

EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

2024 Cost of Service

Orangeville Hydro Limited
EB-2023-0045

TABLE OF CONTENTS

Table of Contents	1
1.1 General Requirements.....	5
1.1.1 Certification.....	5
1.2 Application Summary and Business Plan.....	6
1.2.1 Introduction.....	6
1.2.2 Executive Summary and Business Plan.....	7
1.2.3 Efficiencies.....	21
1.3 Administrative.....	22
1.3.1 Contact Information	22
1.3.2 Legal Representation.....	23
1.3.3 Confirmation of Internet Address	23
1.3.4 Statement of Publication.....	24
1.3.5 Form of Hearing Requested	24
1.3.6 Requested Effective Date	24
1.3.7 Changes in Methodologies	25
1.3.8 Directive from Previous Decisions or Orders	26
1.3.9 Conditions of Service.....	28
1.3.10 Corporate and Utility Organization Structure	29
1.3.11 Approvals Requested.....	30
1.3.12 Materiality.....	31
1.4 Distribution System Overview.....	31
1.5 Customer Engagement.....	34
1.5.1 Ongoing Customer Engagement.....	37
1.5.2 Application-Specific Customer Engagement	39
1.6 Performance Measurement.....	45
1.6.1 Scorecard Performance Measurement	45
1.6.2 PEG Forecast Model	49
1.6.3 Activity and Program Benchmarking (“APB”).....	51
1.7 Facilitating Innovation	55

1.8 Financial Information	58
1.8.1 Audited Financial Statements.....	58
1.8.2 Annual Report	58
1.8.3 Rating Agency Report	58
1.8.4 Prospectuses/Information Circulars.....	59
1.8.5 Change in Tax Status	59
1.8.6 Existing/Proposed Accounting Orders.....	59
1.9 Distributor Consolidation	59
1.10 Impacts of Covid-19 Pandemic	63
Appendix 1-A – 2024 Business Plan	64
Appendix 1-B – Cost of Service Customer Information Survey	65
Appendix 1-C – Distribution System Plan Survey	66

TABLE OF FIGURES

Table 1-1 – Revenue Requirement8

Table 1-2 – Revenue Deficiency.....9

Table 1-3 – Load Forecast – Number of customers or connections10

Table 1-4 – Load Forecast – kWh.....11

Table 1-5 – Load Forecast – kW11

Table 1-6 – Rate Base12

Table 1-7 – Working Capital Allowance13

Table 1-8 – Capital Expenditure Summary13

Table 1-9 – Summary of Recoverable OM&A Expenses15

Table 1-10 – Overview of Capital Structure.....17

Table 1-11 – Proposed Revenue to Cost Ratios.....18

Table 1-12 – Comparison of Current to Proposed 2024 Rates19

Table 1-13 – DVA Account and Balances Proposed for Disposition/Recovery20

Table 1-14 – Monthly Bill Impacts21

Table 1-15 – Bill Impacts – Notice of Application21

Table 1-16 – Organizational Chart29

Table 1-17 – Number of Customers at December 31, 202232

Table 1-18 - OEB Appendix 2-AC – Customer Engagement35

Table 1-19 – Customer Engagement Statistics39

Table 1-20 – Number of Survey Responses39

Table 1-21 – Customer Focus45

Table 1-22 – Operational Effectiveness46

Table 1-23 – Public Policy Responsiveness47

Table 1-24 – Financial Performance48

Table 1-25 – Performance Trend – PEG Model49

Table 1-26 – Benchmarking Model Results50

Table 1-27 – OEB APB Programs.....52

Table 1-28 – Activity and Program Benchmarking results.....52

Table 1-29 – Billing O&M.....53

Table 1-30 – Metering O&M.....53

Table 1-31 – Metering CAPEX53

Table 1-32 – Vegetation Management O&M	53
Table 1-33 – Pole Maintenance O&M	54
Table 1-34 – Poles, Towers and Fixtures CAPEX	54
Table 1-35 – Lines O&M	54
Table 1-36 – Station Maintenance O&M	55
Table 1-37 – Stations CAPEX	55
Table 1-38 – Line Transformer CAPEX	55

1 6. The links within Excel models filed have been broken and the models have been named
2 so they can be easily identified.

3 7. Any amendments to the OEB models have been identified throughout the application.
4

5 1.2 APPLICATION SUMMARY AND BUSINESS PLAN

6 1.2.1 INTRODUCTION

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

10 Exhibits:

- 11 • Exhibit 1: Administration Documents
- 12 • Exhibit 2: Rate Base and Capital
- 13 • Exhibit 3: Customer and Load Forecast
- 14 • Exhibit 4: Operating Expenses
- 15 • Exhibit 5: Cost of Capital and Capital Structure
- 16 • Exhibit 6: Revenue Requirement and Other Revenue
- 17 • Exhibit 7: Cost Allocation
- 18 • Exhibit 8: Rate Design
- 19 • Exhibit 9: Deferral and Variance Accounts.

