CUSTOMER ENGAGEMENT ONGOING

1. INTRODUCTION

Hydro Ottawa's strategy puts the customer at the centre of everything it does and to that end, customer engagement is one of the primary tools that Hydro Ottawa uses to inform business strategy, planning and decision making. Engaging with customers on an ongoing basis through the means described within this Schedule, helps the utility identify, gather, and understand critical insights relating to its customers' existing and evolving needs and preferences, including with respect to the energy transition and electrification. These insights inform Hydro Ottawa's investment strategies, program delivery and communication-platform improvements, and enable the utility to better serve its diverse customer base. In short, customer engagement enhances Hydro Ottawa's ability to understand the energy needs and preferences of the communities and customers it serves and to make decisions that are aligned with those needs and preferences.

The key groups within Hydro Ottawa that are responsible for customer engagement include Customer Service, Communications and Public Affairs, Key Accounts, Conservation & Demand Management (CDM), Service Desk, and Distribution Engineering and Asset Management. Additionally, in 2024 Hydro Ottawa created a Government Relations team to engage with municipal, provincial, and federal governments and advance the interests of Hydro Ottawa and its customers in policy-making.

The engagement activities undertaken by these groups, and the benefits thereof, are presented below.

2. ONGOING CUSTOMER ENGAGEMENT

2.1. CUSTOMER SERVICE

Hydro Ottawa continuously monitors and assesses service satisfaction levels of its customers, and benchmarks key results against its peers at both the national and provincial levels.

Customer views are also regularly sought out with respect to more specific performance expectations and preferred outcomes, which in turn serve to inform Hydro Ottawa's operational and investment decisions. These activities are described in more detail below.

Hydro Ottawa also leverages a combination of ongoing feedback from its customer interaction platforms (the "Voice of the Customer" (VOC) initiative) and comprehensive surveys conducted by external research experts.

Several teams within Hydro Ottawa's Customer Service department play key roles in handling most incoming customer inquiries, addressing issues and escalations as may be required, and managing customer-related surveys and research. Other unique engagement efforts are handled by a variety of teams within Hydro Ottawa, and those are described in their respective sections within this schedule.

The Customer Care team provides comprehensive support to customers across various communication channels, including phone calls, emails, and online chats. They address a wide range of inquiries related to billing and payment options, energy consumption, collections, and account management. This team also manages and resolves escalations from its customers and stakeholders, including the OEB, on a variety of topics across Hydro Ottawa's operations.

The Customer Experience team focuses on understanding customer perspectives and driving continuous improvement. They analyze customer feedback to gain insights into their views on services, processes, and communications. This information is used to identify opportunities to enhance the customer experience. Additionally, the team handles complex customer escalations requiring technical analysis and resolution.

2.1.1. Customer Surveys

Hydro Ottawa gathers customer feedback through a variety of surveys to understand customer perception, needs and preferences including benchmarking against Ontario and Canadian utilities.

The specific surveys addressed in subsequent sections include:

- Annual Electric Utility Customer Satisfaction Survey, delivered by UtilityPulse. This survey consists of a residential and small commercial customers focused report, and a large commercial customer focused report. Copies have been appended to this Schedule as Attachment 1-4-1(C) - 2024 Customer Satisfaction Survey - Residential and Small Commercial and Attachment 1-4-1(D) - 2024 Customer Satisfaction Survey - Large Commercial
- National Electricity Customer Satisfaction Survey, commissioned by Electricity Canada, and delivered by Innovative Research Group. A copy has been appended to this Schedule as Attachment 1-4-1(E) - 2023 National Electricity Customer Satisfaction Report
- Behind the Meter Survey, commissioned by Canadian Electricity Association (now Electricity Canada), and delivered by Innovative Research Group. A copy has been appended to this Schedule as Attachment 1-4-1 (F) - Behind the Meter Survey

The sections below summarize key findings around customer sentiment and perceptions about Hydro Ottawa, its services, and the changing energy landscape, obtained through these surveys.

2.1.1.1. Annual Electric Utility Customer Satisfaction Survey

Hydro Ottawa maintains an ongoing commitment to understanding and exceeding customer expectations. The utility commissions UtilityPULSE, an independent, third-party research firm to

conduct customer satisfaction surveys annually, providing valuable insights into customer perceptions of its services. This feedback allows Hydro Ottawa to identify areas of strength, opportunities for improvement, and benchmark its performance against its peers provincially and nationally.

The surveys engage a representative sample of Hydro Ottawa's customer base, including residential, small commercial, and large commercial customers. Residential and small commercial customers are surveyed annually, while large commercial customers are typically surveyed every two years. The surveys are delivered both by telephone and online. Hydro Ottawa gathers feedback on a wide range of topics, including service reliability, customer service, billing, outage response, and communications. This data provides valuable guidance in Hydro Ottawa's ongoing efforts to support strategic planning, operations and customer service programs.

Hydro Ottawa continues to achieve high levels of customer satisfaction across all customer segments, exceeding its internal target of 90% on overall satisfaction. In the 2024 survey, 92% of residential and small commercial customers expressed general satisfaction with the overall services provided, continuing a trend of high satisfaction observed over the past five years. These results, on average, have exceeded provincial and national benchmarks, as shown in Table 1 below. Similarly, in the 2024 survey of large commercial customers, satisfaction remained strong at 97%, as shown in Table 2 below. Hydro Ottawa maintained favourable scores in core operational areas such as providing reliable electricity service, handling outages, and ensuring accurate billing. These consistent results demonstrate that Hydro Ottawa's focus on operational excellence and customer-centricity is resonating with its customer base.

Table 1 - 2020-2024 Customer Satisfaction - Residential and Small Commercial

	Hydro Ottawa	Ontario	National
2020	96%	95%	96%
2021	94%	93%	94%
2022	93%	90%	92%
2023	91%	92%	91%
2024	92%	88%	87%

Table 2 - 2022-2024 Customer Satisfaction - Large Commercial

	Hydro Ottawa	Cohort Average[1]
2022	94%	95%
2024	97%	98%

*

In 2024, Hydro Ottawa received an overall score of 'A', compared to a provincial score of 'B+' and national score of 'B+'. Specifically, for core operational attributes, Hydro Ottawa exceeded the benchmarks, as outlined in Table 3 below.

Table 3 - 2024 Customer Satisfaction - Core Operational Attributes - Residential and Small Commercial

	Hydro Ottawa	Ontario	National
Provides consistent, reliable energy	89%	82%	82%
Quickly handles outages and restores power	85%	80%	80%
Has accurate billing	87%	80%	81%
Has a standard of reliability that meets expectations	87%	81%	81%
Makes electricity safety a top priority	88%	81%	81%

[1] Cohort average of all large commercial surveys conducted by UtilityPULSE.

Similarly, for core customer service quality attributes, Hydro Ottawa also exceeded the provincial and national benchmarks in the areas shown in Table 4 below.

Table 4 - 2024 Customer Satisfaction - Core Customer Service Quality Attributes - Residential and Small Commercial

	Hydro Ottawa	Ontario	National
Customer-focused and treats customers as if they're valued	80%	74%	75%
Is pro-active in communicating changes and issues	84%	76%	77%
Delivers on its service commitments to customers	86%	80%	80%

The large commercial customer survey also showed that Hydro Ottawa continues to achieve high scores from this customer group, with an overall satisfaction score of 97% in the 2024 survey, an increase over the score of 94% in the 2022 survey. When asked where Hydro Ottawa could improve, some of the top responses included ways to minimize cost impacts, improve reliability and reduce outages, and increased involvement in "green energy".

In addition to gauging overall satisfaction, Hydro Ottawa utilizes its annual surveys to gain deeper insights into customer preferences, concerns, and emerging trends. This valuable information informs service improvements and helps the utility better meet evolving customer needs. For example, in 2022, supplemental survey questions explored customer preferences for receiving outage communications. Survey results showed that customers increasingly prefer digital channels for receiving important updates, with text messages (47%) and email (20%) emerging as the most popular choices for unplanned power interruption alerts. Based on this feedback, when launching its new outage alert notification system in 2023, Hydro Ottawa ensured that customers could readily receive alerts via their preferred channels: text and email.

2.1.1.2. National Electricity Customer Satisfaction Survey

To gain a comprehensive understanding of customer satisfaction and gain insights into its performance relative to other utilities in Ontario and across Canada, Hydro Ottawa periodically chooses to participate in the annual National Electricity Customer Satisfaction Survey commissioned by Electricity Canada, conducted by an independent research firm across all provinces.

In 2023, 73% of customers indicated that they are satisfied with Hydro Ottawa. The portion of customers saying they are "very satisfied" (42%) has trended upwards and is also higher as compared to Provincial (29%) and National (29%) averages.

- Hydro Ottawa exceeded both the provincial and national averages across all reliability and power quality metrics. As compared with 2022 results, satisfaction with most reliability measures is stable, however, there has been a slight decline in the perception of reliability.
- Of those who have experienced a planned outage, most (73%) reported proactive communication from Hydro Ottawa, and most of them (88%) were satisfied with the communication they received.
- Most customers (85%) feel customer experience with Hydro Ottawa is on par with or better than other service providers. When compared to the Ontario and national averages (both at 29%), a larger portion of Hydro Ottawa customers say their utility is better than other service providers (39%).
- Most customers (80%) support infrastructure investment, and 66% give social permission to increase prices to support investments to do so
- The majority of Hydro Ottawa customers indicated that they were “Very Satisfied” or “Somewhat Satisfied” with Hydro Ottawa providing online services (68%) and providing information on energy conservation and efficiency programs (55%)

A copy of the 2023 survey is appended to this Schedule as Attachment 1-4-1(E) - 2023 National Electricity Customer Satisfaction Report.

2.1.1.3. Behind the Meter Survey

The Canadian Electricity Association (now Electricity Canada) engaged Innovative Research Group Inc. to conduct a national Behind the Meter (BTM) Survey from November 8 to December 20, 2021. The intent was to explore Canadian attitudes towards new technologies designed to help consumers better manage their energy use and to advance the energy transition.

The survey segmented respondents based on degree of concern around climate change and their willingness to accept trade-offs for addressing it such as job losses and higher energy costs. In this regard, 24% of Hydro Ottawa respondents were classified as strong environmentalists and 9% as transition resisters.[2]

When asked about specific technologies, customers showed strong interest in several technologies. The numbers below include customers who already had the technology, were actively taking steps to acquire the technology, or were very interested in learning more. Technologies highlighted included remotely controlled thermostats (51%) and lights (43%), solar panels (45%), smart water heaters (47%) and battery storage (32%).

On electric vehicles (EV), 43% of Hydro Ottawa respondents are at least very likely to buy a plug-in hybrid or all-electric vehicle when they replace their current vehicle – or have already or definitely would purchase one – with benefits to the environment outweighing all other purchase motivations. On the question of willingness to relinquish some control over timing of EV charging (in order to avoid paying more for system expansion), 46% were in agreement. Among potential utility programs to manage the system impacts of EVs, offering financial incentives for

[2] Innovative Research Group defines *Transition Resisters* as “those who are not too concerned about climate change and disagree with the sacrifices society should make to reduce GHG.”

off-peak charging has attracted the strongest support. Hydro Ottawa's implementation of the Ultra-Low Overnight (ULO) rate, effective November 1, 2023, provides a mechanism for EV drivers to charge at a reduced rate during off-peak times.

2.1.1.4. EV Charging Pilot Survey

From 2018 through 2023, Hydro Ottawa ran an EV Charging pilot, where 99 customers received a discounted Flo Smart EV Charger. Following the conclusion of the pilot, in 2024 Hydro Ottawa surveyed pilot participants to both provide them with some insights that were learned from the pilot data collected, as well as to learn more about their lifestyle and charging habits as EV owners. There were 19 respondents. Some of the insights learned include:

- 84% confirmed their EV is their primary vehicle and 89% indicated they rarely charge away from home (only when traveling long distances).
- 100% of respondents were either satisfied or very satisfied with their EV charger.
- 53% confirmed they "always" charge during off-peak times, 11% confirmed they charge when they arrive home, regardless of the time.
- When asked if they would be interested in a charging program run by Hydro Ottawa where it allowed the utility to make permission-based adjustments to EV charging, 26% answered "Yes" and 53% answered "Maybe, I'd like to learn more".
- When asked if they would be interested in a charging program run by Hydro Ottawa that would ensure their vehicle is automatically charged during the lowest cost/lowest demand/lowest greenhouse gas (GHG) emission periods on their behalf, 32% answered "Yes" and 38% "Maybe, I'd like to learn more".
- 79% listed "Earning rewards or compensation" or "Reducing electricity costs for customers" as their first choice when asked what benefits/incentives would encourage their participation in a charging program.

2.1.2. Voice of the Customer Channels

Hydro Ottawa's VOC initiative actively monitors customer satisfaction and gathers feedback across all primary communication channels to drive continuous improvement.

2.1.2.1. Contact Centre Satisfaction – Transactional Feedback

Hydro Ottawa actively gathers customer feedback across multiple channels to ensure high-quality service. The Contact Centre Satisfaction Key Performance Indicators (KPI) includes phone, email, and chat channels. This feedback is weighted based on the volume of inquiries and completed surveys for each channel. This weighted approach accounts for varying response rates and ensures that all customer voices are appropriately represented. During 2024, over 6,500 Contact Centre experiences were rated, and overall customer satisfaction level was 85% measured against an 85% target set by Hydro Ottawa.

For phone inquiries (representing approximately 85% of the contact centre inquiries in 2024), a random sample of customers who called in the previous week are surveyed to capture customer experience with their interaction. These surveys measure several service aspects, including customer satisfaction, first call resolution (the Contact Centre's ability to resolve customer inquiries on the first attempt), agent courtesy, and agent knowledge. During 2024, outcomes for these metrics were 85%, 87%, 86%, and 87% respectively.

Feedback on email and web chat interactions is also gathered through post-interaction surveys focusing on overall satisfaction and providing an avenue for additional comments. During the same period, email interactions achieved an 81% satisfaction rate, while chat interactions garnered a 90% satisfaction rate.

Feedback gathered through these channels has directly informed enhanced coaching opportunities for individual agents, process improvements, and targeted efforts to address customer pain points and communication gaps.

2.1.2.2. MyAccount

Expansion and enhancement of self-serve options is an ongoing priority for Hydro Ottawa. This approach delivers operational efficiencies while also responding to customer preferences for convenient and accessible online service. Hydro Ottawa gathers valuable customer input through its MyAccount customer portal on the Hydro Ottawa website, as well as through the Contact Centre channels discussed earlier. This holistic feedback, encompassing both online and contact centre interactions, is actively used to inform ongoing improvements and enhancements to the online self-service experience.

Key improvements that have been implemented based on this feedback include:

- Personalized welcome emails to enhance the onboarding experience for new customers;
- Clearer and more transparent MyAccount messaging with respect to rate plan options;
- A Hydro Ottawa-specific comparison tool for rate plans, which uses actual usage information from customers rather than assumptions of usage from the OEB's rate analysis tool;
- Automated rate plan-switch confirmation emails, providing clarity with respect to this important transaction;
- Streamlined online payment processes, including pre-population of payment information;
- Simplified pre-authorized payment registration;
- Enhanced move-in/move-out forms; and
- Improved visibility of critical information on MyAccount.

Additional VOC-driven improvements currently in development include: enhanced online billing notifications and confirmations, updated correspondence displays on MyAccount, conversion of PDF forms to fillable online forms, and the addition of account status and alerts to MyAccount.

2.1.3. Low-Income Customer Support

Hydro Ottawa is committed to supporting its most vulnerable customers. From 2020 to 2023, Hydro Ottawa customers collectively received $42.4M in financial assistance through the Ontario Electricity Support Program (OESP), which provides a monthly on-bill credit to eligible low-income customers to help them reduce their electricity costs. Customers also received $351K in emergency relief through the Low-Income Energy Assistance Program (LEAP), and $1.1M in pandemic-related relief through the COVID-19 Energy Assistance Program (CEAP).

Hydro Ottawa actively promotes these programs to ensure customers are aware of the support available to them. This includes providing information on its website and through on-bill and on-hold messaging, as well as conducting outreach through social media. In addition, information about OESP and LEAP is included in account overdue, arrears payment arrangement (APA) reminder, and disconnection notices. To ensure continued support, Hydro Ottawa sends renewal reminders to OESP recipients. During any customer interaction regarding bill payment and collection, the utility makes it a priority to inform customers of available low-income support programs and encourages them to apply. Hydro Ottawa also collaborates with various local community groups and social services to equip them with knowledge on these financial assistance programs. Hydro Ottawa is dedicated to facilitating customer participation in these programs and contributing to their ongoing development.

2.1.3.1. Low-Income Energy Assistance Program (LEAP)

Applications for LEAP assistance (one-time emergency grants to customers facing disconnection) declined significantly following the onset of the COVID-19 pandemic, likely due to the extended disconnection moratorium mandated by the OEB, the availability of alternative support mechanisms such as the COVID-19 Energy Assistance Program (CEAP), and pandemic-related limitations on in-person intake and application assistance. Beginning in 2022 Hydro Ottawa therefore initiated a number of efforts to improve awareness of and ease of access to LEAP.

Regular meetings were initiated with community organizations serving client groups likely to qualify for LEAP assistance, and with their frontline staff. Discussions focused on outreach strategies as well as on client barriers and means of addressing them. Additional training and resource material were provided to community organization staff. Presentations were also made to community groups and municipal councillors focusing on LEAP and other low-income assistance programs. Hydro Ottawa also gave greater prominence of information about financial assistance programs on its website and across other communications channels.

Hydro Ottawa participated in the OEB's Financial Assistance Working Group (FAWG), which conducted a review of LEAP in 2023. Hydro Ottawa advocated for and supported updated income thresholds and other eligibility criteria to make the program more accessible. Measures to ease eligibility restrictions were implemented by the OEB on March 1, 2024 and resulted in a significant increase in LEAP applications. For further details on Hydro Ottawa' LEAP participation and results, refer to Schedule 4-2-5 - Low Income Energy Assistance Program.

2.1.3.2. COVID-19 Energy Assistance Program (CEAP)

CEAP was launched in July and August of 2020, to alleviate financial impacts of the pandemic for residential and small business customers respectively. Hydro Ottawa took on a proactive role in building awareness of and ensuring ease-of-access to this important new program, and continued to do so in response to updated eligibility requirements effective in January 2021.

Introduced by the Government of Ontario in June 2020, CEAP was a temporary measure designed to alleviate the financial impacts of the pandemic for residential and small business customers. While Hydro Ottawa diligently fulfilled its core responsibilities of processing applications and disbursing funds, it also made it a priority to enhance accessibility and awareness, recognizing the need to ensure the program reached those who needed it most. This led to a proactive, multifaceted approach aimed at enhancing accessibility and awareness.

To ensure widespread visibility, Hydro Ottawa implemented a comprehensive communication strategy. This included leveraging multiple channels such as the Hydro Ottawa e-newsletter, press releases, bill inserts and on-bill messaging, councilor briefings, targeted email campaigns, automated phone calls, website updates, interactive voice response (IVR) messaging, and social media platforms.

To simplify the application process for customers, Hydro Ottawa developed a streamlined, self-serve, mobile-friendly online form. Customer service representatives and collection agents were also equipped to engage directly with potentially eligible customers, offering comprehensive assistance and support with the CEAP application.

By the time the program concluded in July 2021 due to the depletion of allocated funds, Hydro Ottawa had successfully disbursed over $1.1M dollars in financial relief to eligible customers.

2.1.3.3. AffordAbility Fund

Hydro Ottawa also supported the AffordAbility Fund which was funded by an independent trust set up by the provincial government to help residential customers lower electricity use and costs. The AffordAbility Fund intake ended on July 31, 2020 when all of the program funding was allocated. Hydro Ottawa continued to support the completion of remaining applications through the end of 2021 which marked the completion of the AffordAbility Fund.

2.1.3.4. Energy Affordability Program

The Energy Affordability Program started on April 1, 2021. It replaced the previous AffordAbility Fund, ensuring continued support for eligible residential customers in managing their energy costs. Hydro Ottawa has built awareness for the program on its website and directs customers to program information and resources available on the IESO's website. The IESO is responsible for the program who has partnered with various Save on Energy program delivery partners to deliver the program services to eligible customers.

2.2. COMMUNICATIONS AND PUBLIC AFFAIRS

Hydro Ottawa's Communications and Public Affairs team deploys and manages a variety of communication tools and strategies aimed at informing, educating, engaging and soliciting feedback from its customers. This includes communicating across a variety of platforms, both digital and traditional, taking into account customer language preference.

The team analyzes public comments, responses, and feedback on these channels, including media coverage and commentary, for both content and sentiment. This analysis shapes messaging, delivery, communications priorities, operational planning, and decision-making.

These channels are core information sources and touchpoints for customers and stakeholders. Authentic audience interactions across these platforms are crucial to promoting and protecting the brand. Timely, relevant, and convenient content delivery is prioritized.

2.2.1. Social Media

Hydro Ottawa uses social media channels (Facebook, X(formerly Twitter), Instagram, TikTok, YouTube and LinkedIn) to engage in ongoing two-way conversations with its customers. In collaboration with subject matter experts from divisions across the organization, content is created on topics ranging from need-to-know-now updates on power outages and infrastructure work; to rate information and account-management tools and resources; to broader subject matter such as conservation, safety and emergency preparedness; and to potential touchpoints such as special events.

The above social media channels are monitored by Hydro Ottawa staff from 8 a.m. - 4 p.m. on working days and during major power outages. On weekends and holidays from 8:00 am to 8:00 pm, and from 4 p.m. - 8 p.m. on working days, X and Facebook are monitored by a third-party, so as to address time-sensitive customer questions and concerns and in particular any with safety implications.

Positive and negative feedback are valued equally, enabling Hydro Ottawa to understand both what is working and what improvements need to be made. Customer feedback indicates that users of social media appreciate the real-time replies to their inquiries, particularly during power outages and storms or other times of crisis.

Between January 1, 2021 and December 31, 2023, Hydro Ottawa's social media audience grew from 56,000 followers to over 95,000 across all channels. In part, this growth was attributable to the impacts of and heightened customer engagement during significant power outages caused by extreme weather events.

Hydro Ottawa's social media channels serve as vital platforms for Hydro Ottawa to inform and interact with its customers and key stakeholders in a timely way. The content repertoire encompasses a variety of formats, including visual components such as photos, creative advertising, infographics and videos. Content that attracts the highest engagement revolves around power restoration efforts, showcasing the diligent work of crews. Hydro Ottawa also produces thought-leadership content related to business and industry trends, often discussed within the context of the energy transition. This content is shared as blogs in corporate newsletters, advertorials in local papers, via the organization's ThinkEnergy podcast (discussed in more detail in Section 2.2.5), and on social media.

Hydro Ottawa's social media channels are also used to provide guidance on accessing specific services, such as moving forms and financial assistance applications, and as a point of access to other utility communication channels and self-service options, including the website, mobile app, and the MyAccount customer portal. Conservation and energy-efficiency tips, and life-saving electrical safety information, are also shared on social media.

In 2023, Hydro Ottawa began using TikTok. This channel is used to showcase various types of videos, including emergency preparedness content, public safety tips, and energy-saving

strategies. Content produced for TikTok is in turn often repurposed across various other social channels in different formats, such as Facebook and Instagram reels and/or stories.

Hydro Ottawa's LinkedIn presence helps the utility to stay connected most particularly to its business customers and to potential recruits, keeping them informed of corporate initiatives, its suite of business programs and career opportunities.

Hydro Ottawa's audience is active. In 2022 and 2023, there was an average of 540,000 engagements annually on its social media channels, including reactions, sharing, comments, likes, link clicks, and inbound direct messages. Social media engagement was higher in those years due to extreme weather events and a change in the social media listening platform (Social Studio) used by Hydro Ottawa.

Although social media has been a vital means of keeping our customers informed and engaged during extreme weather events - providing a channel for customers to learn about active outages, point out electrical safety hazards, and obtain information - Hydro Ottawa made significant investments in 2023 to enhance outage-related communication channels. These enhancements, including a new outage map and direct customer outage notifications via SMS/text and email, were informed by customer feedback and industry research. These initiatives are noted in Schedule 1-3-4 Facilitating Innovation and Continuous Productivity. As a result, Hydro Ottawa expects social media engagements during extreme weather events to decrease.

2.2.2. Website

Hydro Ottawa's website is a key forum for communicating with customers and capturing their feedback. It provides an accessible and user-friendly interface that facilitates efficient interactions between the utility and its customers. Through the website, Hydro Ottawa aims to

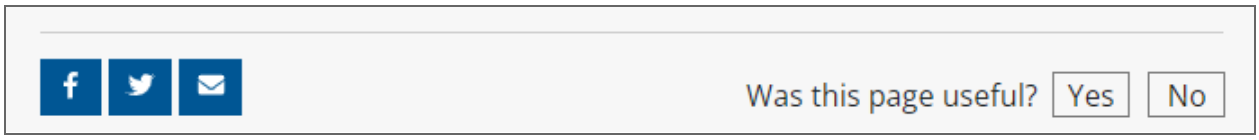
create a seamless and convenient self-serve experience for its customers, enabling them to access essential information, complete transactions, and provide valuable feedback.

2.2.2.1. Communications and Feedback Platform

Hydro Ottawa's website serves to strengthen relationships with customers, foster trust, and continuously enhance the quality of services provided. The website is designed to be informative and comprehensive, offering a wide range of resources and services tailored to the needs of residential and commercial customers. Visitors to the website can easily navigate through various sections to find information on topics such as billing, account management, outages, energy conservation, and safety tips, to name a few. Additionally, the website also provides access to the MyAccount customer portal, which provides customers with the ability to make secure online payments, view their account history, and report outages or emergencies.

One of the key features of Hydro Ottawa's website is its customer feedback mechanisms, designed to enable continuous refinement of this digital platform. Customers can provide feedback through various channels on the website including "usefulness and comment" options on each page, as seen in Figure 1.

Figure 1 - Hydro Ottawa Website Usefulness and Comment Options



The utility conducts a comprehensive review of all feedback gathered through its web pages on a quarterly basis. This process allows Hydro Ottawa to identify areas of concern and opportunities for enhancement. These areas typically pertain to website content, usability and effectiveness as a communication tool, but may also encompass broader aspects of customer service and business operations. Hydro Ottawa proactively leverages these insights to

implement improvements, addressing concerns promptly and prioritizing customer satisfaction. This commitment to customer-centric service improvement aligns with the utility's dedication to providing safe, reliable, and affordable electricity services to its customers.

2.2.2.2. Audits and Optimization

Recognizing that the Hydro Ottawa website is an important customer interface, the organization conducts quarterly audits to evaluate the accuracy, security, user-friendliness, and overall robustness of the information presented. One aim is to ensure that the website remains accessible and inclusive for Hydro Ottawa's diverse customer base, including individuals with disabilities, in compliance with the *Accessibility for Ontarians with Disabilities Act* (AODA).

Further optimization of site content and functionality is secured via use of three key tools:

- **Siteimprove** Is an online tool that aids in optimizing content across various parameters, including search engine optimization (SEO), analytics and accessibility. Siteimprove allows Hydro Ottawa to identify and address accessibility issues, broken links, and typos or grammatical errors, ensuring that the website adheres to relevant standards and provides an inclusive experience for all users.
- **Marketo** is a marketing automation platform which is designed to streamline the website experience by capturing user data and allowing Hydro Ottawa to gain a deeper understanding of its customers' preferences and interests. Hydro Ottawa is able to identify what pages of its website a user has visited, enabling the organization to deliver personalized and relevant content, improve navigation, and foster stronger customer engagement and loyalty. Marketo will be further leveraged as Hydro Ottawa moves ahead with a website redesign in 2026, please refer to Section 2.2.2.3. - Recent and Future Refinements.
- **Google Analytics** provides data extending beyond mere website traffic monitoring. It enables Hydro Ottawa to assess the effectiveness of its online presence, measure user

engagement, gain insights into visitor behaviour, and establish priorities. These data play a crucial role in optimizing the website's design, content, and functionality, ensuring a seamless user experience. Moreover, Google Analytics allows Hydro Ottawa to track conversions, such as form submissions or requests and inquiries, providing valuable insights into site performance, customer experience, and effectiveness in driving desired actions.

More specifically, Google Analytics data combined with customer feedback were used to:

- Help identify high traffic and engagement pages so that Hydro Ottawa can prioritize their further optimization (e.g. Homepage, Outage Centre, Electrical Safety, etc.) and inform the 2026 website redesign described below.
- Monitor web traffic during large-scale events and react accordingly;
- Measure the overall effectiveness of digital marketing campaigns and identify best-performing channels;
- Eliminate or repurpose web pages or documents that are either dated or have very low engagement;
- Analyze which technologies customers are using to access the website and prioritize further optimization of the most widely used (e.g. screen size compatibility);
- Continuously review and simplify the information architecture to reduce customer effort in finding information; and,
- Streamline the web experience generally for all customers and provide a seamless experience for users with disabilities.

2.2.2.3. Recent and Future Refinements

A number of enhancements have been made to the website as a direct result of customer feedback, including improved navigation and redirects, content additions and refinements, and improvements with direct organizational-effectiveness benefits (such as a new page and

updated claims form for damages). Some specific examples of recently improved sections, pages and functionality are detailed in Table 5 below.

Table 5 – Website Improvements

Section	Details of Improvements
Outage Centre/ Reporting an Outage	Complete overhaul to improve resiliency of outage map and ability to handle higher traffic volumes during weather events, and to make it easier for customers to search by address.
Programs and Incentives	Redesigned for greater ease of navigation by both residential and commercial customers to information on grants, funding and incentive programs.
Contact Us	Chat icon and new functionality added advising customers of the option to log into MyAccount to chat with a customer service agent.
FAQs	Periodic additions in response to repeated questions from customers, which are regularly monitored.
Planned Work Section	Addition of search-by-street-name functionality and regularly updated page listing all planned major projects in service territory.
Distributed Energy Resources	Restructured in collaboration with Hydro Ottawa engineers to provide a hub of customer-relevant information relating to generation and storage.
Electrical Safety and Emergency Preparedness	Content compiled into an easily accessible portal for customer reference.
Storm Centre	Replacement for home page during major weather events, condensing all outage-related information, including timely updates on restoration efforts and ETR by region.
Careers	Legacy content condensed and layout modernized with addition of new graphics and videos.
Mobile App Page	Modernized concurrently with launch of new mobile app, along with greater ease of app download.
Electricity Rates	Rate plan information consolidated for greater ease of comparison, and video created to explain differences between plans.
New or Modified Service Requirements	Videos added to educate customers on relevant requirements and procedures.
Digitization and Automation	Through introduction of dynamic forms that are connected to Salesforce for processes including ZEVIP, Third Party Permit, Landlord Reversion, and Request for Additional Electricity Meter Data.

Customer feedback has also allowed Hydro Ottawa to improve the user interface and user experience offered by its "MyAccount" online customer service portal which resides on a separate web server. Forms within this portal, such as moving requests and pre-authorized payment plan registration, have been enhanced to include fillable fields and connectivity to customer accounts.

Hydro Ottawa's website last underwent a major back-end update in 2019, with the web content management system being replaced to improve flexibility and interactivity. Copy updates were also applied to the most visited web pages at that time, with a focus on the prioritization of keywords.

To keep pace with digital advancements and evolving customer needs, a new website redesign is scheduled for 2026. Work has already begun, and insights for improved ease of use, mobile performance, accessibility, updated copy, and enhanced usability for different customer types will continue to be gathered through user group sessions and additional research. The new website will aim to deliver a better customer experience through improved visual appeal, an intuitive mobile-optimized design, and enhanced usability. Updated content, additional infographics and videos, and strategic keywords will also provide various customer types with a more personalized and improved user experience. Additional details on this project can be found in Section 3 of Schedule 2-5-9 - General Plant Investments.

2.2.3. Media Outreach and Monitoring

Between January 1, 2021 and December 2023 Hydro Ottawa issued 55 news releases. This included a significant number relating to weather events, and represented an active period of media relations for the utility.

During significant events, all major news outlets receive Hydro Ottawa's power outage alerts. Media can also turn to Hydro Ottawa's X (formerly Twitter) and Facebook accounts for

photography and drone footage from the field. This allows them to communicate the extent of damage and the work of crews in dynamic ways, and the media regularly make use of such footage. Media also routinely communicate estimated restoration times during major outages.

Using a media monitoring service, Hydro Ottawa tracks the reach of its news releases. In addition, it monitors the sentiment reflected in traditional media coverage on a daily basis.

For example, during the May 2022 Derecho, the biggest multi-day outage event in the utility's history, Hydro Ottawa received 4,200 mentions in the media, including radio stations, online news, and print newspapers – representing a reach of approximately 851 million individuals and a publicity value of $1.6M. In addition, 29 email media responses were provided and 33 interviews were given.

2.2.4. Keeping Ottawa Connected

To foster trust with customers following the 2022 Derecho, Hydro Ottawa developed "Keeping Ottawa Connected," a community presentation series facilitating two-way conversations and reflecting the utility's evolving role. The presentations focus on emergency preparedness, power outage restoration, vegetation management, generator safety, and energy efficiency. Offered in-person and virtually through community associations and municipal councillor offices, these sessions provide customers with insights into Hydro Ottawa's storm response and preparedness efforts.

In 2023, the program's first year, nearly 500 people attended 15 sessions. As a result, participating customers gained a better understanding of emergency preparedness, Hydro Ottawa's restoration process, storm hardening efforts, and relevant communication tools. This engagement also provided valuable insights into evolving customer needs, informing future service offerings.

Building on this success, and to ensure the presentations remain relevant and address customer concerns and needs, Hydro Ottawa will incorporate feedback received from these past sessions to expand the "Keeping Ottawa Connected" community outreach strategy in 2025. This will include expanding the content to cover emerging topics such as electrification, conservation, and climate adaptation, further empowering customers to actively participate in building a sustainable energy future.

Hydro Ottawa is also committed to spreading awareness of the day-to-day importance of electricity safety and conservation, particularly among youth. It has been identified by the OEB as an important priority for local distributors and is a community engagement focal point for Hydro Ottawa. To gauge overall electrical safety awareness among the general public, and as per OEB requirements, Hydro Ottawa commissions a research firm to conduct the utility's Public Awareness of Electrical Safety Scorecard Survey every two years. Over the 2021-2025 period, these surveys were conducted in March of 2022 and 2024.

The 2022 online survey encompassed a representative sample of 432 respondents, 18 years or older, residing in Hydro Ottawa's service territory. For 2024, the online survey encompassed a sample of 971 respondents.

Responses to the six core survey questions resulted in a Public Safety Awareness Index of 72% in both years. The results of the survey have helped to inform Hydro Ottawa's subsequent public safety messaging and programs.

Prior to this surveying, in November 2021, Hydro Ottawa launched an electrical safety awareness campaign called "Know Safety. No Accident", which included newsletters and blogs, web, video, social media and both radio and digital advertising. On-bill and on-hold messaging was also included. This bilingual campaign's goal was to increase general awareness about electrical safety. Between November 1, 2021 and March 31, 2022 the digital media buy resulted

in those ads being seen over 6 million times (“impressions”), with over 30,000 interactions ("engagements”) with that content (e.g. clicks, likes, shares, comments, etc.). The campaign also generated more than 67,000 website visits.

In 2024, Hydro Ottawa ran an awareness campaign from January 8 to March 15, prior to the Public Awareness of Electrical Safety Scorecard Survey taking place the week of March 18. Messaging pertaining to the survey’s six core questions was shared through Hydro Ottawa’s newsletters, digital advertising, the utility’s website and social media channels. On-bill and on-hold messaging was also included. Over the course of the campaign, the digital media buy generated over 2.5 million impressions and 437,000 engagements. The campaign also generated more than 50,000 website visits, with TikTok ads driving the most website traffic and engagement (a channel that was not used in the 2021 campaign), followed by Google Display ads. The most engaged audience segments were adults aged 18-34 on all platforms, which corresponded with the targeted audience based on the results of the 2022 survey. All platforms delivered above-average clickthrough rates.

Separate and ongoing safety-related initiatives have focused specifically on youth audiences. Relevant programming included working with local schools and school boards to provide educational presentations covering how electricity works, how to stay safe around it, and how to conserve it at home and at school. Since 2016, Hydro Ottawa has partnered with third-party supplier Electricity Safety and Conservation (ES&C) to deliver age-appropriate presentations tailored to two cohorts: kindergarten to grade 4, and grades 5 through grade 8.

As in-person activities were paused during the pandemic, a virtual presentation was designed to ensure continuity, and in 2023 in-person classroom presentations resumed. Between January 2021 and December 2023, approximately 65,000 kindergarten to grade 8 students took part in 186 ES&C school presentations.

To tie its community safety campaign and elementary school educational programs together, Hydro Ottawa continues to deliver and promote the “Smart as a Fox Whiz Quiz” contest. After participating in one of Hydro Ottawa’s in-school safety presentations, students are encouraged to complete the Whiz Quiz to test their newly acquired knowledge. Questions relate to six core areas, including who to call before digging to plant a tree, and what to do if someone is stuck inside a vehicle surrounded by a downed powerline. The quiz also educates parents as they assist younger children in navigating through it on the website. More than 4,300 students and their parents completed the online Whiz Quiz between January 2021 and December 2023, which is available in French and English.

2.2.5. ThinkEnergy Podcast

Hydro Ottawa is at the forefront of the evolving energy landscape, actively engaging with its customers and stakeholders to navigate the complexities of a smart energy future. Hydro Ottawa’'s popular ThinkEnergy podcast series serves as a key platform for this engagement, fostering a dynamic conversation about the energy transition, electrification, and grid reliability with leading experts in the field.

Originally launched in May 2019, ThinkEnergy has recently experienced a surge in popularity, in part due to increased promotional activity and advertising, which commenced in 2024. Total podcast listens, across all platforms, over the previous three years were as follows:

- 2022 - 60,267 listens;
- 2023 - 97,708 listens; and,
- 2024 - 586,458 (to November 2024)

The podcast's digital presence includes a dedicated website, various social media channels, and major podcast apps, further amplifying its reach and impact. Through strategic marketing initiatives, ThinkEnergy consistently achieves impressive listenership, demonstrating the

resonance of its content and Hydro Ottawa's commitment to thought leadership in the energy sector.

2.3. KEY ACCOUNTS

2.3.1. Characteristics and Service Structure

Hydro Ottawa maintains relationships and communication with Key Accounts. Customers are established as a Key Account based on specific criteria such as load (large or unique), financial impact on Hydro Ottawa, number of individual accounts, sensitivity to reliability issues, complexity of their connections, and impact within the community and on the electricity grid. Key Accounts include but are not limited to the Federal Government, the City of Ottawa, health and educational institutions, essential public service providers, social housing providers, developers, commercial landlords and high tech organizations.

Key Accounts often have a greater sensitivity to outages, including momentary or voltage fluctuations, than do other customers. They are frequently contemplating major maintenance and other capital projects with implications for their electricity use. They may also be pursuing sustainability, decarbonization and electrification goals that may be particularly impactful to Hydro Ottawa given the size of these customers.

The Key Accounts team proactively builds relationships with and supports these large business and institutional customers on a range of matters including billing, understanding their load profile, facilitating and assisting with scheduling and planning for major capital and maintenance work, regulatory programs and reporting, incentive programs, and power quality. The team also supports Key Account customers in navigating the complexities of energy management, energy transition policy and rapidly evolving energy regulations.

2.3.2. Program Support and Engagement

Hydro Ottawa seeks to deliver tailored value to Key Account customers by continuously advancing its understanding of their unique priorities and needs, and of the circumstances within which Key Account customers are pursuing their objectives. Throughout this relationship-building and engagement with Key Account customers, both Hydro Ottawa and the customer benefit - Hydro Ottawa by gaining insight and deeper knowledge of customer operations and future plans, which support grid planning, and the customer, by better understanding Hydro Ottawa processes, policies, and services. This provides opportunities to work together to support the energy-transition, project-specific objectives, and delivering grid-management benefits. This involves seeking out the following insights through Key Account engagement:

- Future plans for expansion or electrification which might change their demand profile;
- Interest in Distributed Energy Resources (DER) or other emerging technologies;
- Interest in demand-side management programs and provincial rate programs;
- Required maintenance and required shut down or sensitive outage windows, and
- Preparedness for and potential impacts of extreme weather events and outages on their operations, and opportunities for Hydro Ottawa to partner with them to address increase in weather events.

Hydro Ottawa's structured approach to relationship-building with Key Account customers is based on assigning a dedicated Key Account Coordinator, with management involvement and support provided as needed. Key Accounts team members support each other, and leverage knowledge and support from all groups within Hydro Ottawa, so that customer solutions are provided quickly and by the appropriate subject matter expert. Key Account customers can call their assigned coordinator for any reason knowing that this provides them access to the combined support of Hydro Ottawa as a whole. Key Account Coordinators engage their

assigned customers at all levels, from operational to executives, and thereby come to have a strong understanding of their customers' plans and needs.

Key Account Coordinators meet regularly with customers both at customer sites and virtually, based on customer preference. Enhanced ease and capability of virtual meeting has expanded the geographical range of communication, making it possible to engage directly with national or global leadership teams that may be based outside Ottawa. This allows Hydro Ottawa to gain a more comprehensive and deeper understanding of customer requirements by meeting a wider range of customer representatives. The Key Accounts team also coordinates meetings between customers and other Hydro Ottawa teams, including CDM, distribution design, etc., to enhance the range of support provided to these customers. In 2023, for example, there were a combined 376 in-person or virtual meetings with customers held by either the Key Accounts or CDM team. Hydro Ottawa's Key Accounts team also helps customers, including commercial customers more broadly, to navigate important requirements and programs originating outside Hydro Ottawa. Two examples of this are Ontario's Energy and Water Reporting and Benchmarking (EWRB) regulation, and the Industrial Conservation Initiative (ICI) program.

The EWRB regulation requires owners of large buildings to report their whole-building energy and water consumption each year. Hydro Ottawa's Key Accounts team has supported customers in understanding and responding to these regulatory requirements since they were first enacted in 2018. This is achieved through individual customer meetings and an annual free education session. These sessions were offered in person in 2019 and 2020, and as a live online webinar annually from 2021 to 2024. The webinar is also available to customers on the Hydro Ottawa website as a recording. In addition, the Key Accounts team provides aggregated, anonymized whole-building monthly consumption data, upon request on an annual basis for customer reporting under the EWRB program. This same data provision method is also used for other benchmarking programs, such as the City of Ottawa's Better Buildings Ottawa Benchmarking program. Since 2018, Hydro Ottawa has responded to the following volume of

aggregated whole-building data requests (this is exclusive of requests for individual account data, which are also processed by the Key Accounts team):

Table 6 - Aggregated Data Requests Filled For Benchmarking

Year	Requests Completed
2018	19
2019	172
2020	252
2021	226
2022	261
2023	444

The ICI program is a provincial demand response program and is critical for some large commercial customers. The Key Accounts team goes beyond the mandated LDC role of providing each eligible customer with its customer-specific Peak Demand Factor. Through a free annual webinar Hydro Ottawa provides valuable information to customers to support their ICI understanding and behaviour impact by educating potentially eligible customers about the program rules, factors to consider when deciding on participation, and ways to maximize program benefit. This live webinar has been offered annually from 2020 to 2024 and is also available to customers on Hydro Ottawa's website as a recording. Hydro Ottawa also proactively provides a customized ICI Analyzer tool that is prepared for each potentially eligible account and/or load facility. This tool gives customers information to support an informed ICI decision, and the Key Accounts team can answer additional questions.

Hydro Ottawa has also hosted Key Account symposiums as a way to engage with, obtain feedback from, and provide insight and education to its Key Accounts. After a pause of several years resulting from the pandemic, these symposiums were re-initiated in November 2022. An in-person, full-day event in November 2022 attracted 89 individual attendees from 55 customer organizations. Hydro Ottawa executives and other staff discussed the utility's plans to support

customer electrification, net-zero goals, and increased DER adoption and EV charging. They also outlined Hydro Ottawa's own net-zero targets. Participants furthermore heard from some major customers about their partnerships with Hydro Ottawa to advance key strategic projects and priorities. For example, one customer participated in a panel discussion and outlined their sustainability goals, and the role that Hydro Ottawa was playing to support these goals. Participants had the opportunity to ask questions and provide feedback through interactive questionnaires answered anonymously on mobile devices. The day also featured smaller breakout sessions on specific topics including EV charging and the City of Ottawa's Climate Change Master Plan.

Another Key Accounts Symposium was held in October 2024, with a similar format. Content focused on the ongoing energy transition, highlighting innovation from Hydro Ottawa and its customers, and building on the conversations and discussion of the 2022 symposium. As with the 2022 symposium, Hydro Ottawa executives and some operations staff joined the Key Accounts, CDM, and other customer teams to directly engage with customers. There were 90 individuals from 52 customer organizations. Given repeated strong turnout to these events, Hydro Ottawa is confident it remains as a trusted advisor and energy partner, while enhancing transparency regarding plans to meet growing electricity demand, and strengthen connections with key commercial customers.

The Key Accounts team, in collaboration with CDM, please see Section 2.4 below, extends its outreach beyond existing Key Accounts by actively participating in local industry events. These events include Ottawa's Better Buildings Breakfast, the Conflux conference, Ottawa Real Estate Forum, EnviroCenter events, and others, allowing Hydro Ottawa to engage with a wider audience on various utility initiatives. Presentations have focused on the energy transition, energy efficiency, the utility's role in supporting customer benchmarking and conservation, and more recently on the decarbonisation support Hydro Ottawa is able to provide through the federally funded Deep Retrofit Accelerator Initiative.

Finally, the Key Accounts team, along with CDM, maintains strong relationships with a number of local stakeholder associations, including but not limited to the following:

- BOMA Ottawa;
- Association of Energy Engineers;
- Association of Energy Services Professionals;
- Eastern Ontario Landlord Organization;
- Greater Ottawa Home Builders Association;
- Ottawa Climate Action Fund;
- EnviroCentre; and
- Invest Ottawa.

Building from its recognition of the distinct needs of its Key Account customers, Hydro Ottawa uses the structure and the engagement, support and educational strategies outlined above to build strong relationships with and high satisfaction levels among this important customer segment.

2.3.3. City of Ottawa

Interaction with the City of Ottawa ranges from planning coordination between the two organisations' Operations and Planning teams, to general coordination and support from Hydro Ottawa's Key Accounts team, to interaction at the political level from Hydro Ottawa's Government Relations team.

Hydro Ottawa operations teams interact regularly with the City's Planning Group, right-of-way management personnel, and the City's Building Department to ensure both organisations are coordinated, sharing relevant information, and incorporating the most up to date information into their respective planning processes. Further information on this interaction and coordination can

be found in Schedule 2-5-2 - Coordinated Planning with Third Parties, as well as Schedule 2-5-4 - Asset Management Process

The City's Corporate Energy Management Office (CEMO) coordinates and oversees utility bills issued to the City of Ottawa. Hydro Ottawa's Key Accounts Team in turn regularly interacts with the CEMO to support its needs.

Hydro Ottawa also shares important updates on major outages, rate changes, or other relevant matters with the Mayor's office and City Councillors. Councillors in turn can help disseminate this information to their constituents, Hydro Ottawa's customers, ensuring important updates are distributed widely. Communication to the Mayor's office and City Councillors is primarily done via regular updates, meetings, and monthly newsletters through Hydro Ottawa's Government Relations and Communications teams.

The two entities also routinely engage and coordinate on various initiatives relating to the City's energy transition and decarbonization goals.

2.3.3.1. Energy Transition Engagement

The City of Ottawa declared a climate emergency in 2019 and adopted an Energy Evolution action plan in 2020 as the framework through which it seeks to reduce corporate and community GHG emissions to zero over the coming 20-30 years. These efforts are coordinated by the City's Climate Change and Resiliency Services team. Hydro Ottawa has been a key stakeholder, supporter, and partner in the City's decarbonization efforts since their inception, engaging in the following ways:

- Membership on the Energy Evolution steering committee;
- Membership on various sub-committees and working groups that fall under the Energy Evolution plan, including:

- Better Homes Ottawa Loan Program Steering Committee
- Better Buildings Ottawa Program Steering Committee
- Climate Communications Stakeholders Working Group;

- Regular meetings (beginning in January 2023) between the Hydro Ottawa Key Accounts team and City Climate team to identify shared priorities and opportunities for collaboration, and to address specific issues. Other stakeholders from within Hydro Ottawa, such as the Distribution System Planning and Asset Management Operations team, have also participated in these meetings as needed; and
- Review of relevant documentation, reports, programs, and motions before council as applicable including, for example, review of the City's draft High Performance Development Standards and input on City Climate Resiliency Strategy.

2.4. CONSERVATION AND DEMAND MANAGEMENT

2.4.1. Service Structure and Recent Evolution of CDM Function

Working closely with the Key Accounts team (as noted above), and leveraging many of the communication channels outlined elsewhere in this schedule, Hydro Ottawa's commitment to CDM has played a crucial role in helping its customers save money, improve energy efficiency, and contribute to a cleaner and more sustainable energy future. Building on such efforts over the last 20 years, the CDM team continues to focus on value as a trusted advisor and energy partner while taking on a new role to support operational Non-Wires planning needs. The CDM team has been a go-to resource for customers looking to make informed decisions on energy efficiency, all while helping them adapt to and navigate the energy transition. As a result the team is in a good position to support the utility through this transitional time of evaluating and implementing Non-Wires Solutions (NWS) in the face of unprecedented growth and electrification.

When Hydro Ottawa's 2021-2025 Custom Incentive Rate-Setting (Custom IR) application[3] was filed, there was uncertainty with respect to province-wide CDM programming given the provincial government's decision to discontinue the 2015-2020 Conservation First Framework (CFF) in March 2019. This was replaced with a 2019-2020 Interim Framework (IF) that centralized what had previously been LDC-led CDM program delivery. In that Application, Hydro Ottawa stressed that supporting customers along their energy journey and helping them achieve their energy objectives is a critical component of its customer engagement strategy, and the utility sought to maintain a small core team of subject matter experts to continue to be able to achieve this.[4] During 2021, the team worked to complete the administration of its program responsibilities remaining within the legacy CFF and IF and undertook the necessary foundational work to transition to its 2021-2025 strategy. Activities within the strategy include:

- Proactive customer engagement to support customers interested in energy efficiency
- Supporting IESO Local Initiatives
- Pursuing external funding to deliver additional energy efficiency, electrification and decarbonization programs
- Informing and supporting asset planning activities and advancing NWS that benefit customers
- Industry efforts to increase LDC customer engagement on CDM

These activities are further described in Sections 2.4.2 through 2.4.6 below.

2.4.2. Customer Engagement and Support for Energy Efficiency

Hydro Ottawa has taken steps to position itself as a trusted advisor and energy partner to its customers through customer engagement and education. The CDM team proactively engages with customers in a detailed way on their energy use and means of moderating it. Team

[3] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Distribution Rate Application,* EB-2019-0261 (February 10, 2020).
[4] Ibid

members dive deep as technical subject matter experts to help customers identify opportunities for further investigation and analysis and make informed decisions about energy efficiency and conservation. For the commercial customers that make up its primary target group for engagement, these opportunities include:

- Analysis of energy load profiles and identification of usage anomalies.
- Identification of low or no-cost facility-level energy savings opportunities (e.g. temperature adjustments, setbacks, and process improvements).
- Monitoring and analysis of energy equipment, and identification of inefficiencies and control opportunities.
- Identification of more complex energy reduction or savings opportunities to further investigate. A common example is adding controls to fans, pumps or motors running at full capacity at times where it is not necessary.
- Directing customers to energy efficiency programs and rebates that might be applicable for the projects they are interested in pursuing.

Proactive customer engagement began in May 2022 and operated alongside provincial programming that emerged through the 2021-2024 Conservation Framework, while adapting to a rapidly changing electricity sector and evolving customer needs. Through December 2023, the team had identified 140 energy efficiency opportunities for customers to consider investigating and implementing. A further positive outcome of this work are the additional 22 opportunities identified that could leverage the Save on Energy Retrofit Program or the Existing Building Commissioning Program, following expanded program eligibility coming out of the IESO's mid-term review of its 2021-2024 CDM framework. The team facilitated the connections to the respective IESO program delivery partner who continued the support. Table 7 summarizes project opportunities and incremental savings (kWh) by project status - in-service versus estimated - identified by the team through December 2023. Incremental Energy Savings (kWh - Row 1 in Table 7) are savings from measures that cannot or will not be funded by any Save On

Energy program due to ineligibility or customer choice. Row 2 in Table 7 are opportunities identified that were referred to the IESO or its service provider. Table 7 displays the incremental in-service savings and persistence.

Table 7 – In-Service and Estimated Savings - May 2022-December 2023

	# of Projects	In-Service Savings (kWh)	Estimated Savings (kWh) by Project Status		
			Inactive[5]	Under Evaluation[6]	In Progress[7]
Incremental Energy Savings	140	994,765	537,603	728,300	1,772,901
Energy Savings associated with expanded Save on Energy Programming	22	1,493,630	1,497,300	780,000	4,716,200
TOTAL	**162**	**2,488,395**	**2,034,903**	**1,508,300**	**6,489,101**

Table 8 – Incremental In-Service Savings and Persistence[8]

	Target	2022	2023
In-Service Savings (Annual, kWh)[9]	2,000,000	1,525,895	962,500
Persisting Savings (Cumulative, kWh)[9]	10,000,000	1,525,895	2,488,395
In-Service Savings (Annual, kW)	298	126	160

The CDM team, in collaboration with the Key Accounts team, also tracks commercial customer expressions of interest and potential opportunities in DER investments such as storage, photovoltaic (PV) generation for net-metering purposes and EV charging, as well as in other decarbonization opportunities. This is further described in Section 2.4.5 below.

[5] Projects identified but no longer being pursued by customers (inactive).
[6] Projects Under Evaluation are being considered for implementation by customers.
[7] Projects In Progress are being implemented, but are not yet In-Service (achieved).
[8] Savings assumed to persist during this timeframe with a weighted average effective useful life of 14 years: Resource Innovations in partnership with NMR Group, *2021-2024 CDM Framework Retrofit PY2023 Evaluation Result* (September 24, 2024), page 19.
[9] Values shown include all rows in the "In-service Savings (kWh)" column in Table 7.

In addition, the team holds an important role in the creation of content provided to customers of all rate classifications through Hydro Ottawa's various communications channels as described in Sections 2.2.1 - Social Media, 2.2.2 - Website, and 2.2.4 - Keeping Ottawa Connected, in this document.

2.4.3. IESO Local Initiatives Program Collaboration

In addition to providing direct customer support as outlined above, the CDM team has also supported the IESO with the development and deployment of local programming for Hydro Ottawa customers through the Local Initiatives Program as part of the IESO's 2021 to 2024 framework. This has included:

- BizEnergy Saver Program - Launched on September 8, 2023, with incentives and administration funded by the IESO, this program provides significant discounts and direct installation of eligible lighting and mechanical measures, with more than 97% of Hydro Ottawa's commercial customers potentially eligible to participate. Hydro Ottawa has introduced the IESO-procured program team to local trade allies and promoted the program in direct conversations with customers through targeted email campaigns and at industry events. In addition, prior to the procurement phase, Hydro Ottawa worked with the IESO to develop targets and budgets by region to maximize the program's benefit to the distribution system. The CDM team was particularly active in the early stages of program launch and as of December 31, 2023, had assisted with the identification of 37 opportunities. The team has continued to leverage its trusted relationships with customers to revive potential project assessments that may have gone stale. Originally expected to end on December 31, 2024, this program has been extended as part of the new Electricity Demand-Side Management (eDSM) Framework announced on January 9, 2025 described below.
- CoolSaver Program - Launched on September 14, 2023 and funded by the IESO, the program provides instant discounts on air conditioning tune ups, as well as discounts for

the installation of energy saving devices for residential homeowners (such as smart thermostats and variable speed pool pumps). Hydro Ottawa supported the IESO with developing targets and budgets by region to maximize the benefit to the distribution system. Since launch, Hydro Ottawa has amplified IESO marketing to create awareness among its residential customers, more than 98% of whom are potentially eligible to participate. Originally expected to end on December 31, 2024, this program has been extended as part of the new eDSM Framework announced on January 9, 2025 described below.

- Ottawa DER Large Solar PV Funding Incentive - Launched on January 8, 2024 and funded by the IESO, the program offers an incentive for the installation of large solar PV systems for facility load displacement. The Hydro Ottawa CDM team provided assistance with program design, including developing the customer experience for participants, given Hydro Ottawa's role in guiding customers through the DER connection process. It also promoted and endorsed this program in direct conversation with its commercial customers, through targeted email campaigns and at industry events. The Large Solar PV measure has now been expanded to customers across the province as part of the new eDSM Framework announced on January 9, 2025 described in Section 2.4.7 below.

2.4.4. Electrification and Decarbonization Customer Programming

As one of its key activities identified in Hydro Ottawa's 2021-2025 Custom IR application,[10] the CDM team has been successful in its pursuit of acquiring additional funding from external sources to deliver beneficial programs for Hydro Ottawa's customers and communities without a requirement for additional financial outlay on the utility's part. This activity further extends high-value engagement opportunities with customers. Successful external funding program applications include:

[10] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Distribution Rate Application,* EB-2019-0261 (February 10, 2020), Exhibit 4-1-6 - Conservation and Demand Management.

- **Zero Emission Vehicle Infrastructure Program (ZEVIP) -** Following a competitive application process in 2021 facilitated by federal funding, on November 30, 2021 Hydro Ottawa began accepting incentive applications from eligible customers to help offset the cost of installing EV charging stations in public places, on-street, in multi-unit residential buildings (MURBs), and at workplaces (including for use by light-duty vehicle fleets). As a result of Hydro Ottawa's initial success with this program, further federal funding was made available in 2023. Following program completion in Q4 2024, the program has supported the installation of 1,047 EV charging ports across Hydro Ottawa's service territory and the greater Ottawa region, with the associated construction activity adding an indirect economic benefit of approximately $15M. 89% of administrative costs were federally funded.
- **Deep Retrofit Accelerator Initiative -** Following a competitive application process in 2023, Hydro Ottawa - along with program partners including the City of Ottawa, BOMA Ottawa, and the Ottawa Climate Action Fund - was selected as one of 13 entities across the country to deliver NRCan's Deep Retrofit Accelerator Initiative. This program, titled the "Ottawa Retrofit Accelerator", provides an ecosystem of free support services from Hydro Ottawa decarbonization engineers - to assist commercial customers with all phases of deep retrofits and energy efficiency upgrades aimed at facility-level decarbonization. The program also provides access to funding for carbon pathway studies. While the funding period will be restricted to three years, the program goal is to build capacity and provide an enduring model for deployment throughout the energy transition. Appropriate decarbonization opportunities identified through CDM engagement will be handed off to this program team for further assessment and support. Administrative costs are covered by federal funding and not Hydro Ottawa customers.
- **Ottawa DER Accelerator (ODERA) Project -** Hydro Ottawa executed a contribution agreement for federal funding in March 2025 in support of its ODERA Project, as further described in Section 3.6.3 of Schedule 2-5-8 - System Service Investments. This project

represents the logical next steps following the learnings from the EV Everywhere pilot referenced below, and is intended to further develop predictive analytics and granular demand-response technology for application to a larger ecosystem of customer devices (e.g. thermostats, EV chargers, battery storage and electric water heaters), while advancing Hydro Ottawa's grid modernization roadmap. The platform would be deployed in a targeted area of Hydro Ottawa's service territory with growing needs. The intent will be to extend the lifetime of existing assets, to reduce outages caused by overloading, and to defer the need for future major capital investments beyond those already in progress (until the pace of electrification is better known and needs are better understood). Although deployment is initially expected in a targeted area, the technology will be useful in any future area of need once proven and scalable.

- **Smart Renewable and Electrification Pathways, Utility Support Stream** - Hydro Ottawa was involved in the submission of multiple proposals to NRCan within its expression of interest phase for the Utility Support Stream of this program in December 2024. In February of 2025, NRCan confirmed none of the proposals will be advanced to the next phase. Although each proposal differed, each would have met the objectives outlined by the program which included advancing the integration of renewable resources and DERs for the benefit of customers. Hydro Ottawa will continue to look for opportunities for external funding to support ongoing customer programming and engagement.

The proactive pursuit of additional program funding remains an important core activity, in cooperation with other divisions across the organization. Any external funding secured will continue to be used to increase engagement opportunities with and enhance the experience for Hydro Ottawa's customers, while advancing and enabling electrification and decarbonization, and expediting the transition to a more intelligent, robust, and reliable distribution grid.

2.4.5. Supporting Asset Planning and Advancing NWS that Benefit Customers

Advancements in DER technology and smart home devices provide an opportunity to enhance and strengthen engagement with an increasing number of customers as adoption of DERs including EVs, solar panels and battery storage, and other smart home devices such as thermostats and connected appliances continue to increase over time. The increased penetration of customer owned DERs present opportunities for NWS programs that can deliver cost effective distribution system benefits. As a result, Hydro Ottawa is investigating opportunities to meet OEB expectations around the identification, evaluation, pursuit and delivery of NWS as part of its planning process further described in Section 9.2 of Schedule 2-5-4 - Asset Management Process. Efforts related to these activities are supported and encouraged within Section 6 of the OEB's *Non-Wires Solutions Guidelines for Electricity Distributor*s.[11] A current example of this collaborative work is:

- EV Everywhere - This pilot project, led by BluWave-ai in collaboration with Hydro Ottawa, is designed to pair predictive analytics with local demand response programming for EVs and battery storage. Hydro Ottawa has contributed to the design of the customer experience (BluWave-ai mobile app), recruited trial participants, and facilitated on-bill reward payments for participation. Participant recruitment that launched in June of 2024 successfully enrolled more than 150 customers, exceeding the initial target of 50 customers. Additional details on this project can be found in Section 9.2.4.1 of Schedule 2-5-4 - Asset Management Process.

Hydro Ottawa will continue to make use of insights provided by customers within CDM and Key Account team engagement as important inputs to inform the NWS evaluation and development process. Once selected, customer engagement for cost-effective NWS programming for customers would leverage the established relationships and trust that Hydro Ottawa has

[11] Ontario Energy Board, *Non-Wires Solution Guidelines for Electricity Distributors*, EB-2024-0118 (March 28, 2024), page 24.

developed through CDM and Key Account team interactions. Similar to efforts described in Section 2.4.4 above, Hydro Ottawa would hold a key role in raising awareness and driving participation in any NWS program delivered and operated by Hydro Ottawa.

2.4.6. Industry efforts to increase LDC Customer Engagement on CDM

Hydro Ottawa has been committed to advocating for enhancements to energy efficiency programs and policy mechanisms that offer customers greater choice and access to programs, an improved customer experience through LDC involvement, and solutions that address the growing demands on the local distribution system.

This work has been informed by customer feedback gathered through direct interactions and Hydro Ottawa's industry efforts have been done through the following channels:

- The EDA's Conservation and Sustainability Council
- The OEA's Climate Change & Energy Efficiency Committee
- The IESO-LDC working group designing an enduring and collaborative DSM framework
- The IESO-LDC working group operationalizing the eDSM Framework post 2024
- The IESO-LDC regulatory working group determining the process for LDCs to deliver local eDSM programming

The beneficial outcome of the efforts within the above forums is the Ministry's support of the next Framework described below, that provides greater choice and access to programming, enhanced LDC involvement, and an improved customer experience. This important work will continue to contribute to further meaningful change that will benefit Hydro Ottawa customers and help meet the growing electricity demand on Hydro Ottawa's system.

2.4.7. Customer Engagement within the 2025-2036 IESO Electricity Demand Side Management (eDSM) Framework

In January 2025 the Ministry of Energy announced an enduring eDSM Framework[12] expected to operate through 2036. Within this new model, LDCs are expected to hold a larger role, and be provided with provincial funding to raise awareness of and increase uptake of eDSM programming. Activities described in Section 2.4.2 through 2.4.6 above are beyond the scope of the expected role Hydro Ottawa would hold within the eDSM framework. Furthermore, the eDSM framework includes funding that LDCs can access to deliver local eDSM programs that address distribution system needs while also increasing opportunities for customer engagement. Refer to Section 9.2 of Schedule 2-5-4 - Asset Management Process.

2.5. DISTRIBUTION ENGINEERING AND ASSET MANAGEMENT

With respect to distribution engineering and asset management, Hydro Ottawa routinely engages with customers and intermediaries to understand their priorities on matters ranging from reliability and servicing needs, to capacity planning and meeting expectations during construction activities.

This section speaks to customer engagement in the context of:

i) grid maintenance and asset management activities that may directly impact sub-sets of customers, including but not limited to temporary outages;

ii) relationships with contractors and other intermediaries who in turn provide electricity-related services to residents of Hydro Ottawa's service territory and with whom the utility interacts extensively in relation to the conduct of their businesses;

iii) the ongoing refinement of the Conditions of Service (COS) which set out how Hydro Ottawa does business with customers, contractors, developers and various other parties; and

[12] Ministry of Energy and Electrification, *IESO Directive, New 12-year Demand Side Management (DSM) Framework* (November 7, 2024); and Ministry of Energy and Electrification, *Electricity Conservation and Demand-Side Management Procurement Initiative* (December 19, 2024).

iv) regular electrical service requests, large load requests, and engagement to understand customer needs and inform system planning decisions.

Distribution engineering and asset management activities are further guided by customer surveys described in Section 2.1.2 above that provide customer perceptions on reliability, outage response, maintenance, and other asset planning initiatives.

2.5.1. Community Relations related to Planned Work

Hydro Ottawa recognizes that grid maintenance, modernization, and expansion can temporarily impact customers. To minimize disruption, Hydro Ottawa proactively engages with affected customers, providing detailed information about planned work and potential impacts. This includes:

- **Community consultations:** Hydro Ottawa conducts project-specific open houses for major infrastructure projects, such as cable replacements, pole replacements, voltage conversions, and substation builds. These consultations provide opportunities for customer feedback and input on impact mitigation; and
- **Planned outage notifications:** Hydro Ottawa notifies customers of planned outages, regardless of whether they are related to major projects.

Both engagement methods have evolved in response to the pandemic to ensure continued effective communication with customers.

Of note, major project open houses are designed to provide customers in impacted areas with the following information:

- Project overview, scope and rationale
- Anticipated customer benefits

- Detailed description of impacted areas
- Anticipated schedule and completion timelines
- Key guiding considerations (vegetation management, complementary aesthetics, etc.)
- Required customer cooperation to facilitate access to infrastructure
- Site restoration plans

Early in a project's lifecycle, Hydro Ottawa conducts open houses to facilitate informal interactions between customers and project experts. These sessions encourage questions, concerns, and feedback from customers, community associations, and municipal councillors. Open houses often generate valuable feedback that is incorporated into the project design, fostering positive customer interactions and improved project outcomes. Examples of integrated customer feedback include:

- **Grenfell Glen Pole Replacement Project:** Customers noted their concerns with vegetation in and around utility equipment. In response, some trees were removed and hedges relocated, so as to reduce the risk of contact with wires and resulting outages.
- **Piperville Municipal Transformer Station:** A formal Environmental Assessment process involved multiple rounds of consultation with local residents, during which many questions were posed about both the project in general and the specific function of substations. Hydro Ottawa took note of concerns from immediate neighbours regarding the visual impact of situating the new substation on what had been a vacant forested lot. These neighbours unanimously concluded that establishment of a new tree screen was the preferred mitigation approach, and it was incorporated into the project design.

Positive customer interactions during open houses foster constructive relationships throughout project lifecycles, such as facilitating access to customer property for necessary work.

To ensure the safety of both staff and customers following the onset of the COVID-19 pandemic in 2020, Hydro Ottawa transitioned to virtual open houses in 2020, offering increased accessibility through multiple time slots. In 2023, a hybrid approach was adopted and continues to be used, providing both virtual and in-person options for customer participation. This flexible format ensures ongoing effective communication and engagement with customers.

Hydro Ottawa conducted 35 public open houses between January 2021 and December 2023, relating to 14 different major projects, as well as participated in additional Hydro One and City of Ottawa open houses. Hydro Ottawa participants typically included the project manager, planning engineers, a design supervisor, communications experts and additional technical experts as required.

Table 9 – 2021 Planned Work Virtual Open Houses

Project	Date	Description
Fallowfield	January 11	Cable replacement
Fallowfield	January 12	Cable replacement
Sunview	February 8	Cable replacement
Sunview	February 9	Cable replacement
Beaverbrook Ph1	March 22	Cable replacement
Beaverbrook Ph 1	March 23	Cable replacement
Blackburn	March 24	Cable replacement
Blackburn	March 25	Cable replacement
Britannia Bay	March 29	Pole replacement
Britannia Bay	March 30	Pole replacement
Bells Corners	April 12	Station expansion
Bells Corners	April 13	Station expansion
Cahill Drive Cable Renewal	August 30	Cable replacement project
Cahill Drive Cable Renewal	August 31	Cable replacement

1 **Table 10 – 2022 Planned Work Virtual Open Houses**

Project	Date	Description
Sunview Ph 2	February 15	Cable replacement
Sunview Ph 2	February 15	Cable replacement
Beaverbrook Ph 3	February 17	Cable replacement
McCarthy	February 22	Cable replacement
Fisher Avenue	March 8	Pole replacement
Fisher Avenue	March 8	Pole replacement
Maryland Avenue	March 9	Pole replacement
Maryland Avenue	March 9	Pole replacement
Blackburn - Eastpark	May 3	Cable replacement
Blackburn - Eastpark	May 3	Cable replacement
Fortune Ph 2	August 4	Cable replacement
Fortune Ph 2	August 4	Cable replacement
Grenfell Glen	August 9	Pole replacement
Grenfell Glen	August 9	Pole replacement

2

Table 11 – 2023 Planned Work Open Houses

Project	Date	Location (Virtual or on-premise)	Description
Bilberry	May 3	Virtual	Cable replacement
Bilberry	May 3	RoyG.Hobbs Community Centre, 109 Larch Crescent, Orléans ON K1E 1A2	Cable replacement
Merivale Transformer Station Modernization Project	March 6	Tanglewood Park Community Centre, 30 Woodfield Dr, Nepean, ON K2G 3Y5	Hydro One modernizing and expanding its Merivale Transformer Station. As part of the Hydro One open house, Hydro Ottawa overviewed the relocation and reconfiguration of the existing overhead and underground electrical system required to accommodate Hydro One's design
Piperville Municipal Transformer Station	April 20	Virtual	Introduction and overview of a proposal to construct a new Municipal Transformer Station in Osgoode Ward
Piperville Municipal Transformer Station	April 20	Anderson Links Golf Course, 4175 Anderson Road	Introduction and overview of a proposal to construct a new Municipal Transformer Station in Osgoode Ward
Piperville Municipal Transformer Station	November 30	Virtual	Overview of Piperville Environmental Study Report findings
Piperville Municipal Transformer Station	November 30	Anderson Links Golf Course, 4175 Anderson Road	Overview of Piperville Environmental Study Report findings

As noted above, Hydro Ottawa provides systematic notification of planned work that is anticipated to result in power outages, whether in connection with a major project or not. This form of customer engagement also evolved significantly and became more important in light of the COVID-19 pandemic. The increased reliance on electricity from more people working and conducting business from home led to greater sensitivity to power interruptions. This heightened sensitivity underscored the importance of proactive communication and engagement regarding

planned outages. To address this, Hydro Ottawa formed a cross-functional working group to improve its outage notification process. Formalized in 2021, the notification process now tailors communication methods to the scope and impact of each outage. Enhancements include:

- Reinstating printed letters;
- Creating a dedicated inbox for planned outage inquiries; and
- Expanding communication with councillors, community associations, and business improvement associations.

Hard-copy letters delivered to impacted customers include the following information:

- Expected dates, times and duration of anticipated outages;
- Type of work being done and scope of other impacts (e.g. road, sidewalk and bike lane closures, impacts to community spaces, tree trimming, etc.);
- Involvement of and coordination with the municipality or other utilities, if applicable;
- On-site contractors, if applicable; and
- Contact information for questions or feedback.

Additional communication channels used for planned work notifications include:

- Automated phone, text or email notifications to all impacted customers; depending on the communication preferences indicated on their Hydro Ottawa account;
- Notices posted to Hydro Ottawa's website and shared on the outage map when a power interruption is active;
- Dedicated web pages for major projects; and
- Notices emailed to municipal councillor(s) in affected ward(s).

Recognizing the importance of municipal councillors as a communications conduit, a dedicated email address was also created that allows councillors to easily share feedback from their constituents with Hydro Ottawa. Table 12 below shows the number of communication products developed over the 2021-2023 period.

Table 12 - Planned Work Notifications

Type of Communication	2021	2022	2023[13]
Planned Work Packages (customer letter, website posting, councillor notification)	353	505	296
Unique Web Posts	493	431	334
TOTAL	**846**	**936**	**630**

Advance engagement with customers with respect to impacts arising from the maintenance, modernization and expansion of the electricity grid is a crucial means of building trust with customers, as well as with Hydro Ottawa's stakeholders. In providing timely and robust advance notification and engagement opportunities, Hydro Ottawa demonstrates its commitment to customer service, and its understanding of and responsiveness to customer views. Furthermore assuring customer and community acceptance of the necessary work, strengthening its corporate reputation, and enabling feedback that can serve as a basis for continuous improvement in project execution.

2.5.2. Contractors and Other Intermediaries

Hydro Ottawa engages extensively with electrical contractors who work in the City of Ottawa and the Village of Casselman who provide electricity-related services to customers in Hydro Ottawa's service territory. Key relationships include electrical and construction contractors, and a range of real estate and development professionals. Hydro Ottawa interacts extensively with these groups in relation to the conduct of their businesses and views these stakeholders as

[13] Note that in 2023, Hydro Ottawa experienced an 84-day strike, where no planned work was completed.

customers in their own right, with whom it endeavours to provide responsive service. Through engaging with contractors, Hydro Ottawa seeks to better enable the provision of safe and high-quality electricity-related services in its service territory.

This engagement is primarily via the Ontario Electrical League (OEL) and the Electrical Contractors Association of Ottawa (ECA Ottawa). These associations are useful means of conveying information on matters such as revisions to Hydro Ottawa's COS, regulatory and safety developments, and operational and procedural updates (relating, for example, to intake of service requests and to DER and EV connections). Through the timely provision of information, prompt responses to questions, and the soliciting of feedback, Hydro Ottawa helps to ensure that issues of mutual concern are addressed and that these relationships are continuously improved.

Hydro Ottawa is also an active member of the Greater Ottawa Home Builders' Association (GOHBA), which represents the building, land development and professional renovation industry, and participates in its monthly meetings. Similar to its engagement with OEL and ECA Ottawa, this engagement provides an opportunity to update GOHBA members on changes with respect to Hydro Ottawa's COS, as well as with respect to technical standards, specifications and processes. Feedback is sought on issues and improvement opportunities.

Beyond its association involvement, Hydro Ottawa has also purpose-designed engagement mechanisms for these important intermediaries and customers. Since 2021, Hydro Ottawa's Distribution Design Team has interacted as needed (typically driven by active projects for customers) with contractors, architects and developers. These interactions are aimed at fostering dialogue, gathering feedback, aligning expectations and enhancing overall relationships. Discussions also encompass the status of ongoing projects and upcoming developments. More regular meetings are sometimes set up on a quarterly, or monthly basis

with major developers or developers with multiple active projects. Improved project communication and more streamlined project intake processes have resulted from this dialogue.

Hydro Ottawa intends to re-initiate regular developer forums in 2025 that paused in 2021 as a result of the pandemic. These forums are open to all residential developers and other key stakeholders, and provide a further opportunity to inform this stakeholder group of changes in personnel, policy, costing models, and service level agreements.

2.5.3. Conditions of Service Engagement

Hydro Ottawa's COS represents the contract between Hydro Ottawa and its customers. They outline how they do business together and address such matters as rates, billing and electrical service connections, while referencing associated regulations and codes. The COS are revised regularly through the work of a Conditions of Service Working Group (COSWG). This internal, cross-functional team has representation from all corporate divisions that deliver on and/or are impacted by the services described in the COS document.

COSWG representation includes Distribution Design, Standards, Metering, Customer Service, Key Accounts, Finance, Legal, Regulatory Affairs, Communications and Public Affairs. In addition to updating content – and in keeping with Hydro Ottawa's strategic priorities – the COSWG continually strives to make the COS more customer-centric, enhance service offerings and facilitate ease-of-doing business with Hydro Ottawa. The utility recognizes the important role of the COS with respect to meeting evolving customer expectations.

The COSWG gathers feedback and compiles edits on an ongoing basis as a regular business activity, in contrast to the previous practice of reviewing and revising content as part of a special project every few years. Ongoing refinements are informed by customer feedback received by employees while in the field and through channels that include telephone, website and email.

Prior to the filing of a revised COS, Hydro Ottawa solicits customer comments through the following channels:

- On-bill messages, all customer classes, for five consecutive weeks;
- On-hold messages - first position for four consecutive weeks;
- Hydro Ottawa website homepage banner, posted for five consecutive weeks;
- Hydro Ottawa dedicated Conditions of Service web page - Banner and feedback form posted for 5 consecutive weeks;
- Article in the residential customer newsletter, *Energy Talks*;
- Article in internal employee communication, *Employee Connect*;
- Printed version available in Hydro Ottawa Eastern Campus Administrative Building with customer feedback form[14]
- Social media posts, with a "countdown date to send feedback" and reminder the day before the feedback period closes
- Letters for industry associations, and contractors - sent by Key Accounts;
- Notice of feedback period in an Update to Council and Memo to the Hydro Ottawa Limited Board;
- Hydro Ottawa's website online feedback form, email and mail;
- Customer Service Representatives and Call Centre Agents forward customer feedback to Hydro Ottawa's dedicated COS email address: conditionsofservice@hydroottawa.com

[14] Version 9 was not available in this format due to COVID-19 restrictions.

Table 13 – Conditions of Service Updates Since Version 8 in 2021

Version	Date
V8	In effect December 1, 2021
V9	In effect January 16, 2023
V9 – Update	To incorporate EV-related appendix as mandated by OEB – posted and in effect as of May 27, 2024
V10	Anticipated to be in effect in 2025

A summary of changes to Hydro Ottawa's COS since the last rebasing Application is available in Schedule 1-1-4 Administration.

