Residential	$29.16	$33.13
General Service < 50 kW	$36.65	$39.50
General Service 50 to 4,999 kW	$187.83	$222.55
Sentinel Lighting	$3.65	$5.87
Street Lighting	$1.66	$1.89
Unmetered Scattered Load	$7.00	$7.95

Rate Class	Current 2023 Volumetric Charge	Proposed 2024 Volumetric Charge
Residential	$0.0000	$0.0000
General Service < 50 kW	$0.0112	$0.0121
General Service 50 to 4,999 kW	$2.5219	$2.9326
Sentinel Lighting	$14.2889	$22.9950
Street Lighting	$9.2027	$10.4574
Unmetered Scattered Load	$0.0097	$0.0110

G. Deferral and Variance Accounts

OHL proposes to dispose of a debit of $1,671,395.12 related to Group 1 and ($45,709.87) related to Group 2 Deferral/Variance accounts, as explained in Exhibit 9. These totals include carrying charges up to and including April 30, 2024.

Group 1 and Group 2 DVA balances are proposed to be disposed over 12 months.

OHL has followed the OEB's guidance as provided in the OEB's Electricity Distributor's Disposition of Variance Accounts Reporting Requirements Report, including disposing by RPP and Non-RPP appropriate categories.

Table 1-13 – DVA Account and Balances Proposed for Disposition/Recovery

Account	Name	Principal Balance	Carrying Charges	Disposition Proposal	Year of Previous Disposition	Continuance	Reason for $0 claim
1550	LV Variance Account	$ 536,064.50	$ 43,276.80	$ 579,341.31	2021	Yes	
1551	Smart Metering Entity Charge Variance Account	$ (35,521.79)	$ (2,782.76)	$ (38,304.55)	2021	Yes	
1580	RSVA - Wholesale Market Service Charge	$ 561,271.91	$ 45,519.82	$ 606,791.73	2021	Yes	
1580	Variance WMS – Sub-account CBR Class A	$ -	$ -	$ -	2021	Yes	
1580	Variance WMS – Sub-account CBR Class B	$ (23,643.54)	$ (2,025.40)	$ (25,668.94)	2021	Yes	
1584	RSVA - Retail Transmission Network Charge	$ 149,562.51	$ 13,387.08	$ 162,949.59	2021	Yes	
1586	RSVA - Retail Transmission Connection Charge	$ 44,039.57	$ 4,256.09	$ 48,295.65	2021	Yes	
1588	RSVA - Power (excluding Global Adjustment)	$ 281,961.22	$ 25,771.14	$ 307,732.37	2019	Yes	
1589	RSVA - Global Adjustment	$ 622.61	$ 29,429.84	$ 30,052.46	2019	Yes	
1595	Disposition and Recovery/Refund of Regulatory Balances (2019)	$ -	$ 205.50	$ 205.50	n/a	No	
1595	Disposition and Recovery/Refund of Regulatory Balances (2020)	$ 4,844.52	$ 3,799.86	$ -	n/a	Yes	Rate rider expiry period not met
1595	Disposition and Recovery/Refund of Regulatory Balances (2021)	$ (22,279.96)	$ 1,670.59	$ -	n/a	Yes	Rate rider expiry period not met
1595	Disposition and Recovery/Refund of Regulatory Balances (2022)	$ 314,524.65	$ 32,065.71	$ -	n/a	Yes	Rate rider expiry period not met
Total Group 1 accounts		**$ 1,811,446.21**	**$ 194,574.28**	**$ 1,671,395.12**			

Account	Name	Principal Balance	Carrying Charges	Disposition Proposal	Year of Previous Disposition	Continuance	Reason for $0 claim
1508	Deferred IFRS Transition Costs	$ 146,808.69	$ 31,935.93	$ 178,744.62	n/a	No	
1508	Pole Attachment Revenue Variance	$ (164,939.93)	$ (16,320.73)	$ (181,260.66)	n/a	Yes	
1508	Green Button Initiative Costs	$ 326.05	$ 27.65	$ -	n/a	Yes	Balance is not at materiality
1508	Other Regulatory Assets, Sub-account OEB Cost Assessment Va	$ (124,032.00)	$ (14,958.63)	$ (138,990.63)	n/a	Yes	
1508	Other Regulatory Assets, Sub-account Energy East Consultation (	$ 1,470.94	$ 267.96	$ 1,738.90	n/a	No	
1518	Retail Cost Variance Account - Retail	$ 231,201.99	$ 31,077.09	$ 262,279.08	2014	Yes	
1548	Retail Cost Variance Account - STR	$ 652.96	$ 84.56	$ 737.52	2014	Yes	
1592	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	$ 2,697.54	$ 1,506.38	$ 4,203.92	n/a	Yes	
1592	PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	$ (135,955.00)	$ (9,346.91)	$ (145,301.91)	n/a	Yes	
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account	$ (7,267.96)	$ (499.67)	$ (7,767.63)	n/a	No	
1576	Accounting Changes Under CGAAP Balance + Return Component	$ (20,093.07)	$ -	$ (20,093.07)	n/a	No	
Total Group 2 accounts		**$ (69,129.79)**	**$ 23,773.61**	**$ (45,709.87)**			

OHL is requesting a new deferral/variance account: Sub-Account 1595 – Rate Rider for Disposition of Deferral/Variance Accounts (2022). Further details are provided in Exhibit 9.2.

OHL is requesting to discontinue the following accounts that will no longer be necessary:

- 1508 Other Regulatory Assets – Deferred IFRS Transition Costs
- 1508 Other Regulatory Assets – Energy East Consultation
- 1555 Smart Meter Capital and Recovery Offset – Stranded Meter Costs
- 1576 Accounting Changes under CGAAP Balance and Return Component
- 1595 Disposition and Recovery/Refund of Regulatory Balances (2019)

H. Bill Impacts

The bill impacts resulting from the proposals within this application are summarized in the table below. The bill impacts are to be based on the commodity rates based on time-of-use and regulatory charges held constant. Exhibit 8 – Rate Design outlines the calculations used to determine these rate impacts.

Table 1-14 – Monthly Bill Impacts

RATE CLASSES / CATEGORIES	Units	kWh	kW	Total Bill	
				$	%
Residential - RPP	kWh	750		$ 4.75	3.7%
GS < 50 kW - RPP	kWh	2,000		$ 0.73	0.2%
GS > 50 kW - RPP	kW	17,696	60	$ 69.98	2.9%
Sentinel Lights - RPP	kW	244	1	$ 21.73	37.5%
Street Lights - RPP	kW	11,509	32	$ 283.24	9.4%
Unmetered Scattered Load - RPP	kWh	319		$ 2.62	5.1%
Residential - Non-RPP (Retailer)	kWh	750		$ 4.43	3.4%
GS < 50 kW - Non-RPP (Retailer)	kWh	2,000		$ (0.32)	-0.1%
GS > 50 kW - Non-RPP (Other)	kW	123,934	282	$ 156.99	0.9%
Street Lights - Non-RPP (Other)	kW	59,610	166	$ 1,745.31	9.6%

The total bill impact also includes the rate riders to dispose of the significant balances owed to ratepayers that have accumulated in certain variance accounts. OHL notes that the utility, its shareholders, and all of OHL's customers will be affected by the outcome of this Application. Although the total bill impacts for Sentinel Lighting are above 10%, this customer class is now more equitably paying for their fair share of the overall costs, and cross subsidization across classes is being reduced. Based on this, OHL is not proposing any rate plans or rate mitigation strategies for the Sentinel Lighting class.

The table below provides the bill impacts OHL proposes to be used in the Notice of Application.

Table 1-15 – Bill Impacts – Notice of Application

RATE CLASS	kWh Usage	Bill Impact ($)
Residential	750	$ 4.06
GS < 50 kW	2000	$ (0.35)

1.2.3 EFFICIENCIES

Below is a summary which demonstrates that OHL continues to pursue operational effectiveness. While OHL believes it has built a strong and reliable system, it continues to look for efficient and resourceful ways to provide excellent service.

Some efficiency improvements may lead to direct cost savings, other efficiency improvements may lead to a more effective utilization of resources, allowing OHL to do more with less. The following are examples of OHL's commitment to, and pursuit of efficiency improvements.

1. OHL is continuing to convert more of its system from 4 kV to 27.6 kV for better durability and reliability.
2. OHL has completed a Distribution System Plan and creation of an Asset Condition Assessment. Capital decisions are currently being made with these documents, the results of the asset inspections, and from the review of outage records.
3. OHL's 2014 OM&A included a full-time staff level of 21. This application includes a full-time staff level of 20. OHL has been able to do more (increased workload) with less staff by improving internal processes and working with third party providers while still maintaining the level of service customers expect.
4. OHL is continuing use of OHL's Outage Monitoring System ("OMS"). The OMS system integrates Operational Data Storage and asset records and utilizes the functionality of smart meters to provide fast notification of outages.
5. OHL's loss factor has reduced from 1.0481 to 1.0479. This is below the OEB's recommended threshold of 5% as set out in the OEB's document "Ontario Energy Distributor Practices Relating to Management of System Losses". Annual savings from lower losses flow directly to OHL's customers through lower cost of power.
6. Ongoing proactive maintenance programs assist assets in reaching their life expectancy and in some cases, can extend asset life.
7. OHL is a member of Cornerstone Hydro Electric Concepts ("CHEC"), Utilities Standards Forum ("USF"), and the Electricity Distributors Association ("EDA"). OHL continues to realize savings from membership in these organizations in the form of:
   a. Staff training.
   b. Shared policies, processes and product discovery.
   c. Ready access to the expertise of other utilities for consultation and problem solving.

1.3 ADMINISTRATIVE

1.3.1 CONTACT INFORMATION

Application contact information is as follows:

The Applicant:	Orangeville Hydro Limited
	400 C Line

	Orangeville, ON L9W 3Z8	
Applicant Primary Contact:	Rob Koekkoek, P. Eng	
	President	
	Office:	519-942-8000 ext 224
	Cell:	519-940-1598
	Email:	rob.koekkoek@orangevillehydro.on.ca
Applicant Secondary Contact:	Amy Long, CPA, CGA	
	Chief Financial Officer	
	Office:	519-942-8000 ext 235
	Cell:	519-217-6030
	Email:	amy.long@orangevillehydro.on.ca

1.3.2 LEGAL REPRESENTATION

Applicant's Counsel:	John Vellone
	Partner
	Borden Ladner Gervais LLP
	Bay Adelaide Centre, East Tower
	22 Adelaide St. W
	Toronto, ON
	M5H 4E3
	416-367-6730
	JVellone@blg.com

1.3.3 CONFIRMATION OF INTERNET ADDRESS

OHL's website address is: www.orangevillehydro.on.ca

OHL also communicates with customers through the following:

- Twitter Orangeville Hydro (@OvilleHydro) / Twitter
- Facebook Orangeville Hydro | Orangeville ON | Facebook
- Telephone
- Bill Inserts
- Media – newspaper and radio
- Customer Portal: Customer Connect
- Local events
- Customer walk-ins
- Customer outreach for billing updates
- Email: info@orangevillehydro.on.ca

1.3.4 STATEMENT OF PUBLICATION

OHL's customers within the Town of Orangeville and the Town of Grand Valley will be materially affected by this application.

This application and all documents related to this application will be made available on OHL's website at www.orangevillehydro.on.ca. The application will also be available on the OEB's website at www.oeb.ca under Board File Number EB-2023-0045.

1.3.5 FORM OF HEARING REQUESTED

This Application is supported by written evidence, which may be amended from time to time, prior to the Board's final decision of the Application.

OHL requests pursuant to Section 34.01 of the Board's Rules of Practice and Procedure, this proceeding be conducted by way of written hearing in an effort to minimize costs but understands that if certain issues remain unsettled, the utility may be required to participate in an oral hearing.

1.3.6 REQUESTED EFFECTIVE DATE

OHL requests that:

1. The OEB make its Rate Order effective May 1, 2024 in accordance with the Filing Requirements.

2. In the event that the OEB is unable to provide a Decision and Order in this application implementation by the application date of May 1, 2024, the Applicant requests that the OEB declare OHL's current rates interim, effective May 1, 2024, pending the implementation of the OEB rate order for the 2024 rate year.

1.3.7 CHANGES IN METHODOLOGIES

OHL has included the following methodology changes in this Application:

- Subsequent to OHL's previous CoS application EB-2013-0160 for the 2014 year, OHL converted its financial reporting framework from Canadian GAAP ("CGAAP") to International Financial Reporting Standards ("MIFRS") with a transition date of January 1, 2014. As detailed in Appendix 2-Y, there are no material differences in the 2024 revenue requirement between CGAAP and MIFRS.
- In 2018, OHL converted from billing residential and GS<50 kW on a cycle basis to a calendar month cycle. OHL now bills all of its customers on a calendar month cycle.
- The OEB released the Accounting Procedures Handbook (APH) in 2012. At OHL in 2018, an in-depth study of the APH prompted a presentation to educate Operations staff. This led to a better understanding by all OHL staff that Operations is mainly planned work and Maintenance is mainly reactive work. In its letter Activity and Program Based Benchmarking (APB) Initiative (EB-2018-0278), the OEB launched an initiative to develop Activity and Program-based Benchmarking (APB) to encourage continuous improvement by its regulated utilities. In 2019, OHL joined a Utility Standards Forum (USF) working group and reviewed its accounts at the time to determine what improvements could be made to its tracking of costs for it to meet the guidance of the APH and stay consistent with other LDCs. Changes were made effective January 1, 2021 ("2018 OHL APH study").

The projections for the 2024 Test Year were prepared in accordance with OHL's budget process and all processes are in compliance with policies, directives, rules, and guidelines from the Ontario Energy Board and other regulators. Regulatory costs have been normalized over the five-year application period.

1.3.8 DIRECTIVE FROM PREVIOUS DECISIONS OR ORDERS

Below is a summary of previous OEB directives and a description of how such directives have been addressed by OHL in this application.

Directive #1:

In the Settlement Proposal for EB-2013-0160, the following directive relates to customer engagement:

"To the extent that further enhancements of Orangeville Hydro's customer engagement activities are required in the Test Year to support the Board's RRFE requirements, the applicant has expressed in 1.2 Staff-3 its willingness to do so, and this Settlement Proposal provides the applicant with sufficient resources to do so."

"The applicant describes its ongoing customer engagement activities in the evidence. Because of the nature of the Orangeville Hydro service territory, those customer engagement activities have had as their primary focus (in addition to formal surveys and similar activities) continuous, active, and responsive participation by Orangeville Hydro in the community, so that it always has an opportunity to listen to its customers, and its customers are regularly encouraged to communicate with the utility. The Parties agree that, in the context of the Orangeville Hydro service territory, and in light of the applicant's planned capital and operating initiatives in the test year, which do not include any major expansions or modifications relative to past capital and operating activities, Orangeville Hydro's customer engagement activities are appropriate, and are commensurate with the approvals requested in the application, as modified by this Settlement Proposal. The Parties acknowledge and accept Orangeville Hydro's evidence that it intends to continue to explore new methods of engaging its customers, both through its own activities and through its involvement in industry groups such as the CHEC group."

Response:

As discussed in Section 1.5 Customer Engagement, OHL has made significant improvement in its approach to engaging customers. Through review of the Customer Survey comments, it was clear that customers were looking for a larger variety of methods to contact OHL, as well to receive information. As noted below, OHL now provides a wider variety of online platforms to connect with OHL, including Facebook, Twitter, Customer Connect, and email. OHL also utilizes

Teleworks to send automated calls to customers when large-scale information dissemination is required. OHL also provides multiple payment methods through Paymentus, online banking, credit card over the phone, payment through the night deposit, or in person.

Directive #2:

The following excerpts from the Settlement Proposal for EB-2013-0160 references efforts to realize ongoing improvement in operational efficiency:

"This Settlement Proposal results in a reduction of proposed OM&A expenses in the test year by $240,000. In addition, Orangeville Hydro engages in the following types of operational effectiveness initiatives:

- Orangeville Hydro will continue to investigate areas that are within its control to reduce or curtail costs and better utilize existing resources.
- Orangeville Hydro intends to continue its involvement in the Cornerstone Hydro Electric Concepts ("CHEC") group, with a view to achieving continuous improvement in cost performance.
- Orangeville Hydro intends to continue to investigate potential mergers, amalgamations, acquisitions and divestitures to gain further efficiencies."

"The Parties also acknowledge and accept Orangeville Hydro's evidence that its intended ongoing involvement in the Cornerstone Hydro Electric Concepts ("CHEC") group will assist Orangeville Hydro in maintaining its commitment to continuous improvement in cost performance. The Parties also accept Orangeville Hydro's evidence that, notwithstanding that this is a transition year for the RRFE, a focus on improving cost performance has been a goal of Orangeville Hydro for many years."

"By way of example, Orangeville Hydro's intended ongoing involvement in the Cornerstone Hydro Electric Concepts ("CHEC") group, and its willingness to continue to investigate potential mergers, amalgamations, acquisitions and divestitures to gain further efficiencies, are indicative of its commitment to pursue operational effectiveness. Orangeville Hydro agrees that it will use reasonable efforts to address the savings resulting from these and other operational effectiveness initiatives, and the sustainability of savings from those initiatives, in its next cost of service application. Orangeville Hydro also will continue to participate in the Board's performance measurement and benchmarking initiatives as required."

Response:

As shown in Section 1.6.2 of this Exhibit, OHL's inputs to the PEG Model remain relatively stable year-over-year however, the trending in cost performance provides useful insight into whether OHL's cost efficiency is improving over time. The trend indicates that OHL is becoming more efficient over the ten-year period covered by its past and current DSPs.
OHL has improved its efficiency performance, moving from Cohort 3 in 2014, to Cohort 2 in 2017, and then to Cohort 1 in 2021. OHL has remained in Cohort 1 since 2021.

As shown in Section 1.6.3 of this Exhibit, in 8 of 10 Activity and Program Benchmarking ("APB") categories, OHL is below the industry average. OHL will continue to investigate how to improve in all APB areas, and specifically the categories where it is trending higher than the industry average.

1.3.9 CONDITIONS OF SERVICE

OHL's Conditions of Service document dated August 2014, and revised September 2021, was re-filed with the OEB on February 4, 2022. The purpose of the Conditions of Service document is to provide a means for communicating the types and level of service available to OHL's customers. The DSC requires that the Conditions of Service be readily available for review by the general public, and it is posted on OHL's website:

https://orangevillehydro.on.ca/our-company/conditions-of-service/

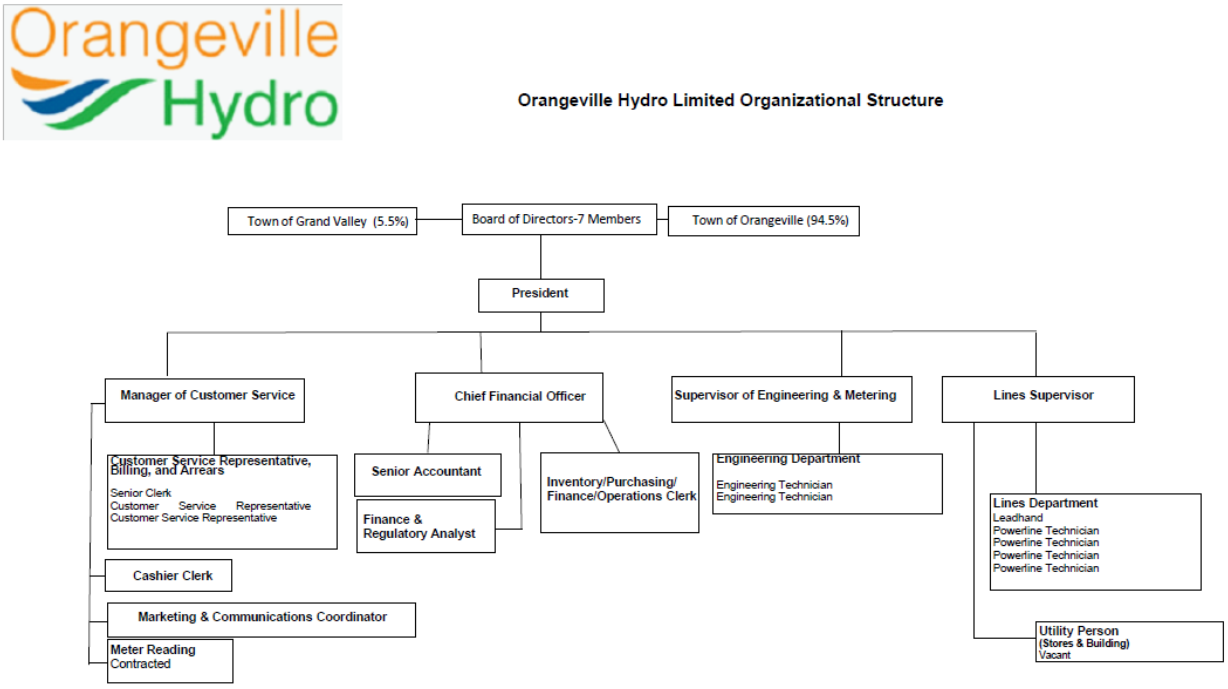
Rates and charges which are the subject of this Rate Application are not contained within the Conditions of Service.

OHL has undertaken amendments and updates to its Conditions of Service in accordance with Section 1.2 – Related Codes and Governing Laws to reflect the industry changes and associated amendments to the DSC, the Standard Service Supply ("SSS") and the Transmission System Code ("TSC"), Electrical Safety Authority ("ESA") safety bulletins, and all decisions as issued by the Board that need to be part of the Conditions of Service. The Conditions of Service identify Orangeville Hydro's current operating practices and replaces any previous document filed with the OEB. There are no expected changes required as a result of this CoS application. All customers have been notified of the changes in accordance with the requirements of the DSC.

1.3.10 CORPORATE AND UTILITY ORGANIZATION STRUCTURE

OHL is owned by the Town of Orangeville (94.5%) and the Town of Grand Valley (5.5%). OHL does not have a HoldCo or Affiliate company. The Board of Directors is comprised of seven members. Three directors are municipally appointed, along with four independent members. The following figure illustrates the corporate organizational structure of OHL.

Table 1-16 – Organizational Chart



There are no planned changes in corporate or operational structure, including no planned changes in legal organization and/or control.

1.3.11 APPROVALS REQUESTED

In this proceeding, OHL is requesting the following approvals:

1. Approval to charge distribution rates effective May 1, 2024 to recover a service revenue requirement of $7,321,205 which includes a revenue deficiency of $829,921 as detailed in the Revenue Requirement Workform. The schedule of proposed distribution rates is set out in Exhibit 8.

2. Approval of the Distribution System Plan as outlined in Exhibit 2.

3. Approval of revised Low Voltage Rates as proposed and described in Exhibit 8.

4. Approval to adjust the Retail Transmission Rates–Network and Connection as detailed in Exhibit 8.

5. Approval to continue to charge Wholesale Market (including CBR) and Rural Rate Protection charges approved in the Board Decision and Order in the matter of OHL's 2023 distribution rates (EB-2022-0056).

6. Approval to continue Standard Supply Charge, the Smart Meter Entity Charge and retail service charges as previously approved by the OEB in EB-2022-0056.

7. Approval to continue the specific Service Charges (with the exception of the MicroFIT Monthly Service charge) and Transformer Allowance as previously approved by the OEB and as detailed in Exhibit 8.

8. Approval of an updated Microfit monthly service charge as detailed in Exhibit 6.

9. Approval of the proposed Loss Factor as detailed in Exhibit 8.

10. Approval of Deferral and Variance Account disposition amounts as presented in the 2024 DVA Continuity Schedule and Exhibit 9 in the form of rate riders over one year.

11. Approval of a new 1595 Sub-account - Rate Rider for Disposition of Deferral/Variance Accounts (2022) – as detailed in Exhibit 9.

12. The Applicant requests that the OEB makes its rate order effective May 1, 2024 in accordance with the Filing Requirements.

13. In the event that the OEB is unable to provide a Decision and Order for implementation by the application as of May 1, 2024, the Applicant requests that the OEB declare its current rates interim, effective May 1, 2024, pending the implementation of the OEB Rate Order for the 2024 rate year.

1.3.12 MATERIALITY

As per the OEB Filing Requirements, for a distributor with less than 30,000 customers and a distribution revenue requirement less than or equal to $10 million, the materiality threshold is $10,000. As OHL falls within these parameters, the materiality threshold within this application is $10,000.

1.4 DISTRIBUTION SYSTEM OVERVIEW

OHL is a local distribution company serving over 12,900 customers in the Town of Orangeville and the Town of Grand Valley. OHL is an electricity distributor licensed by the OEB. In accordance with its Distribution License ED-2002-0500, OHL provides electricity distribution services in the Town of Orangeville and the Town of Grand Valley.

OHL receives power from Hydro One Networks Inc. (“HONI”) and delivers electricity to its customers.

OHL is responsible for maintaining distribution and infrastructure assets deployed over 17 square kilometers (including over 222 kilometers of overhead and underground lines) within the Orangeville and Grand Valley service areas.

OHL’s service area has a population of approximately 35,000 and is expected to grow to 42,540 by 2036 according to forecasts contained within the Dufferin County Official Plan (2017). This growth is constrained beyond these numbers due to the limited residential land development in

the Town of Orangeville and the limited municipal water service and municipal sewage service in both the Town of Orangeville and the Town of Grand Valley.

The Town of Orangeville is the urban hub of Dufferin County, and its economic base is diversified across several sectors. The population of approximately 31,000 people sustains strong commercial retail stores that includes nationwide commercial retail stores and small locally owned retail stores. Orangeville also serves manufacturers in sectors such as plastics, food products, woodworking, aerospace, and automotive.

The Town of Grand Valley is a fast-growing area within Dufferin County. OHL services the urban settlement area and Hydro One services the surrounding rural farmlands. The urban settlement area of the Town of Grand Valley has a population of approximately 4,000 and is growing through both intensification and greenfield developments. The Town of Grand Valley is an urban hub with businesses for shopping, dining, and services.

Below is a table of OHL's customer only count as of December 31, 2022.

Table 1-17 – Number of Customers at December 31, 2022

Residential	11,560
GS < 50kW	1,161
GS > 50kW	125
Sentinel Lights	34
Streetlights	3
UMS	31
Microfit/Fit/Net Metering	42
TOTAL	**12,956**

Figure 1: Service Area map of Orangeville and Grand Valley

1

2

1.5 CUSTOMER ENGAGEMENT

Since OHL's last CoS Application in 2014, OHL has implemented various Customer Engagement initiatives and changed the communication strategy from a reactive approach to a proactive approach. While customer service and customer satisfaction have always been at the forefront of OHL's goals and objectives, customer feedback has adapted the way OHL informs, educates, engages, and connects with customers and the community. OHL offers a variety of communication channels to ensure customers are served promptly and efficiently. Below is a list of the ways OHL engages daily with their customers, also seen in 2-AC-Customer Engagement Spreadsheet.

- Telephone calls, email, personalized letters, and notices, in-person interactions at the office
- Community events
- Bill inserts, Welcome Pamphlet for First Bills
- Bill Messaging
    - E-bill
    - Paper
- Website
- Online Customer Portal
    - Customer Connect
- Social Media
    - Twitter
    - Facebook
- Radio Advertisements
- Corporate Donations
- Surveys
    - Customer Interest Survey (most recently completed 2023)
    - Customer Satisfaction Survey (most recently completed 2022)
    - Distribution System Plan Survey (Most recently complete 2021)
    - Public Safety Awareness Survey (most recently completed 2021)

The table below highlights the ongoing customer engagement, as well as customer engagement specific to this application.

Table 1-18 - OEB Appendix 2-AC – Customer Engagement

Ongoing Customer Engagement Activities 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.
Customer Connect	OHL provides a self-service tool, accessible through the website where customers can access bill copies, track their consumption, and review bill and payment history.	Customers can access information regarding their account 24/7.
Bill Inserts	Deliver information to customer through paper bills and ebills regarding energy literacy, electricity price plans, surveys, financial programs, and various other topics.	Customers stay informed without having to contact the office, visit social channels, or the website.
In-Office Customer Engagement - Open 5 days a week	The ability to explain the bills, complete move requests, make payment arrangements, provide account balances, billing inquiries, services such as e-Billing, electricity rates, conservation programs, and bill components.	Consumer concerns and issues are dealt with immediately by knowledgeable Customer Service Representatives (CSR) and in-person. For any concerns that cannot be resolved, the Customer Service Representative (CSR) will involve the Senior Billing Clerk, Lead-Hand, or Operations and Metering manager. Customers who prefer face to face interaction rather than phone or online receive this option.
Social Media	During a power outage, customers want updated information about restoration times. OHL first introduced Twitter and then Facebook. This provides real-time updates of outages, promotion of electrical safety, energy conservation and events that the LDC will be attending.	The LDC has received positive customers feedback regarding notification of power outages and restoration times via social media.
April 4-6, 2015 Orangeville Lions Club Spring and Garden Show	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence.	1. General awareness regarding the organization programs and assistance are explained and offered 2. Customers gain a better understanding of OHL role in the community
September 26, 2015 10am-2pm EEE day	1. Information about Orangeville Hydro services and programs 2. Host community partners 3. Community presence - an opportunity for customers to see our facility, meet our staff, understand who we are and our role in the community. 4. Provide Bucket Truck rides for customers	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
April 1-3, 2016 Orangeville Lions Club Spring and Garden Show	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence.	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
May 7, 2016 7:30am -1:30pm Opening Day of Orangeville BIA Farmers Market 90 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 23, 2016 10am-2pm Founders Day at Orangeville BIA Farmers Market 85 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 27, 2016 4-8pm EEE day 44 Bucket Truck Rides	1. Information about Orangeville Hydro services and programs 2. Host community partners. 3. Community presence - an opportunity for customers to see our facility, meet our staff, understand who we are and our role in the community. 4. Provide Bucket Truck rides for customers	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
May 13, 2017 7:30am-11:00 Opening Day of Orangeville BIA Farmers Market 51 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
May 27, 2017 10:30am-2:30pm Grand Valley Duck Race 35 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 26, 2017 4:30-6:30pm EEE Day at OHL offices 16 Bucket Truck Rides	1. Information about Orangeville Hydro services and programs 2. Host community partners. 3. Community presence - an opportunity for customers to see our facility, meet our staff, understand who we are and our role in the community. 4. Provide Bucket Truck rides for customers	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
May 15, 2018 GDHBA Dinner Presentation at Millcreek Pub by Rob Koekkoek Attendees: 17-19	A meeting with the Greater Dufferin Home Builders Association regarding an overview of the electricity sector in Ontario, OHL's performance relative to other LDCs, recent outages, and overview of planning for future growth	1.Target specific customers who do not typically attend community events in an effort to educate and connect with them. 2.Explain specific industry news that directly applies to them 3. Help customers to gain a better understanding of the OHL's role in their industry
May 26, 2018 12:00pm-3:00pm Grand Valley Duck Race 57 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community

May 26, 2018 12:00pm-3:00pm Grand Valley Duck Race 57 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 7,2018 8am-1pm Orangeville Farmers Market 48 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 26, 2018 Orangeville EEE Day 25 Bucket Truck Rides	1. Information about Orangeville Hydro services and programs 2. Host community partners. 3. Community presence - an opportunity for customers to see our facility, meet our staff, understand who we are and our role in the community. 4. Provide Bucket Truck rides for customers	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 25, 2019 Orangeville EEE Day 42 Bucket Truck Rides	1. Information about Orangeville Hydro services and programs 2. Host community partners. 3. Community presence - an opportunity for customers to see our facility, meet our staff, understand who we are and our role in the community. 4. Provide Bucket Truck rides for customers	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
April 2021 - June 2021 Distribution System Plan Customer Engagement Survey 6 commercial and 386 residential accounts completed the survey, totaling 395 responses.	1. A website that offered articles, videos, FAQ's, and a survey relating to the DSP 2. Allowing customer to leave open ended comments 3. Seeking customers opinions when it comes to priorities and preferences relating to outages, reliability, grid modernization, system renewal and investment priorities 4. Educating customers about the Distribution System.	1. Creating a DSP Plan that aligns with customers needs 2. Previous years customers called for online surveys versus telephone, we seek to provide the option to complete surveys online, on the phone, or paper if they desire. 3. Management assesses each individual comment to ensure customers concerns and comments are thoroughly taken into consideration.
May 7, 2022 8am-1pm Orangeville Farmers Market 84 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
May 28, 2022 Grand Valley Lions 25th Annual Duck Race 143 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
June 25, 2022 9am-1pm Climate Action Dufferin hosted a community bike ride event. Orangeville Hydro created a 5-10 minute activity for participants. 15 customers were engaged.	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries if needed 3. Educated customers on utility sector and how it is addresses climate needs 4. Maintain a strong community presence.	1. Educate Customers on the stance of the utility industry and electrification 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
Sunday, July 17th 2022 KidsFest at the 13th Annual Orangeville Rotary Ribfest 95 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
May 7, 2023 Orangeville Farmers Market 73 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 13th, 2023 5pm-7pm Orangeville EEE Day 34 Bucket Truck Rides	1. Information about Orangeville Hydro services and programs 2. Host community partners, such as "Climate Action in Dufferin", "IESO-Save on Energy", "Hazard Hamlet" (Education on electrical safety for children). 3. Community presence - an opportunity for customers to see our facility, meet our staff, understand who we are and our role in the community. 4. Provide Bucket Truck rides for customers	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
July 16th KidsFest at the 14th Annual Orangeville Rotary Ribfest 90 Bucket Truck Rides	1. Providing customers with an opportunity to meet utility representatives in person 2. Answer customer inquiries 3. Promote utility initiatives, such as signing up for ebilling, pre-authorized payments, update on conservation programs or educating customers on financial programs if needed 4. Maintain a strong community presence. 5. Provide free bucket truck rides	1. General awareness regarding the organization, financial programs and assistance are explained and offered 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL role in the community
August 28th, 2023 Large Commercial Customers Breakfast 10 Attendees	A meeting with the largest GS>50 Commercial Customers regarding an overview of the electricity sector in Ontario, OHL's performance, recent outages, discussion around the DSP, Rate Applications and COS, and a presentation from the IESO regarding Save on Energy programs.	1. Target specific customers who do not typically attend community events in an effort to educate and connect with them. 2. Explain specific industry news that directly applies to them. 3. Help customers to gain a better understanding of the OHL's role in their industry.