20 21 Models:

- 22 • Cost of Service Checklist
- 23 • Load Forecast Model
- 24 • RTSR Workform
- 25 • PILs Workform
- 26 • Cost Allocation
- 27 • Revenue Requirement Workform
- 28 • DVA Continuity Schedule
- 29 • GA Analysis Workform
- 30 • Tariff Schedule and Bill Impacts Model
- 31 • Benchmarking Spreadsheet Forecast Model
- 32 • Chapter 2 Appendices
- 33 • Load Profile

1 All documents and models have been submitted to the Ontario Energy Board (“OEB”) via the
2 RESS filing system. The application, along with all supporting evidence will also be posted on
3 OHL’s website once the application has been received by the OEB. There are no materials that
4 are being filed on a confidential basis at this time in this application.
5

6 1.2.2 EXECUTIVE SUMMARY AND BUSINESS PLAN

7 OHL has developed a Business Plan, included in Appendix 1-A, to address the expectation of
8 the OEB’s *“Handbook for Utility Rate Applications”*, issued October 13, 2016. Key elements of
9 the Application and Business Plan are:
10

- 11 1. Rates are being requested that are similar, though higher, than current rates. OHL
12 currently has the 14th lowest distribution revenue in the province, based on the 2021
13 OEB yearbook statistics.
- 14 2. Identification of strategic customer focused objectives, discussed in the attached
15 Business Plan, that drive capital and OM&A plans and related investments over the
16 2024-2028 period.
- 17 3. A Distribution System Plan with projects and programs that are aligned with OHL’s
18 strategic objectives. The capital expenditure program is based on meeting the growth
19 needs of OHL’s customer base while also investing enough each year to ensure the
20 system remains reliable.
- 21 4. OHL’s goals for the period are to implement its planned projects and programs that align
22 with OHL’s strategic objectives, and to meet or exceed all targets for performance
23 metrics identified in the Asset Condition Assessment, Distribution System Plan, and
24 Business Plan.
- 25 5. Conducted customer engagement to ensure that the preferences of OHL’s customers
26 are identified and considered in developing OHL’s strategic objectives.
- 27 6. Evaluation and forecasting of performance metrics that are consistent with the OEB’s
28 Renewed Regulatory Framework (“RRF”).
- 29 7. Rate-setting approaches that are consistent with historical OEB-approved approaches to
30 ensure alignment between OEB policies and RRF framework.
- 31 8. OHL is proud of its reliability scores for the last few years. Although OHL’s reliability
32 stats declined in 2020 and 2021, we have taken steps to improve reliability going-
33 forward, and it is shown with the strong reliability stats in 2022. While there is no

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

3
4 The proposals of the application have been summarized below.

5
6 **A. Revenue Requirement**

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

11
12 The proposed Service Revenue Requirement for the 2024 test year of \$7,321,205 reflects an
13 increase of \$2,096,301 or 40% relative to the 2014 Board Approved, or a Compounded Annual
14 Growth Rate ("CAGR") of 3.4% between 2014 and 2024.

15
16 The Base Revenue Requirement on which rates are calculated is \$6,919,019 which is the
17 Service Revenue Requirement minus the revenue offsets of \$402,186. This represents 45%
18 relative to the 2014 Board Approved Base Revenue Requirement or a CAGR of 3.8% between
19 2014 and 2024.

20 **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%

21
22
23 OHL has not needed to complete a CoS application since 2014, but it became evident in 2022
24 that it was necessary to move forward with a 2024 application. Many factors contributed to that
25 decision, the main items being:

- 26 • Prior to 2022, OHL's regulatory Return on Equity ("ROE") was above the deemed ROE
27 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%

1

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%

2

3

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%

5

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.

13

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.

20

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,

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

7
8 Capital investments are necessary to ensure a safe and reliable distribution system and to meet
9 OHL's obligation to connect new customers. It is important to OHL that there is a strong
10 understanding of the entire system to determine priority assets that require replacement or repair.

11 Main drivers of the 2024 test year capital plan are:

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

20
21 OHL has adopted the good utility practices expected in the electricity distribution industry. This
22 has included adhering to the OEB's Distribution System Code that "sets out both good utility
23 practices, minimum performance standards for electricity distribution systems in Ontario, and
24 minimum inspection requirements for distribution equipment". Consistent with good utility
25 practices, over the years OHL has strived to maintain its equipment in safe and reliable working
26 order and upgraded or replaced its equipment often in conjunction with government and
27 regulatory requirements. OHL has been prudent when incurring costs as customer satisfaction
28 survey results indicate that the low price of electricity is an important factor to customers.

30 **D. Operations, Maintenance and Administration Expense**

31 The proposed OM&A expenditures for the 2024 Test Year have been derived through a detailed
32 budgeting and business planning process aligned with OHL's strategic and core values. These
33 expenditures are required so that OHL can maintain the distribution business service quality and
34 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.