2.5.4. Electrical Service Requests and Customer Input for System Planning

Hydro Ottawa receives many customer requests for various electrical service needs, from new service connections to major projects. These requests come into Hydro Ottawa through a variety of channels, from the Service Desk to the Key Accounts team, or direct to the Distribution Design team. Hydro Ottawa uses an online service request form submitted by customers via Hydro Ottawa's MyAccount portal to efficiently manage these requests across the teams that support them. Smaller requests like connecting a new home or upgrading services are handled by the service desk and layout department. Larger projects, including large load requests or those requiring system expansion or relocation of existing equipment, are handled by the distribution design team. Often supported by the Key Accounts team, the distribution design team may engage directly with the customer to better understand the size, timing, and other details of their load request, in order to ensure accurate information feeds into the system planning process. These engagements also provide opportunity for technical advice, exploring innovative solutions, and offering support in understanding the connection process. Customer interactions through the handling of these various requests have helped inform improvements to streamline these requests and enhance outcomes across the customer journey. Please refer to Section 3.2.4 of Schedule 1-3-4 - Facilitating Innovation and Continuous Improvement for an

explanation of the related cost savings for the Customer Relationship Management (CRM) Platform Implementation.

Similarly, through the Integrated Regional Resource Plan (IRRP) process, which is open to the public, Hydro Ottawa is available to engage with any customer looking to provide input to this process. To support the goals of the IRRP, Hydro Ottawa proactively engages with stakeholders directly and coordinates direct engagement between IESO, Hydro Ottawa and some large customers whose future plans might have a material impact on overall system planning.

Further information regarding how Hydro Ottawa's distribution and asset management team coordinates planning with third parties can be found in Schedule 2-5-2 - Coordinated Planning with Third Parties.

Attachment 1-4-1(A) - OEB Appendix 2-AC - Customer Engagement Activities Summary

(Refer to the attachment in Excel format)

CUSTOMER EXPERIENCE STRATEGY

1. INTRODUCTION AND OVERVIEW

The 2026-2030 Customer Experience Strategy is built upon Hydro Ottawa's commitment to providing best-in-class customer service, including supporting shifting customer behaviours in a rapidly evolving energy landscape. As such, the Customer Experience Strategy is intended to be both agile and flexible to respond to the dynamic business environment in which the strategy will be implemented.

This overview begins by taking a customer-centric lens of key change drivers and overarching corporate objectives. It then discusses key elements of the strategic alignment with customer perspectives, and elaborates on the dynamic business environment in which the strategy will be implemented. Finally, it describes the four pillars of key activities that are the core of the strategy, the foundations that were built during the 2021-2025 period and the anticipated focal points in 2026-2030.

2. *CUSTOMER & MARKET CONTEXT*

The energy landscape is evolving rapidly and is shaped by several converging factors. Firstly, a generational shift is underway, with Gen Z and Millennials now constituting the majority of the population. This cohort is influencing how energy providers communicate, requiring the providers to leverage new and emerging technologies to connect with and keep customers informed. They prioritize sustainability and purposeful consumption, influencing their energy choices and expectations. Secondly, geopolitical events and the focus on decarbonization have placed energy security and sustainability at the forefront of both public and private discourse. This has intensified the pressure on energy providers to adopt sustainable practices and offer green solutions. Thirdly, societal changes such as remote work and the pursuit of sustainable lifestyles are reshaping consumer behavior and energy consumption patterns. Customers are increasingly seeking green, clean energy solutions, premium services at affordable prices, and

greater control over their energy use, including the ability to integrate behind-the-meter solutions with Hydro Ottawa's grid.

Finally, the rapid acceleration of technology is creating mass amounts of data, connecting digital and physical worlds, and lowering the cost of things like renewables faster than ever. The rise of generative Artificial Intelligence isn't just disrupting the customer experience; it is also leading to companies that are demanding enormous power for their data center operations. This is already happening across the communities Hydro Ottawa serves, creating new challenges and opportunities which necessitate proactive management of energy resources. At the same time, the proliferation of digital tools and services is transforming customer expectations. Customers are now more informed and empowered, demanding greater access to information, personalized services, and seamless digital experiences. In this dynamic environment, Hydro Ottawa must be agile, flexible and responsive to meet the evolving needs of its customers. Therefore, this Customer Experience Strategy prioritizes customer engagement, personalization and self-serve, energy enablement, and operational effectiveness.

Hydro Ottawa has seen a rise in customers wanting to participate in the energy ecosystem, and are therefore looking to us to provide more access to their information to help inform choices and behaviours. Additionally, customers are looking for opportunities to connect their behind-the meter solutions such as battery storage and EV chargers and interact with Hydro Ottawa's grid by either feeding energy back or helping balance the grid by reducing energy use during peak times. Hydro Ottawa has looked at these changing customer expectations through the lens of ease of doing business and the scope and complexity of engagement with the utility. Increased and enhanced opportunities for digital engagement and service provision will be a primary focal point in 2026-2030. In tandem with further process automation and enhanced data leveraging, this will position Hydro Ottawa to better meet service expectations, while at the same time achieving what are ultimately customer-benefitting efficiency improvements.

A transition toward a more electrified future is touching every consumer and business in some way. Increasingly, consumers and organizations are feeling the impacts in their day to day lives and operations. Pressures on consumer energy affordability and increasing choices related to new energy programs, products and services are making many customers feel overwhelmed and reluctant to engage. While some are leaning in to adopt new technologies and change behaviors, others may feel left out or left behind. Hydro Ottawa's Customer Experience Strategy is centered on the concept that many customers are likely to want to take in the management of their energy needs. It is therefore designed in part to keep pace with the significant change this will drive over time in the form and nature of customer interactions.

Reliable, safe and secure energy, along with affordability, continues to be the drivers for consumers. As such, reliability and affordability remain Hydro Ottawa's touchstones where customer value delivery is concerned.

3. STRATEGIC FRAMEWORK

Hydro Ottawa's Customer Experience Strategy during the upcoming five-year period will be guided by, and respond to, the broader strategic objectives which orient Hydro Ottawa's business activity as well as high-level change drivers which are influencing the external environment in which this activity is carried out. These key strategic guideposts were embedded within and provided the framework for Hydro Ottawa's 2021-2025 Strategic Direction, and will continue to shape the utility's strategy in 2026-2030. While they are intended to support the achievement of Hydro Ottawa's overall corporate mission and vision, they also align with its sustained determination to situate customer value at the centre of all business operations and activity. Accordingly, the 2026-2030 Customer Experience Strategy outlined herein begins with a reaffirmation of the utility's core strategic objectives and an examination of the change drivers through a customer lens.

3.1. OBJECTIVES

Against the backdrop of accelerating and wide-ranging change in its business environment, Hydro Ottawa has defined an eight-point strategy (see Figure 1 below), which it will continue to pursue in 2026-2030. The objectives underpinning this strategy reflect, in part, the determination to more fully integrate sustainability across the utility's business practices. All of these strategic objectives are customer-relevant (especially the commitment to provide best-in-class customer service), and several explicitly support key elements of Hydro Ottawa's value proposition and Customer Experience Strategy.

Figure 1 – Hydro Ottawa's Strategic Objectives



3.2. CHANGE DRIVERS THROUGH A CUSTOMER LENS

The formulation of Hydro Ottawa's eight-point strategy was influenced in significant measure by a set of key change drivers, which the utility refers to as the "5 Ds" (Decarbonization, Digitization, Decentralization, Diversification, Demographics). Their combined effect continues to transform the utility's business, operating, and political landscape, including the customer needs and expectations that it must address.

Each of the change drivers plays out at multiple levels. Their impact is reflected in the evolution of the provincial electricity grid, while also cascading downward to influence local grid design and operation, and even household connections and energy use. The change drivers are briefly described below.

Decarbonization – Cross-industry trends are reshaping energy and beyond including exponential growth of renewables, innovation in energy storage, and mass electrification. Customers are looking to the electricity grid as a key pathway to reduce their carbon emissions in response to climate change. The drive to reduce global carbon emissions is the central driving force behind this transition and is reshaping customer demands. Responding in part to policy and regulatory signals, customers are increasingly seeking to alter their energy consumption and electrical load profiles in ways that will lighten their carbon footprints. Additional motivations include cost control, the improved reliability and self-sufficiency sometimes associated with alternative supply arrangements, and a sense of personal or corporate environmental responsibility. These are contributing factors behind higher load requests from commercial and industrial customers, and is providing a greater opportunity for Hydro Ottawa to step forward as a trusted advisor and energy partner, helping all customer segments navigate the complexities of decarbonization while keeping a focus on the overall needs of the communities we serve.

Digitization – Customers are demonstrating an ever stronger preference to interact with utilities and other service providers digitally – at times, locations, and via platforms of the customer's choice. Digitization is not just changing how we engage with our customers—it's redefining the utility's role in their lives. Customers expect seamless digital experiences, and we're meeting those expectations by empowering them with self-service tools, by providing granular energy data, and by offering personalized recommendations through AI-powered platforms. In parallel, digital tools, technologies and interconnectivity are being leveraged to better manage the grid and minimize outages, further advancing the customer interest in reliability. Hydro Ottawa is also looking ahead, anticipating customer needs by proactively offering energy-saving programs and

helping them navigate the evolving energy landscape. As trusted advisors, the utility is committed to leading the transition to a clean energy future, guiding customers towards greater sustainability and empowering them to participate in innovative programs like demand response and leveraging distributed energy resources (DERs). Throughout this journey, Hydro Ottawa remains dedicated to cyber security, data privacy, and seamless omnichannel communication, ensuring our customers have the information and support they need to thrive in a more digitized and decarbonized world.

Decentralization – The future of energy is increasingly becoming more decentralized and dynamic, driven by the convergence of several powerful forces. As we electrify our lives – from transportation and heating to industrial processes – we're witnessing a surge in electricity demand. Customers again are increasingly driving this trend, through growing interest in DERs such as renewable generation and energy storage. This presents both a challenge and an opportunity for Hydro Ottawa. To meet this growing need, we are expanding capacity and embracing a more decentralized approach. We will empower customers to extend their role from consumption alone into energy production and management, and if strategically deployed and utilized these can help address grid limitations and moderate capital investment requirements. Hydro Ottawa views a smart grid seamlessly integrating DERs such as rooftop solar, electric vehicles (EVs), and battery storage, empowering customers to become active participants in managing energy use. This creates opportunities not only to help balance the grid and enhance reliability, but also to defer costly infrastructure upgrades and create a more sustainable energy future. In Ottawa, this transformation is particularly critical as the city evolves, with changing work patterns and densification driving the need for adaptable energy solutions. This future promises a more resilient, efficient, and customer-centric energy landscape, where utilities and customers collaborate to create a brighter energy future for all.

Diversification – Diversification is essential for Hydro Ottawa to operate in the evolving energy landscape. As customers become more energy-conscious and adopt new technologies, the traditional business model will change. Hydro Ottawa customers will increasingly be able to meet their energy needs, and potentially those of their neighbour or other customers, while

purchasing less electricity. This presents both revenue risks and opportunities to expand service offerings and capitalize on new markets like renewable energy and smart home technologies. Hydro Ottawa is well-positioned for success due to its strong customer relationships, early adoption of diversification, and strategic partnerships. Meeting evolving customer expectations requires a focus on empowerment, providing choice and flexibility, delivering seamless digital experiences, and supporting sustainability initiatives. Embracing innovation and understanding the evolving needs of the community will ensure a resilient and customer-centric future for Hydro Ottawa.

Demographics – This final change driver encompasses the shifting characteristics of the customer base. The future of customer service in the utility industry hinges on embracing a customer base that is diverse, digitally enabled and expects high service quality and sustainability. Energy consumption and related needs are further influenced by significant socio-economic trends, including the restructuring of employment relationships and recently intensified cost-of-living pressures. Balancing investment needs to meet the evolving needs of the community with affordability is paramount. Hydro Ottawa communities are experiencing a rise in multi-generational households, an aging population, increasing digital fluency, and a growing reliance on financial assistance. Furthermore, communities in Hydro Ottawa's territory have a highly transient population, with many students and young professionals, and a diverse linguistic landscape. Simultaneously, the business landscape is shifting, with a surge in Ottawa's technology sector, more remote work, and an increased focus on decarbonization. Adapting to these changes requires offering more personalized support and accessible online tools, as well as tailoring communication to diverse audiences. This includes providing resources and support to help customers manage their energy costs, offering flexible energy solutions for businesses, and meeting the evolving expectations of customers who demand proactive communication and seamless digital experiences. Understanding and responding to these evolving needs of residential and business customers will build stronger relationships and ensure an inclusive and equitable energy experience for everyone in Ottawa.

4. BUSINESS ENVIRONMENT

Flowing in large measure from the 5 Ds and the strategic imperatives described above, the discussion below focuses on the customer-relevant features of Hydro Ottawa's business environment over the 2026-2030 period. These in turn constitute the main themes that this Customer Experience Strategy is centered around.

4.1. CENTRALITY OF ELECTRICITY

Electricity already plays a crucial role in society - powering homes, businesses, and fueling economic growth. With a drive toward decarbonization, population and industrial growth, and the increasing role of technology like AI, it is poised to become even more central in the lives of all energy consumers. The ability to meet increasing demand for safe, clean, and reliable electricity will be critical in enabling Ontario and all electricity consumers to meet their economic, environmental, and technology goals.

Electrification is the single most important means of achieving targeted decarbonization, since electricity is one of the most readily deployable alternatives to fossil fuels in many contexts. Electrification efforts are already advancing rapidly within Hydro Ottawa's service territory, in both the residential and commercial segments. Many customers are eagerly adopting new technologies such as EVs, investing in building retrofits, and seeking expanded access to renewable electricity (sometimes through DERs).

This momentum is driven in part by targets set at all levels of government, which mandate further and ambitious carbon reductions over the rest of this decade and beyond. Corporate and institutional commitments are a further driver, and are influenced in some instances by additional targets and standards originating in external markets. In Ottawa specifically a number of enterprises will be bound by requirements defined in global head offices, which will likely trend towards even more aggressive decarbonization levels.

Table 1 - Greenhouse Gas Emissions Reduction Targets

	2030 Target	2050 Target/Projection
Canada[1]	40-45% GHG reductions below 2005 levels	Net zero emissions economy wide
Ontario	30% GHG reductions below 2005 levels	80% GHG reduction below 1990 levels
Ottawa[2]	68% community GHG reductions below 2012 levels	100% community GHG reductions below 2012 levels

Customers expect system capacity to keep pace with both population and electrification demands. This means proactively expanding our system capacity to meet the increasing demand for power and changes in customer load profiles. This will ensure that all customers, especially in high growth areas, enjoy uninterrupted service.

In its more recent annual forecast, released in October 2024, the Independent Electricity System Operator increased its projection of electricity demand growth in Ontario, forecasting that annual consumption will rise by 75% from 151 terawatt-hours in 2025 to 263 TWh in 2050.[3] Energy-intensive data centers (supporting the rapid advancements in AI technology and usage) and new EV and supply chain facilities are accelerating the pace of demand growth. EV adoption also represents the largest single driver of increased electricity demand, representing close to one third of new demand by 2035 alone. Projections of national electricity demand growth tied specifically to the achievement of net zero emissions by 2050, such as those from the Canadian Climate Institute are even higher.[4]

The challenge need not, however, be met exclusively through conventional capacity increases. Grid technology will also need to evolve to respond to these needs. Hydro Ottawa's grid

[1] Government of Canada, *Net-Zero Emissions by 2050 (September 3, 2024),* https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/net-zero-emissions-2050
[2] City of Ottawa, *Energy Evolution,* https://www.ottawa.ca/en/living-ottawa/environment-conservation-and-climate/reducing-greenhouse-gas-emissions/strategies-and-action-plans/energy-evolution#
[3] Independent Electricity System Operator, *2025 Annual Planning Outlook: Demand Forecast Information Session* (October 16, 2024).
[4] Canadian Climate Institute, *The Big Switch: Powering Canada's Net Zero Future* (May 2022).

modernization strategy aligns with the organization's eight point strategy and aims to enhance grid reliability, flexibility, resilience, and strengthen customer engagement while promoting sustainable decarbonization and renewable integration.

A reliable and modernized smart grid will enable the grid to adapt to the changing energy demand and incorporate diverse energy sources by customers. Advanced monitoring, proactive failure detection, automated power control and system restoration enhances reliability and reduces outage times while improving the grid's ability to withstand disruptions. DERs, demand response programs, and advanced grid management tools will be essential for integrating and managing the variable loads introduced by customer electrification and investments in new technologies. Hydro Ottawa's investments in grid modernization also aim to strengthen customer engagement and empowerment by leveraging real-time data, efficient billing and enhanced energy management tools. Hydro Ottawa will also, for example, pursue an Advanced Metering Infrastructure (AMI) 2.0 renewal strategy. This initiative upgrades existing meters and data management systems, with potential integration of grid-edge devices. AMI 2.0 empowers customers with more granular real-time data on their energy consumption, enabling informed decisions about their energy use. The scalable and flexible nature of AMI 2.0 ensures that Hydro Ottawa can adapt to future technologies and energy management strategies. It can potentially leverage behind-the-meter customer investments in DERs and unlock future use cases to enhance customer engagement and enable non-wires solutions. This will allow Hydro Ottawa to manage the grid more efficiently and cost-effectively, and sustainably accommodate the increased demand and complexity of the future. AMI 2.0 also enables faster and more precise outage detection, leading to shorter outage durations and quicker restoration times. Reducing outage impact minimizes disruptions to customers' daily lives and businesses.

Hydro Ottawa will also need to have program and service capabilities to support potentially complex customer electrification initiatives, in ways that are simple to navigate and consistent with service-quality expectations.

4.2. GROWTH IN CUSTOMER BASE

In addition to system expansion requirements associated with decarbonization and electrification, Hydro Ottawa will need to respond to organic population and demand growth within its service territory in 2026-2030, and to lay the groundwork to address further growth in subsequent years. Ongoing expansion of crucial community infrastructure – such as further buildout of the light rail transit system – will drive yet more growth in electricity demand and associated investment needs.

Ottawa led Canadian cities with a population over 1 million in population growth from 2016-2021, increasing by 8.9%.[5] This trend is expected to continue, with the City of Ottawa's official plan projecting a 32% increase in residents by 2046.[6] This growth will be fueled by diverse housing options, including new subdivisions, denser neighborhoods, and repurposed downtown office space. Further growth in commercial demand, often in the form of large load requests, will result from both the changing nature of existing enterprises, such as robotics-equipped warehouses; and from the emergence of new sources of demand, such as data centres and AI applications and the electrification of space and water heating, and transportation. Hydro Ottawa anticipates that in 2026-2030 it will need to deliver one new sub-station every year, in contrast to the previously typical pace of one every five years. In parallel, it will need to be increasingly strategic in its system planning due to the changing nature of load and the need for flexibility and resilience to accommodate rapid changes in technology, customer behavior, and the energy mix.

4.3. AFFORDABILITY SENSITIVITIES

Following a period of relative price stability, the surge in inflation during and after the COVID-19 pandemic has intensified concerns about the affordability of electricity. Even as inflation moderates, cost-of-living pressures continue to compound these concerns. Hydro Ottawa's

[5] Statistics Canada, “Canada’s fastest growing and decreasing municipalities from 2016 to 2021,” https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-x/2021001/98-200-x2021001-eng.cfm
[6] City of Ottawa, “Growth projections for Ottawa: 2018-2046,” “https://ottawa.ca/en/living-ottawa/statistics-and-demographics/growth-projections-ottawa-2018-2046#section-26e79cf6-0a3c-4ab0-92fe-6a0c44150b93

customer satisfaction surveys highlight this trend, with a growing number of respondents indicating their electricity bills force them to sacrifice other essential needs. Affordability remains a top concern for Hydro Ottawa customers. In 2023, 34% of Hydro Ottawa respondents to the National Electricity Customer Satisfaction survey agreed that their electricity bill "has a major impact on my finances and requires I do without other important priorities" - a finding that was up from 30% in 2022 and 29% in 2021. "Cost too high" also ranked as by far the most common reason for a low rating with respect to general satisfaction with Hydro Ottawa.

These realities underscore the importance of a sustained focus on prudent capital investment, along with ongoing efforts to improve operational productivity and cost efficiency.

4.4. PREVALENCE OF EXTREME WEATHER

Ottawa has experienced multiple extreme weather incidents in recent years, including tornadoes, ice storms, flooding and heatwaves. These climate-driven occurrences are becoming more frequent and have caused widespread and prolonged power outages. The Derecho storm in May of 2022 was the single most devastating weather event ever experienced within Hydro Ottawa's service territory and has been followed by more moderate but still severe weather events. A freezing rainstorm in April 2023 caused outages for nearly half the utility's customers, and was followed during the summer of 2023 by tornadoes, hail and a record number of lightning strikes.

The Derecho in particular was the impetus for what will need to be sustained efforts on Hydro Ottawa's part to enhance grid resilience, along with operational and logistical restoration readiness. More specifically, these efforts include emergency response planning, business continuity management, and supply chain and logistics.

The utility will need to continue to rise to the extreme weather challenge concurrent with reduced customer tolerance for even the briefest of outages, and with heightened expectations regarding communication when outages occur. Customers want outages to be minimized and

responded to quickly, and are now looking for immediate opportunities to engage and to obtain insights on outages and restoration expectations.

4.5. CHANGING CUSTOMER ROLES

Customers themselves are the biggest and fastest-moving change agents in the electricity system today. Hydro Ottawa's engagement with them must align with the different ways in which they are living and working, and with the more active hand many of them want to take in managing their energy use. While for some this will extend to energy production, for many others there is at minimum a desire to better understand their consumption patterns and to tailor their billing plans to their specific needs. Energy efficiency, sustainability, data access and customer choice are key underlying priorities.

The changing nature of the customer role can be understood as a progression from the relatively low complexity and expectations that characterize a traditional and passive "ratepayer" – a one-way relationship primarily involved in consuming power and paying the bills, with minimal interaction beyond billing – through to relationships with customers who are much more informed, engaged and active vis-à-vis their electricity provider. "Prosumers", who both consume and produce electricity, rank towards the upper end on the scale of relationship complexity and have increasingly higher expectations for their relationship with service providers. Higher up still are "omnisumers", who may ultimately engage in the purchase, sale and trading of electricity with multiple third parties and on multiple platforms. To support these increasingly complex relationships with customers, personalized data enabled through technology will need to become the new normal and no longer a luxury.

Customers who want to migrate up this scale will increasingly look to Hydro Ottawa for insights on the cost and environmental impacts of new products and services, help in accessing financial incentives, and coordination of installation and updates to electricity equipment. They will be looking for a single and trusted point of contact for advice, support and troubleshooting. Research by Ernst & Young Global Limited (EY) suggests that more than four out of five

customers want their energy provider to play a role in helping them advance along their energy product and service journeys in such ways. Beyond just a reliable connection and supply, they are looking to partner on solutions and innovations.[7]

A wide range of advisory services and data-driven guidance will therefore be needed, and must be easily accessible via customer's preferred channels and formats. This will need to be underpinned by further investment in data analytics, system automation, and decentralized grid technologies that provide enhanced grid flexibility, along with ongoing refinement and design of specific programs and services.

It is important to note that opportunities to re-shape and shift demand, and to moderate the scope and speed of demand growth, are embedded in the changing nature of the customer role. Targeted demand reductions and better leveraging of DERs and other demand-side resources – if scaled sufficiently – could both improve reliability and help bridge gaps and defer requirements to replace and build out traditional infrastructure.

Capturing this potential will, however, require significant change in the nature of Hydro Ottawa's relationships with customers. Significant informational and educational efforts may be needed to reach sufficient levels of trust, and foster a willingness on the part of customers to play a more active role in the energy system based primarily on a "good of all" motivation. It will be necessary to secure permissions to reach behind the meter, within defined circumstances and parameters, and to actively manage net household consumption (or, alternatively, to incent customers to execute such responses themselves by altering their behaviour).

4.6. CHANGING SERVICE EXPECTATIONS

Irrespective of whether individual customers do or do not seek to engage in a more varied and active way with the electricity grid and with their local utility, there is a pervasive shift in expectations relative to access points and service standards generally. Sometimes referred to

[7] Earnst & Young, "When energy hits home, will providers be left out in the cold?" (November 29, 2022): https://www.ey.com/en_cn/insights/energy-resources/when-energy-hits-home-will-providers-be-left-out-in-the-cold

as the “Amazon Effect” – in reference to the exceptional speed and ease with which customers can interact with the online retailer – this highly raised bar is now part of the customer-experience imperative to which service providers such as Hydro Ottawa must respond. Customers increasingly prioritize choice and convenience, simplicity and seamlessness, and control. They therefore expect that service providers will leverage automation, data analysis and emerging technologies such as AI to “meet them on their terms”.

Customers are looking for communication that is both personalized and proactive. That is, it should deliver content that is relevant to a customer’s particular circumstances, and the content should be delivered when and as needed, and without the customer having to go to the effort of seeking it out. In the utility context, this is particularly important in relation to outages, billing-related changes, and energy-efficiency programs and services. Customers value transparency in these regards, particularly to the extent that there may be negative implications for them, and appreciate being proactively equipped with the information they need to anticipate impacts and to make informed decisions.

Beyond proactive communication, customers further expect 24/7 access to online self-service options. This includes user-friendly digital platforms and tools which they can use to manage their accounts, access information, report issues, and complete transactions - anytime, anywhere. Customers value the convenience and control provided by real-time responses, interactive features, and immediate fulfillment of their requests - thus minimizing reliance on traditional service channels and empowering them to manage their energy needs independently.

As service providers such as Hydro Ottawa respond to these expectations, the prevalent use of smart phones and other digital channels is poised to overtake telephone and other non-digital channels, with telephone contact increasingly being reserved for more complicated inquiries and circumstances. This will be concurrent with an anticipated trend towards consolidation of a smaller number of “omni-channels” by which customers will access services and support, consisting of groupings of web, mobile and telephony centric options.

5. CUSTOMER EXPERIENCE STRATEGY: FOUR PILLARS

Hydro Ottawa's customer Experience Strategy is rooted in an analysis of key change drivers impacting the electricity and utility ecosystems aligning with the strategic plan to provide best in class customer service. As the utility evolves within this dynamic energy sector, there's a continued need to build on its award-winning customer-centric initiatives.[8] This strategy supports the utility's eight point plan within the projected 2026–2030 business environment. It is built on four tactical pillars, each focused on delivering exceptional customer value and enhancing the customer experience.

This section describes these pillars, summarizing focal points and highlighting recent key initiatives as a foundation for continued advancement in 2026–2030. Hydro Ottawa's Customer Experience Strategy and its Digital Strategy are closely aligned, particularly in their shared emphasis on enhancing customer experience. Success depends on effectively embracing digitalization by leveraging data analytics, driving further personalization, and creating digitally enabled seamless energy experiences. The 2026–2030 focus will be on broadening and deepening customer engagement across diverse topics to deliver choice, convenience, and control through deployed tools, technologies and programs. By focusing on these pillars, Hydro Ottawa can continue to build deeper relationships with its customers as their preferences evolve, while helping them navigate the complexities of the energy transition. For further information on Hydro Ottawa's Digital Strategy, refer to Attachment 1-3-4(B) - Digital Strategy.

This evolution will also require equipping more Hydro Ottawa employees with the tools and insights to engage effectively with customers and empower them to deliver exceptional service and guidance.

[8] Recent awards focused on Customer Service related initiatives include awards from the Ontario Energy Association (Customer Service Award for Service Desk Project - 2020, Company of the Year Award - 2022 Derecho Storm Response - 2023), CS Week Expanding Excellence Award (Service Desk Project - 2020, Enhancing Customer-Centric Service via Salesforce - 2021, Battery Loan Pilot Program - 2022), Electricity Canada Center of Excellence Award (Zibi Community Utility - 2021, Cambrian Station Pollinator Meadow - 2021), Electricity Distributors Association (Customer Service Excellence Award - 2022), and Chartwell Best Practices (Bronze Award, Outage Restoration - 2022, Silver Award, Outage Communications, Rebuilding Trust Campaign - 2023)

5.1. CUSTOMER ENGAGEMENT AND TOUCHPOINT IMPROVEMENTS

Hydro Ottawa will continue to improve existing touchpoints by which customers can manage their accounts and access information and services, offering convenient and easy energy experiences across multiple channels with greater ease-of-access and functionality. This will be achieved via digitization, automation, data leveraging and other strategies that often result in corresponding customer and productivity benefits.

Focal Points and Initiatives

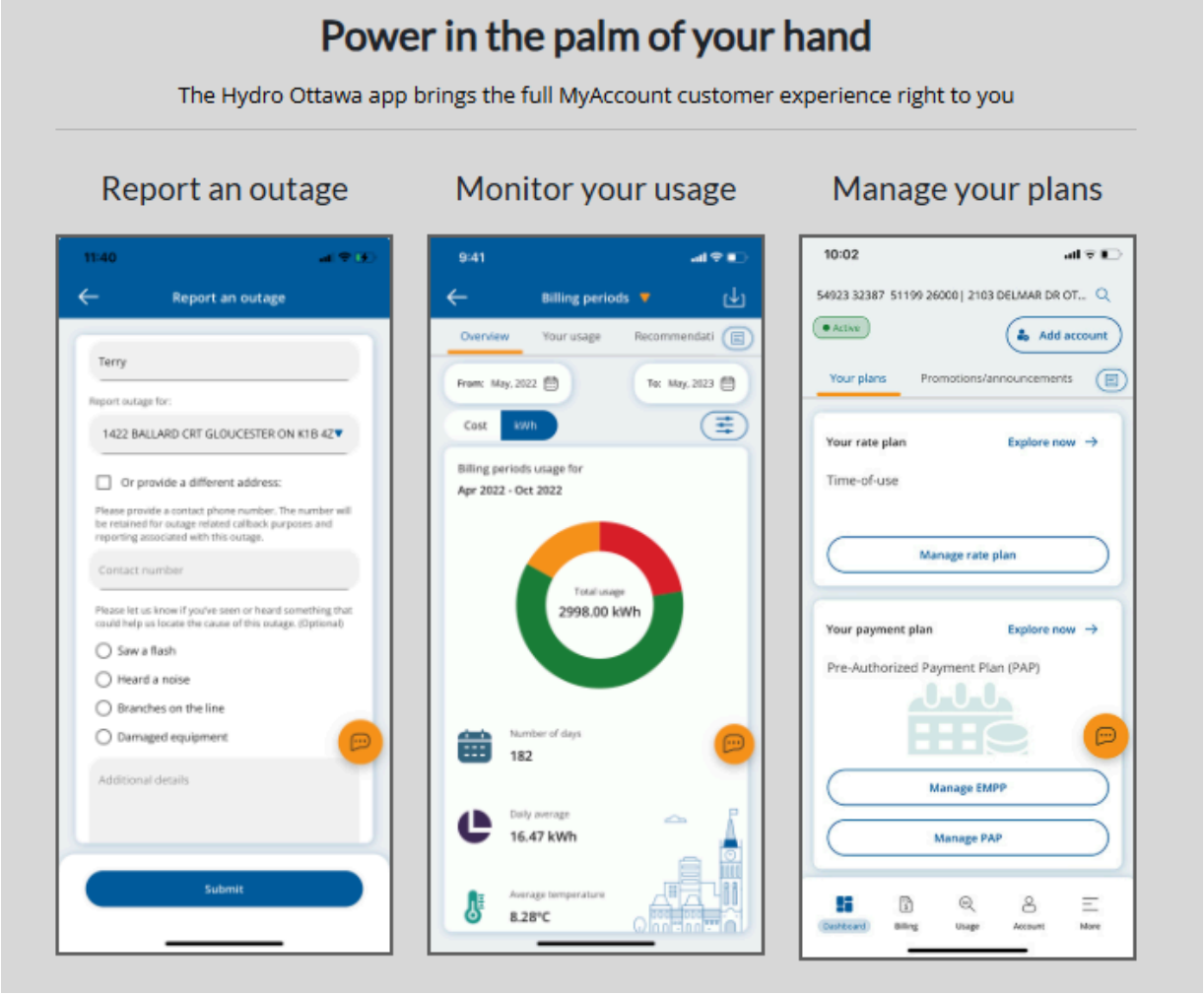
Hydro Ottawa's vision for enhanced customer engagement centers on evolving its customer relationship management (CRM) system into a unified "Customer 360" platform. This platform will provide a holistic view of each customer by consolidating data from all touchpoints and breaking down data silos. This will enable more personalized interactions, efficient issue resolution, and targeted programs that cater to individual customer needs, ultimately delivering a seamless and empowering customer experience. The CRM system also facilitates seamless cross-team collaboration, ensuring a coordinated approach to customer service delivery.

As Hydro Ottawa continues its journey towards a comprehensive Customer 360 view, the CRM system has already delivered significant improvements. A new chat and email platform with automated routing capabilities ensures that inquiries are directed to the appropriate agents, improving response times and ultimately customer satisfaction. Enhancements to online intake forms and workflow integrations capture relevant details, ensuring efficient routing and reduced processing times. The CRM platform also enables comprehensive customer satisfaction surveying and data analysis, providing valuable insights for service improvement.

The MyAccount platform, available online and via mobile app, has become an increasingly important point of access to a widening range of information and services. A MyAccount redesign process initiated in 2023 includes an updated user interface, and improvements to the portal’s architecture and backend technology. Upon completion, the redesign will extend the tailored MyAccount user experience to large commercial customers. A range of more specific

MyAccount enhancements delivered in recent years includes convenience-enhancing features such as increased use of auto-populated fields, simplification of password re-sets, and improved accuracy of address look-ups. Enhancements to the mobile app, meanwhile, have brought it to a point of features and functions parity with the web-based MyAccount experience.

Figure 2 – Hydro Ottawa's Mobile App



Hydro Ottawa is proactively improving customer communication and streamlining processes through automated confirmations, informative email updates, and user-friendly online forms.

Customers now receive real-time confirmations for various actions, such as rate selection, move requests, and outage reports. These automated updates provide timely information and reassurance, enhancing transparency and reducing the need for customers to follow up with inquiries. With an increase in the frequency of extreme weather events, touchpoints relating to outage communication assume an even greater importance for customers, and numerous improvements have and continue to be implemented. Most notably, this has included proactive personalized text/SMS and email notifications for both planned and unplanned outages. The alerts provide timely information on outage status, estimated restoration time, and power restoration confirmation, with customizable settings and links to valuable resources such as the outage map. Two-way communication features were also launched allowing customers to register for outage alerts and report outages directly through SMS functionality. Online outage reporting was further enhanced by providing the capability for any resident to report an outage, for anywhere in the service territory, even if they do not hold an account with Hydro Ottawa.

Hydro Ottawa maintains a steadfast focus on improving customer interactions. This includes optimizing processes across all communication channels. To this end, contact center responsibilities have been realigned to centralize routine inquiries, enabling experienced staff to focus on complex customer issues and improve response times. Additionally, more customer service agents are now trained to provide surge capacity during major outages.

Hydro Ottawa has also continued to promote further customer adoption of key convenience-enhancing digital channels such as MyAccount, through initiatives such as its 2021 Win Hydro for a Year campaign, and it is targeting an 80% e-billing adoption rate by the end of 2025.

Hydro Ottawa also plans to redesign its website and will prioritize enhanced customer interaction, usability and accessibility to provide a positive and engaging customer experience. The new website will feature a more visually appealing and intuitive mobile responsive design, adhering to the highest usability standards to improve navigation and information access.

Updated and enriched content, including infographics and videos, along with strategic keyword use, will enable both residential and commercial customers to quickly find personalized and relevant information. Ultimately, this improved platform will provide a better overall user experience, solidifying the website as a key and effective customer touchpoint.

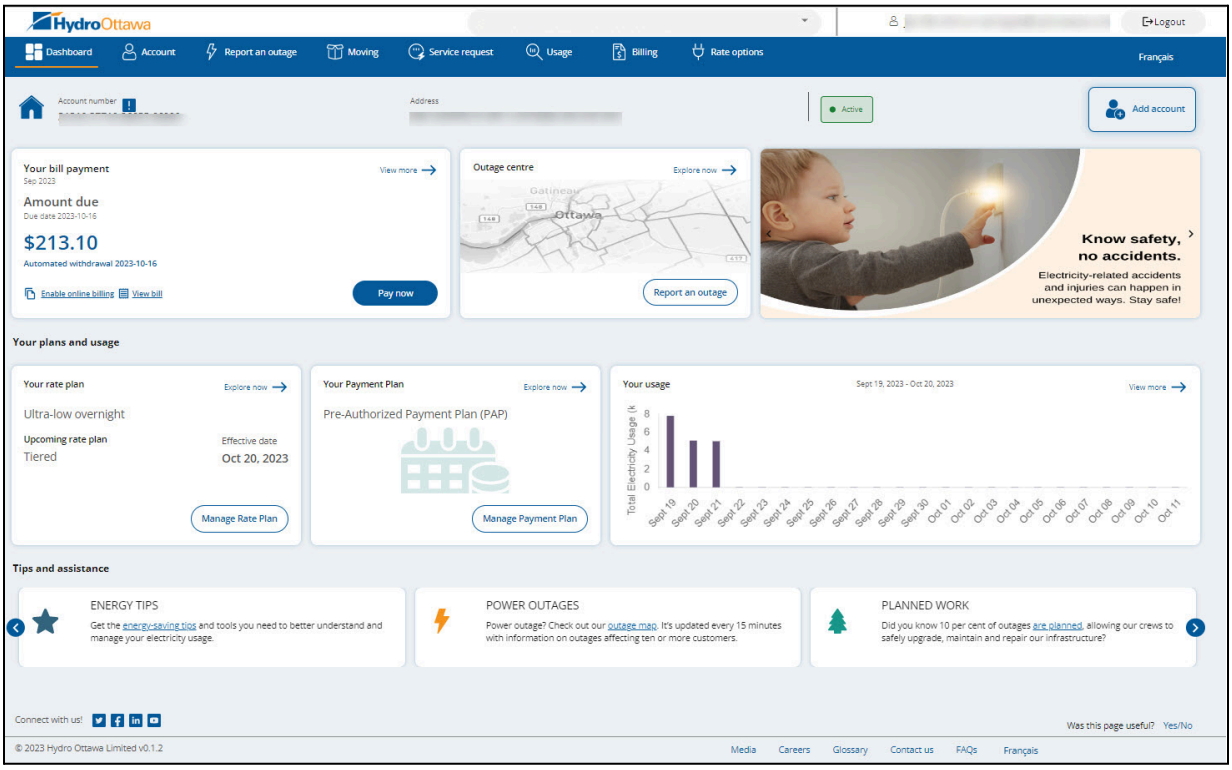
5.2. PERSONALIZATION AND SELF SERVICE

Recognizing customers' desire for both digital and human engagement - technology when you want it, a person when you don't - Hydro Ottawa will increasingly engage with customers according to their preferences. By expanding self-service options and delivering tailored information and support, Hydro Ottawa will provide greater choice and control to enhance the customer experience.

Focal Points and Initiatives

Hydro Ottawa prioritizes customer empowerment through robust self-service options available on the MyAccount platform. Customers can conveniently manage their accounts online or via the mobile app, with enhanced features designed to maximize control and convenience. This includes streamlined communication preferences, allowing customers to tailor notifications to their needs, and simplified profile management tools for effortless account updates. Billing information and energy usage data are readily accessible, enabling customers to stay informed and manage their consumption. Specialized features have also been added within MyAccount for net metering customers so they can effectively manage both usage and their generation credits. Additionally, automated tools also further enhance the self-service experience, with features like pre-populated forms and online billing enrollment streamlining processes and reducing manual effort. The ongoing redesign of MyAccount will further prioritize self-service by offering tailored experiences for residential, small commercial, and large commercial customers, ensuring the platform meets the evolving needs of all users.

Figure 3 – Hydro Ottawa's MyAccount Dashboard



Hydro Ottawa also leverages customer data to deliver personalized self-service options. The Rate Plan Comparison Tool leverages customer data to provide tailored cost estimates for different rate plans, eliminating manual data entry and empowering informed decision-making. Notably, 55% of customers exploring rate plans online utilized the tool, and 68% of those who switched plans did so after using it. Hydro Ottawa plans to further expand the tool's capabilities by incorporating the Ultra Low Overnight billing rate option, ensuring customers have access to the most up-to-date information for making informed choices about their energy needs.

To further enhance self-service capabilities and provide customers with greater choice and convenience, Hydro Ottawa plans to develop new functionalities for MyAccount. This includes exploring interactive digital bills that provide greater insight into energy billing, empowering customers to easily understand their consumption patterns, compare charges, and explore

billing details. Hydro Ottawa also plans to integrate a chatbot that uses artificial intelligence (AI) to provide 24/7 support for common inquiries, offer personalized responses, and seamlessly handing off to a live agent when needed. Additionally, new functionalities that will allow customers to report payments and set up payment plans online. These enhancements will empower customers to manage their payment activity directly, offering a more flexible and convenient alternative to current processes that require agent assistance.

5.3. ENERGY ENABLEMENT

Hydro Ottawa recognizes customers' growing desire for higher levels of understanding, control, and management of their energy use, and is dedicated to providing the tools and resources to enable this. Hydro Ottawa will continue to expand customer participation in existing programs, and will develop new programs, products, tools and services in response to customer needs that will solidify its role as a trusted advisor and energy partner. Hydro Ottawa's customer-centric approach will drive innovative solutions to address the future energy needs of its customers and support grid flexibility.

Focal Points and Initiatives

Hydro Ottawa has invested in recent years in tools that provided customers with access to information and opportunities to take control of their energy use. The utility implemented Green Button to allow customers to access, download and share their energy data and account information, in order to get better insights into their consumption patterns and to allow them to make adjustments to save energy and reduce costs.

Hydro Ottawa has also improved the net-metering bill presentment, along with the addition of generation data and monthly credit tracking within MyAccount underscoring Hydro Ottawa's commitment to providing all customers with the tools and information they need to effectively manage their energy accounts. These new tools provide greater insight and control over energy generation and billing. Customers can easily track generation credits, view detailed usage and

generation data, and manage their rate plan online. These functionalities were previously unavailable to net-metering customers.

Hydro Ottawa is also expanding and improving MyAccount for commercial customers. Building on the success of the existing MyAccount portal, Hydro Ottawa will enhance its functionality to provide commercial customers with more comprehensive electricity usage data and reporting features, and streamlined access to their commercial account information. This will enable improved management of electricity consumption and demand, and will provide enhanced, self-service account-management tools. The latter will include billing, usage, and account-information download functions tailored for commercial customers.

Over the next five years, Hydro Ottawa will also implement additional energy management tools. It will provide customers with digital tools that offer more detailed insights on their energy use and costs. With growing EV use, electrification and new energy sources, the degree of customer interconnection with the grid is expanding and creating a more dynamic and interactive energy landscape. Customers need better behind-the-meter energy intelligence to gain actionable insights and make informed choices. Newly available data will empower customers with greater control of their energy journey. In parallel, it will give Hydro Ottawa important insights about the technologies customers are adopting to help inform the design of new targeted demand-side management programs and other personalized services that benefit customers. These tools can improve grid visibility into DERs, heat pumps and EV usage - which in turn will aid with load forecasting and grid planning, and enable Hydro Ottawa to anticipate and manage demand more effectively. Providing these tools to customers, and accessing behind-the-meter data, will support the transition to a smarter, more responsive grid, while improving customer engagement and further advancing energy efficiency and decarbonization.

Hydro Ottawa also intends to remain a trusted advisor to its customers and will enable further participation in the energy transition through its key accounts, conservation and demand management, and decarbonization teams. The utility will continue to be a go-to resource for

obtaining detailed energy use data, personalized energy insights and recommendations, and information on demand side management and decarbonization programs and resources. Since 2020, Hydro Ottawa has successfully launched, supported and/or delivered a range of customer-driven programs that promote energy efficiency, DERs, decarbonization, and EV charging. Examples of these include the Ottawa DER large solar photovoltaic (PV) funding incentive, the Ottawa Retrofit Accelerator program, and the zero emission vehicle infrastructure program. These programs have enabled customers to participate in the energy transition while providing important benefits to customers and the built environment. Over the next five years, Hydro Ottawa will continue to expand these offerings by supporting the provincial electricity demand side management (eDSM) framework; delivering the Ottawa Retrofit Accelerator; and leveraging new local non-wires customer solutions to reduce demand, enable DERs and improve grid reliability and flexibility through customer participation.

Hydro Ottawa will work closely with its customers, creating opportunities that empower them to take control of their energy use and participate in the evolving energy landscape. This will involve focusing on solutions that deliver value, adapt to change, and put customers at the center of their energy journey.

5.4. PRODUCTIVITY & OPERATIONAL EFFECTIVENESS

Recognizing that energy affordability remains a key concern for its customers, Hydro Ottawa is committed to continuous improvement and operational excellence by harnessing data and technology to optimize processes and enhance customer interactions. This includes digitizing and automating business operations, streamlining workflows, and integrating systems to improve efficiency, reduce costs, and deliver exceptional value to customers.

Focal Points and Initiatives

Hydro Ottawa's Customer 360 platform will enhance customer engagement, improve touchpoints, and drive significant operational efficiencies. By consolidating customer data into a single source of truth, the platform will empower agents with a comprehensive view of each

customer, streamlining interactions and leading to faster resolutions. This will improve agent productivity, reduce manual effort, and enhance data-driven decision-making, ultimately contributing to cost savings and improved operational effectiveness.

Furthermore, the replacement of a legacy service desk tool with the CRM platform has provided a comprehensive view of customer activity, enabling synchronized management of processes and enhanced outcomes across the organization. The CRM platform is also instrumental for the Key Accounts and Conservation and Demand Management (CDM) teams, enabling them to effectively manage customer relationships, track opportunities, and improve program delivery.

Hydro Ottawa also automated the process for move requests allowing customers to self-serve online. In 2023, this resulted in over 80% of the requests being processed with either full automation or minimal manual intervention. This streamlined approach has improved processing times, accuracy, and customer communication, while significantly reducing costs. These efficiencies will lead to lower account set up fees and enable ongoing improvements through data monitoring and reporting. For further detail on the reduction in account set up fees, refer to Schedule 6-3-2 - Specific Service Charge Revenue.

Automated billing has also been implemented for residential and small business net metering customers across all electricity price plans, substantially reducing manual effort and improving the speed, consistency, and accuracy of billing.

To further enhance payment processes, Hydro Ottawa will integrate the upcoming self-serve online payment reporting and payment plan setup functionalities into its billing system. This initiative will automate processes and communications, increasing efficiency, reducing manual effort, and improving accuracy.

In 2025, Hydro Ottawa will transition to a cloud-based contact center platform to improve operational efficiency, increase customer satisfaction, and agent effectiveness. This upgrade will

also provide enhanced reporting and analytics capabilities, increased scalability, configurability, CRM integration, and access to innovative features such as AI-powered tools.

Hydro Ottawa is exploring the use of AI, including generative AI, to enhance customer service and operational efficiency. This includes analyzing customer interactions to inform data-driven decisions around trends, common issues, opportunities for enhancements and new service offerings, and service quality improvements. Additionally, Hydro Ottawa is exploring "Agent Assist" technology to equip agents with an integrated tool to quickly find answers to customer questions and provide relevant information and support resources. These AI-powered initiatives aim to improve service quality, enhance agent effectiveness, and ultimately deliver a better customer experience.

6. PLANNING, GOVERNANCE AND VALUE MONITORING

As a regulated electricity distributor, Hydro Ottawa's rates are approved by the OEB. Currently Hydro Ottawa is on a five year rate cycle. As a part of the rate filing process, all major capital and operational investments are submitted to the regulator. Hydro Ottawa's Customer Experience Strategy aligns with the rate planning cycle and contemplates investments to be made over a five year planning cycle, which establishes the basis of Hydro Ottawa's Customer Experience (Cx) Roadmap.

The Strategy is also influenced by the continued evolution of the customer and the environment that we operate in. A number of emerging energy programs and technologies will continue to mature while others may plateau or sunset. Hydro Ottawa will track and adjust as needed to meet the overall outcome to deliver excellence to our customers.

Ongoing oversight, performance monitoring and refinement of Hydro Ottawa's Customer Experience Strategy will continue to be assured in 2026-2030 by two primary mechanisms.

Leadership and Governance – Customer experience is not only a department at Hydro Ottawa, but an organization-wide discipline. Accordingly, it continues to be guided in a holistic and coordinated manner by a Customer Experience Steering Committee. Made up of senior representatives from across the business, it meets monthly to oversee progress and is accountable to the Executive Management Team. The Customer Experience Strategy has also been informed by a number of planning and regulatory processes, industry involvement, and inputs from the following Hydro Ottawa committees and programs within the organization to ensure stakeholder engagement alignment.

Customer Value Monitoring – Hydro Ottawa will sustain its multi-faceted "Voice of the Customer" initiative, through which multiple feedback channels measure satisfaction, flag touchpoint and program improvement opportunities, and suggest potential new service offerings. Tracking is conducted via a Customer Value Performance Metrics scorecard. Data-driven outputs of this tracking will help determine which potential new service offerings are likely to deliver the greatest return in the form of enhanced customer value.

Hydro Ottawa's 2026-2030 Customer Experience Strategy represents a comprehensive and customer-centric approach to navigating the evolving energy landscape. By prioritizing customer engagement, personalization, energy enablement, operational effectiveness, and by underpinning these efforts with robust planning, governance, and a data framework that enables data-driven decision making, Hydro Ottawa is well-positioned to not only meet the current needs of its diverse customer base, but also to proactively anticipate and address the challenges and opportunities of the future. This strategy, with its emphasis on innovation, responsiveness, and customer-centricity, will ensure Hydro Ottawa remains a trusted energy partner, empowering customers to actively participate in the transition to a sustainable and electrified future while delivering exceptional value and service.

UtilityPULSE

Hydro Ottawa

Hydro Ottawa

Electric Utility Customer Satisfaction Survey



26th Annual

The purpose of this report is to profile the connection between Hydro Ottawa Ltd (Hydro Ottawa) and its customers.

The primary objective of the Electric Utility Customer Satisfaction Survey is to provide information to support discussions about improving customer care at every level in your utility.

The UtilityPULSE Report Card® and survey analysis in this report are intended to capture the state of mind or perceptions about your customers' need and wants – the information in this report will help guide your discussions for making meaningful improvements.

This survey report is privileged and confidential material, and no part may be used outside of Hydro Ottawa without written permission from UtilityPULSE Inc.

All comments and questions should be addressed to:

UtilityPULSE Inc.
David Malesich
President
david@utilitypulse.com

Survey Observations & Insights

While customer expectations are always changing and often increasing, the fundamentals continue to remain core opportunities for LDCs to keep their customers satisfied. They expect excellent customer service, reduced outages, and reliable electricity. Customers want to know they have been heard, they have reasonable access to services, and, their LDC is pro-actively communicating – especially during emergency situations.

Hydro Ottawa has a responsibility to professionally and quickly deal with issues customers contact them about. In a complex electricity industry world, this puts additional strain on the skills and competencies of everyone who interacts with customers. Helping the LDC generate higher levels of customer satisfaction, or maintaining their current high level, will be based on doing the core job as promised by being professional, efficient and cost-effective.

Customers also want to feel comfort knowing that they will have power in their homes and businesses. A reliable electricity supply gives customers trust in their utility and makes them feel more positively about them. Customers understand outages will happen, but minimizing them is crucial for maintaining a strong relationship with customers.

Although many are still experiencing financial hardships and believe the cost of electricity impacts their finances, requiring they do without some other important priorities, customers are still generally satisfied with Hydro Ottawa. They lack some passion with lower top box scores, but few express outright dissatisfaction.

Maintaining strong customer service levels remains critical; those who were not satisfied with their experience or did not feel their problem was solved are much more likely to express dissatisfaction with Hydro Ottawa.

Top 2 Boxes: 'very + fairly satisfied'	PROBLEM SOLVED		
	TOTAL (n=679)	Yes (n=74)	No (n=25)
PRE	**92%**	85%	43%
POST	**89%**	85%	35%

Base: total respondents; small sample sizes for subgroups – please interpret with caution

Key scores are also notably lower among those who do not feel they have received proactive communications, those who had a recent negative customer service interaction, and those who did not feel their issue was resolved.

		PROACTIVE COMMUNICATIONS		RECENT CS EXPERIENCE		PROBLEM SOLVED	
	TOTAL (n=679)	Agree (n=585)	Disagree (n=67)	Satisfied (n=73)	Not (n=24)	Yes (n=74)	No (n=25)
CEES	**34%**	43%	-48%	18%	-60%	12%	-45%
CEPR	**85%**	87%	64%	79%	61%	79%	60%
CCEI	**83%**	86%	60%	78%	57%	77%	59%

Base: total respondents; small sample sizes for subgroups – please interpret with caution

As society becomes more complicated and complex, the opportunities for failure increase. A key to healthy relationships with customers is to be trusted, trustworthy and credible. Power reliability is causing a general

negative halo preventing even better overall impressions and performance. Credibility and trust ratings as well as overall satisfaction are notably weaker among those who experienced various issues and those who believe that outages are increasing. Customers will be much less happy with Hydro Ottawa when they don't feel like their power supply is reliable or consistent.

		OUTAGE ISSUE		BILLING ISSUE		OTHER ISSUE		OUTAGE MOMENTUM		
	TOTAL (n=679)	Yes (n=248)	No (n=431)	Yes (n=43)	No (n=636)	Yes (n=38)	No (n=641)	Dec-rease (n=107)	Same (n=463)	Inc-rease (n=94)
Credibility & Trust Rating	**85%**	80%	86%	66%	85%	69%	85%	88%	85%	73%

Base: total respondents; small sample sizes for subgroups – please interpret with caution

Moreover, customers who do not feel well served by the electricity system in Ontario are also more likely to have lower trust in Hydro Ottawa.

		SECTOR CONFIDENCE					
	TOTAL (n=679)	Agree NET (n=560)	Agree strongly (n=242)	Agree somewhat (n=318)	Disagree NET (n=100)	Disagree strongly (n=65)	Disagree somewhat (n=35)
Credibility & Trust Rating	**85%**	80%	86%	66%	85%	69%	85%

Base: total respondents; small sample sizes for subgroups – please interpret with caution

Keep in mind that the Killer B's, bills and blackouts, remain primary sources of dissatisfaction and financial worries are only exacerbating customers' negative perceptions (even if they are not based in reality). Bills and payments are increasing outside of the utility world, which is increasing the "worry" factor. The reality is that erosion of trust in institutions in other sectors is also contributing to the worry and angst factor your customers

are experiencing. Survey respondents are looking through the lens of costs, more specifically affordability, but so far they continue to be satisfied with the overall operation and the image of Hydro Ottawa.

Those who are having trouble paying their bills are more likely to agree that the cost of their electricity bill has a major impact on their finances and requires them to do without other priorities.

Top 2 Boxes: 'agree strongly + agree somewhat	TOTAL	ABILITY TO PAY			
		Not a worry	Sometimes a worry	Often a problem	Depends
	(n=679)	(n=448)	(n=140)	(n=32)	(n=51)
Financial hardship	**54%**	39%	88%	92%	79%

Base: total respondents with an opinion; small sample sizes for subgroups – please interpret with caution

Issues: Billing and Blackouts, the "Killer B's"

The reliable and efficient delivery of electricity to homeowners and businesses is an essential service – especially during the personal and professional challenges of the past couple of years. Customers can be comforted by the fact that standards for keeping the lights on and getting them up and running quickly have not deteriorated. Fewer Hydro Ottawa customers are reporting outages in the past 12 months than are in the province or nationally. Actively communicating with customers during these times will limit adverse impacts.



Problems: Blackouts

Percentage of Respondents indicating that they had a Blackout or Outage problem in the last 12 months			
	Hydro Ottawa	National	Ontario
2024	36%	45%	43%

Base: total respondents

Inaccurate bills cause angst and, in some cases, anger, which is why accurate billing remains an important service imperative for all utilities. Compared to national and provincial benchmarks, Hydro Ottawa customers are experiencing fewer billing issues. There is a strong need to communicate any changes in pricing and various financial support options.



Problems: Billing issues

Percentage of Respondents indicating that they had a Billing problem in the last 12 months			
	Hydro Ottawa	National	Ontario
2024	**6%**	**9%**	**10%**

Base: total respondents

Paying for Electricity

Survey respondents were generally less positive about the cost of electricity and they do not necessarily feel they are getting good value, but this is challenging for the industry as a whole.

Cost/Value Attributes			
	Hydro Ottawa	National	Ontario
Provides good value for your money	75%	73%	73%
Operates a cost-effective electricity system	76%	75%	74%
Cost of electricity is reasonable compared to other utilities	73%	73%	72%
Provides info/tools to help manage electricity consumption	83%	78%	77%

Base: total respondents with an opinion

Many are worried about paying for electricity and future impressions may start to erode as customers take out their financial frustrations on Hydro Ottawa.

Is paying for electricity a worry or a major problem?				
	Not a worry	Sometimes	Often	Depends
Hydro Ottawa	66%	21%	5%	7%
National	54%	29%	7%	11%
Ontario	51%	29%	5%	14%

Base: total respondents

Those with financial worries have more negative perceptions of cost and value attributes associated with Hydro Ottawa.

Cost/Value Attributes By Ability to Pay for Electricity					
	Hydro Ottawa (n=679)	Not a worry (n=448)	Sometimes (n=140)	Often (n=32)	Depends (n=51)
Provides good value for your money	**75%**	80%	68%	42%	70%
Operates a cost-effective electricity system	**76%**	81%	70%	43%	73%
Cost of electricity is reasonable compared to other utilities	**73%**	79%	63%	38%	68%
Provides info/tools to help manage electricity consumption	**83%**	87%	80%	60%	77%

Base: total respondents with an opinion; small sample sizes for subgroups – please interpret with caution

Customer Service

Customers are more concerned about outcomes and want their issues, problems, or concerns to be dealt with in a professional, knowledgeable, and timely manner. Respondents were asked about six aspects of their more recent experience. Compared to national and provincial benchmarks, many Hydro Ottawa customers were less satisfied with the time it took to contact someone and time it took someone to deal with their problem, but performed well on more empathetic attributes such as helpfulness and being courteous.

Satisfaction with Customer Service			
Top 2 Boxes: 'very + fairly satisfied'	**Hydro Ottawa**	**National**	**Ontario**
The time it took to contact someone	65%	74%	71%
The time it took someone to deal with your problem	63%	67%	67%
The helpfulness of the staff who dealt with you	79%	77%	75%
The knowledge of the staff who dealt with you	78%	75%	75%
The level of courtesy of the staff who dealt with you	87%	82%	84%
The quality of information provided by the staff who dealt with you	74%	73%	75%

Base: total respondents who contacted the utility

The Core Responsibilities

Survey respondents generally gave Hydro Ottawa excellent operational and representative scores. Those who have more of a problem paying their electricity bill are less likely to agree that Hydro Ottawa "has a standard of reliability that meets expectations."

Core Operational Attributes			
	Hydro Ottawa	**National**	**Ontario**
Provides consistent, reliable energy	89%	82%	82%
Quickly handles outages and restores power	85%	80%	80%
Has accurate billing	87%	81%	80%
Has a standard of reliability that meets expectations	87%	81%	81%
Makes electricity safety a top priority	88%	81%	81%

Base: total respondents with an opinion

Customer service quality attributes are generally favourable for Hydro Ottawa and in line with key or better than benchmarks.

Core Customer Service Quality Attributes			
	Hydro Ottawa	**National**	**Ontario**
Customer-focused and treats customers as if they're valued	80%	75%	74%
Deals professionally with customers' problems	85%	79%	78%
Is pro-active in communicating changes and issues	84%	77%	76%
Delivers on its service commitments to customers	86%	80%	80%
Is 'easy to do business with'	84%	79%	78%
Adapts well to changes in customer expectations	78%	76%	76%

Base: total respondents with an opinion

Customer Effort & Experience Score™ (CEES)

Customers are time-pressed, and they want transactions related to getting questions answered or solving problems to be easy and fast. Customers dislike non-seamless handoffs when they have to deal with different people or departments to address their issues, and they dislike a slow response to their problem or concern. Customers also dislike “surprises,”; which is why they expect their utility to communicate with them pro-actively and, when needed, be ‘easy to do business with’.

The CEES as a metric is designed to help the organization remain focused on making things easy and fast for customers. The goal is to encourage improvements in all aspects of the customer’s journey from initial contact to completion of the issue. The central idea of CEES is about getting the most from your investments in people and technology.

Hydro Ottawa has rated a Customer Effort & Experience Score (CEES)™ of 34%**.** The Ontario benchmark is 4%, and the UtilityPULSE database average is 30%.

Customer Effort & Experience Score (CEES)			
	Opportunity Range <15%	**Good Range 15-34%**	**Very Good Range 35+%**
Hydro Ottawa		34%	
National Benchmark	7%		
Ontario Benchmark	4%		
UP Database		30%	

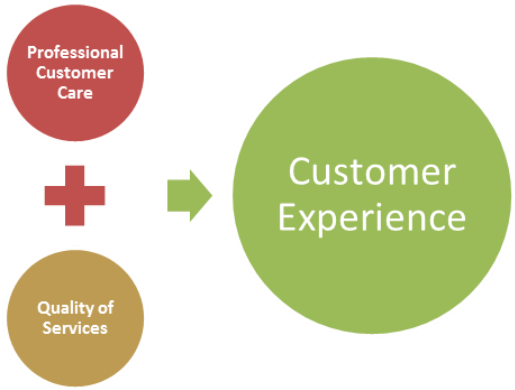
Base: total respondents; range bands represent 2024 data and can change year-to-year

The Customer Effort & Experience Score™ is about encouraging your people to figure out how to speed up and simplify interactions. It is designed to encourage dialogue with all areas of the business to reduce customer effort. Busy, time-pressed customers consider CEES a bona fide reflection of the business. Most importantly, it has a direct correlation to customer satisfaction, loyalty, and NSS. Our experience suggests that low-effort experiences, i.e., “easy” and “fast,” are highly correlated to customer affinity (loyalty). In contrast, high-effort experiences are correlated to low overall satisfaction and low company image.



Customer Experience Performance rating (CEPr)

Every touchpoint with customers on the phone, email, text, website, or in-person influences what customers think and feel about the organization. When an interaction with a customer meets their expectation, the opportunity to build loyalty (affinity) and support is strong. When the experience is a negative one, customers often conclude that the organization doesn’t care.



A positive experience today sets up the perception that future interactions will also be excellent.

Customer Experience Performance rating (CEPr)			
	Hydro Ottawa	**National**	**Ontario**
CEPr: all respondents	85%	79%	79%

Base: total respondents

The CEPr rating suggests that a very large majority of customers have a belief that they will have a good to excellent experience dealing with Hydro Ottawa professionals.

From an image point-of-view, Hydro Ottawa received very good scores for the attributes “keeps its promises to its customers and the community” and “overall the utility is easy to do business with”.

Customer Centric Engagement Index (CCEI)

Customer engagement is the emotional connection achieved by the ongoing interactions between a customer and the organization. Highly engaged customers are far more likely to support the LDC as it responds to changes than customers with little-to-no engagement. Highly engaged customers are less likely to complain publicly about disappointing shopping experiences, choosing to resolve issues with the company directly.

Utility Customer Centric Engagement Index (CCEI)			
	Hydro Ottawa	**National**	**Ontario**
CCEI	83%	78%	78%

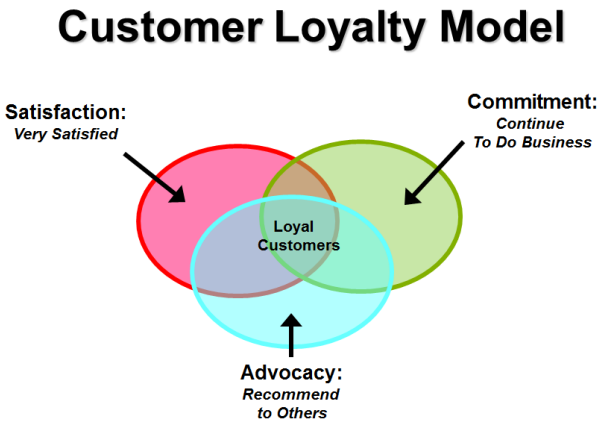
Base: total respondents

Scores are notably lower among customers who do not believe that Hydro Ottawa has proactive communications, were not satisfied with their customer service experience, or do not feel their problem was solved. Improving these should positively impact these composite scores.

Key Scores							
		PROACTIVE COMMUNICATIONS		RECENT CS EXPERIENCE		PROBLEM SOLVED	
	Hydro Ottawa (n=679)	Agree (n=585)	Disagree (n=67)	Satisfied (n=73)	Not (n=24)	Yes (n=74)	No (n=25)
CEES	**34%**	43%	-48%	18%	-60%	12%	-45%
CEPR	**85%**	87%	64%	79%	61%	79%	60%
CCEI	**83%**	86%	60%	78%	57%	77%	59%

Customer Satisfaction

Measuring satisfaction is the bedrock, or starting point, for the creation of loyal customers. One must do the job as expected before there is an opportunity to emotionally connect in a positive way hence the need to focus on the overall customer experience. Customer satisfaction is an effectiveness measure (not an efficiency measure) on the historical relationship or delivery of services to customers.



SATISFACTION SCORES – Electricity customers' satisfaction				
		Hydro Ottawa	National	Ontario
Top 2 Boxes: 'very + fairly satisfied'	**Pre**	**92%**	**87%**	**88%**
	Post	**89%**	**85%**	**86%**
Top Box: 'very satisfied'	**Pre**	**52%**	**38%**	**38%**
	Post	**49%**	**34%**	**33%**

Base: total respondents with an opinion

When it comes to the question of satisfaction, UtilityPULSE has designed the survey so that customers are asked twice, once at the beginning – this is to garner first impressions and set the tone for the survey, and again at the end – because now the respondent has context of what is being asked and is more aptly ready to address it in an informed state of mind.

Customer Commitment and Customer Advocacy

It is important to understand how committed your customers are to doing business with you again and how likely they are to recommend you to others. Every utility has an obligation to satisfy its customers. But the rewards for satisfying customers go far beyond "obligation." Customer satisfaction is the bedrock for creating loyal customers. The two other measures which make the loyalty measure are:

- Customer commitment, i.e., wanting to continue to do business with you
- Customer advocacy, i.e., willing to recommend your organization to others.

Customer commitment is about identifying the number of customers who feel they "want to" vs. "have to" do business with you. Potential benefits of commitment may include positive word of mouth – an important aspect of loyalty. Committed customers have been known to demonstrate several beneficial behaviours; for example, committed customers tend to:

- Come to you when they need a product or service



- Try new initiatives
- Trust your recommendations
- Be more tolerant of bill increases
- Be more receptive of your viewpoints on various issues
- Be more tolerant of errors or issues
- Perceive you as well-managed.

Customer advocacy means that your customers are willing to recommend you to others. If your customers are willing to endorse you and put their reputation on the line to recommend you, they also trust you and are satisfied with the service you are providing.

More customers feel committed to Hydro Ottawa (85%) than likely to endorse you to other people (81%), and recommend you to others. Encouragingly, scores are stronger than key benchmarks.

CUSTOMER COMMITMENT & ADVOCACY SCORES			
	Hydro Ottawa	**National**	**Ontario**
Continue to do business with	**85%**	**79%**	**78%**
Recommend to others	**81%**	**77%**	**76%**

Base: total respondents with an opinion

What is the importance of Net Supporter Score™ [NSS] for LDCs?

The NSS is a metric which measures how likely customers could ***support*** policy changes, actions, programs, or service changes or enhancements the LDC wishes to make. The NSS is a metric developed to help the organization, and its people, continue on a path of improving customer experiences, whether those experiences are in-person, over the telephone, online, or a combination. In a nutshell, the NSS reflects the net number of customers who have confidence in the LDC to continue to serve in their best interests.

Hydro Ottawa has a Net Supporter Score™ (NSS) of 24%**.** The Ontario benchmark is 6%, and the National benchmark is 9%.

Net Supporter Score™ (NSS)			
	Opportunity Range <10%	Good Range 10-19%	Very Good Range 20+%
Hydro Ottawa			24%
National Benchmark	9%		
Ontario Benchmark	6%		

Base: total respondents; range bands represent 2024 data and can change year-to-year

What is the importance of Net Promoter Score™ (NPS) for LDCs?

The Net Promoter Score™ (NPS) is a popular metric that measures how likely customers are to recommend a business's products and services. Your NPS score, when compared to the benchmarks, can provide some insight into the affinity level of survey respondents towards your brand image. The NPS metric was developed by and is a registered trademark of Fred Reichheld, Bain & Company, and Satmetrix in 2003.

Hydro Ottawa has a fair Net Promoter Score™ (NPS) of 30%**.** The Ontario benchmark is 5%, and the National benchmark is 10%.

Net Promoter Score™ (NPS)			
	Opportunity Range <5%	**Good Range 5-24%**	**Very Good Range 25+%**
Hydro Ottawa			30%
National Benchmark		10%	
Ontario Benchmark		5%	

Base: total respondents; range bands represent 2024 data and can change year-to-year

Loyalty Groups – Customer Affinity

Customer loyalty (affinity) is an intangible asset with positive consequences or outcomes associated with it, no matter the industry. Data shows that "Secure" customers have fewer outages and billing issues than "At Risk" customers, i.e., those that hate the utility. In private industry, loyalty is a behavioural metric; in a monopoly, it is an attitudinal metric.

Customer Loyalty Groups				
	Secure	**Favorable**	**Indifferent**	**At Risk**
Hydro Ottawa	32%	21%	40%	8%
National	16%	19%	58%	7%
Ontario	13%	20%	60%	7%

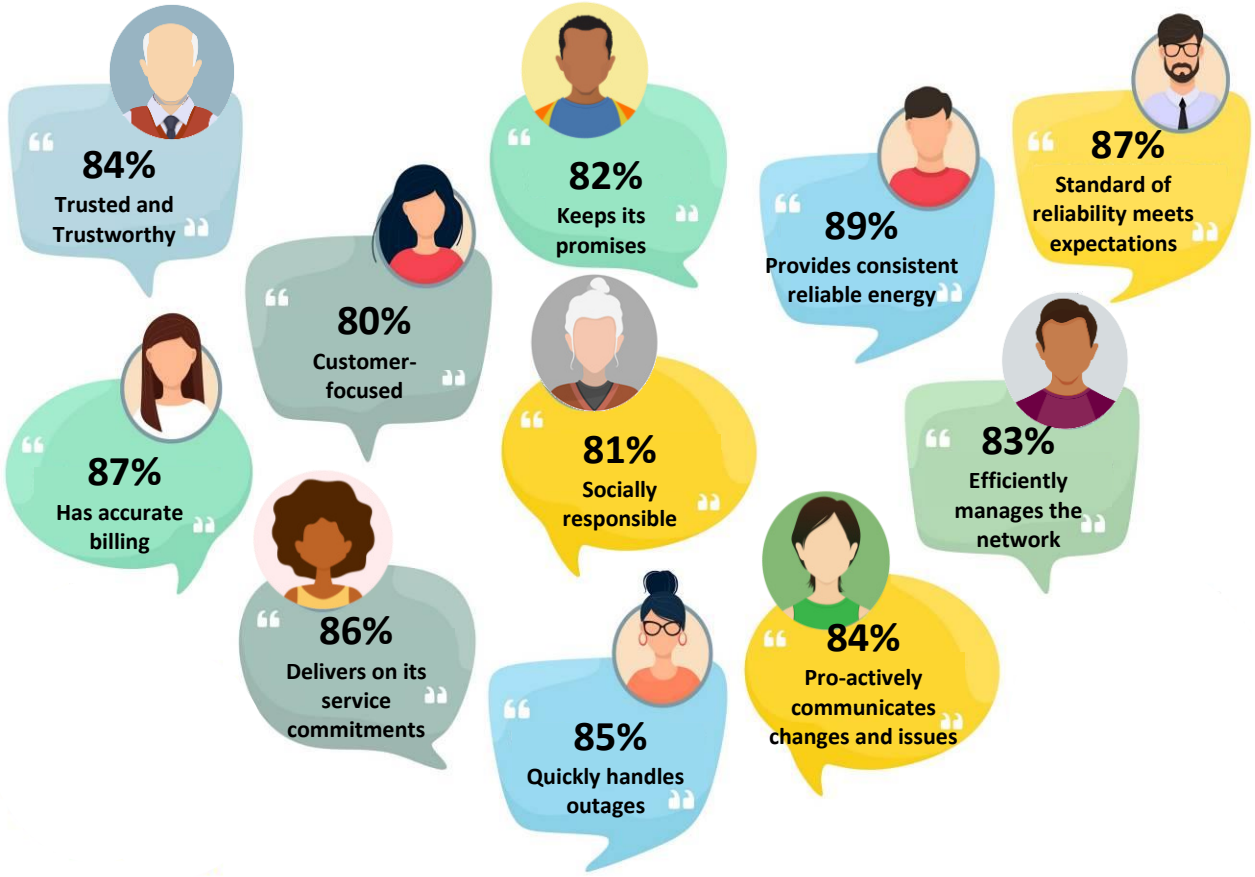
Base: total respondents

Credibility & Trust Index



In a world with heightened unknowns, people will look for credible organizations that can be trusted. 84% of respondents believe that Hydro Ottawa is trusted and trustworthy. 82% report that Hydro Ottawa keeps its promises. Your Credibility & Trust score is 84%, while the Ontario benchmark is 78% and the National benchmark sits at 78%.

Overall, Hydro Ottawa Scores remain high, which is very encouraging; for example, Hydro Ottawa's satisfaction score is 92% (pre-measure) and 85% say that they will continue to do business with Hydro Ottawa.



UtilityPULSE Report Card®

The purpose of the UtilityPULSE Report Card is to provide electric utilities with a snapshot of performance – on the criteria customers deem to be important.

Hydro Ottawa's UtilityPULSE Report Card®				
Category		Hydro Ottawa	National	Ontario
1	**Customer Care**	B+	B+	B+
	Price and Value	B+	B+	B+
	Customer Service	A	B+	B+
2	**Company Image**	A	B+	B+
	Company Leadership	A	B+	B+
	Corporate Stewardship	A	B+	B+
3	**Management Operations**	A	A	A
	Operational Effectiveness	A	B+	B+
	Power Quality and Reliability	A	A	A
	OVERALL	**A**	**B+**	**B+**

Base: total respondents

Numbers at a Glance for 2024

	Hydro Ottawa	National	Ontario
Customer Satisfaction: Initial	**92%**	**87%**	**88%**
Customer Satisfaction: Post	**89%**	**85%**	**86%**
Customer Advocacy	**81%**	**77%**	**76%**
Customer Commitment	**85%**	**79%**	**78%**
Customer Experience Performance Rating (CEPr)	**85%**	**79%**	**79%**
Customer Centric Engagement Index (CCEI)	**83%**	**78%**	**78%**
Credibility & Trust Index	**84%**	**78%**	**78%**
UtilityPULSE Report Card©	**A**	**B+**	**B+**

Your survey was conducted from October 23 – November 8, 2024 and is based on 679 telephone and online surveys with residential and small commercial customers who pay or look after the electricity bill. In addition, survey findings for Hydro Ottawa are enhanced with the inclusion of data from our UtilityPULSE database and the independently produced Ontario and National Benchmark studies.

We recommend everyone at Hydro Ottawa remain professional and continue to treat customers with respect, empathizing with their potential concerns about finances. Worry can easily turn into frustration and then anger, but we have seen that positive customer service interactions can help limit the potential adverse impact of key issues.

Upset or angry people are more critical and they will look for behaviours which reinforce or validate their negative view. It is more important than ever to ensure every interaction with a customer is an excellent one. Demonstrating understanding through active listening is a good start. Customers want to be responded to in an expedient manner or frustrations may start to build. A well-trained customer service team can reflect a positive company image.

The number one suggestion for improvement remains “better prices”. Price will always be top of mind for customers. They will ultimately take out their frustrations on everything that has a cost associated with it, including their utilities. But, keep in mind that customers also expect reliable electricity and become frustrated with outages. They already have enough on their plates and are dealing with many other worries like the ability to pay their bills. More disconnects are likely over the next few years and utilities need to be prepared on how best to deal with this and ensure appropriate training is available to mitigate customer backlash.

With continued financial struggles among many, empathy and consistent communication remain key. Maintaining strong fundamentals can help grow customer affinity. Caring about customers by responding in a timely and accurate manner can help build positive relationships as well as help build the brand and reputation of Hydro Ottawa in the future.

UtilityPULSE
David Malesich
david@utilitypulse.com
January 2025

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

UtilityPULSE is uniquely positioned to help your utility get feedback from Customers through its Annual Electric Utility Customer Satisfaction Survey or customized research designed for you. In addition, we understand what it takes to create an organization where employees are engaged and enthusiastic about customers and their work.

We're the only research company with 25 continuous years of producing an independent Ontario and National benchmark.

Anyone can collect and present data – we believe understanding the industry before doing so is crucial.

Contact us when experience, expertise, and high standards are essential for your next customer engagement activity. We promise to listen to your needs and design and delivery a customer engagement activity or survey which meets your needs.

Your personal contact is:

David Malesich

Phone: (647) 274-9420 E-mail: david@utilitypulse.com

Hydro Ottawa

Electric Utility Large Customer Satisfaction Survey





The primary objective of the Electric Utility Customer Satisfaction Survey is to provide information to support discussions about improving customer care at every level in your utility.

The UtilityPULSE Report Card® and survey analysis in this report are intended to capture the state of mind or perceptions about your customers' need and wants – the information in this report will help guide your discussions for making meaningful improvements.

This survey report is privileged and confidential material, and no part may be used outside of Hydro Ottawa without written permission from UtilityPULSE Inc.

All comments and questions should be addressed to:

UtilityPULSE Inc.

David Malesich
President
david@utilitypulse.com

Survey Observations & Insights

According to recent data, the Canadian private industry sector has experienced relatively slow growth compared to the public sector. The Bank of Canada says that economic growth in Canada is projected to rise to around 1.8% in 2025 and 2026, outpacing potential output. Inflation is expected to remain close to the Bank of Canada's 2% target (Monetary Policy Report, Bank of Canada, January 2025).

Despite inflation rates returning to normal, large commercial customers have continued to be mindful of costs and we expect this will continue in 2025. Their goal is to grow the top line (revenues) and must always look deeply at the operations side of the business and find ways to reduce expenses.

Like with small commercial and residential customers, while customer expectations are always changing and often increasing, the fundamentals continue to remain core opportunities for LDCs to keep all customer types satisfied. They expect excellent customer service, reduced outages, and reliable electricity. Customers want to know they have been heard, they have reasonable access to services, and, their LDC is pro-actively communicating – especially during emergency situations.

As society becomes more complicated and complex, the opportunities for failure increase. A key to healthy relationships with customers is to be trusted, trustworthy and credible. Power reliability is causing a general negative halo preventing even better overall impressions and performance. Credibility and trust ratings are weaker among those who experienced various issues and those who believe that outages are increasing. Like

all customers, large commercial customers will be less happy with Hydro Ottawa when they don't feel like their power supply is reliable or consistent or when they are experiencing other issues.