1

Application Specific Customer Engagement Activities 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.
April 2021-June 2021 Distribution System Plan Customer Engagement Survey 6 commercial and 386 residential accounts completed the survey, totaling 395 responses.	1. A website that sought to educate customers by offering articles, videos, FAQ's, and a survey realting to the DSP 2. Allowing customer to leave open ended comments 3. Seeking customers opinions when it comes to priorities and preferences relating to outages, reliability, grid modernization, sysetm renewal and investment priorities 4. Educating customers about the Distribution System. 5.Participants completed 12 questions relating to demographics, power outages and reliability, grid modernization, system renewal, and investments priorities and trade offs relating to the DSP.	1. Creating a DSP Plan that aligns with customers needs 2. Previous years customers called for online surveys versus telephone, we seek to provide the option to complete surveys online, on the phone, or paper if they desire. 3. Management assessed each individual comment to ensure customers concerns and comments are throughly taken into consideration.
July 13th, 2023 EEE Day (Educate, Engage, Energize)	1. An information booth about the Cost of Service was created to educate customers on the Cost of Service 2. The booth was equiped with Ipads so that customers could complete the survey at their convenience.	1. Educate customers on everything regading the COS - customers can ask questions and be provided with visuals, data, and information 2. Any concerns, questions, or complaints can be dealt with immediately 3. Customers gain a better understanding of OHL and the purpose of the COS
Cost of Service Survey July 2023- On Going	1. Educating customers regarding potential bill impacts 2. Allowing customer to leave open ended comments 3. Utilizing social media,website, and bill messages (paper and e-bill) to inform customers about the survey	On-Going
Monday, August 28th Large Commercial Customers Breakfast	A meeting with the largest GS>50 Commercial Customers regarding an overview of the electricity sector in Ontario, OHL's performance, recent outages, discussion around the DSP, Rate Applications and COS, and a presentation from the IESO regarding Save on Energy programs.	1.Target specific customers who do not typically attend community events in an effort to educate and connect with them. 2. Explain specific industry news that directly applies to them 3. Help customers to gain a better understanding of the OHL's role in their industry
Bill Messaging	Deliver information to customer through paper bills and ebills regarding the COS and COS survey and the link to access it.	Customers stay informed without having to contact the office, visit social channels, or the website. Ensure that the information is delivered to each customer to ensure they are educated on the COS application and survey.

1.5.1 ONGOING CUSTOMER ENGAGEMENT

Social Media

In 2016 OHL created a Twitter account with the goal of informing customers of outages in their area. As customers became more reliant upon social platforms for their news, updates, and information, there was an increase in demand to post and engage more frequently, and through different social platforms. In 2021 OHL created a Facebook account to reach a wider audience and continue to adapt and adhere to customer's needs. Since then, OHL regularly posts updates about the industry, energy saving tips, outages, and events within the community. Since shifting the communication style from reactive to proactive, and engaging with customers online, OHL has seen an increase in followers and positive customer sentiment.

Engaging with the Customer

OHL continues to offer a variety of customer services both in person, over the phone, and online; including email and OHL's website. During the Covid-19 Pandemic, OHL closed the office to reduce the spread of the virus. At the time, some customers expressed difficulty experienced when navigating online. To overcome this barrier and adhere to customer requests, OHL waived the service fees for its online payment platform to allow for availability of more methods of payment, improved the website, and implemented a live Twitter feed on the website to ensure customers who do not have social media are also informed. These modifications were well received by customers in all rate classes and customers continue to pay via the online portal despite having the office open to the public since early 2022.

Community Events

OHL has reached beyond the electricity industry and partnered with both the Town of Orangeville and Town of Grand Valley to create a multi-utility approach to provide hydro and water on one bill. In doing so, OHL has become a recognized community staple and participates in community events to ensure customers are well informed of the role OHL plays in the utility industry and the community. OHL participates in three major community events each year and offers free bucket truck rides for customers, branded merchandise, information regarding electricity price plans, and the opportunity for customers to ask questions and to speak freely about the organization. In addition to community events, OHL hosts its own annual customer appreciation event known as EEE Day (Educate, Engage, Energize). The event brings together other community partners such as Town of Orangeville and Grand Valley representatives, Save On Energy (IESO), and community services. The purpose of the events is to educate customers regarding the utility industry and build a strong brand identity through community presence. The event presents OHL with the opportunity to inform customers about recent news, regulations, or changes to the utility industry, as well as meeting customer engagement goals set forth each year. The events are very well received by the public with many customers returning year after year.

Surveys

OHL enlisted third-party companies such as Redhead Media to contact customers and gather the data from both the Customer Satisfaction Survey and the Electrical Safety Authority Survey. Every year OHL reaches their target of receiving 400 completed surveys and uses them to gauge customers' understanding of the industry, and how to better educate and inform customers in the future. OHL allots an open-ended question in the Customer Satisfaction Survey for customers to leave a comment regarding the organization. After the completion of the Customer Satisfaction Survey, OHL's management team meets to read and evaluate the individual comments made to better assess customers' needs, priorities, and preferences. This valuable information gathered has helped to shape new initiatives at OHL, such as implementing a new customer portal in 2024, absolving the service fees from Paymentus, updating the website, and re-opening the office to in-person interaction.

The table below shows some current impressions for the different methods of customer engagement, as well as the number of survey responses.

Table 1-19 – Customer Engagement Statistics

Media type	At August 31, 2023
Facebook	956 followers
Twitter	2,447 followers
Website	2,500 average per month
Customer Connect users	5,697 users

Table 1-20 – Number of Survey Responses

Survey Type	Number of responses
CoS Customer Information	140
Customer Satisfaction	400
Distribution System Plan	395
Public Safety Awareness	400

1.5.2 APPLICATION-SPECIFIC CUSTOMER ENGAGEMENT

To prepare for the CoS application OHL created an information and education campaign to ensure customers were well informed and able to provide opinions on the CoS application. This campaign involved a website dedicated to education on the Distribution System Plan ("DSP") and a DSP Survey, an open house at OHL's EEE Event, and a CoS Survey.

Orangeville Hydro was required to complete a Distribution System Plan outside of a CoS application. To complete this effectively, it was important that customer priorities were determined to inform and direct the DSP process.

The first goal was to educate customers about the Distribution System Plan. OHL utilized Bang the Table Engagement HQ software as the platform for the DSP customer engagement. The platform, known as Engage Orangeville Hydro, featured a variety of interactive tools including a news feed, articles, visuals, forums, and a survey. The primary objective for Engage Orangeville Hydro was to teach customers about the Distribution System and how their opinions and preferences could shape the way OHL allocates funds to the Distribution System and impacts on rates in the future.

The DSP Customer Engagement Survey took place between April 2021 to June 2021, in which 6 commercial and 389 residential accounts completed the survey, totaling 395 responses. Participants completed 12 questions relating to demographics, power outages and reliability, grid

modernization, system renewal, and investments priorities and tradeoffs relating to the DSP. The information collected was then used to determine the next steps in OHL's Distribution System Plan and subsequent CoS application. For more details regarding the DSP Survey see Appendix 1-C and for details on the findings please see the application documents for EB-2021-0049.

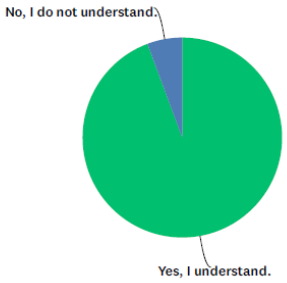
Utilizing the feedback provided during the DSP Customer Engagement survey, OHL created the Customer Interest Survey that includes six of the biggest cost drivers which will ultimately impact the delivery portion of customers' bills. The CoS survey is one of the last steps in the information and education campaign regarding the CoS application. The purpose of implementing the survey is to be able to reach a wide variety of customers and inform them regarding the decisions being made in the CoS application. This survey is included in Appendix 1-B of this exhibit.

At OHL's annual EEE Event, a space was created for the sole purpose of consulting with customers regarding this CoS application. The booth featured basic information such as 'What is a CoS', 'How will the CoS impact my bill', and visuals and graphics highlighting OHL's current statistics in relation to other LDC's. The booth was equipped with the CoS survey on iPads to give customers the opportunity to complete the survey in person. At the event OHL received 24 completed surveys. Most customers were pleased to complete the survey but did not ask any follow-up questions.

The survey features six questions relating to the specific cost drivers and highlights the approximate percentage of bill impact each cost driver will have. The CoS Survey began July 2023 and will continue into 2024. This is to ensure customers are well informed of the CoS application, why it is necessary, how it will impact their bill, and by how much.

As of September 1st, 2023, OHL received 140 responses. Below is a summary of the questions posed to customers and the responses.

Question 1 highlighted that OHL current staffing levels are significantly below the industry average, and with the continued growth in Orangeville and Grand Valley, OHL will need to increase staff levels to ensure service requirements are met and OHL continues to meet customer's needs. Ultimately, this would impact the delivery portion of the bill by 1.3%. Customers were asked if they understood that hiring new staff would increase the delivery portion of their bill. Of the respondents, 94% of customers stated they understood this fact.

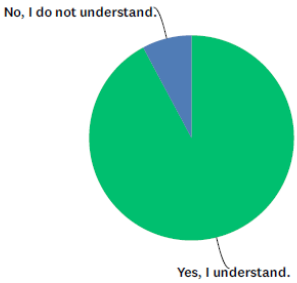


ANSWER CHOICES	RESPONSES	
Yes, I understand.	94.33%	133
No, I do not understand.	5.67%	8
TOTAL		141

Question 2 discussed the outdated GIS mapping system(s) that are heavily relied upon by OHL staff and local municipalities. To continue to meet reporting requirements and eliminate redundant systems, OHL would need to increase the delivery portion of the bills by 0.6%. Customers were asked if they understood that improving the GIS capabilities would increase the delivery portion of their bill. 98% of customers stated they understood.

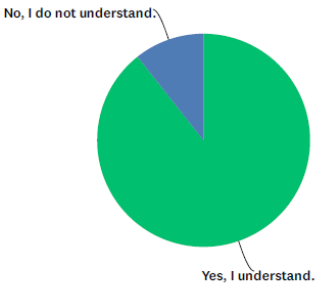
ANSWER CHOICES	RESPONSES	
Yes, I understand.	97.87%	138
No, I do not understand.	2.13%	3
TOTAL		141

Question 3 explained the locate services offered by Ontario One Call and highlighted that to continue to meet locating timeline requirements and keep costs low with the use of a third-party company, OHL would need to increase the delivery portion of the bill by 0.7%. Customers were asked if they understood that improving the services of the third-party locate company would increase the delivery portion of their bill. Of the respondents, 92% stated they understood.



ANSWER CHOICES	RESPONSES	
Yes, I understand.	92.20%	130
No, I do not understand.	7.80%	11
TOTAL		141

Question 4 highlighted that in the previous Customer Satisfaction Survey (2023), and the Distribution System Plan Survey (2021), customers indicated the desire for a new and updated customer portal. OHL seeks to implement a new Customer portal in early 2024, that will impact the delivery portion of the bill by 0.7%. Customers were asked if they understood that an improvement to the customer portal would increase the delivery portion of their bill. 89% of customers stated they understood and 11% stated they did not understand. It can be noted that only 44% of our customers have a customer portal and the remaining 56% might not be aware that OHL offers a customer portal. Additionally, customers may be confused by the term customer portal as it is typically known as 'customer connect', therefore it could be noted that lack of education and incorrect terminology may have caused confusion amongst the survey participants.

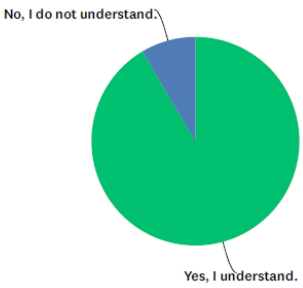


ANSWER CHOICES	RESPONSES	
Yes, I understand.	89.36%	126
No, I do not understand.	10.64%	15
TOTAL		141

Question 5 explained that as a result of the COVID-19 pandemic, OHL absorbed the fees associated with the payment portal, known as Paymentus, to ensure customers could pay their

bills on time and using their preferred method of payment (i.e. credit card and debit visa). Due to the positive response and continuous uptake from customers, OHL will continue to offer this service, and as a result it will impact the delivery portion of the bill by .5%. Customers were asked if they understood that by having the ability to make a payment with their credit card using multiple methods, this will increase the delivery portion of their bill. Of the respondents, 91% of customers stated they understood.

Concerning the responses to Question 4 and 5, it is possible that having both questions back-to-back and discussing 'portals' could be slightly confusing to customers, especially if they are not familiar with either service. While it is notable that a very large percentage of customer do understand the statement, it is worth mentioning that the education surrounding the portals, the terminology used, and the placement of the questions may have created some slight confusion for the customers.



ANSWER CHOICES	RESPONSES	
Yes, I understand.	91.49%	129
No, I do not understand.	8.51%	12
TOTAL		141

Questions 6 highlighted the findings in the Distribution System Plan Survey (2021), in which customers believed the number of outages they were experiencing aligned with the number of outages they believe is appropriate. To ensure customers are receiving the same level of service, OHL will need to proceed with replacements and upgrades to the capital infrastructure to ensure customers' needs and expectations are met. 96% of customers said they understood that OHL will need to complete replacements and upgrades to their services to ensure adequate reliability metrics are continued.

ANSWER CHOICES	RESPONSES	
Yes, I understand.	96.45%	136
No, I do not understand.	3.55%	5
TOTAL		141

The survey also offered an open-ended comment box in which customers could leave a comment and speak freely about the survey, or the CoS in general. These comments were reviewed by management and discussed internally and with the customer when possible.

1.6 PERFORMANCE MEASUREMENT

1.6.1 SCORECARD PERFORMANCE MEASUREMENT

On March 15, 2014, the Board issued its report on Performance Measurement for Electricity Distributors: A Scorecard Approach. The report sets out the Board's policies on the measures that will be used by the Board to assess a distributor's effectiveness and improvement in achieving customer focus, operational effectiveness, public policy responsiveness, and financial performance to the benefit of existing and future customers. Under this approach, a distributor is also expected to demonstrate continuous improvement in its understanding of the needs and expectations of its customers and its delivery of services.

OHL ensures its most recent scorecard is posted on its website, and can be found here: Scorecard – Orangeville Hydro

With the above in mind, OHL would like to provide an overview of this utility in terms of the Renewed Regulatory Framework for Electricity ("RRFE") and the Distributor Scorecard. Since the scorecard has been developed to measure the outcomes of the RRFE on an ongoing basis the following outlines how the outcomes of the RRFE have been reflected in the preparation of this application. OHL continues to improve in its understanding of the needs and expectations of its customers and its delivery of services.

OHL is measured on four main categories:

1. Customer Focus
2. Operational Effectiveness
3. Public Policy Responsiveness
4. Financial Performance

Table 1-21 – Customer Focus

Performance Year	New Residential/Small Business Services Connected on Time (Target: 90%)	Scheduled Appointments Met on Time (Target: 90%)	Telephone Calls Answered on Time (Target: 65%)	Billing Accuracy (Target: 98%)	First Contact Resolution	Customer Satisfaction Survey Results
2022	100%	100%	99.26%	99.73	99.62%	76
2021	99%	99%	99.21%	99.82	99.83%	76
2020	100%	100%	99.11%	99.84	99.90%	76
2019	100%	100%	99.90%	100	99.90%	78.2
2018	100%	100%	99.94%	100	99.90%	78.2
2017	100%	100%	99.99%	0.9993	99.96%	74.8
2016	100%	100%	99.00%	0.9996	3.00%	74.8
2015	100%	100%	100.00%	0.9995	3.00%	A
2014	100%	100%	100.00%	0.9999	0.00%	A

Over the past five years OHL has exceeded all of these measures including new services connected on time, scheduled appointments met, and telephone calls answered within 30

seconds. OHL attributes this success to its open-door policy to its customers. Employees answer the telephone with just an IVR system which directs the calls to the correct department and makes personal arrangements for appointments.

First contact resolution is a priority for OHL staff. Customers are generally helped immediately with questions or issues at the first point of contact, whether by phone or in person. There are typically only a small number of calls that need to be escalated to the next level of supervision. The DSC requires calls to be answered within 30 seconds when a customer calls into the customer care line. The Ontario Energy Board has a target for utilities to achieve at least a 65% answering time within 30 seconds from qualifying incoming calls. OHL exceeded this expectation by answering at least 99.11% of all calls within 30 seconds.

Billing accuracy is a crucial part of OHL's business to ensure the accuracy of customer bills. OHL performs due diligence by performing analysis of meter reading data and correcting errors that may arise before it is allocated to the customer's bill. OHL performed at 99.73% or better, which is above the OEB's standard of 98%.

Table 1-22 – Operational Effectiveness

Performance Year	Level of Public Awareness	Level of Compliance with Ontario Regulation 22/04 (Target: substantially compliant)	Number of General Public Incidents	Rate per 10, 100, 1000 km of line	Average Number of Times Power to Customer is Interrupted	Average Number of Hours Power to Customer is Interrupted	Distribution System Plan Implementation on Progress	Efficiency Assessment (1 = most efficient 5 = least efficient)	Total Cost ($) per Customer	Total Cost ($) per Km of Line
2022	84.50%	C	0	0	0.52	0.47	156%	1	$ 605	$ 35,340
2021	84.50%	C	1	0.45	0.91	1.75	87%	1	$ 550	$ 31,921
2020	85.50%	C	0	0	0.75	1.01	102	2	$ 535	$ 30,612
2019	86.20%	C	0	0	0.39	0.33	96%	2	$ 568	$ 32,501
2018	86.20%	C	0	0	0.16	0.29	87%	2	$ 551	$ 31,233
2017	86.20%	C	0	0	0.45	0.32	92%	2	$ 553	$ 30,933
2016	84.00%	C	0	0	1.12	0.69	100%	3	$ 575	$ 31,963
2015	84.00%	C	0	0	1.12	1.13	101%	3	$ 578	$ 32,766
2014		C	0	0	0.17	0.14	54%	3	$ 577	$ 32,423

The average number of hours that power to a customer is interrupted is a measure of system reliability or the ability of a system to perform its required function. OHL views reliability of electrical service as a high priority for its customers and has consistently been making investments to improve reliability. OHL regularly maintains its distribution system to ensure its level of reliability is maintained. For 2022, OHL's average number of hours that power to a customer was interrupted is .47. This is in line with historical averages.

The average number of times that power to a customer is interrupted is another measure of system reliability and is also a high priority for OHL. OHL customers experienced interrupted power .52 times during 2022. This is also in line with historical averages.

The Ontario Energy Board, along with consultants from the Pacific Economics Group LLC ("PEG"), prepared an econometric model in order to evaluate all LDCs efficiencies. These efficiencies are based on each utility's actual cost compared to the average levels predicted by a study conducted by PEG. Based on the efficiency levels achieved, each utility is grouped in their ranking with the most efficient being assigned to Group 1 and the least efficient to Group 5. Based on the above, OHL's efficiency assessment remains in Group/Cohort 1.

Total cost per customer is calculated as the sum of OHL's capital and operating costs, including certain adjustments to make the costs more comparable between utilities and dividing this cost figure by the total number of customers that OHL serves. A low total cost could be an indicator of insufficient capital investment rather than efficiency. OHL's 2022 OM&A cost per customer was the 10th lowest in the province. OHL continues to achieve strong financial performance by balancing system reliability and service, while minimizing controllable costs associated with operating, maintenance, and administration.

Table 1-23 – Public Policy Responsiveness

Performance Year	Renewable Generation Connection Impact Assessments Completed on Time	New Micro-Embedded Generation Facilities Connected on Time (Target: 90%)
2022	0	0
2021	0	0
2020	0	0
2019	0	0
2018	0	100%
2017	100%	100%
2016	100%	100%
2015	0	100%
2014	100%	100%

OHL has not had a new Renewable Generation Connection Impact Assessment or a new Micro-Embedded Generation facility in a number of years, but when they took place, they were always connected on time.

Table 1-24 – Financial Performance

Performance Year	Liquidity: Current Ratio	Leverage: Total Debt to Equity Ratio	Profitability: Regulatory Return on Equity - Deemed	Profitability: Regulatory Return on Equity - Achieved
2022	1.39	1.28	9.36%	5.71%
2021	0.78	1.12	9.36%	9.46%
2020	1.41	1.12	9.36%	11.83%
2019	1.74	1.15	9.36%	10.36%
2018	1.56	1.05	9.36%	11.92%
2017	1.52	1.17	9.36%	10.60%
2016	1.58	1.06	9.36%	8.68%
2015	1.64	1.15	9.36%	6.40%
2014	1.92	1.21	9.36%	9.47%

The current ratio is a test to see if a company is capable of paying its short-term debts and financial obligations. A ratio under 1 indicates the company's current liabilities are greater than its current assets, possibly causing an inability to meet short-term obligations. On the other hand, a greater than 1 ratio shows the company has a good standing in meeting its creditors' demands. OHL's decrease in current ratio in 2021 was primarily due to a lower-than-normal cash balance at the end of the year.

The total debt to equity ratio is a measure of financial leverage used to finance a company's assets. This leverage is evaluated from the proportion between the shareholder's equity and debt. The Ontario Energy Board structured the capital mix at a 60/40 (or 1.5) ratio. A ratio of more than 1.5 means the company may be highly leveraged with financing and possibly unable to generate adequate cash flow to pay its debt. OHL's debt-to-equity ratio of 1.28 in 2022 remains fairly consistent with prior years and as noted, is below the OEB structure of 1.5.

In 2014, a rate application was submitted by OHL to the Ontario Energy Board where a deemed return on equity rate of 9.36% was approved. The OEB permits an electricity distributor to earn within +/- 3% of the expected 9.36% return on equity. When a distributor performs outside of this earning threshold, a regulatory audit of the distributor's financials could be initiated by the OEB.OHL has achieved a range of return of equity between 5.71% and 11.92%. The 2022 return on equity rate of 5.71% was outside of the allowed range allowed by the Ontario Energy Board, since it was lower than 6.36%. The reduction of ROE in 2022 was due to a decrease in net income, where a significant four-year refund to most customers took place as a result of an OEB Assurance of Voluntary Compliance for incorrect overbilling of fixed charges. This billing calculation change reduced revenues going forward.

1.6.2 PEG FORECAST MODEL

The Filing Requirements for Electricity Distribution Rate Applications - 2023 Edition for 2024 Rate Applications - December 15, 2022, states that "the distributor must also provide the Pacific Economics Group ("PEG") forecasting model for the test year which provides a forecast of its efficiency assessment for the purposes of providing the OEB with a directional indication of efficiency. The application should discuss how the results obtained from the PEG forecasting model have informed the distributor's business plan and the application."

The OEB uses econometric benchmarking to assess the efficiency of distributors in Ontario and to compare them to each other. Efficiency is determined using a model that compares each actual total cost to average total costs predicted by the model. Utilities' total costs are evaluated to produce a single efficiency ranking. This is divided into five groups based on the magnitude of the difference between each utility's actual and predicted costs; Group 1 being the most efficient and Group 5 was the least efficient.

The Cohort definitions are as follows:

- Cohort 1 (Actual costs are more than 25% *below* predicted costs):
- Cohort 2 (Actual costs are between 10% and 25% *below* predicted costs):
- Cohort 3 (Actual costs are within 10% of predicted costs):
- Cohort 4 (Actual costs are between 10% and 25% *above* predicted costs)
- Cohort 5 (Actual costs are more than 25% *above* predicted costs)

OHL's historical efficiency performance is shown below, for 2014 to 2022.

Table 1-25 – Performance Trend – PEG Model

PEG Past Performance (Stretch Factor)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Stretch Factor Cohort - Annual result	3	3	3	2	2	2	2	1	1
Associated Stretch Factor Value	0.30	0.30	0.30	0.15	0.15	0.15	0.15	0.00	0.00

Summary of Cost Performance Results

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actual Total Cost	$ 6,743,925	$ 6,848,039	$ 6,904,089	$ 6,836,145	$ 6,933,646	$ 7,182,788	$ 6,795,755	$ 7,022,686	$7,774,710
Percentage Change on previous year		1.5%	0.8%	-0.98%	1.43%	3.59%	-5.39%	3.34%	10.71%
Percentage Difference (Cost Performance) per PEG Analysis	-4.0%	-7.6%	-10.2%	-14.3%	-20.0%	-20.7%	-28.8%	-29.6%	-28.4%
Three year average performance			-7.3%	-10.7%	-14.8%	-18.3%	-23.2%	-26.4%	-28.9%

OHL's inputs to the PEG Model remain relatively stable year-over-year. However, the trending in cost performance provides useful insight into whether OHL's cost efficiency is improving over

time. The trend indicates that OHL is becoming more efficient over the ten-year period covered by its past and current DSPs. Annual variations in the results can be caused by one-time capital additions. When OHL is completing its annual budget and business plan, it does so with consideration to how its planned expenses will affect the efficiency performance in the PEG report. Current and prior year expenses are reviewed and are increased only as necessary, as keeping costs as low are possible is a main goal of OHL. Capital work is also forecasted as accurately as possible to try and ensure accuracy and reduce unnecessary expenditures.

OHL has improved its efficiency performance, moving from Cohort 3 in 2014, to Cohort 2 in 2017, and then to Cohort 1 in 2021. OHL has remained in Cohort 1 since 2021.

The benchmarking model provided by the OEB has been completed with the costs included in this application. This model has been submitted in live excel format with this application. The table below provides the forecasted Percentage Difference for the 2024 Test Year, as well as shows that OHL is expected to remain in Cohort 1 for 2024.

Table 1-26 – Benchmarking Model Results

Summary of Cost Benchmarking Results

Orangeville Hydro Limited

	2021 (History)	2022 (History)	2023 Bridge	2024 Test
Cost Benchmarking Summary				
Actual Total Cost	7,022,686	7,774,710	8,426,111	9,249,228
Predicted Total Cost	9,442,218	10,324,031	11,246,978	12,007,722
Difference	(2,419,532)	(2,549,321)	(2,820,867)	(2,758,493)
Percentage Difference (Cost Performance)	**-29.6%**	**-28.4%**	**-28.9%**	**-26.10%**
Three-Year Average Performance			-28.9%	-27.78%
Stretch Factor Cohort				
Annual Result	1	1	1	1
Three Year Average			1	1

After three deferral requests which were approved by the OEB, OHL was required to move to the Annual IR application methodology for its 2021 rates, where the highest stretch factor was applied to the inflationary rate. OHL has remained on the Annual IR application methodology until new rates for the 2024 CoS are in place.

1.6.3 ACTIVITY AND PROGRAM BENCHMARKING ("APB")

On March 30, 2021, the OEB issued the Pacific Economics Group Research LLC Report to the Ontario Energy Board titled New Developments in Activities and Program Benchmarking dated March 9, 2021 (revised May 11, 2021). The Activities and Program Benchmarking Report provides sector-wide unit costs and econometric results for ten (10) programs. The OEB updates this report on an annual basis.

Consistent with the information provided in the most recent reports, OHL provides an analysis using both the unit cost and econometric methods comparing itself to the Industry Average and assesses its performance against that reference.

The ten (10) Activity and Program Benchmarking programs and their basis of calculation are described in the table below.

Table 1-27 – OEB APB Programs

Tab	Numerator	Denominator
1. Billing O&M	USoA [5315]	[Number of customers]
2. Metering O&M	USoA [5065 + 5175 + 5310]	[Number of customers]
3. Vegetation Management O&M	USoA [5135]	[Total poles in system]
4. Lines O&M	USoA [5020 + 5025 + 5040 + 5045 + 5090 + 5095 + 5125 + 5130 + 5145 + 5150 + 5155]	[Circuit km of primary line]
5. Stations O&M	USoA [5016 + 5017 + 5114]	[Station transformer MVA / Number of stations]
6. Poles, Towers O&M	USoA [5120]	[Total poles in system]
7. Stations CAPEX	USoA [1820] Capital Additions	[Station transformer MVA / Number of stations]
8. Poles, Towers CAPEX	USoA [1830] Capital Additions	[Number of poles installed]
9. Line Transformers CAPEX	USoA [1850] Capital Additions	[Number of transformers installed]
10. Meters CAPEX	USoA [1830] Capital Additions	[Number of customers]

The results for OHL as compared to the industry average are shown in the table below. For each of the 10 cost activities examined, OHL discussed its results and performance below.

Table 1-28 – Activity and Program Benchmarking results

Activity/Program	OHL 5-year Average ($)	Industry Average ($)	Difference
	Unit Cost ($/Customer)		
Billing O&M	$ 30.23	$ 35.49	-17.40%
Metering O&M	$ 19.06	$ 19.80	-3.87%
Meter CAPEX	$ 9.14	$ 12.12	-32.64%
	Unit Cost ($ per Pole)		
Vegetation Management O&M	$ 71.89	$ 34.72	51.71%
Pole Maintenance O&M	$ 4.97	$ 10.86	-118.36%
Poles, Towers & Fixtures CAPEX	$ 6,014.84	$ 8,514.78	-41.56%
	Unit Cost ($ per km)		
Lines O&M	$ 664.88	$ 1,812.34	-172.58%
	Unit Cost ($ per Avg MVa)		
Stations Maintenance O&M	$ 8,742.83	$ 76,359.80	-773.40%
Station CAPEX	$ 2,503.15	$ 192,936.34	-7607.75%
	Unit Cost ($ per Line Transformer Addition)		
Line Transformer CAPEX	$ 14,871.02	$ 10,152.06	31.73%

Table 1-29 – Billing O&M

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (1,000 Customers)						Unit Cost ($/Customer)					
1. Billing O&M	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**
Orangeville Hydro Limited	357	369	338	357	488	382	12	13	13	13	13	13	29	29	27	28	38	30
Year-over-Year Change in $		$ 11.46	$ (30.38)	$ 18.61	$ 130.78			$ 0.22	$ 0.07	$ 0.04	$ 0.08			$ 0.41	$ (2.56)	$ 1.37	$ 10.07	
Year-over-Year Change in %		3%	-8%	6%	37%			2%	1%	0%	1%			1%	-9%	5%	36%	
Industry Standing	**21 of 57**	**21 of 57**	**18 of 57**	**19 of 57**	**29 of 57**		**22 of 57**	**22 of 57**	**22 of 57**	**22 of 57**	**22 of 57**		**31 of 57**	**31 of 57**	**28 of 57**	**31 of 57**	**38 of 57**	
Distributor Average						2352.3						92.3						35.5

OHL's performance is better than the industry average, no immediate remedial action is required. OHL will continue to strive to remain below industry average.