- 1 ○ Vegetation management – within the past 10 years, OHL has increased its
2 vegetation management program significantly. This was due to past storms
3 which identified the need for additional tree trimming to improve reliability and
4 safety.
- 5
- 6 ● Billing and Collecting – This increase is largely driven by salary costs, as well as contract
7 costs.
- 8 ○ IT and cyber security costs have increased, due to the additional cyber security
9 requirements to improve cyber safety.
- 10 ○ Inflationary increases have been seen on all contractors, specifically the meter
11 data transmission costs, the meter data settlement provider and Operational
12 Data Storage (“ODS”) costs.
- 13 ○ Since 2014, OHL began using a bill printing and mailing provider which increased
14 costs in this area.
- 15 ○ In 2024 OHL will be implementing a new customer portal, which will incur
16 additional costs going forward. This portal will have improved cyber security
17 controls, as well as improved customer experience, and additional methods for
18 OHL to engage with customers.
- 19
- 20 ● Community Relations – this category is higher, as more community events are planned.
21 Additionally, it includes a portion of one staff member’s time, which was not included in
22 2014.
- 23
- 24 ● Administration
- 25 ○ Labour costs have increased, as well as inflationary increases with outside
26 contractor costs.
- 27 ○ Insurance costs have increased significantly since 2014.
- 28 ○ 2024 includes 1/5 of the forecasted cost of service expenses.
- 29

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

33

34

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

1 a Cost Allocation Study for 2024 based on an allocation of the 2024 Test Year costs (i.e., the
 2 2024 forecast revenue requirement) to the various customer classes using allocators that are
 3 based on the forecast class loads (kW and kWh) by class, customer counts, etc. Furthermore,
 4 OHL applied the following principles when developing its cost allocation proposal:

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

8
 9 The table below shows the utility’s proposed Revenue to Cost reallocation based on an analysis
 10 of the proposed results from the Cost Allocation Study vs the Board imposed floor and ceiling
 11 ranges.

12 **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%

13
 14
 15 There were two classes that were outside of their respective band thresholds: GS>50 and
 16 Sentinel Lighting. OHL has proposed an increase in revenues allocated to each of these
 17 classes, to bring them up to the bottom end of their respective bands.

18
 19 The Proposed Revenue to Cost ratios impacted one customer class, Sentinel Lights, by
 20 increasing its bill impacts outside of the 10% threshold. There are no plans to mitigate these
 21 rates, as OHL feels these rates are appropriate for this customer class to cover their respective
 22 overall costs to complete the billing process, and so other customer classes are not cross
 23 subsidizing the Sentinel Light class.

24
 25 OHL has not proposed any new customer classes or any changes to the definition of its existing
 26 customer classes.

27
 28 For all classes other than Residential, distribution revenues are derived from a combination of
 29 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.

1 **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			

2

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)			

3
4
5 OHL is requesting a new deferral/variance account: Sub-Account 1595 – Rate Rider for
6 Disposition of Deferral/Variance Accounts (2022). Further details are provided in Exhibit 9.2.

7
8 OHL is requesting to discontinue the following accounts that will no longer be necessary:

- 9
- 10 • 1508 Other Regulatory Assets – Deferred IFRS Transition Costs
 - 11 • 1508 Other Regulatory Assets – Energy East Consultation
 - 12 • 1555 Smart Meter Capital and Recovery Offset – Stranded Meter Costs
 - 13 • 1576 Accounting Changes under CGAAP Balance and Return Component
 - 14 • 1595 Disposition and Recovery/Refund of Regulatory Balances (2019)

15 **H. Bill Impacts**

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

1

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%

2

3

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

11

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

13

Table 1-15 – Bill Impacts – Notice of Application

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

14

15

16 **1.2.3 EFFICIENCIES**

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

20

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

- 1
- 2 1. OHL is continuing to convert more of its system from 4 kV to 27.6 kV for better durability
- 3 and reliability.
- 4 2. OHL has completed a Distribution System Plan and creation of an Asset Condition
- 5 Assessment. Capital decisions are currently being made with these documents, the
- 6 results of the asset inspections, and from the review of outage records.
- 7 3. OHL's 2014 OM&A included a full-time staff level of 21. This application includes a full-
- 8 time staff level of 20. OHL has been able to do more (increased workload) with less staff
- 9 by improving internal processes and working with third party providers while still
- 10 maintaining the level of service customers expect.
- 11 4. OHL is continuing use of OHL's Outage Monitoring System ("OMS"). The OMS system
- 12 integrates Operational Data Storage and asset records and utilizes the functionality of
- 13 smart meters to provide fast notification of outages.
- 14 5. OHL's loss factor has reduced from 1.0481 to 1.0479. This is below the OEB's
- 15 recommended threshold of 5% as set out in the OEB's document "Ontario Energy
- 16 Distributor Practices Relating to Management of System Losses". Annual savings from
- 17 lower losses flow directly to OHL's customers through lower cost of power.
- 18 6. Ongoing proactive maintenance programs assist assets in reaching their life expectancy
- 19 and in some cases, can extend asset life.
- 20 7. OHL is a member of Cornerstone Hydro Electric Concepts ("CHEC"), Utilities Standards
- 21 Forum ("USF"), and the Electricity Distributors Association ("EDA"). OHL continues to
- 22 realize savings from membership in these organizations in the form of:
- 23 a. Staff training.
- 24 b. Shared policies, processes and product discovery.
- 25 c. Ready access to the expertise of other utilities for consultation and problem solving.
- 26

27 1.3 ADMINISTRATIVE

28 1.3.1 CONTACT INFORMATION

29
30 Application contact information is as follows:

31
32 The Applicant: Orangeville Hydro Limited
33 400 C Line

1 Orangeville, ON L9W 3Z8

2
3 Applicant Primary Contact: Rob Koekkoek, P. Eng
4 President
5 Office: 519-942-8000 ext 224
6 Cell: 519-940-1598
7 Email: rob.koekkoek@orangevillehydro.on.ca
8