		OUTAGE ISSUE		BILLING ISSUE		OTHER ISSUE		OUTAGE MOMENTUM		
	TOTAL	Yes	No	Yes	No	Yes	No	Dec-rease	Same	Inc-rease
	(n=116)	(n=50)	(n=66)	(n=17)	(n=99)	(n=8)	(n=108)	(n=8)	(n=87)	(n=12)
Credibility & Trust Rating	**86%**	84%	88%	83%	87%	90%	86%	95%	87%	83%

Base: total respondents (note small sample sizes)

Moreover, large commercial customers who do not feel well served by the electricity system in Ontario are also more likely to have lower trust in Hydro Ottawa.

		SECTOR CONFIDENCE					
	TOTAL	Agree NET	Agree strongly	Agree somewhat	Disagree NET	Disagree strongly	Disagree somewhat
	(n=116)	(n=109)	(n=32)	(n=77)	(n=6)	(n=6)	(n=0)
Credibility & Trust Rating	**86%**	87%	95%	84%	70%	70%	--

Base: total respondents (note small sample sizes)

Keep in mind that the Killer B's, bills and blackouts, remain primary sources of dissatisfaction and financial worries are only exacerbating customers' negative perceptions (even if they are not based in reality). Bills and payments are increasing outside of the utility world, which is increasing the "worry" factor. The reality is that erosion of trust in institutions in other sectors is also contributing to the worry and angst factor your customers

are experiencing. Survey respondents are looking through the lens of costs, more specifically affordability, but so far they continue to be satisfied with the overall operation and the image of Hydro Ottawa.

Issues: Billing and Blackouts, the "Killer B's"



The reliable and efficient delivery of electricity to businesses is an essential service – especially during the professional challenges of the past couple of years. Large commercial customers can be comforted by the fact that standards for keeping the lights on and getting them up and running quickly have not deteriorated. More Hydro Ottawa large commercial key account customers are reporting outages in the past 12 months than are in the cohort average (although only a small sample size of 11 key accounts were surveyed). Actively communicating with customers during these times will limit adverse impacts.

Problems: Blackouts

Percentage of Respondents indicating that they had a Blackout or Outage problem in the last 12 months				
	Hydro Ottawa	**Key Accounts**	**Non-Key**	**Cohort Average**
2024	43%	55%	42%	31%

Base: total respondents (note small sample size of n=11 for key accounts)

Inaccurate bills cause angst and, in some cases, anger, which is why accurate billing remains an important service imperative for all utilities. Compared to national and provincial benchmarks, Hydro Ottawa customers are experiencing more billing issues than the cohort average. There is a strong need to communicate any changes in pricing and various financial support options.



Problems: Billing issues

Percentage of Respondents indicating that they had a Billing problem in the last 12 months				
	Hydro Ottawa	Key Accounts	Non-Key	Cohort Average
2024	15%	9%	15%	12%

Base: total respondents (note small sample size of n=11 for key accounts)

Customer Service

Large commercial customers are more concerned about outcomes and want their issues, problems, or concerns to be dealt with in a professional, knowledgeable, and timely manner. Respondents were asked about six aspects of their more recent experience. Compared to the cohort average, Hydro Ottawa large commercial customers were about equally satisfied with all key attributes.

Satisfaction with Customer Service		
Top 2 Boxes: 'very + fairly satisfied'	**Hydro Ottawa**	**Cohort Average**
The time it took to contact someone	100%	100%
The time it took someone to deal with your problem	88%	85%
The helpfulness of the staff who dealt with you	94%	91%
The knowledge of the staff who dealt with you	94%	94%
The level of courtesy of the staff who dealt with you	100%	97%
The quality of information provided by the staff who dealt with you	88%	86%

Base: total respondents who contacted the utility

The Core Responsibilities

Survey respondents generally gave Hydro Ottawa excellent operational and representative scores. Key accounts, who have experienced more blackouts, are less likely to agree that Hydro Ottawa Provides consistent, reliable electricity.

Core Operational Attributes				
	Hydro Ottawa	Key Accounts	Non-Key	Cohort Average
Provides consistent, reliable energy	89%	84%	90%	89%
Quickly handles outages and restores power	86%	86%	86%	89%
Has accurate billing	87%	95%	87%	88%
Has a standard of reliability that meets expectations	87%	86%	87%	88%
Makes electricity safety a top priority	93%	91%	94%	92%

Base: total respondents with an opinion (note small sample size of n=11 for key accounts)

Customer service quality attributes are generally favourable for Hydro Ottawa and in line with key or better than benchmarks.

Core Customer Service Quality Attributes				
	Hydro Ottawa	Key Accounts	Non-Key	Cohort Average
Customer-focused and treats customers as if they're valued	85%	89%	85%	84%
Deals professionally with customers' problems	88%	89%	88%	88%
Is pro-active in communicating changes and issues	87%	91%	87%	84%
Delivers on its service commitments to customers	89%	93%	88%	89%
Is 'easy to do business with'	85%	91%	85%	86%
Adapts well to changes in customer expectations	81%	86%	81%	81%

Base: total respondents with an opinion (note small sample size of n=11 for key accounts)

Customer Effort & Experience Score™ (CEES)

Customers are time-pressed, and they want transactions related to getting questions answered or solving problems to be easy and fast. Customers dislike non-seamless handoffs when they have to deal with different people or departments to address their issues, and they dislike a slow response to their problem or concern. Customers also dislike “surprises,”; which is why they expect their utility to communicate with them pro-actively and, when needed, be ‘easy to do business with’.

The CEES as a metric is designed to help the organization remain focused on making things easy and fast for customers. The goal is to encourage improvements in all aspects of the customer’s journey from initial contact to completion of the issue. The central idea of CEES is about getting the most from your investments in people and technology.

Hydro Ottawa has rated a Customer Effort & Experience Score (CEES)™ of 46%**.** The cohort average is 43%.

Customer Effort & Experience Score (CEES)			
	Opportunity Range <15%	Good Range 15-34%	Very Good Range 35+%
Hydro Ottawa			46%
Key Accounts			59%
Non-Key Accounts			44%
Cohort Average			43%

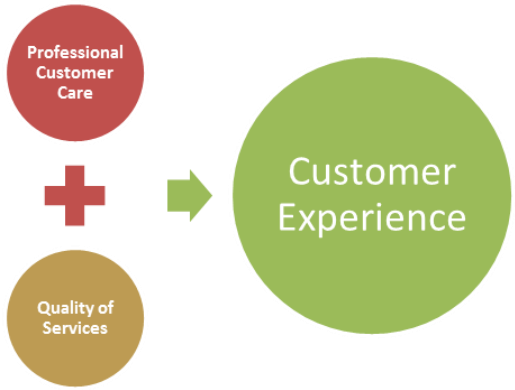
Base: total respondents (note small sample size of n=11 for key accounts); range bands represent 2024 data and can change year-to-year

The Customer Effort & Experience Score™ is about encouraging your people to figure out how to speed up and simplify interactions. It is designed to encourage dialogue with all areas of the business to reduce customer effort. Busy, time-pressed customers consider CEES a bona fide reflection of the business. Most importantly, it has a direct correlation to customer satisfaction, loyalty, and NSS. Our experience suggests that low-effort experiences, i.e., "easy" and "fast," are highly correlated to customer affinity (loyalty). In contrast, high-effort experiences are correlated to low overall satisfaction and low company image.



Customer Experience Performance rating (CEPr)

Every touchpoint with customers on the phone, email, text, website, or in-person influences what customers think and feel about the organization. When an interaction with a customer meets their expectation, the opportunity to build loyalty (affinity) and support is strong. When the experience is a negative one, customers often conclude that the organization doesn't care.



A positive experience today sets up the perception that future interactions will also be excellent.

Customer Experience Performance rating (CEPr)				
	Hydro Ottawa	Key Accounts	Non-Key	Cohort Average
CEPr: all respondents	86%	89%	86%	86%

Base: total respondents (note small sample size of n=11 for key accounts)

The CEPr rating suggests that a very large majority of large commercial customers have a belief that they will have a good to excellent experience dealing with Hydro Ottawa professionals.

From an image point-of-view, Hydro Ottawa received very good scores for the attributes “keeps its promises to its customers and the community” and “overall the utility is easy to do business with”.

Customer Centric Engagement Index (CCEI)

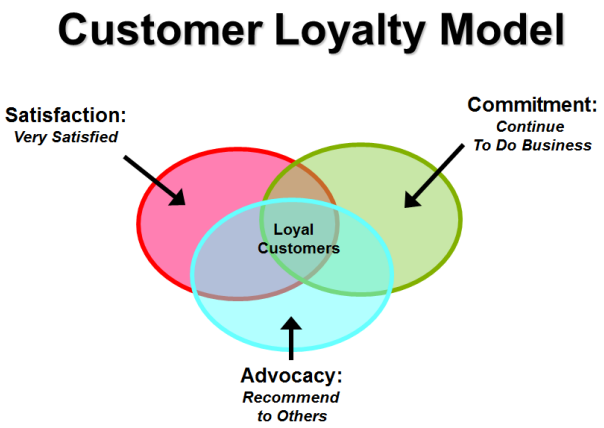
Customer engagement is the emotional connection achieved by the ongoing interactions between a customer and the organization. Highly engaged customers are far more likely to support the LDC as it responds to changes than customers with little-to-no engagement. Highly engaged customers are less likely to complain publicly about disappointing shopping experiences, choosing to resolve issues with the company directly.

Utility Customer Centric Engagement Index (CCEI)				
	Hydro Ottawa	**Key Accounts**	**Non-Key**	**Cohort Average**
CCEI	86%	90%	85%	85%

Base: total respondents (note small sample size of n=11 for key accounts)

Customer Satisfaction

Measuring satisfaction is the bedrock, or starting point, for the creation of loyal customers. One must do the job as expected before there is an opportunity to emotionally connect in a positive way hence the need to focus on the overall customer experience. Customer satisfaction is an effectiveness measure (not an efficiency measure) on the historical relationship or delivery of services to customers.



SATISFACTION SCORES – Electricity customers' satisfaction					
		Hydro Ottawa	Key Accounts	Non-Key	Cohort Average
Top 2 Boxes: 'very + fairly satisfied'	Pre	97%	100%	96%	98%
	Post	95%	100%	94%	97%
Top Box: 'very satisfied'	Pre	45%	64%	43%	47%
	Post	40%	64%	43%	43%

Base: total respondents with an opinion (note small sample size of n=11 for key accounts)

When it comes to the question of satisfaction, UtilityPULSE has designed the survey so that customers are asked twice, once at the beginning – this is to garner first impressions and set the tone for the survey, and again at the end – because now the respondent has context of what is being asked and is more aptly ready to address it in an informed state of mind.

Customer Commitment and Customer Advocacy

It is important to understand how committed your customers are to doing business with you again and how likely they are to recommend you to others. Every utility has an obligation to satisfy its customers. But the rewards for satisfying customers go far beyond “obligation.” Customer satisfaction is the bedrock for creating loyal customers. The two other measures which make the loyalty measure are:

- Customer commitment, i.e., wanting to continue to do business with you
- Customer advocacy, i.e., willing to recommend your organization to others.

Customer commitment is about identifying the number of customers who feel they “want to” vs. “have to” do business with you. Potential benefits of commitment may include positive word of mouth – an important aspect of loyalty. Committed customers have been known to demonstrate several beneficial behaviours; for example, committed customers tend to:



- Come to you when they need a product or service
- Try new initiatives
- Trust your recommendations
- Be more tolerant of bill increases
- Be more receptive of your viewpoints on various issues
- Be more tolerant of errors or issues
- Perceive you as well-managed.

Customer advocacy means that your customers are willing to recommend you to others. If your customers are willing to endorse you and put their reputation on the line to recommend you, they also trust you and are satisfied with the service you are providing.

More large commercial customers feel committed to Hydro Ottawa (88%) than likely to endorse you to other people (85%), and recommend you to others. Encouragingly, scores are on par with key benchmarks.

CUSTOMER COMMITMENT & ADVOCACY SCORES				
	Hydro Ottawa	**Key Accounts**	**Non-Key**	**Cohort Average**
Continue to do business with	88%	93%	87%	89%
Recommend to others	85%	93%	84%	85%

Base: total respondents with an opinion (note small sample size of n=11 for key accounts)

What is the importance of Net Supporter Score™ [NSS] for LDCs?

The NSS is a metric which measures how likely customers could ***support*** policy changes, actions, programs, or service changes or enhancements the LDC wishes to make. The NSS is a metric developed to help the organization, and its people, continue on a path of improving customer experiences, whether those experiences are in-person, over the telephone, online, or a combination. In a nutshell, the NSS reflects the net number of customers who have confidence in the LDC to continue to serve in their best interests.

Hydro Ottawa has a Net Supporter Score™ (NSS) of 20%**.** The cohort average is 43%.

Net Supporter Score™ (NSS)			
	Opportunity Range <10%	Good Range 10-19%	Very Good Range 20+%
Hydro Ottawa			20%
Key Accounts			45%
Non-Key Accounts		17%	
Cohort Average			43%

Base: total respondents (note small sample size of n=11 for key accounts); range bands represent 2024 data and can change year-to-year

What is the importance of Net Promoter Score™ (NPS) for LDCs?

The Net Promoter Score™ (NPS) is a popular metric that measures how likely customers are to recommend a business's products and services. Your NPS score, when compared to the benchmarks, can provide some insight into the affinity level of survey respondents towards your brand image. The NPS metric was developed by and is a registered trademark of Fred Reichheld, Bain & Company, and Satmetrix in 2003.

Hydro Ottawa has a fair Net Promoter Score™ (NPS) of 45%**.** The cohort average is 43%.

Net Promoter Score™ (NPS)			
	Opportunity Range <5%	Good Range 5-24%	Very Good Range 25+%
Hydro Ottawa			45%
Key Accounts			73%
Non-Key Accounts			42%
Cohort Average			43%

Base: total respondents (note small sample size of n=11 for key accounts); range bands represent 2024 data and can change year-to-year

Loyalty Groups – Customer Affinity

Customer loyalty (affinity) is an intangible asset with positive consequences or outcomes associated with it, no matter the industry. Data shows that "Secure" customers have fewer outages and billing issues than "At Risk" customers, i.e., those that hate the utility. In private industry, loyalty is a behavioural metric; in a monopoly, it is an attitudinal metric.

Customer Loyalty Groups				
	Secure	**Favorable**	**Indifferent**	**At Risk**
Hydro Ottawa	28%	34%	29%	9%
Key Accounts	45%	36%	18%	0%
Non-Key Accounts	27%	33%	30%	10%
Cohort Average	30%	28%	38%	4%

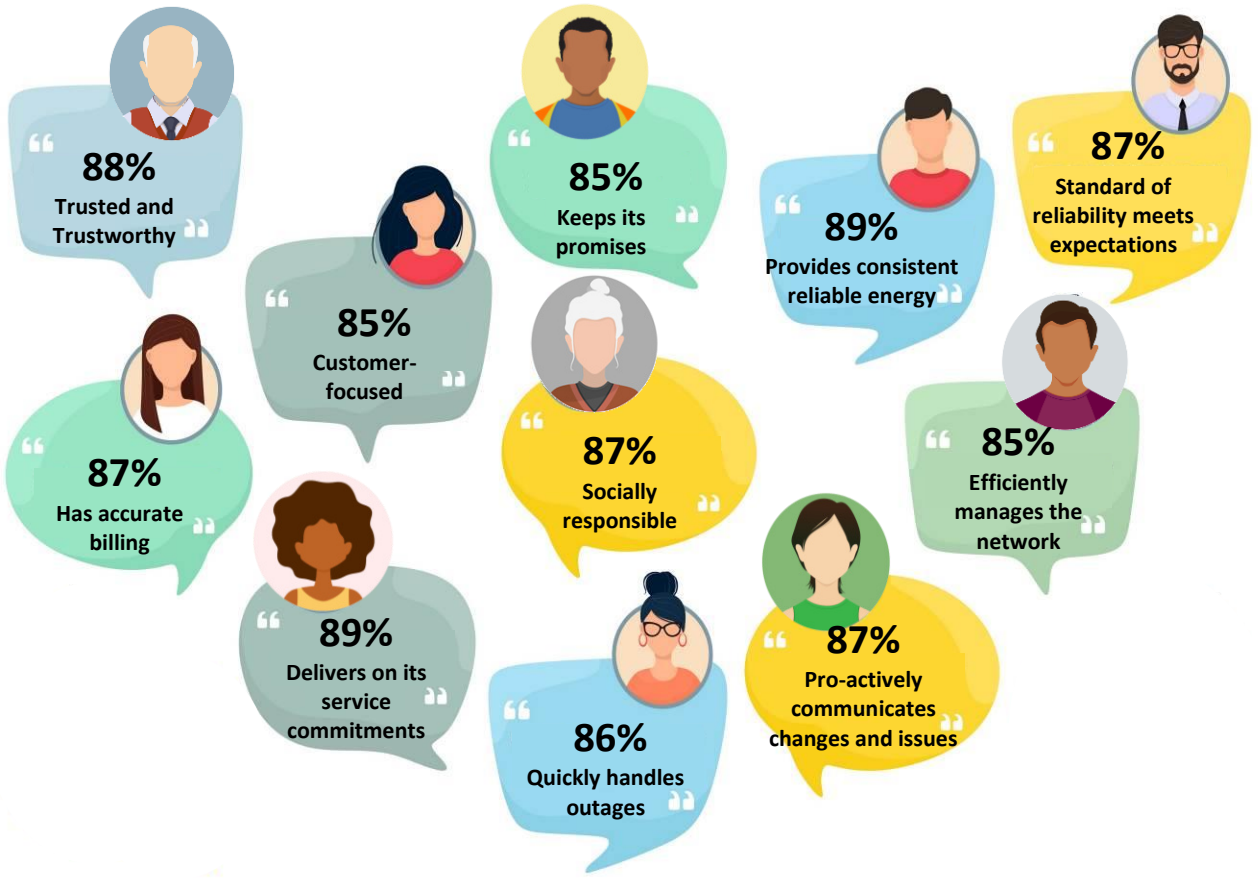
Base: total respondents (note small sample size of n=11 for key accounts)

Credibility & Trust Index



In a world with heightened unknowns, people will look for credible organizations that can be trusted. 88% of large commercial respondents believe that Hydro Ottawa is trusted and trustworthy. 85% report that Hydro Ottawa keeps its promises. Your Credibility & Trust score is 86%, while the cohort average sits at 86%.

Overall, Hydro Ottawa Scores remain high, which is very encouraging; for example, Hydro Ottawa's satisfaction score is 97% (pre-measure) and 88% say that they will continue to do business with Hydro Ottawa.



UtilityPULSE Report Card®

The purpose of the UtilityPULSE Report Card is to provide electric utilities with a snapshot of performance – on the criteria customers deem to be important.

Hydro Ottawa's UtilityPULSE Report Card®					
Category		Hydro Ottawa	Key Accounts	Non-Key	Cohort Average
1	**Customer Care**	B+	A	B+	B+
	Price and Value	B+	A	B	B+
	Customer Service	A	A	A	A
2	**Company Image**	A	A+	A	A
	Company Leadership	A	A	A	A
	Corporate Stewardship	A	A+	A	A
3	**Management Operations**	A	A	A	A
	Operational Effectiveness	A	A+	A	A
	Power Quality and Reliability	A	A	A	A
	OVERALL	A	A	A	A

Base: total respondents (note small sample size of n=11 for key accounts)

Numbers at a Glance for 2024

	Hydro Ottawa	Key Accounts	Non-Key	Cohort Average
Customer Satisfaction: Initial	**97%**	**100%**	**96%**	**98%**
Customer Satisfaction: Post	**95%**	**100%**	**94%**	**97%**
Customer Advocacy	**85%**	**93%**	**84%**	**85%**
Customer Commitment	**88%**	**93%**	**87%**	**89%**
Customer Experience Performance Rating (CEPr)	**86%**	**89%**	**86%**	**86%**
Customer Centric Engagement Index (CCEI)	**86%**	**90%**	**85%**	**85%**
Credibility & Trust Index	**86%**	**90%**	**86%**	**86%**
UtilityPULSE Report Card©	**A**	**A**	**A**	**A**

Your survey was conducted from October 23 – November 29, 2024 and is based on 116 telephone and online surveys with large commercial customers who pay or look after the electricity bill. In addition, survey findings for Hydro Ottawa are enhanced with the inclusion of data from the cohort average of all large commercial surveys conducted.

We recommend everyone at Hydro Ottawa remain professional and continue to treat large customers with respect, empathizing with their potential concerns about company costs. Worry can easily turn into frustration and then anger, but we have seen that positive customer service interactions can help limit the potential adverse impact of key issues.

Upset or angry people are more critical and they will look for behaviours which reinforce or validate their negative view. It is more important than ever to ensure every interaction with a customer is an excellent one. Demonstrating understanding through active listening is a good start. Large commercial customers, in particular, want to be responded to in an expedient manner or frustrations may start to build. A well-trained customer service team can reflect a positive company image.

The number one suggestion for improvement remains “better prices”. Price will always be top of mind for all customer types. They will ultimately take out their frustrations on everything that has a cost associated with it, including their utilities. But, keep in mind that customers also expect reliable electricity and become frustrated with outages. They already have enough on their plates and are dealing with many other worries like the ability to pay their bills. More disconnects are likely over the next few years and utilities need to be prepared on how best to deal with this and ensure appropriate training is available to mitigate customer backlash.

With continued financial struggles among many, empathy and consistent communication remain key. Maintaining strong fundamentals can help grow customer affinity. Caring about customers by responding in a timely and accurate manner can help build positive relationships as well as help build the brand and reputation of Hydro Ottawa in the future.

UtilityPULSE
David Malesich
david@utilitypulse.com
January 2025

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

UtilityPULSE is uniquely positioned to help your utility get feedback from Customers through its Annual Electric Utility Customer Satisfaction Survey or customized research designed for you. In addition, we understand what it takes to create an organization where employees are engaged and enthusiastic about customers and their work.

We're the only research company with 25 continuous years of producing an independent Ontario and National benchmark.

Anyone can collect and present data – we believe understanding the industry before doing so is crucial.

Contact us when experience, expertise, and high standards are essential for your next customer engagement activity. We promise to listen to your needs and design and delivery a customer engagement activity or survey which meets your needs.

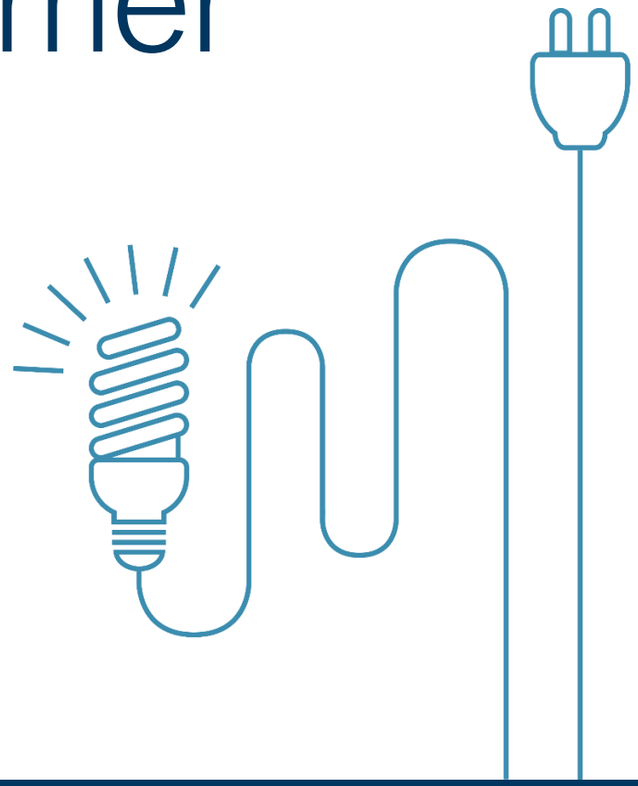
Your personal contact is:

David Malesich

Phone: (647) 274-9420 E-mail: david@utilitypulse.com

INNOVATIVE RESEARCH GROUP

National Electricity Customer Satisfaction Report



HydroOttawa

January 2024

:: FINAL REPORT ::

STRICTLY CONFIDENTIAL

2023 National Electricity Customer Satisfaction Report Confidentiality

This report and all of the information and data contained within it may NOT be released, shared or otherwise disclosed to any other party, without the prior, written consent of Hydro Ottawa and the consent of the other Electricity Canada members included in this Report.

In addition and without limitation, comparative information besides company specific and corresponding national comparative results cannot be released in any public forum (such as company websites, regulatory proceedings, press releases or annual reports) without the consent of the companies or jurisdictions to which you are comparing.

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Key Findings

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More engagement on Energy Transition helps Hydro Ottawa post higher overall satisfaction

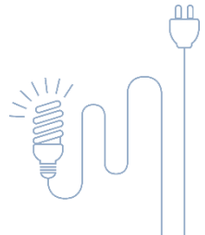
1. **Ottawa is different.** The national results show that the average Canadian is not very well informed about the energy transition and is torn on how utilities should move forward with energy transition – whether utilities should postpone investments or to invest proactively to reduce emission. However, for Hydro Ottawa, they are much more knowledgeable and 3-to-2 more likely to support taking actions to reduce emissions.

2. **Satisfaction with Hydro Ottawa and the Customer Satisfaction Index (CSI) continue a gradual upward trend.** Since 2021, the portion of customers saying they are "very satisfied" with Hydro Ottawa has been on the rise (from 25% in 2021, to 32% in 2022, and 36% in 2023). The CSI score also trends upwards steadily since 2021.

3. **Hydro Ottawa sees a significant increase in Net Promoter Score (NPS).** The size of the increase leads to a positive NPS for the first time. It also surpasses the provincial and the national averages.

4. ***Customer Focus* is the top driver of customer satisfaction.** All Customer Focus metrics have either improved or held stable year-to-year. Most notably, "*caring about its customers*", "*being transparent*", and "*consulting with customers before making decisions*" see a 4% to 6% point-gain in those who say they are *very satisfied*.

5. **Despite a relatively less challenging political environment for Hydro Ottawa, customers are experiencing greater financial strain.** The opposing shifts in the broader context offset each other. While a greater number express satisfaction with the provincial government's management of the electricity system, within this larger cohort, there is less satisfaction with the utility. Moreover, a larger percentage of customers who believe their bills significantly impact their finances express higher satisfaction with the utility.



Update on Core Benchmarks

Distributor Satisfaction

- The intensity of the satisfaction with Hydro Ottawa is up year-to-year (from 32% to 36%), continuing to surpass the provincial and national averages (both at 29%).
- Most performance metrics have either shown an improvement or held steady. Metrics that see a substantial gain include *protecting public safety*, *caring about its customers, providing energy conservation programs*, *being transparent*, and *consulting with customers.*
- Hydro Ottawa exceeds the provincial and national averages on 10 of the 12 metrics, but it underperforms on the remaining 2 metrics (*good corporate citizen* and *being a well-managed company*).

Reliability & Power Quality

- A marginally smaller portion of the customers report encountering two or more outages in the past 12 months (from 51% to 48%). While the trend is down marginally, the recall surpasses the Ontario (37%) and the national (44%) averages.
- Satisfaction with most reliability measures is stable. However, *providing timely and accurate information about outages* sees an increase, up 4 points, and *providing reliable electricity service* is down 4 points.
- Hydro Ottawa exceeds both the provincial and national averages across all reliability and power quality specific metrics.

Planned Outages

- The portion of customers who encountered a scheduled outage remains consistent year-over-year (both at 22%). The share of customers who recalled receiving advance notices is up marginally (from 70% to 73%). However, among those who recalled receiving advance notices, the intensity of the satisfaction with the communications is down marginally (from 46% to 40%).
- Comparing to the provincial and national samples, Hydro Ottawa customers are as likely to recall experiencing a planned outage as the average Ontarian (23%) but are less likely to recall it than the national average (29%).
- Hydro Ottawa customers are as likely to recall receiving advance notices from the utility as the Ontario and national averages. They are more satisfied with the communication than the averages.

Billing & Payment

- While Hydro Ottawa's e-billing adoption rate is similar year-over-year (both at 84%), it surpasses the Ontario (51%) and national (58%) averages.
- 2 of the 4 billing and payment metrics stay largely the same as last year. For the remaining 2 metrics, *providing convenient options to pay my bill* sees a small positive change (+3 pts). On the other hand, *providing accurate bills* sees a small drop (-2 pts).
- Despite the year-to-year change, Hydro Ottawa performs better than the provincial and national averages on all billing and payment metrics.

Update on Core Benchmarks (cont'd)

Communications

- The intensity of the satisfaction with overall communication is up marginally (from 30% to 33%). It outperforms the provincial and national averages (both at 31%).
- When compared to other service providers, Hydro Ottawa has a similar performance as last year.
- When compared to the Ontario and national averages (both at 29%), a much larger portion of Hydro Ottawa customers say their utility is better than the other service providers (39%).

Price

- Customers' satisfaction with value for money is consistent year-over-year (from 11% to 12%). They are more satisfied with the value for money than the Ontario and national averages.
- Although customers' satisfaction with price trends upwards (from 6% to 10%), customers are less satisfied with the price they pay than the Ontario (14%) and national (15%) averages.
- Those who 'strongly agree' that the bill has an impact on their finances is flat, but more say 'somewhat agree' year-to-year. Generally, Hydro Ottawa customers (9%) are less financially stressed than Ontario or the national average (both at 15%).

Utility as Advisor

- About 1-in-3 customers would definitely/are very likely to ask Hydro Ottawa for advice/seek information on energy conservation and efficiency programs. This is on par with the Ontario (36%) and national (37%) averages.
- Marginally more customers say they would ask Hydro Ottawa for advice year-over-year (from 7% to 10%).

Energy Transition

- 3-in-5 (63%) customers say they are familiar with the idea of energy transition, higher than Ontario and national results.
- Half (49%) say Hydro Ottawa should take proactive measures to invest in reducing carbon emission, much higher than provincial and national averages.

Social Permission

- Social permission on price increase continues an upwards trend (from 56% to 61%).
- Whether it's social permission on price increase or that to build infrastructure, Hydro Ottawa's results exceed those of Ontario and the national averages.

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Methodology & Demographics

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Research Overview

The Electricity Canada (formerly known as Canadian Electricity Association) commissioned Innovative Research Group Inc. (INNOVATIVE) to conduct the Electricity Canada's 2023 Annual National Customer* Satisfaction Survey. The focus of this survey is on public attitudes towards the electricity companies that serve them.

Key company-specific (distributor) topics include:

- Overall satisfaction
- Performance metrics
- Reliability and power quality
- Customer experience (*planned outages, billing, and communications*)
- Net Promoter Score
- Utility as Advisor

Other topics include:

- Key satisfaction metrics for transmitters
- Key satisfaction metrics for retailers (in Alberta only)
- Perceptions towards energy transition
- The price of electricity
- Social permission on price increase and to build infrastructure
- Environmental controls (underlying factors – outside a utility's control – that may impact perceptions of electricity companies)

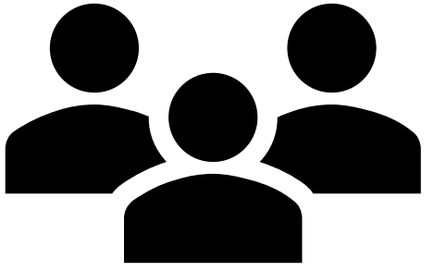
** Results of Hydro Ottawa are from a customer list sample. Approximately 1% of the respondents say they do not receive any electricity bills at the bill format question.*
Results of the regional and national are from a general public sample. Approximately 10% and 9% of the regional and national respondents, respectively, say they do not receive any electricity bills at the bill format question.

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Survey Methodology At a Glance (National)

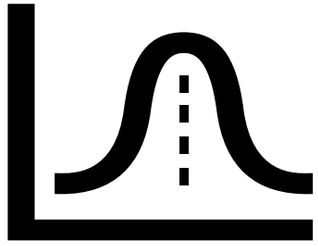
Findings of the survey presented in this report are based on an online survey conducted by Innovative Research Group (INNOVATIVE) for Electricity Canada's 2023 Annual National Public Attitudes Survey.

WHO?



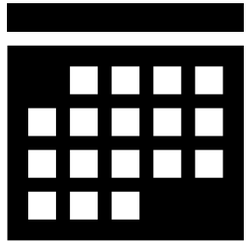
Canadian adults, 18 years or older. Additional oversamples were included upon Electricity Canada's and its members' requests

SAMPLE?



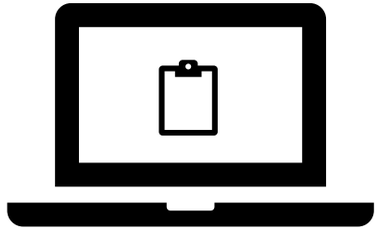
Representative national sample of **1,600** respondents weighted by age, gender, region, education, and language using the latest Statistics Canada Census data

DATE?



October 11th to December 12th, 2023

METHOD?

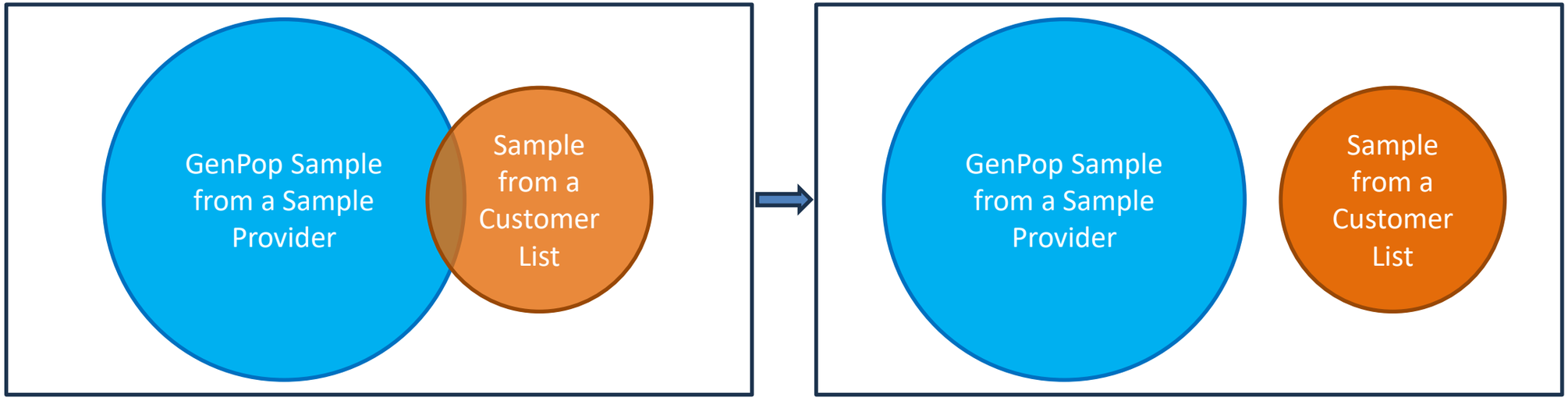


Online survey from representative online panels

INNOVATIVE RESEARCH GROUP

Two Key Changes in National Sample Methodology

1. Recently, more members provided their customer lists to request for additional oversamples within their distribution service territories. Previously when the requests were limited, the national sample had included these customer samples. However, attitudinal differences have been emerging between customer and general public samples. In order to avoid swings due to changes in samples rather than changes in opinions, we are now excluding customer over-samples from the national result.



2. In addition, best practice in weighting online samples has shifted to include weighting by education (along with age, gender, region and language) as online samples tend to skew towards higher education. We are now weighting the national sample by education to provide a more representative sample.

In order to provide a fair comparison of this year's national results to last year's, this report includes two datapoints from last year's data.

- The 2022 national results reported in last year's national report, and
- The 2022 national results with customer lists removed and the remaining national sample weighted by education (along with age, gender, region and language) for comparison to this year's national results.

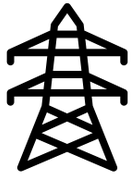
Four Survey Changes

Following a review with members, a few new metrics/questions are added to this year's survey.



1. An alternate wording of measuring likelihood to turn to their utility for advice

"*How likely would you be to seek information from [DISTRIBUTOR] for advice?"* to capture self-serve behaviours, such as visiting a utility's website for information on their own.



2. Perceptions towards Energy Transition

A trade-off question between energy affordability and making investments to reduce emissions to capture support for energy transition.



3. A new measure of transparency: "*Being clear about where my rate dollars are going*"

A potentially a more actionable measure for members.



4. A new measure of competency: "*Being a well-managed company*"

To capture the "second person" brand dimension.

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Sample Quality Checks

Survey respondents can become disengaged, lose interest and give poor answers simply to get through a survey.

To ensure a quality sample, we have taken the following steps in cleaning this year's national data.



1. **Bad respondent check**
   It screens respondents who wrote gibberish in an open-ended question.



2. **Attention check**
   It screens respondents who pay little attention when answering survey questions. The survey uses questions developed based on peer-reviewed academic literature to identify these low-attention respondents.



3. **Speeder checks**
   It screens respondents who speed through the survey as well as are flagged as marginally low-attention.



4. **Acquiescence bias screen**
   This screen is also known as agreement bias. It screens respondents who tend to select a positive response option, be it on a positive or negative question. This is an additional screen added to this year's survey sample.

INNOVATIVE RESEARCH GROUP

Detailed Survey Methodology (National)



The Electricity Canada's 2023 Annual National Public Attitudes Survey is an online survey conducted by Innovative Research Group (**INNOVATIVE**). Data collection occurred between October 11th and December 12th, 2023 among 3,986 Canadian adults (18 yrs or older).

The survey instrument was designed by INNOVATIVE, with input and direction from Electricity Canada members, and made available to respondents in either English or French.

The survey sample was weighted by age, gender, region, education, and language using the latest Statistics Canada Census data to reflect the actual demographic composition of the Canadian adult population. Upon Electricity Canada's request, additional oversamples were included in a number of smaller provinces to provide greater confidence in the data at a sub-regional level of analysis. In the final data, the oversampled regions were weighted down to a representative national sample size of n=1,600.* Tracking results are drawn from previous surveys from 2013** to 2022.

Survey respondents were recruited from a wide variety of sources to reflect the age, gender, regional, linguistic, and educational distributions of the country as a whole. Because this is an online survey, and not a random probability sample, the results cannot be generalized across all Canadians, and we cannot apply a margin of error. INNOVATIVE provided each survey respondent with a unique URL (hyperlink) to the online survey via an email invitation to ensure that only invited respondents were able to complete the survey. Unique URLs were disabled upon survey completion to ensure that invited respondents could only complete their individual survey once.

Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers.

**** NOTE ON WEIGHTING:** The survey data has been weighted by age, gender, linguistic and educational distributions within 30 geographical sub-regions across Canada using the latest Census data. This weighting convention ensures that the survey data is representative at both the national and provincial levels of analysis.*

***** NOTE ON TRACKING:** Reliable tracking from years prior to 2014 is limited to questions that were not impacted by the transition from 1-10 to 0-10 response scales in 2014. Where reliable tracking is available, in some instances it dates back as far as 2009.*

Survey Methodology (Hydro Ottawa)



Hydro Ottawa provided INNOVATIVE with confidential access to its residential customer list in order to survey their customers. The customer list included information on region, language and consumption levels, as well as all available email addresses. The survey followed a random sampling methodology. A random sample were then surveyed.

Respondents were asked to confirm that they receive their electricity bills from Hydro Ottawa. The online survey was fielded from October 11th and December 12th, 2023 among n=1,307 Hydro Ottawa customers.

Since only a subset of the customers on the list have email addresses on file, we cannot apply a margin of error. Having said that, this sample was weighted down to a representative sample size of n=1,000 by region, language and consumption level based on the distributions of all Hydro Ottawa residential customers to produce a representative sample of the customer base.

INNOVATIVE provided each survey respondent with a unique URL (hyperlink) to the online survey via an email invitation to ensure that only invited respondents were able to complete the survey. Unique URLs were disabled upon survey completion to ensure that invited respondents could only complete their individual survey once.

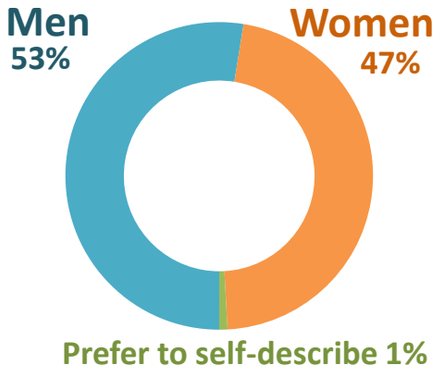
Sample Validation (Hydro Ottawa)

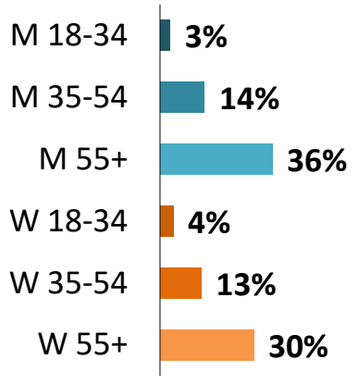
The Hydro Ottawa customer sample has been weighted by region, language, and consumption level in order to be representative of Hydro Ottawa's customer base. The table below summarizes the weighted and unweighted frequencies of the sample.

	Unweighted (n)	Unweighted (%)	Weighted (n)	Weighted (%)
Region				
Casselman	10	0.8%	5	0.5%
Gloucester	201	15.4%	155	15.5%
Goulbourn	76	5.8%	63	6.3%
Kanata	147	11.2%	110	11.0%
Nepean	295	22.6%	199	19.9%
Ottawa	578	44.2%	467	46.7%
Language				
English/Bilingual	1145	87.6%	886	88.6%
French	162	12.4%	114	11.4%
Consumption levels				
Low (0-250 Kwh)	142	10.9%	148	14.8%
Moderate (250-500 Kwh)	415	31.8%	308	30.8%
Average (500-1,000 Kwh)	579	44.3%	410	41.0%
High (>1,000 Kwh)	171	13.1%	134	13.4%

Demographics: Hydro Ottawa Respondent Profile (Customer list-only sample)

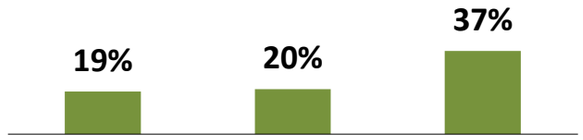
Gender and Age





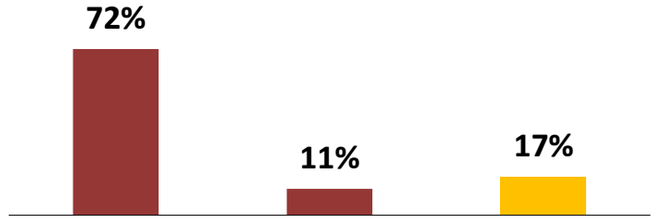
Household Income





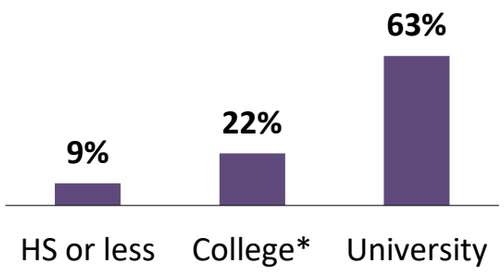
NOTE: 24% Prefer not to say

Mother Tongue



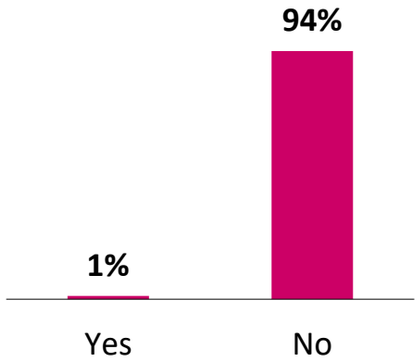
Education





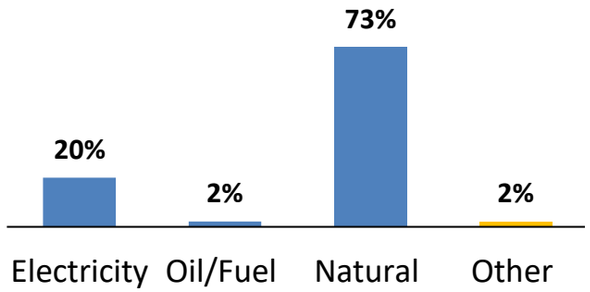
* Includes Diploma and Apprenticeship
NOTE: 6% Prefer not to say

Indigenous Identity



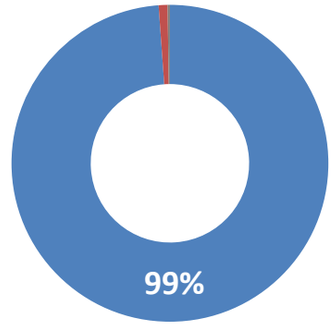
NOTE: 4% Prefer not to say

Primary Home Heating Source



NOTE: 2% Don't know

Billing



Receive bill
Do not receive bill
Don't know

Approach to Tracking

Tracking results are drawn from the previous National Customer Satisfaction Surveys.

In 2017 and 2018, the source of the sample was solely from an online sample provider, not from a Hydro Ottawa's customer list. Respondents who identified Hydro Ottawa as the company from which they receive their electricity bill were considered Hydro Ottawa customers.

In 2021 and 2022, samples from the customer lists were used to complement the general public samples. As such, they were treated as samples from the general public.

This year, the national study made a change to separate samples from the customer lists and the general public samples. Moving forward, samples from the customer lists would not be combined with the general public samples. Samples from the customer lists would be weighted by metrics relevant to electricity customers, such as region, language and consumption in this case. The general public samples would be weighted by census data, such as age, gender, region, language and education.

In order to provide a fair comparison of the utility's performance of this year's results to last year's, this report includes two datapoints of from this year's data.

- The 2023 utility results which combined the customer list sample and the general public sample. The sample was weighted against the census data. The report would use this set of datapoint to compare to last year's results.
- The 2023 utility results with the general public sample removed and the remaining customer list-only sample. The sample was weighted by region, language and consumption. This datapoint is used for comparing the utility results to the regional and national averages. Moving forward, the utility results would be compared to this datapoint.

	2017	2018	2021	2022	2023	
Sample Source	Sample providers		Sample providers + Hydro Ottawa's customer list			Customer list
Unweighted n	515	464	1,327	1,103	1,364	1,307
Weighted n	515	450	1,000	1,000	1,000	1,000

The additional datapoints allow the study to differentiate a change in the results due to a methodological change versus a real change in customer sentiments.

Example Slides

For example, familiarity with the province's electricity system was asked in both the 2023 and the 2022 CSAT surveys.

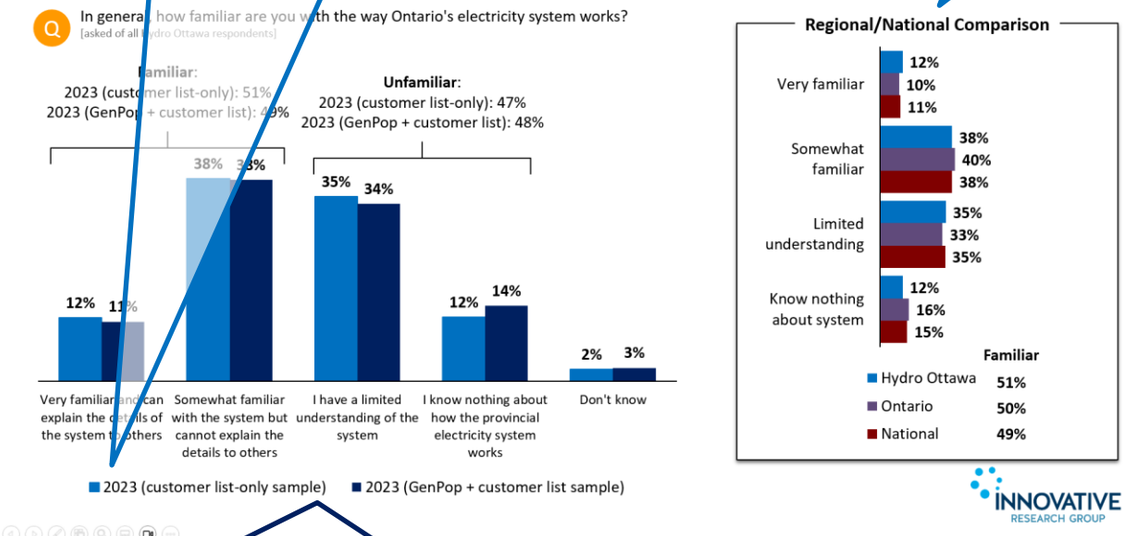
This set of datapoints is from the customer list only. It also has been weighted by region, language and consumption to be representative of Hydro Ottawa's customer base.

These datapoints are also used for comparing to the regional and national averages.

Moving forward, the utility results would be compared to this datapoint.

Familiarity with System: The customer list sample has a slightly higher level of familiarity than that with the general public sample

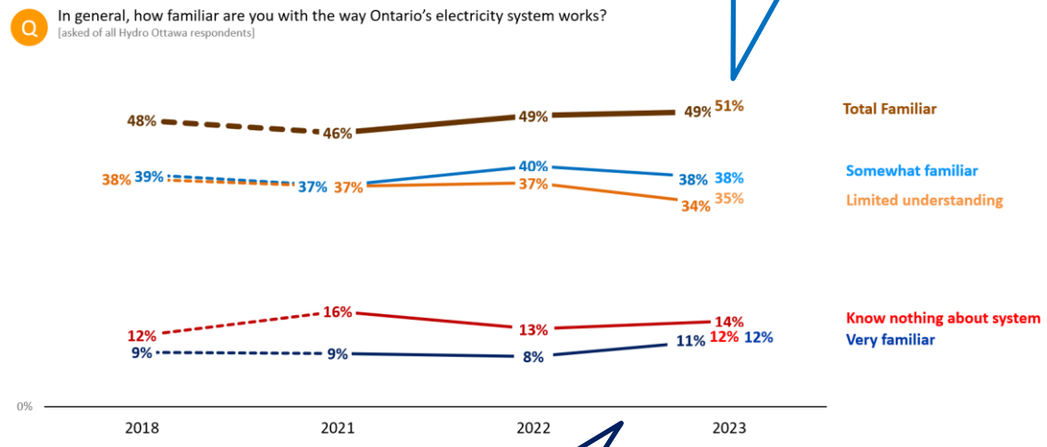
42



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Familiarity with System (Tracking): Familiarity is roughly steady since 2018

43



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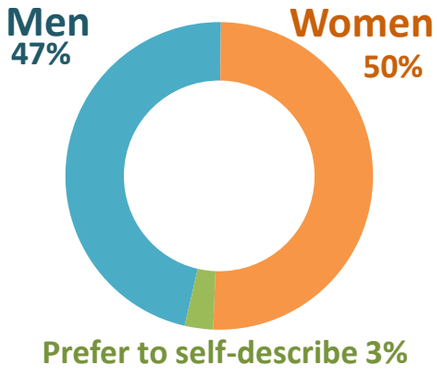
NOTE: "Don't know" not shown.

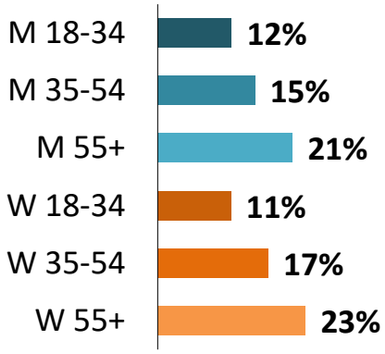
To set the stage for making a comparison to the 2022 CSAT survey, a set of datapoints from this year's data is created. It used the same sampling and weighting approaches as in 2022.

The datapoints with the general public sample can be compared against last year's CSAT survey.

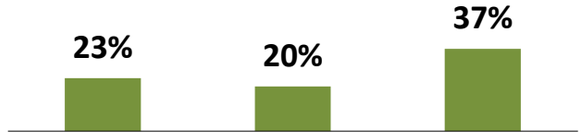
Demographics: Hydro Ottawa Respondent Profile (GenPop + Customer list sample)

Gender and Age



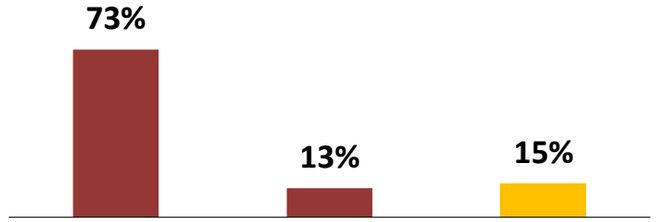


Household Income

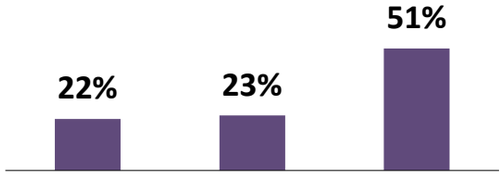


NOTE: 20% Prefer not to say

Mother Tongue

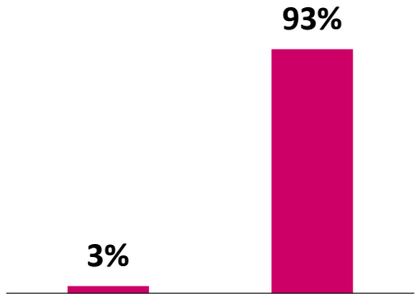


Education



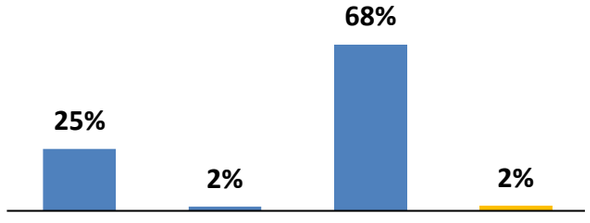
* Includes Diploma and Apprenticeship
NOTE: 4% Prefer not to say

Indigenous Identity



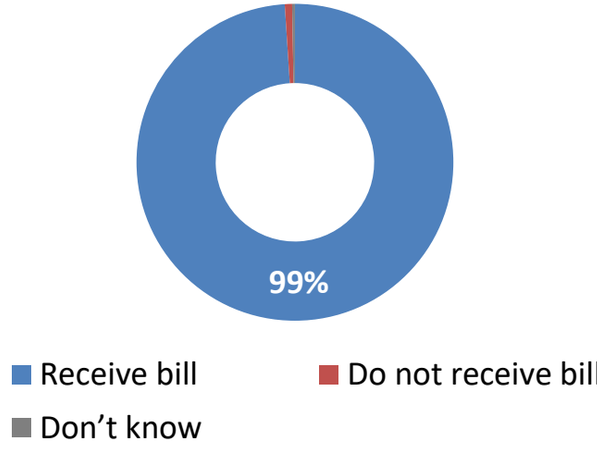
NOTE: 5% Prefer not to say

Primary Home Heating Source



NOTE: 4% Don't know

Billing



Survey Design: *Questionnaire Tracking*

At the beginning of the survey, respondents are asked which company they get their electricity bill from. All survey questions relate back to this company. The company name is inserted into the actual question several times to remind respondents to base their responses on that company.

Survey Section	2023	2022	2021	2018	2017
Overall Satisfaction (with Hydro Ottawa)					
Familiarity with provincial electricity system	X	X	X	X	
In general, how satisfied are you with Hydro Ottawa	X	X	X	X	X
Caring about its customers	X	X	X	X	X
Taking care of any problems the first time you contact them	X	X	X	X	X
Providing online services	X	X	X	X	X
Operating in an environmentally responsible manner	X	X	X	X	X
Protecting public safety	X	X	X	X	X
Being trustworthy	X	X	X	X	X
Being transparent	X	X	X	X	X
Being clear about where the money I pay is going	X				
Providing energy conservation and efficiency programs and information	X	X	X	X	X
Being a good corporate citizen through initiatives such as contributing to community sponsorship programs	X	X	X	X	X
Consulting with customers before making decisions that impact them	X	X	X	X	X
Being a well-managed company	X				
Reasons for contacting Hydro Ottawa in the past 12 months	X	X	X	X	X
Reliability and Power Quality					
In the past 12 months, how many power outages do you recall experiencing at home?	X	X	X	X	X
Providing reliable electricity service, as judged by the number of outages you experience	X	X	X	X	X
Providing timely and accurate information regarding outages	X	X	X	X	X
The amount of time it takes to restore power when power outages occur	X	X	X	X	X
Considering your needs when planning an outage	X	X	X	X	X
The quality of power delivered to you taking into consideration things like flickering or dimming of lights	X	X	X	X	X

NOTE: A red X indicates where question wording was slightly different in prior years

Survey Design: *Questionnaire Tracking (cont'd)*

Survey Section	2023	2022	2021	2018	2017
Planned Outages					
Over the past two years, have you been impacted by any planned outages?	X	X	X	X	
Did Hydro Ottawa proactively communicate with you about the most recent planned power outage that you experienced?	X	X	X	X	
Satisfaction with the way the company communication about planned outage	X	X	X	X	
Billing and Payment					
Format of bill	X	X	X	X	X
Providing accurate bills	X	X	X	X	X
Providing bills that are easy to understand	X	X	X	X	X
Providing convenient options to receive my bill	X	X	X	X	X
Providing convenient options to pay my bill	X	X	X	X	X
Communications					
Overall satisfaction	X	X	X	X	X
Customer experience with Hydro Ottawa compared to that of other service providers	X	X	X	X	X
Utility as Advisor					
Likelihood of asking Hydro Ottawa for conservation/new technology advice	X	X			
Net Promoter Score (NPS)					
Likelihood to recommend Hydro Ottawa	X	X	X	X	
Price					
Satisfied with the price for electricity	X	X	X	X	X
My electricity bill has a major impact on my finances and requires I do without other important priorities	X	X	X	X	X
Satisfied with the value I pay for electricity	X	X	X	X	X
General Attitudes					
Social permission on price increases	X	X	X	X	X
Social permission to build infrastructure	X				
Satisfaction with provincial government management of electricity system	X	X	X	X	X
Energy Transition					
Familiarity with energy transition	X				
Point of view on energy transition	X				

NOTE: A red X indicates where question wording was slightly different in prior years

A Note on Environmental Controls

What are environmental controls?

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Environmental Controls: Uncontrollable External Factors

It is important to distinguish between what is within, and what is outside an electrical utility's influence or control when it comes to drivers of satisfaction.

Perceptions of electricity companies often tend to move with general perceptions of ***provincial government performance in the sector*** rather than in response to the utility itself.

In addition, perceptions of utilities are strongly correlated with **financial circumstances**. In tough times, perception and preference can change because customers are struggling with their bills, not because of anything the company has – or has not – done.

Control questions help distributors distinguish between two factors that impact public perception:

a) utility-driven programs; and

b) uncontrollable external factors.

In this survey, we include two environmental control questions to help capture external phenomena:



Government Performance: *How satisfied are you with the job your provincial government is doing to manage the electricity system?*



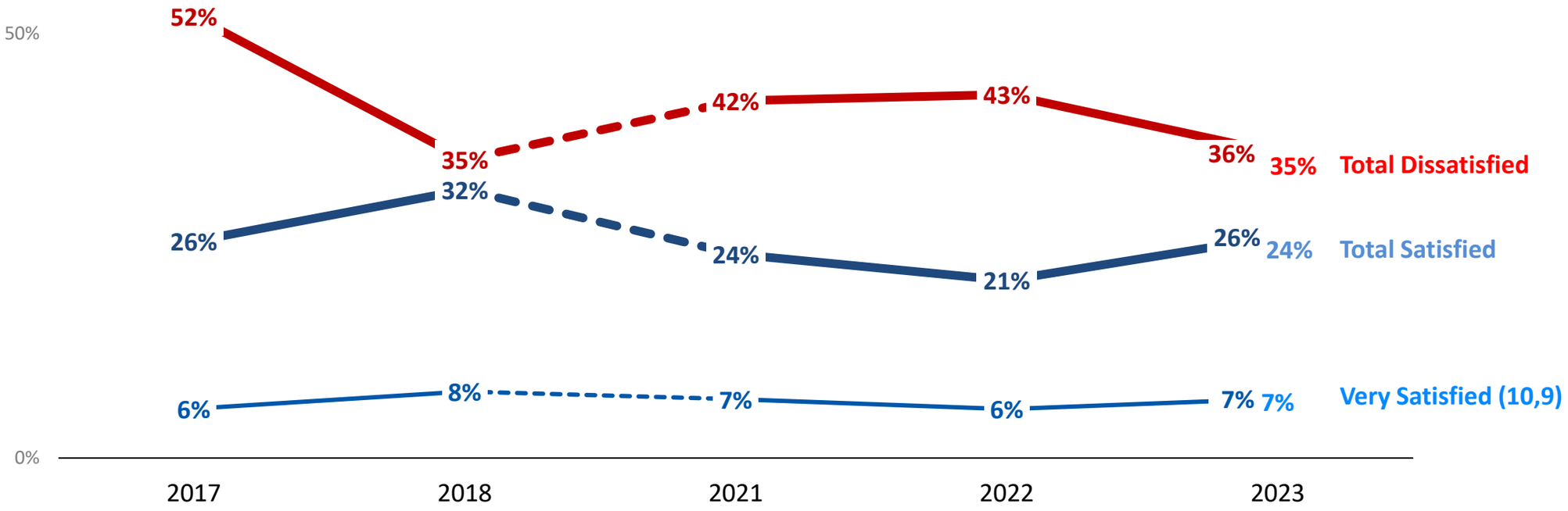
Financial Circumstances: *My electricity bill has a major impact on my finances and requires I do without some other important priorities.*

There is a more in-depth analysis of these environmental controls in the appendix

Gov't Performance (Tracking): The political environment is more favourable to Hydro Ottawa

Q How satisfied are you with the job your provincial government is doing to manage the electricity system? Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.

[asked of all Hydro Ottawa respondents]

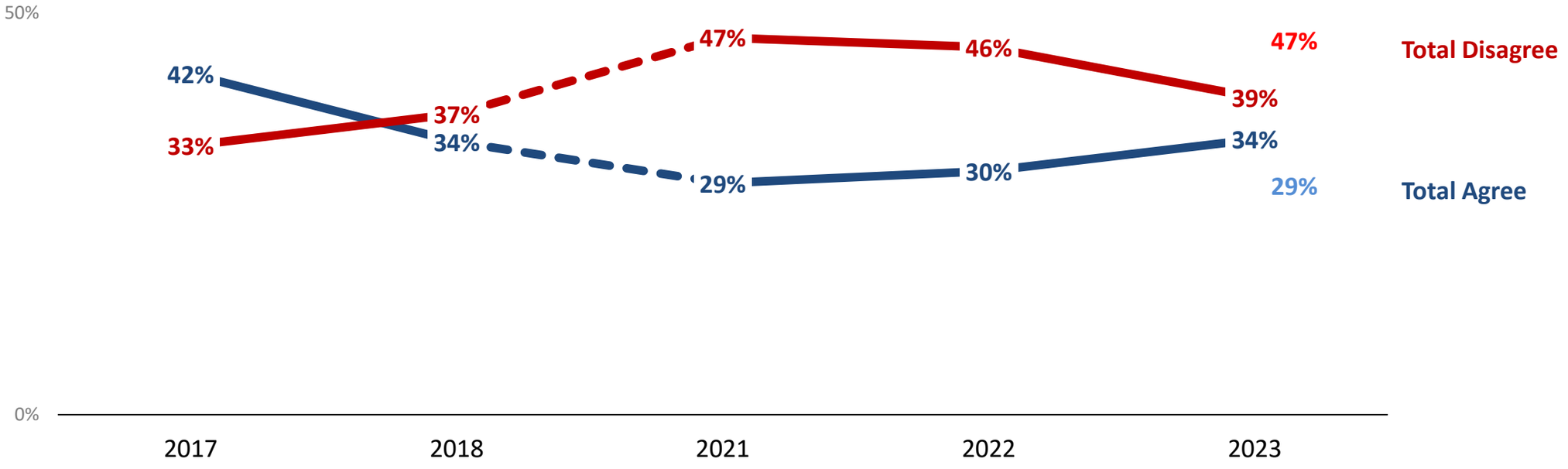


Financial Circumstances (Tracking): Financial circumstances are more problematic for Hydro Ottawa

Q Do you agree or disagree with the following statement:

My electricity bill has a major impact on my finances and requires I do without other important priorities.

[asked of all Hydro Ottawa respondents for tracking purposes, data filtered to show only those who receive a bill; n=989]



STRICTLY CONFIDENTIAL

Customer Satisfaction Index (CSI)

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Customer Satisfaction Index (CSI)

The **Customer Satisfaction Index (CSI)** is a number that summarizes respondents' overall satisfaction with their electricity distributor using an analysis of each performance metric tested.

In 2014, INNOVATIVE updated the methodology used to construct the CSI. In 2017, the calculation methodology was updated again to reflect the survey redesign that occurred that year. This year's study follows the 2017 method that it has adopted since.

Calculating CSI:

1. A ***factor analysis*** finds the true underlying dimensions of customer satisfaction that explain the pattern of responses on the larger set of brand metrics.
    - Factor analysis allows us to find which metrics mean similar things to the public. The use of factor analysis allows us to determine which metrics should be grouped together in order to conduct meaningful analysis.
    - We tested **24 performance metrics** for all electricity companies in the analysis. While each of these metrics seems distinct in important ways to people who are close to the industry, many of these items seem similar to members of the general public. We found that **6 underlying *factors,*** along with 3 additional (standalone) metrics explain most of the variance in the larger set of metrics.
2. We use a ***Shapley Values*** regression analysis to determine the relative contribution of each *factor* to overall satisfaction.
    - *Shapley Values* are a calculation of how much of the variance in overall satisfaction can be explained by each individual factor, after statistically accounting for the fact that some of the factors are correlated with one another.
3. We then take an average of the mean score on each of the *factors,* weighted by their *Shapley Values* to determine the overall **CSI scores**.
4. In keeping with the revised survey and analysis plan, the CSI is now being calculated as a single measure for all electricity companies included in the research.

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Factor Analysis (General Satisfaction): Based on their responses, which metrics mean similar things to the public?

Customer Focus

Core:

- Consulting with customers before making decisions
- Being transparent
- Caring about its customers
- Being clear about where the money I pay is going†

Shared with CSR*:

- Being trustworthy
- Being a good corporate citizen
- Being a well-managed company†

CSR

Core:

- Operating in an environmentally responsible manner
- Providing energy conservation and efficiency programs and information
- Protecting public safety

Shared with Customer Focus*:

- Being trustworthy
- Being a good corporate citizen
- Being a well-managed company†

Quality & Reliability

- Providing reliable electricity service
- The amount of time it takes to restore power
- The quality of power delivered to you

Outage Preparation

- Providing timely and accurate information re: outages
- Considering your needs when planning an outage

Price/Value‡

- Price for electricity
- Value for the price you pay for electricity

Billing Practices

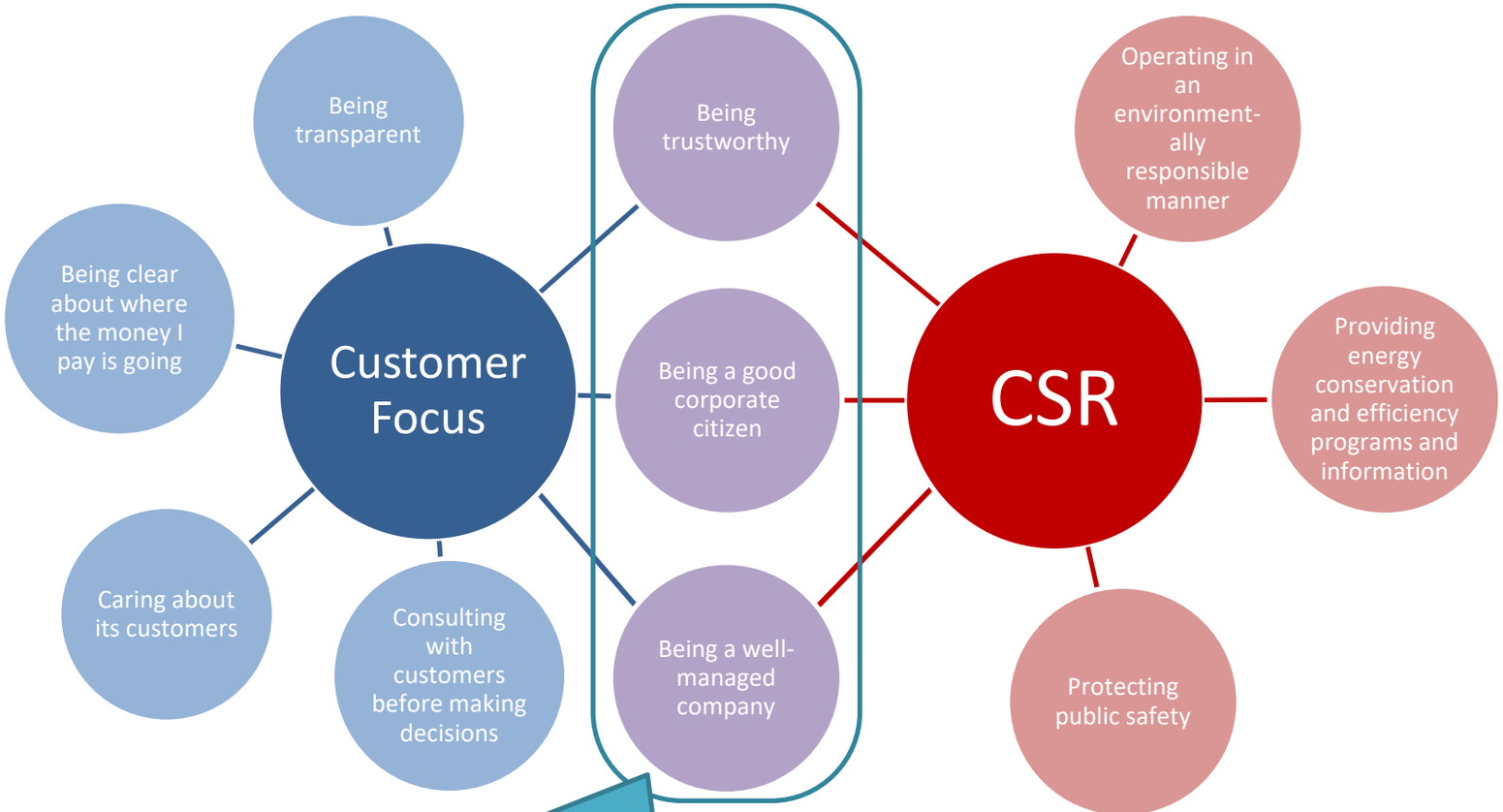
- Providing convenient options to pay my bill
- Providing convenient options to receive my bill
- Providing bills that are easy to read and understand
- Providing accurate bills

Standalones

- Taking care of problems the first time you contact them
- Overall communication
- Providing online services

NOTE: *Shared attributes are those that are equally important to both factors, and are included in each factor index at a 50% weight.
†These are new performance metrics added to the survey since 2023.
‡ Metrics on price and value have been added since 2022.

Similar to last year's findings, Customer Focus and CSR Factors are closely connected as measures of Brand Trust



This year, there are three key performance metrics that are shared between the two factors.

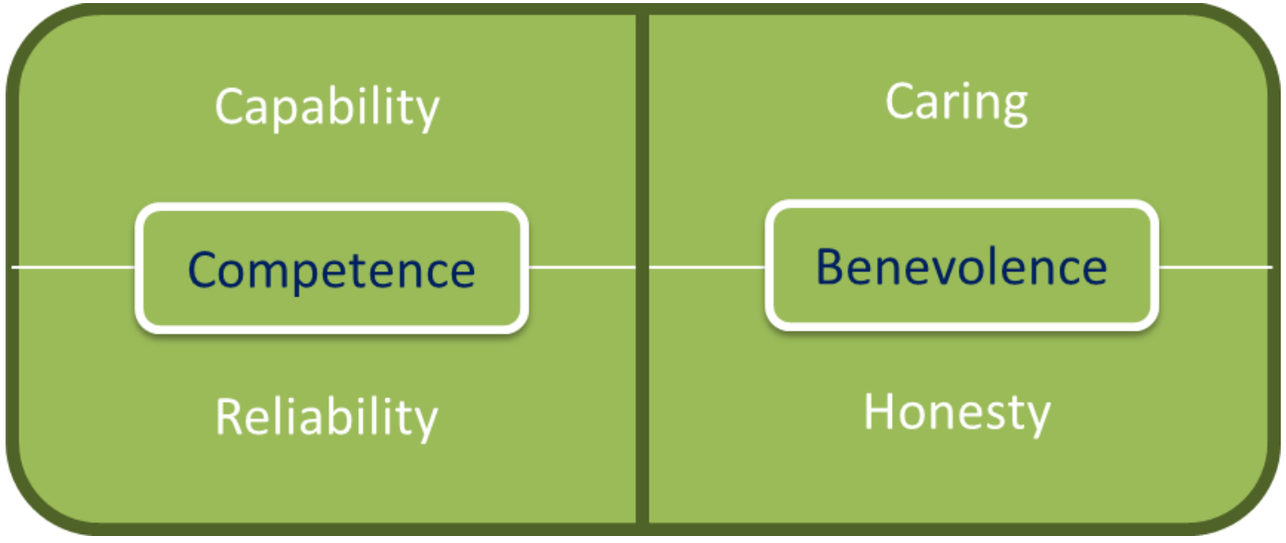
Brand Trust is a core marketing concept. Although the items in the Customer Focus and CSR Factors are CSAT measures, they reflect Brand Trust.

With an increased overlap of the Customer Focus and CSR factors, an overarching dimension of ***brand trust*** has emerged.

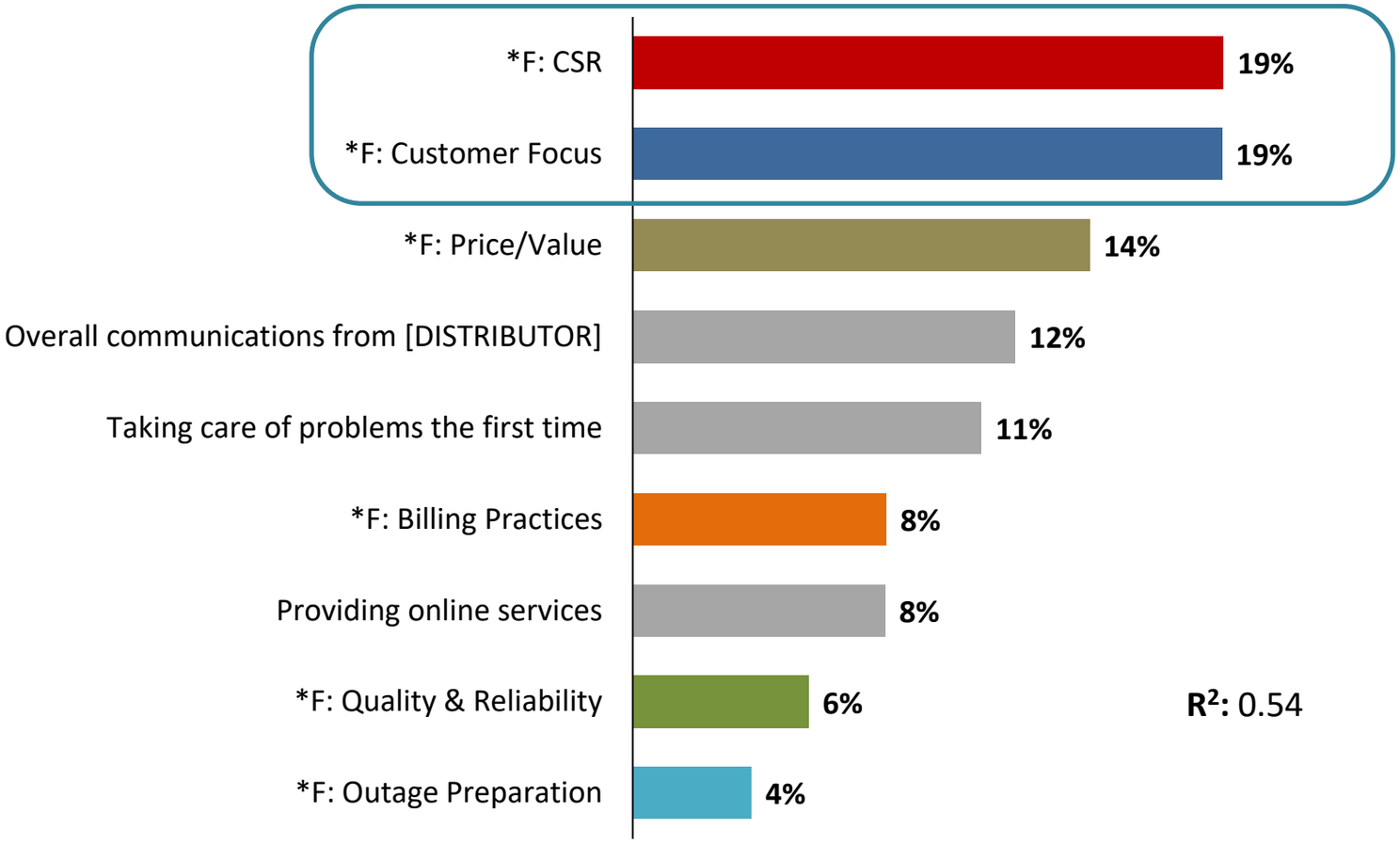
Brand Trust is well documented on marketing literature and includes **multiple dimensions:**

1. Do you **listen** to your customers? Customers want to feel heard.
2. Do you **care** about what your customers say? Customers want to know you care.
3. Do you try to **respond** to your customers' concerns? Customers want to see actions.
4. Do you **consistently respond** to your customers? Customers expect you to do your job well over and over again.

Recognizing the power of Brand Trust in Customer Satisfaction can help inform electricity companies responses.