Table 1-30 – Metering O&M

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (1,000 Customers)						Unit Cost ($/Customer)					
2. Metering O&M	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**
Orangeville Hydro Limited	242	242	269	234	214	240	12	13	13	13	13	13	20	19	21	18	17	19
Year-over-Year Change in $		$ 0.33	$ 26.38	$ (34.28)	$ (20.23)			$ 0.22	$ 0.07	$ 0.04	$ 0.08			$ (0.31)	$ 1.98	$ (2.78)	$ (1.70)	
Year-over-Year Change in %		0%	11%	-13%	-9%			2%	1%	0%	1%			-2%	10%	-13%	-9%	
Industry Standing	**22 of 57**	**19 of 56**	**22 of 57**	**20 of 57**	**19 of 57**		**22 of 57**	**22 of 57**	**22 of 57**	**22 of 57**	**22 of 57**		**36 of 57**	**33 of 56**	**39 of 57**	**31 of 57**	**23 of 57**	
Distributor Average						1299.3						92.3						19.8

OHL's performance is better than the industry average. No immediate remedial action is required. OHL's costs have stayed consistent year over year in this category. OHL will continue to strive to remain below industry average.

Table 1-31 – Metering CAPEX

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (1,000 Customers)						Unit Cost ($/Customer)					
10. Meters CAPEX	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**
Orangeville Hydro Limited	76	144	106	74	178	115	12	13	13	13	13	13	6	11	8	6	14	9
Year-over-Year Change in $		$ 67.79	$ (38.38)	$ (31.16)	$ 103.24			$ 0.22	$ 0.07	$ 0.04	$ 0.08			$ 5.28	$ (3.10)	$ (2.48)	$ 8.05	
Year-over-Year Change in %		89%	-27%	-30%	139%			2%	1%	0%	1%			86%	-27%	-30%	137%	
Industry Standing	**17 of 56**	**22 of 56**	**17 of 55**	**18 of 53**	**29 of 56**		**22 of 57**	**22 of 57**	**22 of 57**	**22 of 57**	**22 of 57**		**16 of 56**	**32 of 56**	**21 of 55**	**18 of 53**	**45 of 56**	
Distributor Average						2280.1						92.3						12.1

OHL's performance is better than the industry average. No immediate remedial action is required. OHL will continue to strive to remain below industry average.

Table 1-32 – Vegetation Management O&M

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (1,000 Poles)						Unit Cost ($/Pole)					
3. Vegetation Management O&M	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**	**2017**	**2018**	**2019**	**2020**	**2021**	**Average**
Orangeville Hydro Limited	123	118	144	84	145	123	2	2	2	2	2	2	71	68	84	50	86	72
Year-over-Year Change in $		$ (4.67)	$ 25.97	$(59.50)	$ 60.23			$ -	$ (0.02)	$ (0.01)	$ (0.01)			$ (2.71)	$ 15.97	$(34.54)	$ 36.07	
Year-over-Year Change in %		-4%	22%	-41%	71%			0%	-1%	-1%	-1%			-4%	23%	-41%	72%	
Industry Standing	**20 of 56**	**20 of 56**	**21 of 56**	**16 of 56**	**21 of 57**		**7 of 57**	**7 of 57**	**7 of 57**	**7 of 55**	**7 of 57**		**52 of 56**	**51 of 56**	**53 of 56**	**44 of 54**	**55 of 57**	
Distributor Average						2969.9						43.8						34.7

OHL's performance is more than double the industry average. In 2016, OHL began a formal rear-lot line clearing program. OHL's rear-lot infrastructure that was inaccessible for our trucks was divided into seven Zones. An Arborist Contractor is utilized each year to complete the line clearing activities within one or two of the seven zones. This program is required to maintain

reliability, reduce the risk of challenging outages during ice/windstorms, reduce fire concerns, and reduce the risk of electrical contact from children climbing trees. This program is further justified through the requirements of the IHSA Safe Practice Guide for Line Clearing Operations and Regulation 22/04: Electrical Distribution Safety. All of the above are further justified with the April 2023 release/update of the ESA's Bulletin DB-12-09-v2 which reminds LDC's of their obligation to clear vegetation around LDC-owned primary, secondary, and service wires. OHL's line clearing program has been created to comply with mandatory obligations, maintain reliability, reduce the risk of fires, and reduce the risk of electrical contacts from children climbing trees near overhead wires. Additional details on the vegetation management plan are in Exhibit 4.

Table 1-33 – Pole Maintenance O&M

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (1,000 Poles)						Unit Cost ($/Pole)					
6. Poles, Towers O&M	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
Orangeville Hydro Limited	29	5	5	1	3	9	2	2	2	2	2	2	17	3	3	0	2	5
Year-over-Year Change in $		$ (23.28)	$ (0.11)	$ (4.75)	$ 2.00			$ -	$ (0.02)	$ (0.01)	$ (0.01)			$ (13.49)	$ (0.03)	$ (2.78)	$ 1.19	
Year-over-Year Change in %		-81%	-2%	-89%	328%			0%	-1%	-1%	-1%			-81%	-1%	-89%	331%	
Industry Standing	**16 of 53**	**5 of 55**	**1 of 54**	**1 of 54**	**2 of 56**		**7 of 57**	**7 of 57**	**7 of 57**	**7 of 55**	**7 of 57**		**43 of 53**	**12 of 55**	**10 of 54**	**1 of 50**	**6 of 56**	
Distributor Average						522.6						43.8						10.9

OHL's performance is better than the industry average. No immediate remedial action is required. OHL will continue to strive to remain below industry average.

Table 1-34 – Poles, Towers and Fixtures CAPEX

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (Poles Additions)						Unit Cost ($/Pole Addition)					
8. Poles, Towers CAPEX	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
Orangeville Hydro Limited	138	205	196	215	315	214	40	40	25	36	41	36	3,438	5,130	7,853	5,963	7,691	6,015
Year-over-Year Change in $		$ 67.66	$ (8.87)	$ 18.34	$ 100.69			$ -	$ (15.00)	$ 11.00	$ 5.00			$1,691.58	$2,722.91	$(1,890.03)	$1,728.66	
Year-over-Year Change in %		49%	-4%	9%	47%			0%	-38%	44%	14%			49%	53%	-24%	29%	
Industry Standing	**8 of 56**	**15 of 57**	**14 of 57**	**14 of 54**	**16 of 57**		**11 of 53**	**11 of 53**	**8 of 53**	**11 of 53**	**12 of 56**		**14 of 52**	**19 of 53**	**32 of 53**	**22 of 53**	**26 of 56**	
Distributor Average						8085.0						279.2						8514.8

OHL's performance is better than the industry average. No immediate remedial action is required. OHL will continue to strive to remain below industry average.

Table 1-35 – Lines O&M

Orangeville Hydro YOY Comparison	Cost ($1,000)				Scale (1000 Lines)				Unit Cost ($/Line)			
4. Lines O&M	2019	2020	2021	Average	2019	2020	2021	Average	2019	2020	2021	Average
Orangeville Hydro Limited	186	124	131	147	221	222	220	221	842	557	596	665
Year-over-Year Change in $		$ (62.34)	$ 7.39		$ 74.07	$ 1.00	$ (2.00)		$ 620.75	$ (284.61)	$ 38.64	
Year-over-Year Change in %		-34%	6%		50%	0%	-1%		281%	-34%	7%	
Industry Standing	**9 of 57**	**7 of 57**	**8 of 57**		**17 of 57**	**17 of 57**	**16 of 57**		**13 of 57**	**3 of 57**	**4 of 57**	
Distributor Average				3684.8				3535.9				1812.3

OHL's performance is better than the industry average. No immediate remedial action is required. OHL will continue to strive to remain below industry average.

Table 1-36 – Station Maintenance O&M

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (MVA per Station)						Unit Cost ($/MVA per Station)					
5. Stations O&M	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
Orangeville Hydro Limited	44	35	45	36	59	44	5	5	5	5	5	5	8,894	6,910	9,018	7,138	11,754	8,743
Year-over-Year Change in $		$ (9.92)	$ 10.54	$ (9.40)	$ 23.08			$ -	$ -	$ -	$ -			$(1,984.18)	$2,108.69	$(1,880.09)	$4,615.89	
Year-over-Year Change in %		-22%	31%	-21%	65%			0%	0%	0%	0%			-22%	31%	-21%	65%	
Industry Standing	18 of 49	14 of 51	16 of 48	13 of 49	17 of 48		8 of 45	8 of 45	8 of 45	9 of 43	8 of 45		19 of 44	16 of 45	16 of 44	15 of 43	18 of 44	
Distributor Average						797.0						11.5						76359.8

OHL's performance is better than the industry average. No immediate remedial action is required. OHL will continue to strive to remain below industry average.

Table 1-37 – Stations CAPEX

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (MVA per Station)						Unit Cost ($/MVA per Station)					
7. Stations CAPEX	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
Orangeville Hydro Limited	27	15	20	0	0	13	5	5	5	5	5	5	5,479	2,968	4,069	0	0	2,503
Year-over-Year Change in $		$ (12.55)	$ 5.50	$ (20.34)	$ -			$ -	$ -	$ -	$ -			$(2,510.39)	$ 1,100.71	$(4,068.92)	$ -	
Year-over-Year Change in %		-46%	37%	-100%	#DIV/0!			0%	0%	0%	0%			-46%	37%	-100%	#DIV/0!	
Industry Standing	9 of 41	7 of 34	8 of 34	n/a	n/a		6 of 45	6 of 45	6 of 45	7 of 44	9 of 45		11 of 39	8 of 34	11 of 34	n/a	n/a	
Distributor Average						2336.4						11.5						192936.3

OHL's performance is better than the industry average. No immediate remedial action is required. OHL will continue to strive to remain below industry average.

Table 1-38 – Line Transformer CAPEX

Orangeville Hydro YOY Comparison	Cost ($1,000)						Scale (Lines Transformer Additions)						Unit Cost ($/Line Transformer Addition)					
9. Line Transformers CAPEX	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
Orangeville Hydro Limited	545	320	266	424	402	392	30	30	49	13	54	35	18,169	10,674	5,435	32,634	7,444	14,871
Year-over-Year Change in $		$(224.86)	$ (53.90)	$ 157.93	$ (22.25)			$ -	$ 19.00	$ (36.00)	$ 41.00			$ (7,495.25)	$ (5,238.61)	$ 27,198.90	$(25,189.60)	
Year-over-Year Change in %		-41%	-17%	59%	-5%			0%	63%	-73%	315%			-41%	-49%	500%	-77%	
Industry Standing	29 of 55	21 of 57	19 of 57	24 of 54	21 of 55		14 of 53	14 of 53	17 of 54	9 of 54	23 of 55		48 of 51	40 of 53	15 of 54	53 of 54	20 of 54	
Distributor Average						4175.7						203.3						10152.1

OHL's performance is higher than the industry average, mainly because of its 2020 results. Due to IFRS IAS-16 and according to OHL's Capitalization Policy, OHL capitalizes purchased transformers as stand-by equipment. In 2020, OHL purchased more transformers in order to prepare for the following year's capital work. For APB purposes, the OEB wants OHL to report on the number of field-installed transformers, which does not correspond to OHL's capitalization practices.

1.7 FACILITATING INNOVATION

The Filing Requirements for Electricity Distribution Rate Applications – 2023 Edition for 2024 Rate Applications state:

"Distributors are encouraged to include in their cost-based applications a description of the ways that their approach to innovation has shaped the application. This could include an explanation

of its approach to innovation in its business more generally, or related to specific projects or technologies, including enabling characteristics or constraints in its ability to undertake innovative solutions, for enhancing the provision of distribution services in a way that benefits customers, or facilitating its customer's ability to innovate in how it receives electricity services. Distributors could also include an explanation of how innovative alternatives have been considered in place of traditional investments.

OHL understands the objective given to the OEB to facilitate innovation, as now enshrined in the EOB Act. From the perspective of a small distributor, too much innovation is challenging, potentially expensive, and bears risk, especially if there are costs that are not included in the revenue requirement. Conversely, shifting such costs into the revenue requirement will shift risks to customers.

OHL benefits from partnerships which keep it informed regarding innovation possibilities and allows for sharing of costs where applicable. This is the reason why OHL is actively involved with the following groups:

- Cornerstone Hydro Electric Concepts ("CHEC")
- Electricity Distributors Association ("EDA")
- Utilities Standards Forum ("USF")
- MEARIE
- Ontario Harris Users Group ("OHUG")

CHEC provides OHL with important industry information in the Finance, Regulatory, Operations, Health and Safety, and Communications areas of the business. CHEC provides regular group meetings to discuss current and upcoming issues, as well as training courses. CHEC members have created several spreadsheet models for rate applications and economic development assessments. The expertise of these members is shared within the group.

The EDA provides insight into the many changes that take place in the industry and works with distributors to maintain well-informed and coherent positions. The EDA's government relations are a benefit when common messages need to be related to various Ministries of the government. Orangeville Hydro and other LDCs participate in providing feedback to the EDA on current and upcoming issues.

USF is a forum of Ontario electricity distributors who provide collaboration, mutual support and industry representation. Forums are held where LDC members share knowledge and updates, as well as training sessions with LDC and industry experts. As a result of supply chain issues, a USF Transformer Buying group was formed to standardize specifications and reduce lead times.

MEARIE provides a plethora of training courses, helpful to all staff, including the Board of Directors, management, and office and lines staff. The courses also provide Orangeville Hydro staff with the opportunity to network with peers from other LDCs and learn from them.

OHUG is a user-driven group of LDCs who all use the same billing/customer information system. This group works together to find innovative ways to use the software, especially when it comes to adapting to changing billing and customer service requirements from the Ministry and the OEB.

OHL is facilitating innovation in other ways as well.

- Improvements to social media communications - Twitter updates, which are also live-linked to the website, allow customers to have access to more up to date information, almost immediately after an outage takes place. Light-hearted commentary as updates are posted throughout the outages have been recognized by customers as welcomed and appreciated.
- Green Button – In 2023, OHL will be implementing Green Button. While this program is mandated by the Ontario government, OHL considers it innovative in that it provides benefits to customers that they value. The program will provide households and businesses access to their electricity data or authorize the automatic, secure transfer of their data from their utility to applications or third parties, allowing for better insight and management of energy use.
- Voltage Conversion – OHL is continuing its ongoing voltage conversion project. By upgrading the 4.16 kV system to 27.6 kV, this will increase load transfer capability, reduce losses, and allow higher penetration of DERs. This also saves costly upgrades to substations and reduces the need for maintenance expenses.
- OHL's GIS asset database is the asset source data that supports the Asset Condition Assessment process as well as the capital planning process. Asset data in the GIS is captured from a multitude of sources including, but not limited to construction as-built

records and legacy records. In 2024, OHL plans to convert its current GIS to improved software that will provide more detailed recording and reporting capabilities.

- DER Considerations – OHL has considered DER installation projects while working with institutional and private sector partners. These investigations considered partnerships as well as funding from various sources. The result of these investigations determined that the costs outweighed the benefits to OHL customers. The reliability improvement and potential cost efficiencies were not enough compared with the capital costs and ongoing operations and maintenance costs.
- Increased Monitoring & Control – OHL has considered increased monitoring and control capabilities through additional SCADA equipment. The result of these investigations determined that the costs and additional cybersecurity risks outweighed the benefits to OHL customers. The reliability improvement was outweighed by the capital and ongoing operations and maintenance costs. The preferred approach was to utilize these resources towards other operation programs such as increased vegetation management and capital programs such as the replacement of automatic tension sleeves with full tension compression sleeves.

1.8 FINANCIAL INFORMATION

1.8.1 AUDITED FINANCIAL STATEMENTS

Audited financial statements are published to the OHL website after they have been approved by the OHL Board of Directors.

The prior two years financial statements are included in the 2022 Audited Financial Statements on the OHL website Our Company – Orangeville Hydro.

1.8.2 ANNUAL REPORT

OHL completes its Annual Report and the Shareholders (the Town of Orangeville and the Town of Grand Valley) both adopt the document. The Annual Report is published on the OHL website.

Our Company – Orangeville Hydro

1.8.3 RATING AGENCY REPORT

OHL does not have a rating agency report.

1.8.4 PROSPECTUSES/INFORMATION CIRCULARS

OHL does issue debt or shares, nor do they publish any prospectus.

1.8.5 CHANGE IN TAX STATUS

OHL is not seeking any changes in its tax status. OHL is a corporation incorporated pursuant to the Ontario Business Corporations Act.

1.8.6 EXISTING/PROPOSED ACCOUNTING ORDERS

The 2024 Cost of Service Application has been filed on an MIFRS accounting basis. OHL has not departed from the Accounting Procedures Handbook. OHL does not have any accounting orders.

1.9 DISTRIBUTOR CONSOLIDATION

OHL confirms that it has not acquired or amalgamated with another distributor.

On November 15, 2021, the OEB and utilities received a letter from the Ministry of Energy regarding progress towards modernization. Page 4 of the letter states the following:

> "*The OEB should continue to ensure that the structure and operations of the distribution sector constantly evolve towards optimal efficiency. To that end, the OEB should explore opportunities to enable proactive investment in energy infrastructure, such as protection and refurbishment, where utilities can prove there are long-term economic and reliability benefits to ratepayers. In previous years, these efficiencies have been found both through utility mergers/acquisitions and with the formation of innovative partnerships between utilities. Considering this, I also ask that the OEB require LDCs with fewer than 30,000 customers to file information within their cost-of-service applications on the extent to which they have investigated potential opportunities from consolidation or collaboration/partnerships with other distributors.*"

OHL confirms that it has not been a party to a proposed or approved Merger or Acquisition transaction since its last CoS in 2014.

OHL has explored options of shared services with other similar LDCs. OHL has completed shared purchases of capital items where the items are not heavily used, and the cost and use can be easily shared with another LDC. OHL is also part of a purchasing group for large capital assets, where group buying power can be leveraged and savings can be seen by all members. OHL notes its clear efficiency as a member of the benchmarking Cohort 1, now and in 2024, as an indication that it is operating efficiently as a standalone distributor absent any merger or acquisition.

OHL is proud to be a member of Cornerstone Hydro Electric Concepts ("CHEC"), a collaborative organization that currently includes 15 of the smaller LDCs in the province. Resources and support are delivered by the association through member participation, including OHL, and through the CHEC staff. Participation results in substantial efficiencies and workload reduction for each member. A valuation of the organization (through a template created by BDO) performed in 2020 set the valuation at approximately $256,767 for a three-year term, or $86,600 annually per member.
Shared resources are provided for multiple areas of LDCs operations through several portfolios including Finance & Regulatory, Operation and Health & Safety, Billing and Customer Information Systems, Human Resources and Labour Relations, and Communications and Customer Engagement. Specific examples of the resources include:

- The Green Button All-Member Working Group educated members on the requirements, led the vetting and evaluation of third-party vendors, facilitated collaboration within members to save costs, and planned the implementation. This resulted in cost savings for members, reduced effort, and the assurance of knowing that the project will be guided by the experience and knowledge of the extended group.
- The joint hiring of a GIS technician by six members. The GIS technician is an employee of CHEC but works exclusively for the six LDCs providing them with expertise they could otherwise not afford.
- A group purchase of services by fourteen members for the biannual Customer Satisfaction Survey and ESA Safety Survey reduced the cost of the surveys and the standardization allows for easier comparisons between LDCs.
- The shared training across all portfolios to reduce costs and ensure the courses are delivered professionally and staff are educated on the changes and requirements within

the industry. A sample of recent training courses includes Basic & Advanced Regulatory training, Leadership Training for Operations staff, Basics of Electricity and Electrical Safety Awareness I & II, Managing Customer Relationships, Effective Business Communication, Spring Safety Session, and Privacy & Information Access Training.

- The recognition of CHEC as the voice of small LDCs in Ontario has facilitated improved communication between regulatory bodies, such as the OEB and the Ministry of Energy, and the CHEC members, resulting in more informed staff and the opportunity to provide feedback.
- CHEC successfully led the transition of six members through an extensive process of transferring to a new IT hosting platform for their Customer Information and billing systems which resulted in better services, significant savings, and a more streamlined process.
- CHEC encourages networking and OHL is in constant communication with other members. This results in continual sharing of ideas and opportunities for savings and mutual support. Specific examples include the recommendation of third-party vendors, the sourcing of needed equipment or materials from another member, or technical services where OHL does not have in-house capabilities.
- A Mutual Agreement between CHEC members provides support during extreme weather events or during more extensive projects. An annually updated asset list lets members know what other resources may be available through other members as needed.
- Members work together to develop policies and regulatory documents. Substantial savings have been realized through the CHEC CoS process and models such as the data storage model.
- Updates to the Conditions of Service were developed by a small working group and delivered to all members. A common social media calendar is developed each month and distributed to communication staff at each member LDC. These shared resources have resulted in significant cost and time savings for OHL.
- The Disconnection Process Working Group developed a calendar tool and communication templates to ensure member disconnection processes were being properly implemented and they were accurately communicating and interacting with customers according to the Distribution System Code.

OHL collaborates with the Utilities Standard Forum (“USF”), a collaborative organization that includes small, medium and large LDCs in the province. Resources and support are delivered

by the association through member participation, including OHL, and through the USF staff. Participation results in substantial efficiencies and workload reduction for each member.

Shared resources are provided for multiple areas of LDCs operations through several portfolios including Engineering, Regulatory, IT and Customer Service. General examples of the resources include:

- Networking opportunities
- Meeting multiple times a year to connect and collaborate with industry peers
- Receiving updates from industry stakeholders
- Discussing practices and experiences
- Having outside experts join meetings to provide new information, opinions and training
- Collaborating through working groups on specific topics
- Accessing discussion forums that allow members to ask questions, sharing ideas, interpretations, experiences, operational practices and procedures, etc.

Specific examples include:

- Participating in the development of a buying group through USF, which provides OHL with greater buying power and cost efficiencies
- OHL has access to a common set of design, construction, and material standards as per its membership with USF to reduce redundancy and create efficiencies.

OHL collaborates with the Electricity Distributors Association (“EDA”), as many members of the OHL team participate in EDA councils across various areas of the industry. The EDA brings together LDCs, affiliates, and commercial companies that work closely with LDCs. Their staff provides government advocacy, policy analysis, training and networking opportunities. Participation results in substantial efficiencies, access of knowledge and additional resources, as well as active participation in shaping legislation within the province.
Shared resources are provided for multiple areas of LDCs operations through several portfolios including Regulatory, Operations and Engineering, Finance, Human Resources, Communications, Conservation and Sustainability and Electrification.
General examples of the resources include:

- Providing up-to-date, expert analysis of relevant legislation and market rules, with a particular focus on regulation

- Providing advocacy and representation in the legislative and regulatory environment and the electricity market in Ontario
- Providing networking opportunities for communication with professional and industry colleagues

OHL collaborates with the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) Group. MEARIE provides an array of financial, insurance and risk management solutions to Ontario's energy sector. Reciprocals are Member-owned and not-for-profit, and the focus is on the long-term interests of Membership. Participation results in group purchasing power and sector knowledge and insights.

Shared resources are provided to the LDCs in the form of Commercial Insurance and Risk Based Services, including Human Capital Risk. General examples of the resources include:

- Insurance (comprehensive general liability, directors & officers, privacy/cyber, property, etc.)
- Group Employee Benefits
- Industry Relations
- Compensation Benchmarking Services

1.10 IMPACTS OF COVID-19 PANDEMIC

OHL noted incremental costs during Covid-19 related to IT related expenses for remote working capabilities, additional cleaning costs, safety materials, and increased trucking costs. These increased costs were offset by decreases in training and conference costs, as well as consultant costs. As a result, OHL was successful in managing incremental Covid-19 related expenses within its current level of operating expenses and is not seeking recovery of any incremental expenses.

With regards to the load forecast, the onset of the Covid-19 pandemic created higher consumption for residential customers in OHL's service territory given its customer make-up as more people were working from home, accompanied by a decrease for GS<50 kW as small businesses were required to pause for a time in their operations or close their doors permanently. A Covid-19 flag was used in April 2020 in the load forecast regression model to accommodate the period of time in which these impacts were more pronounced. See Exhibit 3 – Customer and Load Forecast for more information.

APPENDIX 1-A – 2024 BUSINESS PLAN

ORANGEVILLE HYDRO

BUSINESS PLAN

2024

BUSINESS PLAN

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY

Orangeville Hydro Limited's Business Plan for 2024-2028 is developed in conjunction with the strategic plan, goal setting and target planning. This business plan is also based on Ontario Energy Board (OEB) initiatives and governmental public policy responsiveness as well as our internal conception of the utility to meet certain other objectives in creating efficiencies. These objectives are met while maintaining safety, excellent customer service objectives and focus, system reliability, and stable financial performance.

The key areas that are reviewed within this Business Plan are:

- Mission statement, Vision statement and Values statement
- Strategic Objectives
- SWOT Analysis
- Local economic overview and customer description
- Performance metrics
- Future Capital and Operating plans
- Financial Summary

2. MISSION, VISION, AND VALUES

Orangeville Hydro's strategies are in harmony with our corporate values, our vision, our mission statement as well as our approach to a balanced scorecard within an evolving electricity marketplace.

VISION

TO BE ACKNOWLEDGED AS A LEADER AMONG ELECTRIC UTILITIES IN THE AREAS OF SAFETY, RELIABILITY, CUSTOMER SERVICE, CUSTOMER SATISFACTION, SUSTAINABILITY, AND FINANCIAL PERFORMANCE.

MISSION

To provide safe, reliable, efficient delivery of electrical energy while being accountable to our shareholders...the citizens of Orangeville and Grand Valley.

While we must operate as a business and be profitable for our shareholders, our main reason for existing is to provide safe, reliable, and economic electricity services to the people of the Town of Orangeville and the Town of Grand Valley. That is what distinguishes us from other large, remotely owned and controlled energy companies.

VALUE STATEMENT

To continue into the future as a profitable electricity distribution enterprise the following principles are core values of our Company:

- We value professionalism and safety in our service and our work.
- We value people – our customers, employees, board members, and shareholders.
- We value our community – its environment and its economic progress.
- We value integrity, honesty, respect, and communications.
- We value local control, local accountability, local employment, and local purchasing; and
- We value easy accessibility for our customers.

3. SWOT ANALYSIS

An essential element of our strategy is to ensure Orangeville Hydro Limited is ready to embrace change and disruption in our sector. In a period of significant transformation, the ability to not only accommodate change, but to make the most of it, is likely to be a distinguishing characteristic of those utilities that continue to thrive. We will advocate and lobby for public policy that benefits our customers now and in the future.

STRENGTHS

We have positive relationships with our shareholders – the people of Orangeville and Grand Valley, individual customers, and their elected representatives.

We have a core of high-quality employees, effective management, and solid relations between the staff and the Board of Directors.

We have a well-maintained distribution system because of effective capital planning and maintenance efforts. This is proven by strong historical reliability statistics and the ability to connect new customers.

As a small organization, we have the advantage of being flexible and nimble when it comes to implementing change and reacting to threats quickly.

We have a high level of quality customer service and customer satisfaction, based on survey results.

We have a strong relationship with local organizations, including the Home Builders Association, Dufferin Board of Trade, the County of Dufferin, Social Services, and service clubs.

We have stability within our revenues due to operating within a regulated environment as well as our customer demographics. Our residential customers provide 65% of our revenue and the remainder is received from a diverse mix of small commercial, institutional, municipal, and industrial customers. Our largest customer accounts for 1.8% of our total distribution revenue.

Intensification is occurring within our service territory which is contributing to continuous customer growth and increasing the efficiency of our distribution system.

Due to historical diligence in our succession planning, our workforce is in a stable position with exceptional leadership in place.

WEAKNESSES

We have limited land for large residential and industrial developments within our service area.

The strict regulated environment limits the scope of potential business opportunities.

We have a lean workforce. Therefore, when a departure or a leave of absence occurs the impact is significant and challenging.

OPPORTUNITIES

Orangeville Hydro can be a solutions provider to improve our customer's experience.

We can investigate expanding our service area by working with developers surrounding the existing service area and applying for Service Area Amendments.

The post-pandemic recovery created an environment to find creative solutions to serve our customers and continue the operation of all business activities under different circumstances such as working remotely. The post-pandemic recovery is an opportunity to challenge the status quo and find more new ways of operating as an organization.

We have an opportunity to maintain a high standard of service for our customers, contribute to the welfare of our local community, and return profits to the citizens of Orangeville and Grand Valley for their local benefit rather than remote corporate gain.

We can help increase our customers' knowledge regarding the safe use of electricity and energy efficiency solutions to reduce their energy costs.

The opportunities for customer interaction and control are growing daily, as are our customers' expectations for choice, convenience, and responsiveness.

THREATS AND UNCERTAINTIES

The post-pandemic economic environment has created new threats and uncertainties regarding impacts to staffing levels, distribution revenue, increasing costs of services and materials, and increasing debt servicing costs.

The post-pandemic recovery has created new threats and uncertainties such as a supply chain crisis and a high inflationary economic environment.

The Ontario electricity sector is subject to the current direction of the provincial government which shifts due to the four-year provincial election cycle. The changes in government create uncertainty for the direction of the Ministry of Energy and other Ministries that affect the electricity sector.

The implementation of various rules and regulations by the Ontario Energy Board will make it difficult for distribution companies to collect from customers that default on their bill payments and increase the risk of bad debts.

Revenue recovery is based on approval from the Ontario Energy Board. The expectations and requirements of the Ontario Energy Board are continually changing and placing downward pressure on revenue recovery.

There are increased uncertainties regarding technological advances, climate change, and cyber security (world-wide threats) that need to be considered.

CAPABILITY

A highly skilled, properly trained, and knowledgeable workforce is essential to Orangeville Hydro's continued success. Like many other companies and utilities, Orangeville Hydro's continuing comprehensive succession planning is aimed at anticipating and fulfilling current and potential employee needs, through planning, talent attraction, effective deployment of resources, performance management, and development.

4. STRATEGIC OBJECTIVES

We will use the following strategies to overcome our weaknesses and threats and capitalize on our strengths and opportunities. These strategies will also be in harmony with the corporate values, vision, and mission statement.

SAFETY

Health and safety will continue to be paramount for the company.

We provide safe work practice training for all employees consistent with industry best practices. We will continue to seek new ways to further communicate and promote a safety culture to our employees, our customers, and our community both inside and outside the workplace.

CUSTOMER FOCUS

As the customer's role within the electricity system evolves, successful utilities will be those who recognize that customers are not all the same. A willingness to invest in the skills, culture, technology, and practices needed to leverage those tools will be a key difference between leading and trailing utilities in a more customer-centric landscape.

We will adapt and tailor the service delivery methods to the specific needs of individual customers and leverage technology to enhance the customer experience and increase operational agility.

Tools exist for Orangeville Hydro to understand and engage our customers at an individual level and provide a truly personalized service. Leveraging the power of our continuously growing databases, evolving social media platforms, and the convenience of mobile technology, we can anticipate our customers' needs with increasing precision to create a more effortless customer experience.