9 Applicant Secondary Contact: Amy Long, CPA, CGA
10 Chief Financial Officer
11 Office: 519-942-8000 ext 235
12 Cell: 519-217-6030
13 Email: amy.long@orangevillehydro.on.ca
14
15

16 1.3.2 LEGAL REPRESENTATION

17 Applicant's Counsel: John Vellone
18 Partner
19 Borden Ladner Gervais LLP
20
21 Bay Adelaide Centre, East Tower
22 22 Adelaide St. W
23 Toronto, ON
24 M5H 4E3
25
26 416-367-6730
27 JVellone@blg.com
28

29 1.3.3 CONFIRMATION OF INTERNET ADDRESS

30 OHL's website address is: www.orangevillehydro.on.ca
31
32
33

1 OHL also communicates with customers through the following:

- 2
- 3 • Twitter [Orangeville Hydro \(@OvilleHydro\) / Twitter](#)
- 4 • Facebook [Orangeville Hydro | Orangeville ON | Facebook](#)
- 5 • Telephone
- 6 • Bill Inserts
- 7 • Media – newspaper and radio
- 8 • Customer Portal: Customer Connect
- 9 • Local events
- 10 • Customer walk-ins
- 11 • Customer outreach for billing updates
- 12 • Email: info@orangevillehydro.on.ca
- 13

14 1.3.4 STATEMENT OF PUBLICATION

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

17
18 This application and all documents related to this application will be made available on OHL's
19 website at www.orangevillehydro.on.ca. The application will also be available on the OEB's
20 website at www.oeb.ca under Board File Number EB-2023-0045.

22 1.3.5 FORM OF HEARING REQUESTED

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

25
26 OHL requests pursuant to Section 34.01 of the Board's Rules of Practice and Procedure, this
27 proceeding be conducted by way of written hearing in an effort to minimize costs but
28 understands that if certain issues remain unsettled, the utility may be required to participate in
29 an oral hearing.

31 1.3.6 REQUESTED EFFECTIVE DATE

32 OHL requests that:

33

- 1 1. The OEB make its Rate Order effective May 1, 2024 in accordance with the Filing
2 Requirements.
- 3
- 4 2. In the event that the OEB is unable to provide a Decision and Order in this application
5 implementation by the application date of May 1, 2024, the Applicant requests that the
6 OEB declare OHL's current rates interim, effective May 1, 2024, pending the
7 implementation of the OEB rate order for the 2024 rate year.
8
9

10 1.3.7 CHANGES IN METHODOLOGIES

11 OHL has included the following methodology changes in this Application:

- 12 • Subsequent to OHL's previous CoS application EB-2013-0160 for the 2014 year, OHL
13 converted its financial reporting framework from Canadian GAAP ("CGAAP") to
14 International Financial Reporting Standards ("MIFRS") with a transition date of January
15 1, 2014. As detailed in Appendix 2-Y, there are no material differences in the 2024
16 revenue requirement between CGAAP and MIFRS.
- 17 • In 2018, OHL converted from billing residential and GS<50 kW on a cycle basis to a
18 calendar month cycle. OHL now bills all of its customers on a calendar month cycle.
- 19 • The OEB released the Accounting Procedures Handbook (APH) in 2012. At OHL in
20 2018, an in-depth study of the APH prompted a presentation to educate Operations
21 staff. This led to a better understanding by all OHL staff that Operations is mainly
22 planned work and Maintenance is mainly reactive work. In its letter Activity and Program
23 Based Benchmarking (APB) Initiative (EB-2018-0278), the OEB launched an initiative to
24 develop Activity and Program-based Benchmarking (APB) to encourage continuous
25 improvement by its regulated utilities. In 2019, OHL joined a Utility Standards Forum
26 (USF) working group and reviewed its accounts at the time to determine what
27 improvements could be made to its tracking of costs for it to meet the guidance of the
28 APH and stay consistent with other LDCs. Changes were made effective January 1,
29 2021 ("2018 OHL APH study").
30

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

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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

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

4
5 **Directive #2:**

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

8
9 “This Settlement Proposal results in a reduction of proposed OM&A expenses in the test year by
10 \$240,000. In addition, Orangeville Hydro engages in the following types of operational
11 effectiveness initiatives:

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

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

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

33

34

1 **Response:**

2 As shown in Section 1.6.2 of this Exhibit, OHL's inputs to the PEG Model remain relatively
3 stable year-over-year however, the trending in cost performance provides useful insight into
4 whether OHL's cost efficiency is improving over time. The trend indicates that OHL is becoming
5 more efficient over the ten-year period covered by its past and current DSPs.

6 OHL has improved its efficiency performance, moving from Cohort 3 in 2014, to Cohort 2 in
7 2017, and then to Cohort 1 in 2021. OHL has remained in Cohort 1 since 2021.