Shapley Values Regression (National): Relative contribution of each factor to the Customer Satisfaction Index (CSI) according to Shapley Values regression

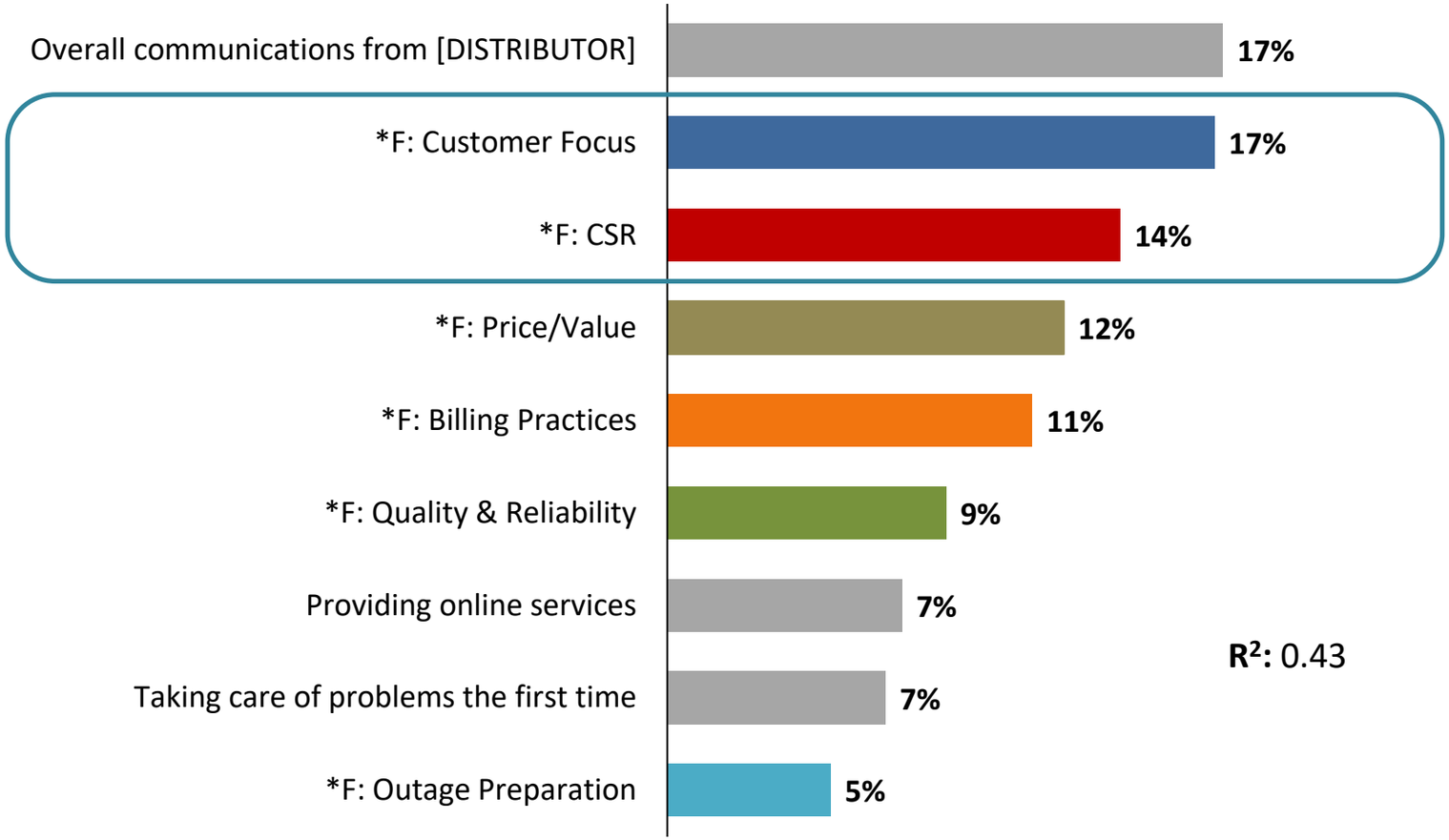


The percentage for each factor/metric shows the contribution of each to the amount of variance being explained by the model (in this case, 54%).

These values are used to create the CSI score.

*F – Denotes what has been identified as a "factor", where multiple metrics are viewed similarly to respondents. All others are standalone metrics.

Shapley Values Regression (Hydro Ottawa): Relative contribution of each factor to the Customer Satisfaction Index (CSI) according to Shapley Values regression



R^2: 0.43

The percentage for each factor/metric shows the contribution of each to the amount of variance being explained by the model (in this case, 43%).

These values are used to create the CSI score.

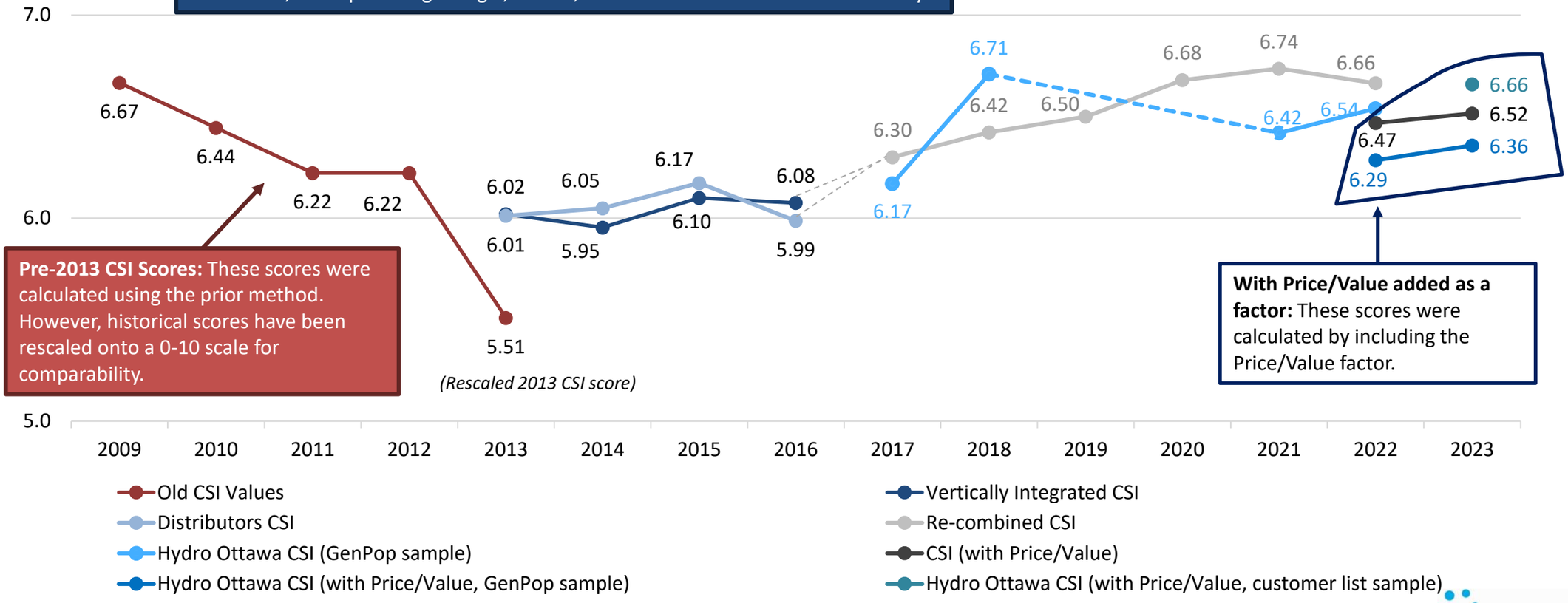
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*F – Denotes what has been identified as a "factor", where multiple metrics are viewed similarly to respondents. All others are standalone metrics.

CSI Tracking: Hydro Ottawa CSI (from 6.29 to 6.36) has trended up, in a similar manner to the national results (from 6.47 to 6.52)

CSI Scores: Since 2014, the CSI has been calculated using a new approach to better represent satisfaction levels. The 2013 CSI was recalculated with the new approach to provide an overlapping tracking year.

As of 2017, a new survey design has allowed us to continue with the new calculation, while providing a single, overall, measure of satisfaction in the industry.



Pre-2013 CSI Scores: These scores were calculated using the prior method. However, historical scores have been rescaled onto a 0-10 scale for comparability.

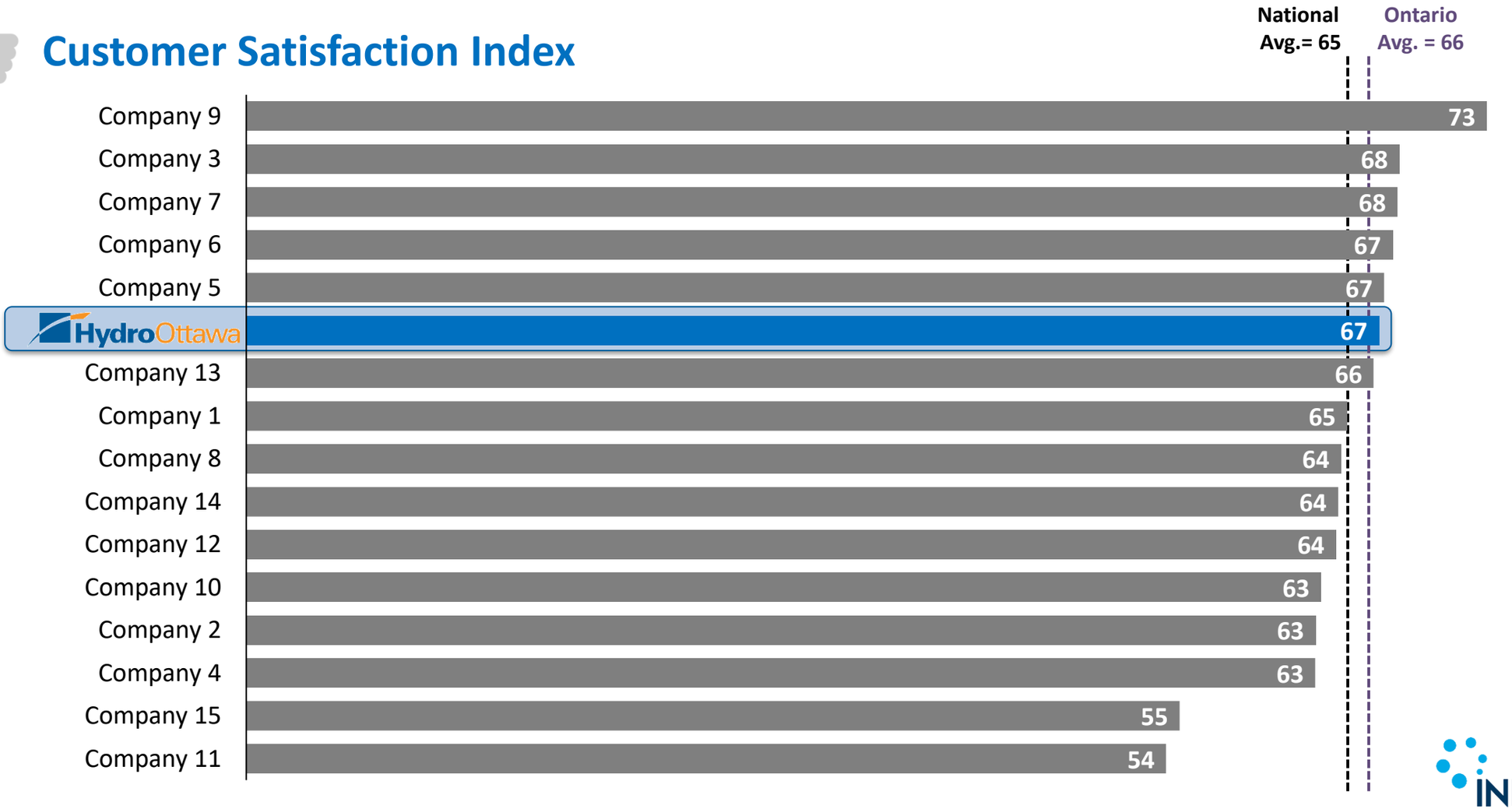
With Price/Value added as a factor: These scores were calculated by including the Price/Value factor.

NOTE: The CSI had been calculated on a 1-10 scale from 2009 to 2013. In order to compare those scores with the current scale of 0-10, CSI scores from 2009 to 2013 have been rescaled to 0-10. For example the 2013 score of 5.51 on a 0-10 scale that is reported here corresponds to the reported score of 5.9 on a 1-10 scale in the 2013 report.

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Benchmarking: Hydro Ottawa (67) is marginally above the Ontario (66) and the national (65) averages

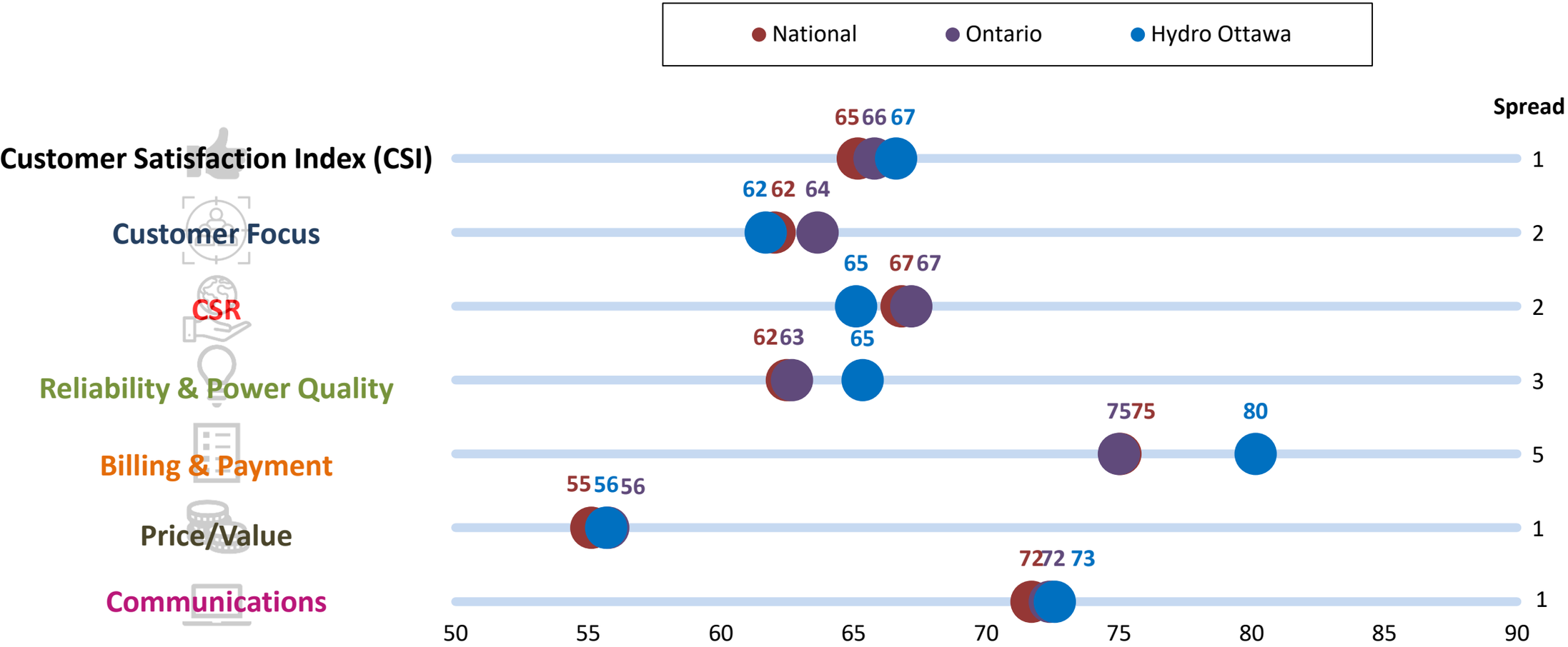
Customer Satisfaction Index



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*** Note**: Only utilities with an unweighted n-size of 100+ are shown.

Hydro Ottawa stands out on operational measures and is similar to the national and provincial averages on all other key measures



NOTE: x-axis has been modified to show the difference between each group (x-axis lower bound = 50, upper bound = 90).

Regional CSI scores are multiplied by 10 for comparison with other metrics on this slide.
"Customer Focus", "CSR", "Reliability & Power Quality", "Billing & Payment", and "Price/Value" represent the mean level of customer satisfaction within those factors.
"Communications" indicates the mean level of customer satisfaction with the overall communication from the utility.

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Action Analysis

What does the data tell us about what to do next?

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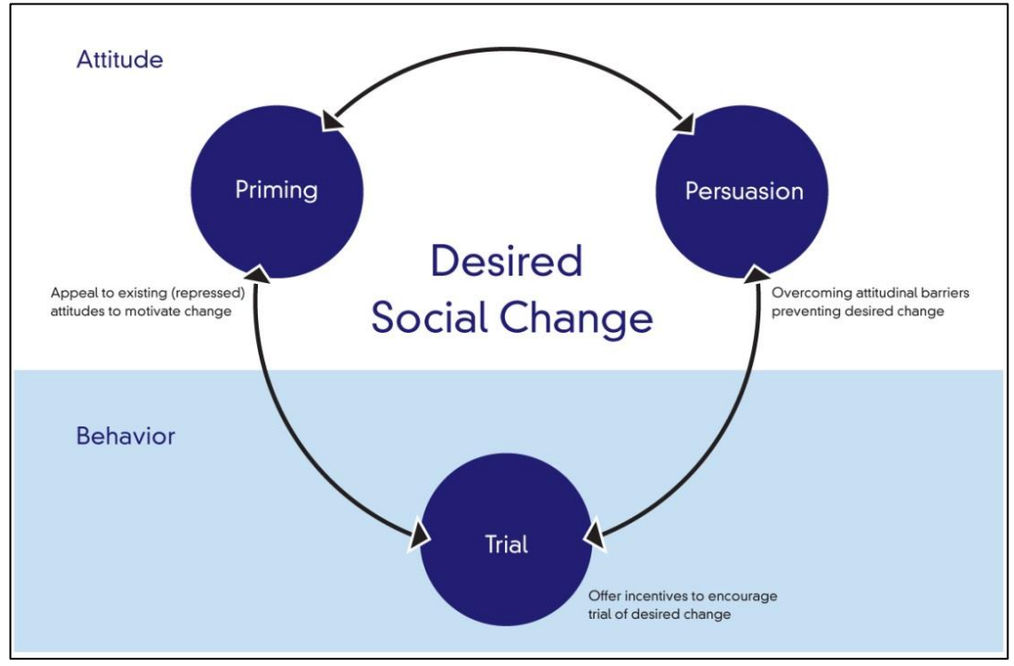
Changing Public Perception: Social Marketing

The concept of social marketing is all about getting people to change their behaviour. Getting a flu shot. Taking precautions when investing. Saving for retirement. Using less electricity. Accepting price increases. **Simply stated, but not simply achieved.**

There are three primary options for opinion change:

- **Persuasion** – Teaching people something they didn't know in order to increase their likelihood of doing the desired action or believing the desired belief.
- **Priming** – Reminding people of something they already know in order to increase their likelihood of doing the desired action or believing the desired belief.
- **Trial** – Getting people to do the desired behaviour so it becomes a habit.

On-going research will provide electricity companies with a framework to assess their target audience to identify the key opinion anchors for priming, the best new information for persuasion, and the most appealing offers for trial.



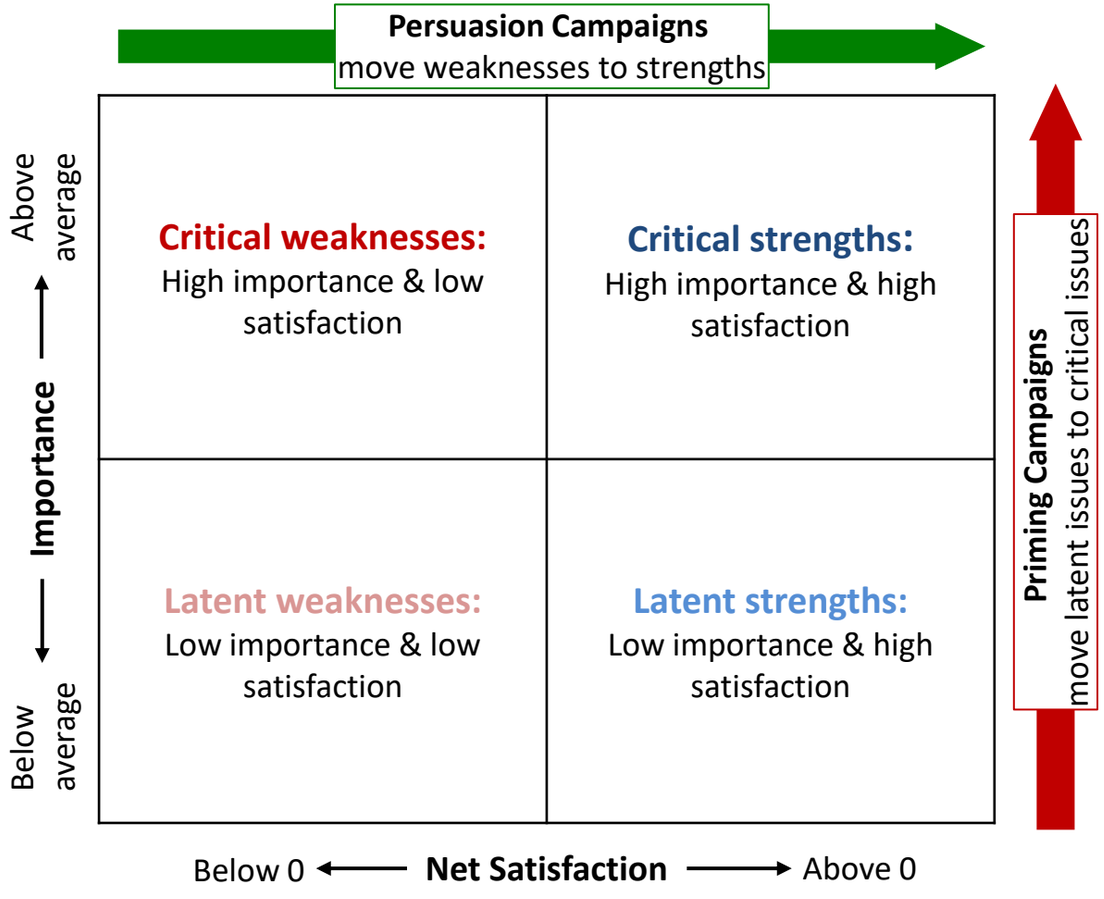
In terms of behaviour, **trial** is best since a change of behaviour is the goal. Trial works best if it is run in parallel with a supportive campaign to change attitudes that conflict with the behaviour.

Persuasion is the next best since persuasion results in permanent behaviour change.

Priming is often the least effective for long term change since once the campaign is over, the priming effect quickly fades. But if priming is sustained long enough to establish new habits, the change can be permanent.

Combining Importance & Satisfaction: Priming and Persuasion

Once we understand what factors underlie each brand, we can examine how levels of overall satisfaction on each factor compare to their level of importance. The satisfaction scores shown below are net satisfaction while the level of importance is calculated using a *Shapley Values* regression as detailed in the previous section.

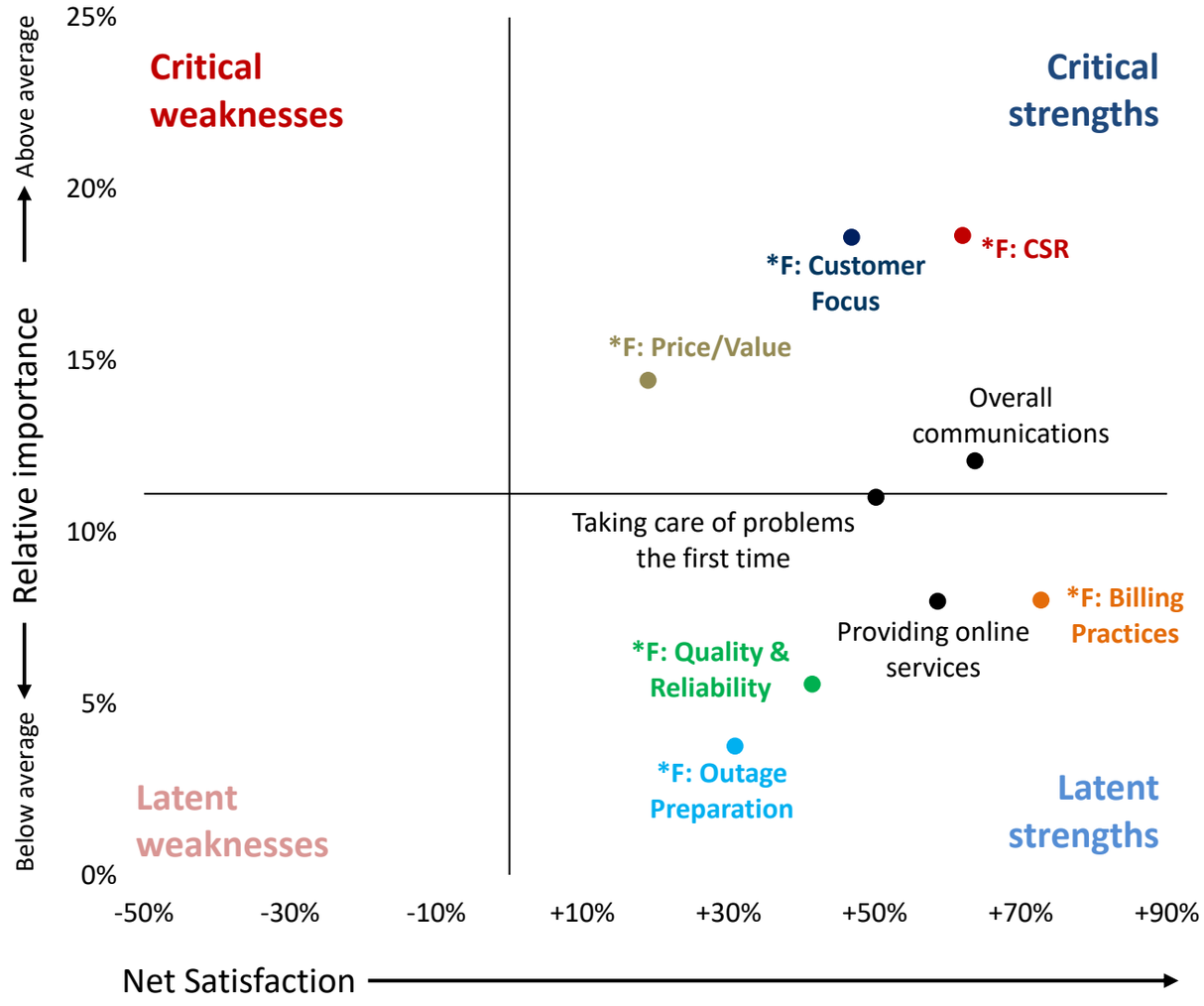


Improving the importance of a metric is best approached through *Priming*. This means moving it away from being a *latent strength* towards being a *critical strength*. Priming aims to influence people's thought processes and decision-making by activating specific associations in their minds without explicitly persuading them to take a stance. It is about raising the salience of a metric. It is usually executed through advertising and the media. While the cost is lower than a persuasion campaign, the downside is that once the priming campaign is over, people's opinion will likely bounce back to their baseline levels.

Increasing the levels of satisfaction with a brand is *Persuasion*. This means moving a metric from a weakness to a strength. Once people are persuaded that an organization is doing well on a particular metric, that opinion is likely to stick. However, persuasion campaigns are often long fought and expensive.

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Action Analysis (National): CSR and Customer Focus stand out as critical strengths



*F – Denotes what has been identified as a "factor", as described on the right

† Those attributes are equally important to both the *Customer Focus* and *CSR* factors.

Customer Focus

- **Consulting with customers before making decisions**
- **Being transparent**
- **Caring about its customers**
- **Being clear about where the money I pay is going**
- *Being trustworthy†*
- *Being a good corporate citizen†*
- *Being a well-managed company†*

CSR

- **Operating in an environmentally responsible manner**
- **Providing energy conservation and efficiency programs and information**
- **Protecting public safety**
- *Being trustworthy†*
- *Being a good corporate citizen†*
- *Being a well-managed company†*

Quality & Reliability

- Providing reliable electricity service
- The amount of time it takes to restore power
- The quality of power delivered to you

Billing Practices

- Providing convenient options to pay my bill
- Providing convenient options to receive my bill
- Providing bills that are easy to read and understand
- Providing accurate bills

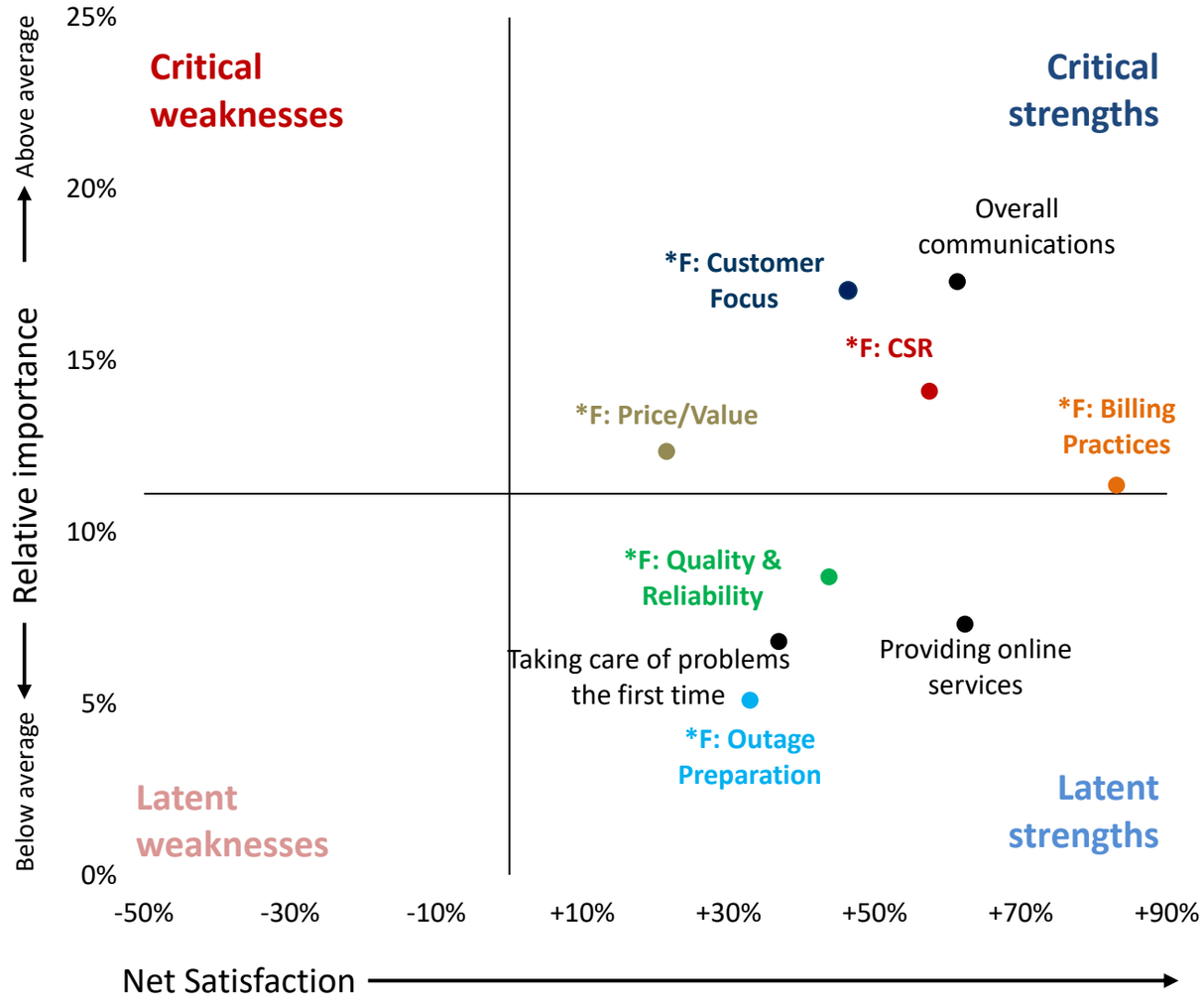
Outage Preparation

- Providing timely and accurate information re: outages
- Considering your needs when planning an outage

Price/Value

- Price for electricity
- Value for the price you pay for electricity

Action Analysis (Hydro Ottawa): Overall communications, Customer Focus, and CSR stand out as critical strengths



*F – Denotes what has been identified as a "factor", as described on the right

† Those attributes are equally important to both the *Customer Focus* and *CSR* factors.

Customer Focus

- **Consulting with customers before making decisions**
- **Being transparent**
- **Caring about its customers**
- **Being clear about where the money I pay is going**
- *Being trustworthy†*
- *Being a good corporate citizen†*
- *Being a well-managed company†*

CSR

- **Operating in an environmentally responsible manner**
- **Providing energy conservation and efficiency programs and information**
- **Protecting public safety**
- *Being trustworthy†*
- *Being a good corporate citizen†*
- *Being a well-managed company†*

Quality & Reliability

- Providing reliable electricity service
- The amount of time it takes to restore power
- The quality of power delivered to you

Billing Practices

- Providing convenient options to pay my bill
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- Providing bills that are easy to read and understand
- Providing accurate bills

Outage Preparation

- Providing timely and accurate information re: outages
- Considering your needs when planning an outage

Price/Value

- Price for electricity
- Value for the price you pay for electricity

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System Familiarity

Familiarity Question Preamble

As you may know, Ontario's electricity system has four key components: generation, transmission, distribution, and a retail market:

- Generating companies convert water from dams, coal, natural gas, wind and other resources into electricity;
- Transmission companies use large wires to connect the electricity produced at generating stations to transmission substations in the communities where it is needed;
- Distribution companies use smaller wires to carry electricity to homes and businesses; and
- Electricity retailers buy electricity from generators and sell it directly to consumers through contracts.

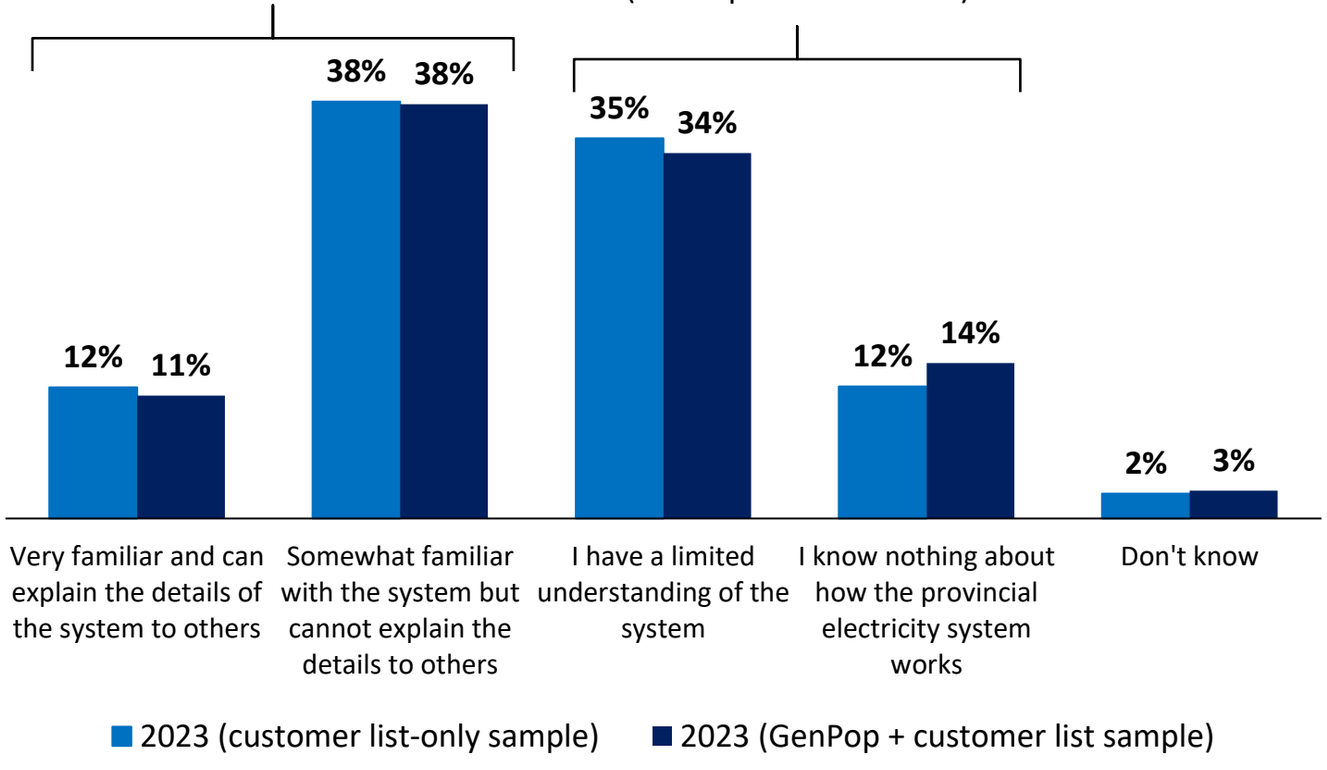
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Familiarity with System: The customer list sample has a slightly higher level of familiarity than that with the general public sample

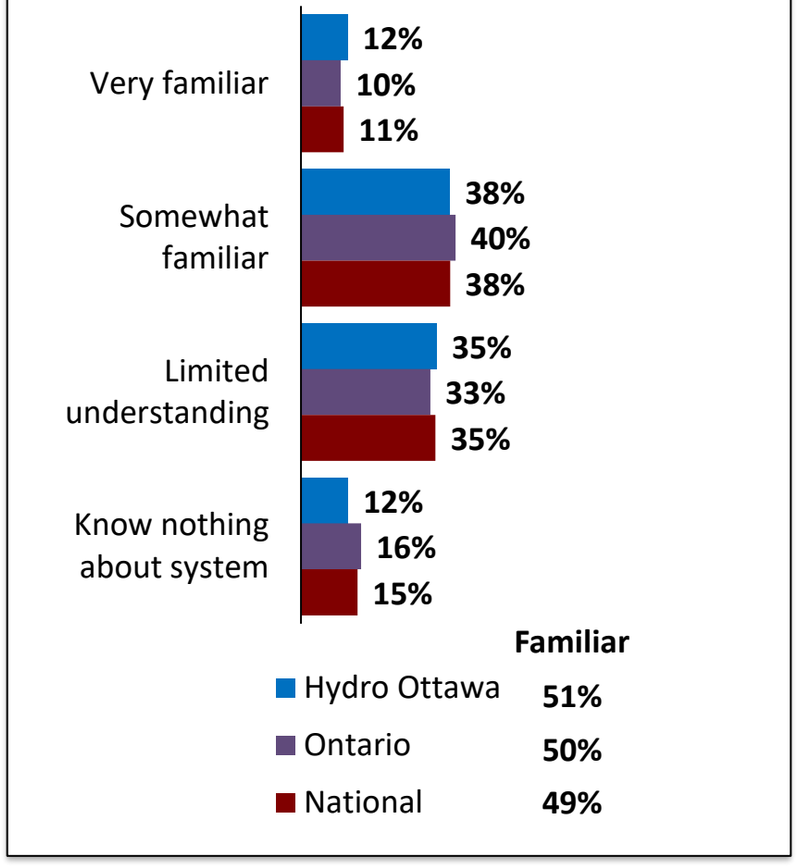
Q In general, how familiar are you with the way Ontario's electricity system works?
[asked of all Hydro Ottawa respondents]

Familiar:
2023 (customer list-only): 51%
2023 (GenPop + customer list): 49%

Unfamiliar:
2023 (customer list-only): 47%
2023 (GenPop + customer list): 48%



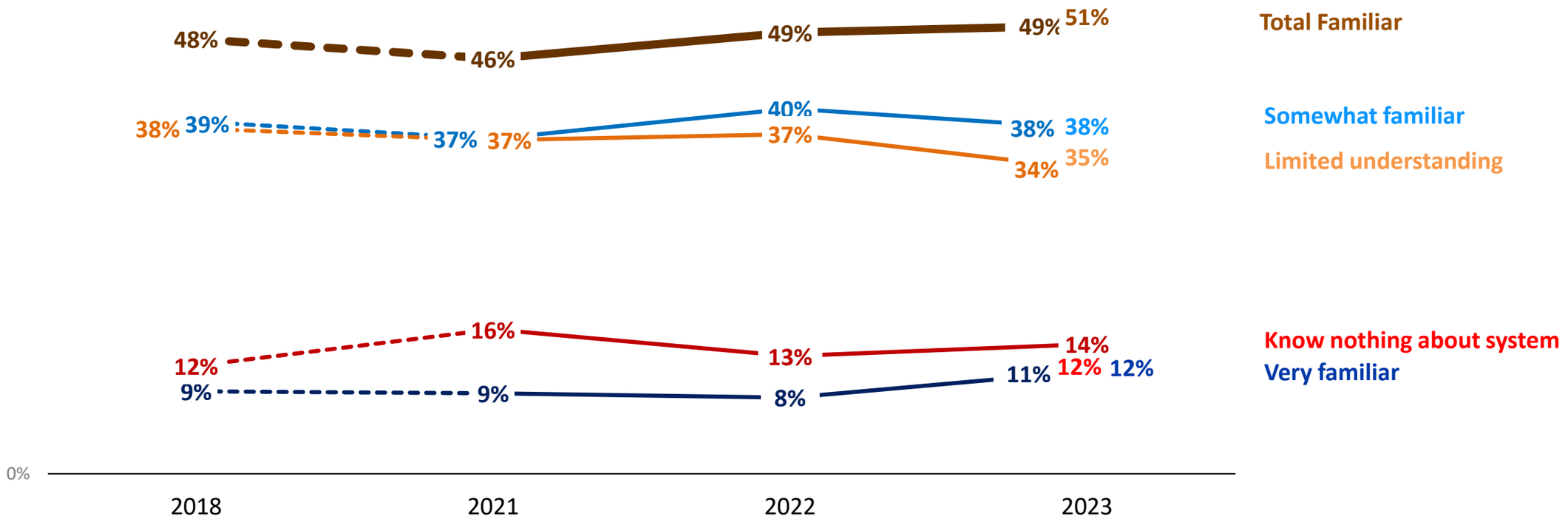
Regional/National Comparison



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Familiarity with System (Tracking): Familiarity is roughly steady since 2018

Q In general, how familiar are you with the way Ontario's electricity system works?
[asked of all Hydro Ottawa respondents]



NOTE: "Don't know" not shown.

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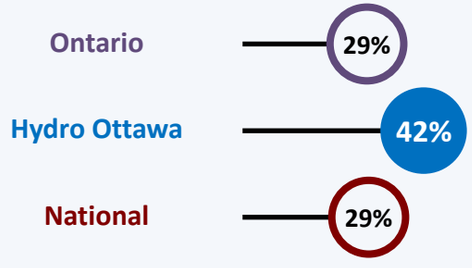


General Satisfaction

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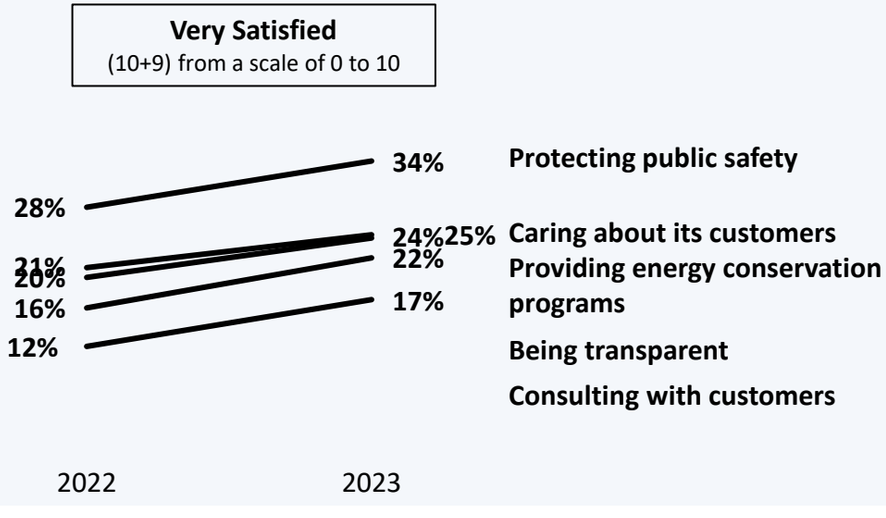
Summary: *General Satisfaction*

Overall satisfaction with Hydro Ottawa continues to go up.



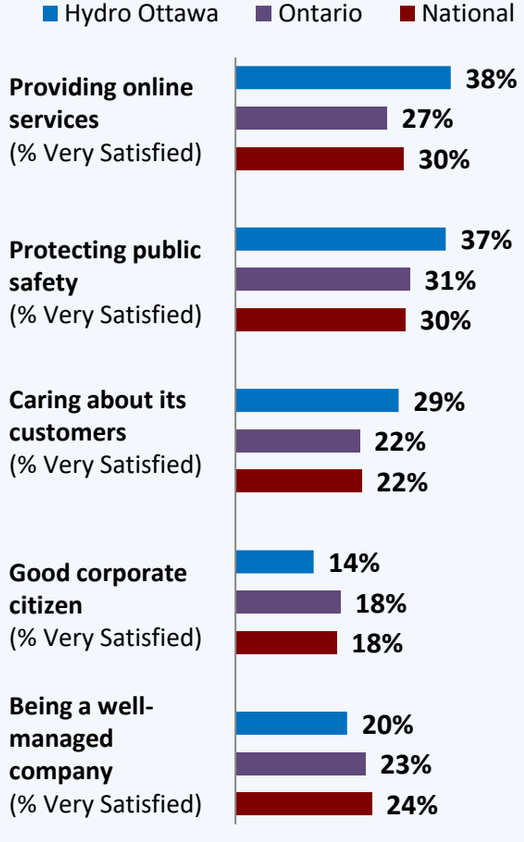
42% say they are very satisfied.
Similar to last year, strong satisfaction is above the Ontario (29%) and the national (29%) averages. Comparing the datapoints with the GenPop samples (36% this year vs 32% last year), the portion saying very satisfied is up 4 points.

Most performance metrics have either shown an improvement or held steady.



These performance metrics included in the chart on the left saw the biggest gains, ranging from +4 to +6 points year-to-year.

Hydro Ottawa overperforms the regional/national averages on some metrics and underperforms on others.

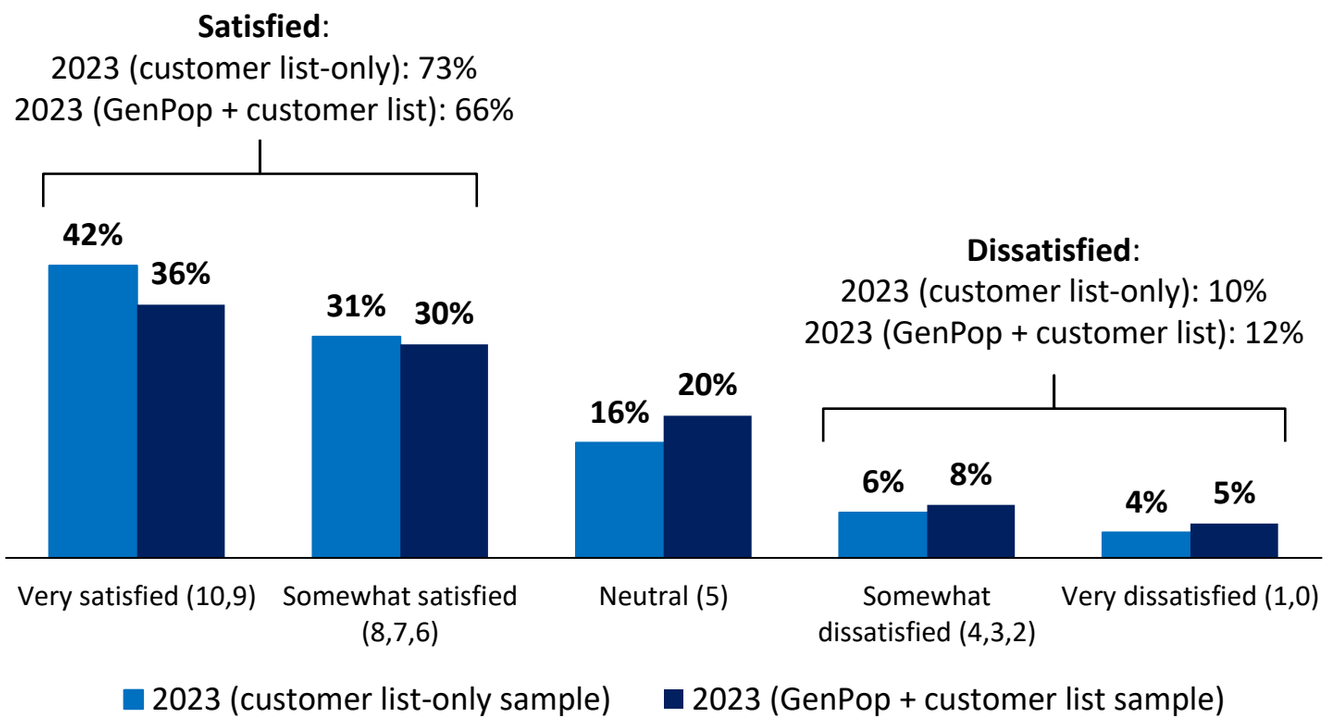


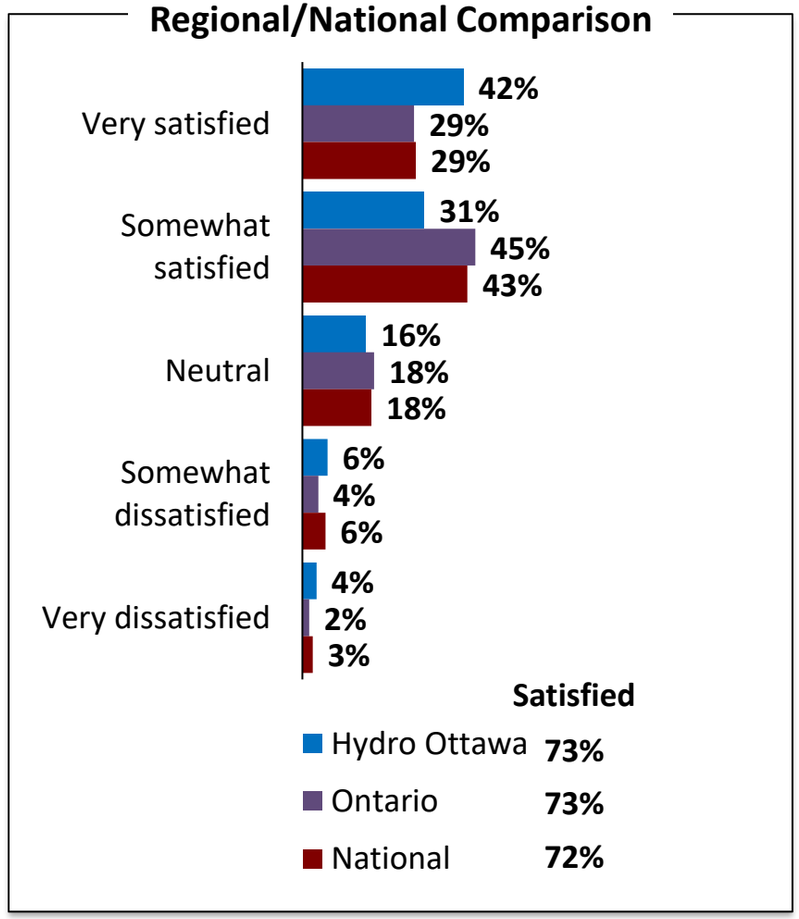
Hydro Ottawa outperforms on ***online services***, ***protecting public safety*** and ***caring about its customers***. But it underperforms when it comes to ***being a good corporate citizen*** and ***a well-managed company***.

General Satisfaction: Three-quarters are satisfied with Hydro Ottawa, with 42% saying very satisfied; its intensity is much higher than regional/national averages

Q The following questions are about the local distribution system, the part of the system that brings electricity from nearby substations to your home and local businesses. In general, how satisfied are you with **Hydro Ottawa**? *Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.*

[asked of all Hydro Ottawa respondents]



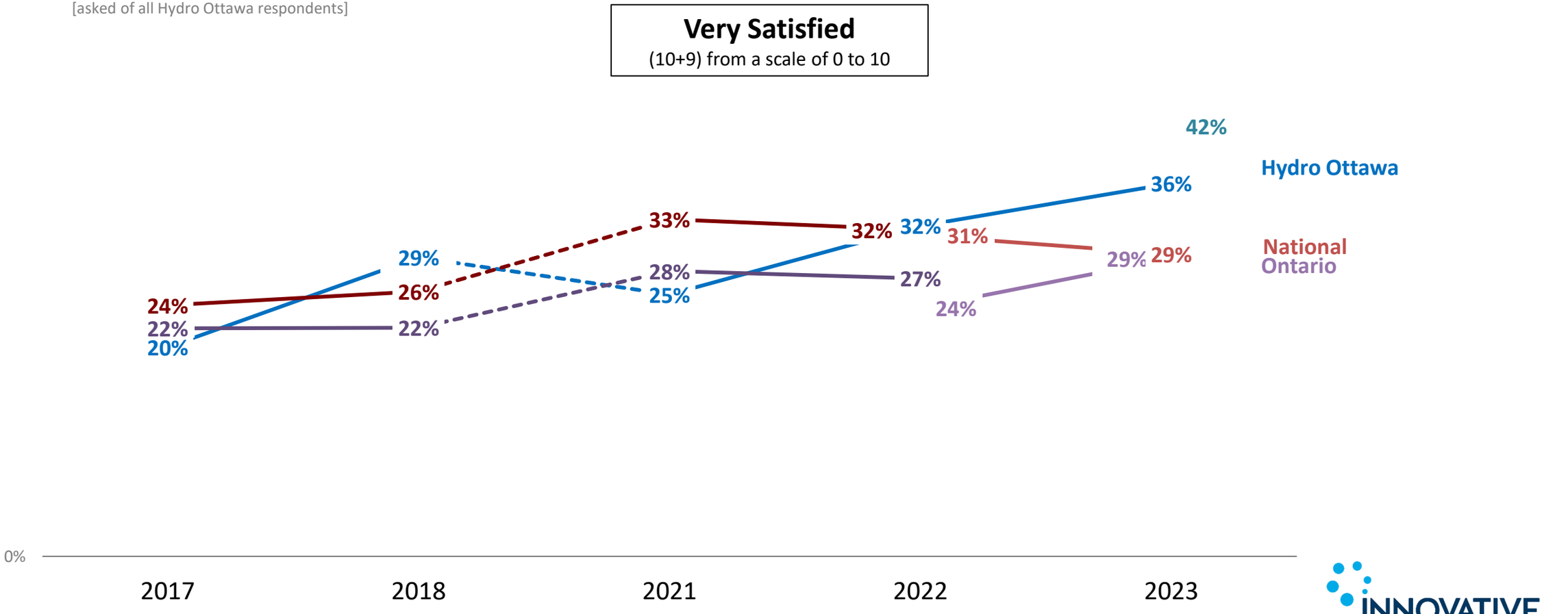


NOTE: 'Don't know' (<1%) not shown.

General Satisfaction (Regional/National Comparison): Strong satisfaction for Hydro Ottawa up 4 points from last year

Q The following questions are about the local distribution system, the part of the system that brings electricity from nearby substations to your home and local businesses. In general, how satisfied are you with Hydro Ottawa? *Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.*

[asked of all Hydro Ottawa respondents]



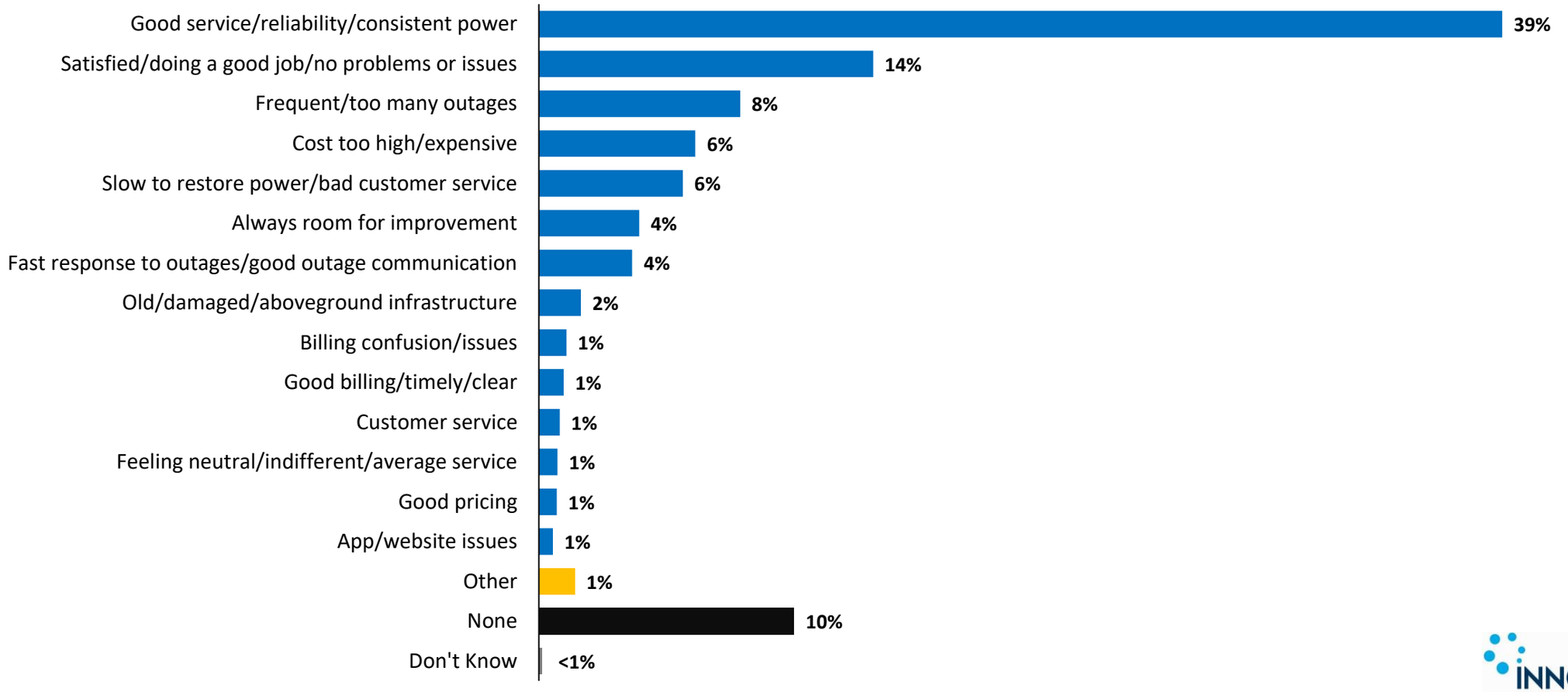
NOTE: The tracking chart includes the 2022 national and regional results that had samples with customer lists removed and had the remaining national sample weighted by education (along with age, gender, region and language) for comparison to this year's national results.

Reasons for Satisfied Rating: Good service/reliability/consistent power is the main reason why respondents are satisfied with Hydro Ottawa

Q Is there any reason why you gave a rating of [PREVIOUS ANSWER] out of 10 with **Hydro Ottawa**? **[SATISFIED]**
[only asked of those who are satisfied, i.e. gave a rating between 6 and 10; n=730]

Satisfied Rating

2023 (customer list-only)



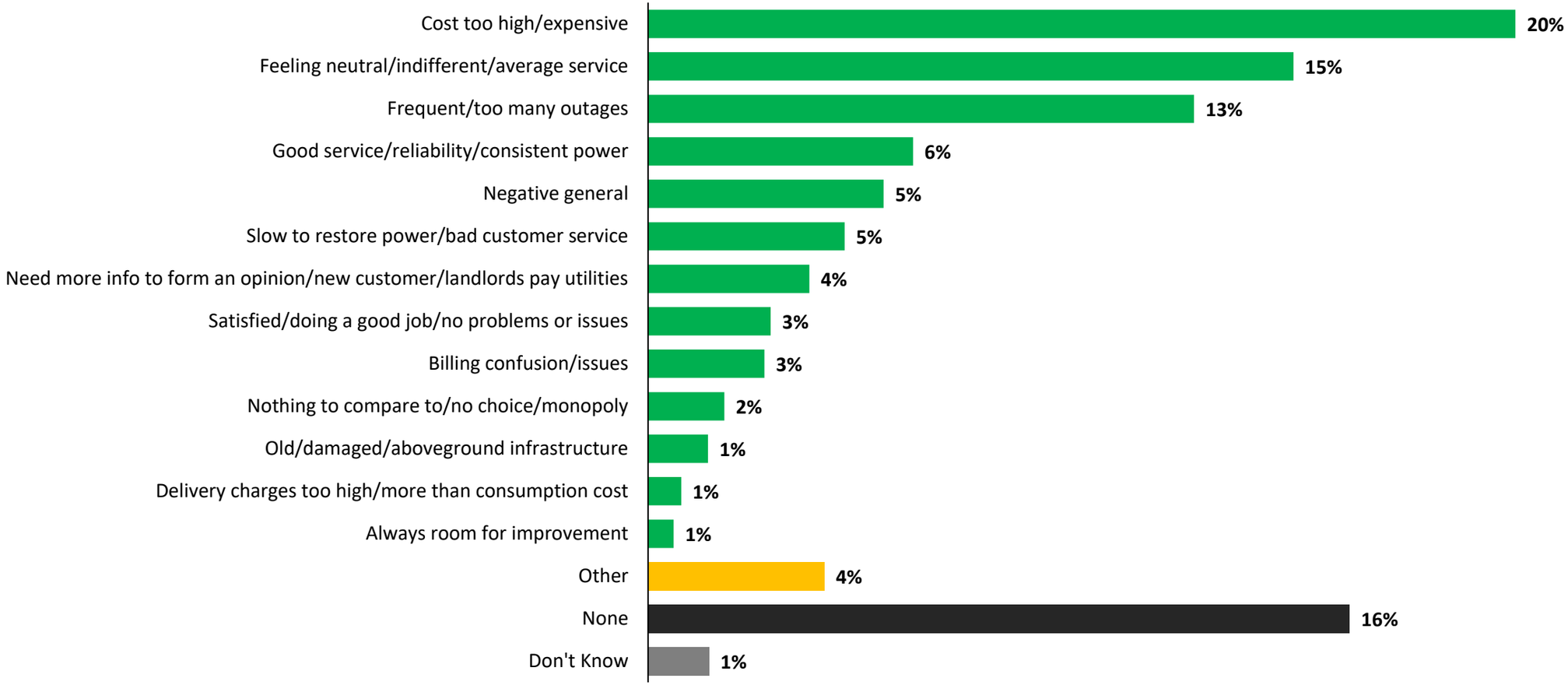
NOTE: Categories with <1% have been added to "Other."

Reasons for Neutral Rating: Cost too high/expensive is the main reason why respondents gave a neutral rating to Hydro Ottawa

Q Is there any reason why you gave a rating of [PREVIOUS ANSWER] out of 10 with **Hydro Ottawa**? **[NEUTRAL]**
[only asked of those who are neutral, i.e. gave a rating of 5; n=164]

Neutral Rating

2023 (customer list-only)

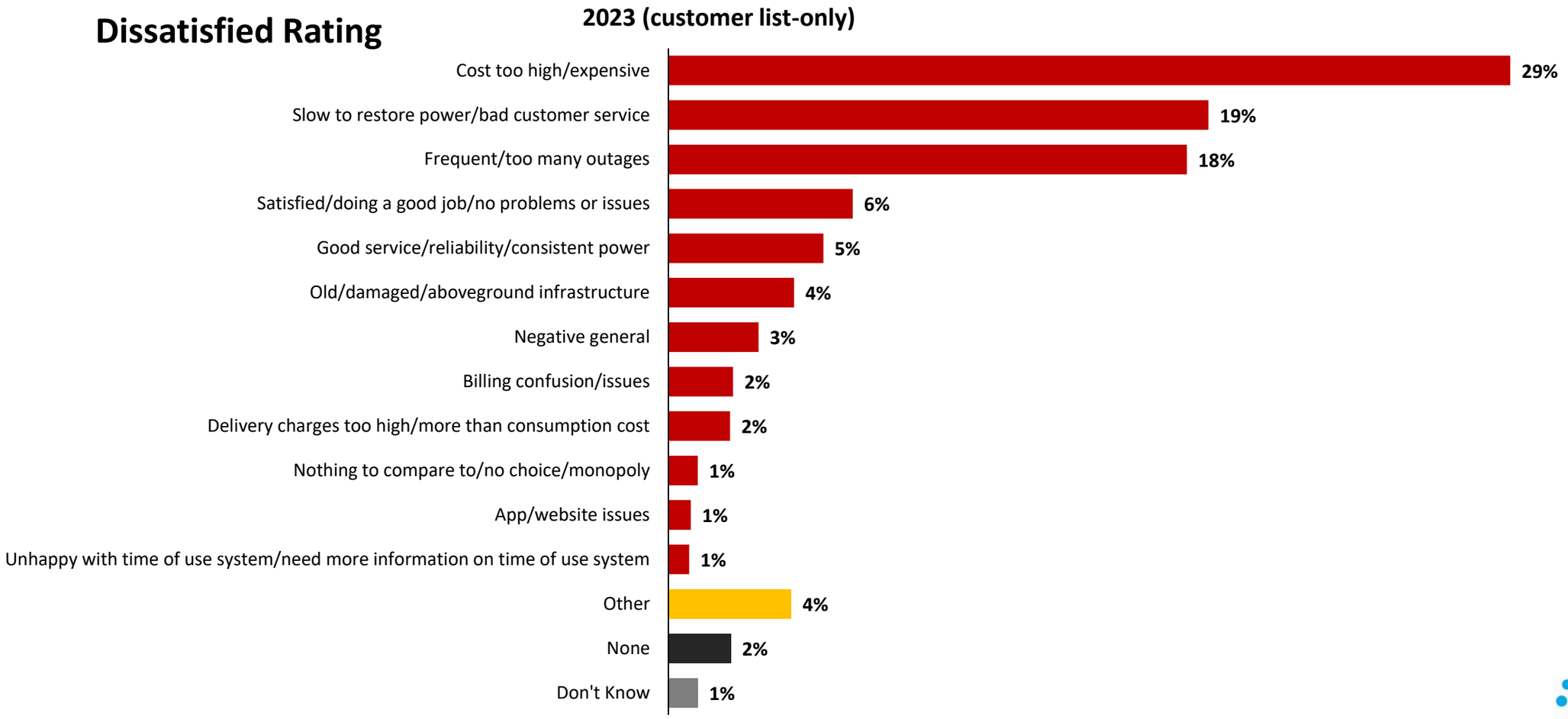


NOTE: Categories with <1% have been added to "Other."

Reasons for Dissatisfied Rating: Cost is the main reason for dissatisfaction, similar to the national; outages and restoration complaints are much higher than typical

Q Is there any reason why you gave a rating of [PREVIOUS ANSWER] out of 10 with **Hydro Ottawa**? **[DISSATISFIED]**
[only asked of those who are dissatisfied, i.e. gave a rating between 0 and 4; n=101]

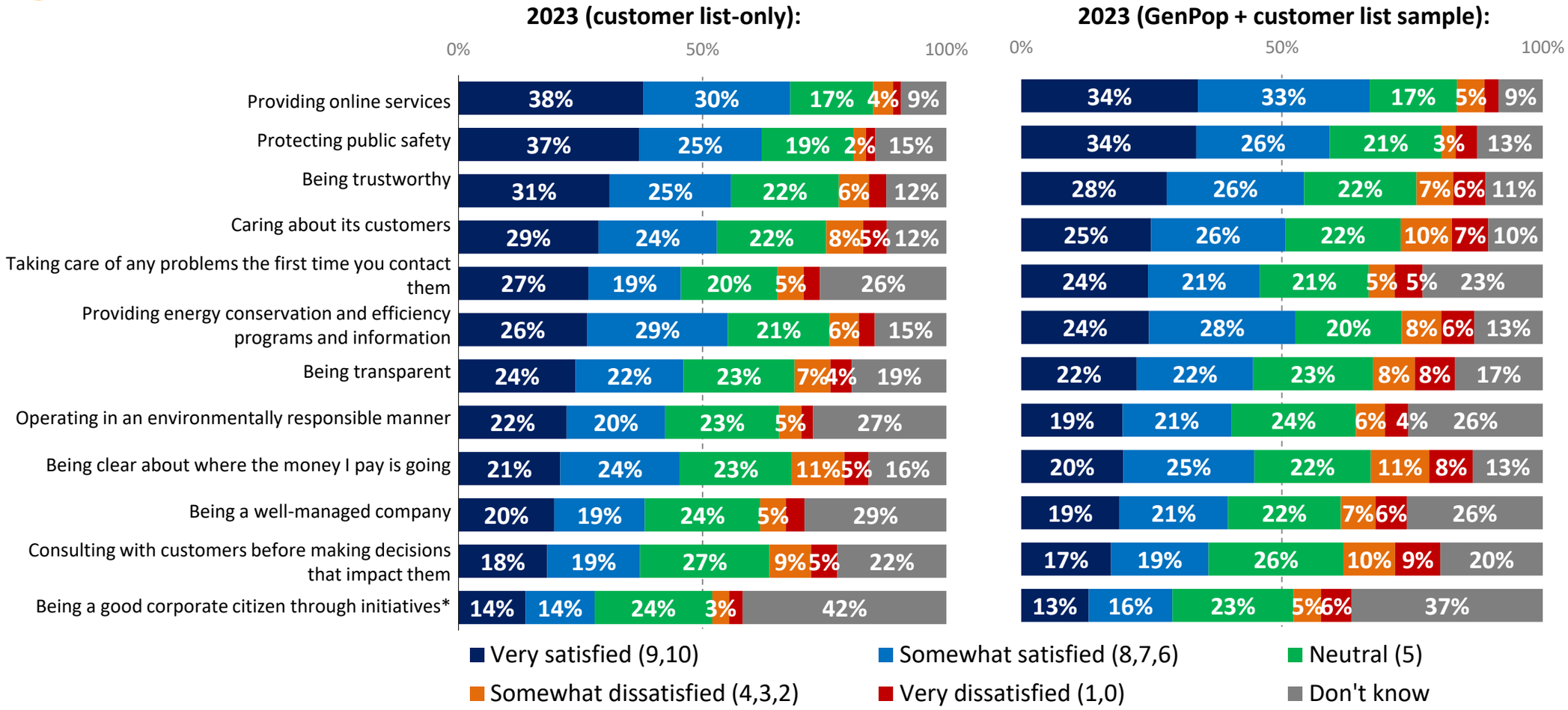
Dissatisfied Rating



NOTE: Categories with <1% have been added to "Other."

Performance Metrics: Respondents are most likely to be 'very satisfied' with 'providing online services' and 'protecting public safety' in both samples

Q Please indicate how satisfied you are with the way **Hydro Ottawa** is performing on each of the following attributes:
[asked of all Hydro Ottawa respondents]

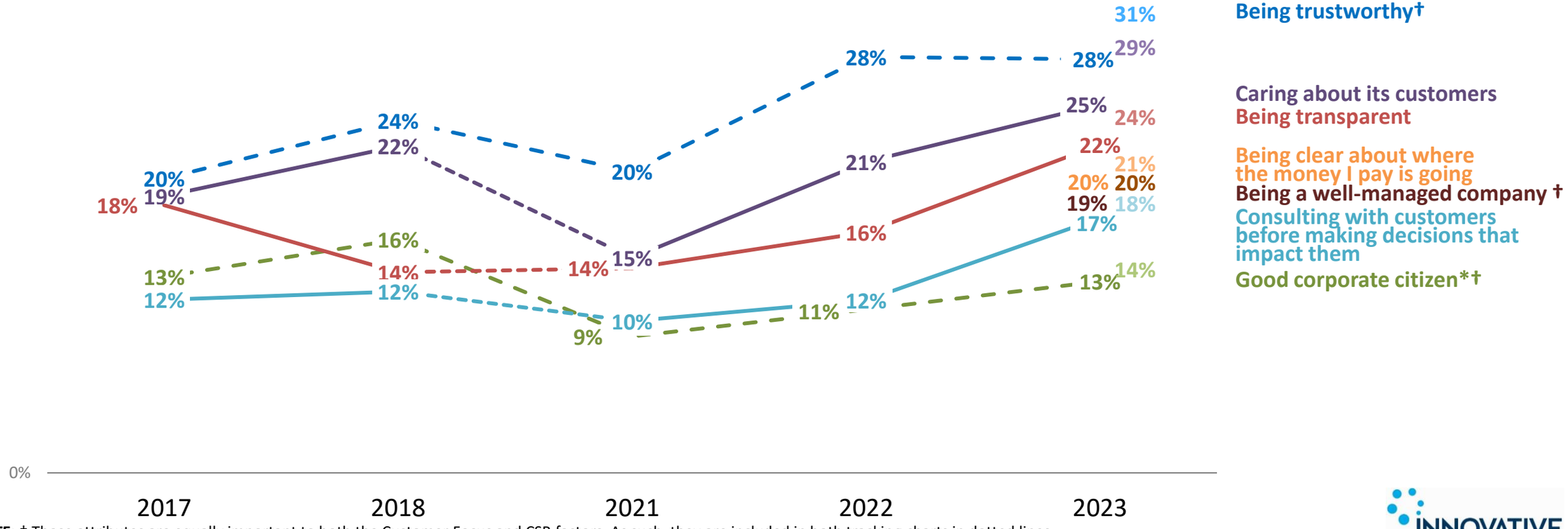


NOTE: *The full question text is" Being a good corporate citizen through initiatives such as contributing to community sponsorship programs".

Customer Focus (Tracking): Customer Focus metrics have either improved or held stable year-to-year

Q Please indicate how satisfied you are with the way **Hydro Ottawa** is performing on each of the following attributes:
[asked of all Hydro Ottawa respondents]

Very Satisfied
(10+9) from a scale of 0 to 10

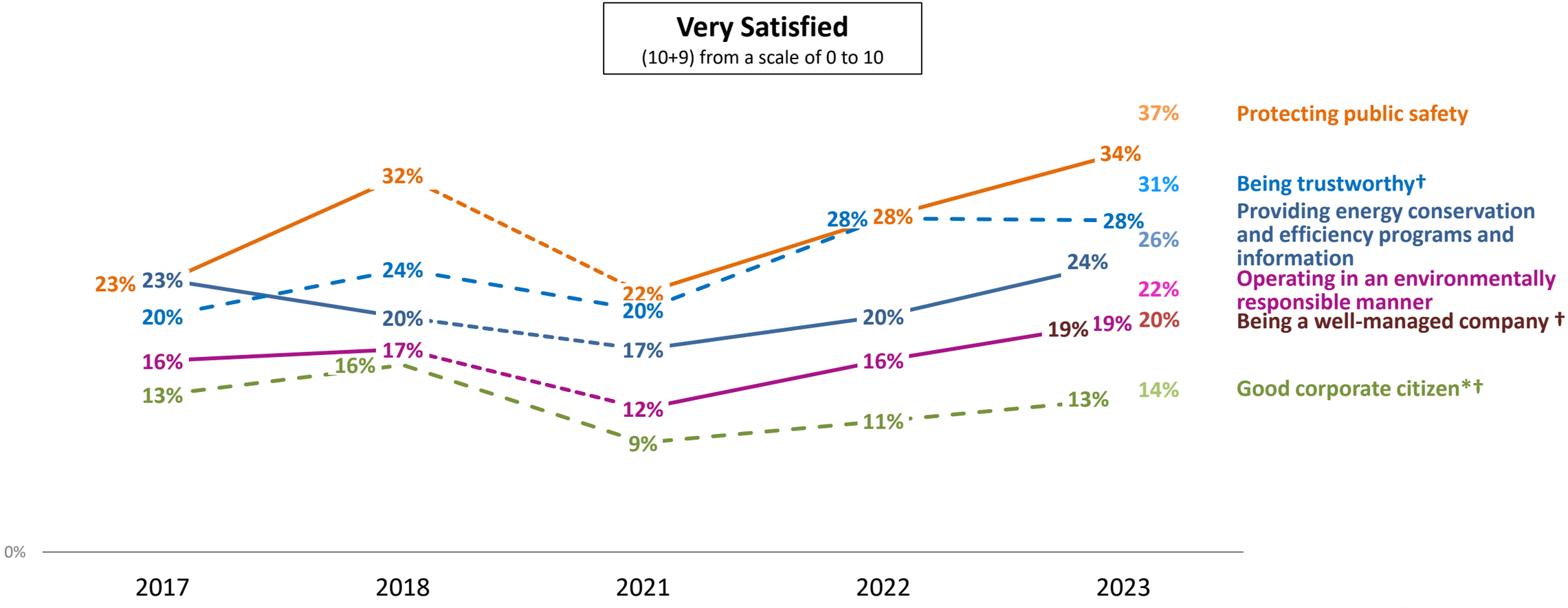


NOTE: † Those attributes are equally important to both the Customer Focus and CSR factors. As such, they are included in both tracking charts in dotted lines.
*The full question text is "Being a good corporate citizen through initiatives such as contributing to community sponsorship programs".

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CSR (Tracking): Similarly, CSR metrics have either improved or held stable year-to-year

Q Please indicate how satisfied you are with the way **Hydro Ottawa** is performing on each of the following attributes:
[asked of all Hydro Ottawa respondents]



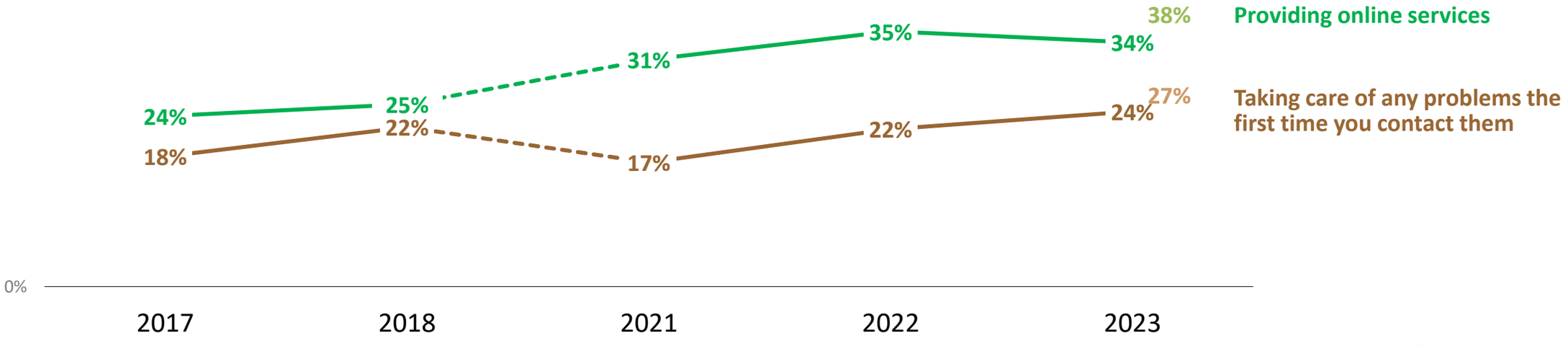
NOTE: † Those attributes are equally important to both the Customer Focus and CSR factors. As such, they are included in both tracking charts in dotted lines.
*The full question text is "Being a good corporate citizen through initiatives such as contributing to community sponsorship programs".