OPERATIONAL EFFECTIVENESS

We will continue to leverage the benefits of collaboration with the CHEC membership, Electricity Distributors Association, Utility Collaborative Services, and Utilities Standards Forum.

We will continue to network with other boards, stakeholders, and other utilities to develop and share best practices.

We will investigate areas that are within our control to reduce or curtail costs to better utilize resources.

We will ensure our infrastructure is maintained properly by implementing our Distribution System Plan as well as our annual Distribution Maintenance Program.

We will pursue diversity, equity, and inclusion genuinely and intentionally as both the right and smart thing for the business and a better future for all employees.

We will invest heavily in our staff and rely on them to help us accomplish our goals through the following activities:

- We will keep our people informed;
- We will make sure our people understand what we expect from them and why they are important to the organization;
- We will support our people by providing them with information, tools, equipment, standard policies & procedures, and training;
- We will utilize a pay-for-performance model for the management team and attempt to link their compensation with their performance and the performance of the company;
- We will continue to carry out our succession planning processes.

PUBLIC POLICY RESPONSIVENESS

We will ensure our distribution system can accommodate Distributed Energy Resources (PV solar, combined heat and power, battery storage, and small natural-gas generators) and electric vehicle technology.

We will support low-carbon energy generation and use within our service area.

We will become a net-zero emissions company by 2050 to help Canada and Dufferin County reach their current climate targets.

We will continue to successfully deliver Provincial Programs to our customers such as the Industrial Conservation Initiative, the Energy Affordability Program, the Ontario Electricity Support Program, the Low-Income Energy Assistance Program, and potential future energy efficiency programs.

We will deliver obligations mandated by government legislation and regulatory requirements.

We will investigate improved and additional business activities to improve shareholder value, empower the customer, and advance with innovation.

FINANCIAL PERFORMANCE

We will maximize financial viability by investigating efficiencies and maintaining prudent cost savings. We will aim to remain a top cohort utility for cost performance within the OEB's Cost Performance benchmarking report.

We will continue to maintain just and reasonable rates for our customers while aiming to achieve or exceed our deemed rate of return.

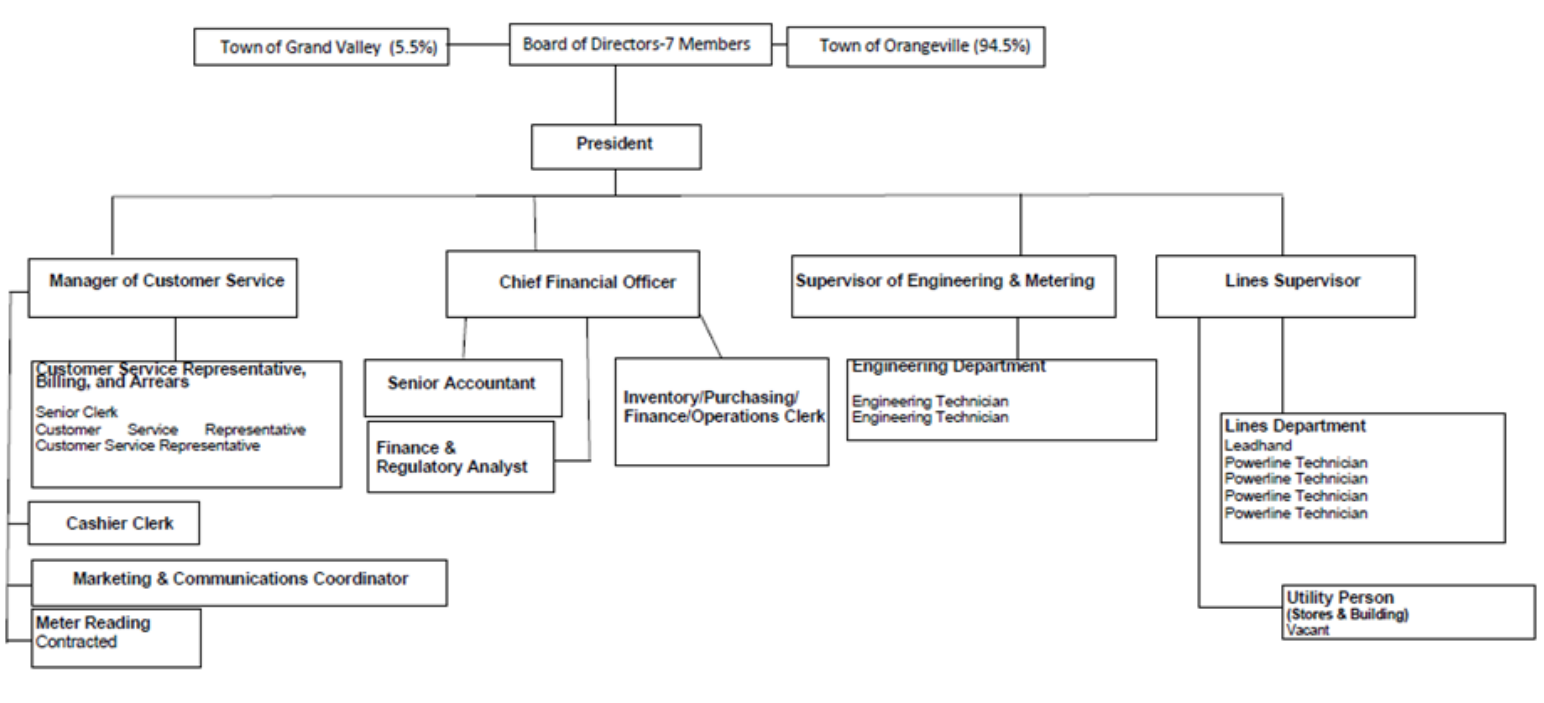
We will continue to ensure we have a high level of performance relative to our industry peers by continually reviewing the OEB LDC Yearbook data, OEB Activity & Program-based Benchmarking data, and our year-to-year trending.

We will investigate feasible opportunities to grow the regulated distribution business.

5. ABOUT THE UTILITY

The Energy Competition Act, 1998 required local distribution utilities like Orangeville Hydro to become incorporated according to the Ontario Business Corporations Act by November 7, 2000. Hence on October 2, 2000, the Town of Orangeville passed a by-law transferring all assets and liabilities of the Orangeville Hydro-Electric Commission to Orangeville Hydro Limited (Orangeville Hydro). Orangeville Hydro is considered a local distribution company or a wires company. In 2009, Orangeville Hydro and Grand Valley Energy Inc. merged. Since then, Orangeville Hydro has been owned by the Town of Orangeville (94.5%) and the Town of Grand Valley (5.5%). Orangeville Hydro is licensed by the Ontario Energy Board to operate as an electricity distribution company within the current boundaries of the Town of Orangeville and the former Village of Grand Valley. Successful Service Area Amendments have allowed Orangeville Hydro to grow our service area beyond our original limits of the former Village of Grand Valley.

Orangeville Hydro must operate its business in compliance with all applicable laws, including the Electricity Act, 1998, the Ontario Energy Board Act, 1998, the Ontario Business Corporations Act, and the rules, policies, and requirements of the OEB. These include the Distribution System Code, the Affiliate Relationships Code, the Retail Settlement Code, the Standard Supply Service Code, the Accounting Procedures Handbook, and the Uniform System of Accounts as well as the applicable Rate Handbook and Filing Requirements.



6. ECONOMIC OVERVIEW AND CUSTOMER DESCRIPTION

ECONOMIC OVERVIEW OF THE SERVICE AREA

Orangeville Hydro's service area has a population of approximately 35,000 and is expected to grow to 42,540 by 2036 according to forecasts contained within the Dufferin County Official Plan (2017). This growth is constrained beyond these numbers due to the limited residential land development in the Town of Orangeville and the limited municipal water service and municipal sewage service in both the Town of Orangeville and the Town of Grand Valley.

The Town of Orangeville is the urban hub of Dufferin County. The population of approximately 31,000 people sustains strong commercial retail stores that includes big box stores, nationwide commercial retail stores, and small locally owned retail stores. Orangeville has a strong group of manufacturers in sectors such as plastics, food products, woodworking, aerospace, and automotive. The economic base of the Town of Orangeville is diversified between many sectors.

The Town of Grand Valley is a fast-growing area within Dufferin County. Orangeville Hydro services the urban settlement area and Hydro One services the surrounding rural farmlands. The urban settlement area of the Town of Grand Valley has a population near 4,000 and is growing through both intensification and greenfield developments. The Town of Grand Valley is an urban hub with businesses for shopping, dining, and services.

CUSTOMER DESCRIPTION

Orangeville Hydro's breakdown of customers by class is shown below:

TABLE 2: CUSTOMERS BY CLASS DECEMBER 31, 2022

Customer Class	Number of Customers
Residential	11,560
General Service < 50 kW	1,161
General Service > 50 kW	125
Sentinel Lights	34
Street Lights	3
Unmetered Scattered Load	31
Generation	42
Total	**12,956**

Orangeville Hydro has a steadily growing base of residential customers with new subdivisions being energized in both Orangeville and Grand Valley. There is also significant redevelopment and intensification occurring within both communities. The intensification projects will continue to increase Orangeville Hydro's density metrics such as customers per kilometer of line and customers per square kilometer. Orangeville Hydro has a diverse manufacturing sector, with several large industrial customers in the plastics, food product, and automotive manufacturing sectors.

TABLE 3: AVERAGE MONTHLY CONSUMPTION PER CUSTOMER (kWh)

Customer Class	2014	2015	2016	2017	2018	2019	2020	2021	2022
Residential	720	699	690	661	709	685	732	723	721
General Service < 50 kW	2,640	2,609	2,630	2,605	2,680	2,625	2,523	2,507	2,651
General Service > 50 kW	74,861	79,164	77,689	83,342	84,012	83,963	87,180	90,963	95,139
Sentinel Lights	64	60	52	59	58	57	57	57	55
Street Lights	55	51	30	27	26	26	26	25	26
Unmetered Scattered Load	462	348	318	361	338	338	338	335	335

Orangeville Hydro has witnessed steady consumption usage for most of our customer classes. A fluctuation in residential usage can be due to conservation activities, installation of more efficient equipment, improved building code requirements in new homes, intensification decreasing the average size of a household, our customers converting from electrical heating equipment to natural gas, and residential customers working from home. The usage is not necessarily consistent as weather patterns such as extreme heat waves or extended periods of extreme cold are not consistent year to year. Residential distribution rates are based on a fixed service charge, and therefore provide a stable revenue source.

The average usage of a General Service >50kW customer has increased from 2014 compared to 2022 as our largest customers have expanded.

The average monthly consumption for a streetlight connection significantly decreased in 2016 due to the High-Pressure Sodium to LED light conversions that occurred in late 2015 & 2016.

7. PERFORMANCE METRICS AND FUTURE PLANS

2022 SCORECARD MANAGEMENT DISCUSSION AND ANALYSIS

The performance outcomes outlined in the RRFE are measured on the LDCs scorecard which is published annually. In 2022 Orangeville Hydro exceeded all of its performance targets. A discussion of the scorecard results follows the reproduction of the scorecard below.

The scorecard is published annually by the Ontario Energy Board around mid-July, therefore the next scorecard which will include 2023 audited results will be posted around July 14, 2024.

Performance Outcomes	Performance Categories	Measures		2018	2019	2020	2021	2022	Trend	Target: Industry	Target: Distributor
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time		100.00%	100.00%	100.00%	99.24%	100.00%	down	90.00%	
		Scheduled Appointments Met On Time		99.76%	100.00%	100.00%	99.25%	100.00%	down	90.00%	
		Telephone Calls Answered On Time		99.94%	99.90%	99.11%	99.21%	99.26%	down	65.00%	
	Customer Satisfaction	First Contact Resolution		99.9	99.9%	99.9	99.83%	99.62%			
		Billing Accuracy		99.99%	100.00%	99.84%	99.82%	99.73%	down	98.00%	
		Customer Satisfaction Survey Results		78.2%	78.2	76	76	76			
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness		86.20%	85.50%	85.50%	84.50%	84.50%			
		Level of Compliance with Ontario Regulation 22/04 [1]		C	C	C	C	C	flat		C
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	1	0	flat		0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.450	0.000	flat		0.063
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted [2]		0.29	0.33	1.01	1.75	0.47	up		0.55
		Average Number of Times that Power to a Customer is Interrupted [2]		0.16	0.39	0.75	0.91	0.52	up		0.65
	Asset Management	Distribution System Plan Implementation Progress		87%	96%	102	87%	156%			
	Cost Control	Efficiency Assessment		2	2	2	1	1			
		Total Cost per Customer [3]		$551	$568	$535	$550	$605			
		Total Cost per Km of Line [3]		$31,233	$32,501	$30,612	$31,921	$35,340			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time [4]									
		New Micro-embedded Generation Facilities Connected On Time		100.00%						90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.56	1.74	1.41	0.78	1.39			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		1.05	1.15	1.12	1.12	1.28			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.36%	9.36%	9.36%	9.36%	9.36%			
			Achieved	11.92%	10.36%	11.83%	9.46%	5.71%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
4. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

Legend: 5-year trend: up, down, flat. Current year: target met, target not met

GENERAL SCORECARD OVERVIEW

In 2022, Orangeville Hydro exceeded all performance targets. Aging distribution infrastructure continues to be a challenge for many utilities today. Like most utilities in Ontario, Orangeville Hydro must replace aging infrastructure at a steady pace to meet this challenge. Therefore, Orangeville Hydro strategically plans to manage the renewal and growth of the distribution system in a cost-effective manner. In addition, vegetation control, including line clearing activities, were continued in the year to reduce the vulnerability and improve the reliability of the distribution system to external uncontrollable events, such as weather.

Orangeville Hydro continues to focus on providing value to our customers. Orangeville Hydro offers "Customer Connect" to assist our customers with interactive information that will permit them to better monitor, understand, and control their electricity consumption. Orangeville Hydro is continually improving our website, which allows customers an improved experience when interacting with us. Orangeville Hydro's social media presence has increased, to provide immediate updates for outages as well as current news. Orangeville Hydro makes every effort to engage its customers on a regular basis to ensure that we are aware of their needs and that they are receiving the best value for their dollar.

In 2023, Orangeville Hydro will continue its efforts to improve its overall scorecard performance results as compared to prior years. This performance improvement is expected because of continued investment in both the infrastructure and in the response to the customers' needs.

PACIFIC ECONOMICS GROUP (PEG) REPORT

The PEG report compares utilities' cost efficiencies on a consistent basis. The report is issued annually and is publicly available on the OEB website. The PEG report provides a ranking of the utilities included in the study, summarizes the results, and provides insight into the trends in utility efficiency scoring. Orangeville Hydro moved up to Group 1 efficiency ranking back in 2021, after moving to Group 2 in 2017 (as per PEG 3-year average). The utility is continuously looking for ways of finding efficiency in its Operations, Maintenance and Administration costs thus reducing rates.

TABLE 4: PEG PAST PERFORMANCE (STRETCH FACTOR)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Stretch Factor Cohort - Annual result	3	3	3	2	2	2	2	1	1
Associated Stretch Factor Value	0.30	0.30	0.30	0.15	0.15	0.15	0.15	0.00	0.00

The summary of cost performance results shows the actual total cost on an annual basis used to complete the PEG analysis. A negative percentage difference means that actual total costs are less than predicted costs. Total cost is a calculation of adjusted OM&A expenses, plus capital costs, and other variables. Shown below, the differential between actual total cost and predicted costs becomes increasingly larger with each year, which is why in 2021 Orangeville Hydro was moved to Group 1. Moving to a higher group would historically have provided Orangeville Hydro with a larger increase in distribution revenue as a bonus for increased cost efficiencies.

Annually, distribution rate increases are set using two values: Price Escalator and Stretch Factor. The distribution rates are increased by the Price Escalator percentage and decreased by the Stretch Factor percentage. This means the higher the PEG report rating, the lesser the rates will be decreased by the Stretch Factor, therefore allowing a higher increase in distribution revenues. Unfortunately, currently the PEG report rating does not affect Orangeville Hydro, because in 2020, when Orangeville Hydro received its Cost of Service deferral approval for 2021 rates, the OEB determined that Orangeville Hydro will complete its next IRM rate application using the Annual IR methodology. This means that until we complete our next Cost of Service rate application in 2024, the Stretch Factor will always be set at the highest value of .6%, therefore reducing distribution rates by this amount. After our Cost of Service is complete, we will then receive the lower Stretch Factor decrease, therefore increasing distribution revenue.

TABLE 5: SUMMARY OF COST PERFORMANCE RESULTS

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actual Total Cost	$ 6,743,925	$ 6,848,039	$ 6,904,089	$ 6,836,145	$ 6,933,646	7,182,788	6,795,755	7,022,686	7,774,710
Percentage Change on previous year		1.5%	0.8%	-0.98%	1.43%	3.59%	-5.39%	3.34%	10.71%
Percentage Difference (Cost Performance) per PEG Analysis	-4.0%	-7.6%	-10.2%	-14.3%	-20.0%	-20.7%	-28.8%	-29.6%	-28.9%
Three year average performance			-7.3%	-10.7%	-14.8%	-18.3%	-23.2%	-26.4%	-29.1%

DISTRIBUTION REVENUE

The Ontario Energy Board compiles an annual Yearbook which contains various financial and non-financial statistics of all utilities in the province. This report allows comparison between Orangeville Hydro and LDCs with similar characteristics, as well as neighbouring LDCs. The following charts highlight the efforts taken by Orangeville Hydro to keep the distribution revenue rates for our customers lower than many other LDCs, and significantly lower than Hydro One. A three-year average from 2019-2021 was chosen to reduce the effect of anomalous data points that occur within a single year.

TABLE 6: DISTRIBUTION REVENUE – RESIDENTIAL CUSTOMER RATE PER MONTH

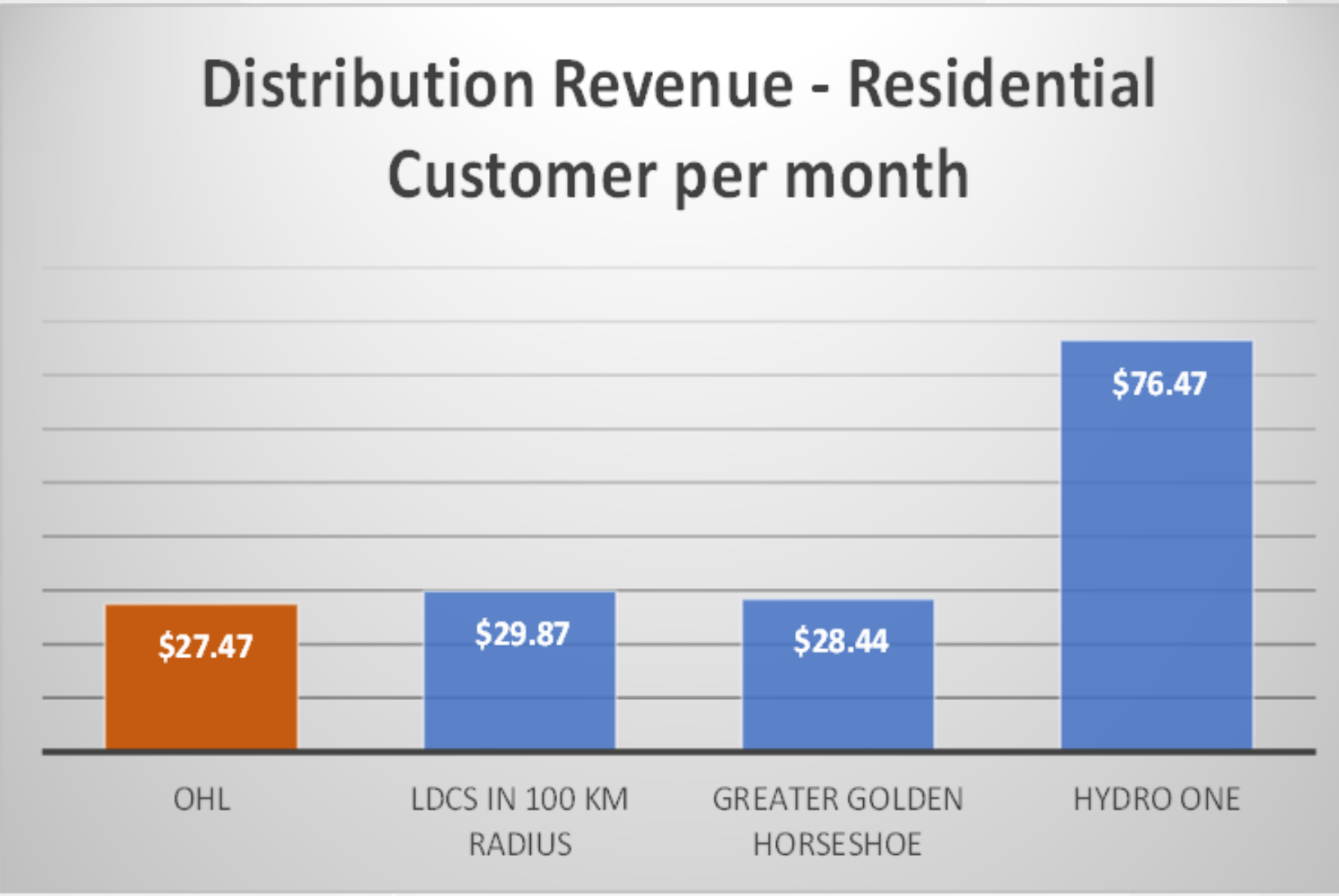


TABLE 7: DISTRIBUTION REVENUE – GENERAL SERVICE < 50 KW
CUSTOMER RATE PER MONTH

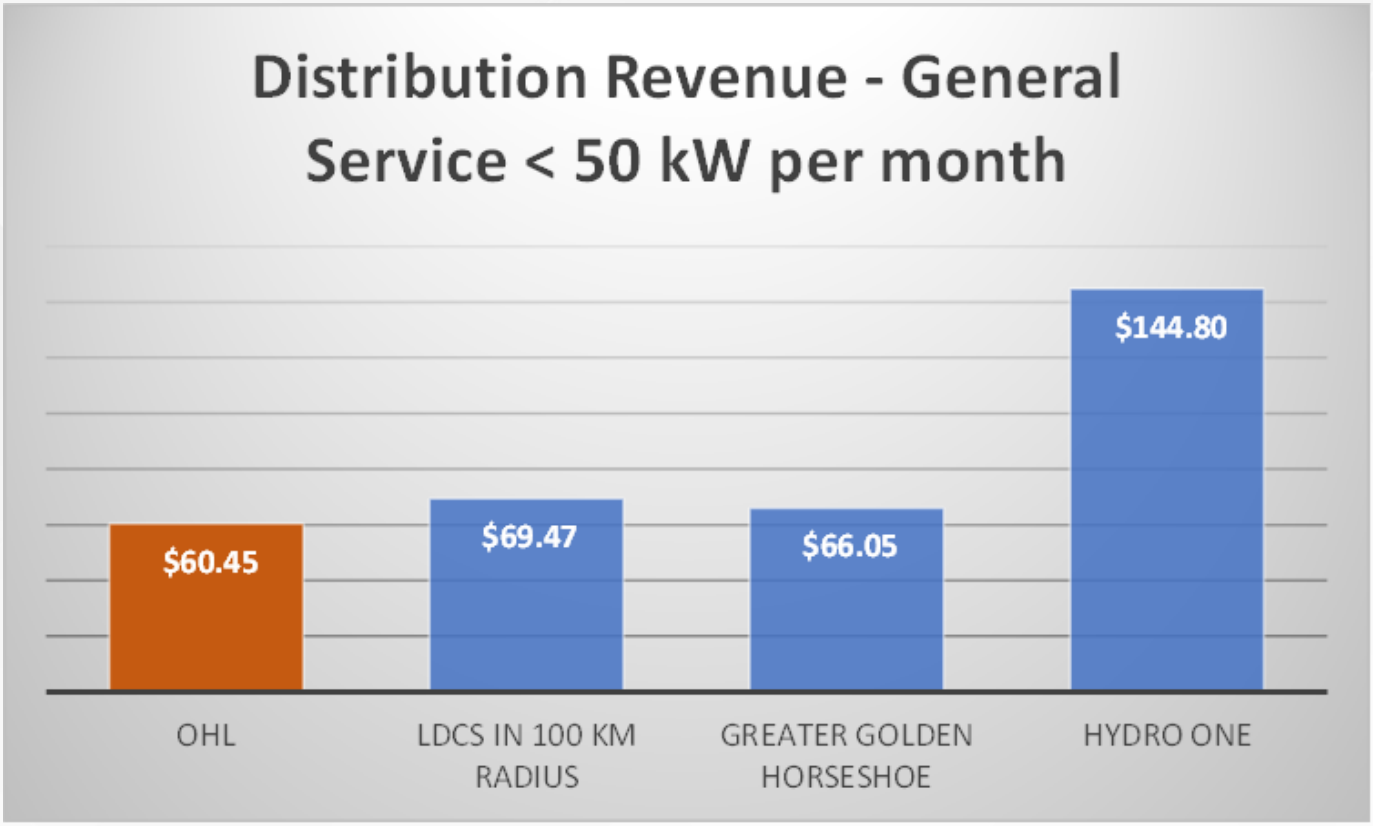
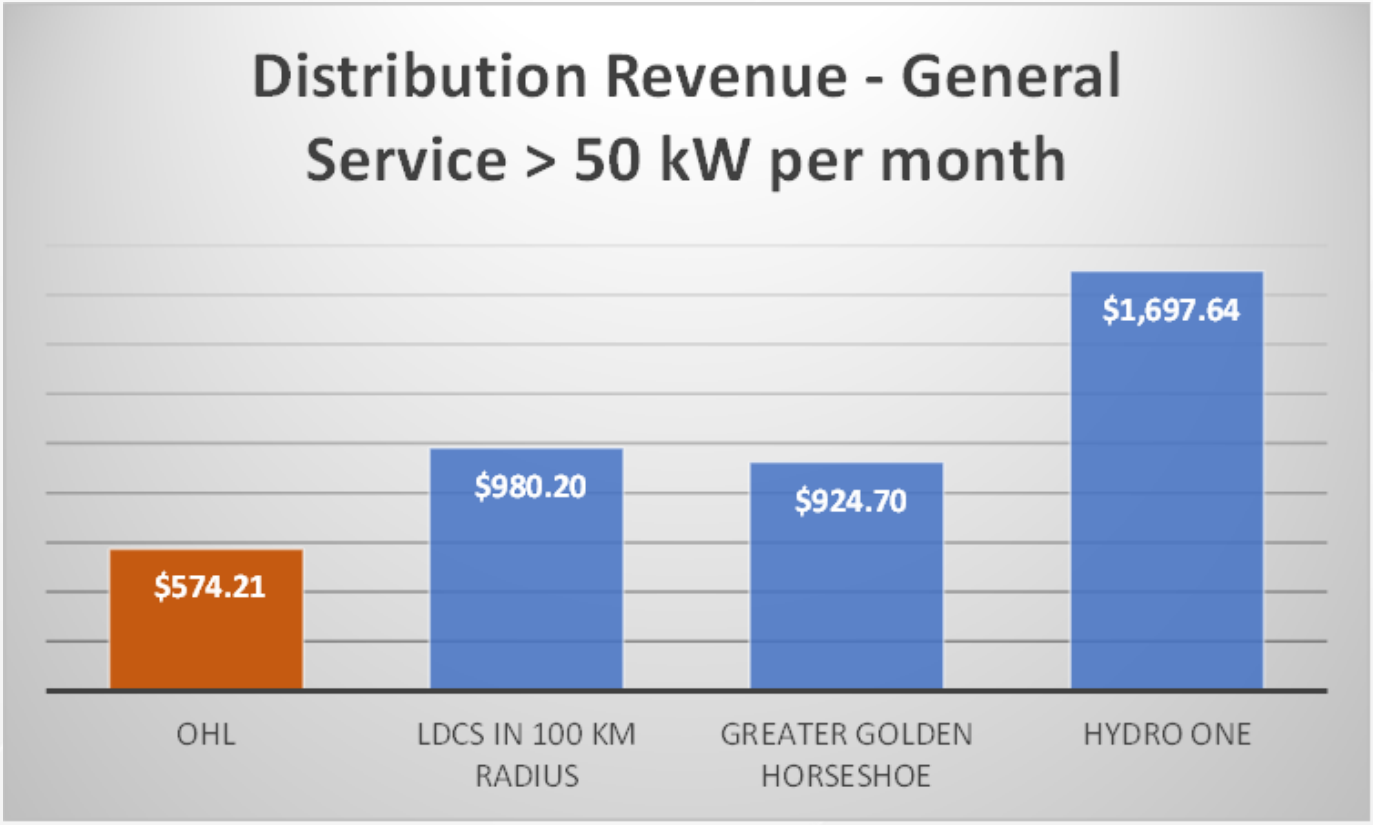


TABLE 8: DISTRIBUTION REVENUE – GENERAL SERVICE > 50 KW
CUSTOMER RATE PER MONTH



COST OF SERVICE (COS) RATE APPLICATION

In 2024, Orangeville Hydro will complete a Cost of Service rate application. A COS is essentially a detailed business plan and budget, laying out the strategic vision for the next 5 years. The COS determines the level of spending and investments that Orangeville Hydro will make, including equipment, infrastructure, maintenance, service offerings, rates customers pay and more. All costs must be presented and justified by the LDC before being reviewed by the OEB. Orangeville Hydro last completed a COS application for 2014 rates. This COS will mainly affect the distribution revenue that will be paid by each customer through their service charge (fixed rate) and distribution volumetric (variable rate) charge.

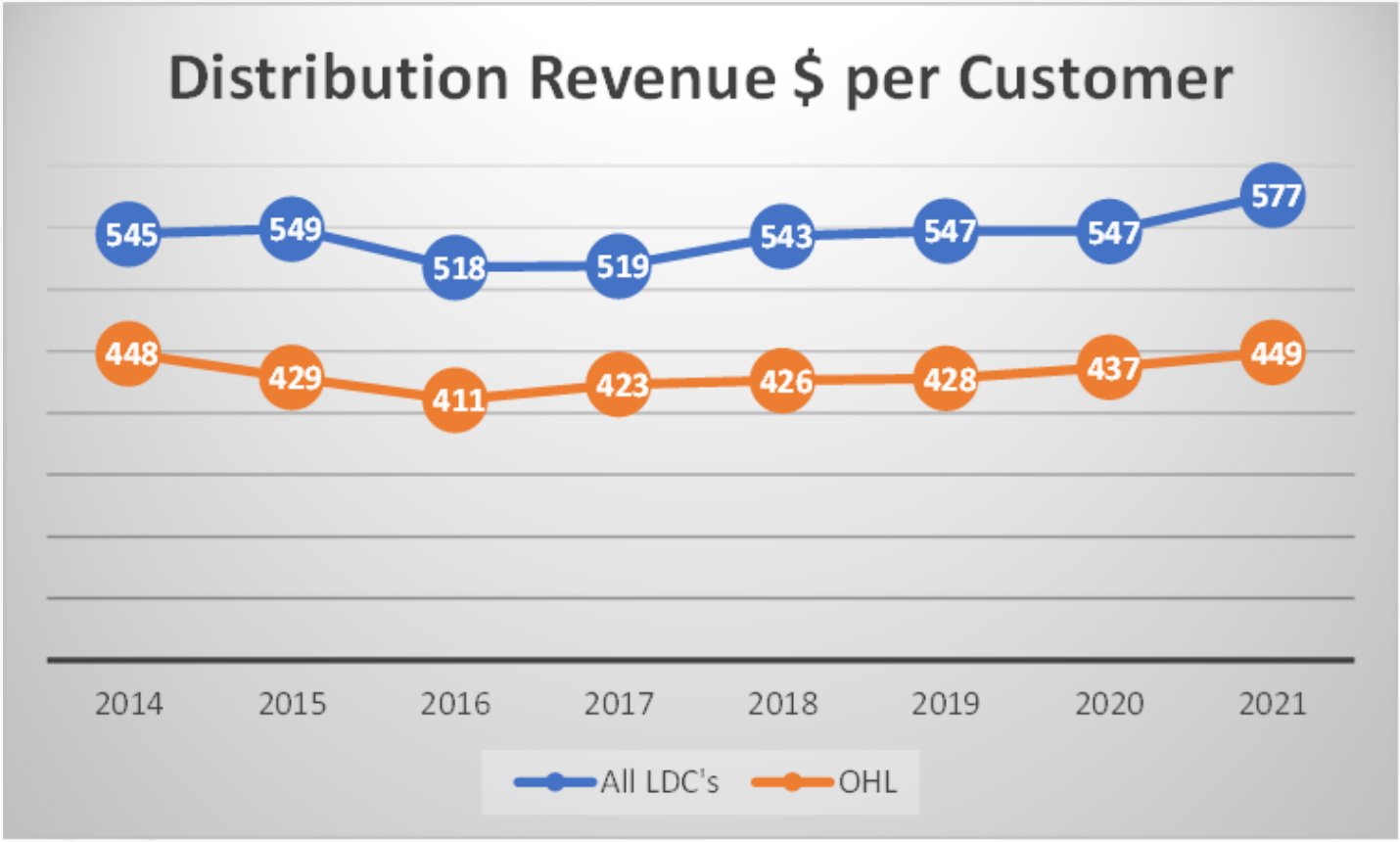
HISTORICAL AND PROPOSED REVENUES

The historical customer growth has allowed Orangeville Hydro's overall distribution revenue to increase without significantly increasing the distribution revenue per customer.