8

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

13

14 **1.3.9 CONDITIONS OF SERVICE**

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

20

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

22

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

25

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

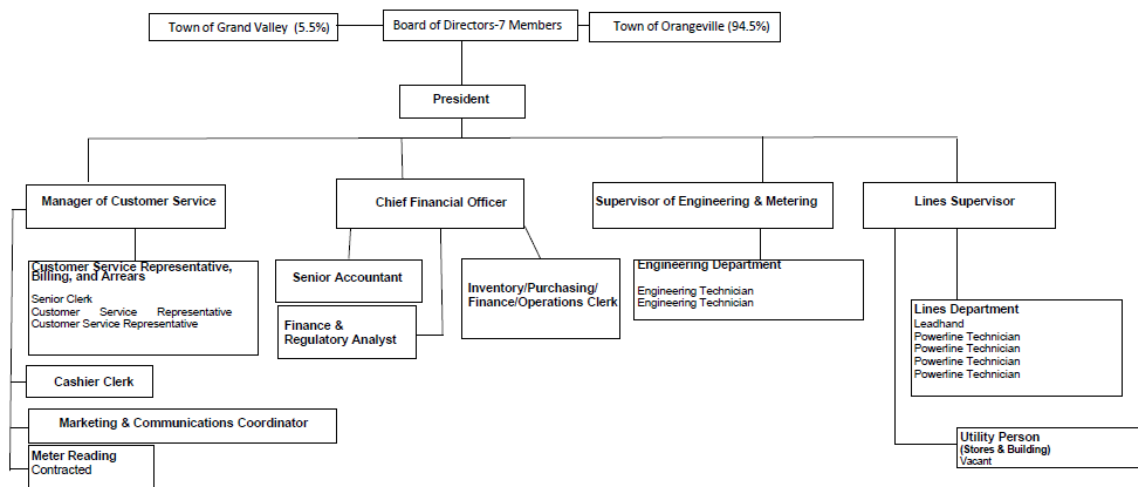
1.3.10 CORPORATE AND UTILITY ORGANIZATION STRUCTURE

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



Orangeville Hydro Limited Organizational Structure



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.

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

3
4 12. The Applicant requests that the OEB makes its rate order effective May 1, 2024 in
5 accordance with the Filing Requirements.

6
7 13. In the event that the OEB is unable to provide a Decision and Order for implementation
8 by the application as of May 1, 2024, the Applicant requests that the OEB declare its
9 current rates interim, effective May 1, 2024, pending the implementation of the OEB
10 Rate Order for the 2024 rate year.
11

12 1.3.12 MATERIALITY

13 As per the OEB Filing Requirements, for a distributor with less than 30,000 customers and a
14 distribution revenue requirement less than or equal to \$10 million, the materiality threshold is
15 \$10,000. As OHL falls within these parameters, the materiality threshold within this application is
16 \$10,000.
17

18 1.4 DISTRIBUTION SYSTEM OVERVIEW

19 OHL is a local distribution company serving over 12,900 customers in the Town of Orangeville
20 and the Town of Grand Valley. OHL is an electricity distributor licensed by the OEB. In
21 accordance with its Distribution License ED-2002-0500, OHL provides electricity distribution
22 services in the Town of Orangeville and the Town of Grand Valley.
23

24 OHL receives power from Hydro One Networks Inc. (“HONI”) and delivers electricity to its
25 customers.
26

27 OHL is responsible for maintaining distribution and infrastructure assets deployed over 17
28 square kilometers (including over 222 kilometers of overhead and underground lines) within the
29 Orangeville and Grand Valley service areas.
30

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

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

3
4 The Town of Orangeville is the urban hub of Dufferin County, and its economic base is
5 diversified across several sectors. The population of approximately 31,000 people sustains
6 strong commercial retail stores that includes nationwide commercial retail stores and small
7 locally owned retail stores. Orangeville also serves manufacturers in sectors such as plastics,
8 food products, woodworking, aerospace, and automotive.

9
10 The Town of Grand Valley is a fast-growing area within Dufferin County. OHL services the
11 urban settlement area and Hydro One services the surrounding rural farmlands. The urban
12 settlement area of the Town of Grand Valley has a population of approximately 4,000 and is
13 growing through both intensification and greenfield developments. The Town of Grand Valley is
14 an urban hub with businesses for shopping, dining, and services.

15
16 Below is a table of OHL’s customer only count as of December 31, 2022.

17 **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

18
19
20 **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.

1

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 e-billing, 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 e-billing, 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 e-billing, 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 e-billing, 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 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 e-billing, 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 e-billing, 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 e-billing, 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

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<p>May 26, 2018 12:00pm-3:00pm Grand Valley Duck Race 57 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>July 7, 2018 8am-1pm Orangeville Farmers Market 48 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>July 26, 2018 Orangeville EEE Day 25 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>July 25, 2019 Orangeville EEE Day 42 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>April 2021 - June 2021 Distribution System Plan Customer Engagement Survey 6 commercial and 386 residential accounts completed the survey, totaling 395 responses.</p>	<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 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.
<p>May 7, 2022 8am-1pm Orangeville Farmers Market 84 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>May 28, 2022 Grand Valley Lions 25th Annual Duck Race 143 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>June 25, 2022 9am-1pm Action Dufferin hosted a community bike ride event. Orangeville Hydro created a 5-10 minute activity for participants. 15 customers were engaged.</p> <p style="text-align: right;">Climate</p>	<ol style="list-style-type: none"> 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 addresses climate needs 4. Maintain a strong community presence. 	<ol style="list-style-type: none"> 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
<p>Sunday, July 17th 2022 KidsFest at the 13th Annual Orangeville Rotary Ribfest 95 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>May 7, 2023 Orangeville Farmers Market 73 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>July 13th, 2023 5pm-7pm Orangeville EEE Day Bucket Truck Rides</p> <p style="text-align: right;">34</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>July 16th KidsFest at the 14th Annual Orangeville Rotary Ribfest 90 Bucket Truck Rides</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
<p>August 28th, 2023 Large Commercial Customers Breakfast 10 Attendees</p>	<p>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.</p>	<ol style="list-style-type: none"> 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.