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Performance Metrics (Tracking): The remaining two standalone performance metrics are stable compared to last year's results

Q Please indicate how satisfied you are with the way **Hydro Ottawa** is performing on each of the following attributes:
[asked of all Hydro Ottawa respondents]

Very Satisfied
(10+9) from a scale of 0 to 10

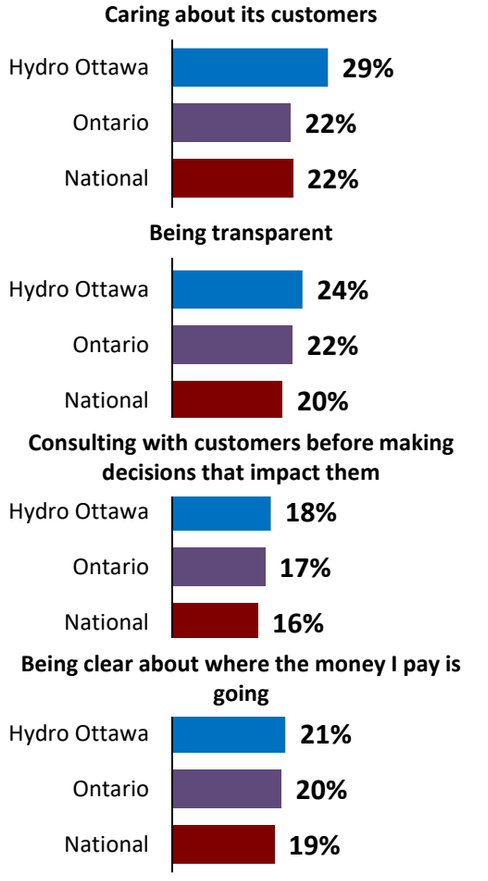


Performance Metrics (Regional/National Comparison): Hydro Ottawa outperforms the regional/national averages on some metrics but underperforms on others

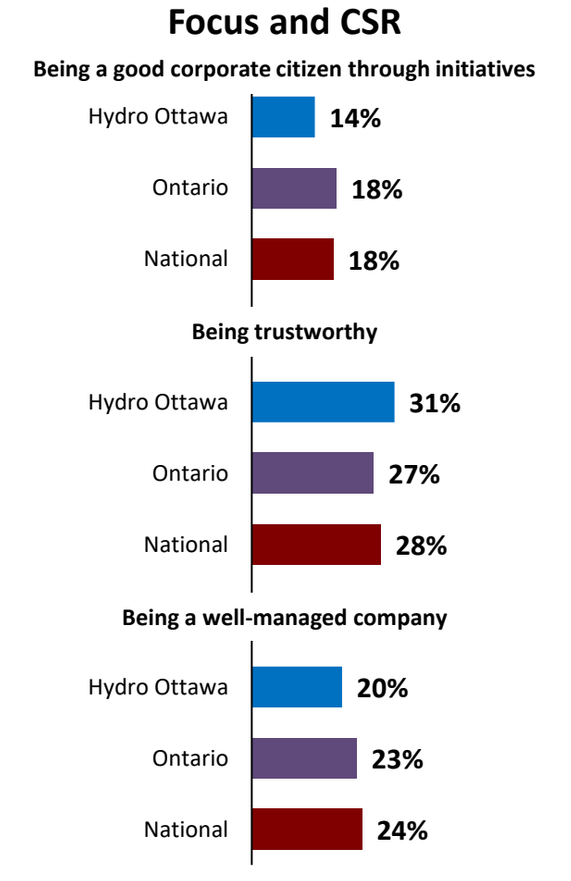
Q Please indicate how satisfied you are with the way **Hydro Ottawa** is performing on each of the following attributes:
[asked of all Hydro Ottawa respondents]

Very Satisfied
(10+9) from a scale of 0 to 10

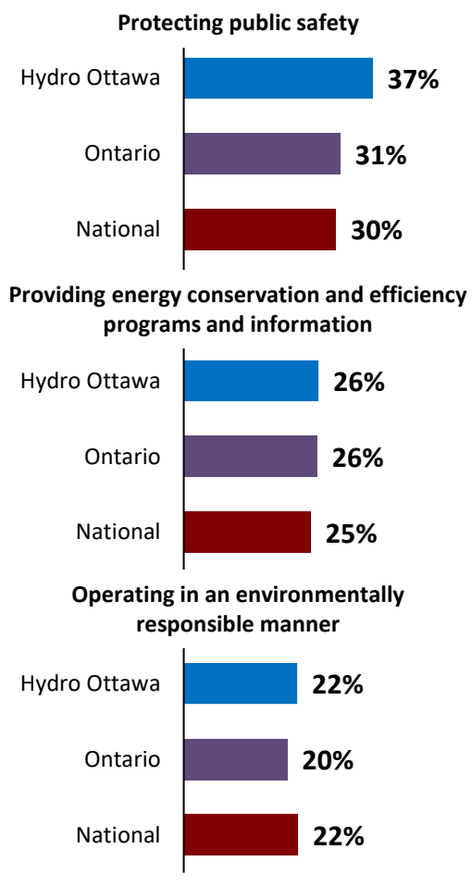
Customer Focus



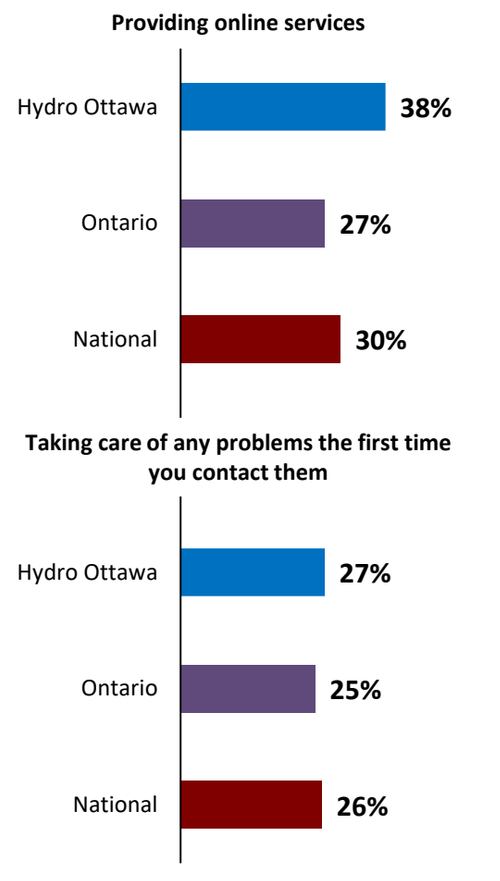
Shared metrics between Customer Focus and CSR



CSR

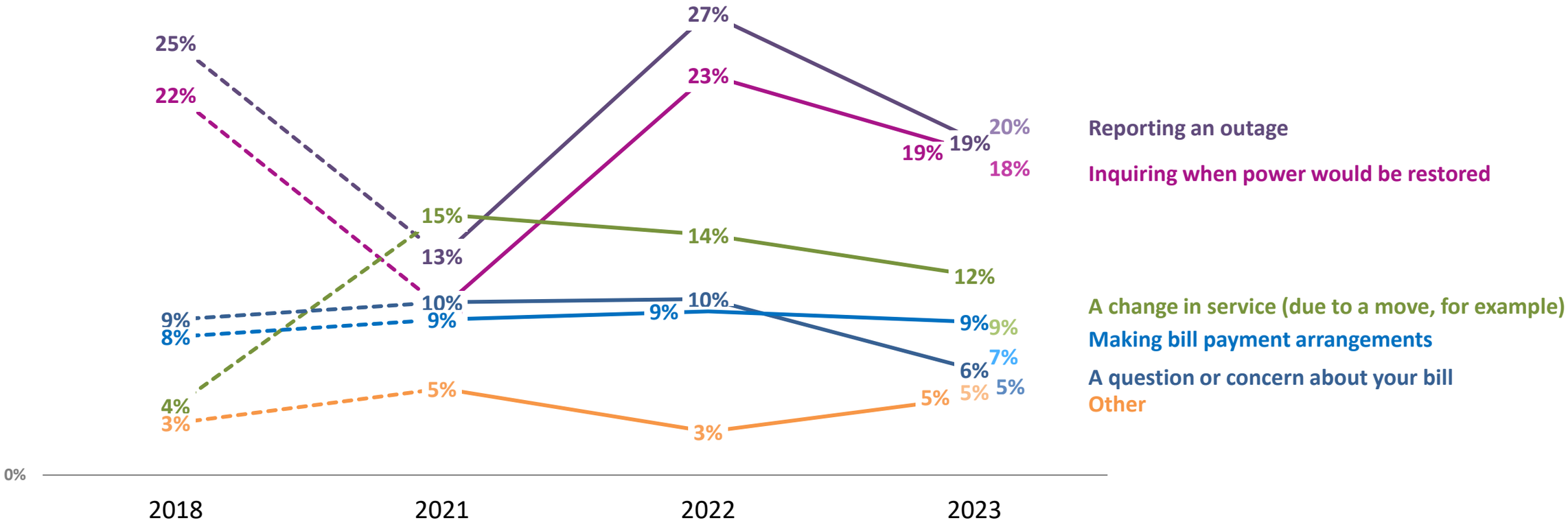


Other Key Performance Metrics



Distributor Contact: The top reason of contact is to report an outage, but fewer contacted Hydro Ottawa for this reason this year than last year

Q In the past 12 months, which (if any) of the following issues have you contacted Hydro Ottawa about? *Select all that apply.*
[asked of all Hydro Ottawa respondents]



NOTE: Those who did not have any contact in the past 12 months (2023: 57%, 2022: 47%, 2021: 56%, 2018: 49%) and Don't know (2%-4% not shown).
Chart total is greater than 100% as multiple mentions were accepted.

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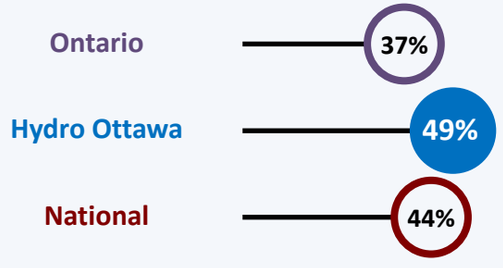


Reliability & Power Quality

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Summary: *Reliability & Power Quality*

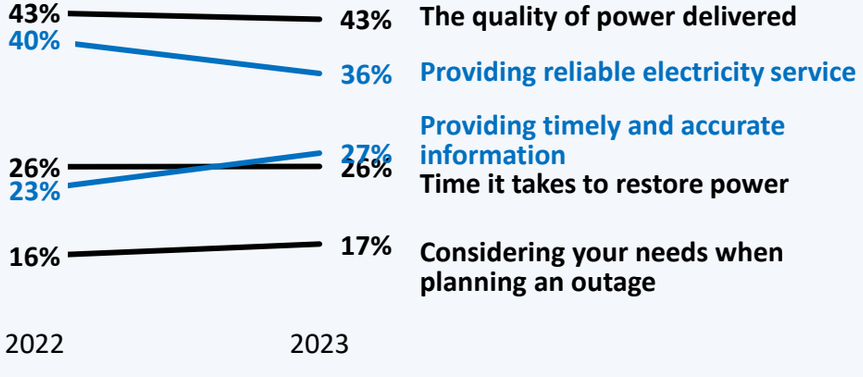
Share of those experiencing 2+ outages remains stable.



49% report encountering two or more outages in the past 12 months, surpassing the Ontario average of 37% and the national average of 44%. Comparing the datapoints with the GenPop samples (48% this year vs 51% last year), the recall is down marginally (3 points).

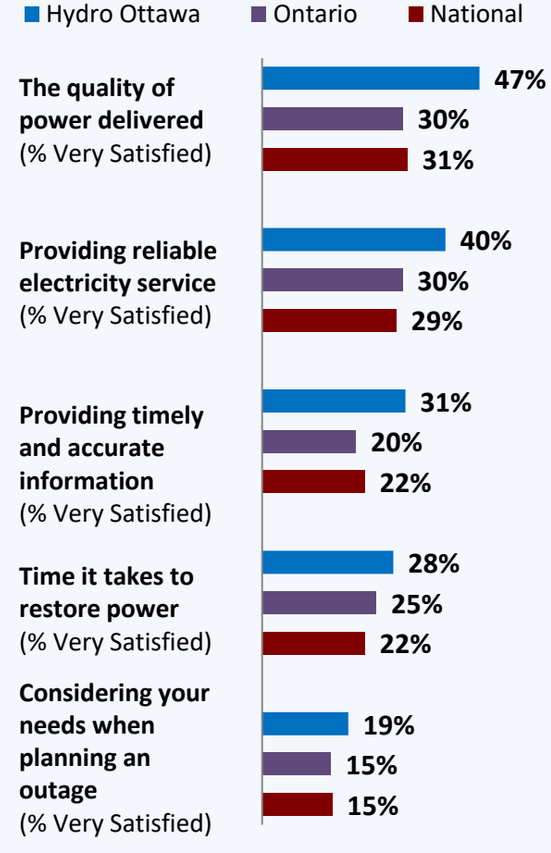
Most metrics are stable.

Very Satisfied
(10+9) from a scale of 0 to 10



Most metrics are stable. However, ***providing timely and accurate information about outages*** sees an increase, up 4 points, and ***providing reliable electricity service*** is down 4 points.

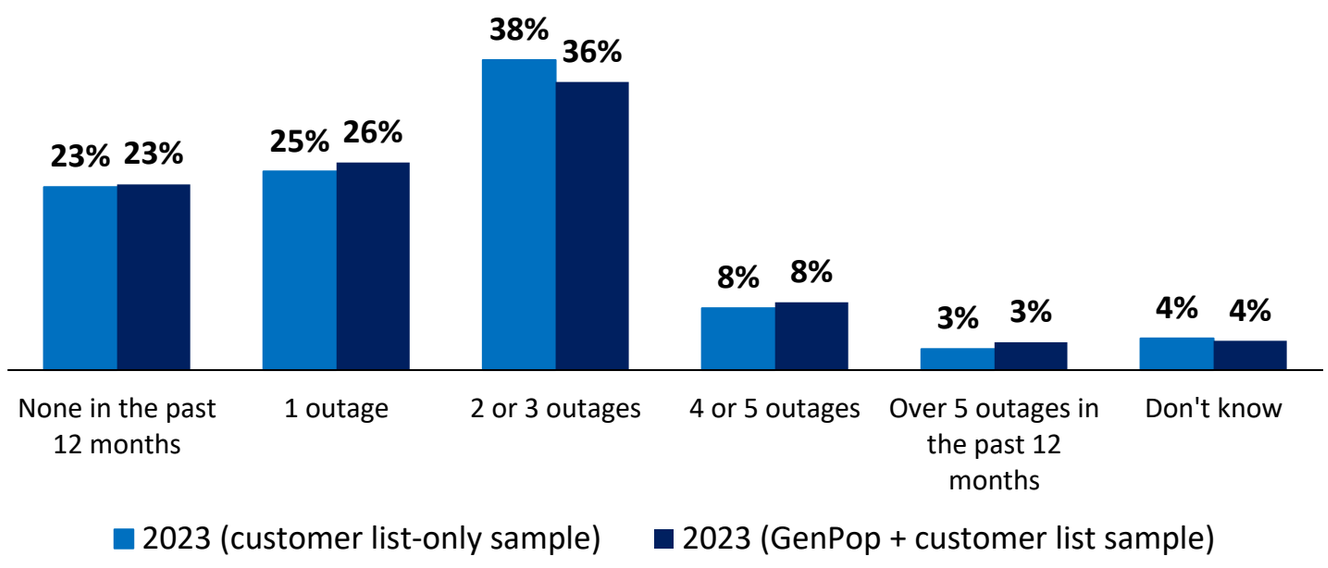
Hydro Ottawa outperforms the Ontario and national averages on all reliability and power quality specific metrics.



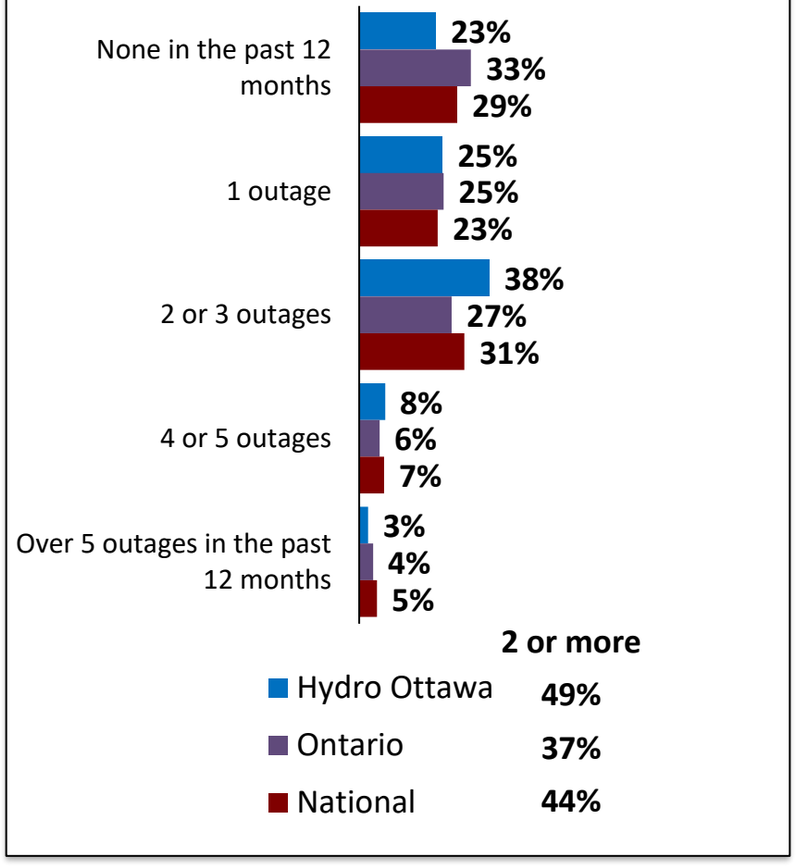
Power Outages: Hydro Ottawa customers have experienced more outages in the past 12 months than the provincial and national samples

Q In the past 12 months, how many power outages do you recall experiencing at home?
[asked of all Hydro Ottawa respondents]

2 or more outages over the past 12 months
2023 (customer list-only): 49%
2023 (GenPop + customer list): 48%

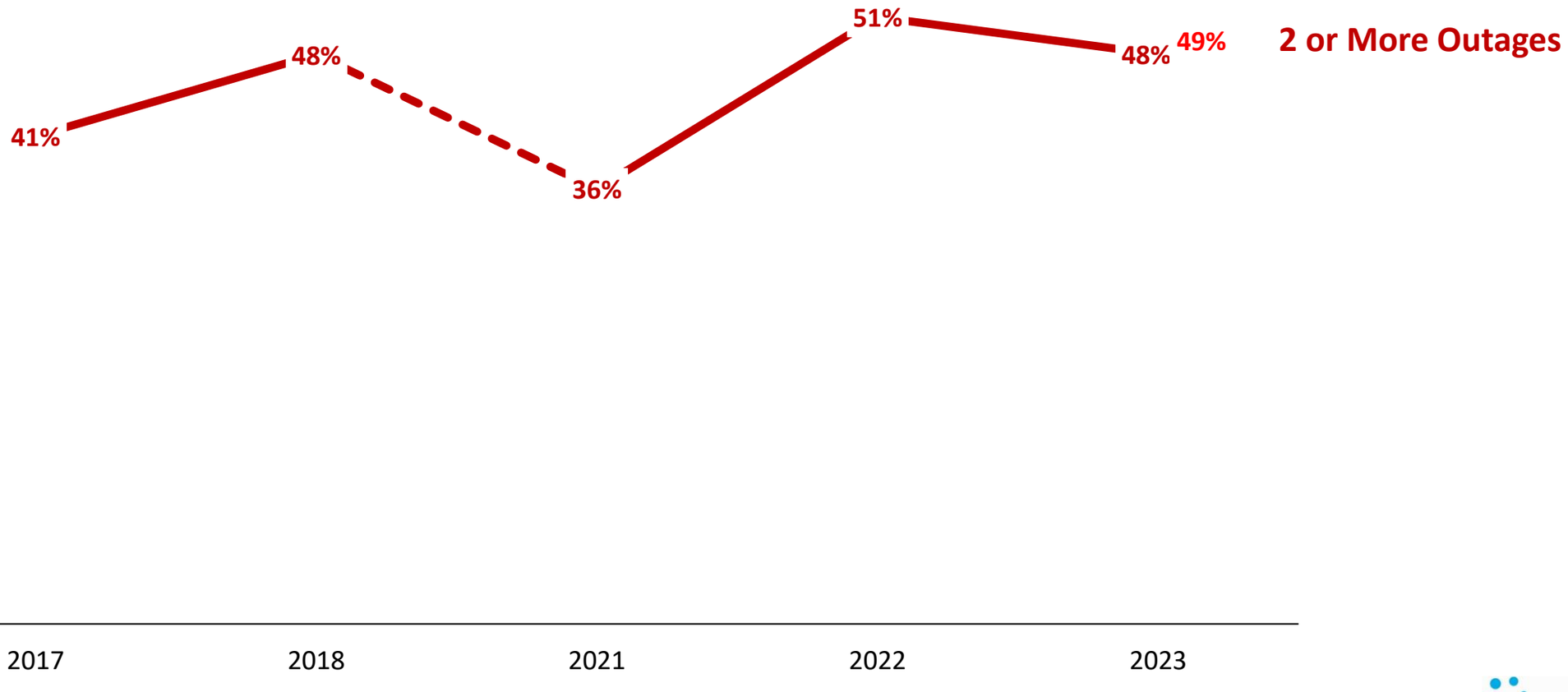


Regional/National Comparison



Power Outages: Share of those that recall experiencing 2 or more outages at home in the past 12 months is down marginally

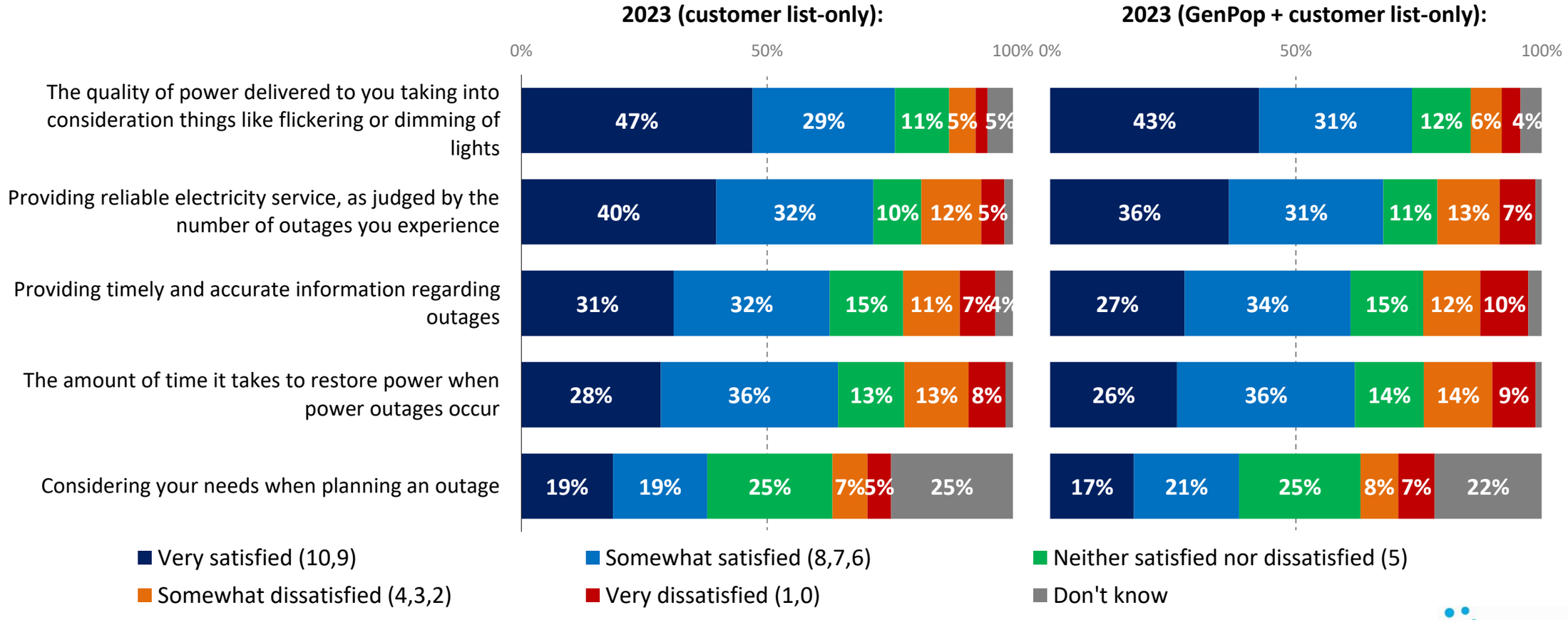
Q In the past 12 months, how many power outages do you recall experiencing at home?
[asked of all Hydro Ottawa respondents]



Reliability & Quality Metrics: Respondents are more likely to be 'very satisfied' with 'quality of power delivered' and 'reliable service'

Q Please indicate how satisfied you are with the way that **Hydro Ottawa** is performing on each of the following attributes related to your electrical service: *Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.*

[only asked of those who report experiencing at least one power outage in the last 12 months; n=734]

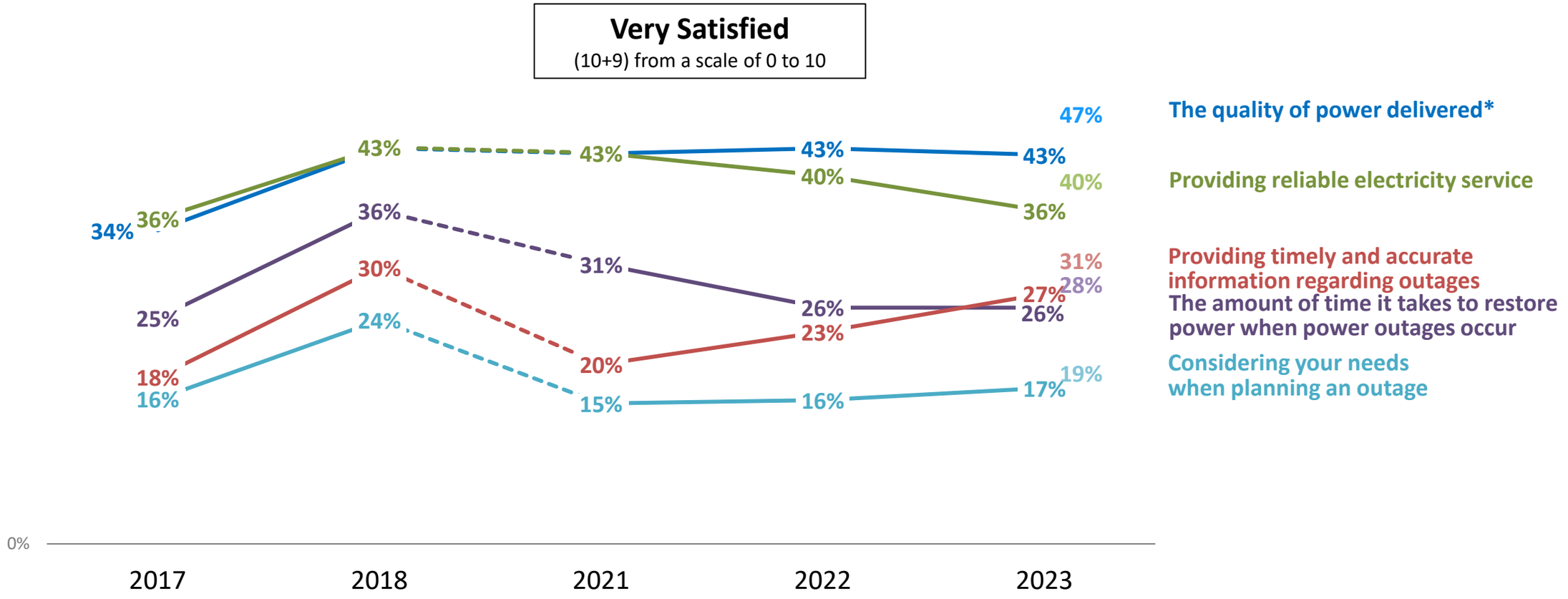


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Reliability & Quality Metrics (Tracking): ‘Providing information about outages’ is up 4 points, but ‘providing reliable electricity service’ is down 4 points

Q Please indicate how satisfied you are with the way that **Hydro Ottawa** is performing on each of the following attributes related to your electrical service: Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.

[only asked of those who report experiencing at least one power outage in the last 12 months; n=734]



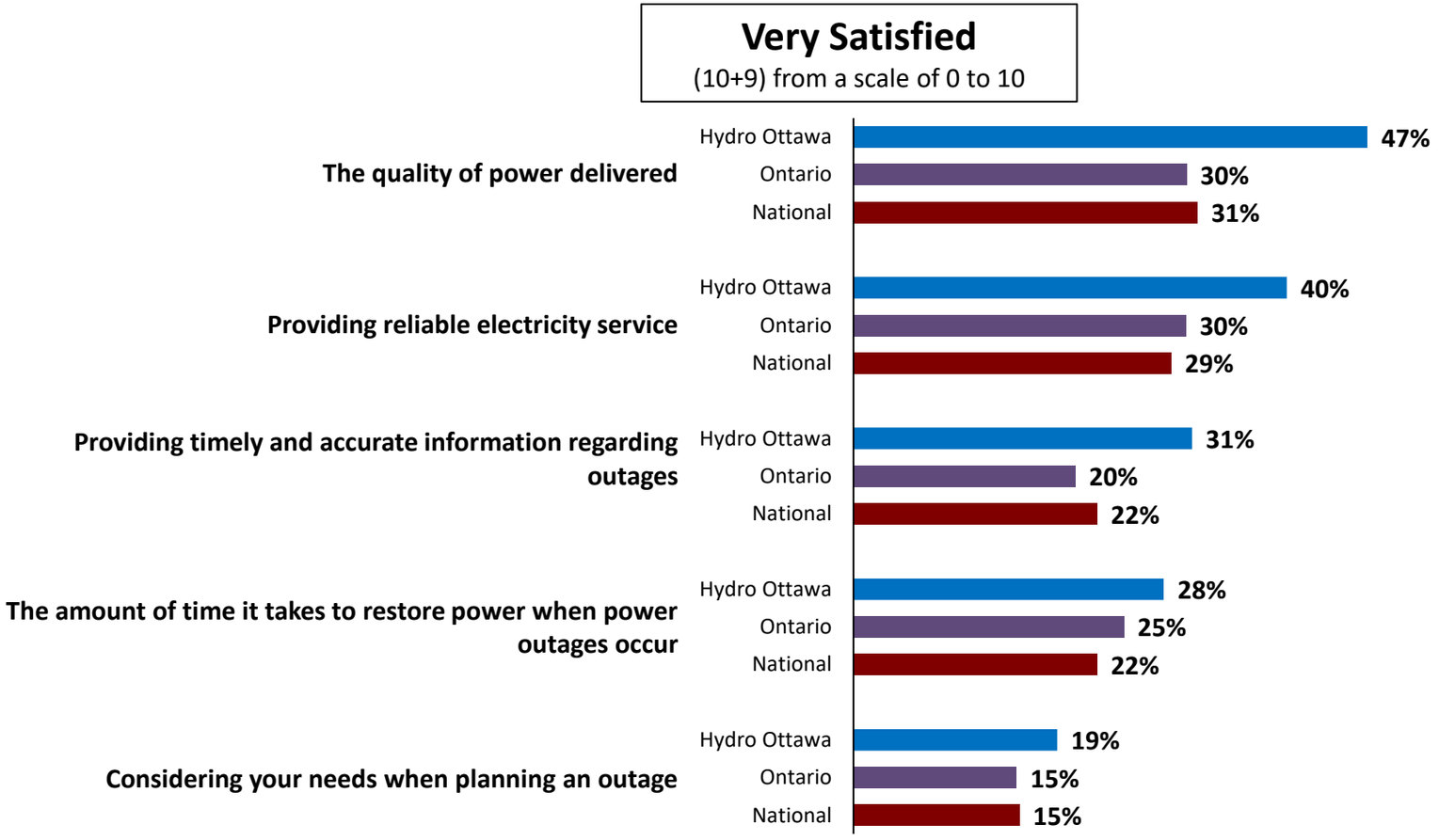
***Note:** From 2023, “the quality of power delivered to you taking into consideration voltage fluctuations, that can result in flickering or dimming of lights” is updated to “the quality of power delivered to you taking into consideration things like flickering or dimming of lights.”

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Reliability & Quality Metrics (Regional/National Comparison): Hydro Ottawa performs better than regional and national averages on all reliability attributes

Q Please indicate how satisfied you are with the way that **Hydro Ottawa** is performing on each of the following attributes related to your electrical service: Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.

[only asked of those who report experiencing at least one power outage in the last 12 months; n=734]



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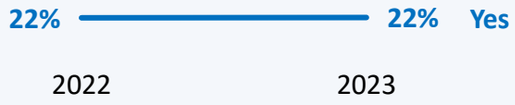
Planned Outages



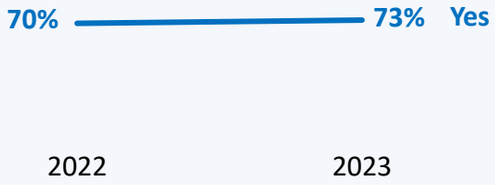
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Summary: *Planned Outages*

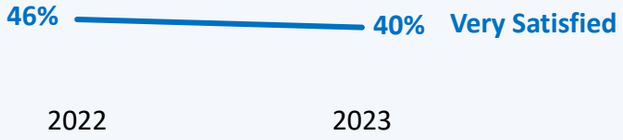
The percentage of customers who encountered a scheduled outage remains consistent.



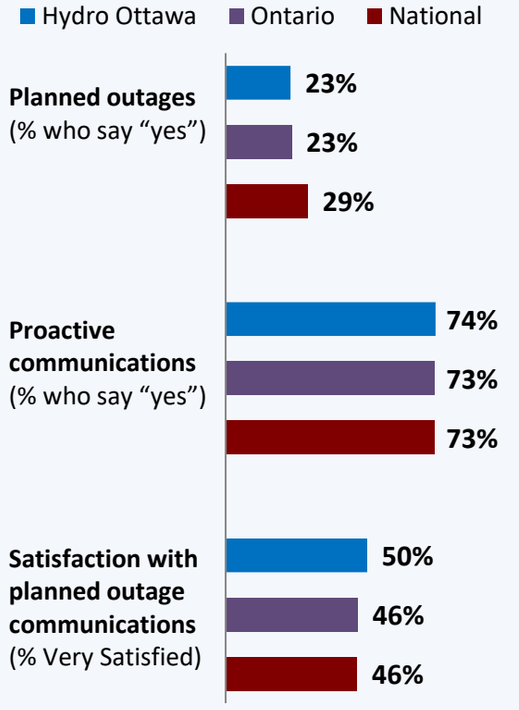
Share of those recalling proactive communications from Hydro Ottawa is up marginally.



Among those who recalled receiving advance notices, the intensity of the satisfaction with planned outages communications is down marginally.



Hydro Ottawa customers are as likely to recall experiencing a planned outage as the average Ontarian but are less likely to recall it than the national average.

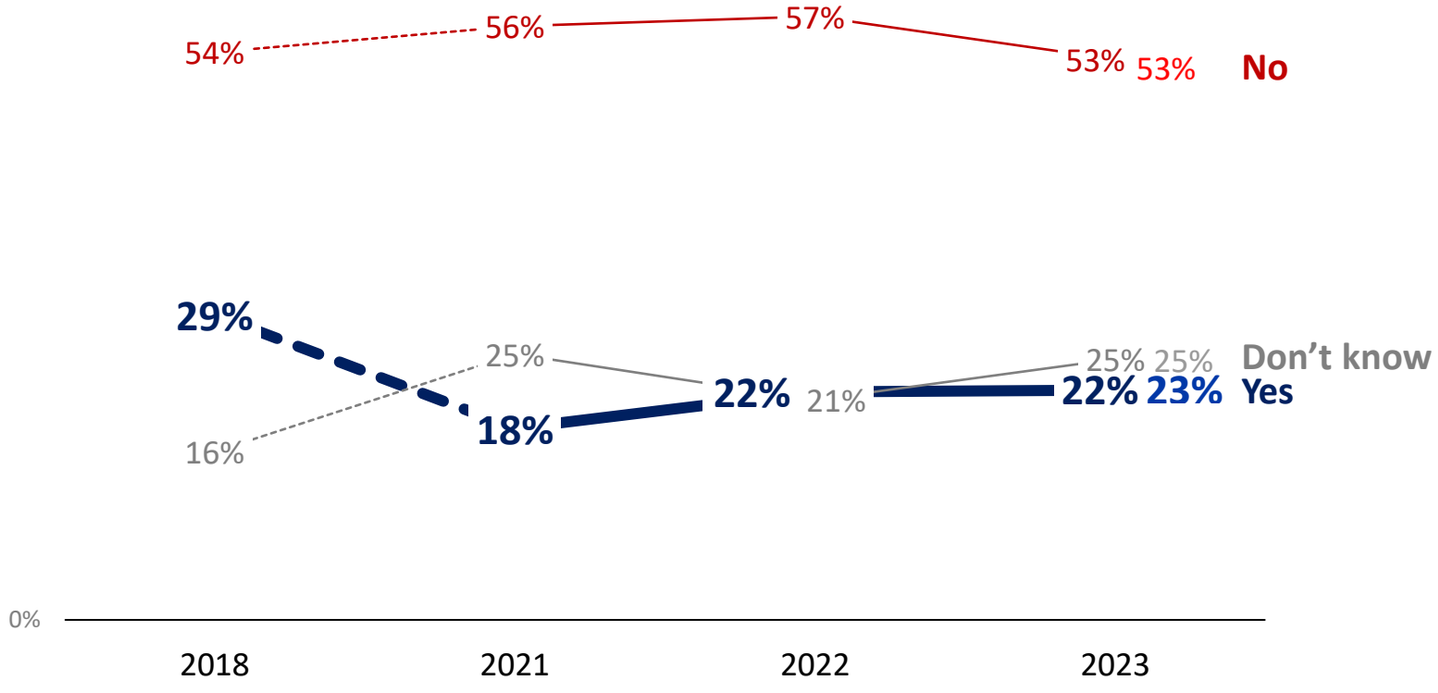


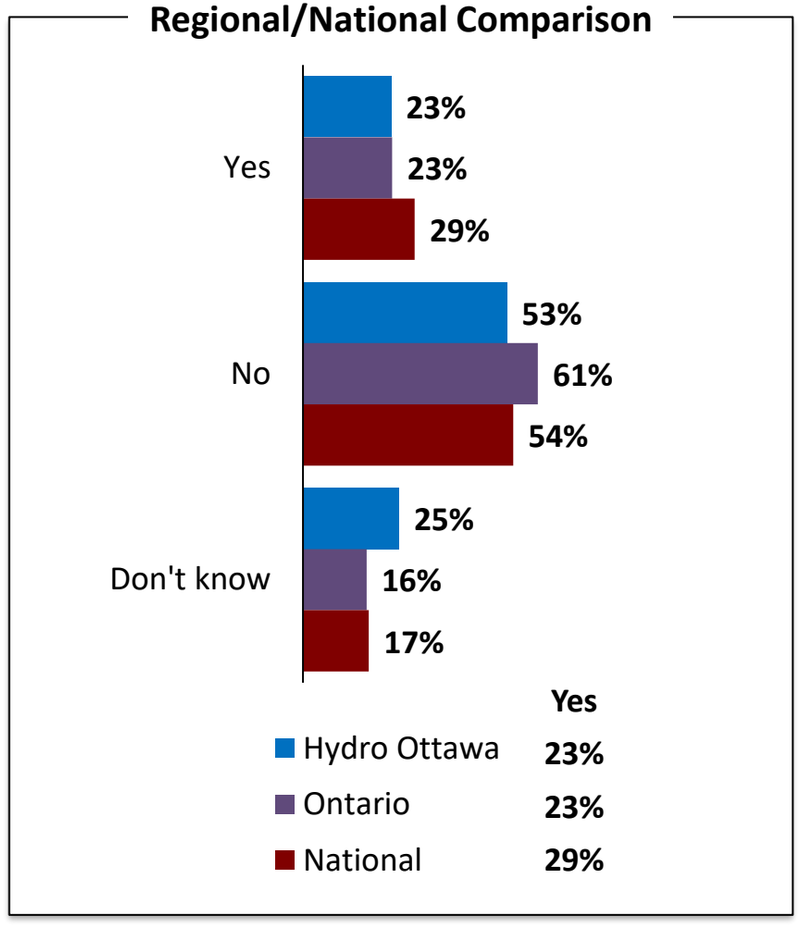
Hydro Ottawa customers are as likely to recall receiving advance notices from the utility as the regional and national averages. They are more satisfied with the communication than the averages.

Planned Outages: Less than a quarter (23%) say they recall having a planned outage, on par with Ontario number and lower than the national average

Q From time to time, your local utility has to turn off the power to repair or replace equipment. This work is generally planned in advance and these outages are called planned outages. Over the past 2 years, have you been impacted by any planned outages?

[asked of all Hydro Ottawa respondents]

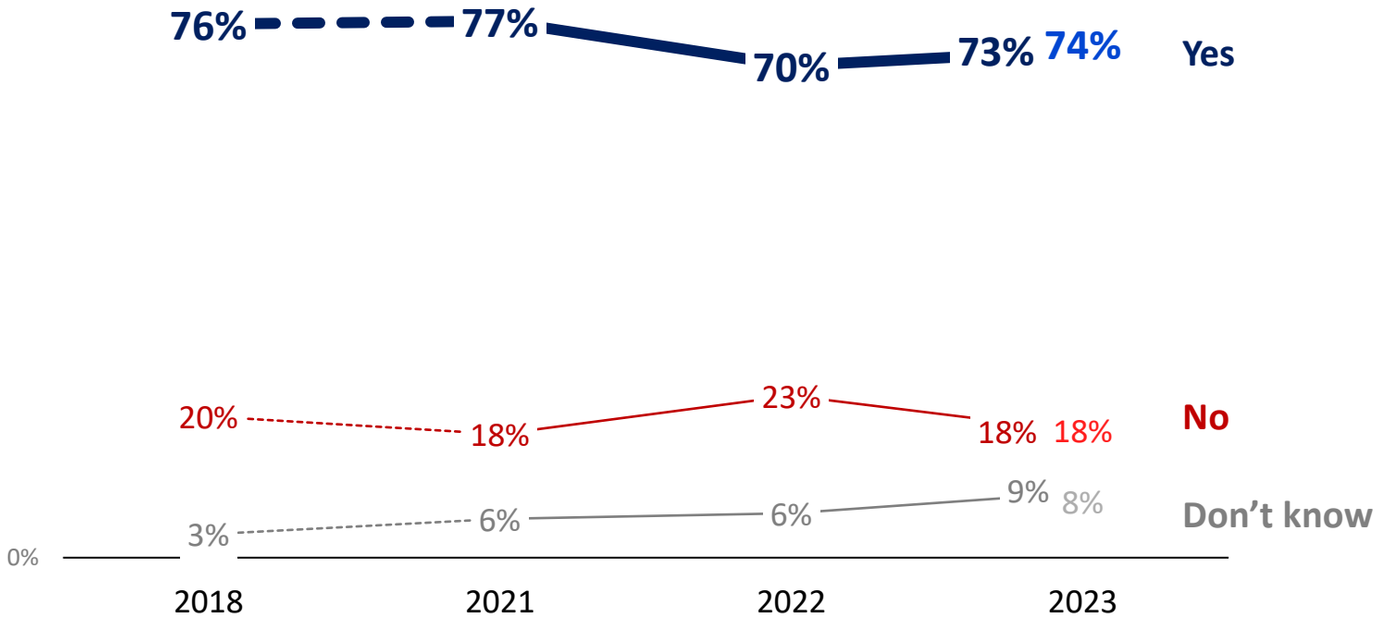


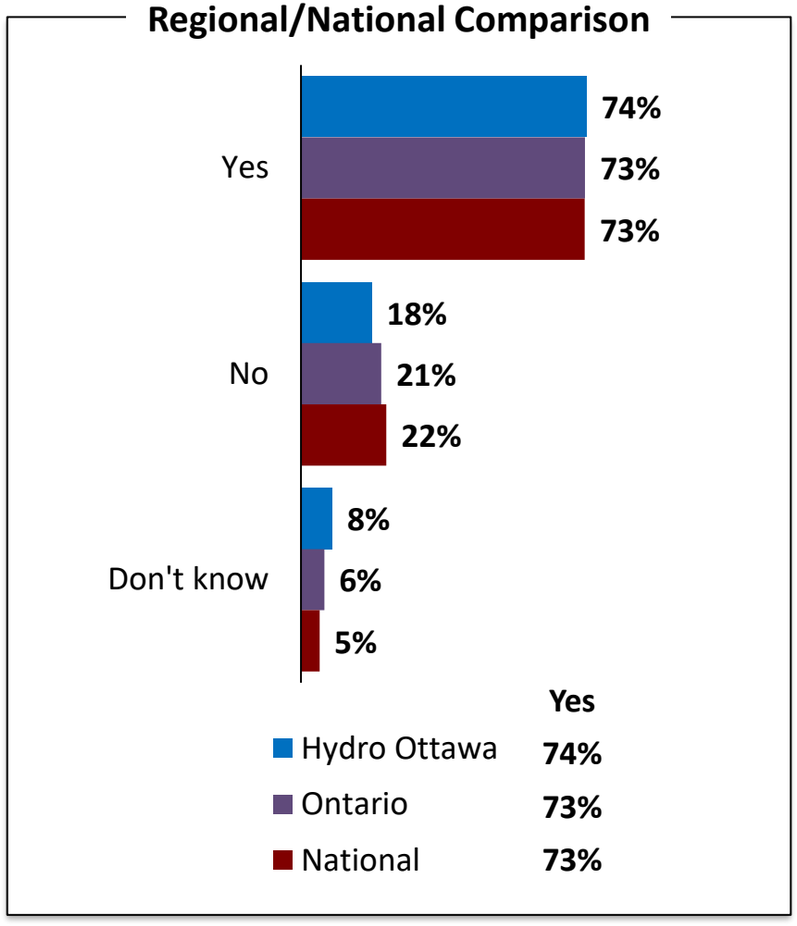


Proactive Communication: 7-in-10 who recalled a planned outage say Hydro Ottawa gave them advance notices, maintaining last year's level after a dip

Q Did Hydro Ottawa proactively communicate with you about the most recent planned power outage that you experienced?

[only asked of those who have been impacted by planned outages within the past 2 years; n=227]



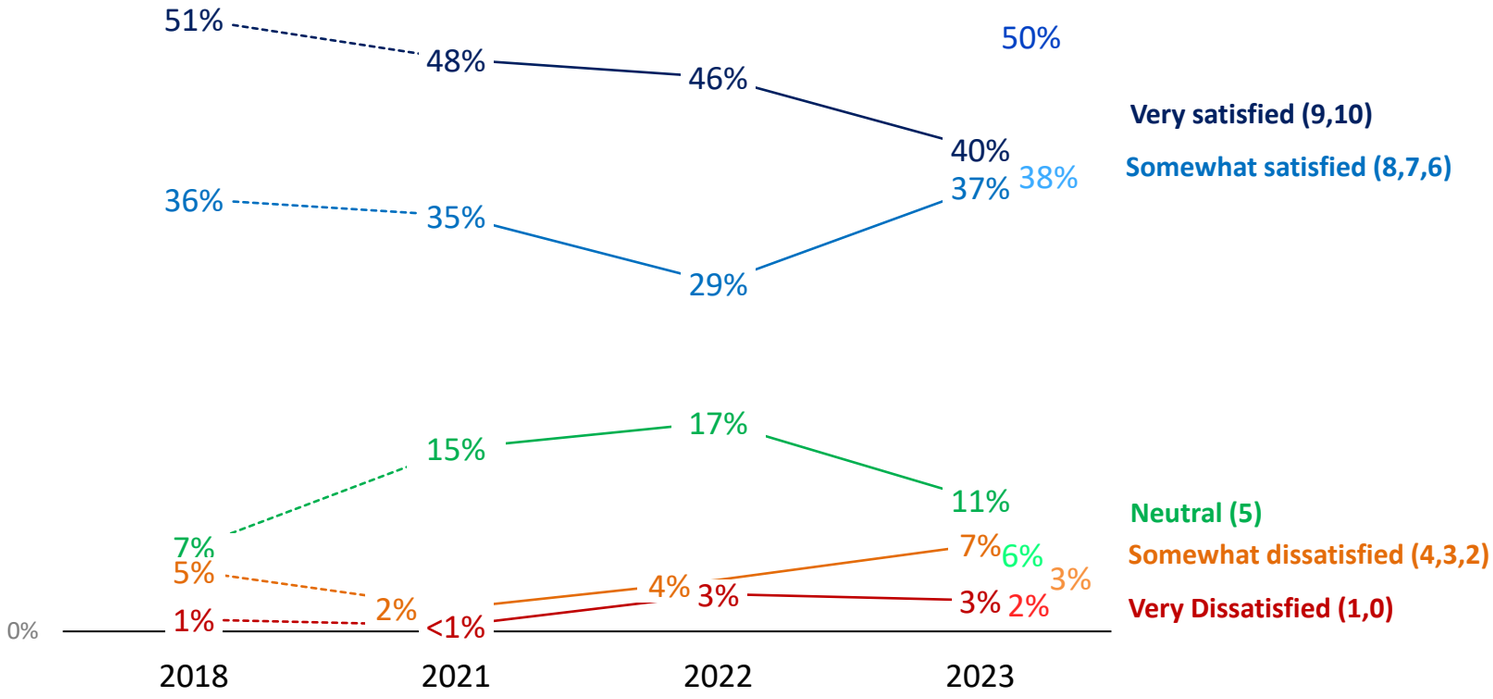


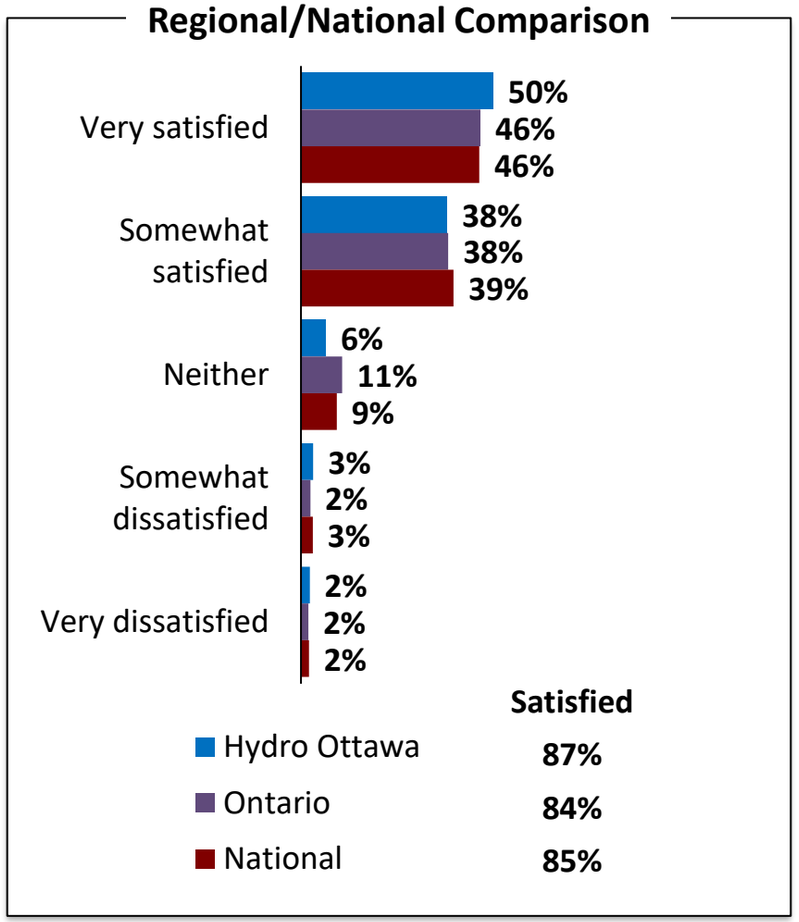
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Satisfaction with Planned Outage Comms: The customer list sample is more satisfied with the proactive communications than the sample with GenPop

Q How satisfied are you with the way the company communicated with you about that planned outage? *Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.*

[only asked of those who can recall being contacted by Hydro Ottawa during the most recent planned outage; n=167]

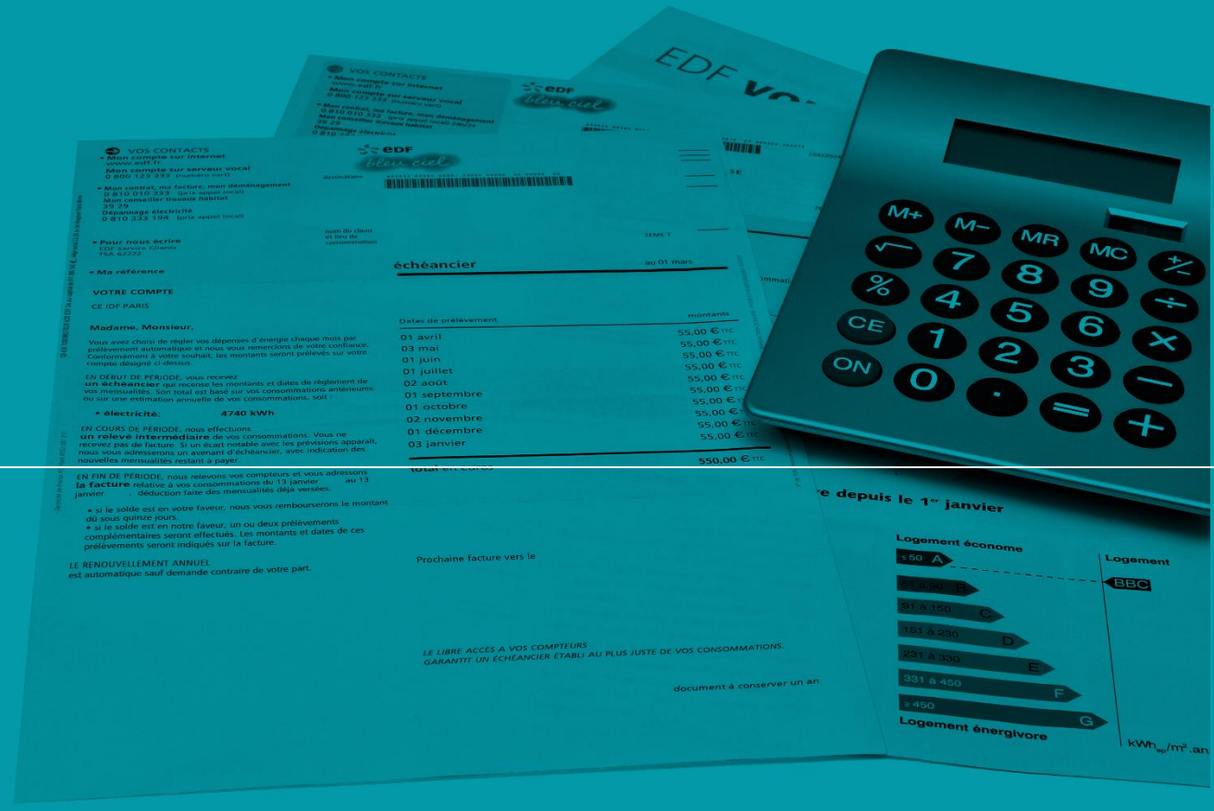




NOTE: 'Don't know' (1%) not shown.

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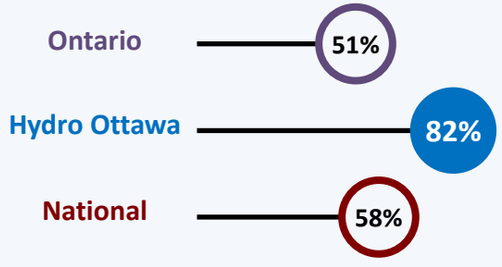
Billing & Payment



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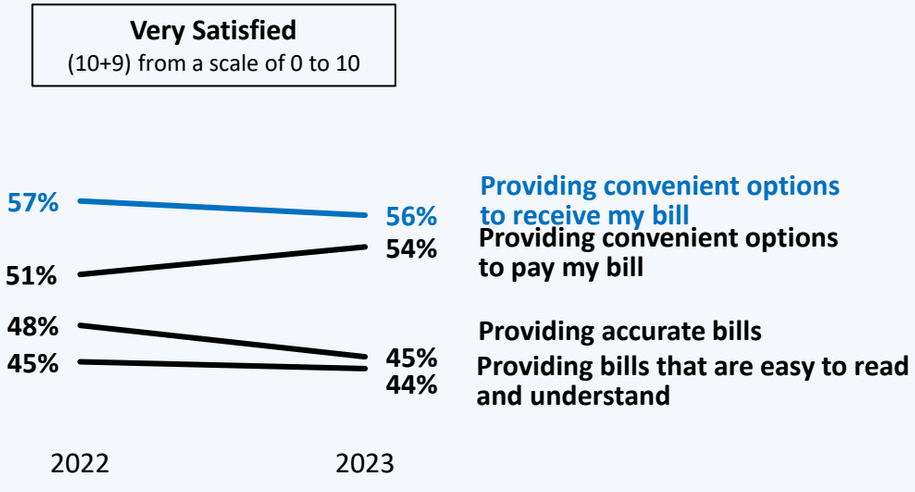
Summary: *Billing & Payment*

E-bill adoption is steady.



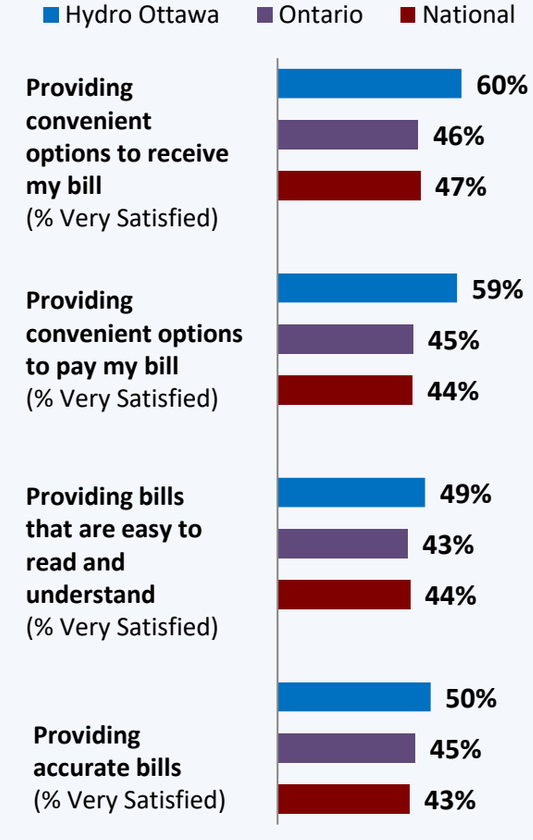
Hydro Ottawa surpasses the Ontario and national averages on e-bill adoption. Comparing the datapoints with the GenPop samples (84% both years), the adoption rate is steady.

Most billing and payment metrics hold roughly steady.



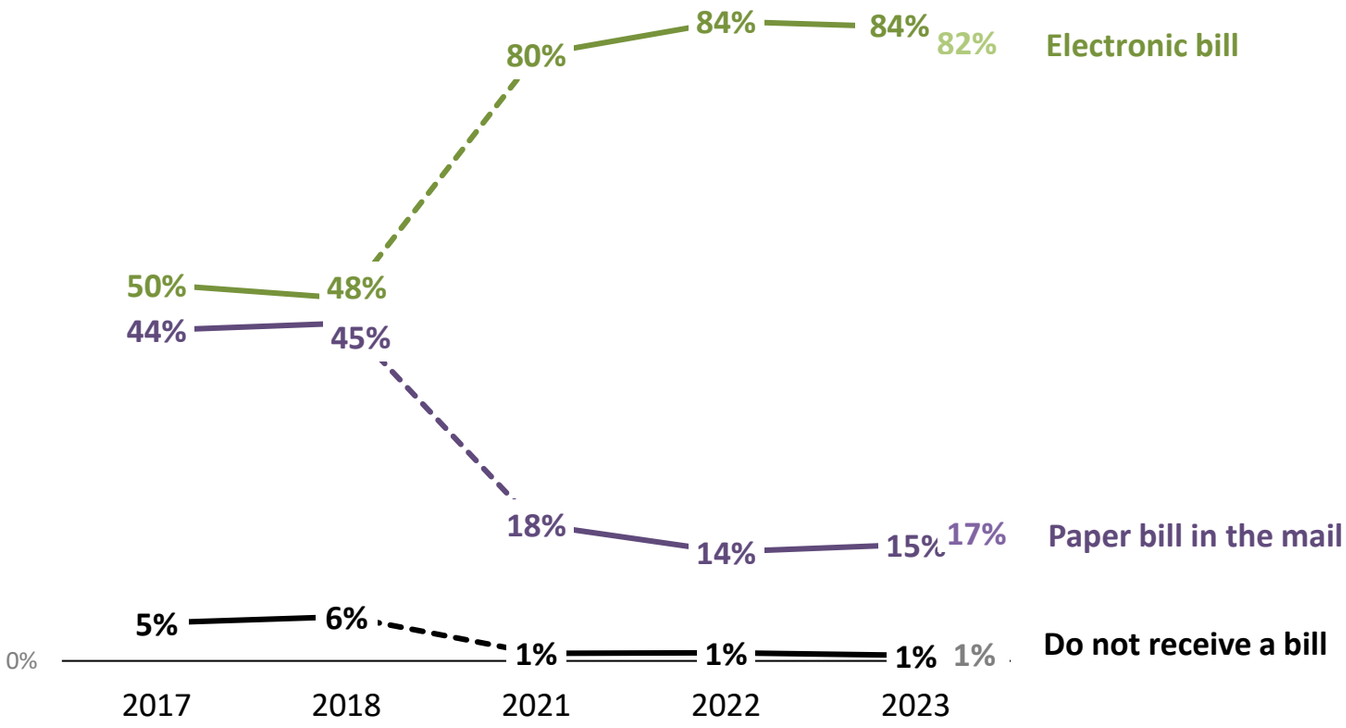
Two of the four metrics stay largely the same as last year. For the remaining two metrics, ***providing convenient options to pay my bill*** sees a small positive change (+3 pts). On the other hand, ***providing accurate bills*** **sees** a small drop (-2 pts).

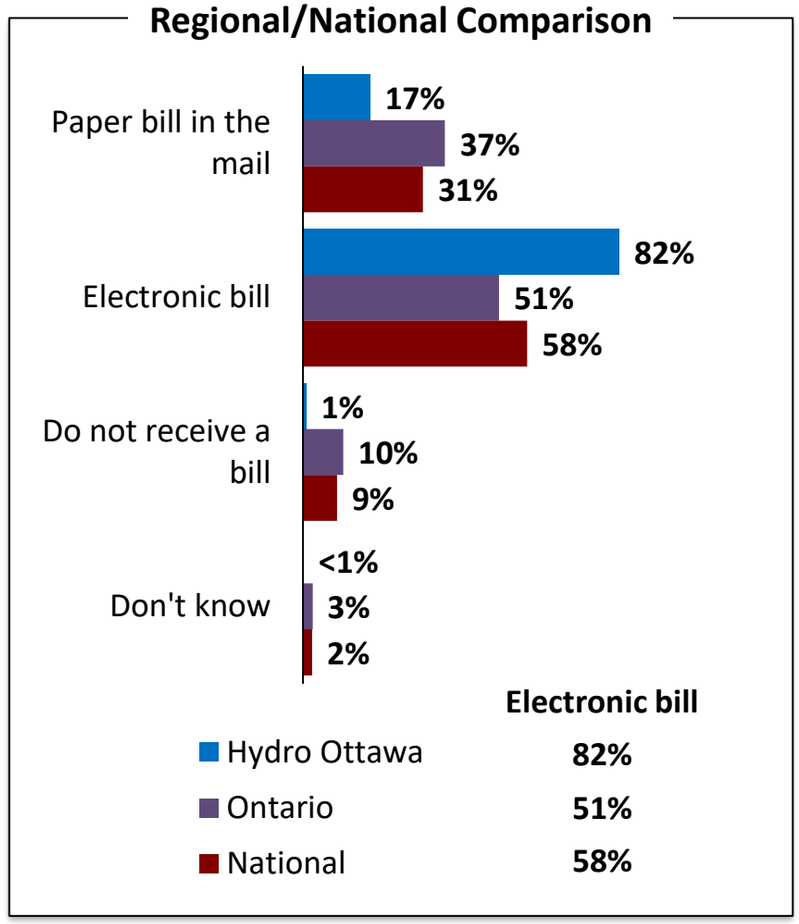
Hydro Ottawa exceeds Ontario and national average on all billing and payment metrics.



Format of Electricity Bill: Over 8-in-10 say they receive an e-bill; Hydro Ottawa customers are much more likely to receive e-bills than Ontario/national averages

Q In what format do you receive your electricity bill?
[asked of all Hydro Ottawa respondents]



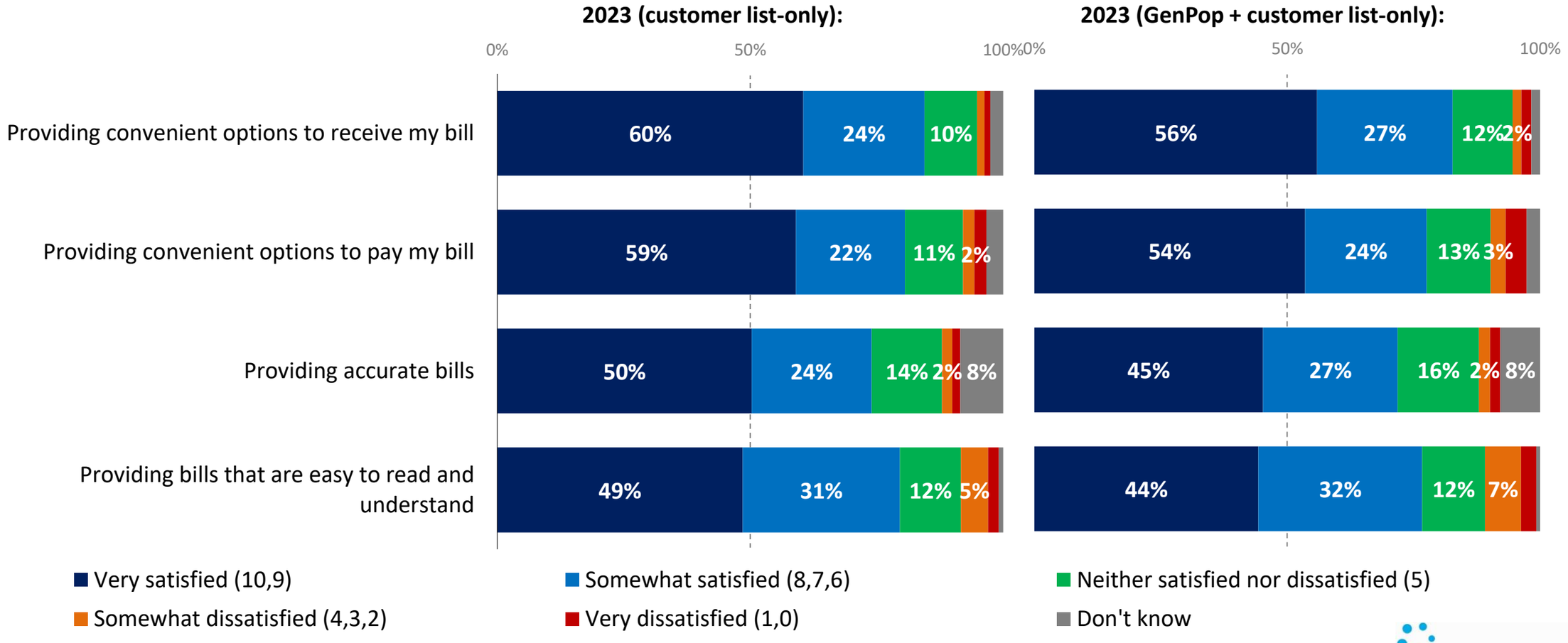


REMINDER: These results are from an online survey. As such, the proportion of customers who receive a paper bill may be under-represented.
Note: Don't know not shown.

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Billing & Payment Metrics: Respondents are more likely to have a strong satisfaction on providing convenient options to receive and pay my bill

Q Please indicate how satisfied you are with the way **Hydro Ottawa** is performing on each of the following attributes related to your electricity bills:
[only asked of those who receive a bill; n=989]

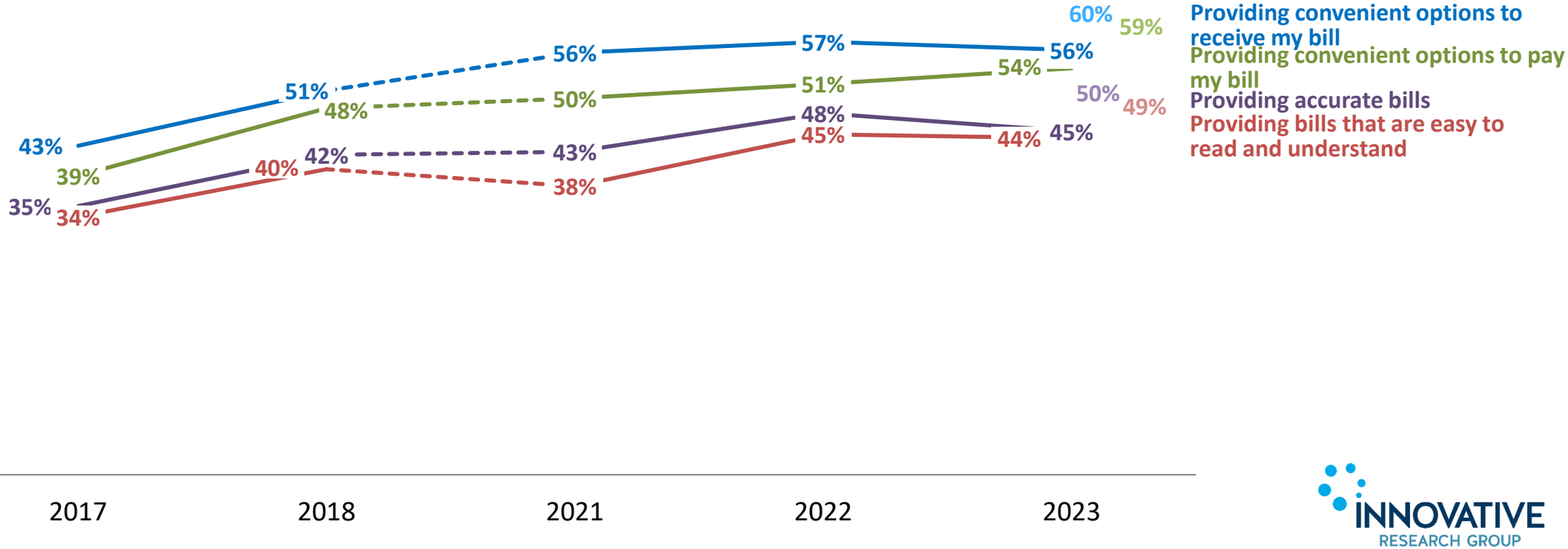


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Billing & Payment Metrics (Tracking): Most billing and payment metrics hold roughly steady

Q Please indicate how satisfied you are with the way **Hydro Ottawa** is performing on each of the following attributes related to your electricity bills:
[only asked of those who receive a bill; n=989]

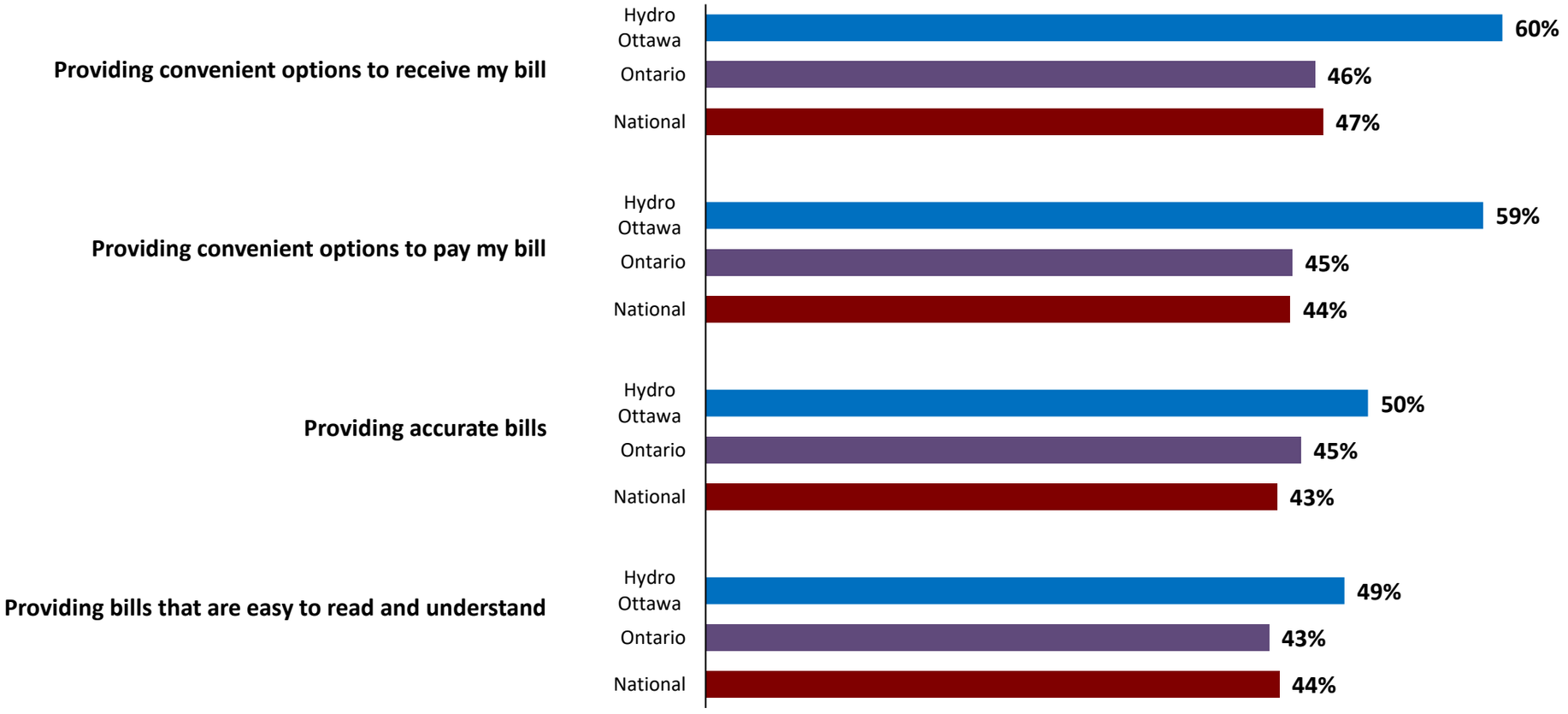
Very Satisfied
(10+9) from a scale of 0 to 10



Billing & Payment Metrics (Regional/National Comparison): Hydro Ottawa leads the performance on all billing and payment attributes

Q For each item on the list, please indicate how satisfied you are with the way Hydro Ottawa is performing on each of the following attributes related to your electricity bills:
[only asked of those who receive a bill; n=989]

Very Satisfied
(10+9) from a scale of 0 to 10



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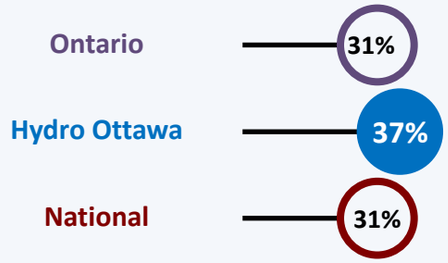
Communications



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Summary: *Communications*

Strong satisfaction with overall communications increases.



A greater portion of Hydro Ottawa customers say they are very satisfied with the overall communication from Hydro Ottawa compared to the Ontario and national averages. Comparing the datapoints with the GenPop samples (33% this year vs 30% last year), the level satisfaction is up marginally.

Share of those who perceive Hydro Ottawa to be much better in terms of customer experience is stable year-to-year.