TABLE 9: HISTORICAL AND PROPOSED DISTRIBUTION REVENUES

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Budget
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	Fixed Rate	$ 15.25	$ 15.45	$ 18.19	$ 21.00	$ 23.72	$ 26.62	$ 27.11	$ 27.54	$ 28.28	$ 29.16	$ 32.82
	Variable Rate	$ 0.0131	$ 0.0133	$ 0.0102	$ 0.0069	$ 0.0035	$ -	$ -	$ -			
	Customers	10,407	10,570	10,730	11,084	11,285	11,360	11,409	11,483	11,560	11,643	11,725
	kWh	89,859,649	88,658,010	88,848,347	87,913,227	96,120,656	93,470,023	100,184,806	99,647,947	99,959,003	101,218,123	97,826,124
	Revenues	$ 3,187,626	$ 3,090,922	$ 3,200,973	$ 3,352,629	$ 3,602,177	$ 3,631,125	$ 3,757,300	$ 3,889,196	$ 3,693,685	$ 4,104,126	$ 4,617,326
GS<50	Fixed Rate	$ 31.21	$ 31.62	$ 32.19	$ 32.71	$ 33.00	$ 33.45	$ 34.07	$ 34.62	$ 35.55	$ 36.65	$ 41.72
	Variable Rate	$ 0.0095	$ 0.0096	$ 0.0098	$ 0.0100	$ 0.0101	$ 0.0102	$ 0.0104	$ 0.0106	$ 0.0109	$ 0.0112	$ 0.0127
	Customers	1,141	1,132	1,129	1,149	1,164	1,163	1,164	1,168	1,161	1,158	1,176
	kWh	36,140,162	35,440,740	35,626,425	36,041,070	37,480,006	36,623,491	35,247,190	35,138,692	36,930,708	36,254,139	35,834,680
	Revenues	$ 795,437	$ 751,287	$ 765,543	$ 919,218	$ 782,960	$ 822,922	$ 847,950	$ 872,387	$ 878,222	$ 917,680	$ 1,026,212
GS>50	Fixed Rate	$ 160.00	$ 162.08	$ 165.00	$ 167.64	$ 169.15	$ 171.43	$ 174.60	$ 177.39	$ 182.18	$ 187.83	$ 223.00
	Variable Rate	$ 2.1482	$ 2.1761	$ 2.2153	$ 2.2507	$ 2.2710	$ 2.3017	$ 2.3443	$ 2.3818	$ 2.4461	$ 2.5219	$ 2.9381
	Customers	137	138	141	132	134	132	124	124	125	126	126
	kWh	125,765,970	130,146,426	130,517,952	131,013,598	134,083,745	133,361,535	129,723,990	135,353,629	142,708,632	136,085,199	139,510,255
	Revenues	$ 816,710	$ 826,561	$ 888,196	$ 870,180	$ 857,752	$ 868,499	$ 836,472	$ 878,648	$ 966,947	$ 952,475	$ 1,162,982
Sentinel Lights	Fixed Rate	$ 3.12	$ 3.16	$ 3.22	$ 3.27	$ 3.30	$ 3.34	$ 3.40	$ 3.45	$ 3.54	$ 3.65	$ 5.89
	Variable Rate	$ 12.1717	$ 12.3299	$ 12.5518	$ 12.7526	$ 12.8674	$ 13.0411	$ 13.2824	$ 13.4949	$ 13.8593	$ 14.2889	$ 23.0559
	Connections	141	151	152	151	155	157	158	158	157	157	158
	kWh	108,113	108,886	110,643	108,354	107,351	107,697	107,698	107,404	104,541	106,427	104,420
	Revenues	$ 7,254	$ 7,339	$ 8,482	$ 8,096	$ 8,362	$ 8,480	$ 9,298	$ 10,573	$ 10,455	$ 10,939	$ 17,536
Streetlights	Fixed Rate	$ 1.42	$ 1.44	$ 1.47	$ 1.49	$ 1.50	$ 1.52	$ 1.55	$ 1.57	$ 1.61	$ 1.66	$ 1.89
	Variable Rate	$ 7.8391	$ 7.9410	$ 8.0839	$ 8.2132	$ 8.2871	$ 8.3990	$ 8.5544	$ 8.6913	$ 8.9260	$ 9.2027	$ 10.4767
	Connections	2,915	2,851	2,845	2,890	2,939	2939	2962	2982	2,985	2,957	3,015
	kWh	1,920,607	1,750,885	933,500	904,819	912,796	925,959	924,100	911,971	917,094	916,560	923,583
	Revenues	$ 91,595	$ 91,113	$ 53,288	$ 71,690	$ 73,088	$ 74,656	$ 87,468	$ 77,905	$ 87,657	$ 81,315	$ 94,158
USL	Fixed Rate	$ 5.95	$ 6.03	$ 6.14	$ 6.24	$ 6.30	$ 6.39	$ 6.51	$ 6.61	$ 6.79	$ 7.00	$ 7.97
	Variable Rate	$ 0.0083	$ 0.0084	$ 0.0086	$ 0.0087	$ 0.0088	$ 0.0089	$ 0.0091	$ 0.0092	$ 0.0094	$ 0.0097	$ 0.0110
	Connections	73	96	97	97	97	97	97	98	98	98	97
	kWh	404,627	400,512	370,442	398,917	393,393	393,393	393,393	393,393	393,393	393,393	387,304
	Revenues	$ 10,158	$ 10,401	$ 10,939	$ 10,928	$ 40,430	$ 10,787	$ 11,076	$ 11,603	$ 10,993	$ 11,430	$ 13,346
TOTAL	kWh	254,199,128	256,505,459	256,407,308	256,379,985	269,097,947	264,882,097	266,581,177	271,553,035	281,013,371	274,973,841	274,586,366
	Revenues	$ 4,908,779	$ 4,777,622	$ 4,927,421	$ 5,232,741	$ 5,364,768	$ 5,416,469	$ 5,549,565	$ 5,740,311	$ 5,647,959	$ 6,077,967	$ 6,931,560

TABLE 10: HISTORICAL DISTRIBUTION REVENUE PER CUSTOMER



BILL IMPACTS

Since our last Cost of Service for 2014 rates, Orangeville Hydro's residential rate increases excluding rate riders have been near or below the rate of inflation. The transition to a fully fixed residential service charge has helped to ensure a stable source of revenue for Orangeville Hydro as well as ensuring more consistency for our residential customers' energy costs. Overall residential bill impacts include rate riders, which are in place for the recovery of deferral and variance accounts from pass through charges (regulatory assets and liabilities). Orangeville Hydro did not dispose of all deferral and variance accounts in 2019 and 2020, which is why there is a larger bill impact in 2021 including rate riders, as these rates included dispositions for multiple years.

TABLE 11: RESIDENTIAL BILL IMPACTS (DISTRIBUTION ONLY)

Excluding Rate Riders (incl. SME charge)									
		2017	2018	2019	November 1, 2020	2021	November 1, 2021	2022	2023
Residential	Fixed Rate	$ 21.79	$ 24.29	$ 27.19	$ 27.92	28.35	28.11	28.85	29.58
	Variable Rate	$ 0.0069	$ 0.0035	$ -	$ -	$ -			
	Total (700 kWh)	$ 26.62	$ 26.74	$ 27.19	$ 27.92	$ 28.35	$ 28.11	$ 28.85	$ 29.58
	Bill Impact	1.9%	0.5%	1.7%	2.7%	1.5%	-0.8%	2.6%	2.5%
Including Rate Riders									
		2017	2018	2019	November 1, 2020	2021	November 1, 2021	2022	2023
Residential	Fixed Rate	$ 21.96	$ 24.46	$ 27.35	$ 28.08	28.67	28.27	29.01	29.66
	Variable Rate	$ 0.0064	$ 0.0031	$ 0.0011	$ 0.0011	$ 0.0094	$ 0.0083	0.0039	0.0047
	Total (700 kWh)	$ 26.44	$ 26.63	$ 28.12	$ 28.85	$ 35.25	$ 34.08	$ 31.74	$ 32.95
	Bill Impact	-3.3%	0.7%	5.6%	2.6%	22.2%	-3.3%	-6.9%	3.8%

8. CAPITAL SPENDING

KEY OBJECTIVES FOR CAPITAL EXPENDITURE

The key objectives for Orangeville Hydro's capital expenditures over the next five years include:

- Ensuring our existing and future customers enjoy the benefit of a safe and reliable distribution system,
- Ensuring our staff can work safely on and near the distribution system,
- Mitigating the inherent risks of a distribution system through an effective asset management program,
- Understanding customer preferences – how our customers wish to receive service and how do they wish to interact with the utility to obtain the information they require and understand the goals, objectives, and priorities of the utility,
- Ensuring our load, generation, and storage customers have access to the distribution system as well as a long-term secure supply of energy, and
- Ensuring all regulatory compliance obligations are achieved.

- **System access** expenditures for 2023 to 2028 are expected to be higher than the historical average of 2014 to 2022. System Access projects encompass customer requests for service connections and subdivisions. Growth will occur from new subdivisions, infill developments, and intensification developments. Considering these expenditures are based on customer demand, this forecast is subject to change.

- **System renewal** expenditures for 2023 to 2028 are expected to be higher than the historical average of 2014 to 2022. These expenditures are to improve the distribution system by either replacing assets or extending the original service life of the major assets such as poles, transformers, switches, switching cubicles, and revenue meters. Considering these expenditures can be affected by the quantity of major assets that fail in a specific year, this forecast is subject to change.

- **System service** expenditures for 2023 to 2028 are expected to be higher than the historical average of 2014 to 2022. These projects are planned to ensure the distribution system continues to meet operational objectives, while addressing future needs. The expenditures within this 5-year plan are significantly driven by Orangeville Hydro's voltage conversion program.

- **General Plant** expenditures for 2023 to 2028 are expected to be higher than the historical average of 2014 to 2022. General Plant expenditures are for non-distribution assets, such as land, building, office equipment, computer hardware, vehicles, and small equipment. Intangibles are included in General Plant and include land rights and computer software.

2024 CAPITAL BUDGET

Description	2024 Budget	2023 Budget	Variance 2024 Budget to 2023 Budget	2023 Forecast	Variance 2023 Forecast to 2023 Budget	2022 Actuals	Variance 2024 Budget to 2022 Actuals
System Access	1,359,889	705,774	654,116	820,036	114,262	96,413	1,263,476
System Renewal	787,454	407,649	379,805	583,184	175,535	554,050	233,403
System Service	818,940	784,604	34,336	976,919	192,315	2,197,624	(1,378,684)
General Plant	710,917	288,898	422,019	124,383	(164,515)	134,922	575,995
Total Gross expenditures	**3,677,200**	**2,186,925**	**1,490,275**	**2,504,522**	**317,597**	**2,983,010**	**694,190**
Contributed Capital	(718,936)	(330,098)	(388,838)	(451,067)	(120,969)	(62,566)	(656,370)
Total net expenditures	$ 2,958,264	$ 1,856,827	$ 1,101,437	$ 2,053,455	$ 196,628	$ 2,920,445	$ 37,819

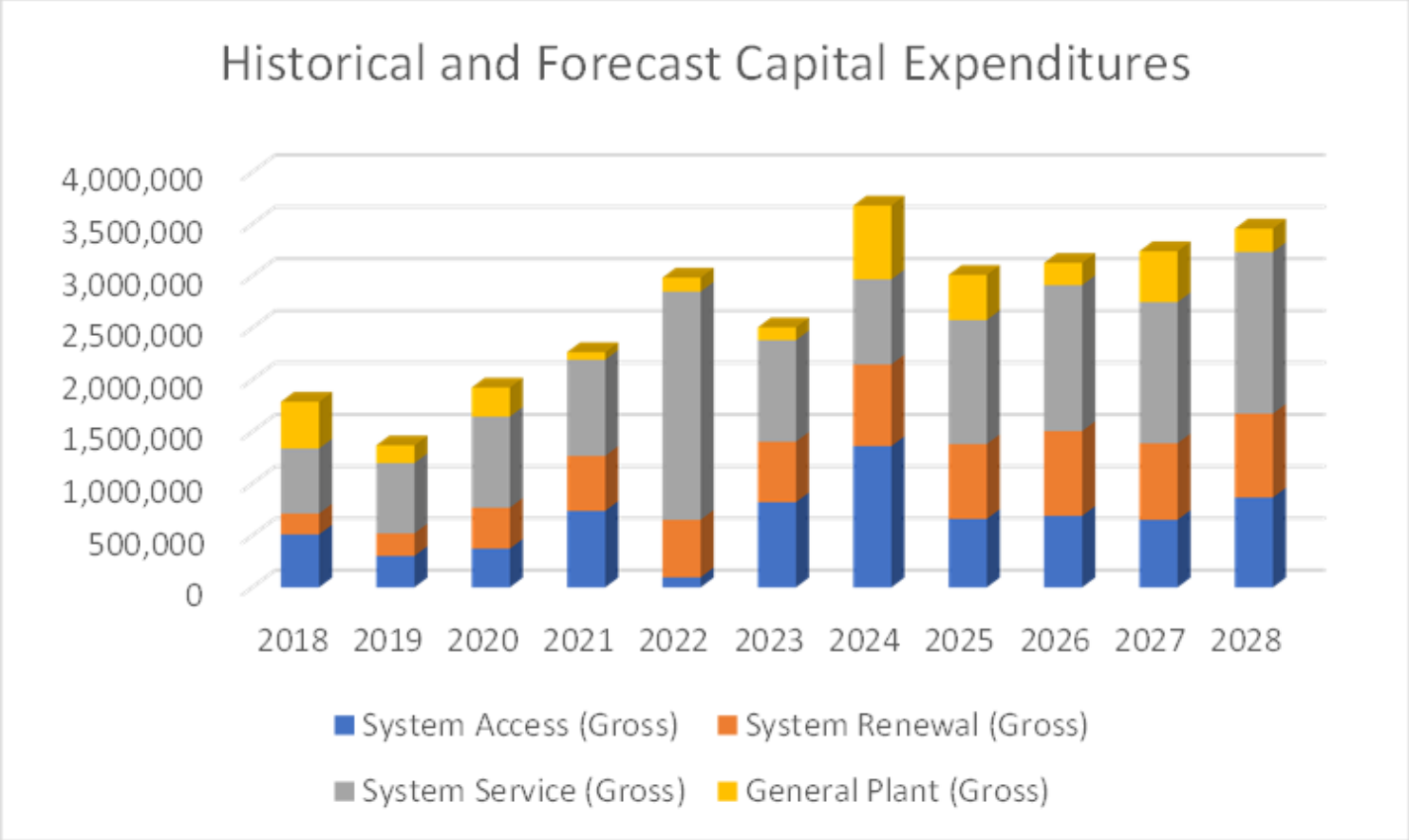
Capital investments are necessary to ensure a safe and reliable distribution system and to meet our obligation to connect new customers. It is important to Orangeville Hydro that there is a strong understanding of the entire system to determine priority assets that require replacement or repair.

The 2024 Capital Budget of $2,958,264 includes the completion of three significant System Service projects, which are: B121 - MS2 East Feeder Voltage Conversion-Maple/Madison Ave, B122 - MS2 South Feeder Voltage Conversion-Edelwild/Rustic/Cedar/Lawrence, and B2024-1-2024 Ontario and Victoria St Voltage Conversion. These projects are the continuation of Orangeville Hydro voltage conversion program. The System Renewal projects of $787,454 are planned transformer, hardware, meter, and pole replacements. Meter replacements and additions are higher than historical with new meters for connecting new customers, to renew aging meter population, and utilize cellular infrastructure to improve reading reliability. Significant System Access costs of $1,359,889 are mainly attributed to the connection of two new residential subdivisions, which have both advised they will be connected within 2024. The 2024 General Plant Budget of $710,917 includes a roof replacement of the office portion of the building. It was recommended that the roof should be replaced over the course of 2024 and 2025, so the total expense has been split over two years. This budget also includes billing system upgrades, and the installation of an improved customer portal. A new GIS system installation is also included, which will provide improved asset management processes and improved system performance tracking for reporting purposes. A new electric truck to replace truck #34 is included, based on the Orangeville Hydro vehicle replacement policy. Throughout 2022 and 2023, significant price increases have been realized on major capital items; this budget has incorporated the known increases.

2024 CAPITAL BUDGET BY CATEGORY

Category	Reference Number	Project Description	Total Project	Contributed Capital
System Access	C01-2024	Various General Service Capital Contribution Projects	80,000	(40,000)
System Access	C02-2024	Various Residential Capital Contribution Projects	30,000	(25,000)
System Access	F01-2024	Estimated Distributed Energy Resources	8,000	(8,000)
System Access	S01-2024	Various Subdivisions	1,241,889	(645,936)
System Access Total:			**$1,359,889**	**$ (718,936)**
System Renewal	B83-2024	Substation Renewal	7,194	
System Renewal	TX-2024	Transformer and PME Renewal	161,383	
System Renewal	H00-2024	Hardware Replacement	50,000	
System Renewal	H00-SLEEVE-2024	Hardware Replacement - Automatic Sleeve Replacement	177,478	
System Renewal	M-2024	Meter Renewal	243,499	
System Renewal	P00-2024	Pole Replacement	147,900	
System Renewal Total:			**$ 787,454**	
System Service	B121-2024	MS2 East Feeder Voltage Conversion-Maple/Madison Ave	419,902	
System Service	B122-2024	MS2 South Feeder Voltage Conversion-Edelwild/Rustic/Cedar/Lawrence	209,941	
System Service	B2024-1-2024	Ontario and Victoria Street Voltage Conversion	189,097	
System Service Total:			**$ 818,940**	
General Plant	GP 2024 - 1	Building	296,000	
General Plant	GP 2024 - 2	Office Equipment	30,000	
General Plant	GP 2024 - 3	Computer Equipment	58,000	
General Plant	GP 2024 - 4	Computer Software	197,380	
General Plant	GP 2024 - 5	Vehicles	93,815	
General Plant	GP 2024 - 6	Stores Equipment	2,000	
General Plant	GP 2024 - 7	Tools, Shop & Garage Equipment	6,500	
General Plant	GP 2024 - 8	Measurement & Testing	24,222	
General Plant	GP 2024 - 9	Miscellaneous Equipment	2,000	
General Plant	GP 2024 - 10	Land Rights	-	
General Plant	GP 2024 - 11	Communication Equipment	1,000	
General Plant Total:			**$ 710,917**	
Total 2024 Budget Capital Expenditures			**$3,677,200**	**$ (718,936)**
Total 2024 Budget Capital Expenditures Less Contributed Capital			**$2,958,264**	

TABLE 12: CAPITAL EXPENDITURES BY YEAR AND TYPE



Orangeville Hydro is required to submit a periodic Distribution System Plan (DSP), typically along with a Cost of Service rate application. This DSP is designed to present Orangeville Hydro's fully integrated approach to capital expenditure planning. This includes comprehensive documentation of its Asset Management process that supports its future five-year capital expenditure plan while assessing the performance of its historical five-year period.

The electricity distribution system is capital intensive in nature and prudent capital investments and maintenance plans are essential to ensure the sustainability of the distribution network. Orangeville Hydro's DSP documents the practices, policies and processes that are in place to ensure decisions on capital investments and maintenance plans support Orangeville Hydro's desired outcomes cost-effectively and provides value to customers.

In every year of the DSP, a comprehensive capital plan is completed, which includes System Access capital contribution jobs, System Service conversion projects, System Renewal upgrade projects, and General Plant expenditures.

TABLE 13: SUMMARY OF HISTORICAL AND PLAN CAPITAL EXPENDITURES 2018-2028

Category	Historical						Forecast				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
System Access (Gross)	509,508	302,685	372,926	736,527	96,413	820,036	1,359,889	658,682	688,513	650,310	865,968
System Renewal (Gross)	201,614	217,629	394,476	530,019	554,050	583,184	787,454	720,928	816,933	737,671	807,351
System Service (Gross)	625,952	676,650	877,012	925,386	2,197,624	976,919	818,940	1,194,177	1,405,127	1,359,250	1,557,016
General Plant (Gross)	450,696	171,264	280,525	73,302	134,922	124,383	710,917	436,000	215,000	490,000	225,000
Gross Capital Expenses	1,787,770	1,368,228	1,924,939	2,265,234	2,983,009	2,504,522	3,677,200	3,009,787	3,125,572	3,237,231	3,455,335
Contributed Capital	(198,868)	(114,921)	(239,979)	(349,139)	(62,566)	(451,067)	(718,936)	(203,666)	(377,697)	(291,859)	(372,702)
Net Capital Expenses after Contributions	1,588,902	1,253,307	1,684,960	1,916,095	2,920,443	2,053,455	2,958,264	2,806,121	2,747,875	2,945,372	3,082,633
System O&M	754,878	958,991	807,988	1,077,960	1,164,462	1,249,459	1,359,282	1,393,264	1,379,096	1,169,562	1,198,802

Details of major projects each year are below:

2024 System Service projects include:
- B121 - MS2 East Feeder Voltage Conversion-Maple, Madison Ave
- B122 - MS2 South Feeder Voltage Conversion-Edelwild/Rustic/Cedar/Lawrence
- B2024-1-2024 - Ontario and Victoria Street Voltage Conversion

Significant roof upgrades at 400 C Line office area are included in the General Plant budget, as well as a new Electric Pickup Truck.

2025 System Service projects include:
- B119 - Blind Line Primary Conductor Upgrade-Broadway to Hansen
- B123 - Voltage Conversion from Rabbit-Cardwell-Dufferin-Ontario-Caledonia
- B124 - MS2 East Feeder Conversion-Carlton-Lawrence

Significant roof upgrades at 400 C Line garage area are included in the General Plant budget, as well as a new pickup truck.

2026 System Service projects include:
- B125 - MS3 North Feeder - Broadway-Banting-Zina-Elizabeth-Birch Conversion
- B126 - MS4 West Feeder - Amelia St-Jackson Court Voltage Conversion

A new Electric vehicle pickup truck replacement is included in the General Plant budget.

2027 System Service projects include:
- B127 - MS4 West Feeder - Westmorland-Fairview, Elm Voltage Conversion
- B128 - MS4 West Feeder - Meadow, Passmore, Pheasant Dr Voltage Conversion

A double bucket truck replacement is included in the General Plant budget, as well as a replacement pickup truck.

2028 System Service projects include:
- B128 - Continuation of MS4 West Feeder - Meadow, Passmore, Pheasant Dr Voltage Conversion
- B129 - MS4 West Feeder - Kensington Place Voltage Conversion
- BRAB - Voltage Conversion of Rabbits (Crimson, Orangemill Court, Quarry, Sherbourne)

A dump truck replacement is included in the General Plant budget.

9. OPERATING COSTS

Operating and maintenance work will maintain the focus on inspecting, testing, patrolling as well as the supervision of the distribution system and equipment such as sub-stations, transformers, and meters, along with engineering and mapping expenses. It also includes planned maintenance projects such as vegetation management in problem areas plus any costs that are a result of reactive work that occurs, such as repairing transformers and trouble calls. A well-maintained distribution system results in better system reliability which is one of our major initiatives. The Operating budget includes labour, material, and contractor costs.

Billing, Collecting and Meter Reading budget includes an allocated portion of the salary for the Manager of Customer Service to oversee the customer service department, customer service staff labour and benefits, stationery, postage, and billing system operating costs along with meter reading and smart metering costs. While our focus remains on the customer, Orangeville Hydro is always investigating efficiencies and striving to reduce costs.

The Community Relations budget covers our safety and conservation programs for 2 schools each year to educate students on either conservation or electrical safety. This budget also includes "On hold" informational messages to our customers, radio advertising and participation in local events, such as Christmas in the Park, Customer Education Day, Grand Valley Duck Race, and the Orangeville Farmers market.

Administration is an integral part of our business plan. This category budget includes costs for the Directors, President, and Chief Financial Officer, as well as finance and regulatory staff. Labour, benefits, training, conferences, office maintenance and supplies, and insurances for property and liability, Ontario Energy Board regulatory costs, association memberships, HR, legal and auditing consultants, and a portion of the IT consultant are some of the other costs that drive the Administration budget. Orangeville Hydro will continue its membership in the Cornerstone Hydro Electric Concepts Co-operative (CHEC) as the membership translates into valuable collaboration cost savings. Membership in Utilities Standards Forum (USF) is extremely beneficial in providing engineering standards common to the entire industry, as well as regulatory and customer service networking between other local distribution companies. Membership in the Electricity Distributors Association (EDA) is also valuable with the association being the voice for Ontario's electricity distributors.

2024 OPERATIONS, MAINTENANCE, AND ADMINISTRATION BUDGET

Description	2024 Budget	2023 Budget	Variance 2024 Budget to 2023 Budget	2023 Forecast	Variance 2023 Forecast to 2023 Budget	2022 Actuals	Variance 2024 Budget to to 2022 Actuals
Operating	1,008,856	892,650	116,205	876,770	(15,881)	797,113	211,743
Maintenance	350,426	324,805	25,622	372,689	47,884	367,349	(16,923)
Distribution	**1,359,286**	**1,217,459**	**141,827**	**1,249,459**	**32,000**	**1,164,462**	**194,824**
Billing & Collecting	**1,191,556**	**1,098,800**	**92,756**	**1,074,172**	**(24,628)**	**983,094**	208,462
Community Relations	**61,354**	**55,210**	**6,144**	**51,171**	**(4,039)**	**32,446**	28,908
Administration	**1,672,500**	**1,466,009**	**206,491**	**1,485,901**	**19,893**	**1,506,086**	166,414
Total	$ 4,284,697	$ 3,837,479	$ 447,219	$ 3,860,703	$ 23,226	$ 3,686,088	$ 598,609
Total Percentage Variance			11.7%		0.61%		16.24%

Overall, the 2024 OM&A Expenses Budget of $4,284,697, is $598,609 higher than the 2022 Actuals of $3,686,088 due to the expenditures described below.

Salaries and wages are a significant aspect of the OM&A expenses, and Orangeville Hydro recognizes the value of a skilled and customer focused workforce. Orangeville Hydro is conscious of the importance of prudent operational spending and completes a monthly analysis to ensure actual spending is close to budgeted costs. All areas of this budget include regular and performance-based salary progressions as well as benefit rate increases over 2022. Management attempts to find efficiencies to reduce OM&A spending where possible. Inflationary increases have been incorporated into the 2024 budget, as there have been widespread increases on many items throughout the budget.

DISTRIBUTION

This Operating and Maintenance budget will maintain the focus on inspecting, testing, patrolling as well as the supervision of the distribution system and equipment such as sub-stations, transformers, and meters, along with engineering and mapping expenses. It also includes planned maintenance projects such as vegetation management in problem areas plus any costs that are a result of reactive work that occurs, such as repairing transformers and trouble calls. A well-maintained distribution system results in better system reliability which is one of our major initiatives.

The 2024 Distribution Budget is higher than the 2022 Actuals with an increase of $194,824. This increase is mainly due to an additional staff member in the Engineering department to meet customers' expectations for service connections and upgrades as well as planning for capital and maintenance programs. The 2024 budget includes higher contractor costs to complete underground locates, to try and ensure we remain in compliance with Ontario One Call regulations as well as customer requested Disconnect/Reconnects. It also includes a third of the overall IT contractor costs, and additional GIS monthly costs.

BILLING, COLLECTING AND METER READING

The 2024 Billing and Collecting Budget is higher than the 2022 Actuals by $208,462. The increase mainly due to an increase in many of the contract costs, such as outsourced meter reading, sync operator, bill printing and CIS monthly costs. There is an increase in labour costs with a reallocation between electric and water accounts. The budget includes higher training and conference costs as compared to 2022, and salary progressions for newer customer service staff. The monthly maintenance costs of the improved customer portal have increased significantly and there is an increase in bad debt in the 2024 budget, as compared to 2022 actuals.

COMMUNITY RELATIONS

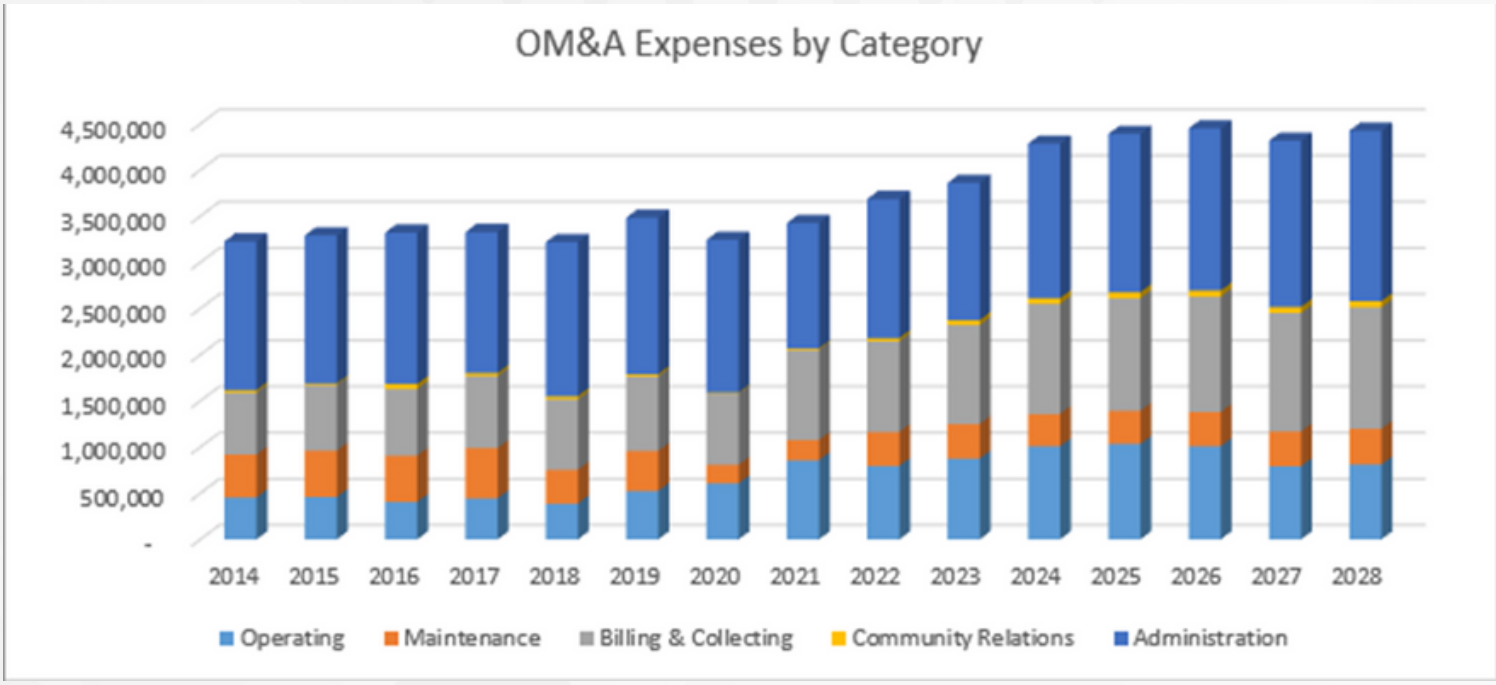
The 2024 Community Relations Budget is higher than the 2022 Actuals by $28,908. The budget includes four planned community engagement events, as well as an increase in the percentage of the Marketing and Communications Coordinators' time, which accounts for most of the increase over 2022 actuals.