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 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. 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 thoroughly 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 equipped with Ipads so that customers could complete the survey at their convenience.	1. Educate customers on everything regarding 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 CS>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.

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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.

13

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.

24

1 *Community Events*

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

18

19 *Surveys*

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

31

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

34

1

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

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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

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1.5.2 APPLICATION-SPECIFIC CUSTOMER ENGAGEMENT

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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

1 modernization, system renewal, and investments priorities and tradeoffs relating to the DSP. The
2 information collected was then used to determine the next steps in OHL's Distribution System
3 Plan and subsequent CoS application. For more details regarding the DSP Survey see Appendix
4 1-C and for details on the findings please see the application documents for EB-2021-0049.

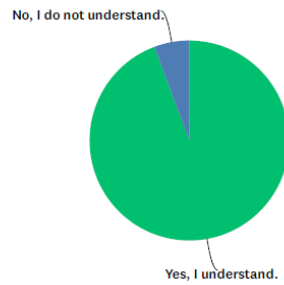
5
6 Utilizing the feedback provided during the DSP Customer Engagement survey, OHL created the
7 Customer Interest Survey that includes six of the biggest cost drivers which will ultimately impact
8 the delivery portion of customers' bills. The CoS survey is one of the last steps in the information
9 and education campaign regarding the CoS application. The purpose of implementing the survey
10 is to be able to reach a wide variety of customers and inform them regarding the decisions being
11 made in the CoS application. This survey is included in Appendix 1-B of this exhibit.

12
13 At OHL's annual EEE Event, a space was created for the sole purpose of consulting with
14 customers regarding this CoS application. The booth featured basic information such as 'What is
15 a CoS', 'How will the CoS impact my bill', and visuals and graphics highlighting OHL's current
16 statistics in relation to other LDC's. The booth was equipped with the CoS survey on iPads to give
17 customers the opportunity to complete the survey in person. At the event OHL received 24
18 completed surveys. Most customers were pleased to complete the survey but did not ask any
19 follow-up questions.

20
21 The survey features six questions relating to the specific cost drivers and highlights the
22 approximate percentage of bill impact each cost driver will have. The CoS Survey began July
23 2023 and will continue into 2024. This is to ensure customers are well informed of the CoS
24 application, why it is necessary, how it will impact their bill, and by how much.

25
26 As of September 1st, 2023, OHL received 140 responses. Below is a summary of the questions
27 posed to customers and the responses.

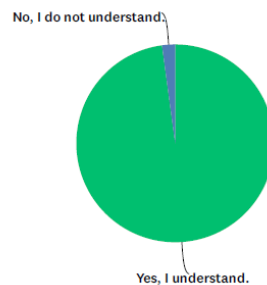
28
29 **Question 1** highlighted that OHL current staffing levels are significantly below the industry
30 average, and with the continued growth in Orangeville and Grand Valley, OHL will need to
31 increase staff levels to ensure service requirements are met and OHL continues to meet
32 customer's needs. Ultimately, this would impact the delivery portion of the bill by 1.3%. Customers
33 were asked if they understood that hiring new staff would increase the delivery portion of their
34 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

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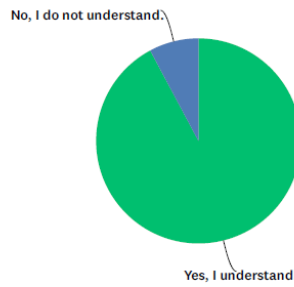
Question 2 discussed the outdated GIS mapping system(s) that are heavily relied upon by OHL staff and local municipalities. To continue to meet reporting requirements and eliminate redundant systems, OHL would need to increase the delivery portion of the bills by 0.6%. Customers were asked if they understood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

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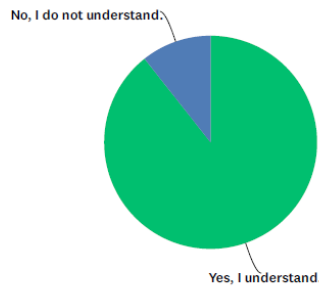
Question 3 explained the locate services offered by Ontario One Call and highlighted that to continue to meet locating timeline requirements and keep costs low with the use of a third-party company, OHL would need to increase the delivery portion of the bill by 0.7%. Customers were asked if they understood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

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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

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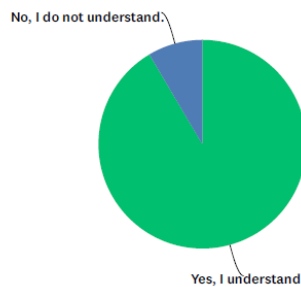
Question 5 explained that as a result of the COVID-19 pandemic, OHL absorbed the fees associated with the payment portal, known as Paymentus, to ensure customers could pay their

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

7

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

14



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

15

16

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



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

1

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

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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.