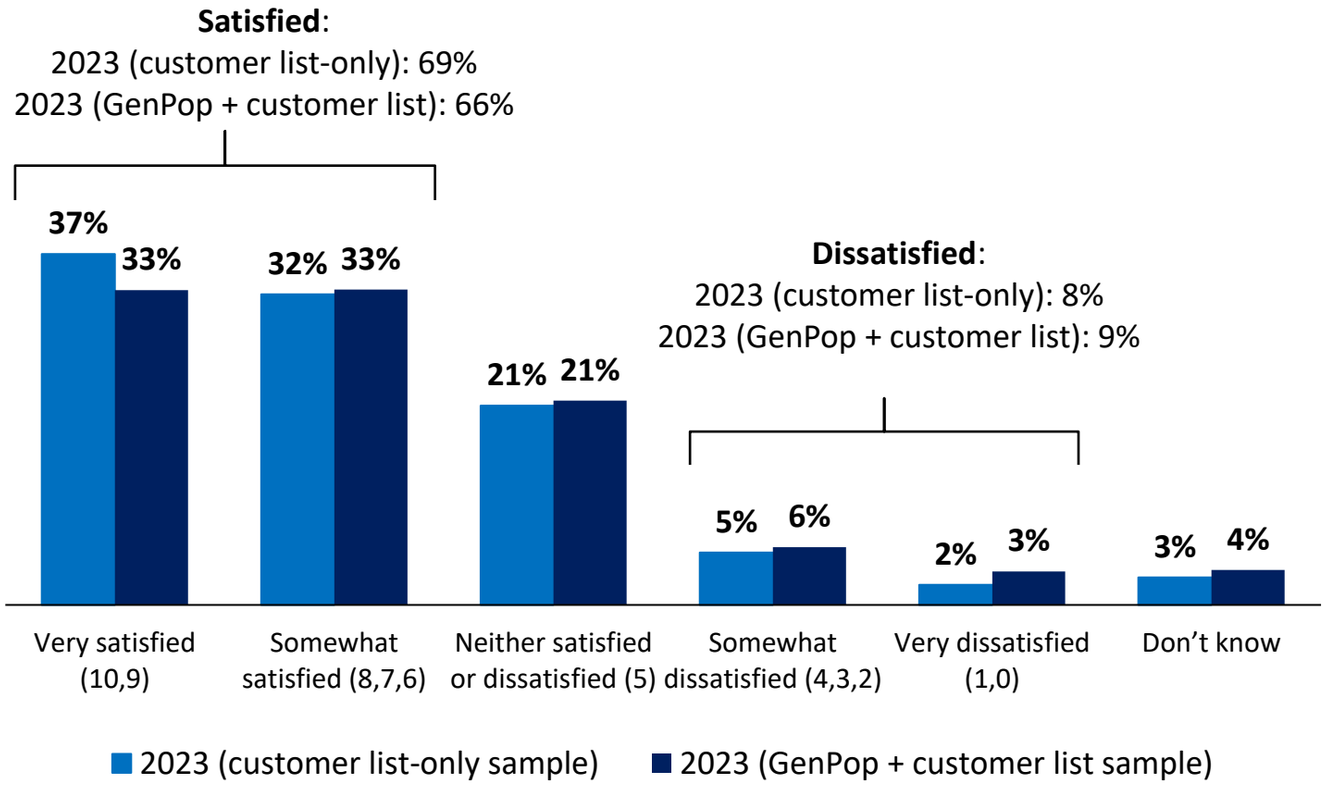


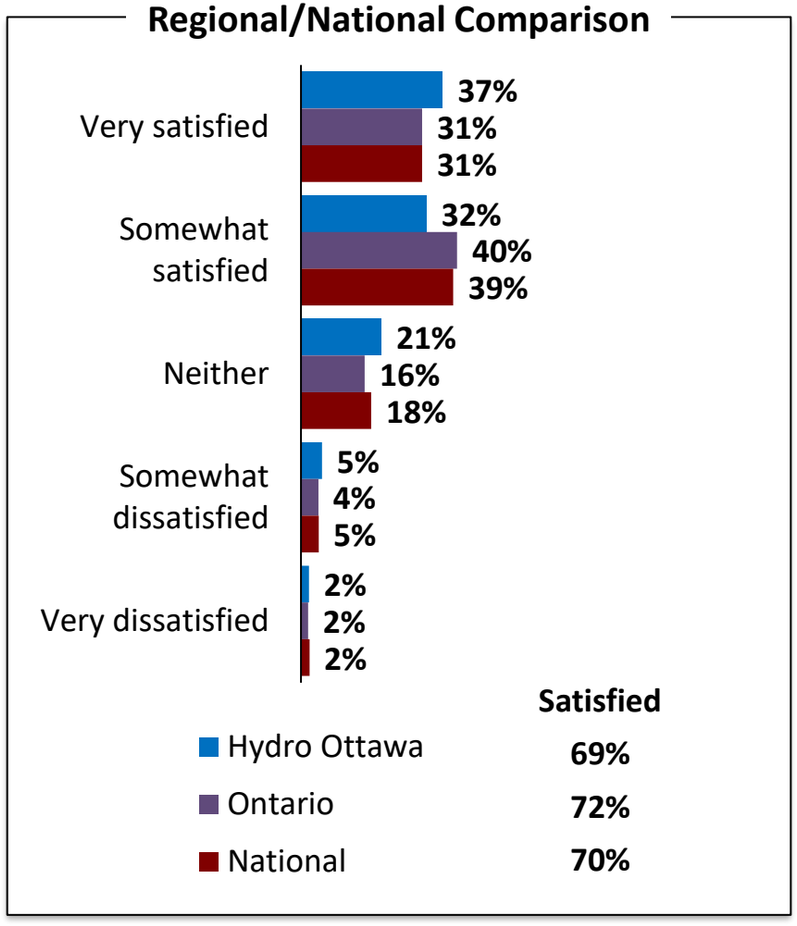
Share of those who say that their customer experience with Hydro Ottawa is better compared to that of other service providers is higher as compared to the Ontario and national averages. Comparing the datapoints with the GenPop samples (14% both years), the results are stable.

Overall Communications: Customers are more likely to be *very satisfied* than ON/[78] national averages, but the total satisfaction level is on par with the averages

Q Please indicate how satisfied you are with overall communications from **Hydro Ottawa**. *Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.*

[asked of all Hydro Ottawa respondents]



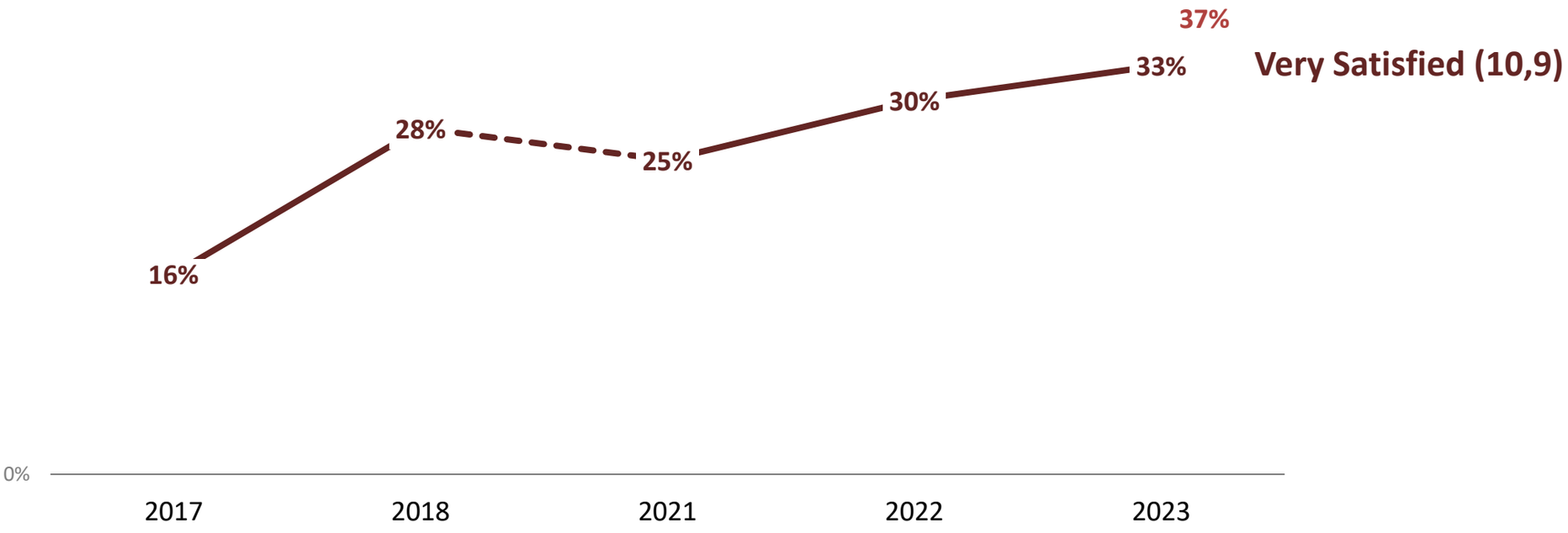


Communication (Tracking): Strong satisfaction regarding overall communications continues a gradual upwards since 2017

Q Please indicate how satisfied you are with overall communications from **Hydro Ottawa**. *Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.*

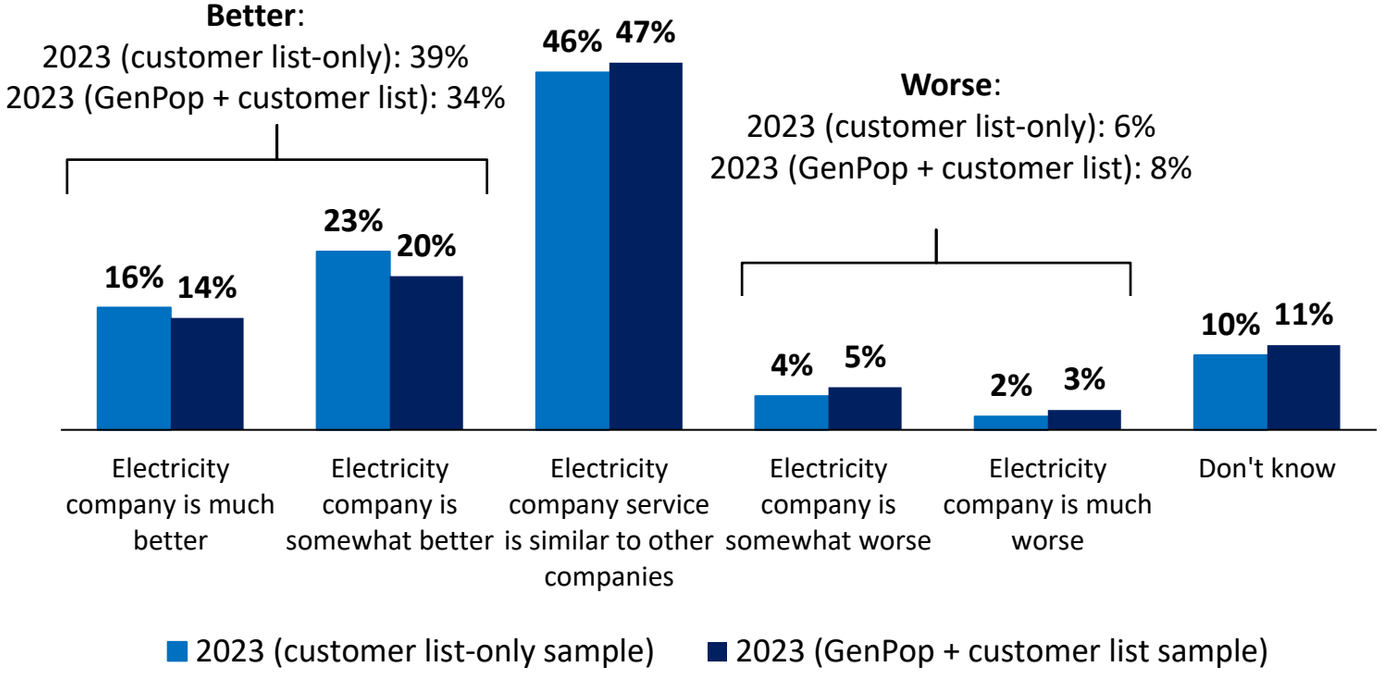
[asked of all Hydro Ottawa respondents]

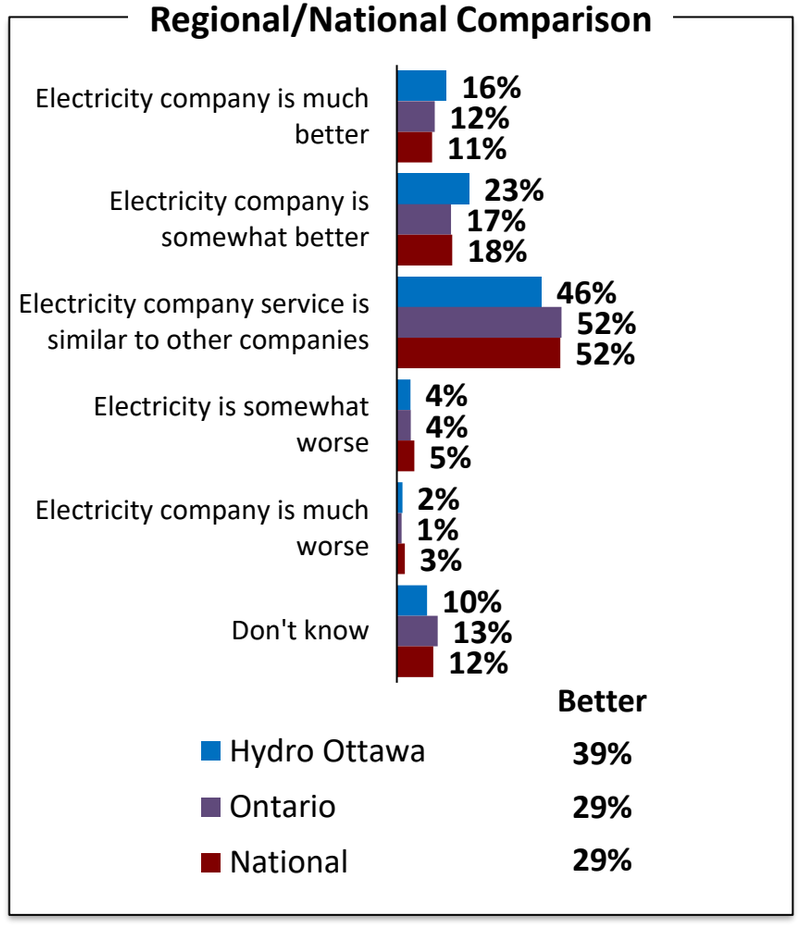
Very Satisfied
(10+9) from a scale of 0 to 10



Comparing Customer Experience: 2-in-5 (39%) say their customer experience with Hydro Ottawa is better; 10 pts higher than the provincial/national averages

Q How does your customer experience with **Hydro Ottawa** compare to that of other service providers you use (telephone, cable, TV/internet, natural gas, your bank)?
[asked of all Hydro Ottawa respondents]

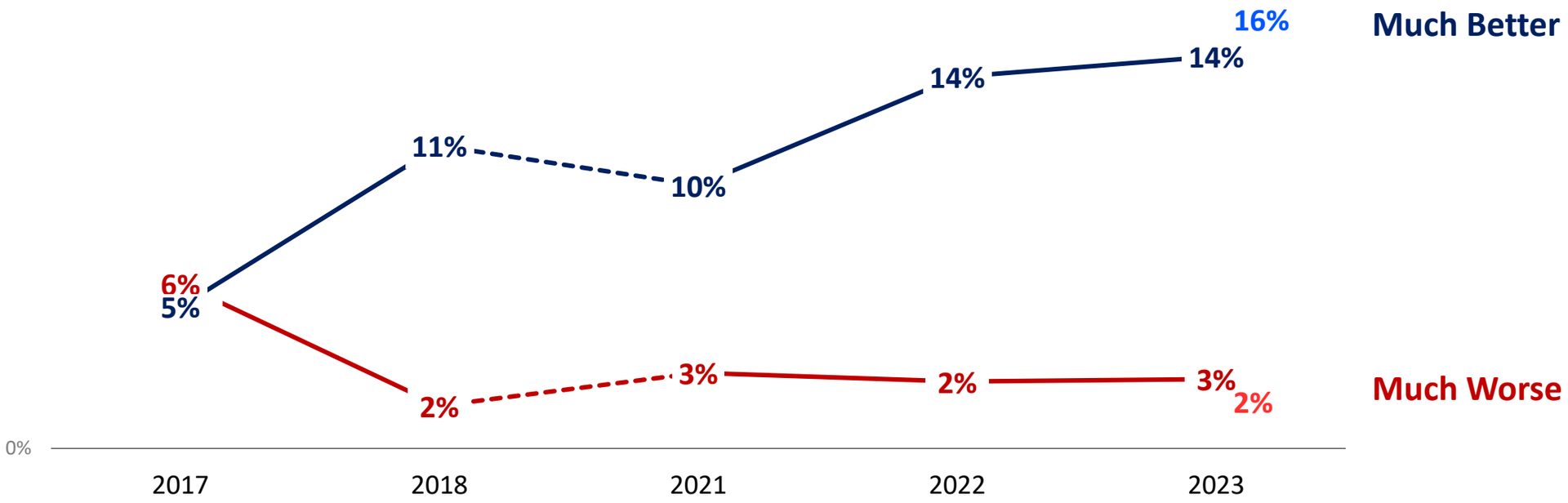




Comparing Customer Experience (Tracking): The way Hydro Ottawa customers compare the utility to other service providers is similar year-to-year

Q How does your customer experience with **Hydro Ottawa** compare to that of other service providers you use (telephone, cable, TV/internet, natural gas, your bank)?

[asked of all Hydro Ottawa respondents]



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Net Promoter Score (NPS)

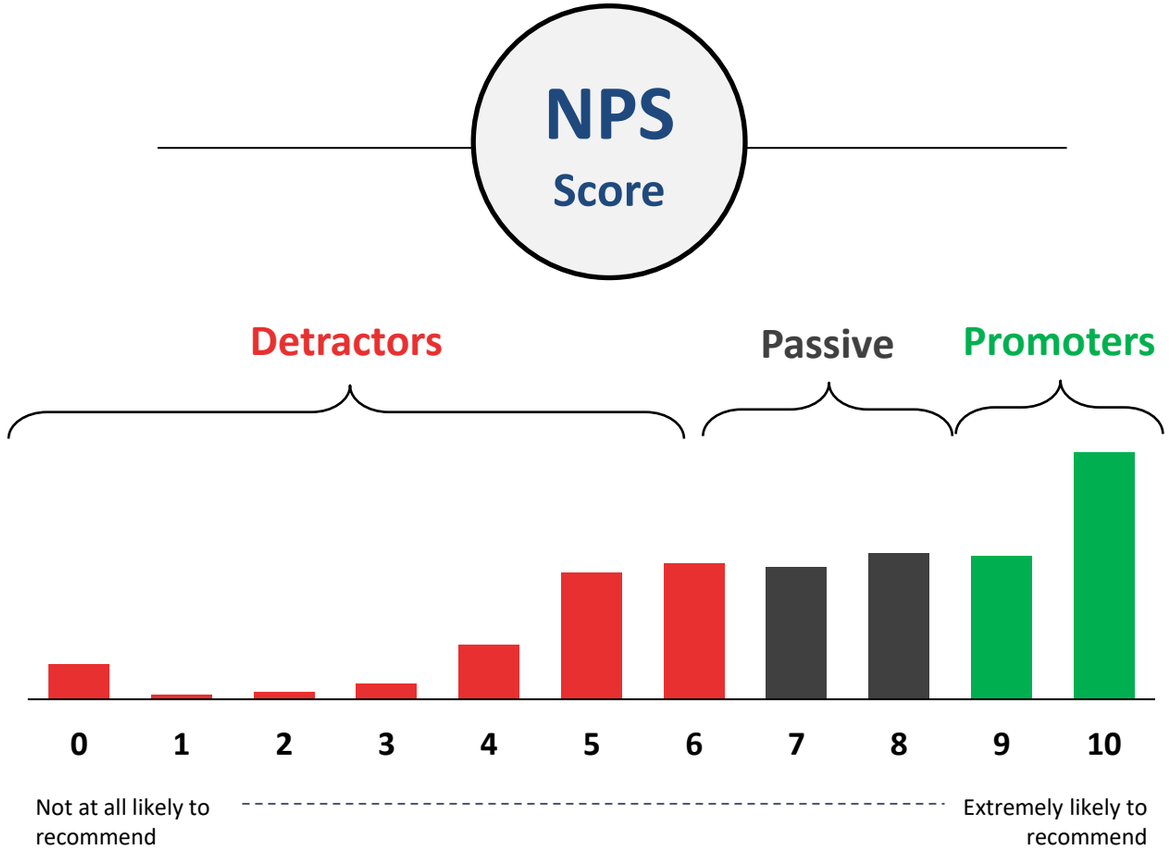
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Endorsement: Calculating "Net Promoter Scores" (NPS)

A *Net Promoter Score* (NPS) is based on the fundamental perspective that every organization's clientele can be divided into three categories: Promoters, Passives, and Detractors.

By asking one simple question — *If you had a choice between several possible providers of electricity, how likely would you be to recommend* ***Hydro Ottawa*** *to your friends, family and others as the preferred electricity distributor?* — you can track these groups and get a clear measure of the customer's experience with your organization. Customers respond on a 0-to-10 point rating scale and are categorized as follows:

- **Promoters** (score 9-10) are loyal enthusiasts who would refer others to your organization if they had that option. These customers are an important source of strength for the brand. An estimated 80-90% of positive word-of-mouth come from *Promoters*.
- **Passives** (score 7-8) are satisfied but unenthusiastic customers who would be vulnerable to offerings from competitors, given the option of a choice.
- **Detractors** (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth. Detractors are responsible for an estimated 80-90% of all the negative word-of-mouth. Furthermore, this group of customers complain more frequently, thereby consuming service resources at a much higher rate than other customers.



NOTE: 'Don't know' removed from calculation

Comparing NPS Across Industries (US Data)

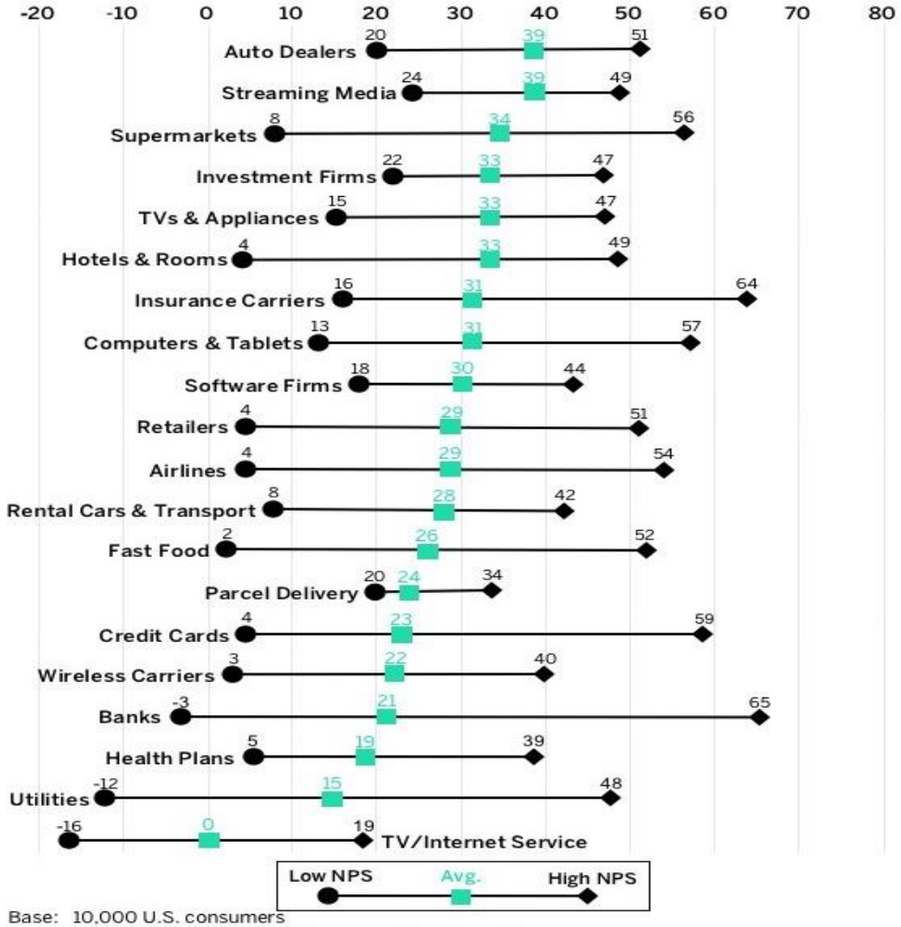
The Net Promoter Score (NPS) was created in the 90's to evaluate the growth potential of companies that operate in competitive markets. Typically, organizations with scores higher than their competitors tend to grow faster.

Because almost all Electricity Canada members operate primarily in regulated monopoly markets, NPS should only be considered a "rough proxy" for customer satisfaction.

To put NPS in context, this chart shows the average NPS for several industries in the U.S. This data was taken from a 2018 study surveying 5,000 U.S. consumers evaluating multiple companies that compete in various industries.

As the chart shows, it is not uncommon for organizations in various sectors to have a negative NPS, and utilities tend to have lower NPSs than other industries.

Range of Net Promoter Scores (NPS) Across US Industries



Base: 10,000 U.S. consumers
Source: Temkin Group Q3 2018 Consumer Benchmark Survey

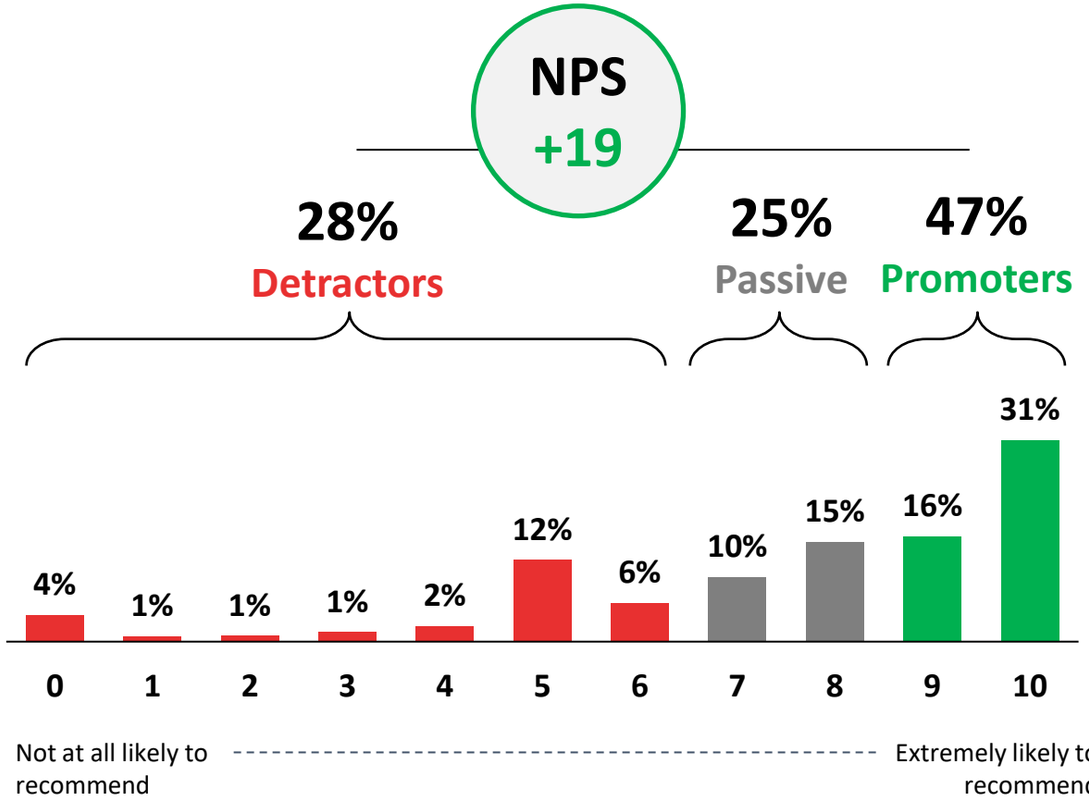
Copyright © 2018, 2019 Qualtrics®

Net Promoter Score: NPS is much higher among the customer list only sample (+19) than that with the general public sample (+9)

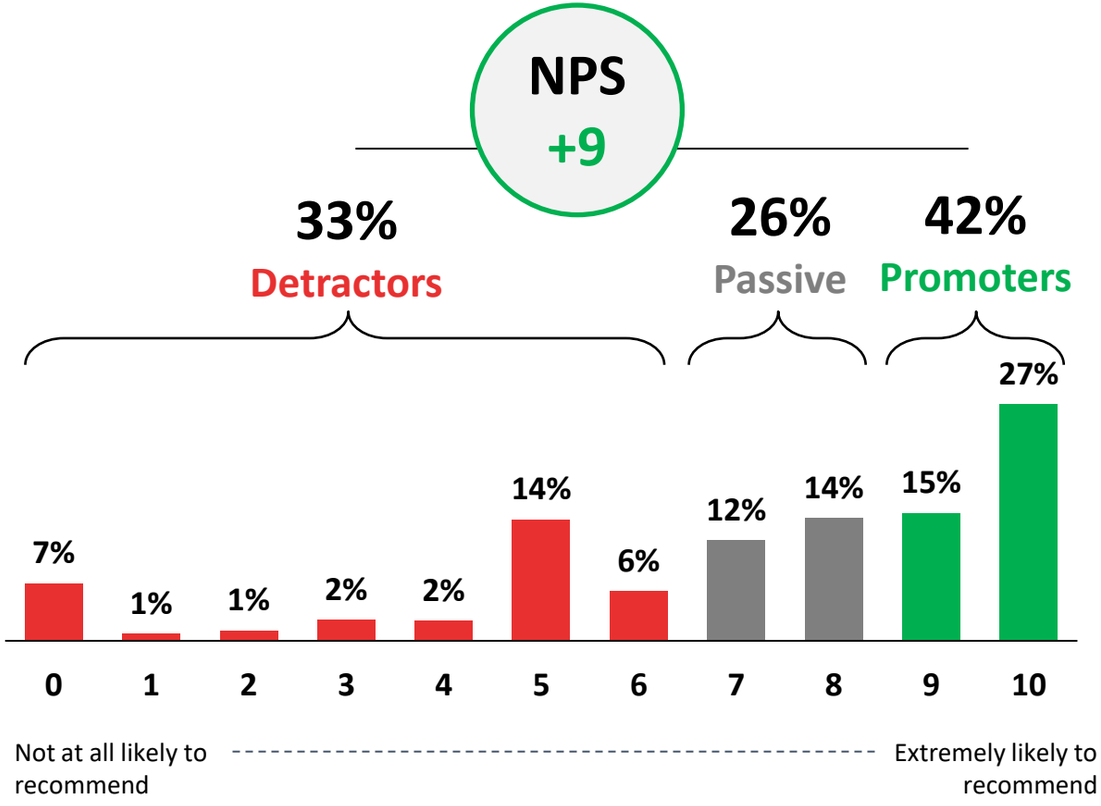
Q If you had a choice between several possible providers of electricity, how likely would you be to recommend **Hydro Ottawa** to your friends, family and others as the preferred electricity distributor? *Please use a scale from 0 to 10, where 0 means you would not be at all likely to recommend **Hydro Ottawa** to others and 10 means you would be extremely likely to recommend.*

[asked of all Hydro Ottawa respondents]

2023 Customer List Only Sample



2023 General Population + Customer List Sample

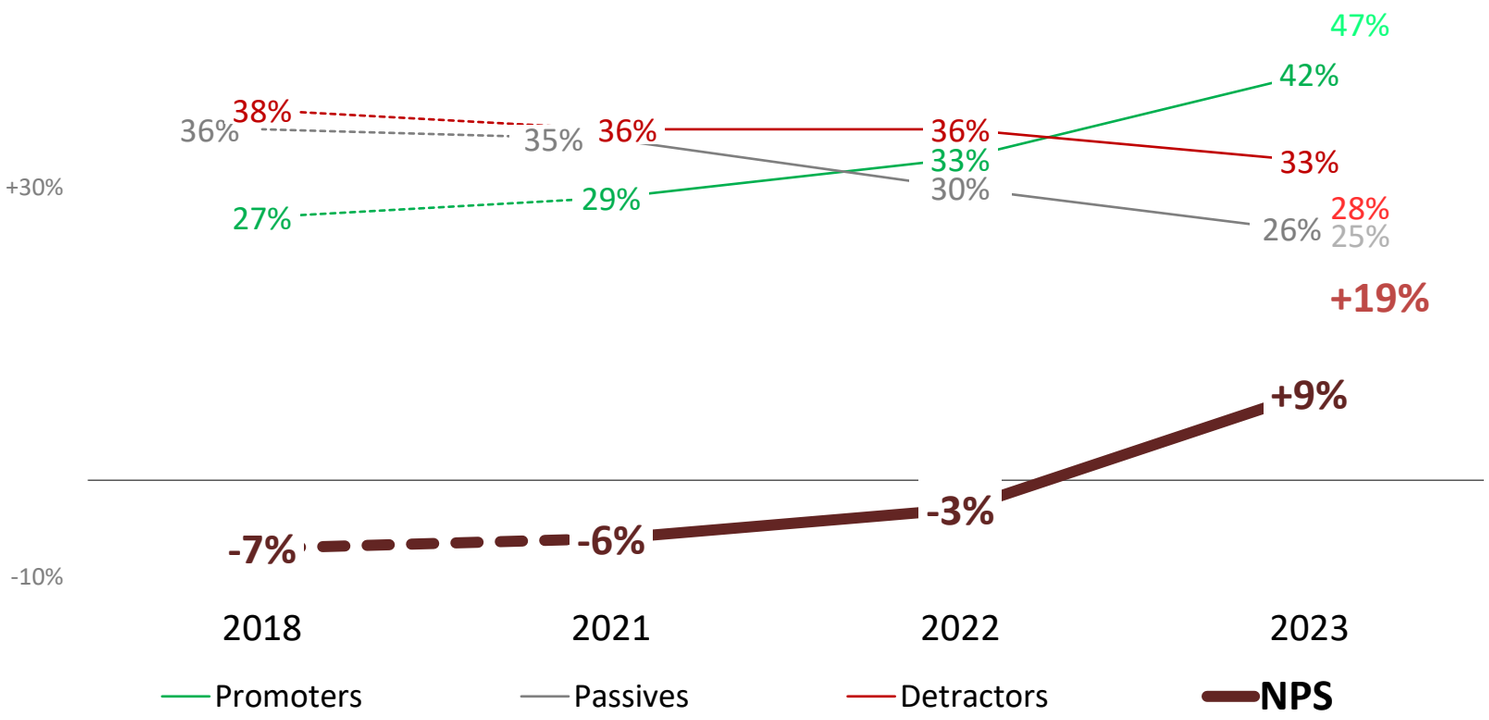


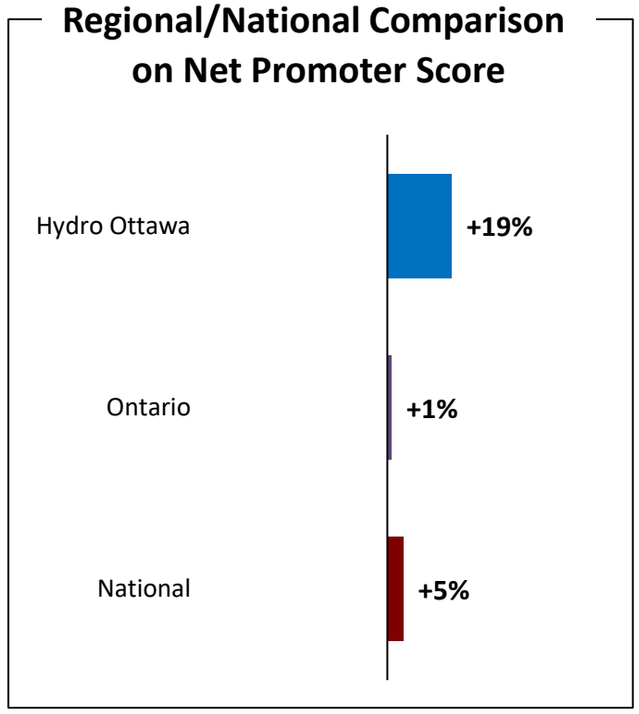
NOTE: NPS scores run on a scale from -100 to +100.
Results shown do not include the 15% of respondents who answered “don’t know”.

NPS Comparison: NPS up 12 points this year due to an increase in the share of promoters and a slight decrease in the share of detractors

Q If you had a choice between several possible providers of electricity, how likely would you be to recommend **Hydro Ottawa** to your friends, family and others as the preferred electricity distributor? *Please use a scale from 0 to 10, where 0 means you would not be at all likely to recommend* ***Hydro Ottawa*** *to others and 10 means you would be extremely likely to recommend.*

[asked of all Hydro Ottawa respondents]





NOTE: 'Don't know' (15%) removed from calculation

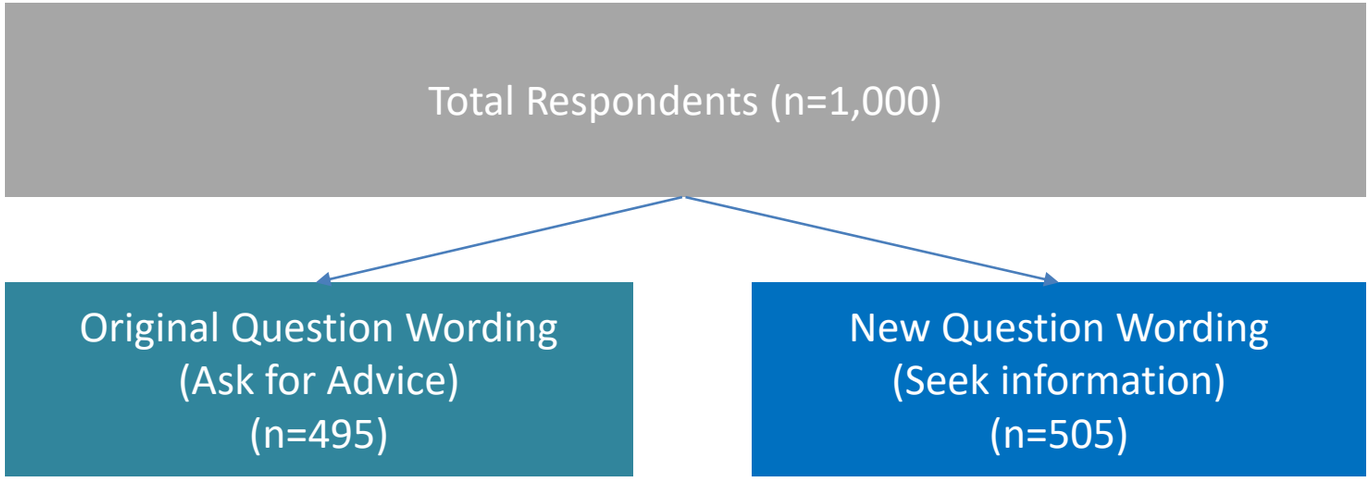
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Utility as Advisor

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Overview: Split Sample

Last year's study had a question measuring the likelihood of customers using the utility as an advisor. This year, the study had an alternative question wording to capture a similar idea. Respondents are randomly assigned to see either the original or the new question wording. As alluded to, the original question wording was asked in last year's CSAT survey and is included again this year for tracking purposes. Respondents have a 50% chance of being assigned to one of the two versions.



*"If you have a question about something like this, how likely would you be **to ask** Hydro Ottawa for advice?"*

*If you have a question about something like this, how likely would you be to **seek information** from Hydro Ottawa for advice?"*

Utility as Advisor: Hydro Ottawa customers are as likely to seek advice/information from their utility as the provincial/national respondents

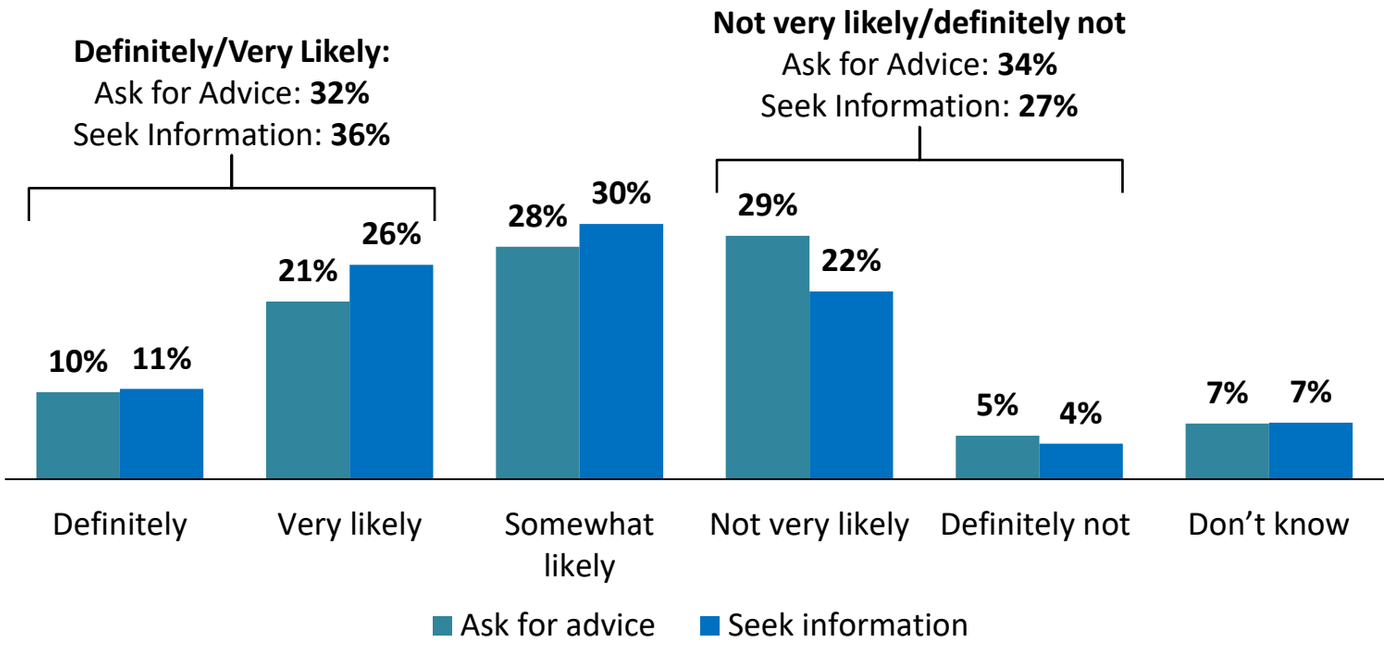
Q Sometimes people have to make choices about how they use electricity in their home, such as energy conservation and efficiency programs or new technology like energy storage or solar panels.

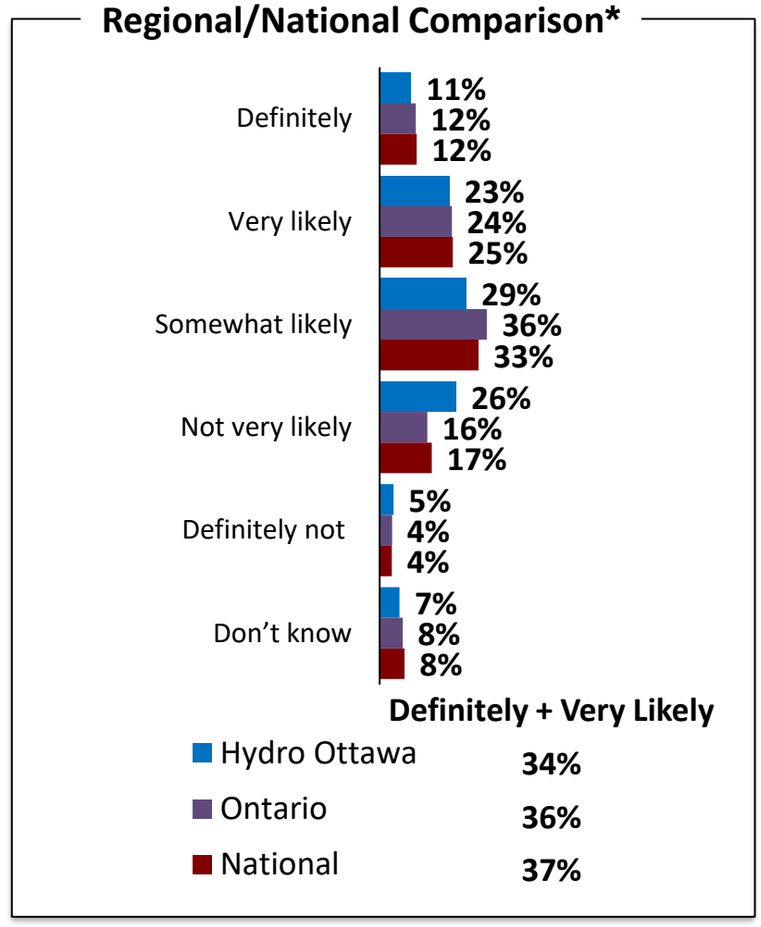
[SPLIT SAMPLE 1] If you have a question about something like this, how likely would you be to ask Hydro Ottawa for advice?

[only asked of split sample 1; n=495]

[SPLIT SAMPLE 2] If you have a question about something like this, how likely would you be to seek information from Hydro Ottawa for advice?

[only asked of split sample 2; n=505]





NOTE: *This sidebar includes respondents who say "Definitely" and "Very likely" in either question wording.

Utility as Advisor (Tracking): Marginally a greater portion of customers say they would definitely ask Hydro Ottawa for advice this year (10%) than last year (7%)

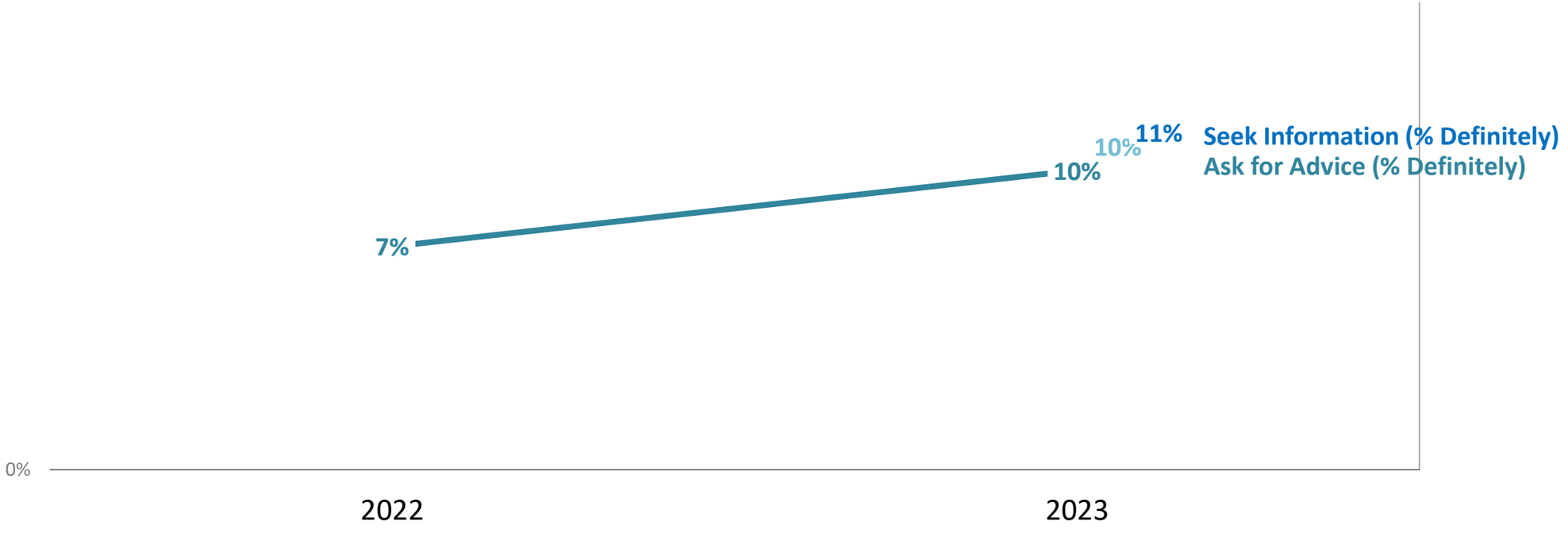
Q Sometimes people have to make choices about how they use electricity in their home, such as energy conservation and efficiency programs or new technology like energy storage or solar panels.

[SPLIT SAMPLE 1] If you have a question about something like this, how likely would you be to ask Hydro Ottawa for advice?

[only asked of split sample 1; n=495]

[SPLIT SAMPLE 2] If you have a question about something like this, how likely would you be to seek information from Hydro Ottawa for advice?

[only asked of split sample 2; n=505]



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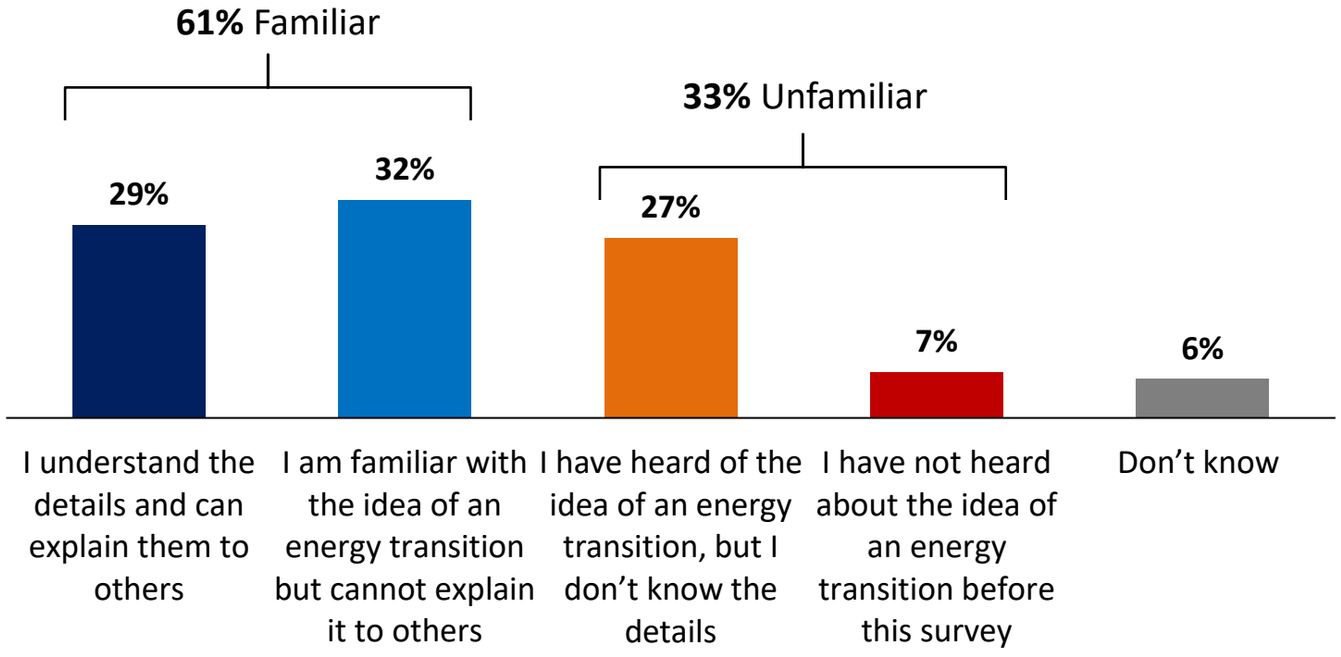
Energy Transition

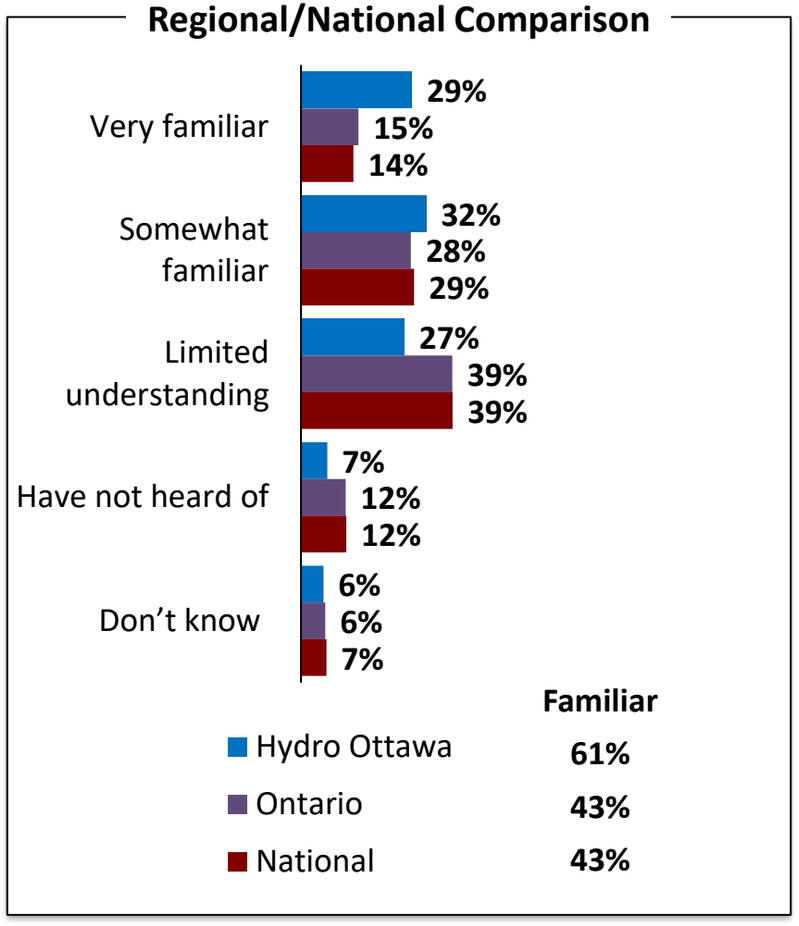
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Familiarity with Energy Transition: Familiarity is significantly higher among Hydro Ottawa customers (61%) than Ontario and national averages (both at 43%)[92]

Q One topic people have been talking about lately is the idea that Canada and the world may be transitioning from energy systems that depend highly on carbon-based fossil fuels like coal, oil, and gas to lower-carbon energy systems.

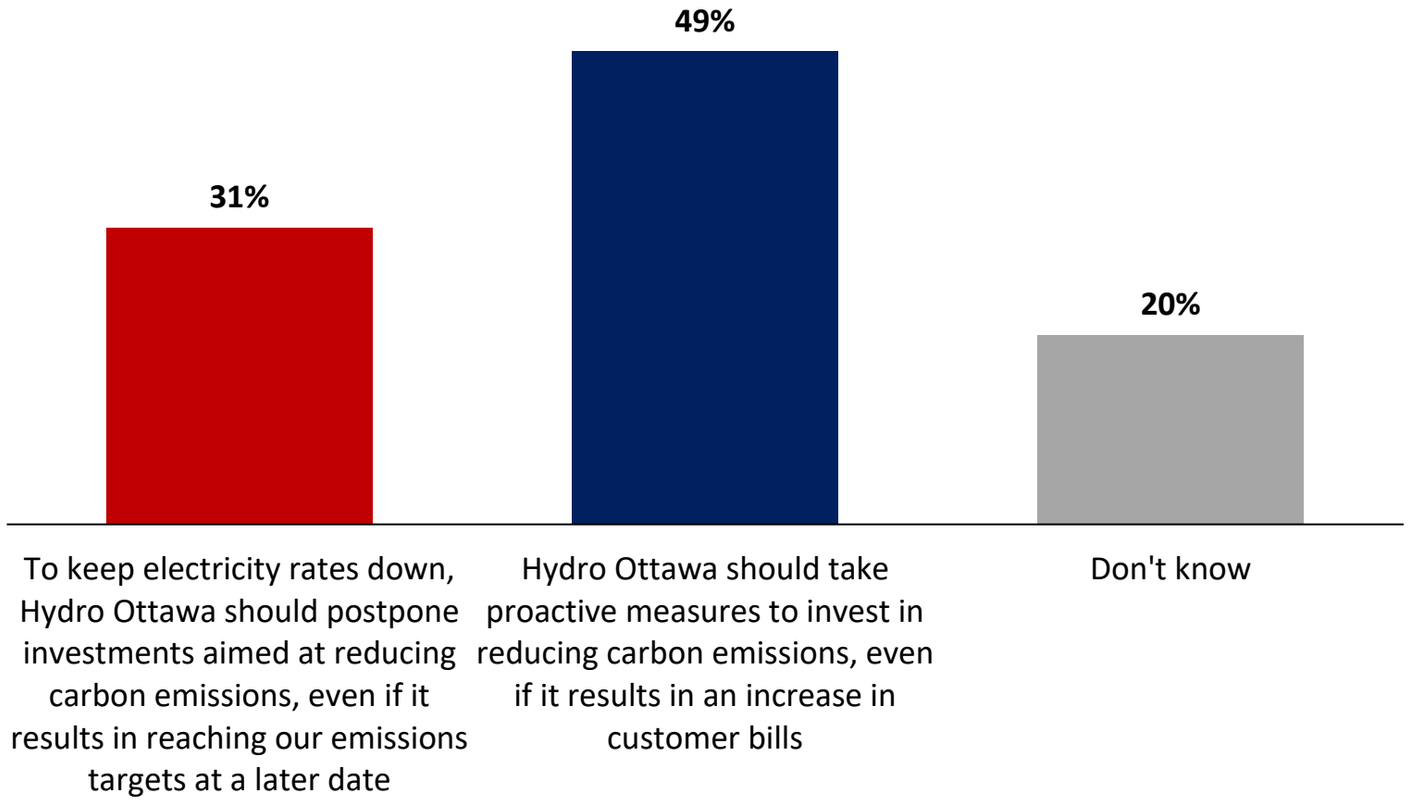
How familiar are you with the idea of transitioning from the current energy systems that depend highly on carbon-based fuels to lower-carbon energy systems?
[asked of all Hydro Ottawa respondents]

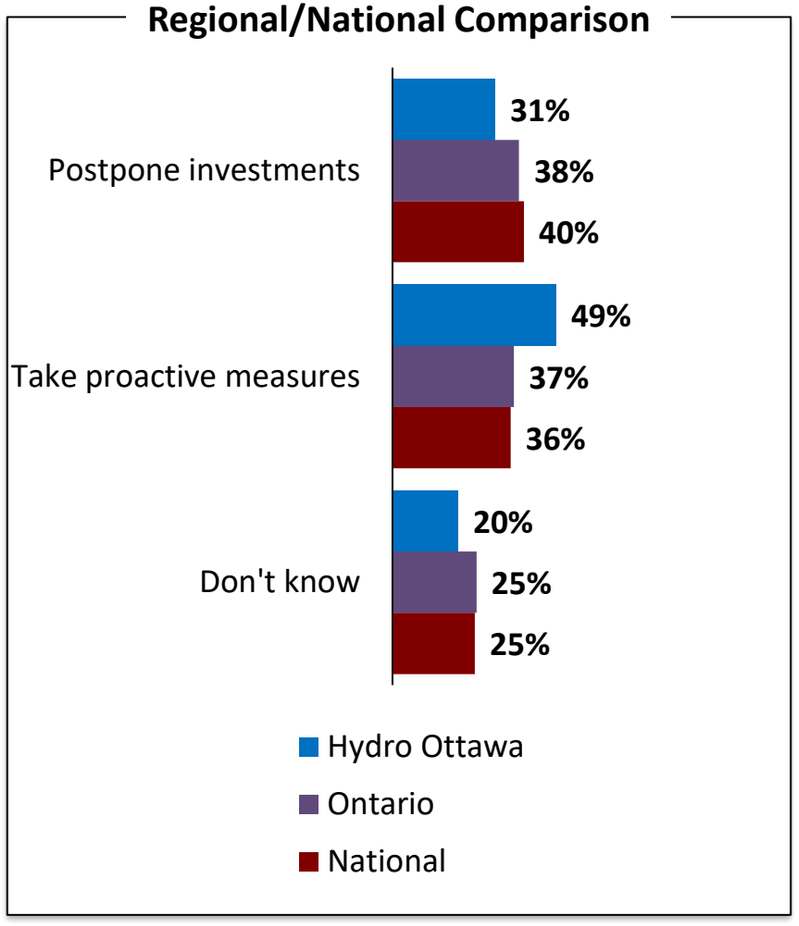




Perception of the Energy Transition: More customers favour Hydro Ottawa taking proactive measures while Ontarians and Canadians have a less clear preference

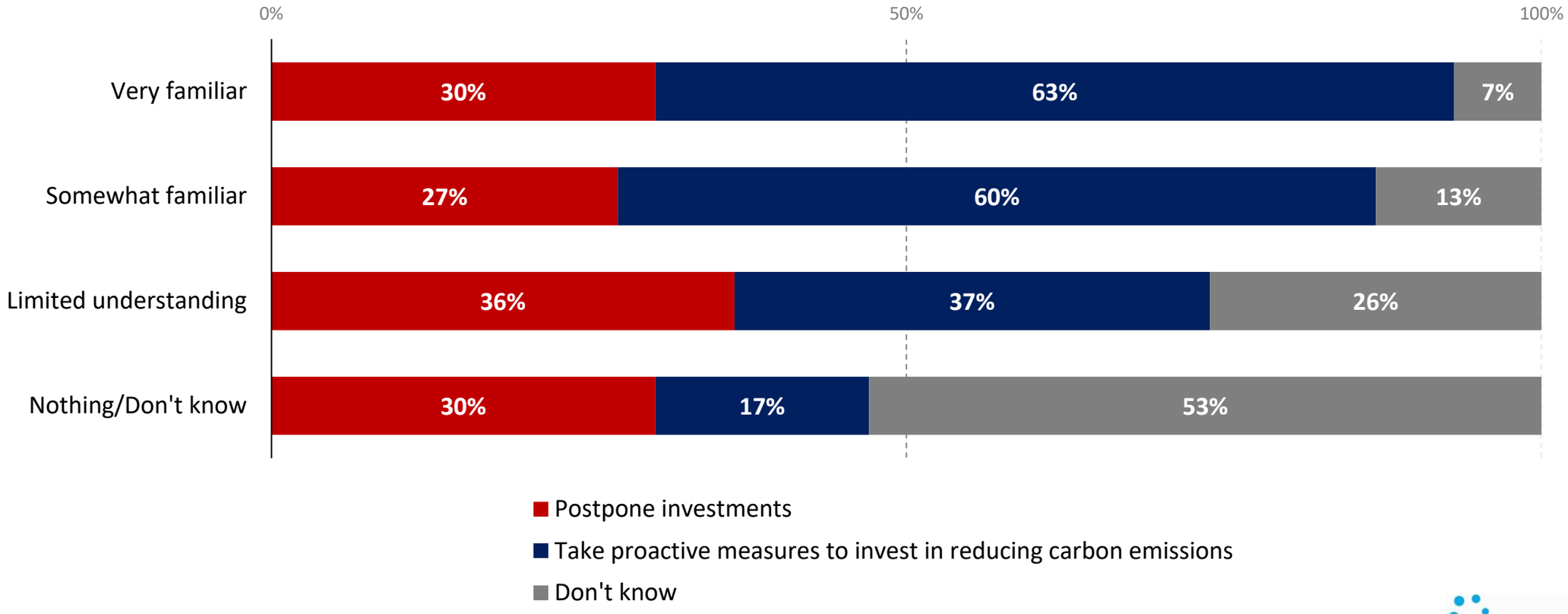
Q When it comes to energy transition, which of the following statements best represents your point of view?
[asked of all Hydro Ottawa respondents]





POV on Energy Transition by Familiarity with Energy Transition: Support for taking proactive measures increases with familiarity with energy transition

Q When it comes to energy transition, which of the following statements best represents our point of view?
BY Familiarity with Energy Transition
[asked of all Hydro Ottawa respondents]



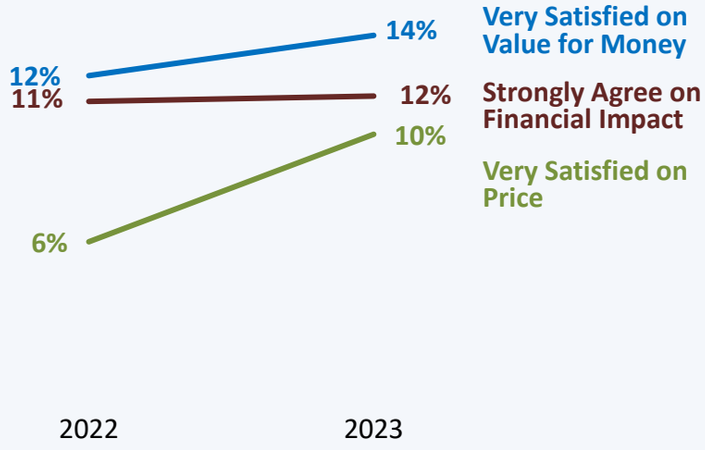
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Price

Summary: *Price*

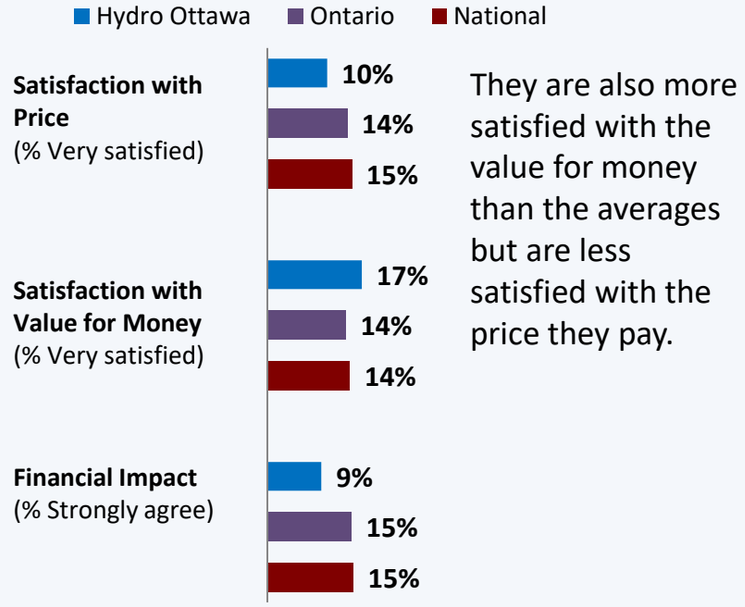
Satisfaction with price trends upwards. But satisfaction with value for money is consistent.

Very Satisfied/Strongly Agree
(10+9) from a scale of 0 to 10, where a scale is present



While satisfaction with value for money is consistent with last year, satisfaction with price is up 4 points. Those who *strongly agree* that the bill has an impact on their finances is flat, but more say *somewhat agree* year-to-year (shown later in the detailed slide).

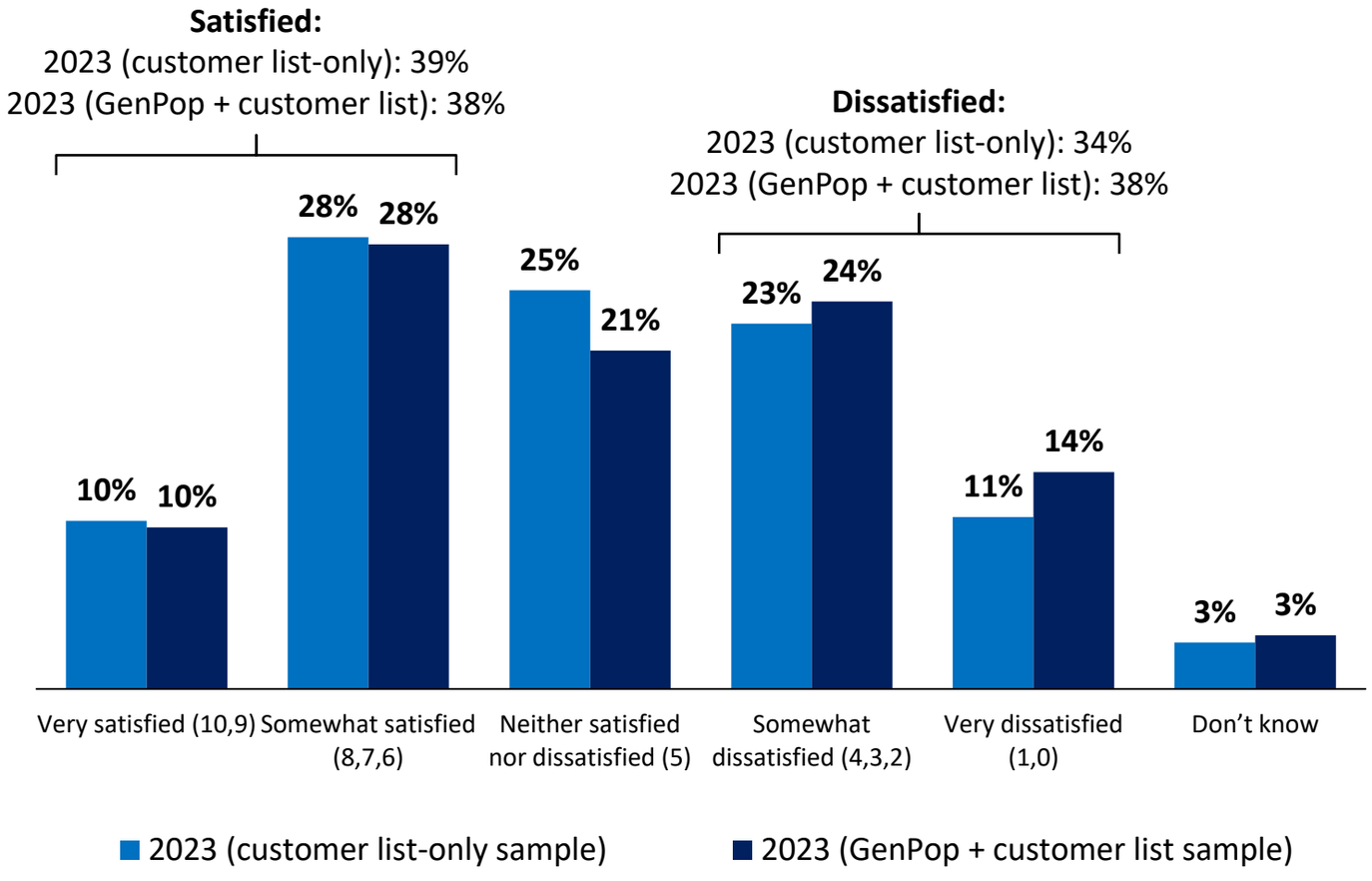
Hydro Ottawa customers are less financially stressed than Ontario or the national average.

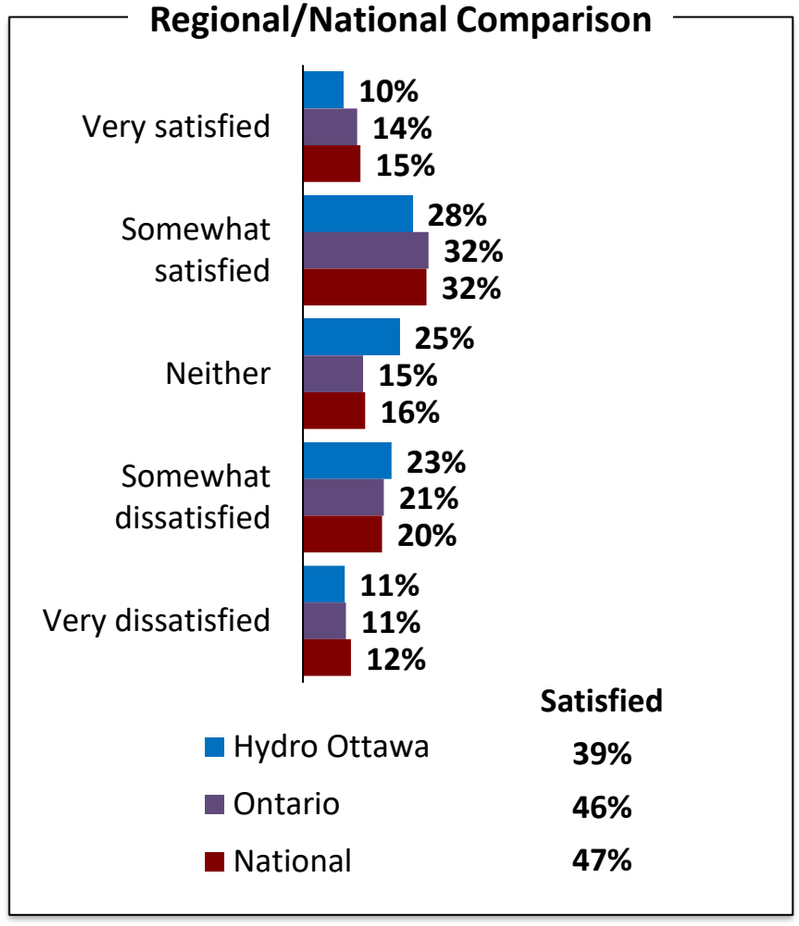


They are also more satisfied with the value for money than the averages but are less satisfied with the price they pay.

Satisfaction with Price: Roughly 2-in-5 say they are satisfied with the price for electricity, lagging behind the provincial and national averages

Q Please indicate how satisfied you are with the price for electricity in your province.
Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.
[asked of all Hydro Ottawa respondents]

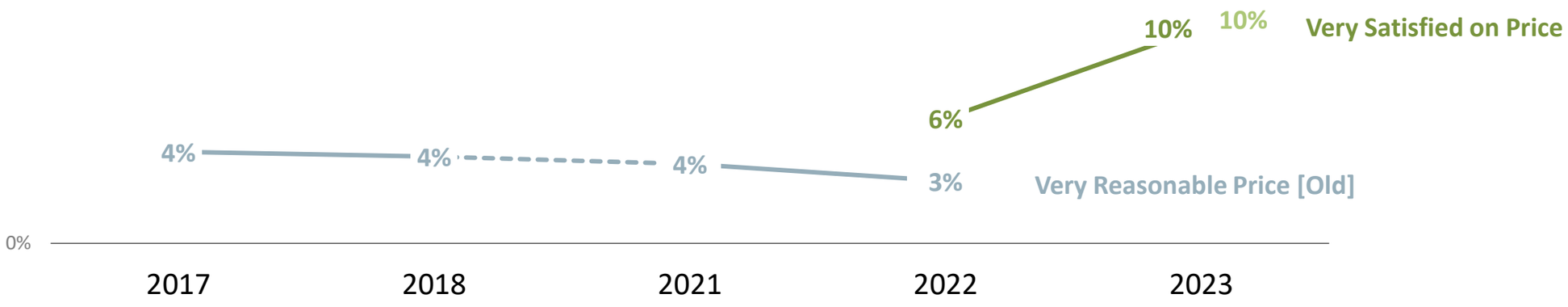




Price (Tracking): Price satisfaction is up 4 points to 10% this year from 6% last year

Q Please indicate how satisfied you are with the price for electricity in your province.
Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.
[asked of all Hydro Ottawa respondents]

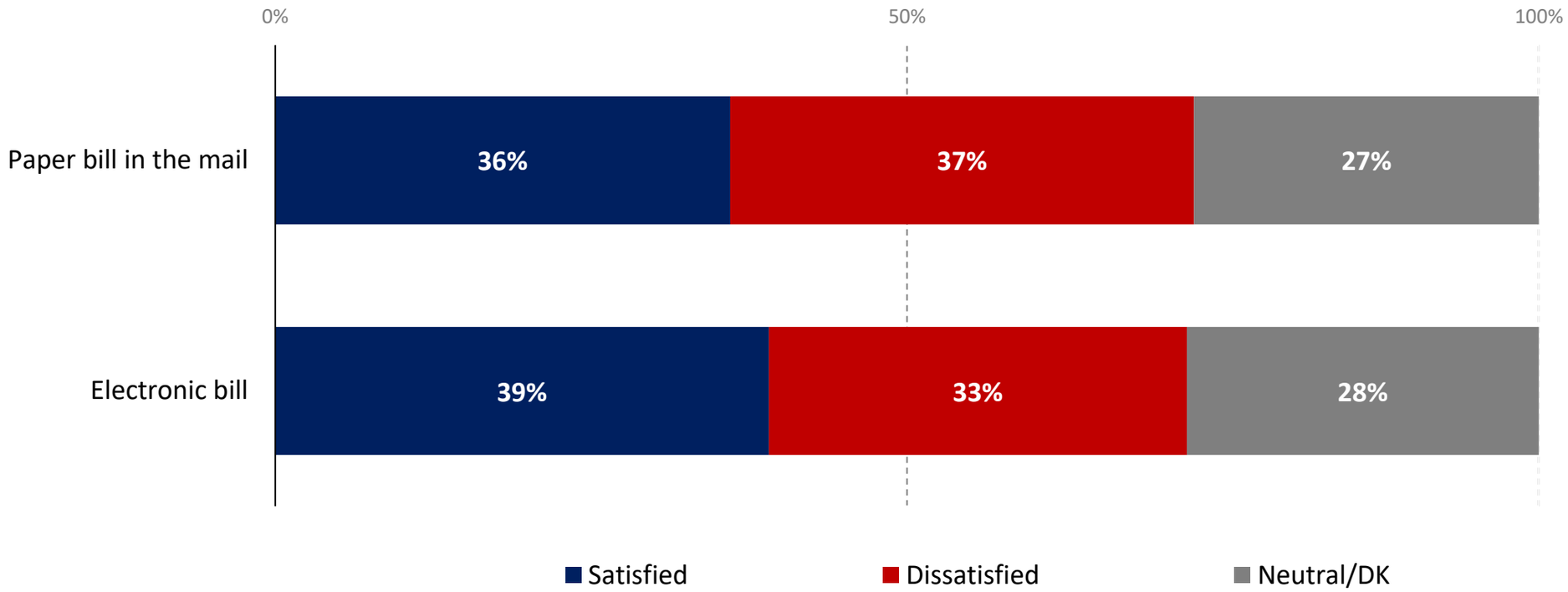
Very Satisfied/Reasonable
(10+9) from a scale of 0 to 10, where a scale is present



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Price Assessment by Bill Format: E-bill recipients are more likely to be satisfied with the price they pay than paper bill recipients

Q Please indicate how satisfied you are with the price for electricity in your province.
Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.
BY Bill format
[asked of all Hydro Ottawa respondents]

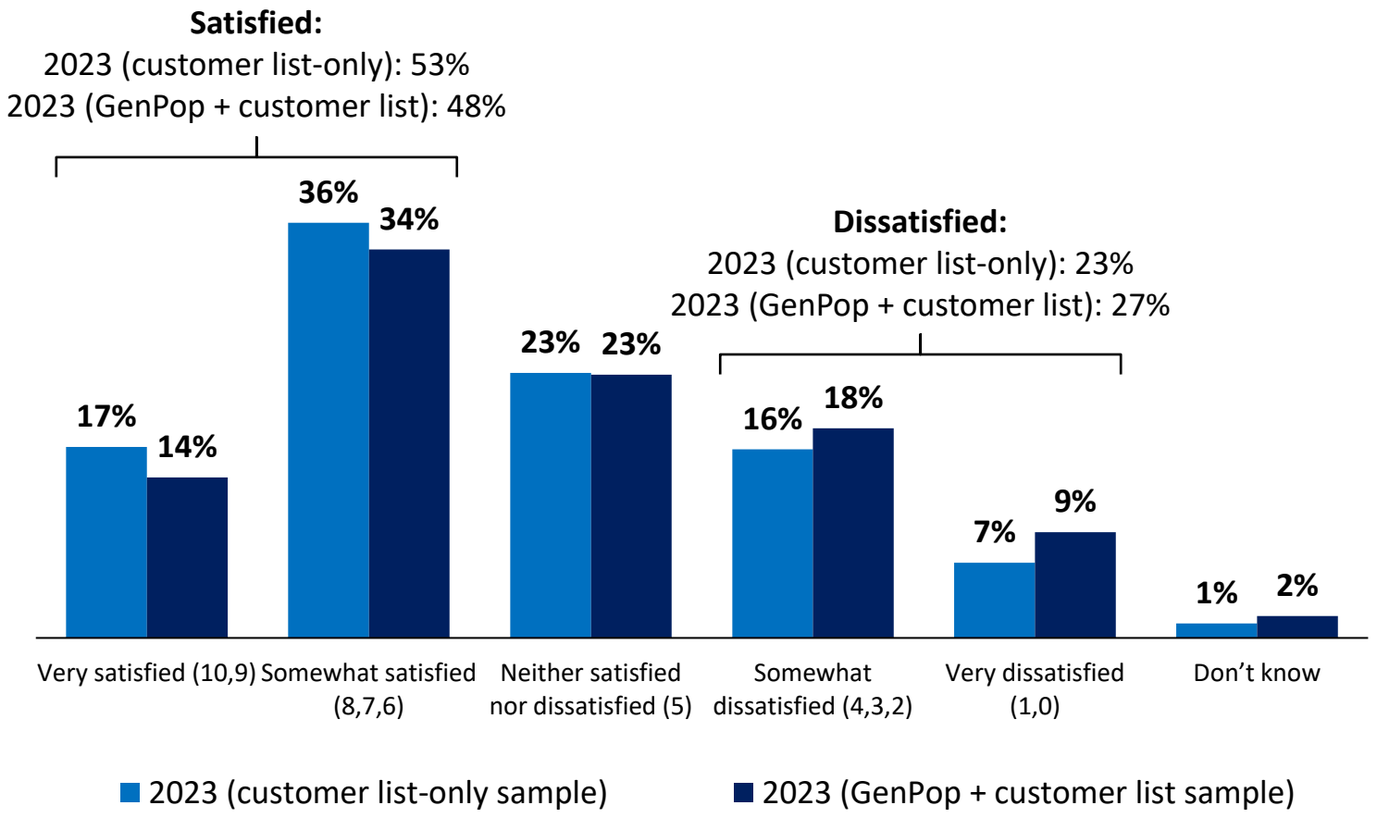


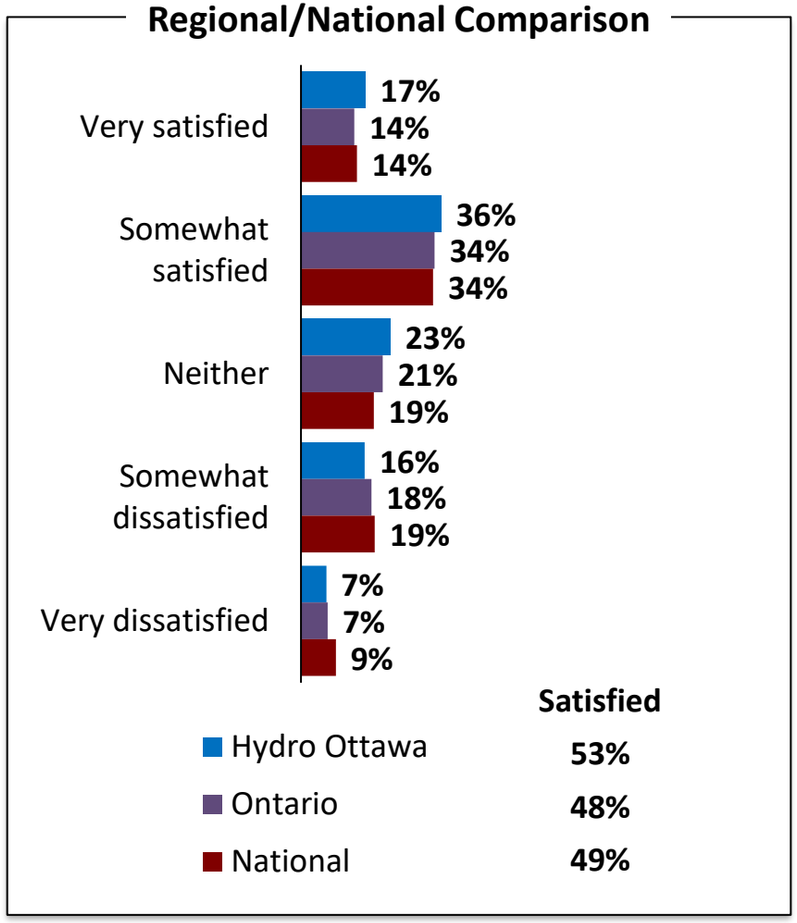
NOTE: Due to small n-size, those who don't receive a bill or say they don't know the format of their bill are not shown.