ADMINISTRATION

The 2024 Administration Budget is $166,414 higher than the 2022 Actuals. It includes an increase in insurance expenses, as well as training and conference costs for the executive staff, finance and board members. There is an increase of HR assistance costs, as well as net zero consultant costs to move us closer to our net zero goals within our strategic plan. A fifth of the estimated expenses that will be incurred to complete the cost of service application for the OEB are included in this budget.

2024-2028 OPERATING, MAINTENANCE, AND ADMINISTRATION EXPENDITURE PLAN

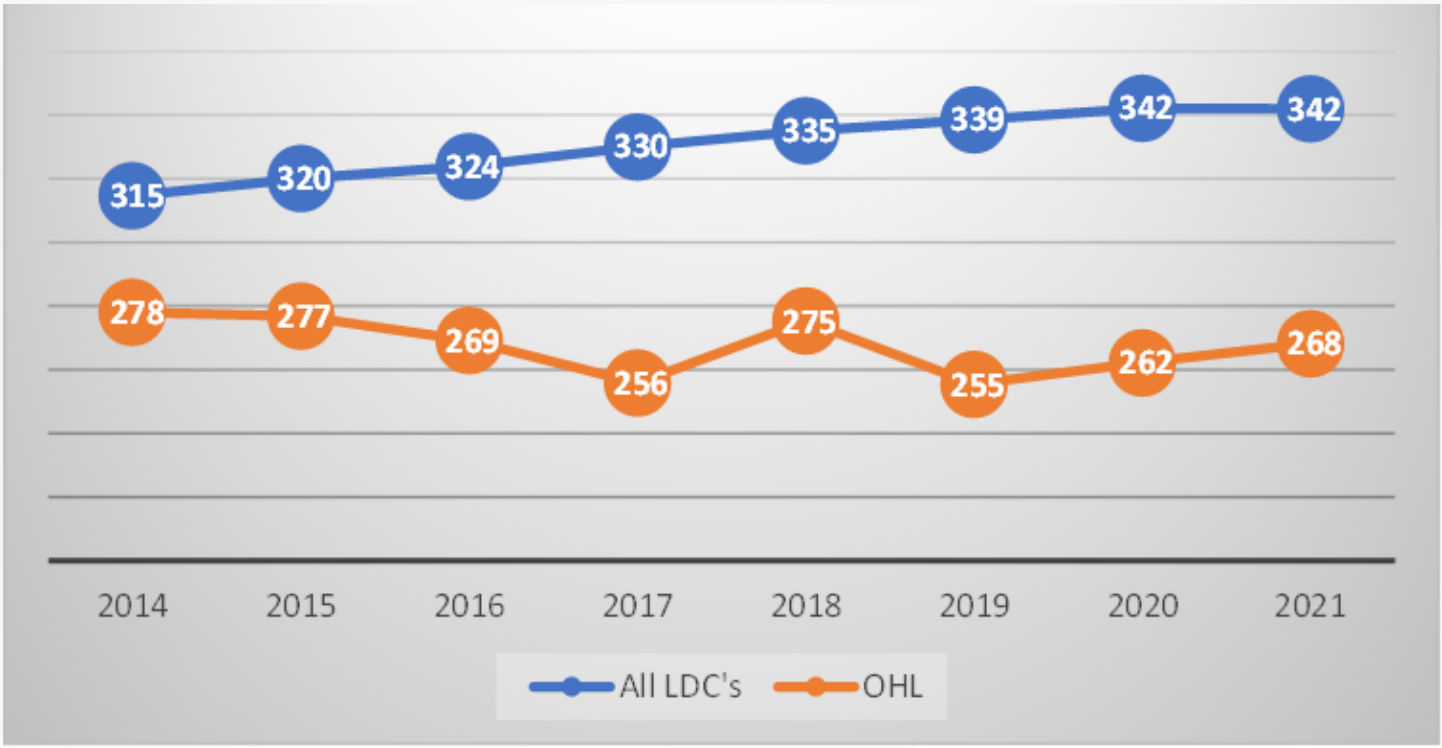
TABLE 14: OM&A EXPENSES BY YEAR AND TYPE



In the forecast from 2024 to 2028, an increase in most operating costs of a rate of 3% per year was used. After an increase of one staff member in 2023, the headcount remains at a steady level of 20 full-time employees going forward. Salaries and wages are a significant aspect of the OM&A expenses, and Orangeville Hydro recognizes the value of a skilled and customer focused workforce. Orangeville Hydro is conscious of the importance of prudent operational spending and completes a monthly analysis to ensure actual spending is close to budgeted costs. Management attempts to find ways to reduce OM&A spending where possible.

Orangeville Hydro's OM&A costs per customer historically is consistently lower than province-wide costs per customer. This is due to a steadily increasing customer base and OM&A expenses staying at fairly consistent levels.

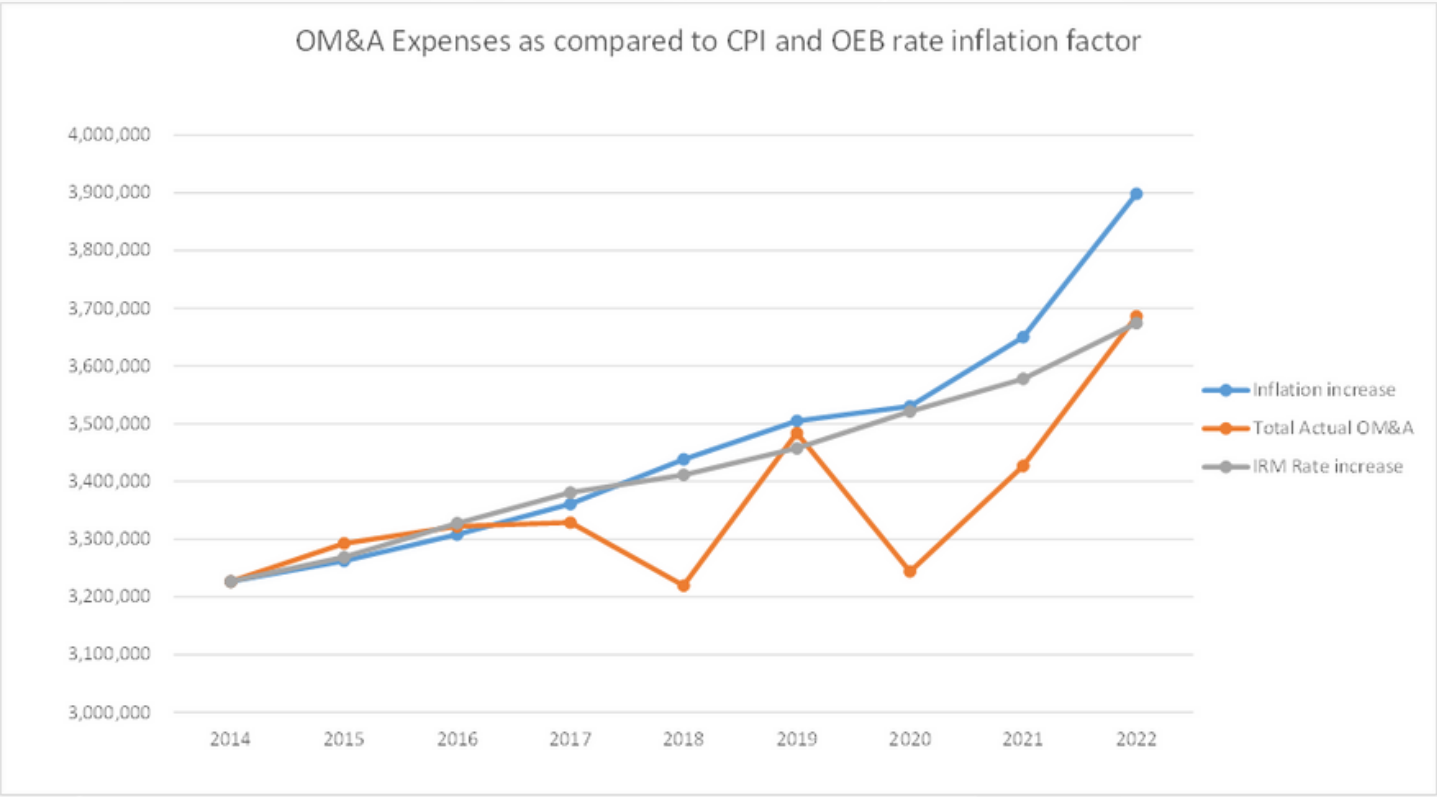
TABLE 15: OM&A COSTS PER CUSTOMER



OM&A COSTS AS COMPARED TO CPI AND OEB INFLATION FACTOR INCREASES

Orangeville Hydro compared its OM&A costs per customer from 2014 to 2022, as compared to historical Canada CPI rates and the OEB IRM rate increases every year, also per customer. With a base year of 2014, OM&A fluctuates more significantly than CPI or OEB inflation factors, but overall has been consistently lower than both metrics.

TABLE 16: OM&A AS COMPARED TO CPI AND OEB INFLATION FACTOR PER CUSTOMER

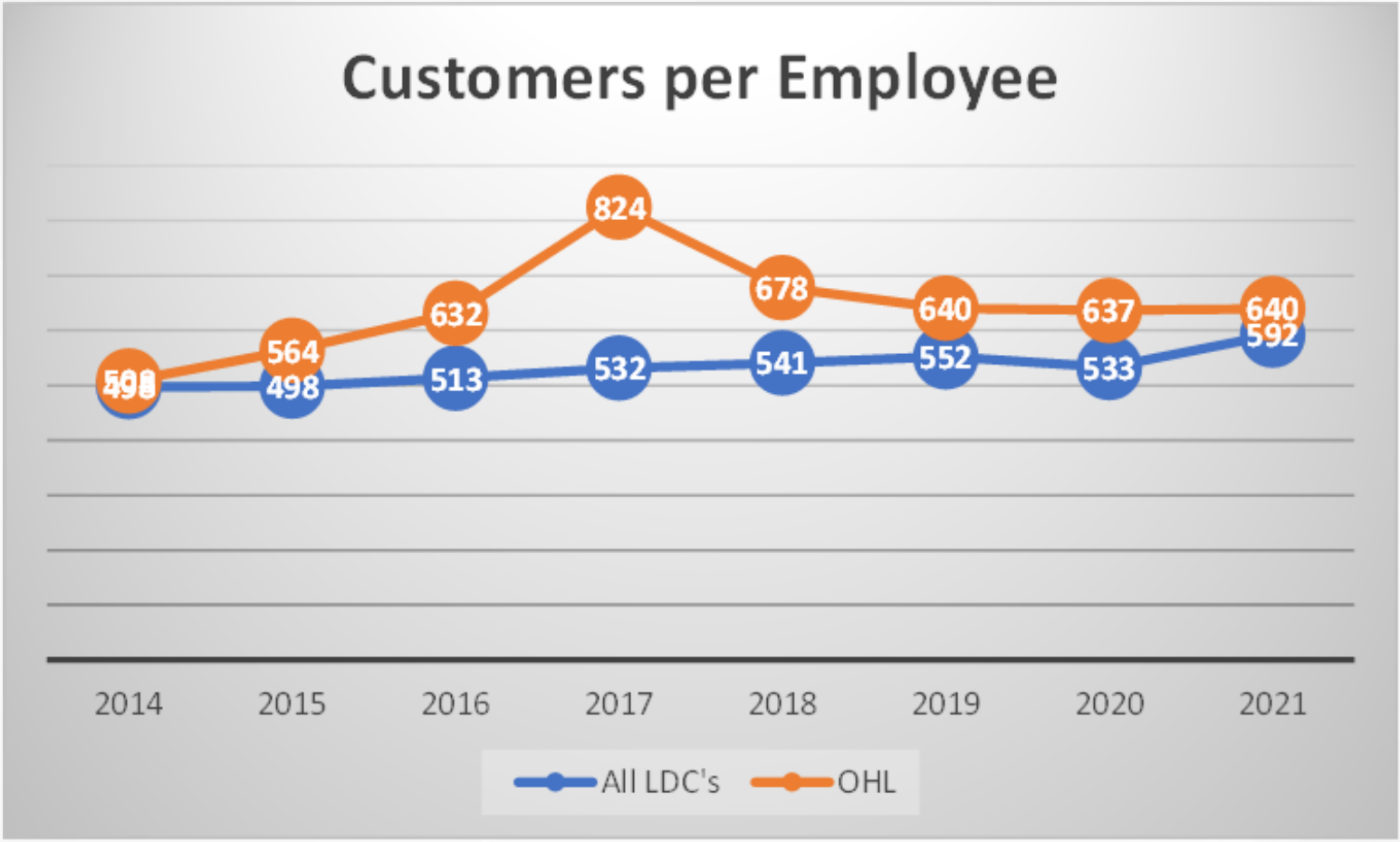


10. PERSONNEL

Orangeville Hydro operates its business with a lean number of employees. This is proven through a comparison of Orangeville Hydro's number of customers per employee compared to other LDCs in Ontario. The efficiency is achieved through ensuring our employees are highly skilled and trained, as well as collaborating with other LDCs through CHEC, UCS, USF, and EDA.

By the end of 2023, the full-time staff complement is expected to be 20. This number of employees is expected to remain consistent for the near future.

TABLE 17: CUSTOMERS PER EMPLOYEE



11. FINANCIAL SUMMARY

TABLE 18: HISTORICAL FINANCIAL SUMMARY AND STATISTICS

	Financial Summary								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Energy Sales	$ 26,720,348	$ 29,637,637	$ 33,499,518	$ 30,048,911	$ 28,491,290	$ 29,164,689	$ 33,148,280	$ 30,406,079	$ 31,873,671
Distribution Revenue	$ 4,954,958	$ 4,839,850	$ 5,200,350	$ 5,219,614	$ 5,444,878	$ 5,674,628	$ 5,664,418	$ 5,796,532	$ 5,640,664
OM&A Expenses	$ 3,226,833	$ 3,292,572	$ 3,322,207	$ 3,328,900	$ 3,219,669	$ 3,492,710	$ 3,285,656	$ 3,426,889	$ 3,686,088
Capital Expenditures	$ 2,167,163	$ 1,293,107	$ 1,940,991	$ 2,551,610	$ 1,778,360	$ 1,368,228	$ 1,924,938	$ 2,265,235	$ 2,983,010
Net Income	$ 712,039	$ 549,640	$ 742,839	$ 1,070,150	$ 1,132,870	$ 901,542	$ 1,086,517	$ 908,964	$ 747,579
Shareholder Equity	$ 9,261,741	$ 9,508,537	$ 9,865,747	$ 10,289,603	$ 10,994,887	$ 11,329,992	$ 11,965,738	$ 12,331,443	$ 12,593,355
Total Debt	$ 11,303,321	$ 10,910,584	$ 10,505,200	$ 12,043,169	$ 11,554,844	$ 13,009,817	$ 13,418,780	$ 13,805,822	$ 16,131,609
Capital assets (PP&E)	$ 17,089,439	$ 17,320,291	$ 18,337,875	$ 19,850,847	$ 20,620,014	$ 20,934,988	$ 21,786,371	$ 22,952,526	$ 24,798,238
Annual Dividends to Shareholders	$ 423,796	$ 302,844	$ 385,629	$ 646,294	$ 447,092	$ 566,435	$ 450,771	$ 543,259	$ 485,664
Cumulative Dividends Paid	$ 17,889,288	$ 18,192,132	$ 18,577,761	$ 19,224,055	$ 19,671,147	$ 20,237,582	$ 20,688,353	$ 21,231,611	$ 21,717,275
Number of customers	11,757	11,934	12,000	12,462	12,690	12,766	12,808	12,885	12,956
Number of employees (incl part tir	23	21	19	15	19	20	20	20	21
	Financial Statistics								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Return on Equity (Financials)	7.69%	5.78%	7.53%	10.40%	10.30%	7.96%	9.08%	7.37%	5.94%
Return on Equity (Regulated)	9.47%	6.40%	8.68%	10.60%	11.92%	10.34%	11.83%	9.46%	5.71%
Debt %	55%	53%	52%	54%	51%	53%	53%	53%	56%
Equity %	45%	47%	48%	46%	49%	47%	47%	47%	44%
Debt to Equity	1.21	1.15	1.06	1.17	1.05	1.15	1.12	1.12	1.28
Debt to Assets %	41%	38%	36%	37%	38%	41%	39%	39%	41%
Debt to Capital Assets %	66%	63%	57%	61%	56%	62%	62%	60%	65%
OM&A expenses/customer	$ 274	$ 276	$ 277	$ 267	$ 254	$ 274	$ 257	$ 266	$ 285
Customers/Employee	511	568	632	831	668	646	642	646	617

TABLE 19: FORECAST FINANCIAL SUMMARY AND STATISTICS

Financial Summary						
	2023	2024	2025	2026	2027	2028
	Plan	Plan	Plan	Plan	Plan	Plan
Energy Sales	$ 30,366,687	$ 30,678,136	$ 30,452,523	$ 30,256,615	$ 30,899,134	$ 31,604,994
Distribution Revenue	$ 6,077,967	$ 6,931,560	$ 7,070,191	$ 7,211,595	$ 7,355,827	$ 7,502,943
OM&A Expenses	$ 3,860,703	$ 4,284,693	$ 4,390,377	$ 4,450,807	$ 4,317,738	$ 4,425,352
Capital Expenditures	$ 2,469,455	$ 3,677,200	$ 3,009,787	$ 3,125,572	$ 3,237,231	$ 3,455,335
Net Income	$ 867,118	$ 981,714	$ 889,078	$ 898,038	$ 1,082,842	$ 994,497
Shareholder Equity	$ 13,086,683	$ 13,634,838	$ 14,033,059	$ 14,486,558	$ 15,120,381	$ 15,573,457
Total Debt	$ 15,586,123	$ 16,554,270	$ 16,006,623	$ 18,409,818	$ 17,769,847	$ 19,589,132
Capital assets (PP&E)	$ 26,086,024	$ 28,496,700	$ 30,162,245	$ 31,928,042	$ 33,740,980	$ 35,668,661
Annual Dividends to Shareholders	$ 373,790	$ 433,559	$ 490,857	$ 444,539	$ 449,019	$ 541,421
Cumulative Dividends Paid	$ 22,091,065	$ 22,524,624	$ 23,015,481	$ 23,460,020	$ 23,909,039	$ 24,450,460
Number of customers	13,021	13,086	13,151	13,217	13,283	13,350
Number of employees (incl part tin	21	21	21	21	21	21

Financial Statistics						
	2023	2024	2025	2026	2027	2028
	Plan	Plan	Plan	Plan	Plan	Plan
Return on Equity (Financials)	6.63%	7.20%	6.34%	6.20%	7.16%	6.39%
Return on Equity (Regulated)						
Debt %	54%	55%	53%	56%	54%	56%
Equity %	46%	45%	47%	44%	46%	44%
Debt to Equity	1.19	1.21	1.14	1.27	1.18	1.26
Debt to Assets %	41%	41%	40%	42%	41%	42%
Debt to Capital Assets %	60%	58%	53%	58%	53%	55%
OM&A expenses/customer	$ 297	$ 327	$ 334	$ 337	$ 325	$ 331
Customers/Employee	620	623	626	629	633	636

REVENUES

Energy Sales include the pass-through commodity costs and are budgeted to increase 2% year over year after 2024. The 2024 Energy Sales are budgeted to increase at the same level as Cost of Power expenses. Distribution revenue is budgeted in 2023 to increase by an estimated number of customers for most customer classes, and then increased in 2024 based on the forecasted revenue requirement. Future years are then conservatively increased by 2% to account for rate increases and customer growth. The residential service charge is now fully fixed, resulting in additional revenue stability in the future.

EXPENSES

The 2024 Cost of Power expenses, which offset the Energy Sales, are based on the Cost of Service models, which incorporate forecasted volumes and rates. Most OM&A expenses are expected to increase in 2023 by 3% and the remaining years by 2.5% to account for inflationary increases as well as additional cost increases, and wages for employees are planned to increase according to the projected Collective Agreement increases. Finance costs will increase due to the additional borrowing projected in 2024, 2026 and 2028.

CAPITAL STRUCTURE

In 2024, Orangeville Hydro projects borrowing $1.5 million to sustain our increased capital works plan and fund regulatory related payments, such as Hydro One low voltage (LV), network (NW), and connection (CN) charges and fluctuating Power and Global Adjustment rates. This will take the debt to equity ratio to 55:45, a small deviation from the OEB deemed structure of 60:40. The Business Plan calls for another $3 million increase in borrowing in 2026 and $2.5 million in 2028. Orangeville Hydro will utilize the borrowing to maintain investment in our infrastructure, progression of technologies, and manage our net regulatory assets.

RATES/RETURN

A comprehensive review by the OEB of Orangeville Hydro's operating, maintenance, and administration costs along with recovery of income taxes and capital investments in our distribution system was completed in 2014 and will take place again in 2024 through the cost of service rate application. Orangeville Hydro earns a return on these investments at the cost of capital rate as deemed by the OEB to meet a certain revenue requirement to develop our distribution rates. Orangeville Hydro rates are currently set to earn a return on equity of 9.36% and to recover the OM&A costs to operate the utility efficiently. When the next Cost of Service rate application is completed, this deemed ROE rate will change as determined by the OEB. The regulated ROE is based on the regulated net income divided by the total rate base, which is calculated as the average property, plant, and equipment plus working capital. During our yearly planning process, management is continuously examining improvements thus intent on achieving a reasonable return on equity.

DIVIDENDS

Historically Orangeville Hydro has provided special dividends to the shareholders in 2005, 2008, 2013 and 2017 amounting to $3.6 million. From 2000 to 2022, Orangeville Hydro has provided the Town of Orangeville with over $21.2 million in dividends and from 2007-2022 the Town of Grand Valley has received over $513,000 in dividends. In the 2024-2028 Business Plan there are no projected special dividends, although consideration over the plan years may be made. Over the horizon of this plan the dividends are estimated at an average of $470,000 per year to 2028. Cash position is constantly monitored with respect to our regulatory environment and vigilance is taken to ensure we can support our future capital requirements.

12. PRO-FORMA FINANCIAL STATEMENTS

ORANGEVILLE HYDRO LIMITED
Statement of Comprehensive Income
Year ended December 31

	2022 Actual	2023 Forecast	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan
Revenue							
Sale of energy	$ 31,873,671	$ 30,366,687	$ 30,678,136	$ 30,452,523	$ 30,256,615	$ 30,899,134	$ 31,604,994
Distribution revenue	5,640,664	6,077,967	6,931,560	7,070,191	7,211,595	7,355,827	7,502,943
Other	312,396	320,530	357,596	365,421	370,485	376,478	382,019
	5,953,060	**6,398,497**	**7,289,156**	**7,435,612**	**7,582,080**	**7,732,304**	**7,884,962**
Total revenues	37,826,731	36,765,184	37,967,291	37,888,135	37,838,696	38,631,439	39,489,957
Operating expenses							
Cost of power purchased	32,063,987	29,835,808	29,237,531	29,820,981	30,416,100	31,023,122	31,642,284
Operating and maintenance	1,164,462	1,249,459	1,359,282	1,393,264	1,379,096	1,169,562	1,198,802
Billing and collecting	1,003,017	1,074,172	1,191,556	1,220,241	1,250,747	1,282,016	1,314,066
Community relations		51,171	61,354	62,888	64,460	66,072	67,724
General and administrative	1,523,517	1,485,901	1,672,501	1,713,984	1,756,504	1,800,087	1,844,760
Loss on sale of property, plant and equipment and intangible assets	45,768						
Depreciation and Amortization	981,573	1,031,848	1,124,239	1,202,201	1,223,589	1,280,154	1,365,497
	4,718,337	**4,892,551**	**5,408,932**	**5,592,578**	**5,674,396**	**5,597,892**	**5,790,849**
Total expenses	**36,782,324**	**34,728,359**	**34,646,463**	**35,413,559**	**36,090,496**	**36,621,013**	**37,433,132**
Income from operating activities	**1,044,407**	**2,036,824**	**3,320,828**	**2,474,576**	**1,748,199**	**2,010,426**	**2,056,824**
Finance income	21,878	112,384	31,705	32,181	32,663	33,153	33,651
Finance costs	(553,390)	(677,498)	(746,210)	(773,390)	(819,932)	(843,483)	(897,452)
Income before income taxes	**512,895**	**1,471,710**	**2,606,324**	**1,733,367**	**960,930**	**1,200,095**	**1,193,023**
Income tax expense	(128,874)	(205,002)	(536,971)	(334,688)	(190,723)	(218,651)	(228,668)
Net income for the year	**384,021**	**1,266,708**	**2,069,353**	**1,398,679**	**770,207**	**981,444**	**964,355**
Other income (expenses)							
Net movement in regulatory balances	427,688	(530,878)	(1,440,605)	(631,542)	159,485	123,987	37,289
Tax on net movement	(64,130)	131,289	352,966	121,942	(31,654)	(22,590)	(7,147)
	363,558	**(399,590)**	**(1,087,639)**	**(509,601)**	**127,831**	**101,397**	**30,142**
Net income for the year and net movement in regulatory balances, being total comprehensive income	$ 747,579	$ 867,118	$ 981,714	$ 889,078	$ 898,038	$ 1,082,842	$ 994,497
Other comprehensive loss							
Remeasurements of post-employment benefits, net of tax	0						
Other comprehensive loss for the year	0						
Total income and other comprehensive income	747,579	867,118	981,714	889,078	898,038	1,082,842	994,497

ORANGEVILLE HYDRO LIMITED

Statement of Financial Position
December 31

	2022 Actual	2023 Forecast	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan
Assets							
Current assets							
Cash	$ 1,595,236	$ 685,286	$ 2,225,091	$ 1,121,346	$ 2,300,911	$ 512,358	$ 1,047,767
Accounts receivable	4,436,206	4,281,539	3,932,286	3,971,420	4,010,946	4,050,868	4,091,188
Income taxes receivable	172,933						
Unbilled revenue	3,241,571	3,273,986	3,306,726	3,339,793	3,373,191	3,406,923	3,440,992
Inventory	450,531	452,783	455,047	457,322	459,609	461,907	464,217
Prepaid expenses	167,392	169,066	170,756	172,464	174,188	175,930	177,690
Other	852	937	1,031	1,134	1,247	1,372	1,509
Total current assets	10,064,720	8,863,597	10,090,938	9,063,480	10,320,094	8,609,358	9,223,363
Non-current assets							
Property, plant and equipment	24,592,612	25,891,953	28,147,293	29,771,630	31,580,745	33,438,560	35,414,583
Intangible assets	205,626	194,071	349,407	390,615	347,297	302,420	254,078
Total non-current assets	24,798,238	26,086,024	28,496,700	30,162,245	31,928,042	33,740,980	35,668,661
Total assets	**34,862,958**	**34,949,622**	**38,587,637**	**39,225,725**	**42,248,136**	**42,350,338**	**44,892,023**
Regulatory debit balances	4,505,500	3,308,701	1,660,972	1,096,229	1,255,664	1,379,652	1,416,941
Total assets and regulatory balances	**$ 39,368,458**	**$ 38,258,323**	**$ 40,248,609**	**$ 40,321,955**	**$ 43,503,800**	**$ 43,729,990**	**$ 46,308,964**
Liabilities							
Current Liabilities							
Accounts payable and accrued liabilities	$ 6,334,443	$ 5,639,778	$ 5,694,103	$ 5,748,969	$ 5,805,603	$ 5,862,862	$ 5,920,756
Long-term debt due within one year	590,827	520,602	547,647	566,776	639,971	655,773	716,079
Customer deposits	200,000	201,000	202,005	203,015	204,030	205,050	206,076
Other payables	184,341	179,868	181,666	183,483	185,318	187,171	189,043
Income taxes payable		15,150	15,302	15,455	15,609	15,765	15,923
Total current liabilities	7,309,612	6,556,398	6,640,723	6,717,698	6,850,531	6,926,621	7,047,876
Non-Current Liabilities							
Long-term debt	15,540,781	15,065,520	16,006,623	15,439,846	17,769,847	17,114,074	18,873,053
Employee future benefits	434,474	443,078	451,682	460,286	468,890	477,494	486,098
Customer deposits	299,914	201,913	183,732	165,369	146,823	128,091	109,172
Contributions in aid of construction	2,317,945	2,696,516	3,329,922	3,437,806	3,713,261	3,895,439	4,151,419
Deferred tax liability	412,695	412,695	412,695	412,695	412,695	412,695	412,695
Total non-current liabilities	19,005,809	18,819,722	20,384,653	19,916,002	22,511,516	22,027,793	24,032,437
Total Liabilities	26,315,421	25,376,120	27,025,376	26,633,701	29,362,047	28,954,414	31,080,313
Equity							
Share capital	8,290,714	8,290,714	8,290,714	8,290,714	8,290,714	8,290,714	8,290,714
Retained earnings	4,317,605	4,810,933	5,359,088	5,757,309	6,210,808	6,844,631	7,297,707
Accumulated other comprehensive income	(14,964)	(14,964)	(14,964)	(14,964)	(14,964)	(14,964)	(14,964)
Total equity	12,593,355	13,086,683	13,634,838	14,033,059	14,486,558	15,120,381	15,573,457
Total liabilities and equity	38,908,776	38,462,803	40,660,214	40,666,760	43,848,605	44,074,795	46,653,769
Regulatory credit balances	459,682	(204,483)	(411,608)	(344,808)	(344,808)	(344,808)	(344,808)
Total liabilities, equity and regulatory balances	**$ 39,368,457**	**$ 38,258,323**	**$ 40,248,609**	**$ 40,321,952**	**$ 43,503,797**	**$ 43,729,987**	**$ 46,308,961**

ORANGEVILLE HYDRO LIMITED
Statements of Cash Flows
Year ended December 31

	2022 Actual	2023 Forecast	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan
Operating activities							
Net income and net movement in regulatory balances	$ 747,579	$ 867,118	$ 981,714	$ 889,078	$ 898,038	$ 1,082,842	$ 994,497
Adjustments for:							
Depreciation and amortization	1,084,978	1,133,670	1,223,525	1,301,241	1,316,775	1,381,293	1,484,654
Loss on sale of property, plant and equipment and intangible assets	45,768	53,000	48,000	43,000	43,000	43,000	43,000
Net finance costs	531,512	565,115	714,505	741,209	787,269	810,330	863,802
Income tax expense	128,874	205,002	536,971	334,688	190,723	218,651	228,668
Tax on net movement in regulatory	64,130	(131,289)	(352,966)	(121,942)	31,654	22,590	7,147
Employee future benefits	15,993	8,604	8,604	8,604	8,604	8,604	8,604
Contributions received from customers revenue recognized	(66,847)	(72,496)	(85,531)	(95,782)	(102,241)	(109,681)	(116,723)
	$ 2,551,987	$ 2,628,724	$ 3,074,822	$ 3,100,097	$ 3,173,822	$ 3,457,629	$ 3,513,649
Changes in non-cash operating working capital							
Accounts receivable	127,338	154,667	349,253	(39,135)	(39,526)	(39,921)	(40,320)
Unbilled revenue	(437,342)	(32,416)	(32,740)	(33,067)	(33,398)	(33,732)	(34,069)
Inventory	(92,602)	(2,253)	(2,264)	(2,275)	(2,287)	(2,298)	(2,310)
Prepaid expenses	(32,740)	(1,674)	(1,691)	(1,708)	(1,725)	(1,742)	(1,759)
Other current assets	0	(85)	(94)	(103)	(113)	(125)	(137)
Accounts payable and accrued liabilities	1,418,039	(694,666)	54,325	54,867	56,633	57,259	57,894
Other payables	12,509	(4,474)	1,799	1,817	1,835	1,853	1,872
Customer deposits	(14,933)	(97,001)	(17,176)	(17,353)	(17,531)	(17,712)	(17,894)
	$ 980,269	$ (677,900)	$ 351,413	$ (36,957)	$ (36,112)	$ (36,417)	$ (36,723)
Interest paid	(553,390)	(677,498)	(746,210)	(773,390)	(819,932)	(843,483)	(897,452)
Interest received	21,878	112,384	31,705	32,181	32,663	33,153	33,651
Income tax paid	(206,451)	(231,496)	(183,854)	(212,593)	(222,222)	(241,085)	(235,658)
Regulatory balances	(428,015)	530,878	1,440,605	631,542	(159,435)	(123,987)	(37,289)
Net cash from operating activities	$ 2,366,278	$ 1,685,092	$ 3,968,481	$ 2,740,879	$ 1,968,784	$ 2,245,809	$ 2,340,177
Financing activities							
Repayment of long-term debt	(674,214)	(545,486)	(531,853)	(547,647)	(596,804)	(639,971)	(680,715)
Proceeds from long-term debt	3,000,000		1,500,000		3,000,000		2,500,000
Disposal of contributions in aid of construction							
Dividends paid	(485,663)	(373,790)	(433,559)	(490,857)	(444,539)	(449,019)	(541,421)
	$ 1,840,123	$ (919,276)	$ 534,588	$ (1,038,504)	$ 1,958,657	$ (1,088,991)	$ 1,277,864
Investing activities							
Purchase of property, plant and equipment	(2,954,194)	(2,488,997)	(3,479,820)	(2,902,787)	(3,093,572)	(3,205,231)	(3,423,335)
Proceeds on disposal of property, plant and equipment	3,469	0	0	0	0	0	0
Proceeds on disposal of intangible assets		0	0	0	0	0	0
Purchase of intangible assets	(25,735)	(15,525)	(197,380)	(107,000)	(32,000)	(32,000)	(32,000)
Contributions received from customers	62,766	451,067	718,936	203,666	377,697	291,859	372,702
Net cash used by investing activities	$ (2,913,694)	$ (2,053,455)	$ (2,958,264)	$ (2,806,121)	$ (2,747,875)	$ (2,945,372)	$ (3,082,633)
Change in cash	1,292,706	(1,287,639)	1,544,805	(1,103,746)	1,179,565	(1,788,553)	535,409
Cash, beginning of year	302,533	1,595,236	685,286	2,225,091	1,121,346	2,300,911	512,358
Cash, end of year	$ 1,595,236	$ 685,286	$ 2,225,091	$ 1,121,346	$ 2,300,911	$ 512,358	$ 1,047,767

13. CONCLUSION

The 2024 Budget presents a steady and resilient financial outlook within a challenging inflationary economic environment. The 2024 Budget has been prepared with conservative assumptions with regards to growth, along with trying to account for unknown inflationary fluctuations.