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

4
 5 The Ontario Energy Board, along with consultants from the Pacific Economics Group LLC
 6 (“PEG”), prepared an econometric model in order to evaluate all LDCs efficiencies. These
 7 efficiencies are based on each utility’s actual cost compared to the average levels predicted by
 8 a study conducted by PEG. Based on the efficiency levels achieved, each utility is grouped in
 9 their ranking with the most efficient being assigned to Group 1 and the least efficient to Group 5.
 10 Based on the above, OHL’s efficiency assessment remains in Group/Cohort 1.

11
 12 Total cost per customer is calculated as the sum of OHL’s capital and operating costs, including
 13 certain adjustments to make the costs more comparable between utilities and dividing this cost
 14 figure by the total number of customers that OHL serves. A low total cost could be an indicator
 15 of insufficient capital investment rather than efficiency. OHL’s 2022 OM&A cost per customer
 16 was the 10th lowest in the province. OHL continues to achieve strong financial performance by
 17 balancing system reliability and service, while minimizing controllable costs associated with
 18 operating, maintenance, and administration.

19
 20 **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%

21
 22
 23 OHL has not had a new Renewable Generation Connection Impact Assessment or a new Micro-
 24 Embedded Generation facility in a number of years, but when they took place, they were always
 25 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%
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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

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

8
9 OHL has improved its efficiency performance, moving from Cohort 3 in 2014, to Cohort 2 in
10 2017, and then to Cohort 1 in 2021. OHL has remained in Cohort 1 since 2021.

11
12 The benchmarking model provided by the OEB has been completed with the costs included in
13 this application. This model has been submitted in live excel format with this application. The
14 table below provides the forecasted Percentage Difference for the 2024 Test Year, as well as
15 shows that OHL is expected to remain in Cohort 1 for 2024.

16
17 **Table 1-26 – Benchmarking Model Results**
18

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

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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.

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

3

4

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]

5

6

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

9

10

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%

11

Table 1-29 – Billing O&M

Orangeville Hydro YOY Comparison	Cost (\$1,000)						Scale (1,000 Customers)						Unit Cost (\$/Customer)					
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
1. Billing O&M																		
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
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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)					
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
2. Metering O&M																		
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
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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)					
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
10. Meters CAPEX																		
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
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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)					
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
3. Vegetation Management O&M																		
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
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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

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

11
12 **Table 1-33 – Pole Maintenance O&M**

Orangeville Hydro YOY Comparison	Cost (\$1,000)						Scale (1,000 Poles)						Unit Cost (\$/Pole)						
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	
6. Poles, Towers O&M																			
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

13
14
15 OHL’s performance is better than the industry average. No immediate remedial action is required.
16 OHL will continue to strive to remain below industry average.

17
18 **Table 1-34 – Poles, Towers and Fixtures CAPEX**

Orangeville Hydro YOY Comparison	Cost (\$1,000)						Scale (Poles Additions)						Unit Cost (\$/Pole Addition)						
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	
8. Poles, Towers CAPEX																			
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

19
20 OHL’s performance is better than the industry average. No immediate remedial action is required.
21 OHL will continue to strive to remain below industry average.

22
23 **Table 1-35 – Lines O&M**

Orangeville Hydro YOY Comparison	Cost (\$1,000)				Scale (1000 Lines)				Unit Cost (\$/Line)			
	2019	2020	2021	Average	2019	2020	2021	Average	2019	2020	2021	Average
4. Lines O&M												
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

24
25 OHL’s performance is better than the industry average. No immediate remedial action is required.
26 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)					
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
5. Stations O&M																		
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

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)					
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
7. Stations CAPEX																		
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

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)					
	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average	2017	2018	2019	2020	2021	Average
9. Line Transformers CAPEX																		
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

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

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

7
8 OHL understands the objective given to the OEB to facilitate innovation, as now enshrined in
9 the EOB Act. From the perspective of a small distributor, too much innovation is challenging,
10 potentially expensive, and bears risk, especially if there are costs that are not included in the
11 revenue requirement. Conversely, shifting such costs into the revenue requirement will shift
12 risks to customers.

13
14 OHL benefits from partnerships which keep it informed regarding innovation possibilities and
15 allows for sharing of costs where applicable. This is the reason why OHL is actively involved
16 with the following groups:

- 17 • Cornerstone Hydro Electric Concepts ("CHEC")
- 18 • Electricity Distributors Association ("EDA")
- 19 • Utilities Standards Forum ("USF")
- 20 • MEARIE
- 21 • Ontario Harris Users Group ("OHUG")

22
23 CHEC provides OHL with important industry information in the Finance, Regulatory, Operations,
24 Health and Safety, and Communications areas of the business. CHEC provides regular group
25 meetings to discuss current and upcoming issues, as well as training courses. CHEC members
26 have created several spreadsheet models for rate applications and economic development
27 assessments. The expertise of these members is shared within the group.

28
29 The EDA provides insight into the many changes that take place in the industry and works with
30 distributors to maintain well-informed and coherent positions. The EDA's government relations
31 are a benefit when common messages need to be related to various Ministries of the
32 government. Orangeville Hydro and other LDCs participate in providing feedback to the EDA on
33 current and upcoming issues.

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

6
7 MEARIE provides a plethora of training courses, helpful to all staff, including the Board of
8 Directors, management, and office and lines staff. The courses also provide Orangeville Hydro
9 staff with the opportunity to network with peers from other LDCs and learn from them.