Value for Money: Customer list sample is slightly more likely to be satisfied with the value for electricity compared to that with the general public sample

Q

Thinking of all regular household bills, please indicate how satisfied you are with the value for the price you pay for electricity.
Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.
[asked of all Hydro Ottawa respondents]

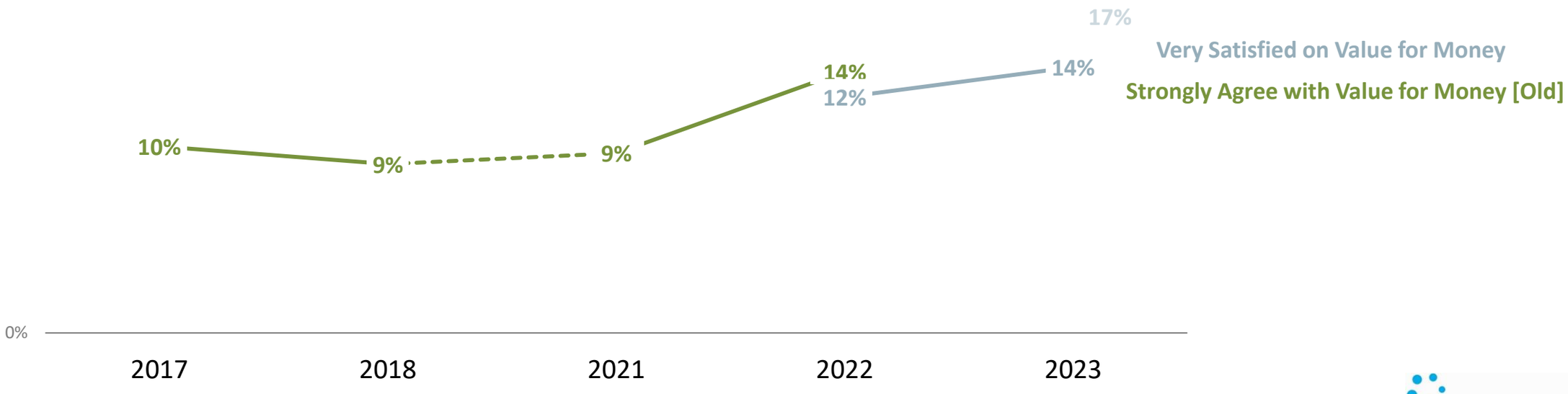




Value for money (Tracking): Satisfaction with value for money (14%) is on par with last year (12%)

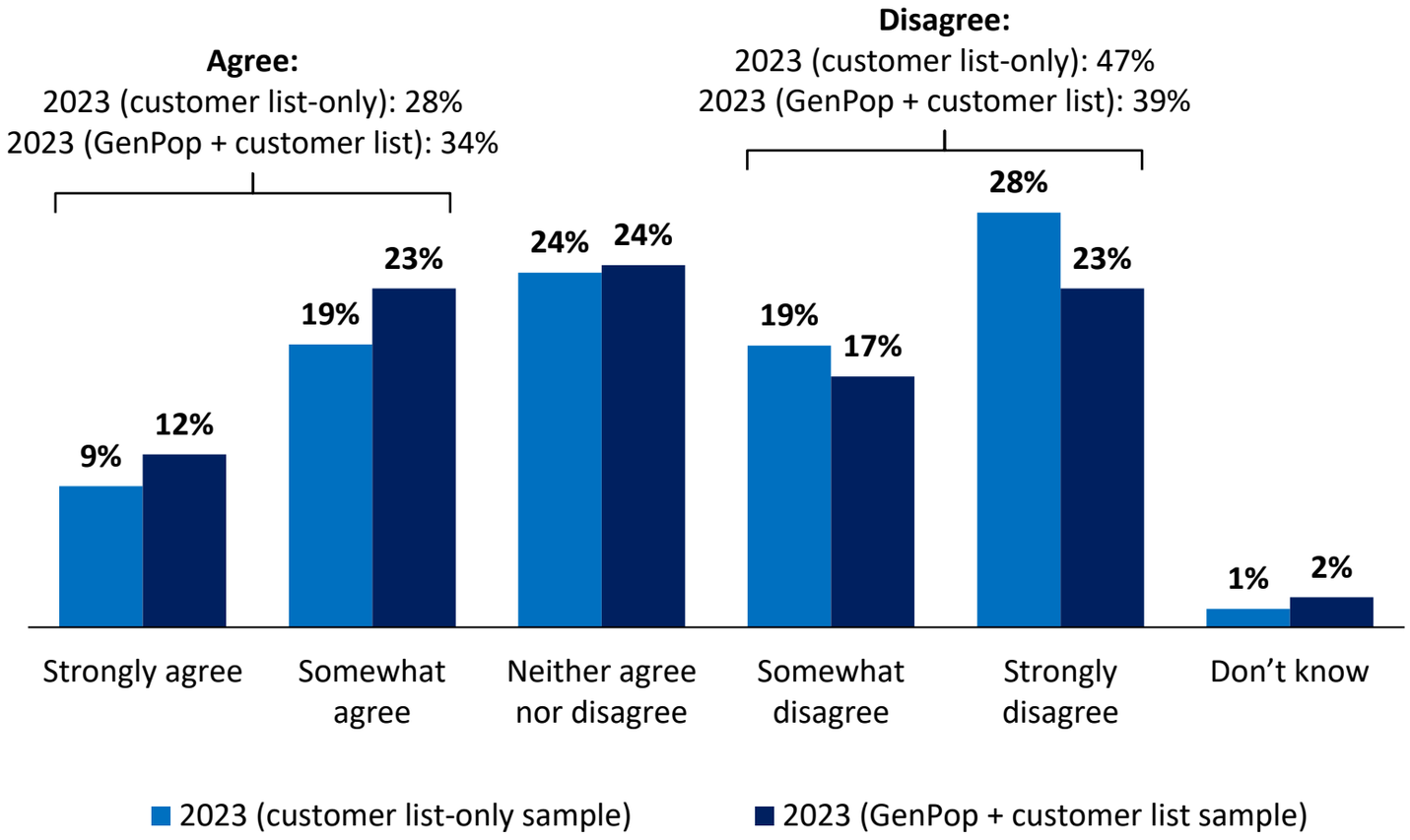
Q Thinking of all regular household bills, please indicate how satisfied you are with the value for the price you pay for electricity.
Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.
[asked of all Hydro Ottawa respondents]

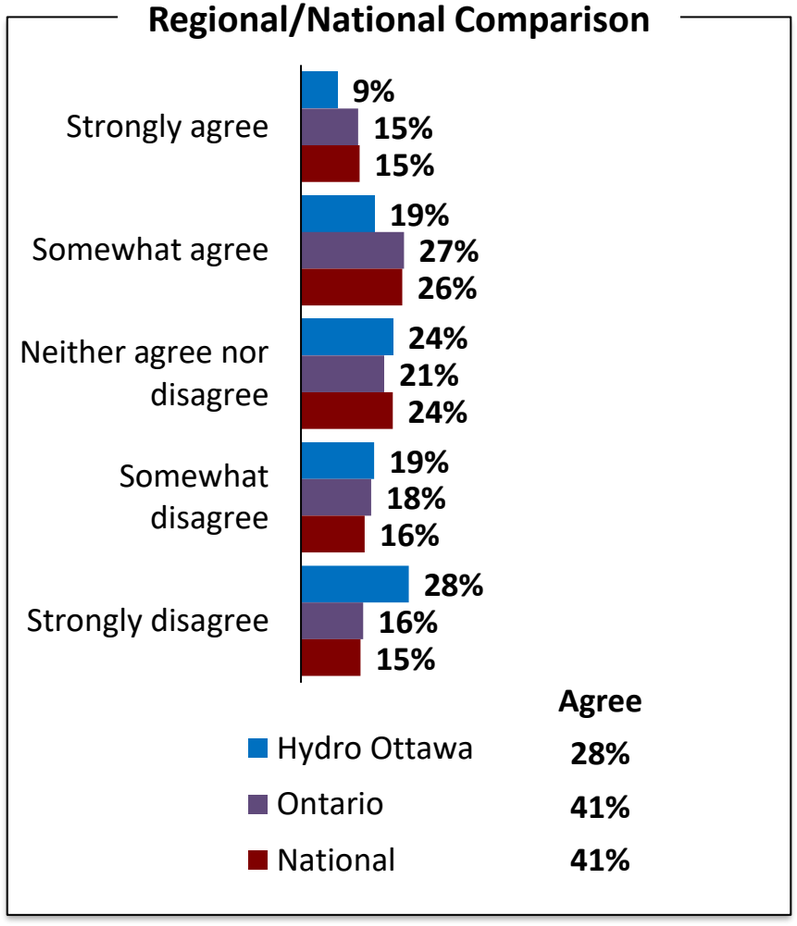
Very Satisfied/Strongly Agree
(10+9) from a scale of 0 to 10, where a scale is present



Financial Impact: Customer list sample appears to be *less* financially stressed than the sample with a general public sample, and *less* so than ON/national averages

Q Do you agree or disagree with the following statements?
My electricity bill has a major impact on my finances and requires I do without other important priorities.
[asked of all Hydro Ottawa respondents]



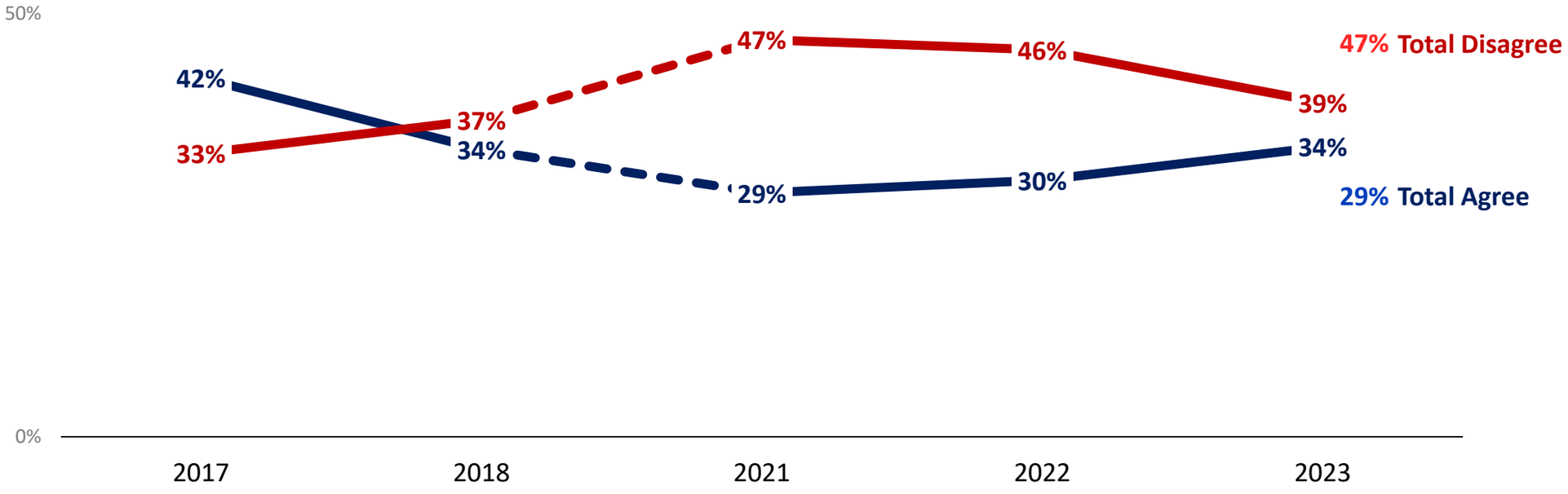


Financial Circumstances (Tracking): Financial circumstances are more problematic for Hydro Ottawa

Q Do you agree or disagree with the following statement:

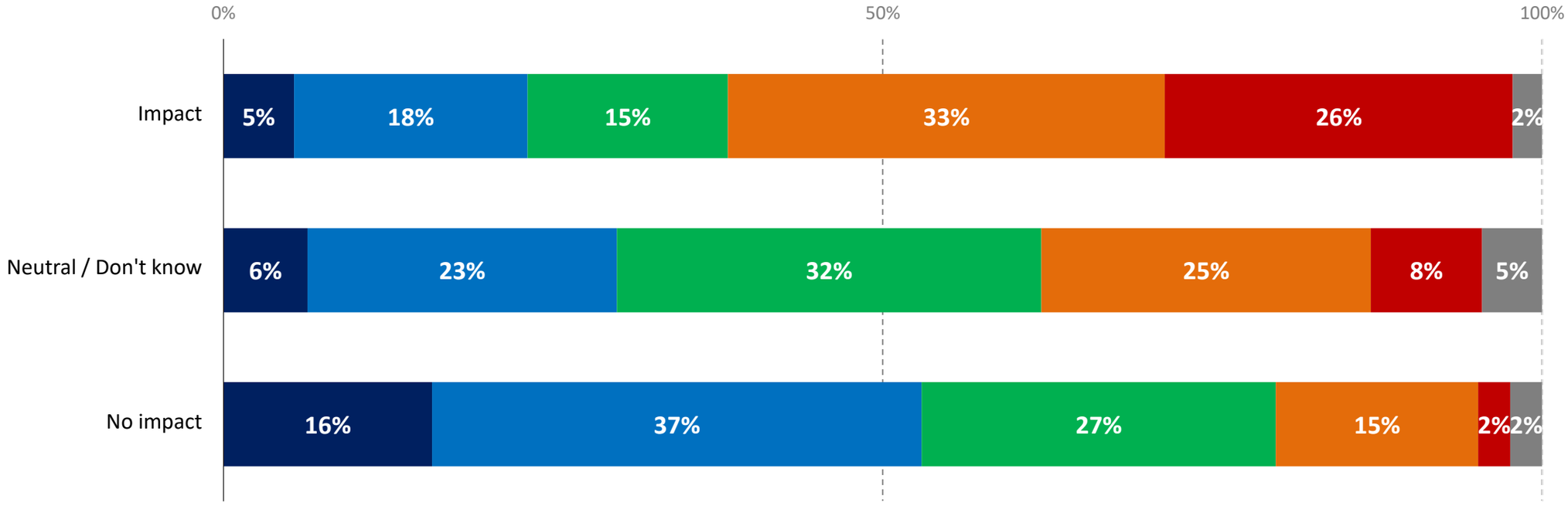
My electricity bill has a major impact on my finances and requires I do without other important priorities.

[asked of all Hydro Ottawa respondents for tracking purposes, data filtered to show only those who receive a bill; n=989]



Perception of Price by Bill Impact: Those whose finances are impacted by their electricity bill are much more likely to be dissatisfied with the price of electricity

Q Please indicate how satisfied you are with the price for electricity in your province.
BY My electricity bill has a major impact on my finances and requires I do without some other important priorities.
[asked of all Hydro Ottawa respondents]



Very satisfied (10,9)
Somewhat satisfied (8,7,6)
Neither satisfied or dissatisfied (5)
Somewhat dissatisfied (4,3,2)
Very dissatisfied (1,0)
Don’t know

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Regression Analysis

What drives general satisfaction, NPS, Likelihood to seek advice from Hydro Ottawa?

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Summary: Regression Analysis

Overall Satisfaction Drivers

- Similar to last year, the *Customer Focus* factor and overall communications remain the strongest drivers of overall satisfaction, followed by the *Billing Practices* factor.
- Price/Value, while still an important driver, is lower on the list compared to last year.
- Like last year, the *Corporate Social Responsibility (CSR)* doesn't make it to the list as a significant driver of general satisfaction.

Net Promoter Score (NPS) Drivers

- This year, the top drivers of NPS are the view that Hydro Ottawa has better customer service than other service providers and overall communications.
- *CSR* gains higher importance as a driver compared to last year while *Customer Focus* drops to the third most important driver after being the top in the previous year.

Likelihood of Asking Distributor for Advice Drivers

- *CSR* leads the list of drivers for likelihood of asking distributor for advice by a fairly wide margin, followed by satisfaction with the provincial government's management of the electricity system.

Using Regression Analysis

What is Regression Analysis?

Regressions are another means of determining importance.

- A regression allows us to take all the questions that may explain the key question we are interested in and see which of these is the most important. Regressions do this by holding all the likely suspects constant and varying one question at a time to see which questions (explanatory variables) have the greatest impact on the key question (dependent variable).

Satisfaction Regression Analysis ▸▸

- In this study, what aspects of respondents' demographics and public opinion drive their overall satisfaction with their electricity company?
- We use the factors that fed into the CSI but also add respondents' demographics, attitudes, and experiences to the model to see what matters most when everything else is held constant.
- When respondents were asked about their overall satisfaction they were asked *specifically* about their respective company by name.

Attitudes and Performance Metrics factored ▸▸

- To further reduce the overlap of variables to be included in the regression model, we ran a factor analysis of all the key drivers, including the performance metrics from the CSI section of the report.
- The following slides describes the result of this analysis.

Regression Analysis: The Full Model

Key Drivers

Customer Focus

CSR

Billing Practices

Quality/Reliability and Outage Preparation

- **Quality & Reliability**
- **Outage Preparation**

Planned Outage Experience

- Communications during planned outage were proactive
- Satisfaction with planned outage communication

Price/Value

- Price for electricity
- Value for the price you pay for electricity

Standalone

- Taking care of problems the first time you contact them
- Overall communication from Hydro Ottawa
- Providing online services
- Electricity company has better customer service than other companies
- Reasons for contacting Hydro Ottawa

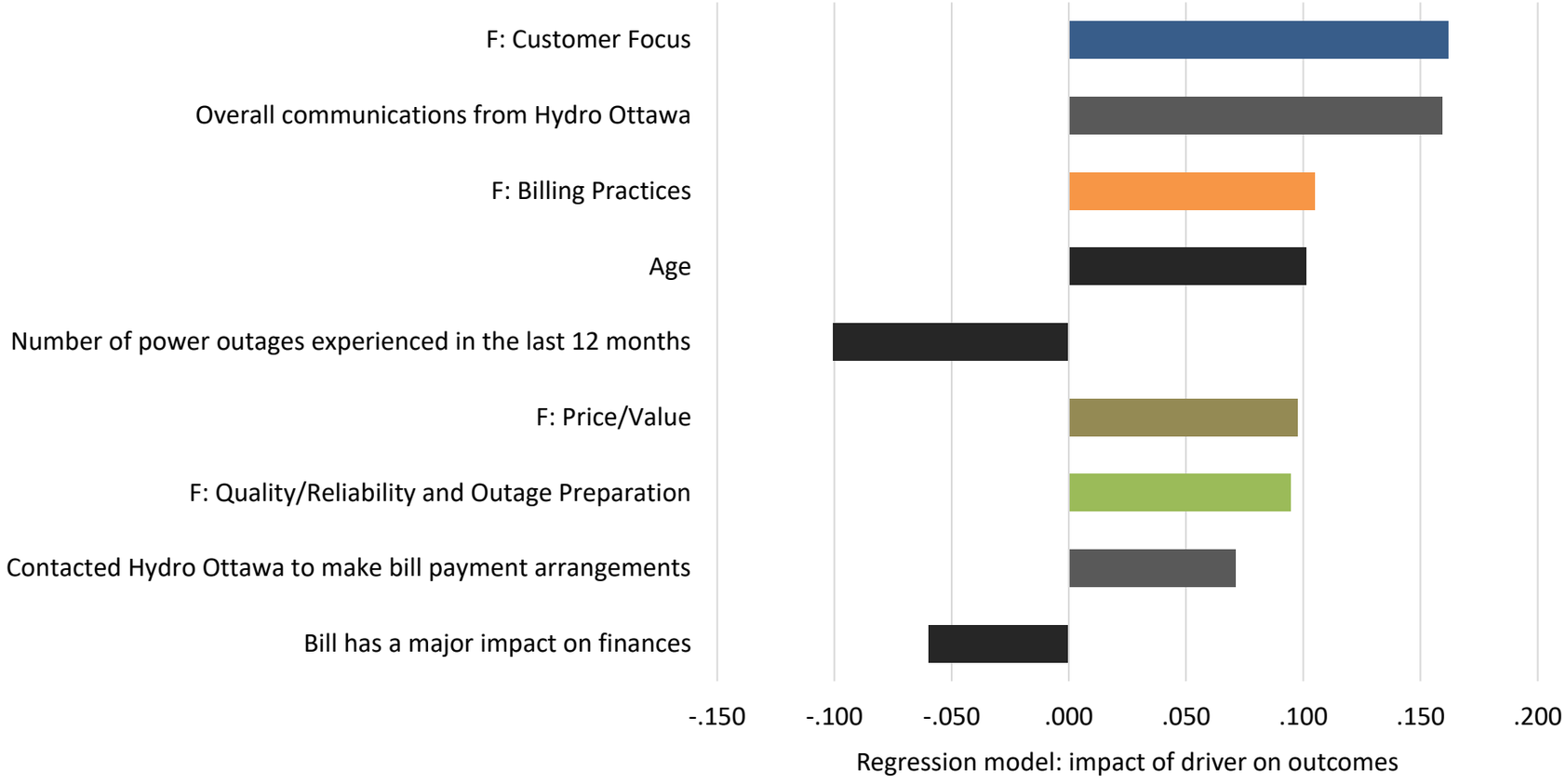
Controls

- Province
- Basic demos (age, gender, education, income, mother tongue)
- Primary heat source (natural gas and other heat source)
- Bill has a major impact on finances
- Satisfaction with provincial government's management of electricity system
- Familiarity with the electricity system
- Number of power outages experienced in the last 12 months
- Familiarity with energy transition
- Point of view on energy transition

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Regression Analysis: General Satisfaction

The *Customer Focus* factor and overall communications from Hydro Ottawa are the largest drivers of satisfaction. *Billing practices* is the next strongest driver.



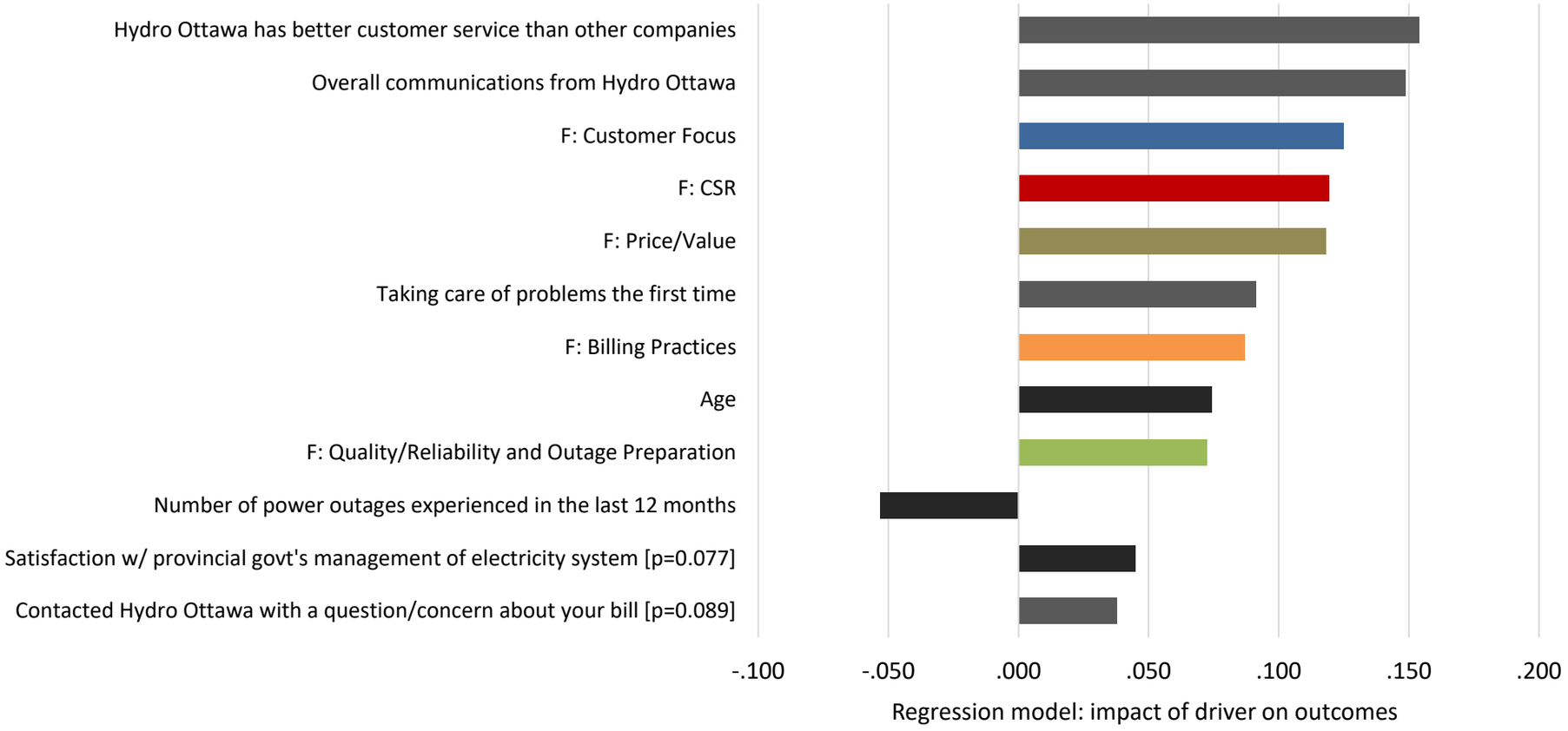
Satisfaction with Hydro Ottawa

Adjusted R^2 = 0.437

NOTE: Chart shows standardized beta scores. All drivers significant at a 95% confidence interval unless indicated otherwise.

Regression Analysis: Net Promoter Score (NPS)

The top drivers of NPS are Hydro Ottawa having better customer service than other companies and overall communications. *Customer Focus*, *CSR*, and *Price/Value* are also strong drivers of NPS.



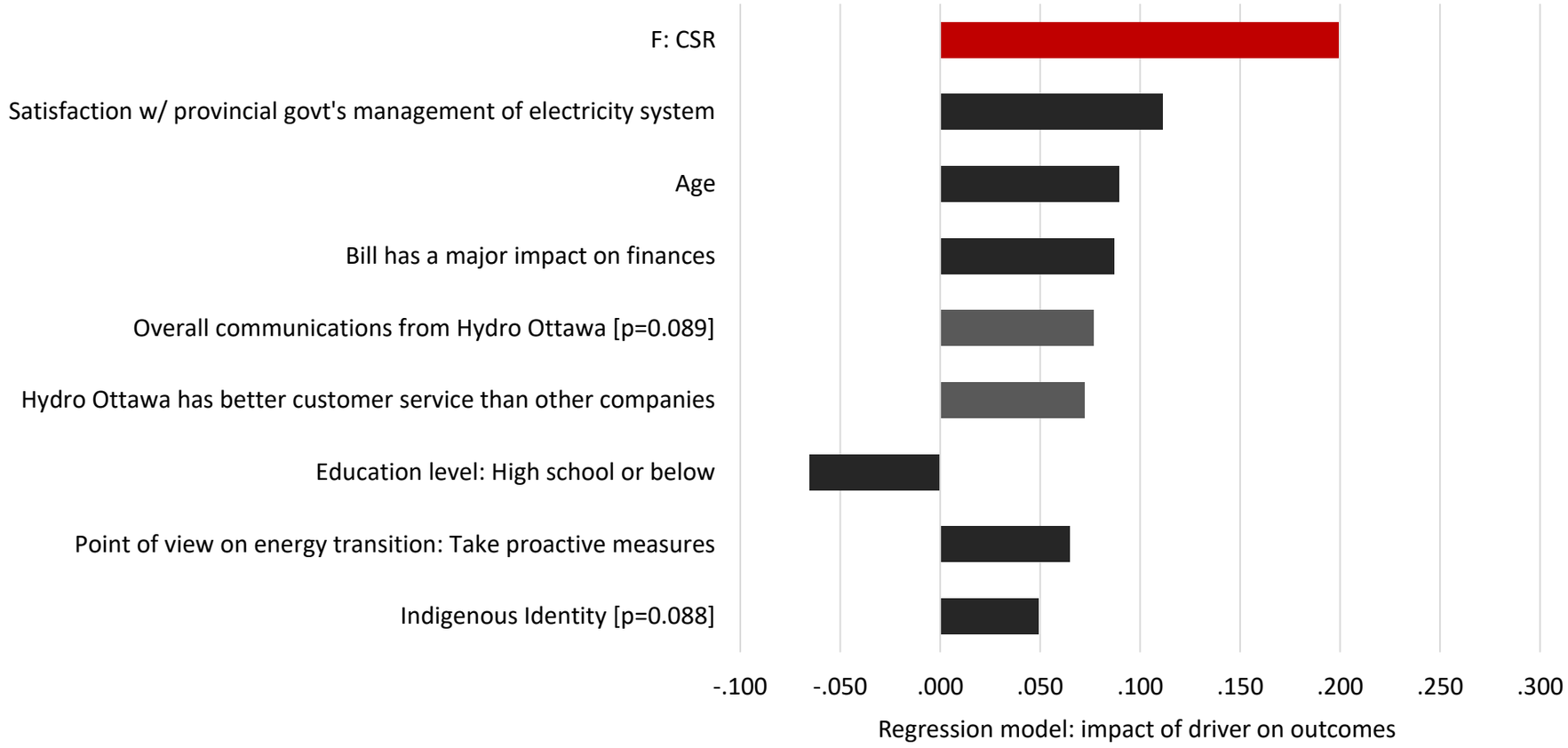
NPS for Hydro Ottawa

Adjusted $R^2 = 0.556$

NOTE: Chart shows standardized beta scores. All drivers significant at a 95% confidence interval unless indicated otherwise.

Regression Analysis: Likelihood of Asking Distributor for Advice

The top influence on the likelihood of asking distributor for an advice is the *CSR* factor, followed by satisfaction with the provincial government's management of the electricity system.



Likelihood of asking Hydro Ottawa for an advice

Adjusted R^2 = 0.193

NOTE: Chart shows standardized beta scores. All drivers significant at a 95% confidence interval unless indicated otherwise.

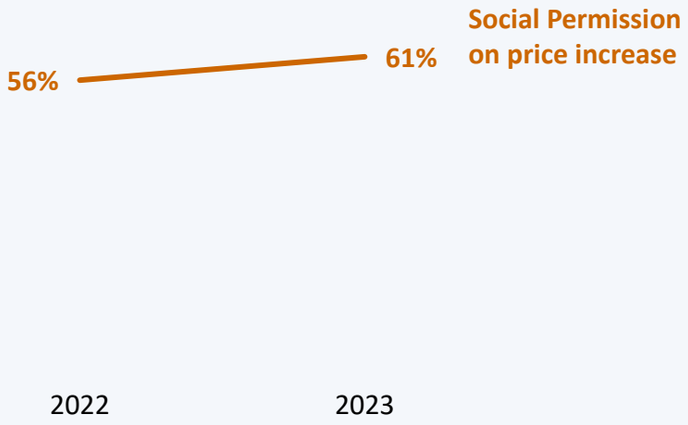
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Social Permission

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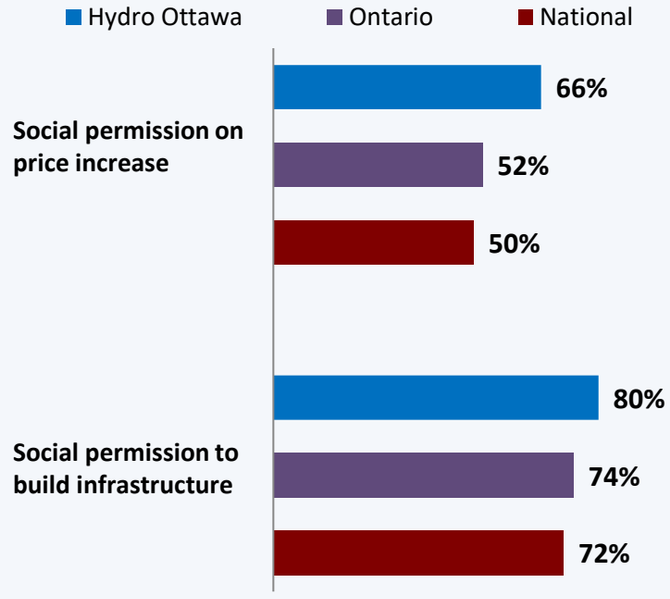
Summary: *Social Permission*

Social permission on price increase continues an upwards trend.



Social permission on price increase continues to show an upwards trend, **up 5 points** from 56% to 61% this year.

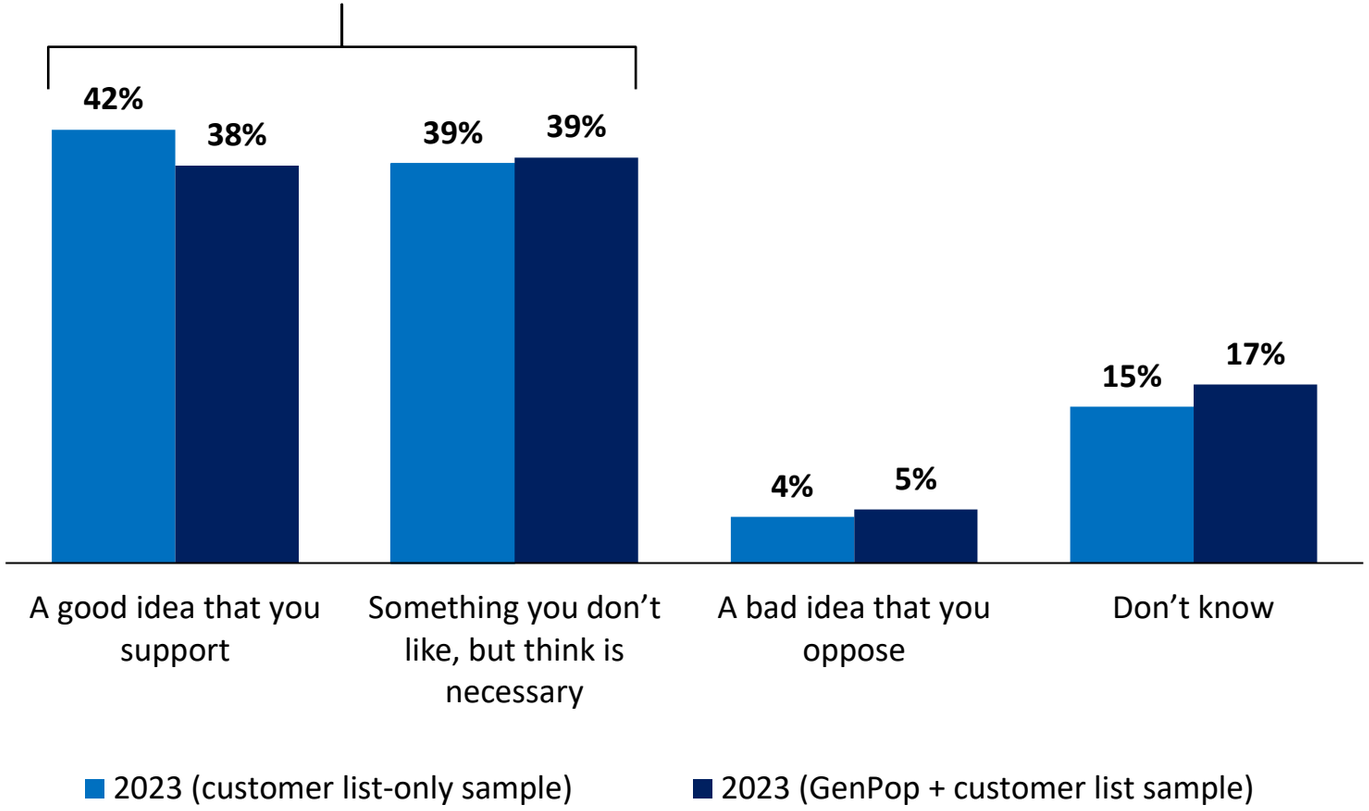
Social permission of Hydro Ottawa exceeds those of Ontario and the national averages.



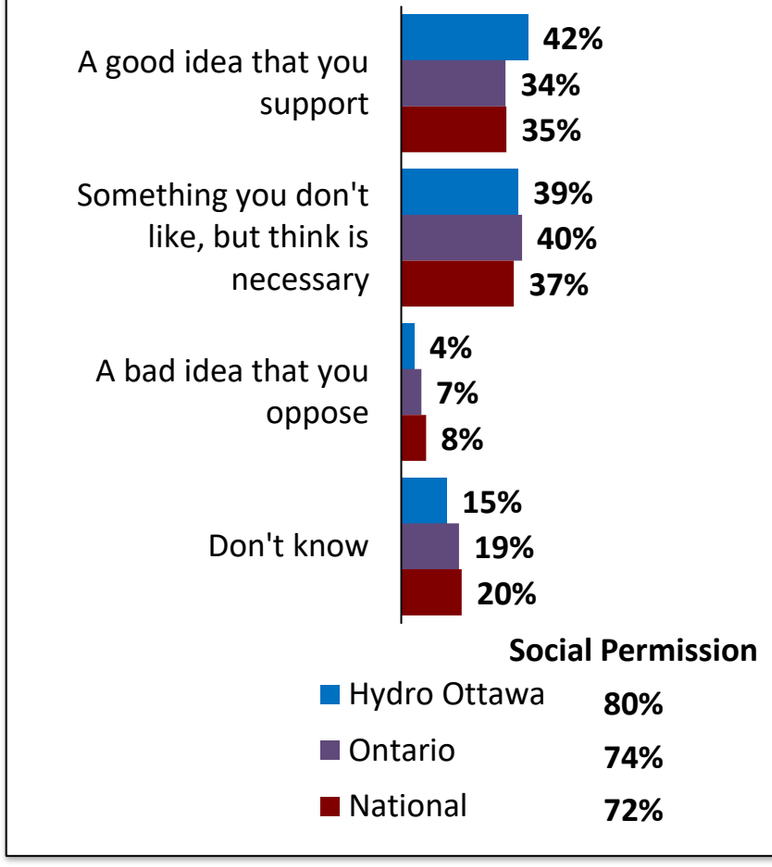
Permission on Building Infrastructure: 4-in-5 give social permission to build new infrastructure; much higher than the ON (74%) and national (72%) averages

Q Do you think building new electricity infrastructure in this province is …
[asked of all Hydro Ottawa respondents]

Social Permission:
2023 (customer list-only): 80%
2023 (GenPop + customer list): 78%



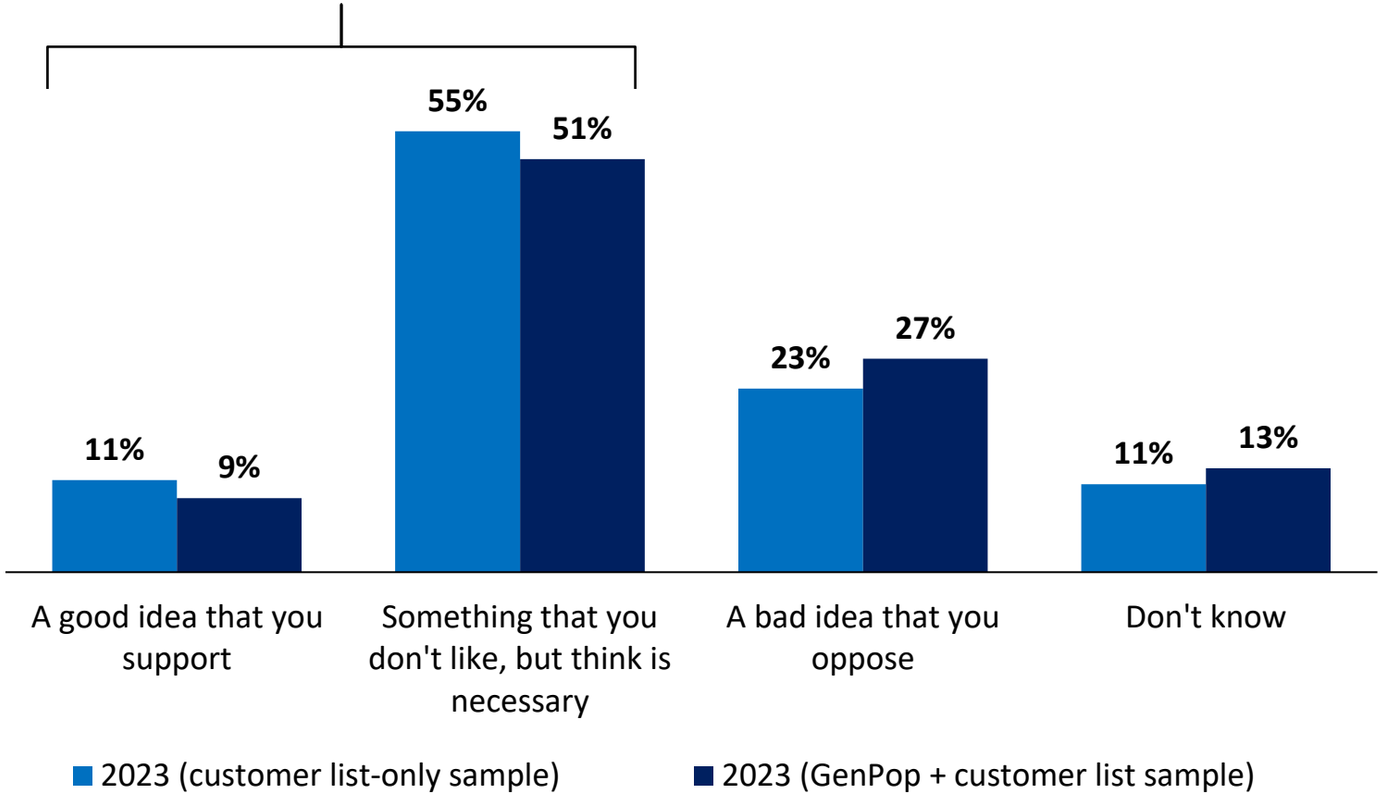
Regional/National Comparison



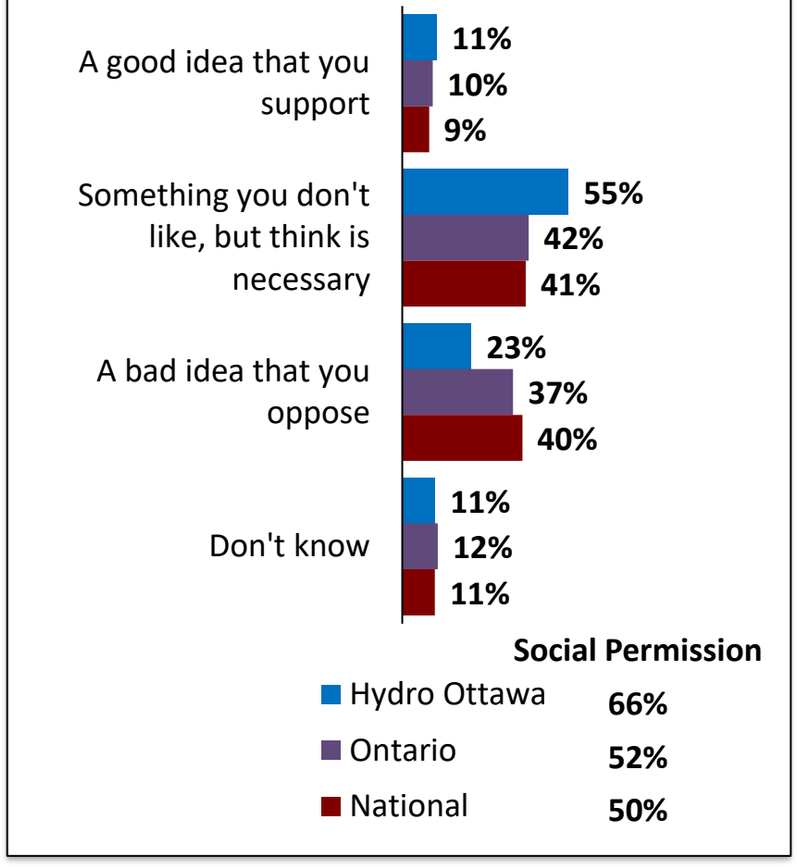
Permission on Price Increase: Over 3-in-5 give social permission to increase prices; much higher than the ON (52%) and national (50%) averages

Q Do you think increasing the price of electricity to invest in our province's electric system is…
[asked of all Hydro Ottawa respondents]

Social Permission:
2023 (customer list-only): 66%
2023 (GenPop + customer list): 61%

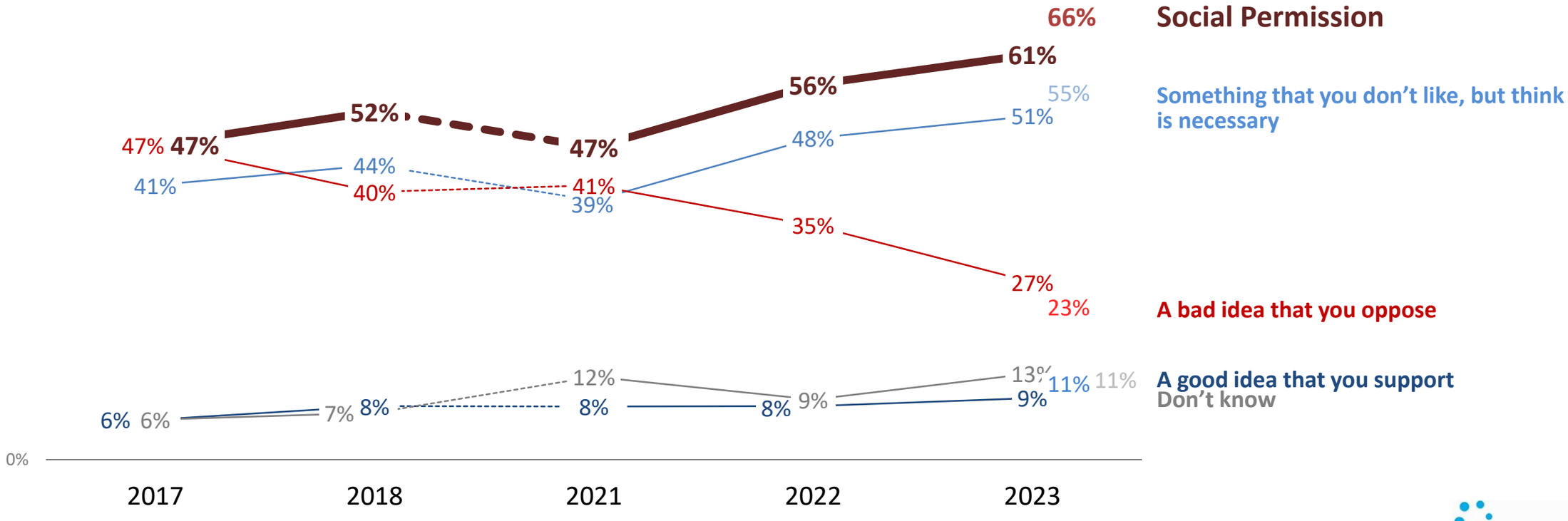


Regional/National Comparison



Permission on Price Increase (Tracking): Social permission for increasing the price of electricity continues an upwards trend since 2021; up 5 points from 2022

Q Do you think increasing the price of electricity to invest in our province's electric system is…
[asked of all Hydro Ottawa respondents]



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Appendix: Environmental Controls

A closer look

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Environmental Controls: Uncontrollable External Factors

It is important to distinguish between what is within, and what is outside an electrical utility's influence or control when it comes to drivers of satisfaction.

Perceptions of electricity companies often tend to move with general perceptions of ***provincial government performance in the sector*** rather than in response to the utility itself.

In addition, perceptions of utilities are strongly correlated with **financial circumstances**. In tough times, perception and preference can change because customers are struggling with their bills, not because of anything the company has – or has not – done.

Control questions help distributors distinguish between two factors that impact public perception:

a) utility-driven programs; and

b) uncontrollable external factors.

In this survey, we include two environmental control questions to help capture external phenomena:



Government Performance: *How satisfied are you with the job your provincial government is doing to manage the electricity system?*



Financial Circumstances: *My electricity bill has a major impact on my finances and requires I do without some other important priorities.*

Summary: *Outside Controls*

Political Control

- In 2023, the percentage of Hydro Ottawa customers feeling satisfied with the government oversight of the electricity system is up 5 points.

Economic Control

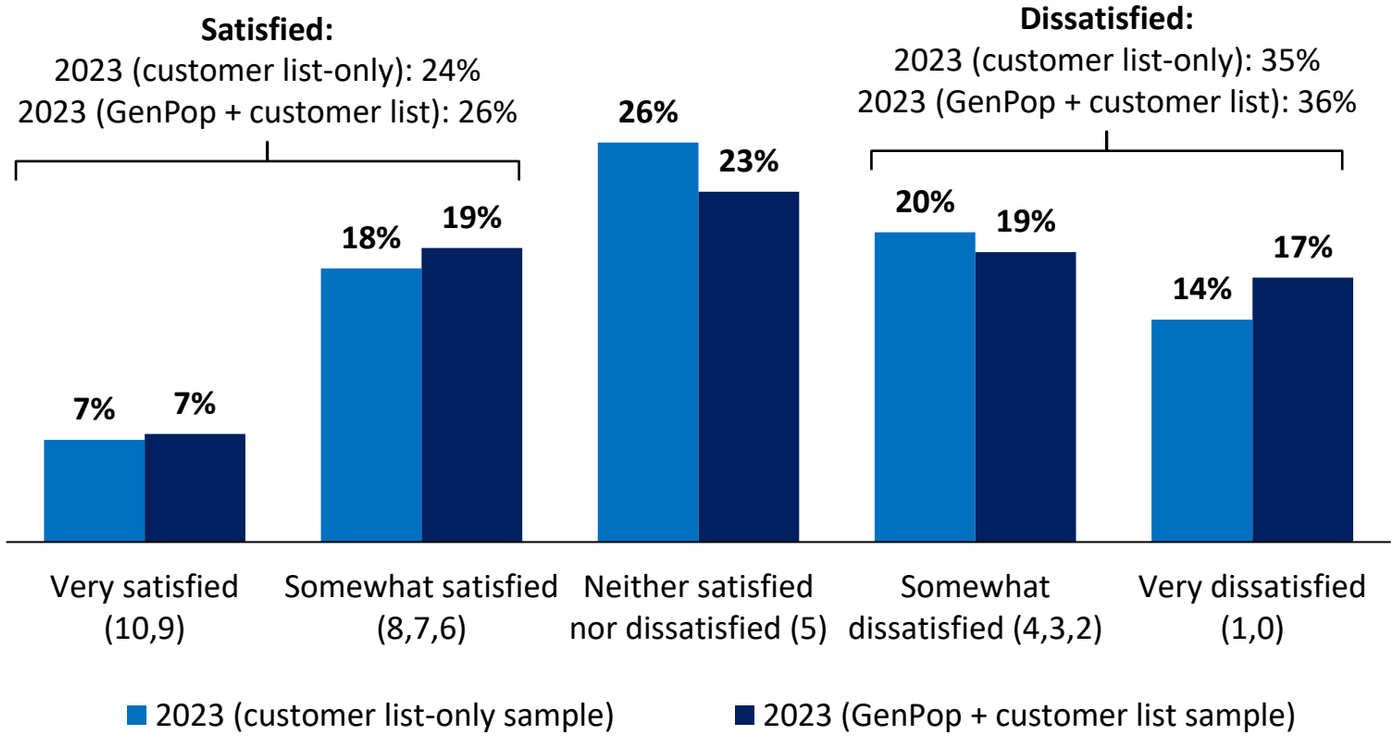
- More customers are feeling financially squeezed than last year.

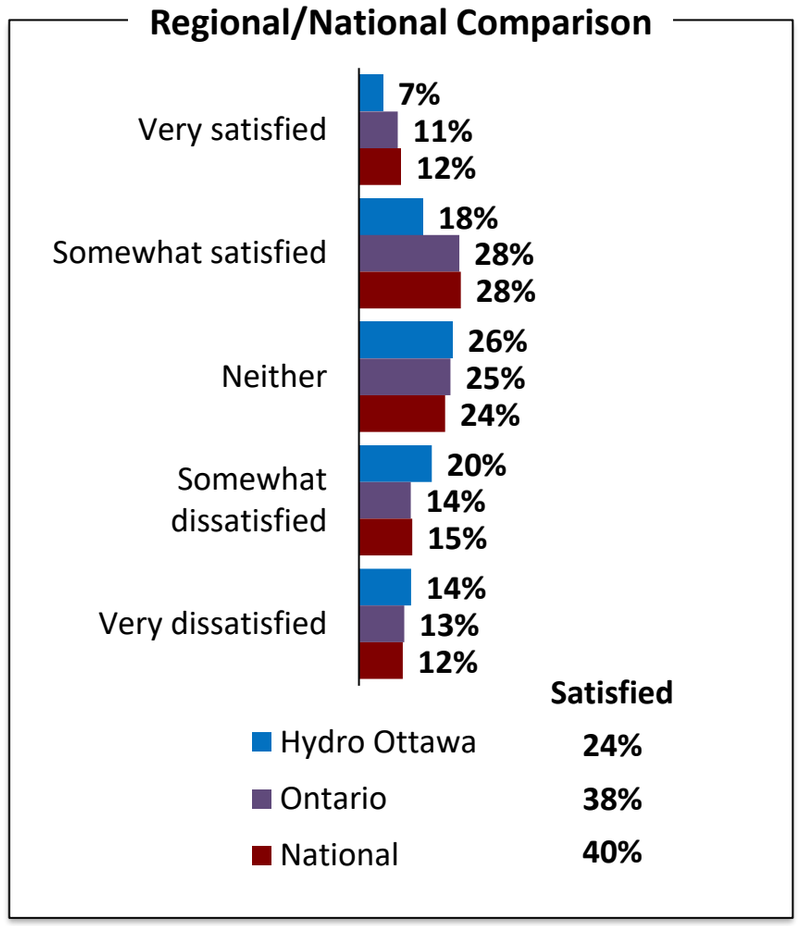
Bringing these Altogether

- Despite a relatively less challenging political environment for Hydro Ottawa, customers are experiencing increased financial strain. The opposing shifts in the broader context offset each other. While a greater number express satisfaction with the provincial government's management of the electricity system, within this larger cohort, there is less satisfaction with the utility. Moreover, a larger percentage of customers who believe their bills significantly impact their finances express higher satisfaction with the utility.

Provincial Gov't: Over 1-in-5 (24%) say they are satisfied with the job of the provincial government; though much lower than provincial and national averages

Q How satisfied are you with the job your provincial government is doing to manage the electricity system? Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.
[asked of all Hydro Ottawa respondents]



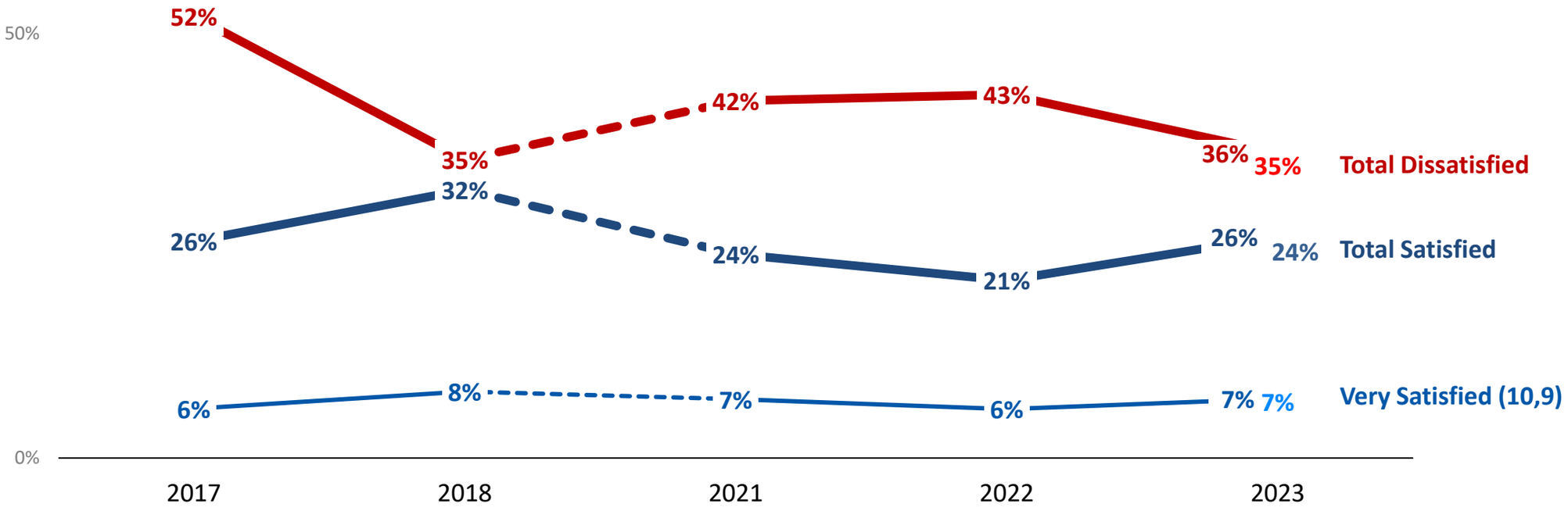


NOTE: 'Don't know' (15%) not shown.

Gov't Performance (Tracking): The political environment is more favourable to Hydro Ottawa

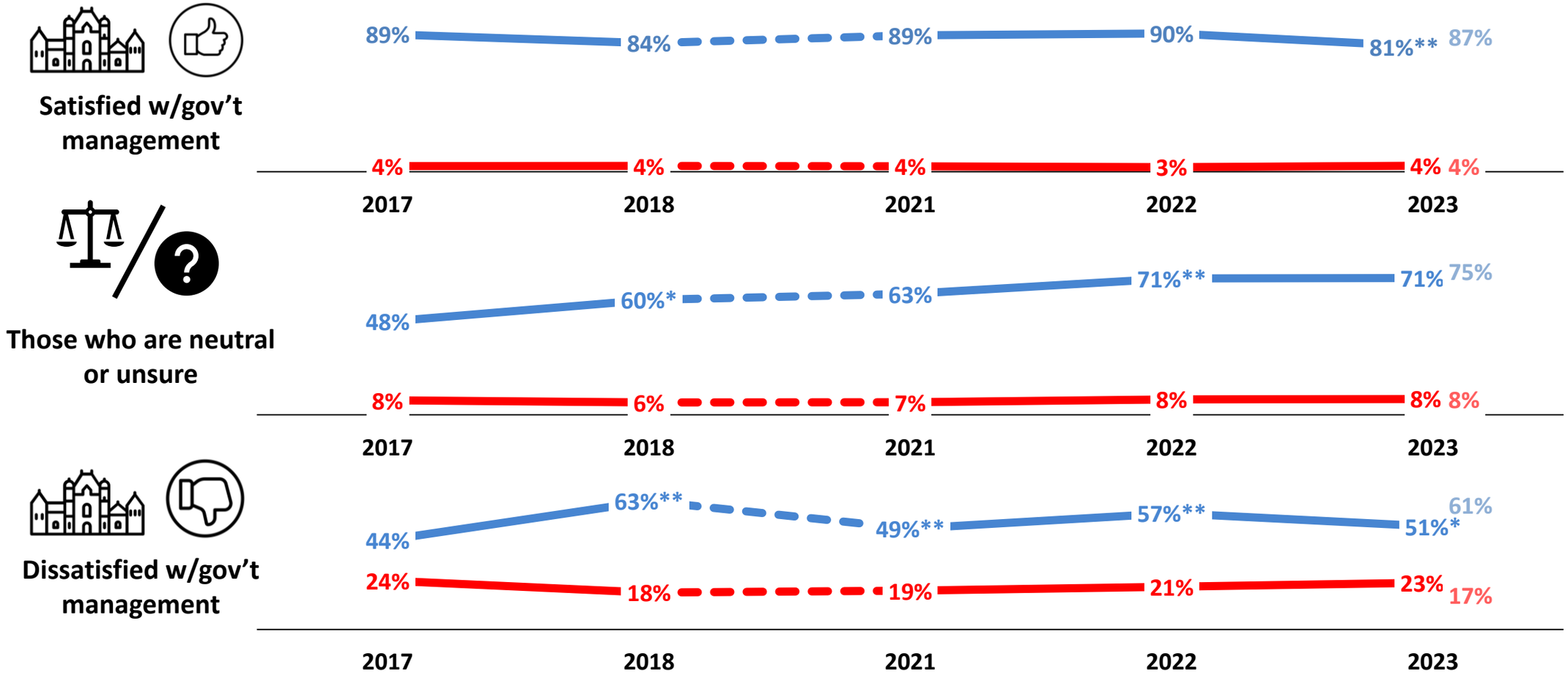
Q How satisfied are you with the job your provincial government is doing to manage the electricity system? Please use the scale from 0 to 10, where 0 means very dissatisfied and 10 means very satisfied.

[asked of all Hydro Ottawa respondents]



Government Performance: Satisfaction with Hydro Ottawa is down 9 pts among politically satisfied and 6 points among dissatisfied

Satisfaction with Hydro Ottawa BY Satisfaction with Government



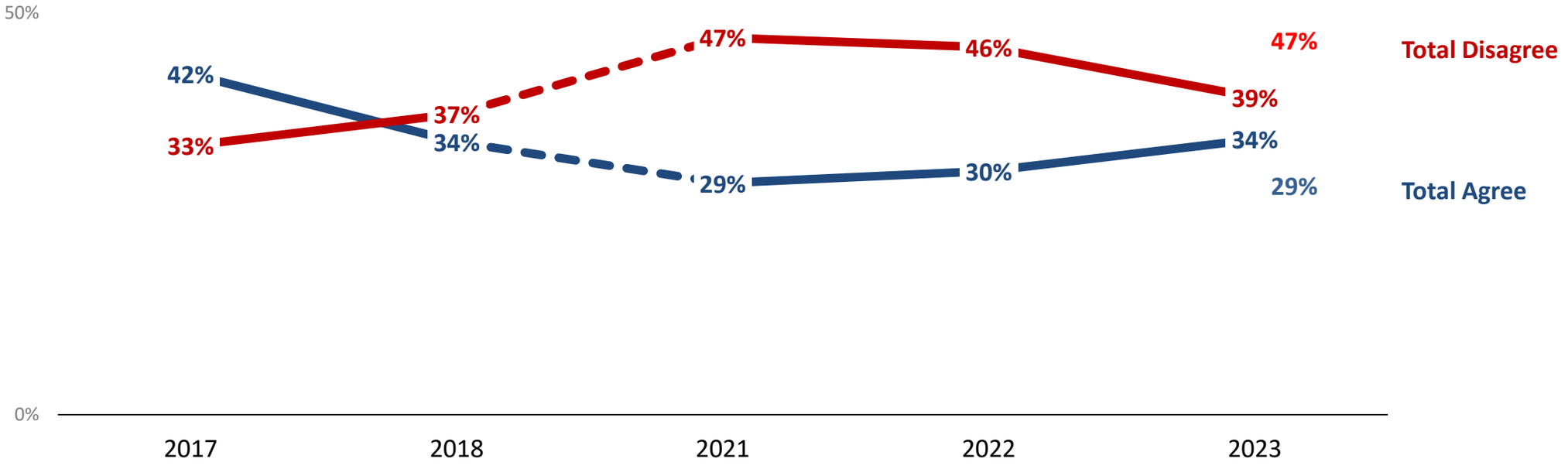
* Significantly different from the year prior at 90% confidence level
** Significantly different from the year prior at 95% confidence level

Financial Circumstances (Tracking): Financial circumstances are more problematic for Hydro Ottawa

Q Do you agree or disagree with the following statement:

My electricity bill has a major impact on my finances and requires I do without other important priorities.

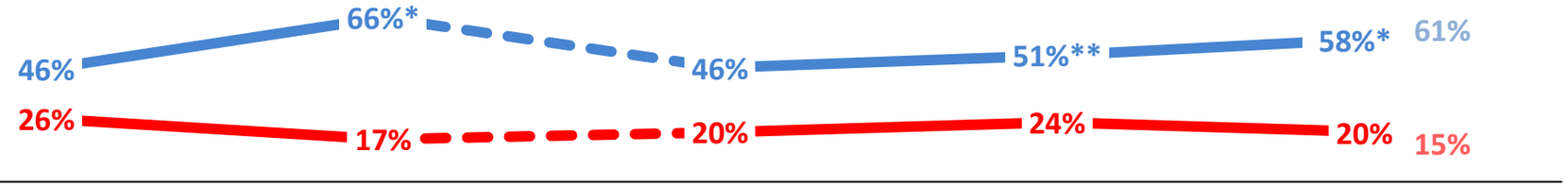
[asked of all Hydro Ottawa respondents for tracking purposes, data filtered to show only those who receive a bill; n=989]



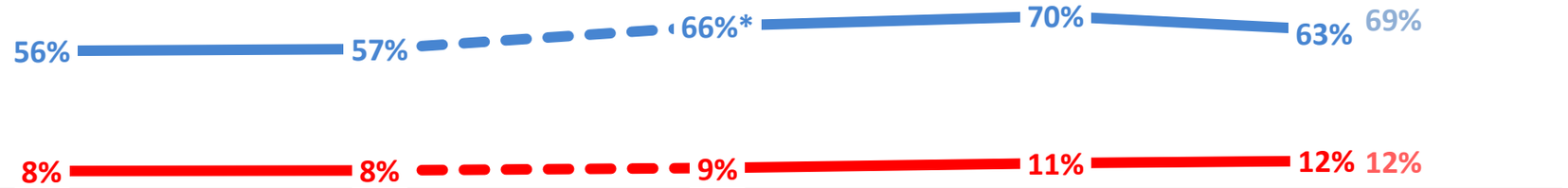
Financial Circumstances: Those who are impacted are more likely to be satisfied compared to 2022, up 7 points

Satisfaction with Hydro Ottawa BY Bill impact

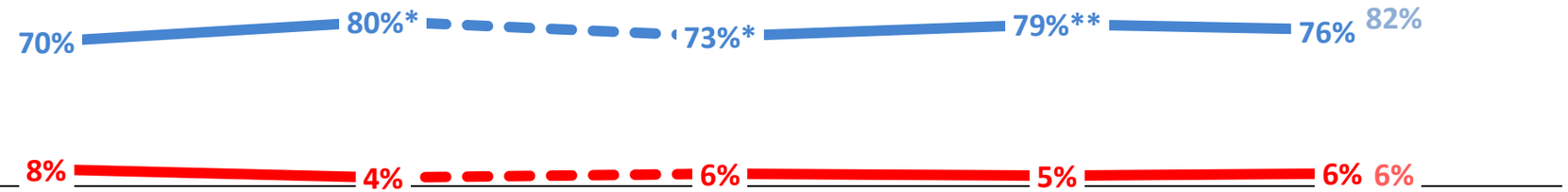
Those who say their bill has a major impact



Those who are neutral or unsure

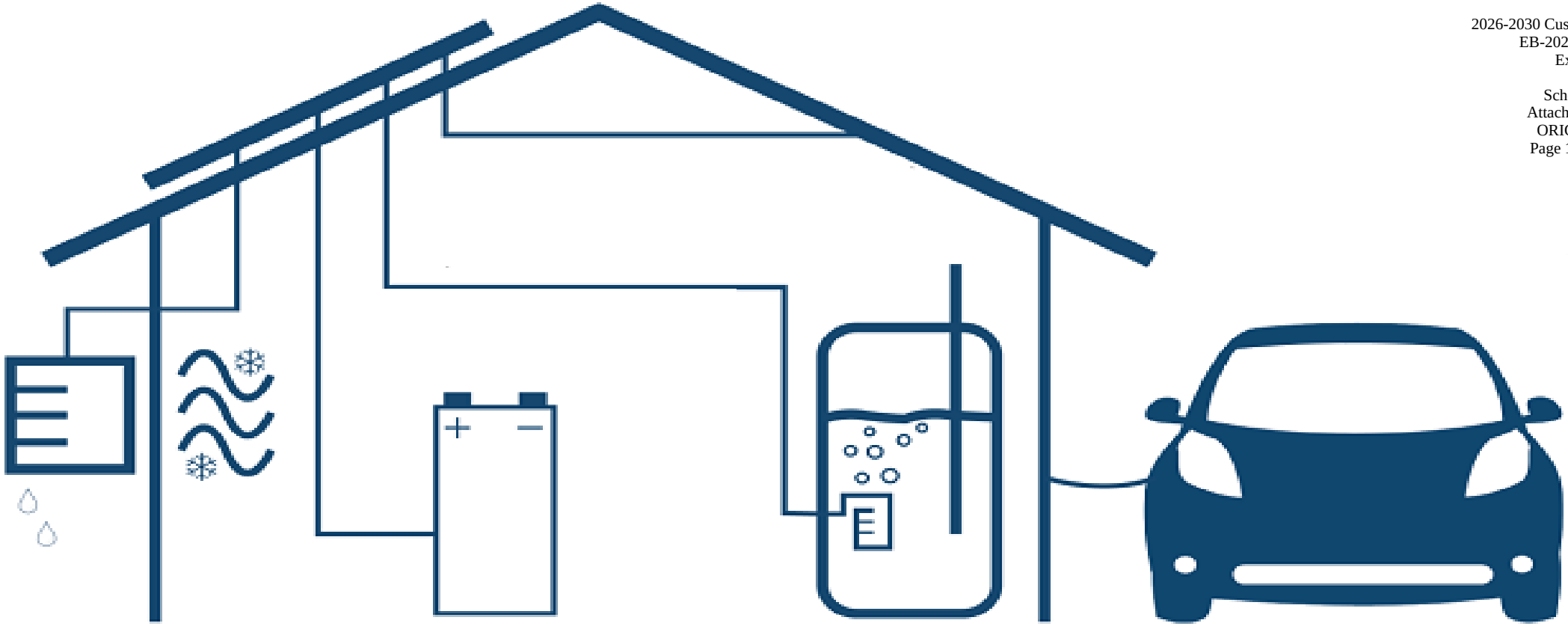


Those who say their bill does NOT have a major impact



Satisfied Dissatisfied

* Significantly different from the year prior at 90% confidence level
** Significantly different from the year prior at 95% confidence level



Behind the Meter Survey

HydroOttawa

INNOVATIVE RESEARCH GROUP

January 2022 | **SURVEY REPORT**

STRICTLY PRIVILEGED AND CONFIDENTIAL

Survey Overview

The CEA's Behind the Meter Survey is an exploration of Canadian attitudes toward new technologies that can help consumers better manage their energy use and enable an energy transition. The survey looked at remote-controlled devices, solar panels, storage and electric vehicles.

The study was administered as an online survey and conducted by Innovative Research Group (INNOVATIVE). Data collection occurred between November 8th and December 20th, 2021 among 4,653 Canadian adults (18yrs or older).

The survey data has been weighted down to a representative national sample size of n=1,500 by the population, age and gender distributions within 20 geographical sub-regions across Canada, using 2016 Census data. This weighting convention ensures that the survey data is representative at both the national and regional levels of analysis.

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Key Findings

01

The strong motivations to fight climate change lead to a high level of adoption of behind-the-meter technologies.

Nearly 6-in-10 (57%) are either Strong (24%) or Moderate (33%) Environmentalists. They are concerned about climate change and agree with the sacrifices society should make to reduce GHG emissions. 8% are Latent Transition – while they are not as concerned about climate as the Environmentalists, they agree with the sacrifices society should make to reduce GHG.

Interest in new technologies is higher among these segments except for the adoption of batteries such as the Tesla Powerwall and solar panels.

02

Motivation for adoption varies by device. Some provide convenience, some provide back-up and storage is a mix.

Convenience/ease of use is the top-cited reason for adopting remotely controlled technologies. Having back-up power is the primary reason for interest in installing solar panels, followed by the autonomy of generating their own electricity.

03

When it comes to EVs, Hydro Ottawa customers are looking for better pricing, better charging infrastructure, and better mileage.

Customers are most sensitive to cost of EVs. Other concerns include the lack of public fast charging infrastructure and range. On the other hand, top reason for purchasing an EV is about the environmental benefits.

04

Financial incentives that reward off-peak charging are considered most important to balance the needs of EV owners and grid capacity.

Those who would rather give up control to avoid paying more to expand the grid are more than 9 points more likely to rate these reward programs as important than those who would rather pay more to expand the grid for the convenience of charging anytime they want.

05

Learning more about the convenience of owning an EV makes a small but significant difference to adopting an EV.

Controlling for how likely one would purchase an EV a priori, having learned more about the convenience of owning an EV leaves respondents more likely to purchase an EV afterwards.

Survey Methodology

The CEA's Behind the Meter Survey is an online survey conducted by Innovative Research Group (INNOVATIVE). Data collection occurred between November 8th and December 20th, 2021 among 4,653 Canadian adults (18yrs or older). The survey data has been weighted down to a representative national sample size of n=1,500 by the population, age and gender distributions within 20 geographical sub-regions across Canada, using 2016 Census data. This weighting convention ensures that the survey data is representative at both the national and regional levels of analysis.

The survey instrument was designed by INNOVATIVE, with input and direction from the CEA, and made available to respondents in either French or English. The survey sample was weighted by age, gender and region using 2016 Statistics Canada Census data to reflect the actual demographic composition of the Canadian adult population.

Survey respondents were recruited from a wide variety of sources to reflect the age, gender, and regional characteristics of the country as a whole. Because this is an online survey, and not a random probability sample, the results cannot be generalized across all Canadians, and we cannot apply a margin of error.

A targeted oversample provided a total of 1,041 surveys with respondents who identified Hydro Ottawa as the company from which they receive their electricity bill. In the final data, we weighted the sample down to a representative sample size of n=1,000.

INNOVATIVE provided each survey respondent with a unique URL (hyperlink) to the online survey via an email invitation to ensure that only invited respondents were able to complete the survey. Unique URLs were disabled upon survey completion to ensure that invited respondents could only complete their individual survey once.

Survey Reporting

This report includes topline results and provides sample breakdowns in sidebars. The sample is broken down by all segments and demographic indicators available in the survey for analysis. However, for reporting purposes, we are highlighting only the most relevant segments in sidebars. For detailed results by all other segments and demographic indicators, please refer to banner tables which are available to all CEA members.

Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers.