The 2024-2028 Business Plan provides a consistent and stable financial outlook while preparing for the challenges ahead. Orangeville Hydro continually reviews its business and operational goals against its workforce needs, its financial strength, and the impact on its customers. All projected revenues and expenses have been closely examined to ensure accuracy, with conservative assumptions with regards to growth as well as alignment with the definitions within the Ontario Energy Board Accounting Procedures Handbook. Orangeville Hydro continues to be focused on maintaining the adequacy, reliability, and quality of service to its distribution customers through effective capital and operational spending.

Orangeville Hydro

Energizing Our Community's Future

400 C Line, Orangeville, ON, L9W 3Z8

519-942-8000

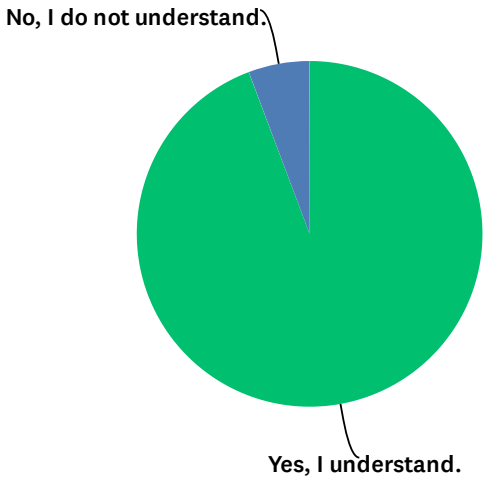
info@orangevillehydro.on.ca

www.orangevillehydro.on.ca

APPENDIX 1-B – COST OF SERVICE CUSTOMER INFORMATION SURVEY

Q3 Over the last 10 years Orangeville Hydro (OHL) has had a higher number of customers per employee than the Ontario average (see below). Orangeville Hydro has had an average of 608 customers per employee, compared to the Ontario average of 479 customers per employee. With the continued growth in Orangeville and Grand Valley, OHL needs to increase staff levels to ensure they continue to meet the service requirements set by the Ontario Energy Board (OEB) and, in doing so, continue to meet customer's needs, and provide safe and reliable electricity services. This will impact the delivery portion of your bill by 1.3%.Which of the following statements best reflects your understanding of above statement?

Answered: 140 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes, I understand.	94.29%	132
No, I do not understand.	5.71%	8
TOTAL		140

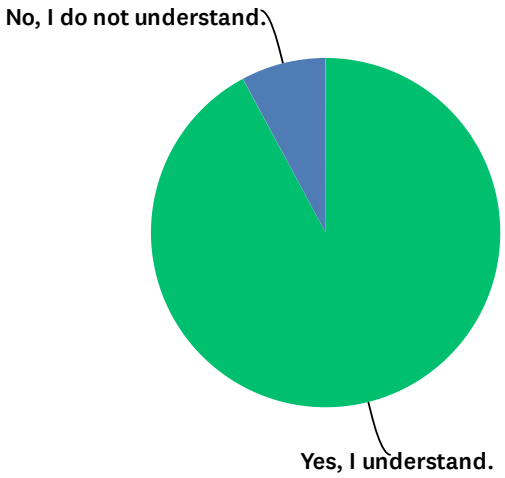
Q4 In 2024 Orangeville Hydro will need to upgrade our GIS (Geographic Information System). A GIS system is a mapping tool that the line technicians, engineers, and the local municipalities use to store all asset information which is used for the maintenance and planning of the distribution system. Currently, Orangeville Hydro uses a variety of older and dated systems, and making the switch to a new GIS System will eliminate the need for multiple and redundant mapping systems. Additionally, this will ensure that Orangeville Hydro is meeting the reporting requirements set by Ontario Energy Board (OEB) and will have the benefit of having all information in one database. This will impact the delivery portion of your bill by 0.6%.Looking towards the future, OHL will be able to provide a real time outage map for customers and closely monitor the increase in electrical load as the industry moves towards electrification (electric vehicles, heat pumps, etc.)Which of the following statements best reflects your understand of the above statement?

Answered: 140 Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes, I understand.	97.86%	137
No, I do not understand.	2.14%	3
TOTAL		140

Q5 If you have ever completed a project at your home or business that requires digging underground, you may be familiar with the services provided by Ontario One Call where they locate all underground infrastructure free of charge to the customer. Orangeville Hydro is required to fulfill locate requests within 5 business days. Due to the demand of locates requested during peak seasons, Orangeville Hydro cannot fulfill the requirements alone and uses a third-party company to complete the requests on our behalf. As a result of new construction and quantity of locates requested, the third-party service costs are increasing, but at a fair and competitive rate. To ensure OHL remains compliant we must continue to use these third-party services at the increased price. This will impact the delivery portion of your bill by 0.7%.(Please note using a third-party service is more appropriate than hiring a new employee to fulfill these requirements as it is a seasonal job)Which of the following statements best reflects your understanding of the above statement?

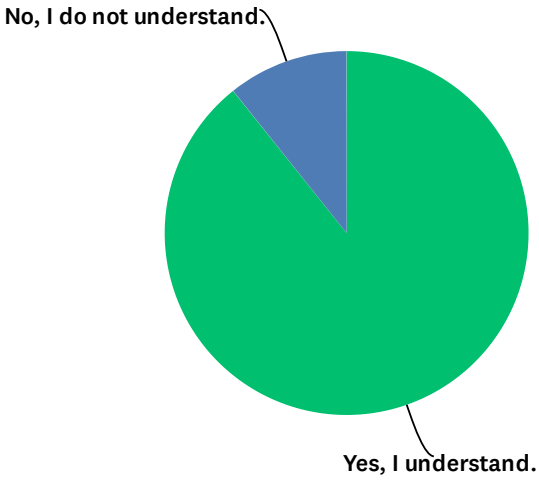
Answered: 140 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes, I understand.	92.14%	129
No, I do not understand.	7.86%	11
TOTAL		140

Q6 In recent surveys, such as the Customer Satisfaction Survey completed in 2023 and the Distribution System Plan Survey completed in 2021, customers indicated the desire for a new and updated customer portal. To ensure OHL is supporting customer's needs, priorities and preferences, OHL is implementing a new Customer portal in early 2024. This will impact the delivery portion of your bill by 0.7%.Which of the following statements best reflects your understanding of the above statement?

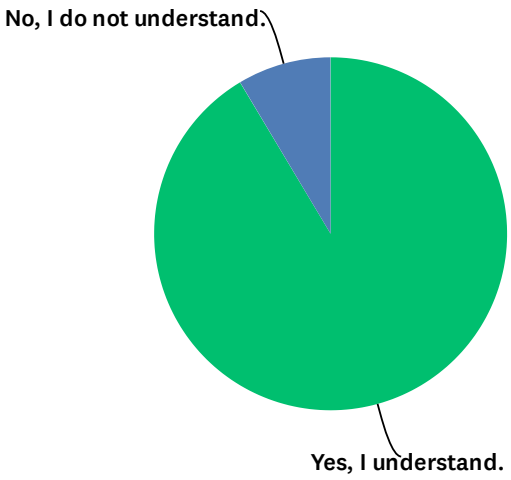
Answered: 140 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes, I understand.	89.29%	125
No, I do not understand.	10.71%	15
TOTAL		140

Q7 Orangeville Hydro offers an online payment portal known as Paymentus, which accepts Visa, Visa Debit, and Mastercard payments but charges a service fee of 1.75% per transaction to the customer. During the COVID-19 pandemic Orangeville Hydro closed the office to in-person payments. To ensure customers could pay their hydro bills in their preferred manner, Orangeville Hydro absorbed the 1.75% fee so customers did not have to pay the additional cost. Due to the positive response and increased usage by customers, Orangeville Hydro will continue to support this method of payment and allow customers to make payments through Paymentus without paying the 1.75% service fee. This will impact the delivery portion of your bill by 0.5%.Which of the following statements best reflects your understanding of the above statement?

Answered: 140 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes, I understand.	91.43%	128
No, I do not understand.	8.57%	12
TOTAL		140

Q8 In the Distribution System Plan Survey (completed in 2021), customers were asked to reflect on the number of outages they had in a year and what they deemed to be acceptable. The findings concluded that most customers believed the number of outages they were experiencing aligned with the number of outages they believe is appropriate. To ensure customers are receiving the same level of service, Orangeville Hydro will need to proceed with replacements and upgrades to the capital infrastructure to ensure customers' needs and expectations are met.Which of the following statements best reflects your understanding of the above statement?

Answered: 140 Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes, I understand.	96.43%	135
No, I do not understand.	3.57%	5
TOTAL		140

APPENDIX 1-C – DISTRIBUTION SYSTEM PLAN SURVEY

Orangeville Hydro

Customer Engagement Survey

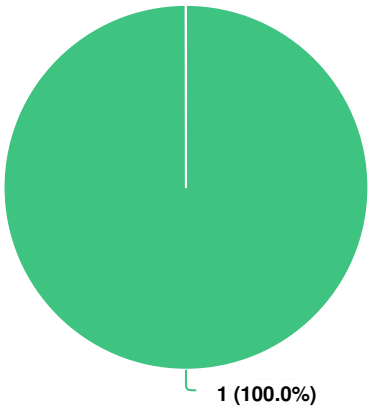
SURVEY RESPONSE REPORT
06 April 2021 - 23 June 2021

PROJECT NAME:
Customer Engagement Survey

BANG THE TABLE engagementHQ

REGISTRATION QUESTIONS

Q1 Postal Code



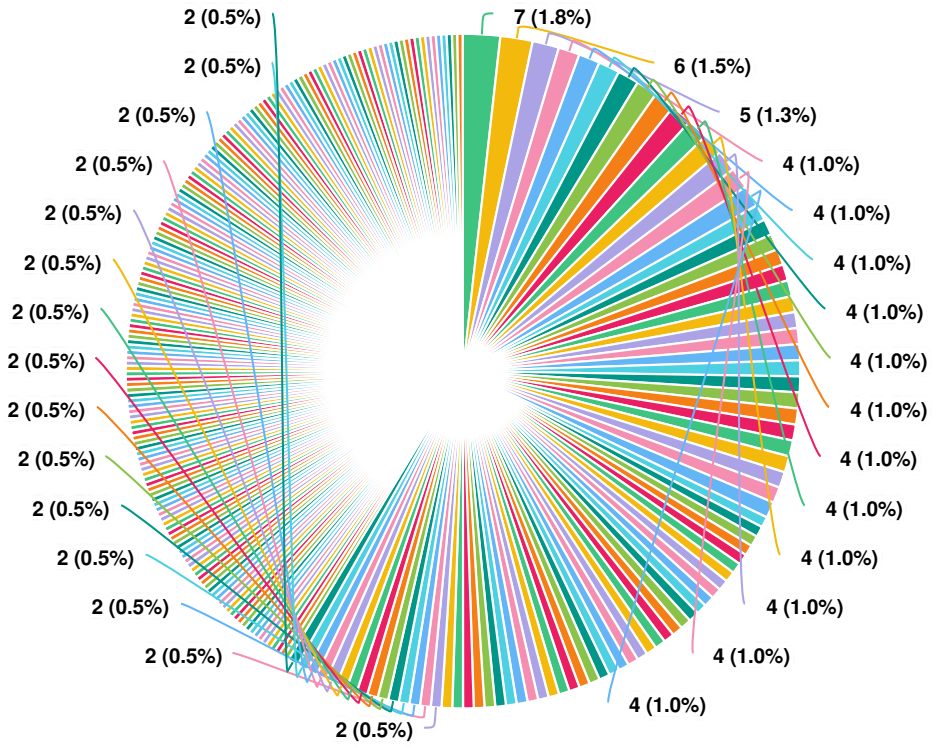
Question options

- Markham, Ontario, L3T0G2

Mandatory Question (1 response(s))
Question type: Region Question

SURVEY QUESTIONS

Q1 Postal Code (enter your postal code slowly and choose from the dropdown menu)



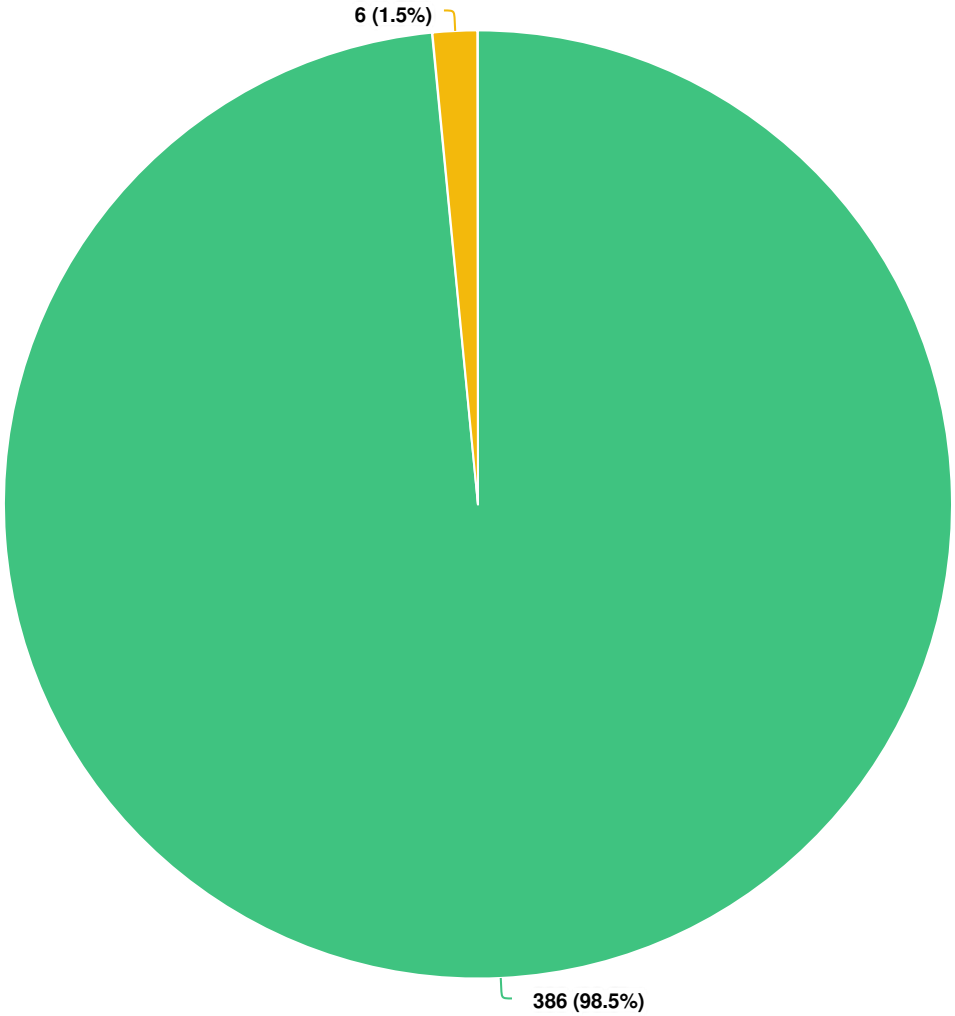
Question options

- Orangeville, ON, L9W6X3
- Orangeville, ON, L9W0C6
- Orangeville, ON, L9W5A3
- Orangeville, ON, L9W4W6
- Orangeville, ON, L9W4W3
- Orangeville, ON, L9W4X7
- Orangeville, ON, L9W4S3
- Orangeville, ON, L9W5E7
- Orangeville, ON, L9W3S3
- Orangeville, ON, L9W3X4
- Orangeville, ON, L9W0A9
- Orangeville, ON, L9W5B9
- Orangeville, ON, L9W6Z7
- Orangeville, ON, L9W4K6
- Orangeville, ON, L9W4P9
- Orangeville, ON, L9W4W4
- Orangeville, ON, L9W1A1
- Orangeville, ON, L9W4M3
- Orangeville, ON, L9W4J6
- Orangeville, ON, L9W2B1
- Orangeville, ON, L9W0B6
- Orangeville, ON, L9W4Y9
- Orangeville, ON, L9W4L9
- Orangeville, ON, L9W1M8
- Orangeville, ON, L9W5C8
- Orangeville, ON, L9W5J5
- Orangeville, ON, L9W6K1
- Orangeville, ON, L9W5C7
- Orangeville, ON, L9W5K8
- Orangeville, ON, L9W1X7
- Orangeville, ON, L9W5H6
- Orangeville, ON, L9W5B2
- Orangeville, ON, L9W4P5
- Orangeville, ON, L9W5T9
- Orangeville, ON, L9W3J5
- Orangeville, ON, L9W1B2
- Orangeville, ON, L9W2E3
- Orangeville, ON, L9W2N2
- Orangeville, ON, L9W2E6
- Orangeville, ON, L9W4H7
- Orangeville, ON, L9W2R3
- Orangeville, ON, L9W1P2
- Orangeville, ON, L9W3B6
- Grand Valley, ON, L9W7P1
- Grand Valley, ON, L9W5X3
- Orangeville, ON, L9W3B9
- Orangeville, ON, L9W0B7
- Orangeville, ON, L9W5K7
- Orangeville, ON, L9W2X9
- Grand Valley, ON, L9W5L2
- Orangeville, ON, L9W2E4
- Orangeville, ON, L9W4R8
- Orangeville, ON, L9W5G6
- Orangeville, ON, L9W5J9
- Orangeville, ON, L9W2L5
- Orangeville, ON, L9W1E9
- Orangeville, ON, L9W4K1
- Grand Valley, ON, L9W6W5
- Orangeville, ON, L9W1L4
- Orangeville, ON, L9W2X6
- Orangeville, ON, L9W2T5
- Orangeville, ON, L9W5K1
- Orangeville, ON, L9W3S2
- Orangeville, ON, L9W7N6
- Orangeville, ON, L9W0C5
- Grand Valley, ON, L9W5L4
- Orangeville, ON, L9W0B4
- Orangeville, ON, L9W6T7
- Orangeville, ON, L9W4Z5
- Grand Valley, ON, L9W5N5
- Orangeville, ON, L9W0A1
- Orangeville, ON, L9W1K2

1/4

Mandatory Question (392 response(s))
Question type: Region Question

Q2 I am a:

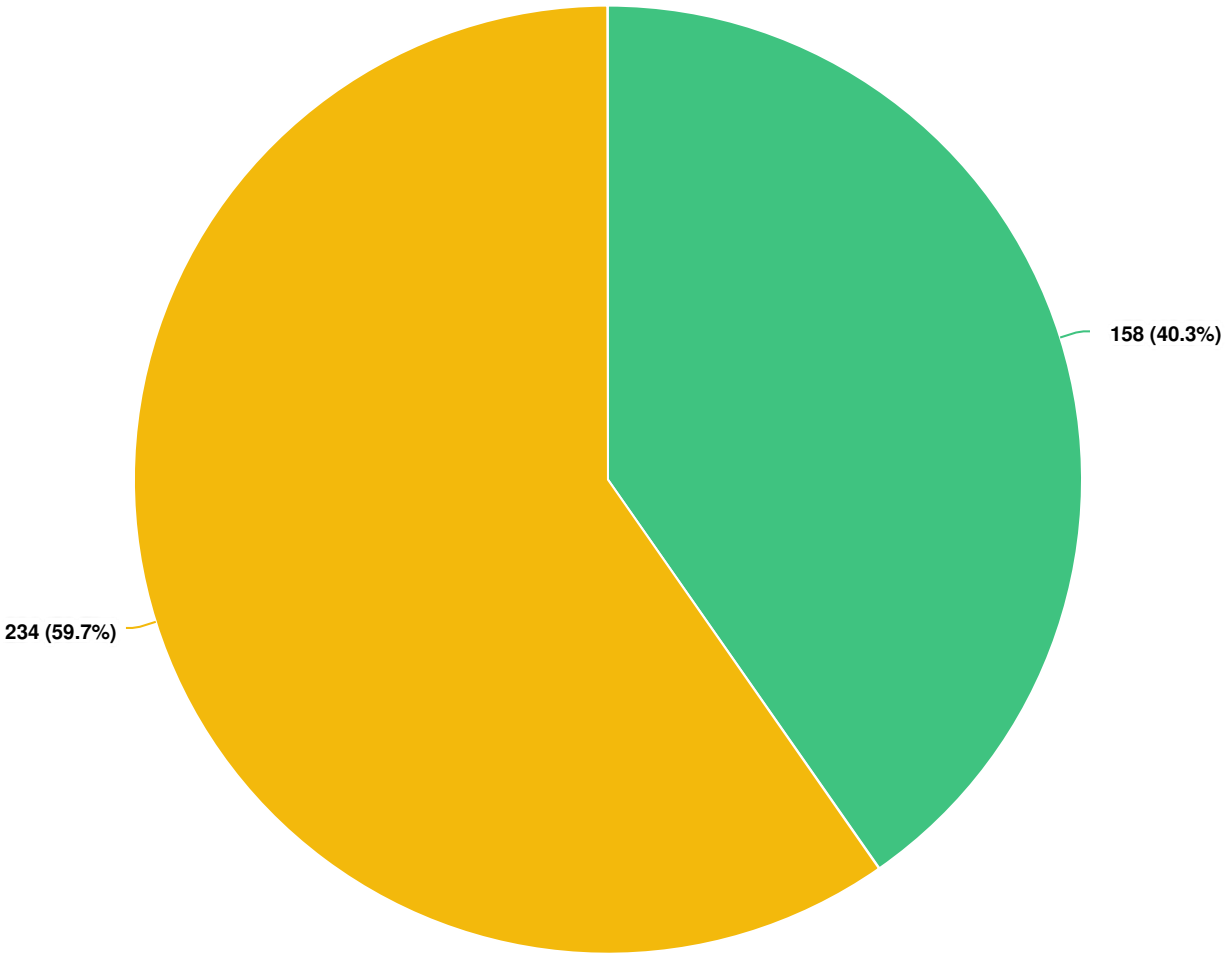


Question options

- Residential customer
- Commercial customer

Mandatory Question (392 response(s))
Question type: Radio Button Question

Q3 Orangeville Hydro aims to provide reliable electricity service and reasonable rates. Tell us which is most important to you



Question options

- A reliable supply of electricity
- Low cost electricity services

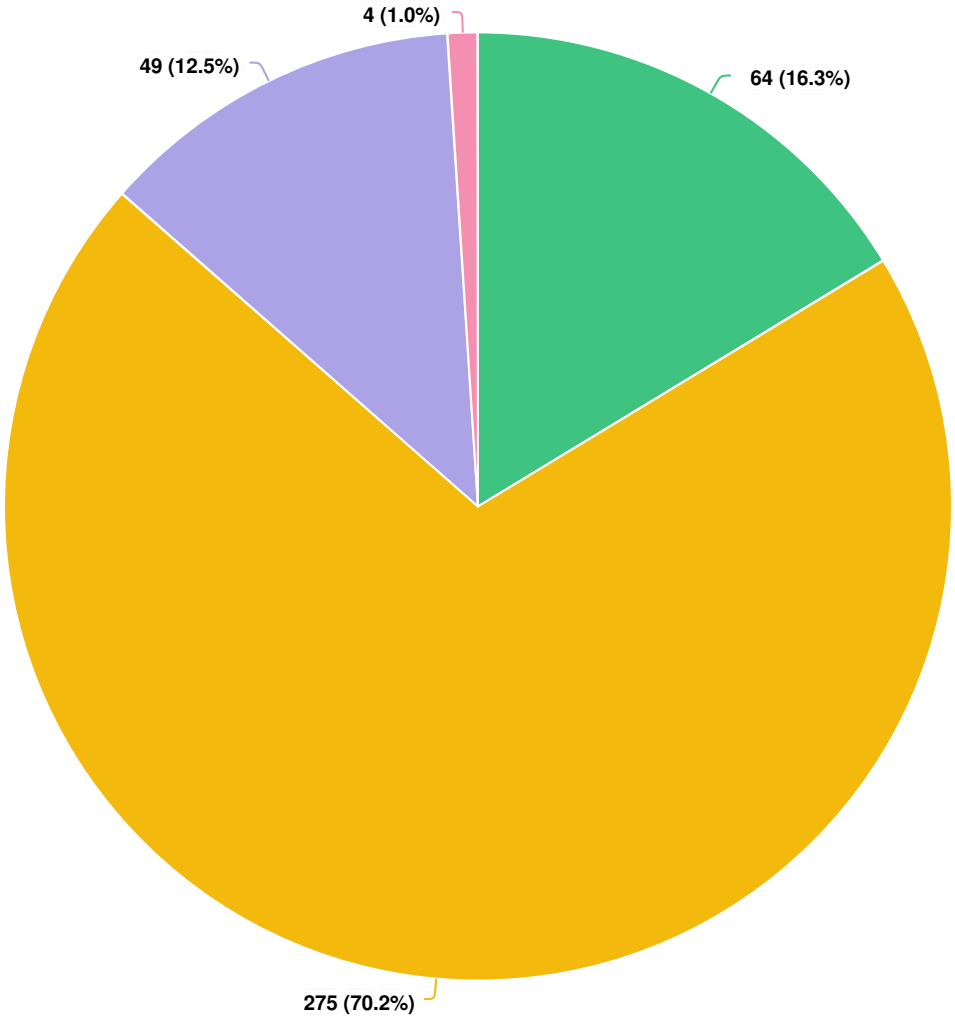
Mandatory Question (392 response(s))
Question type: Radio Button Question

Q4 Please rank the following items from most important to least. (1 being the highest importance and 5 being the lowest importance)

OPTIONS	AVG. RANK
Affordable cost of electricity	1.80
Safety for employees and the public	2.90
Reducing the number of overall outages (loss of power)	3.09
Reducing the length of time to restore power	3.28
Accommodating renewable energy connections	3.93

Mandatory Question (392 response(s))
Question type: Ranking Question

Q5 How many power outages have you experienced in the last 12 months?

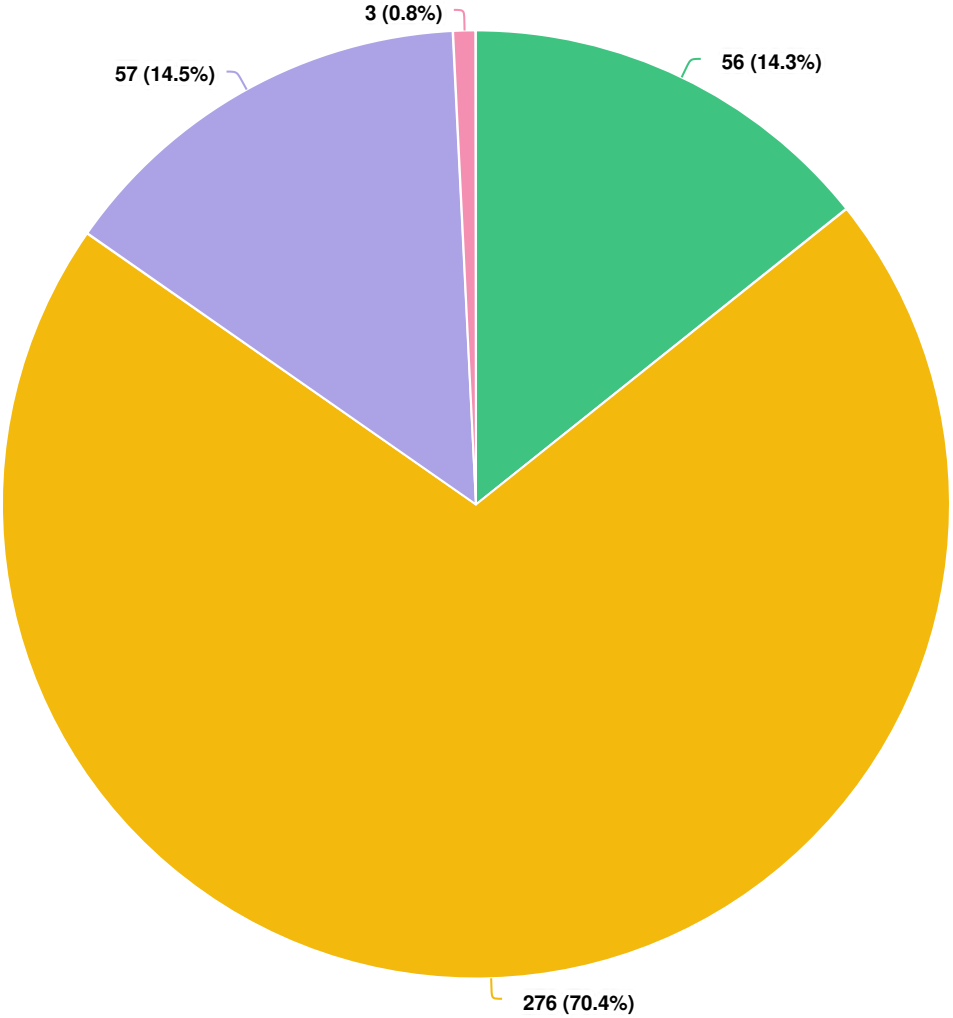


Question options

None 1-2 3-4 5 or more

Mandatory Question (392 response(s))
Question type: Radio Button Question

Q6 How many outages do you feel are acceptable over a 12 month period?