10
11 OHUG is a user-driven group of LDCs who all use the same billing/customer information
12 system. This group works together to find innovative ways to use the software, especially when
13 it comes to adapting to changing billing and customer service requirements from the Ministry
14 and the OEB.

15
16 OHL is facilitating innovation in other ways as well.

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

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

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

18 1.8 FINANCIAL INFORMATION

19 1.8.1 AUDITED FINANCIAL STATEMENTS

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

24 The prior two years financial statements are included in the 2022 Audited Financial Statements
25 on the OHL website [Our Company – Orangeville Hydro](#).

27 1.8.2 ANNUAL REPORT

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

31 [Our Company – Orangeville Hydro](#)

33 1.8.3 RATING AGENCY REPORT

1 OHL does not have a rating agency report.

3 1.8.4 PROSPECTUSES/INFORMATION CIRCULARS

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

6 1.8.5 CHANGE IN TAX STATUS

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

10 1.8.6 EXISTING/PROPOSED ACCOUNTING ORDERS

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

15 1.9 DISTRIBUTOR CONSOLIDATION

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

17
18 On November 15, 2021, the OEB and utilities received a letter from the Ministry of Energy
19 regarding progress towards modernization. Page 4 of the letter states the following:

20
21 *“The OEB should continue to ensure that the structure and operations of the distribution*
22 *sector constantly evolve towards optimal efficiency. To that end, the OEB should explore*
23 *opportunities to enable proactive investment in energy infrastructure, such as protection*
24 *and refurbishment, where utilities can prove there are long-term economic and reliability*
25 *benefits to ratepayers. In previous years, these efficiencies have been found both*
26 *through utility mergers/acquisitions and with the formation of innovative partnerships*
27 *between utilities. Considering this, I also ask that the OEB require LDCs with fewer than*
28 *30,000 customers to file information within their cost-of-service applications on the*
29 *extent to which they have investigated potential opportunities from consolidation or*
30 *collaboration/partnerships with other distributors.”*

31
32 OHL confirms that it has not been a party to a proposed or approved Merger or Acquisition
33 transaction since its last CoS in 2014.

1

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

9

10 OHL is proud to be a member of Cornerstone Hydro Electric Concepts (“CHEC”), a collaborative
11 organization that currently includes 15 of the smaller LDCs in the province. Resources and
12 support are delivered by the association through member participation, including OHL, and
13 through the CHEC staff. Participation results in substantial efficiencies and workload reduction
14 for each member. A valuation of the organization (through a template created by BDO)
15 performed in 2020 set the valuation at approximately \$256,767 for a three-year term, or \$86,600
16 annually per member.

17 Shared resources are provided for multiple areas of LDCs operations through several portfolios
18 including Finance & Regulatory, Operation and Health & Safety, Billing and Customer
19 Information Systems, Human Resources and Labour Relations, and Communications and
20 Customer Engagement. Specific examples of the resources include:

21

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

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

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

32
33 OHL collaborates with the Utilities Standard Forum (“USF”), a collaborative organization that
34 includes small, medium and large LDCs in the province. Resources and support are delivered

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

3
4 Shared resources are provided for multiple areas of LDCs operations through several portfolios
5 including Engineering, Regulatory, IT and Customer Service. General examples of the
6 resources include:

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

15
16 Specific examples include:

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

21
22 OHL collaborates with the Electricity Distributors Association (“EDA”), as many members of the
23 OHL team participate in EDA councils across various areas of the industry. The EDA brings
24 together LDCs, affiliates, and commercial companies that work closely with LDCs. Their staff
25 provides government advocacy, policy analysis, training and networking opportunities.

26 Participation results in substantial efficiencies, access of knowledge and additional resources,
27 as well as active participation in shaping legislation within the province.

28 Shared resources are provided for multiple areas of LDCs operations through several portfolios
29 including Regulatory, Operations and Engineering, Finance, Human Resources,
30 Communications, Conservation and Sustainability and Electrification.

31 General examples of the resources include:

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

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

5
6 OHL collaborates with the Municipal Electric Association Reciprocal Insurance Exchange
7 (MEARIE) Group. MEARIE provides an array of financial, insurance and risk management
8 solutions to Ontario's energy sector. Reciprocals are Member-owned and not-for-profit, and the
9 focus is on the long-term interests of Membership. Participation results in group purchasing
10 power and sector knowledge and insights.

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

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

18 19 20 1.10 IMPACTS OF COVID-19 PANDEMIC

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

27
28 With regards to the load forecast, the onset of the Covid-19 pandemic created higher
29 consumption for residential customers in OHL's service territory given its customer make-up as
30 more people were working from home, accompanied by a decrease for GS<50 kW as small
31 businesses were required to pause for a time in their operations or close their doors
32 permanently. A Covid-19 flag was used in April 2020 in the load forecast regression model to
33 accommodate the period of time in which these impacts were more pronounced. See Exhibit 3 –
34 Customer and Load Forecast for more information.

APPENDIX 1-A – 2024 BUSINESS PLAN

APPENDIX 1-B – COST OF SERVICE CUSTOMER INFORMATION SURVEY

APPENDIX 1-C – DISTRIBUTION SYSTEM PLAN SURVEY