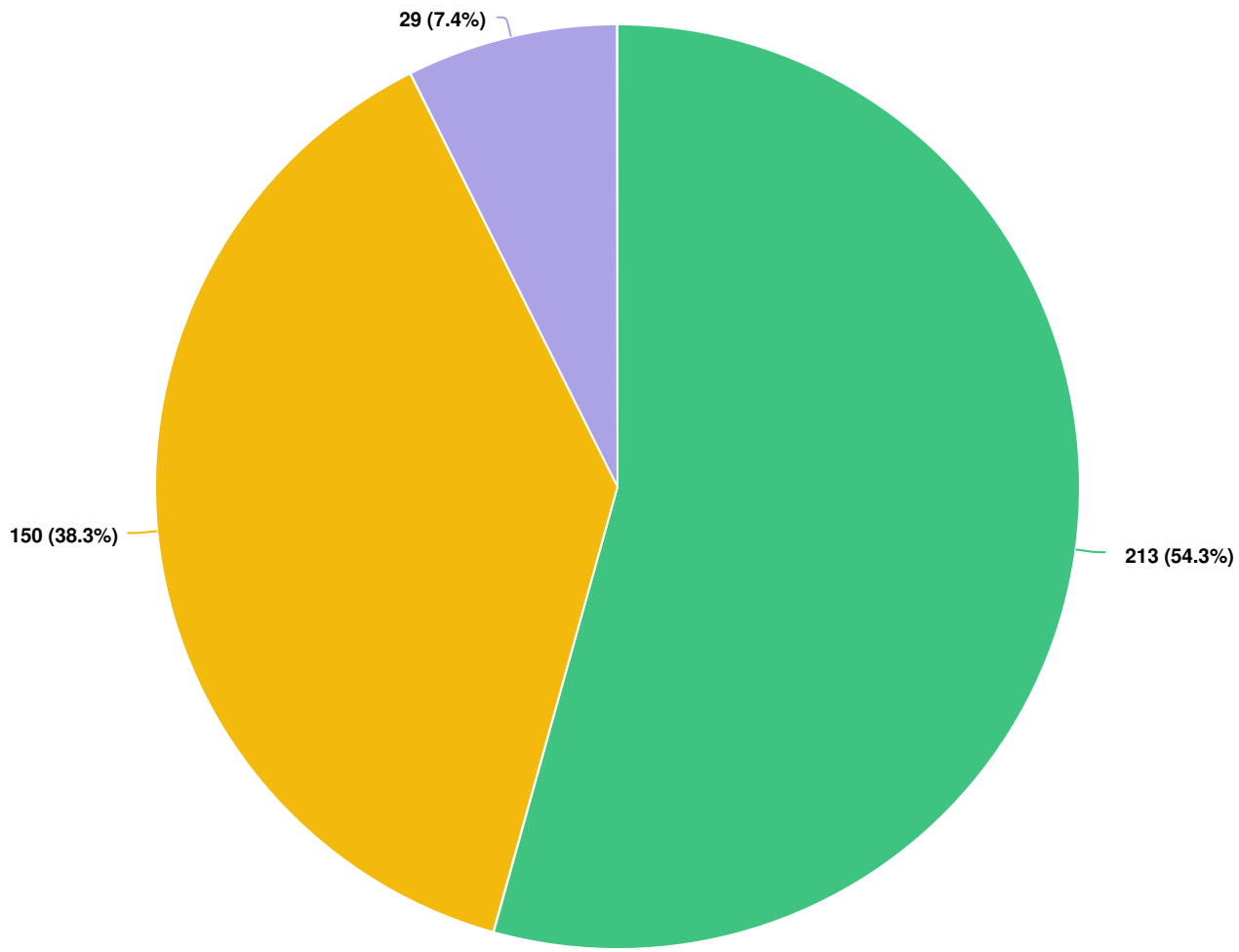


Question options

None 1-2 3-4 5 or more

Mandatory Question (392 response(s))
Question type: Radio Button Question

Q7 Tell us what is most important to you

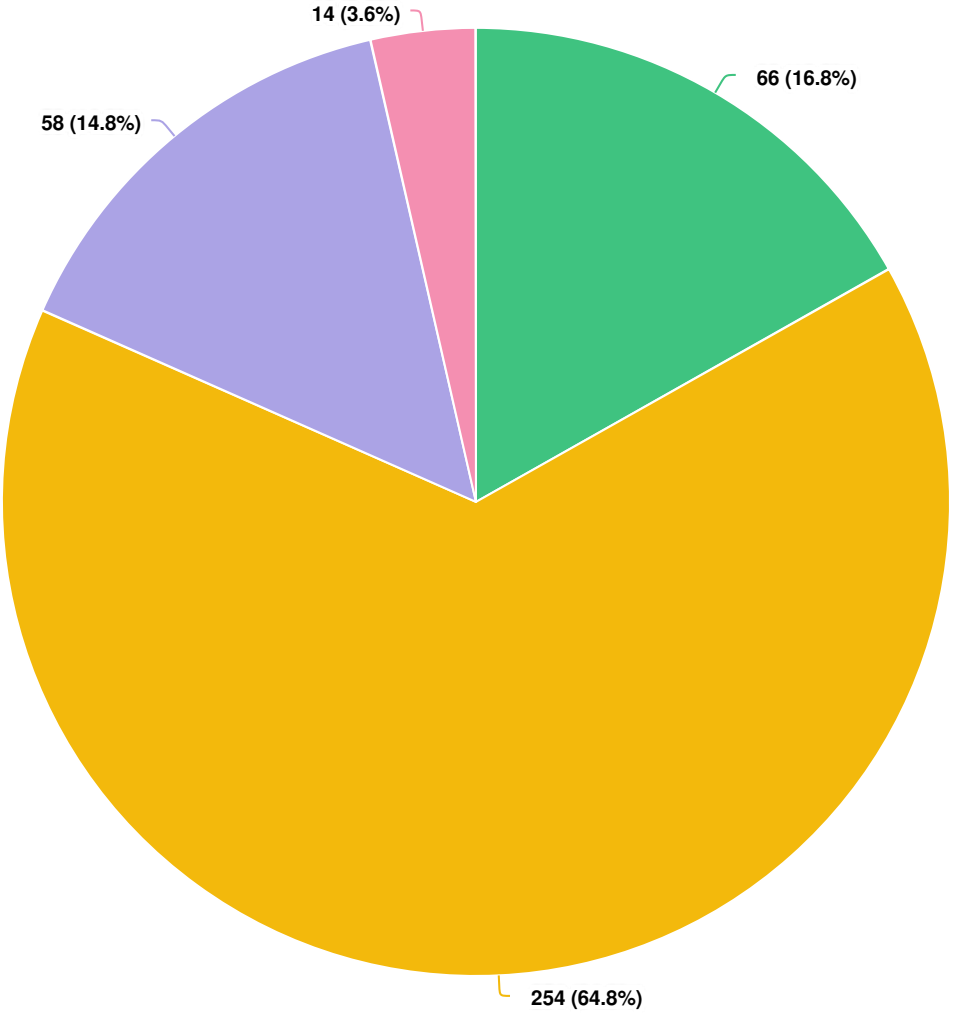


Question options

- Maintaining Orangeville Hydro's current electricity rates
- Keeping distribution rates low even if reliability may decrease
- Slightly higher distribution rates increasing system reliability

Mandatory Question (392 response(s))
Question type: Radio Button Question

Q8 How important is it for us to invest in infrastructure that accommodates these new technologies?

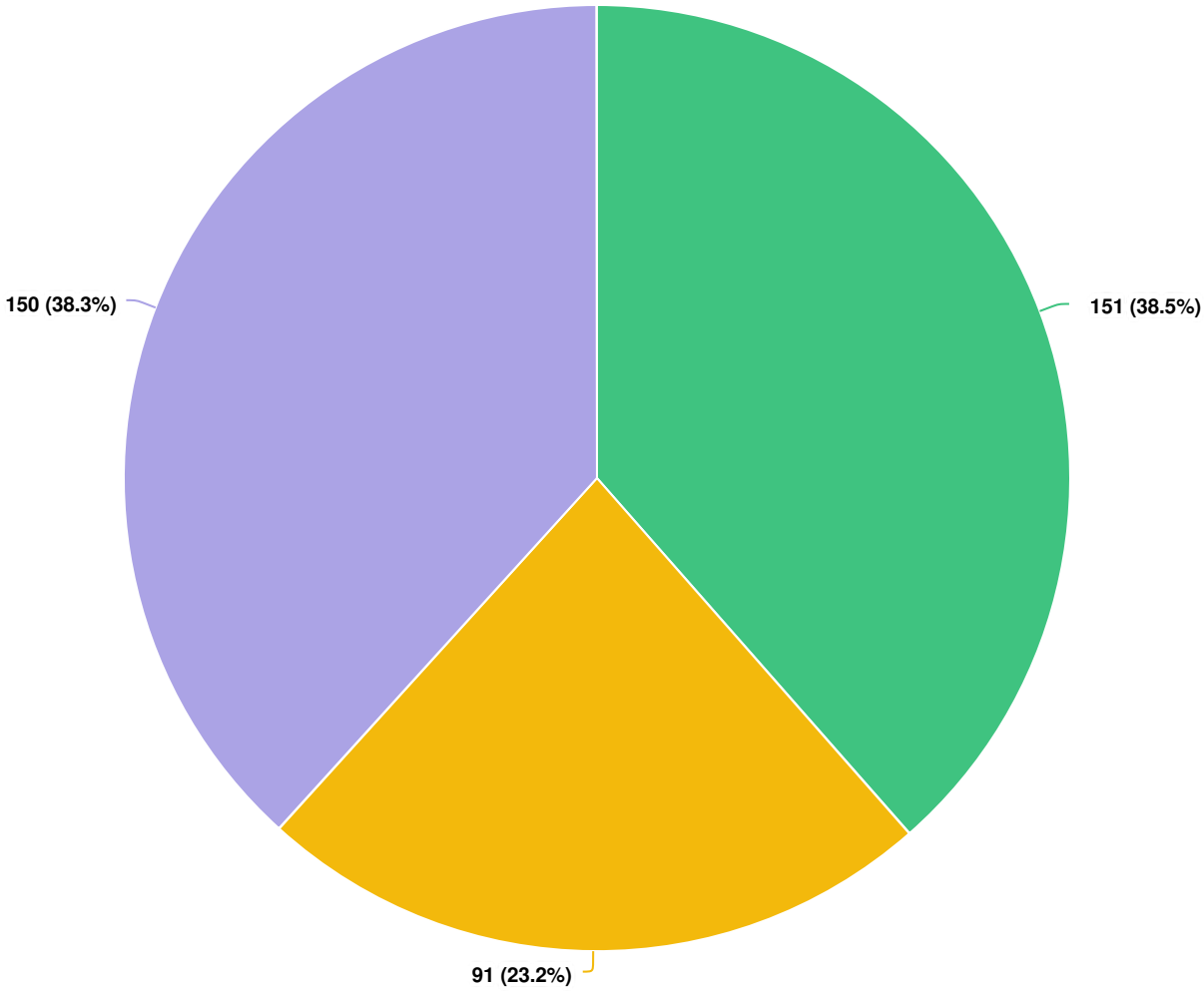


Question options

- Very important, Orangeville Hydro should start investing now to be prepared for these new technologies and I am willing to pay a little more
- Important, Orangeville should start investing now but at no additional cost to the customer
- Important but Orangeville Hydro should wait a few years until these technologies are more common
- Not important. Orangeville Hydro should focus on keeping the existing system

Mandatory Question (392 response(s))
Question type: Radio Button Question

Q9 Which of the following statements best reflect your view regarding the aging infrastructure and equipment?



Question options

- Orangeville Hydro should invest to maintain system reliability, even if it increases my monthly electricity bill slightly over the next few years
- Orangeville Hydro should defer investment in replacing infrastructure to lessen the impact of potential bill increase, even if could eventually lead to more and longer power outages
- I am not sure

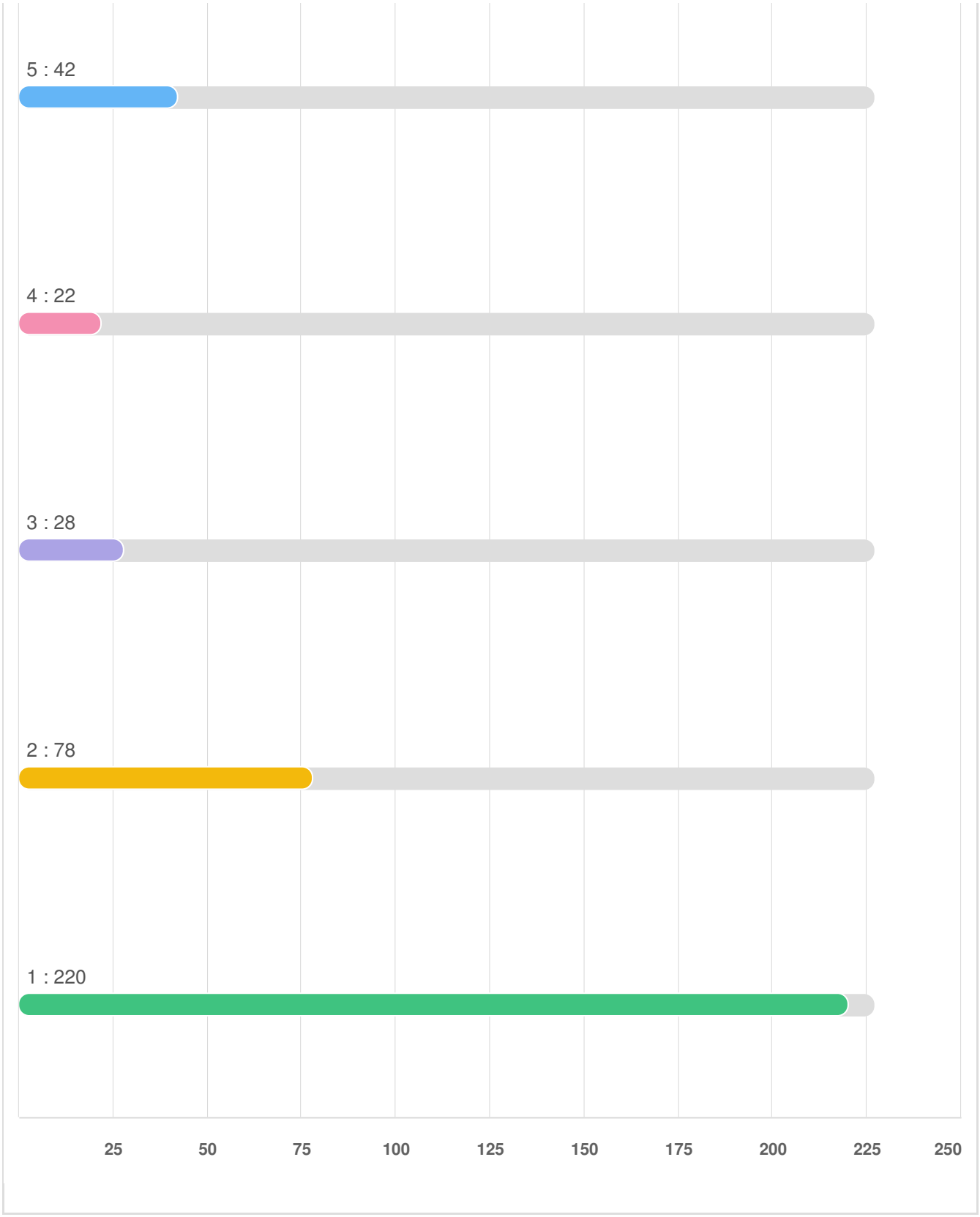
Mandatory Question (392 response(s))
Question type: Radio Button Question

Q10 **Using a scale of 1-5, where 1 means the most important and 5 means not important at all, how important are each of the following Orangeville Hydro priorities to you as a customer?**

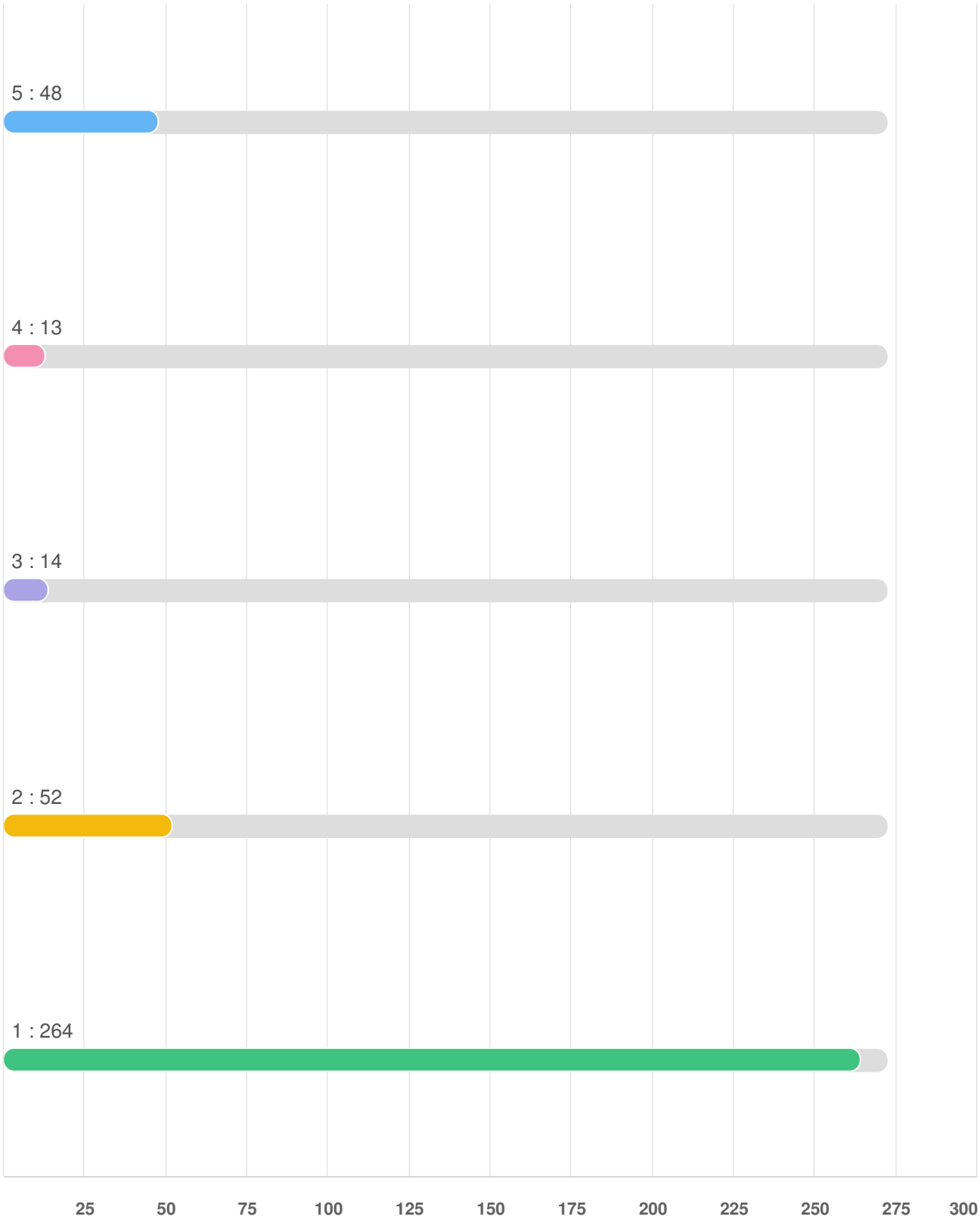
Optional question (392 response(s), 0 skipped)
Question type: Likert Question

Q10 | **Using a scale of 1-5, where 1 means the most important and 5 means not important at all, how important are each of the following Orangeville Hydro priorities to you as a customer?**

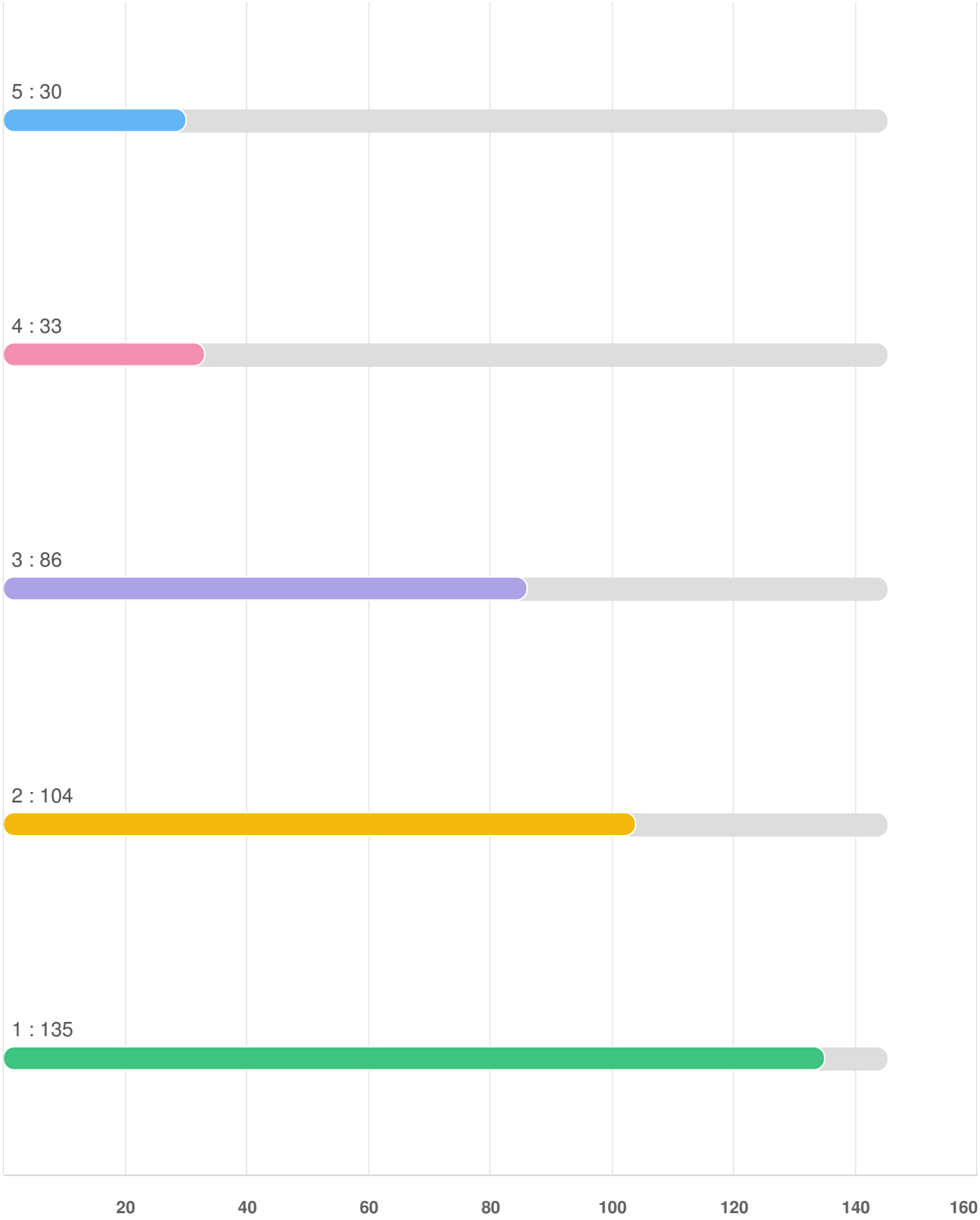
Ensuring reliable electrical service


5 : 42
4 : 22
3 : 28
2 : 78
1 : 220
25
50
75
100
125
150
175
200
225
250

Delivering electricity at reasonable distribution rates

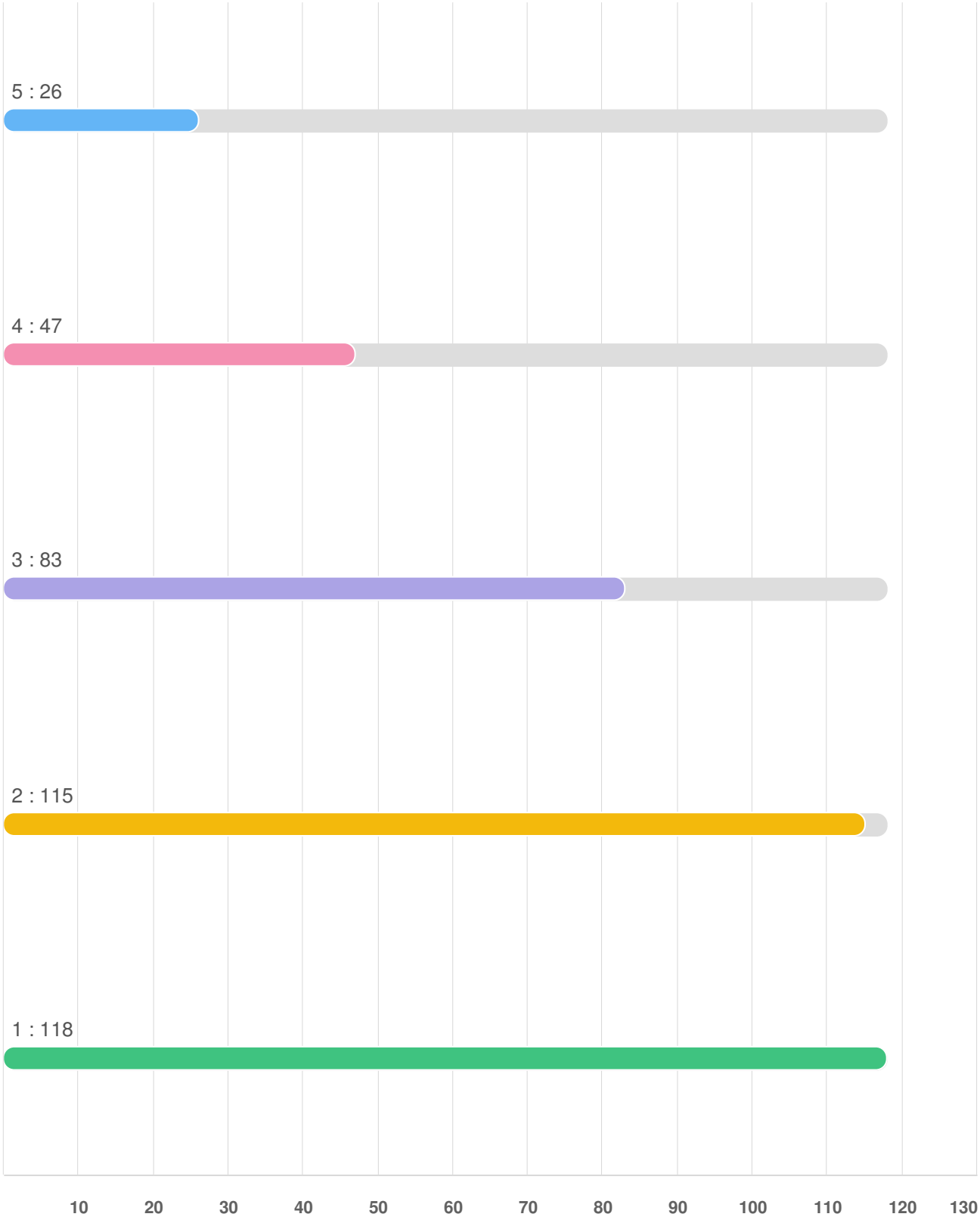


Investing in new technologies that could help reduce future electricity distribution cost

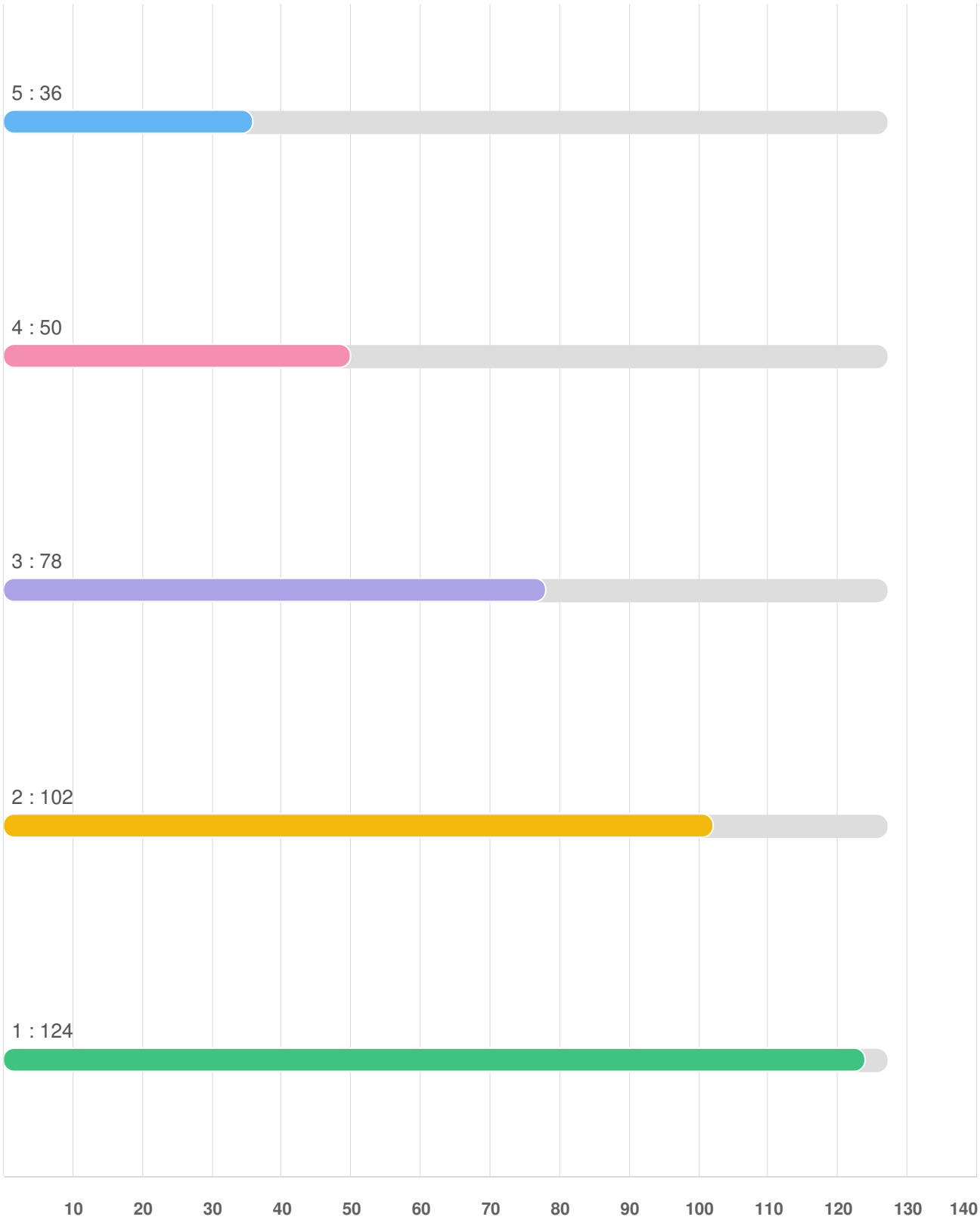


Replacing aging infrastructure that is beyond its useful life

Upgrading the electrical system to better respond to and withstand the impact of adverse weather



Providing quality customer service and enhanced communications



Helping customers with conservation and cost saving initiatives