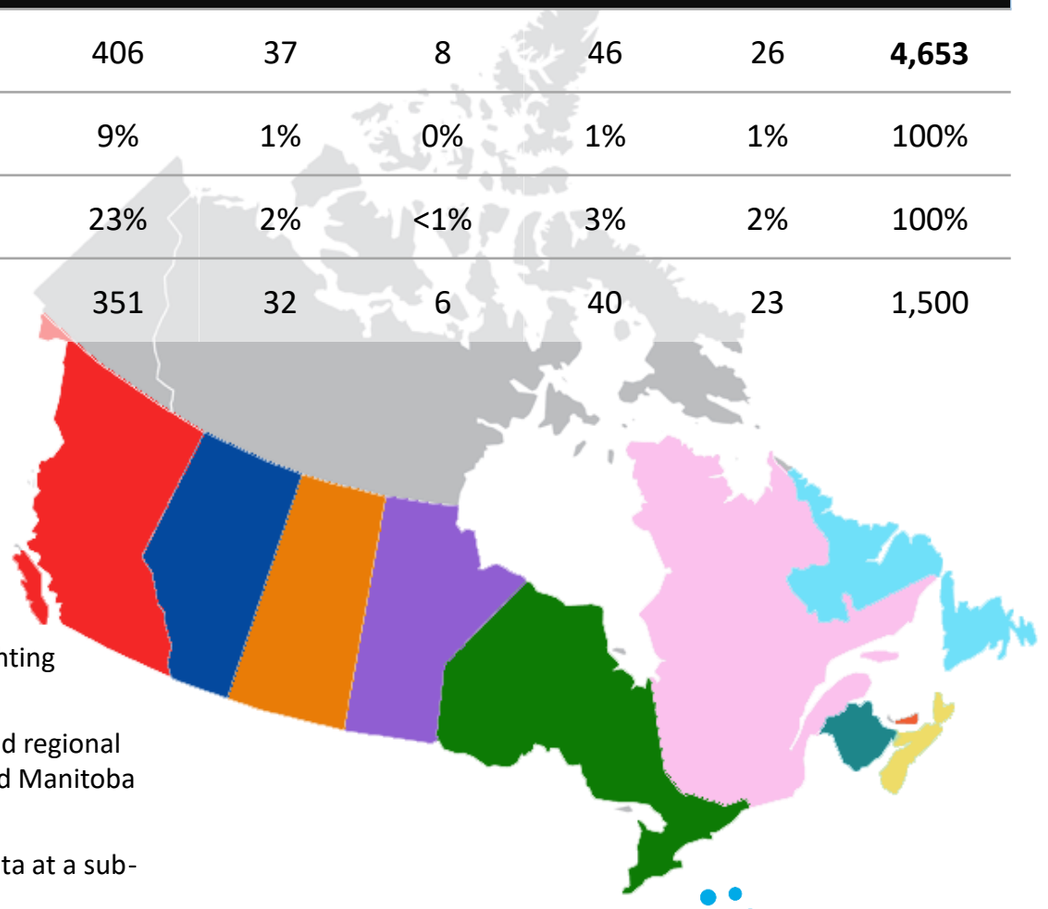
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Sample Design

	BC	AB	SK	MB	ON	QC	NB	PE	NS	NL	Total
Unweighted Sample (n)	252	197	467	635	2579	406	37	8	46	26	**4,653**
Unweighted Sample (%)	5%	4%	10%	14%	55%	9%	1%	0%	1%	1%	100%
2016 Census Population (%)	14%	11%	3%	4%	38%	23%	2%	<1%	3%	2%	100%
Weighted (n)	204	172	47	53	572	351	32	6	40	23	1,500

n=1,500
National Weighted Sample

n=1,000
Total Weighted Sample



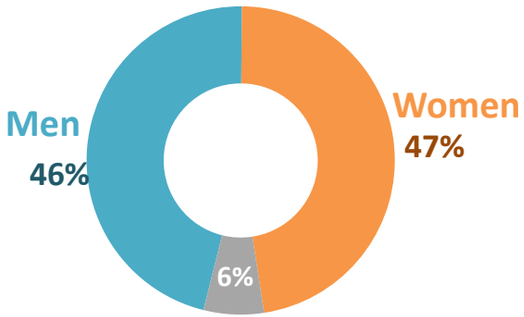
NOTE: The national sample has been weighted by the population, age and gender distributions within 20 geographical sub-regions across Canada, using the latest available Census data (2016). This weighting convention was used to ensure representative data at both the national- and provincial-levels of analysis.

Respondents from the territories are grouped with those in the nearby province for weighting purposes and regional analysis. Those from Yukon, Northwest Territories, and Nunavut are grouped together with BC, Alberta, and Manitoba respectively.

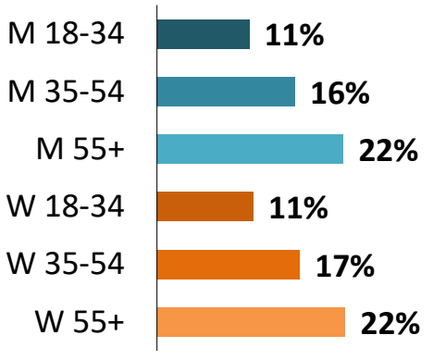
Upon CEA member request, additional oversamples were included to provide greater confidence in the data at a sub-regional level of analysis.

Demographics: *Hydro Ottawa Respondent Profile*

Gender Identity and Age

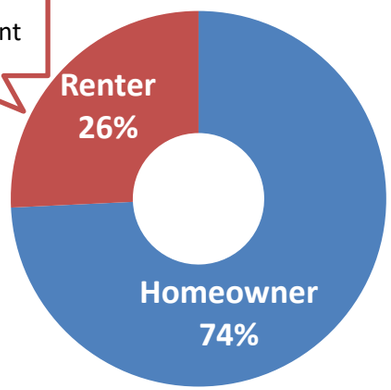


Prefer to self-describe

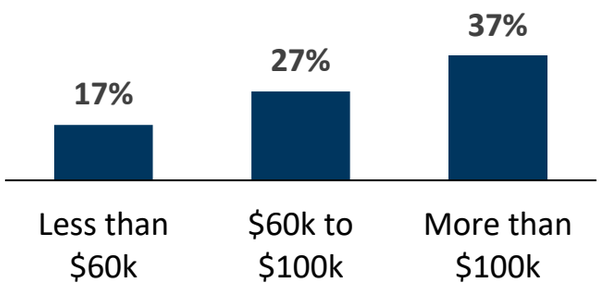


Homeownership

98% of renters pay electricity bill
2% included in rent

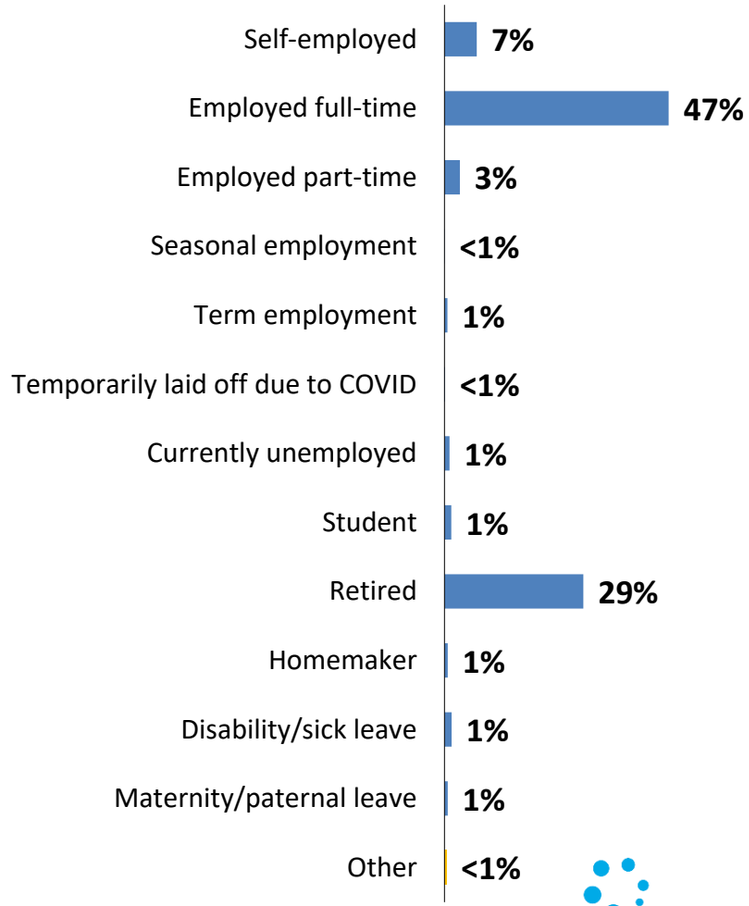


Income



19% Prefer not to say

Employment Status



7% Prefer not to say

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System Familiarity

Familiarity with System

Depending on the province a respondent resides in, we first explain how their electricity system works before asking how familiar they are with the system.

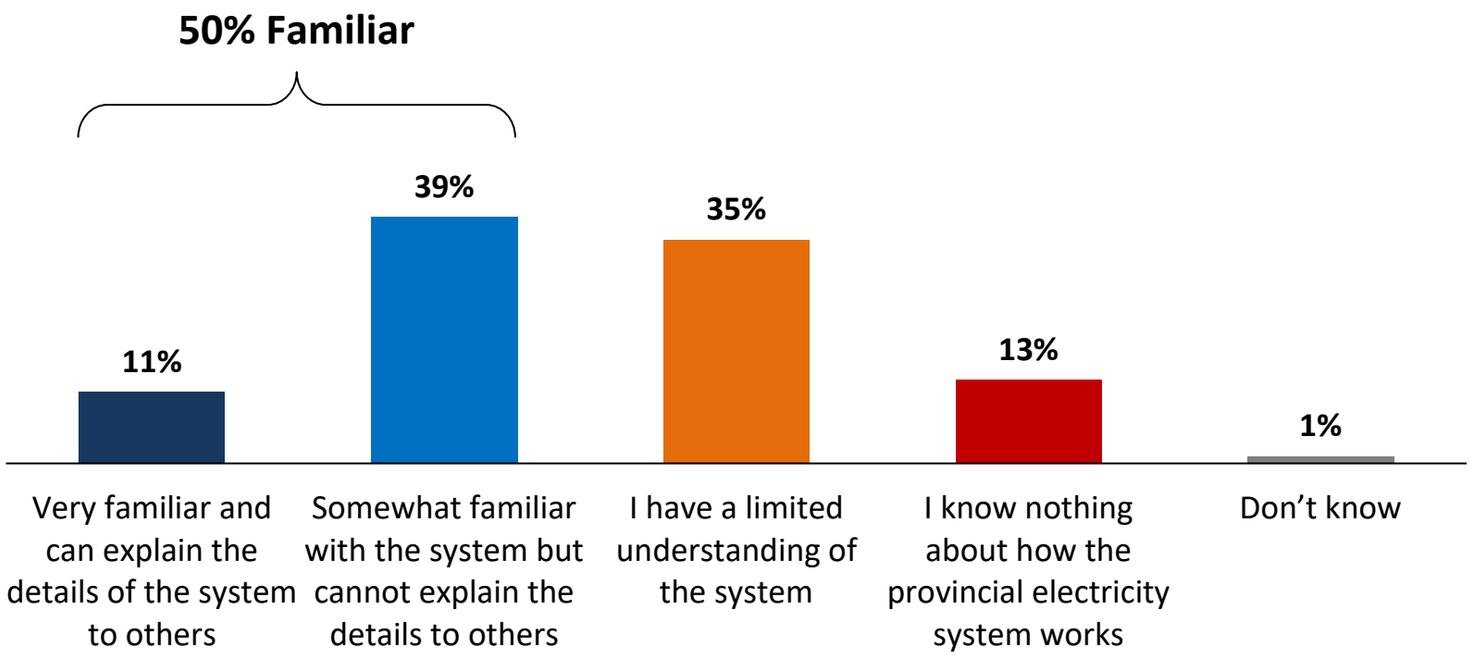
In Ontario, where people predominantly receive their electricity services from different operators of transmission and distribution, we say:

As you may know, Ontario's electricity system has four key components: generation, transmission, distribution and retail market:

- *Generating companies convert water from dams, coal, natural gas, wind and other resources into electricity;*
- *Transmission companies use large wires to connect the electricity produced at generating stations to transmission substations in the communities where it is needed;*
- *Distribution companies use smaller wires to carry electricity to homes and businesses; and*
- *Electricity retailers buy electricity from generators and sell it directly to customers through contracts.*

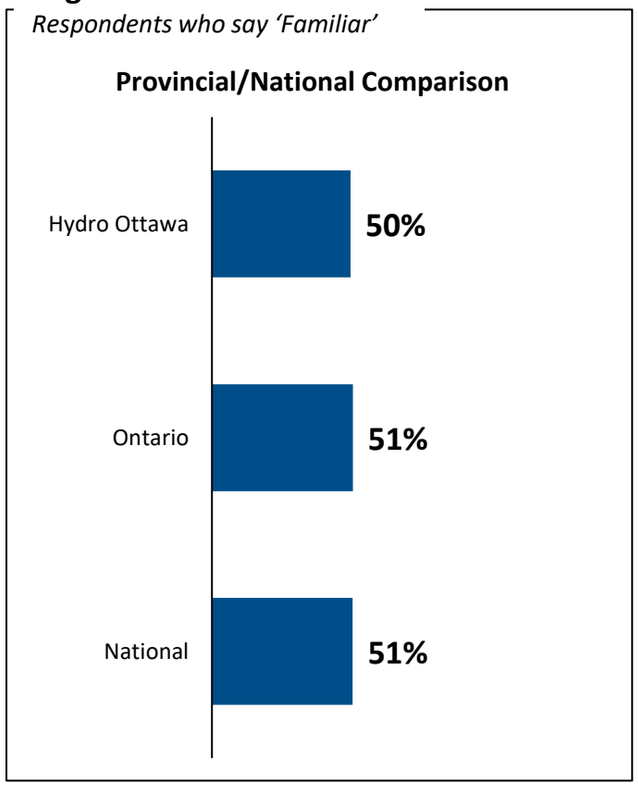
Familiarity with System: Half (50%) are familiar with the way that Ontario's electricity system works; consistent with ON and national avg

Q In general, how familiar are you with the way Ontario's electricity system works?
[asked of all Hydro Ottawa respondents; n=1,000]



Segmentation

Respondents who say 'Familiar'



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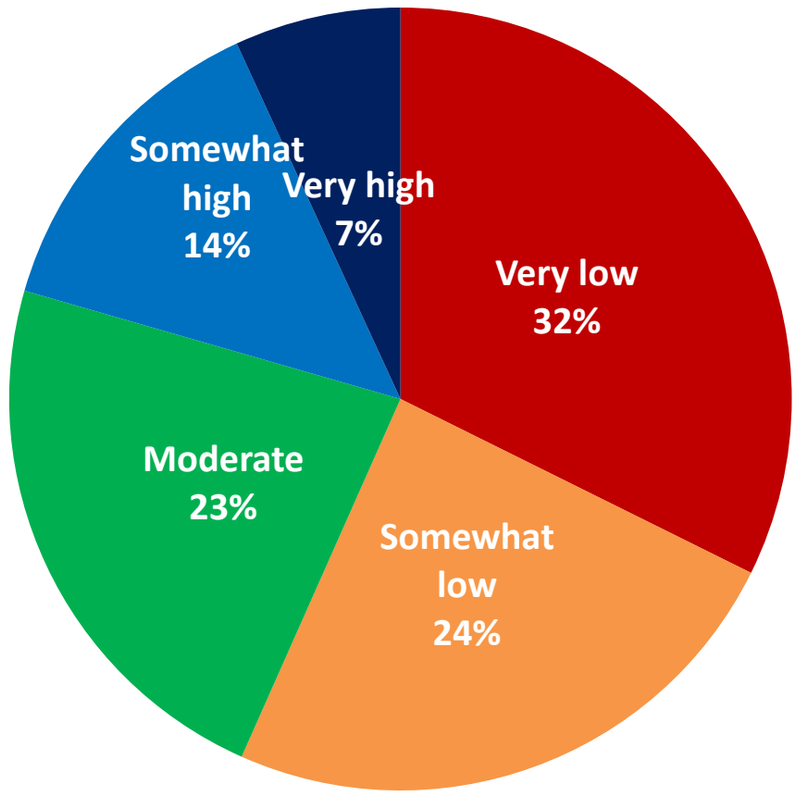
Behind the Meter Adoption Index

BTM Adoption Index: Only 7% of respondents have a very high likelihood of adopting in-home BTM; 32% have a very low likelihood

We created an index based on respondents' likelihood of adopting in-home Behind the Meter (BTM) technology. Specifically, we look at their intent to and interest in:

- Installing remotely controlled lights
- Installing a remotely controlled thermostat (learning thermostat)
- Installing solar panels
- Installing a smart water heater
- Installing a battery such as the Tesla Powerwall
- Using online tools or smartphone apps to reduce electricity consumption
- Buying an electric vehicle

When we asked these questions, we adjusted the wording slightly based on whether or not respondents are currently living in a home where they are able to install these types of technology (see slide 24 for details and exact wording).



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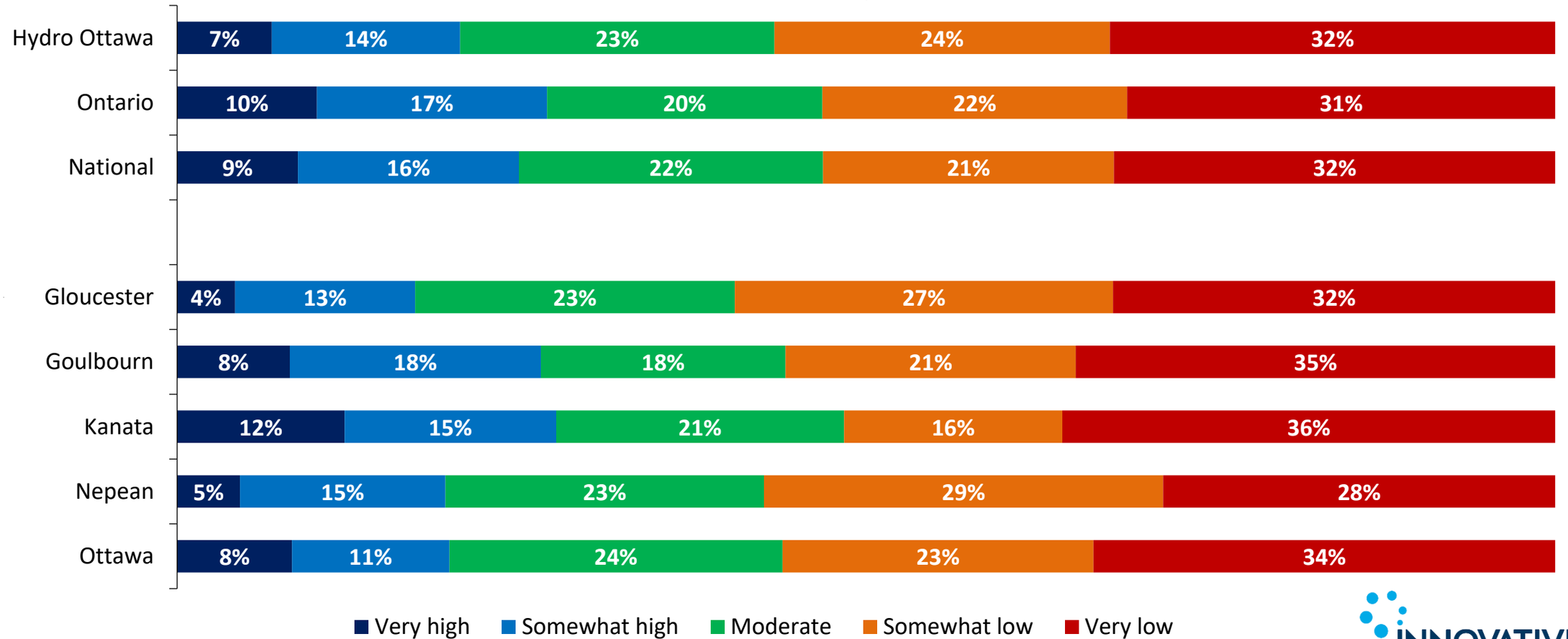
A Closer Look at the BTM Adoption Index

BTM Adoption Questions BY BTM Adoption Index

BTM Technology (% already have it or actively taking steps)	BTM Adoption Index: Very low	Somewhat low	Moderate	Somewhat high	Very high
Remotely controlled lights	2%	12%	32%	63%	92%
Remotely controlled thermostat	4%	23%	45%	86%	98%
Solar panels	4%	8%	14%	22%	62%
Smart water heater	1%	4%	20%	30%	53%
Batteries, such as Tesla Powerwall	3%	1%	3%	9%	31%
Online tools or smartphone app	1%	14%	24%	44%	60%
Purchase an EV (already have + definitely would)	3%	21%	23%	29%	64%

Regional Breakdown: Goulbourn and Kanata are more likely to adopt in-home BTM than other regions

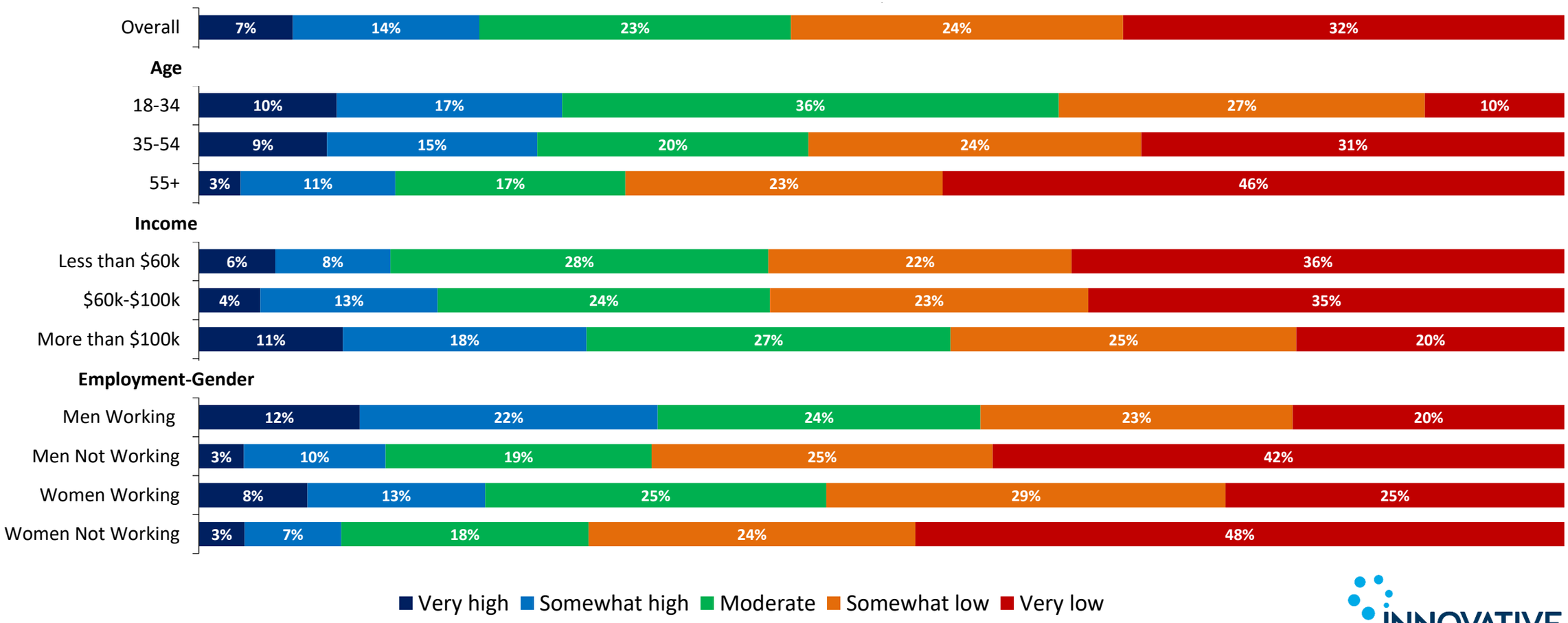
The chart below shows a regional breakdown of the BTM Adoption Index.



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Demographic Breakdown: Those 18-34, those with an income over $100K and employed men are ahead of the overall average

The chart below shows key demographic breakdowns of the BTM Adoption Index.

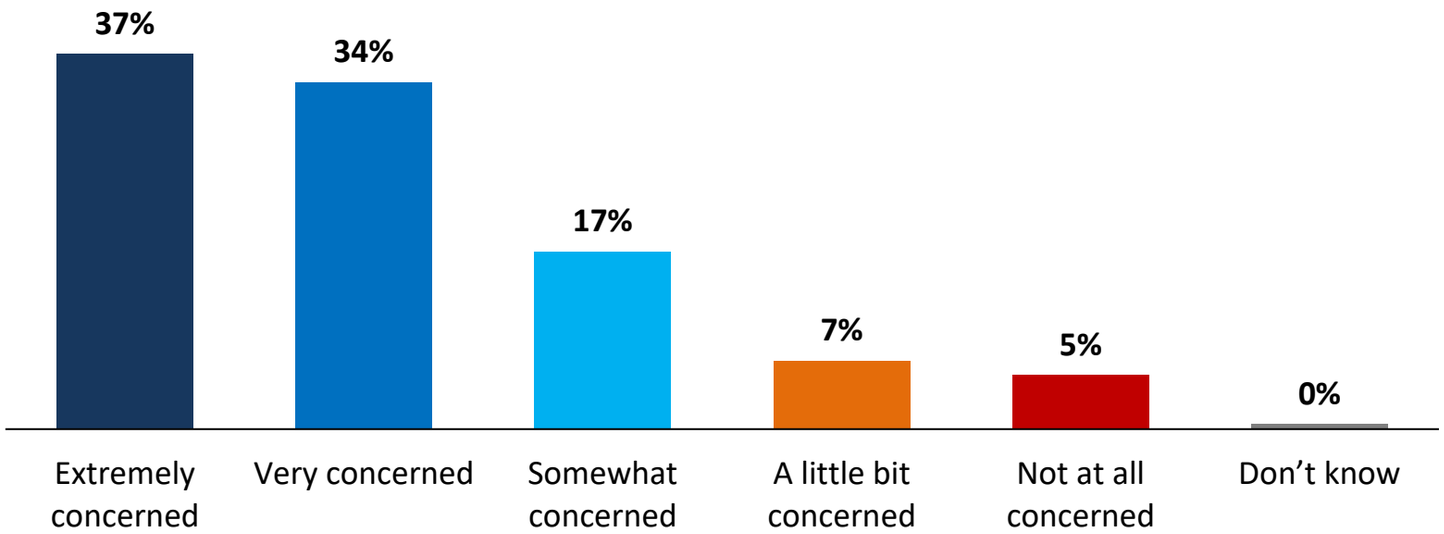


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Energy Transition Segmentation

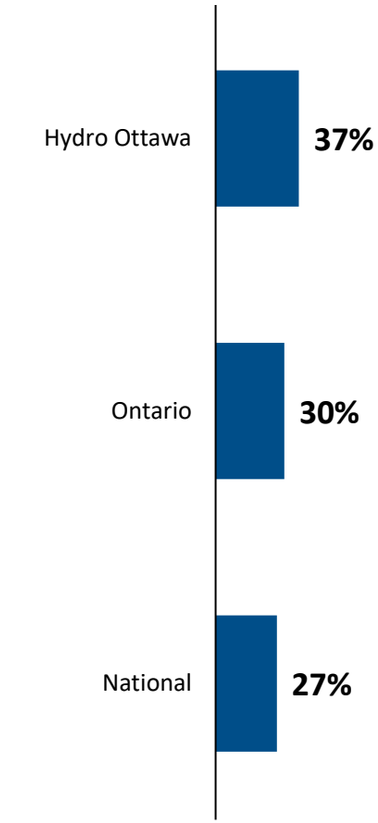
Concern for Climate Change: 2-in-5 (37%) are *extremely concerned* about climate change; higher than Ontario and national averages

Q How concerned are you about climate change?
[asked of all Hydro Ottawa respondents; n=1,000]



Segmentation
Respondents who say 'Extremely Concerned'

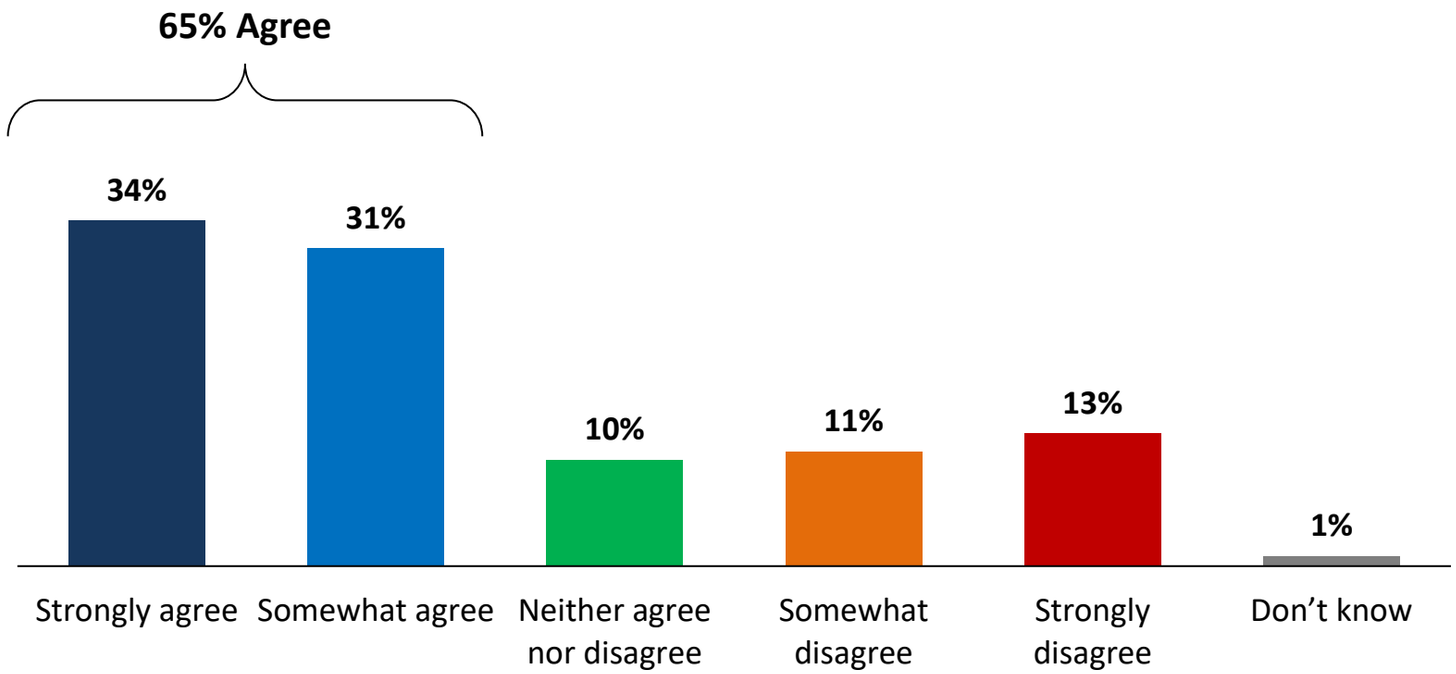
Provincial/National Comparison



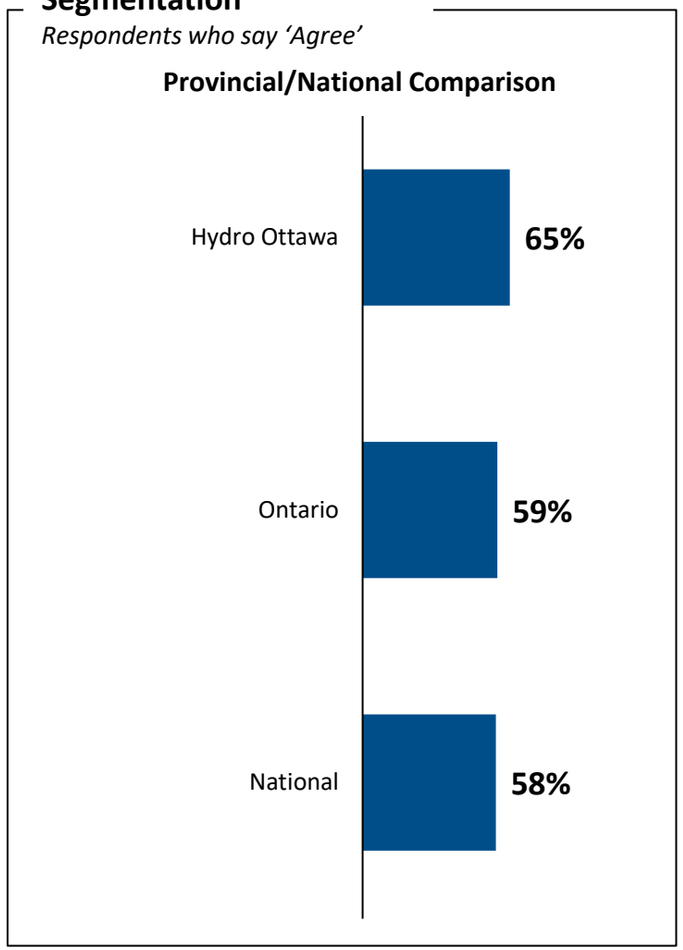
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Reduce GHG: 2-in-3 (65%) agree that we need to reduce GHG emissions as quickly as possible; higher than Ontario and national averages

Q Do you agree or disagree with the following statement:
We need to reduce greenhouse gas emissions from the energy we use as quickly as possible, even if it means job losses or paying more for energy.
[asked of all Hydro Ottawa respondents; n=1,000]



Segmentation
Respondents who say 'Agree'



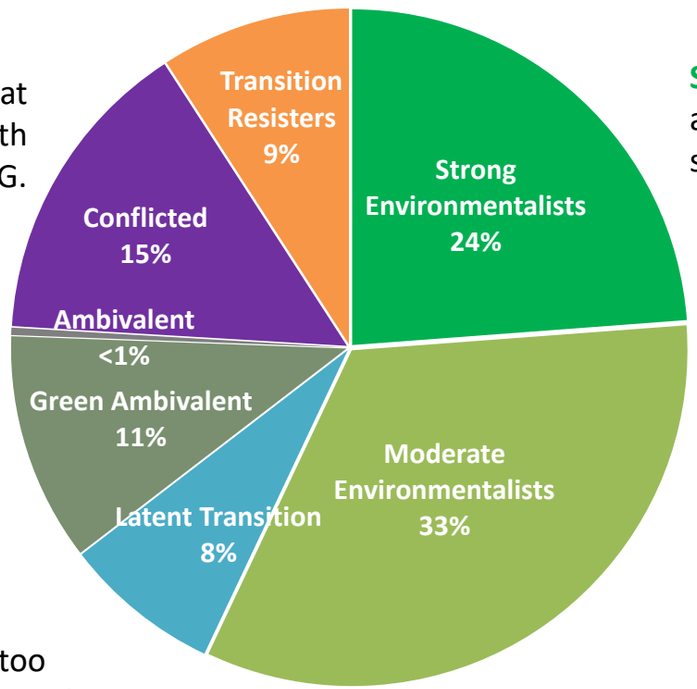
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Energy Transition Segmentation: Most respondents are Moderate Environmentalists or Strong Environmentalists

We created a segmentation to classify respondents into 7 groups based on how concerned they are about climate change and whether they agree with the trade-off of job losses and paying more for energy for the sake of reduced greenhouse gas (GHG) emissions.

Transition Resisters are those who are not too concerned about climate change and disagree with the sacrifices society should make to reduce GHG.

Conflicted are those who are at least somewhat concerned about climate change but disagree with sacrifices society should make to reduce GHG.



Strong Environmentalists are extremely concerned about climate change and strongly agree with the sacrifices society should make to reduce GHG.

Ambivalent are those who have neutral opinions on both questions.

Green Ambivalent are those who are a little or somewhat concerned about climate change but are neutral when it comes to the sacrifices society should make to reduce GHG.

Moderate Environmentalists are at least very concerned about climate change and somewhat agree with the sacrifices society should make to reduce GHG.

Latent Transition are those who are not too concerned about climate change but agree with the sacrifices society should make to reduce GHG.

Note: Ambivalent and Green Ambivalent are combined for analysis in the rest of the report.

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How is the Energy Transition Segmentation Defined?

Energy Transition Questions BY Energy Transition Segmentation

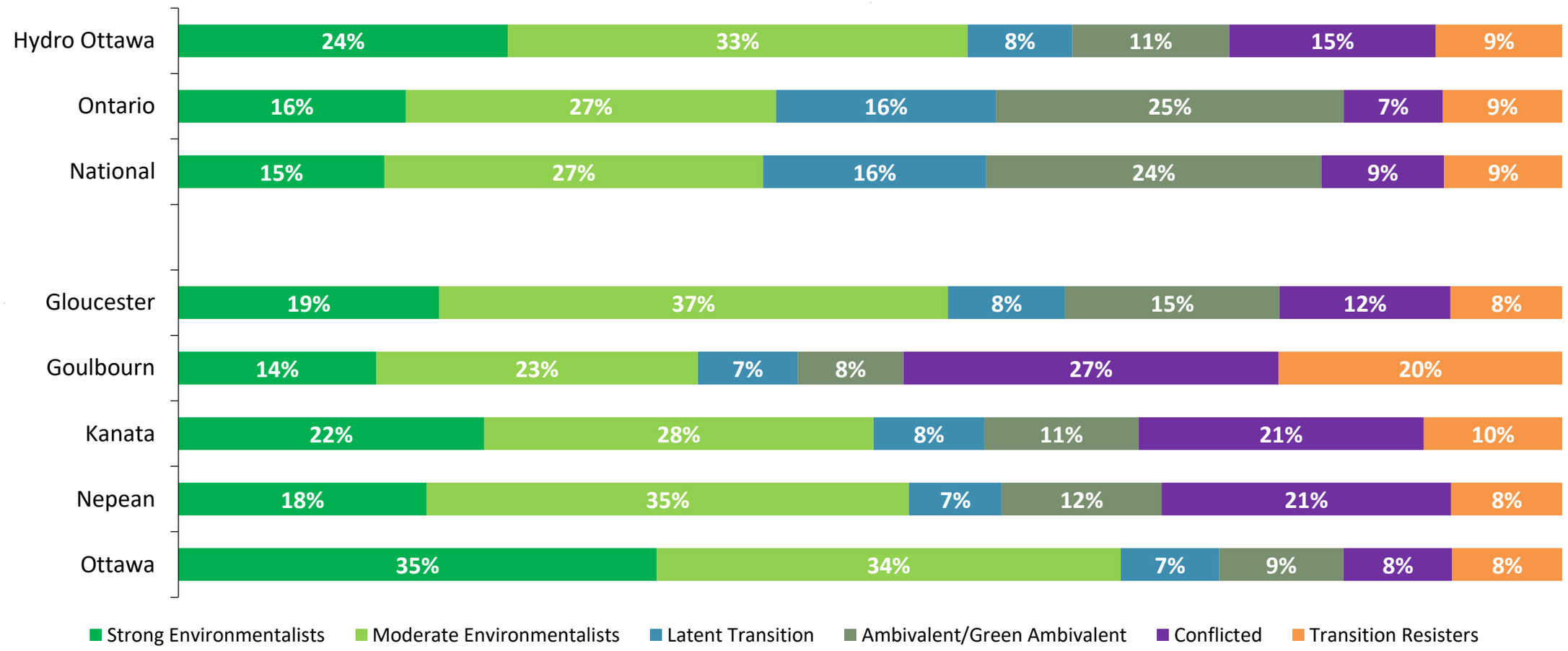
Energy Transition Segmentation

Energy Transition Questions	Strong Environmentalists	Moderate Environmentalists	Latent Transition	Green Ambivalent/ Ambivalent	Conflicted	Transition Resisters
Concern about Climate Change						
Not concerned	0%	0%	2%	1%	0%	55%
A little/Somewhat concerned	0%	0%	98%	48%	48%	43%
Extremely/Very concerned	100%	100%	0%	49%	52%	0%
Don’t know	0%	0%	0%	2%	0%	2%
Reduce GHGs even if it means job losses and paying more for energy						
Agree	100%	100%	100%	0%	0%	0%
Neutral/Don’t know	0%	0%	0%	100%	0%	0%
Disagree	0%	0%	0%	0%	100%	100%

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Regional Breakdown: Most residents in Ottawa are Environmentalists, while Goulbourn has the most Conflicted and Transition Resisters

The chart below shows a regional breakdown of the Energy Transition Segmentation.



How do the BTM Adoption Index and Energy Transition Segmentation Interact?

BTM Adoption Index BY Energy Transition Segmentation

Energy Transition Segmentation

BTM Adoption Index	Strong Environmentalists	Moderate Environmentalists	Latent Transition	Green Ambivalent/ Ambivalent	Conflicted	Transition Resisters
Very low	22%	28%	33%	40%	34%	61%
Somewhat low	22%	27%	28%	24%	29%	9%
Moderate	32%	24%	15%	22%	18%	12%
Somewhat high	13%	15%	14%	8%	15%	17%
Very high	11%	6%	10%	6%	4%	1%

Energy Transition Segmentation BY BTM Adoption Index

BTM Adoption Index

Energy Transition Segment	Very low	Somewhat low	Moderate	Somewhat high	Very high
Strong Environmentalists	17%	22%	33%	22%	37%
Moderate Environmentalists	29%	37%	34%	35%	31%
Latent Transition	8%	9%	5%	8%	11%
Ambivalent/Green Ambivalent	14%	11%	11%	6%	11%
Conflicted	16%	18%	12%	17%	9%
Transition Resisters	17%	3%	5%	12%	1%

INNOVATIVE RESEARCH GROUP

Interest in Residential BTM Technology

Interest in Residential BTM Technology: *Survey Design Note*

For the series of questions about residential BTM technology, we wanted to gather data from everyone – even people who are not currently in a position to be able to bring these types of technologies into their homes. In order to determine exactly how to phrase the questions, we provided respondents with a brief preamble and a follow-up question. Their response to the follow-up question determined how the next series of questions were presented to them.

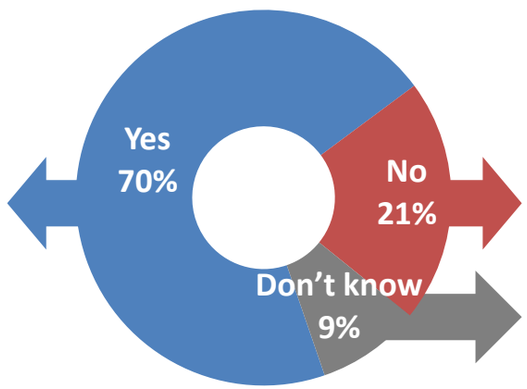
PREAMBLE: There are many new technologies that are already available or that are being developed to help manage energy use in your home. For this survey, we would like to find out how interested you are in the following technology:

- Remotely controlled lights
- Solar panels
- Batteries such as the Tesla Powerwall
- Remotely controlled thermostat (or learning thermostat)
- Smart water heater

Q Do you live somewhere where you can make decisions as to whether or not to install any of these types of technology in your home?
[asked of all Hydro Ottawa respondents; n=1,000]

You may already have some of these innovations in your home, or there may be some that you are interested in learning more about. Please review the list below, and indicate which you currently have, which you are interested in, and which are not of interest to you.

01	This was in my home when I purchased it/moved in
02	I already have this in my home – I got it after I moved in
03	I have been actively taking steps to acquire this
04	I am very interested in learning more
05	I am somewhat interested in learning more
06	I am not interested
97	It would not be possible for me to install this particular product in my home
98	Don't know



If you were in a position to be able to make decisions as to whether or not to install these products in your home, please indicate which you would install right away, which you are interested in, and which are not of interest to you.

~~01~~	~~This was in my home when I purchased it/moved in~~
02	I would get this right away
03	I would actively take steps to acquire this
04	I would be very interested in learning more
05	I would be somewhat interested in learning more
06	I would not be interested
98	Don't know

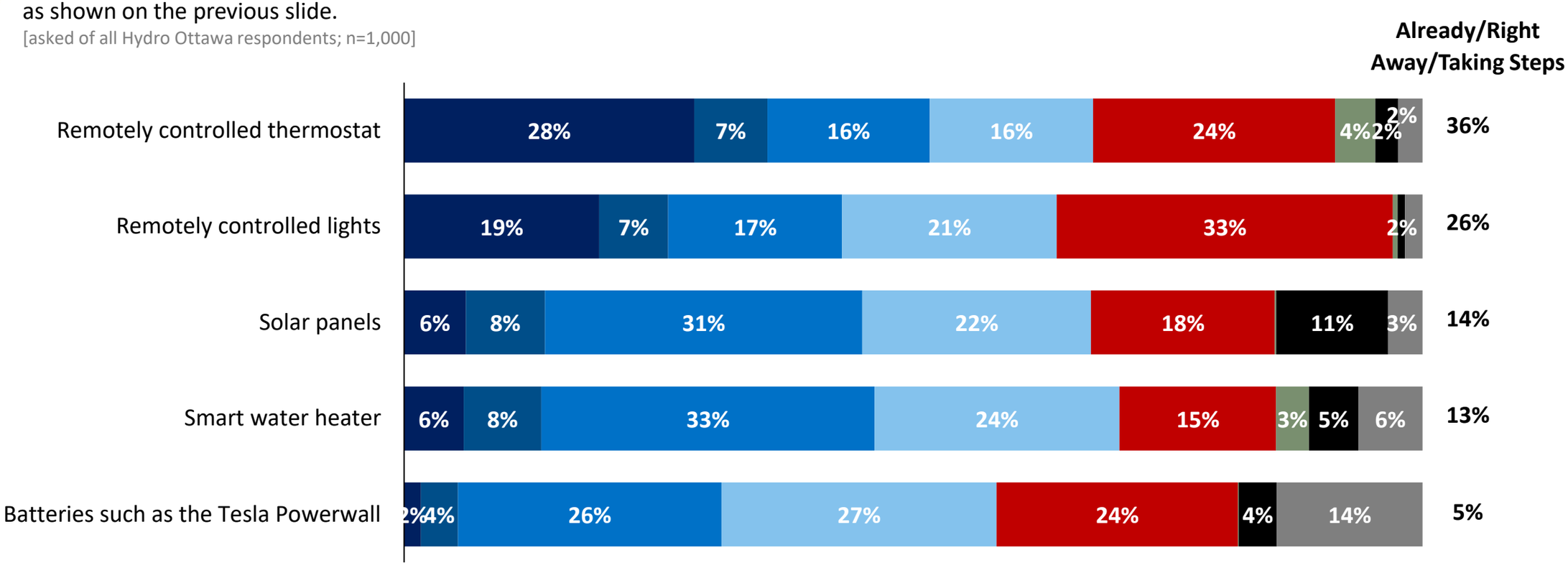
We kept the response options closely aligned so that we were able to combine the results, as shown on the following slide.

INNOVATIVE RESEARCH GROUP

Interest in Home BTM Technology: Interest is highest for remotely controlled thermostat, followed by remotely controlled lights

Q The exact question wording depended on whether or not the respondent is currently in a position to bring these types of technology into their home, as shown on the previous slide.

[asked of all Hydro Ottawa respondents; n=1,000]



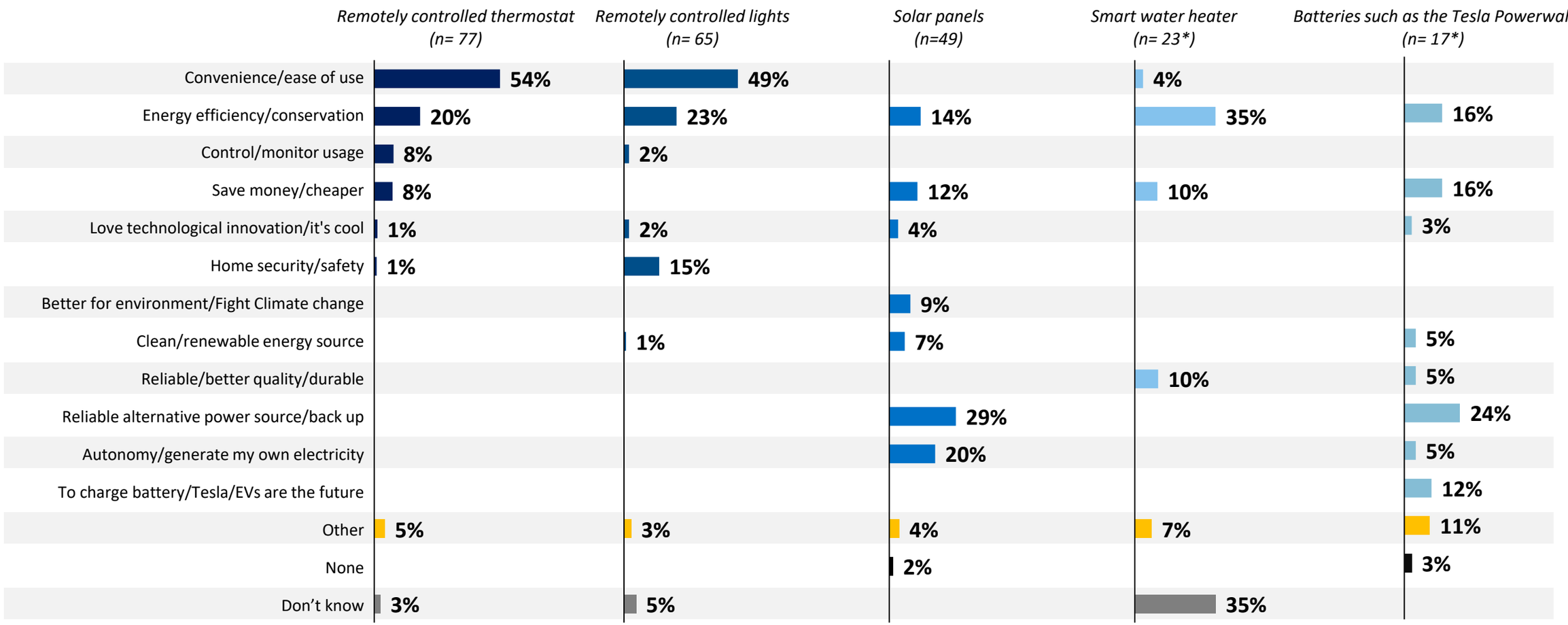
INNOVATIVE RESEARCH GROUP

Reasons for Acquiring BTM Technology: Convenience/ease of use, energy efficiency, and reliable alternative power source are top reasons

Q What is the main reason for wanting [INSERT ITEM] in your home?

[asked of those who already have/would get right away/are actively or would actively take steps to acquire specified item; n-sizes for each item shown below]

Survey Design Note: *Respondents were asked only about one type of technology. In order to maximize n-sizes for this question, less popular technologies were prioritized.*



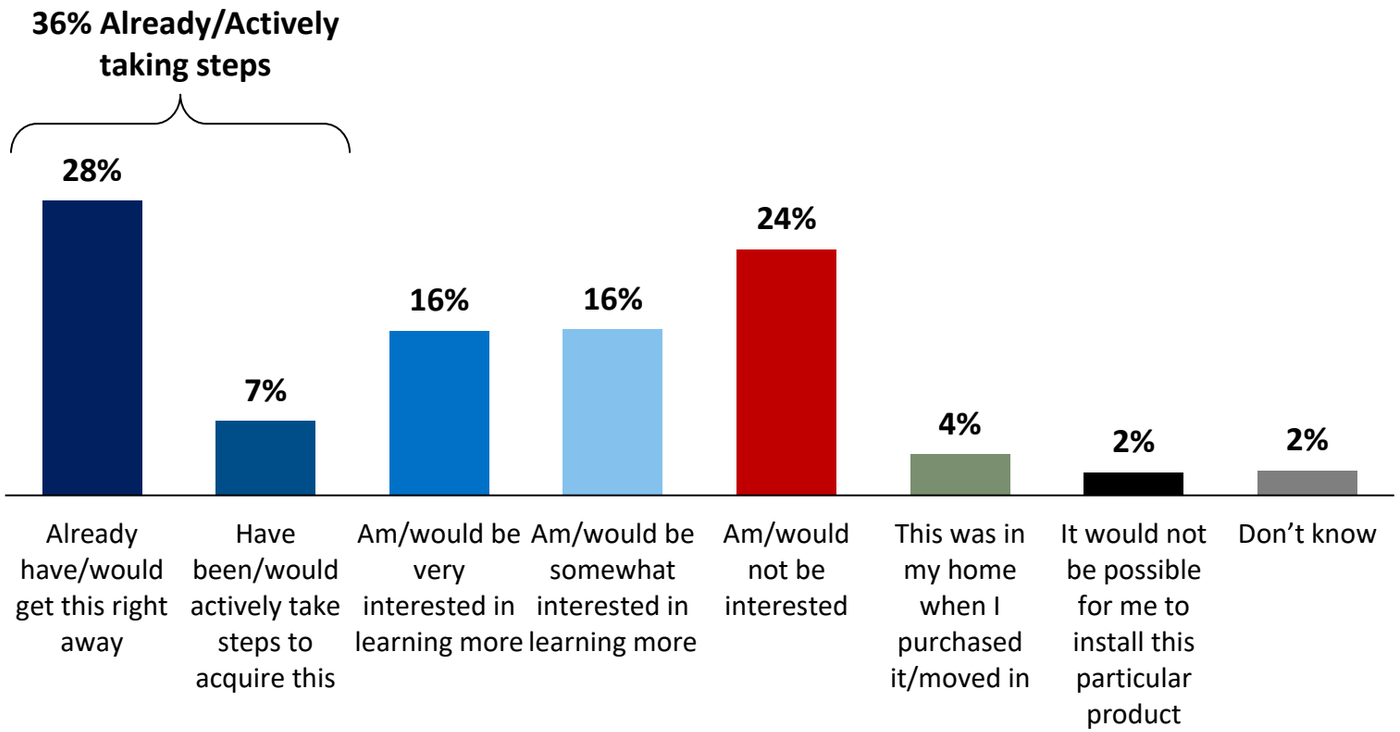
***NOTE:** Due to small n sizes of respondents for these technologies, results should be interpreted with caution.

Remotely Controlled Thermostat: Over one third (36%) are already/ actively taking steps; higher than Ontario and national averages

Q

Interest in remotely controlled thermostat

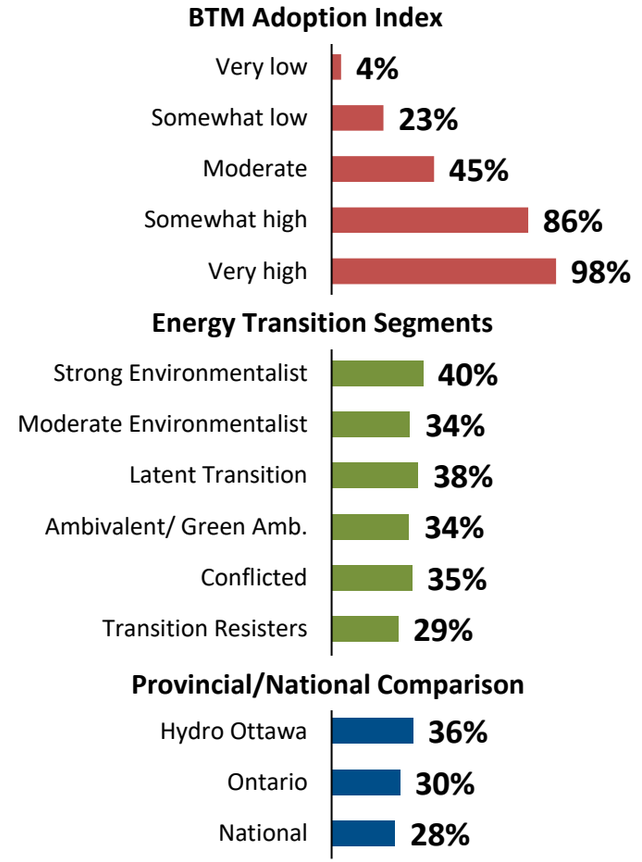
[asked of all Hydro Ottawa respondents; n=1,000]



Can install	32%	3%	14%	18%	23%	6%	3%	2%
Can't currently	21%	17%	20%	12%	26%	N/A	N/A	4%

Segmentation

Respondents who say 'Already'/'Actively taking steps'

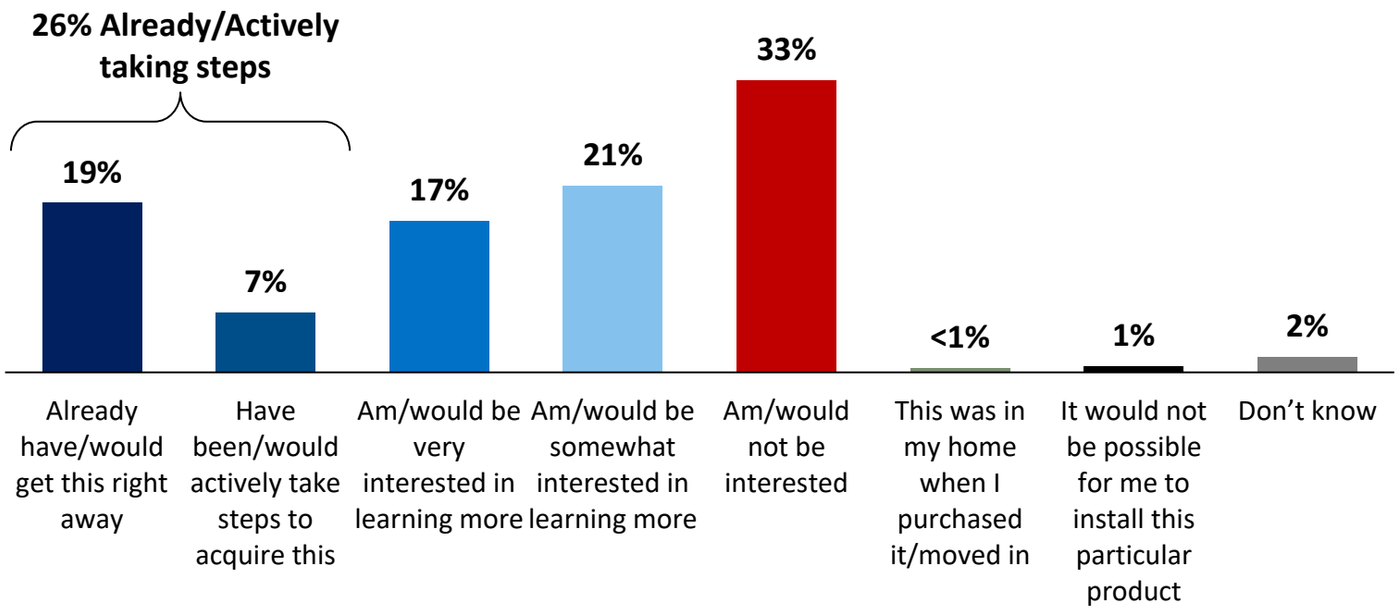


INNOVATIVE RESEARCH GROUP

Remotely Controlled Lights: 1-in-4 (26%) are interested in remotely controlled lights; higher among Strong Environmentalists

Q

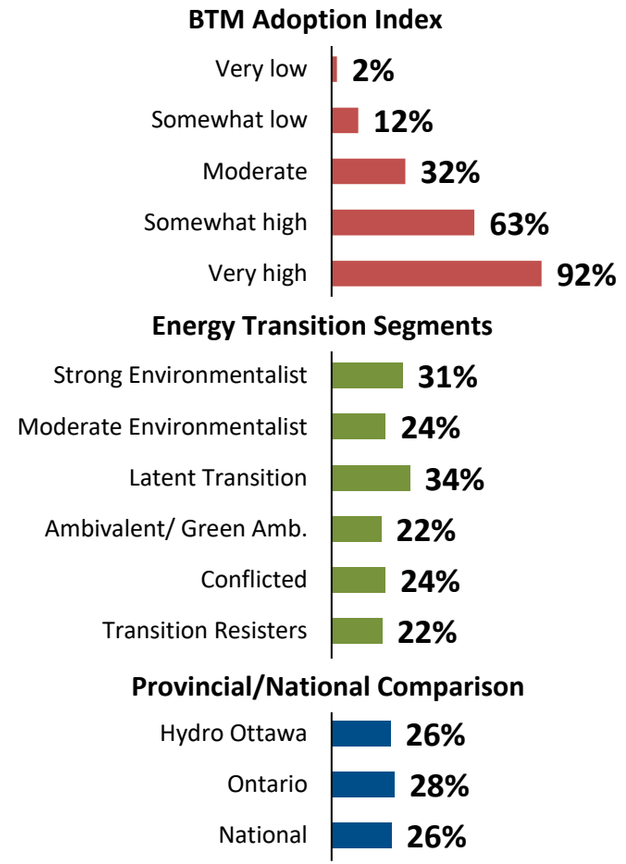
Interest in remotely controlled lights
[asked of all Hydro Ottawa respondents; n=1,000]



Can install	21%	3%	16%	23%	35%	1%	1%	1%
Can't currently	15%	16%	20%	17%	29%	N/A	N/A	3%

Segmentation

Respondents who say 'Already'/'Actively taking steps'



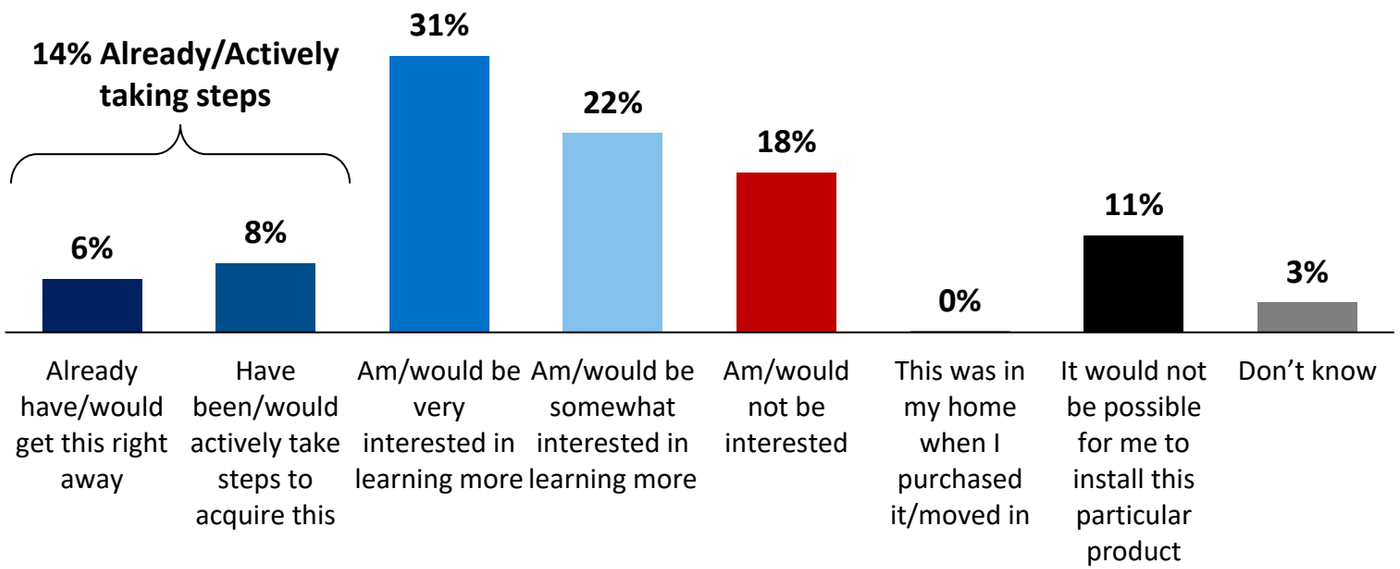
INNOVATIVE RESEARCH GROUP

Solar Panels: 1-in-7 (14%) are already/actively taking steps in solar panels; higher among Strong Environmentalists and Resisters

Q

Interest in solar panels

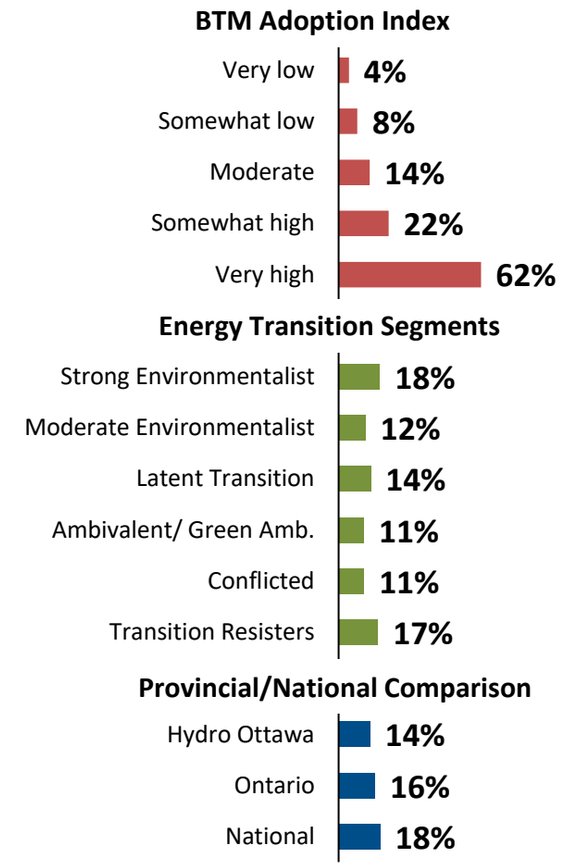
[asked of all Hydro Ottawa respondents; n=1,000]



Can install	3%	4%	28%	27%	20%	<1%	16%	2%
Can't currently	14%	16%	39%	11%	14%	N/A	N/A	6%

Segmentation

Respondents who say 'Already'/'Actively taking steps'

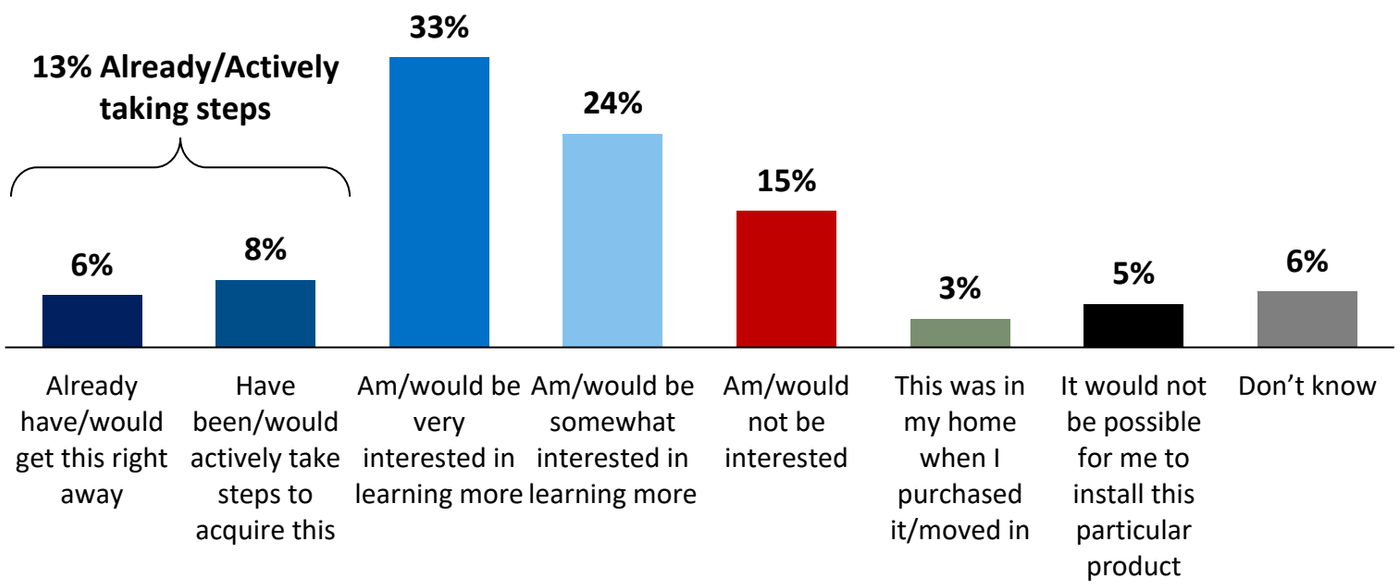


INNOVATIVE RESEARCH GROUP

Smart Water Heater: 1-in-7 (13%) have already/actively taking steps to install a smart water heater; lower than ON and national averages

Q Interest in smart water heater

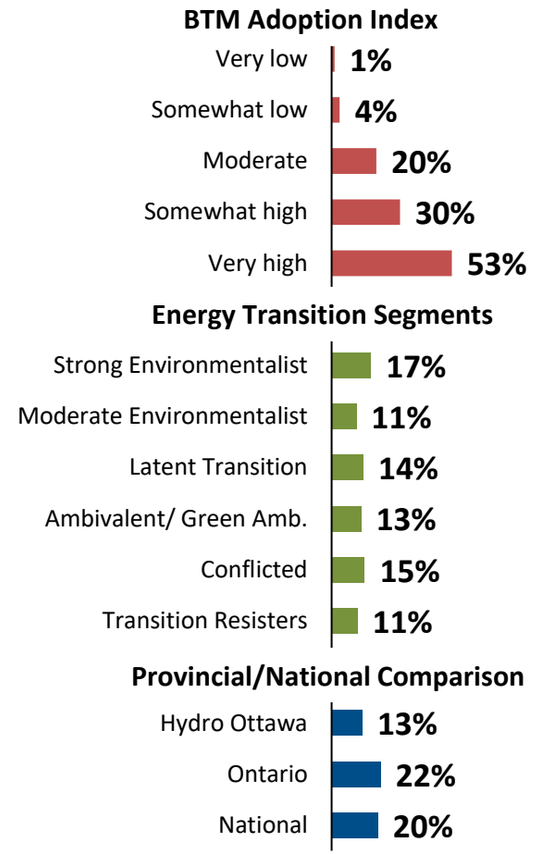
[asked of all Hydro Ottawa respondents; n=1,000]



Can install	2%	2%	35%	28%	16%	5%	7%	6%
Can't currently	14%	21%	28%	16%	15%	N/A	N/A	6%

Segmentation

Respondents who say 'Already'/'Actively taking steps'

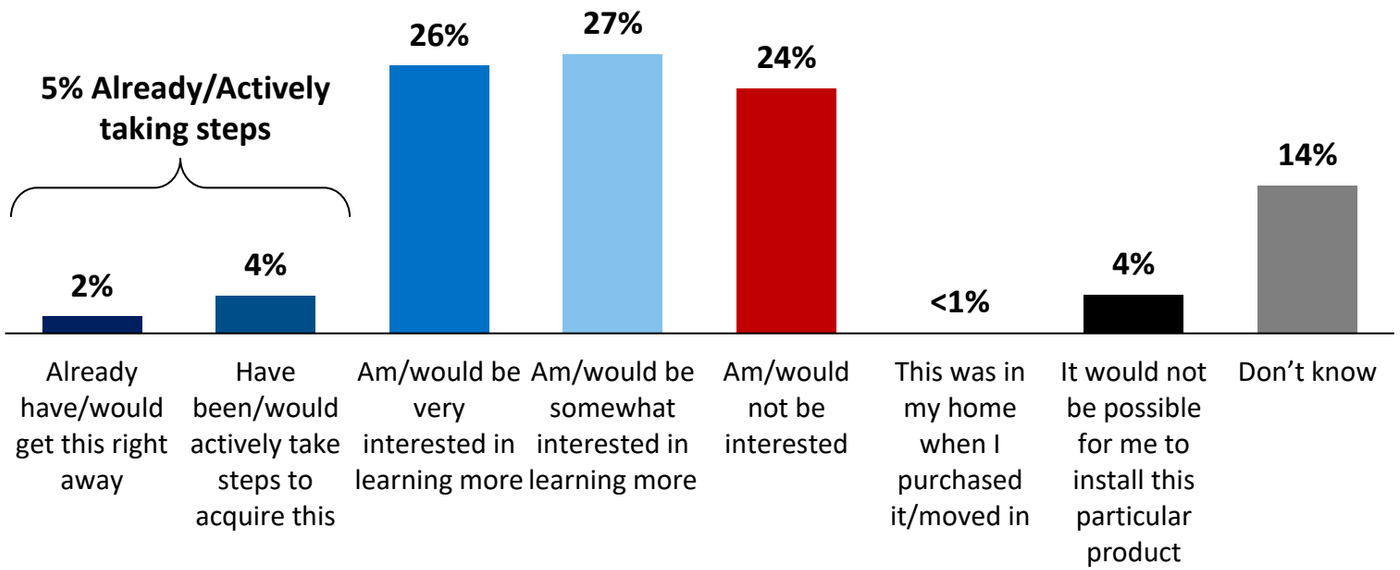


INNOVATIVE RESEARCH GROUP

Batteries: Only 5% have already/are actively taking steps, lower than Ontario and national averages; higher among Transition Resisters

Q Interest in batteries such as the Tesla Powerwall

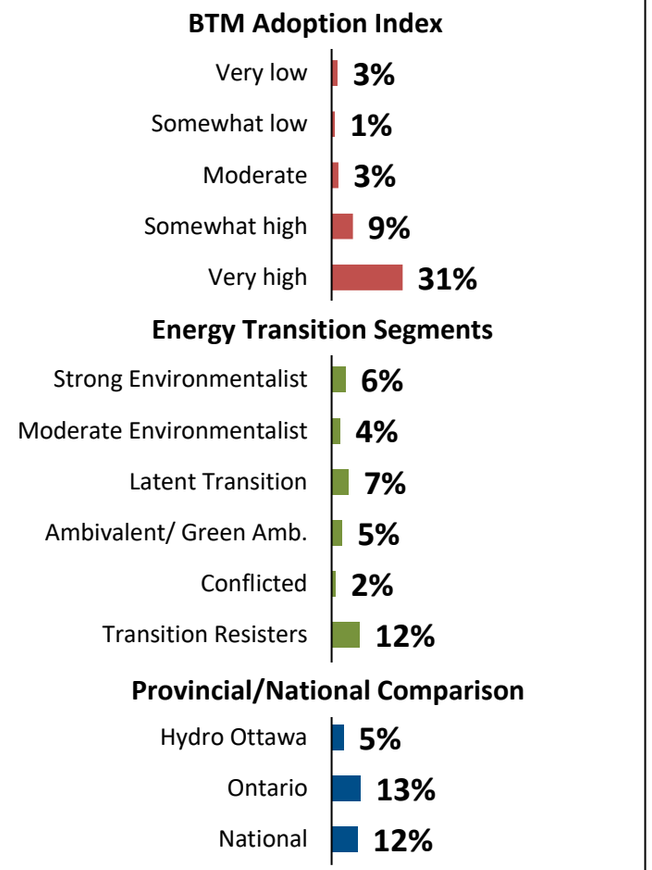
[asked of all Hydro Ottawa respondents; n=1,000]



Can install	1%	1%	25%	31%	25%	<1%	5%	12%
Can't currently	4%	10%	28%	17%	21%	N/A	N/A	20%

Segmentation

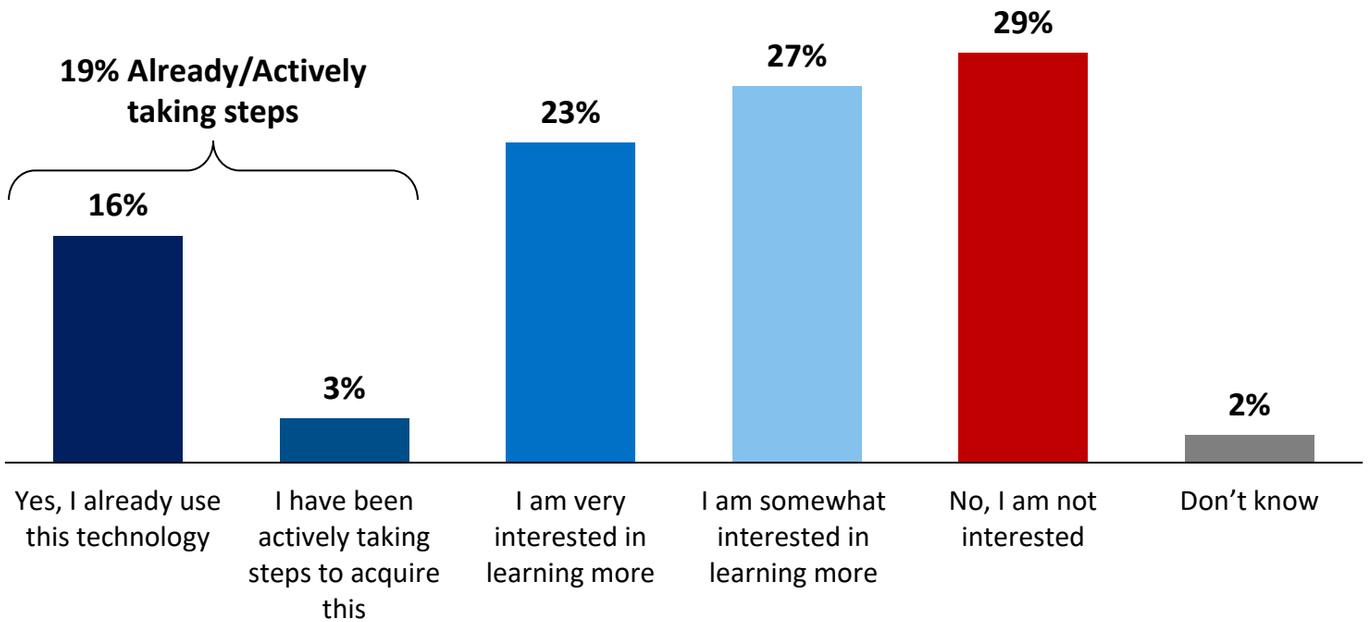
Respondents who say 'Already'/'Actively taking steps'



Online Tools or Apps: 1-in-5 (19%) say they use online tool or apps to reduce amount of electricity used; highest among Latent Transition

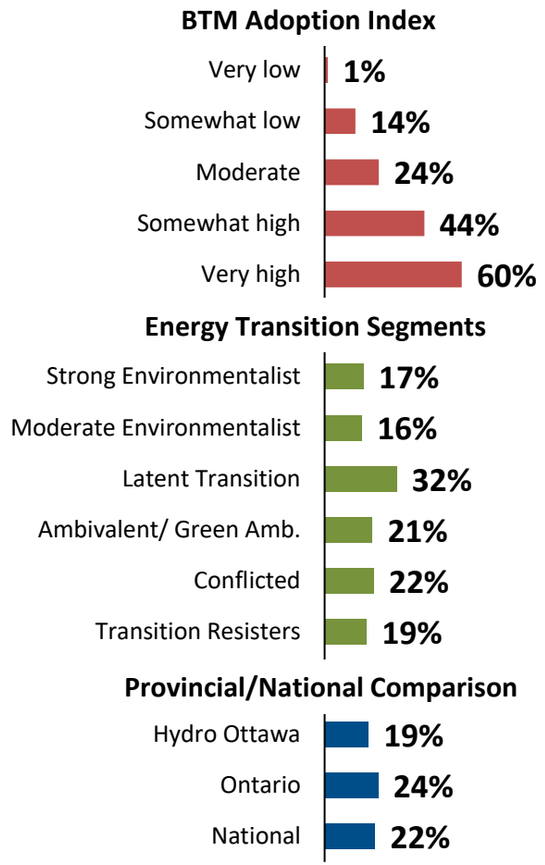
Q Do you currently use any online tools or smartphone apps to reduce the amount of electricity you use at home?

[asked of all Hydro Ottawa respondents; n=1,000]



Segmentation

Respondents who say 'Already'/'Actively taking steps'



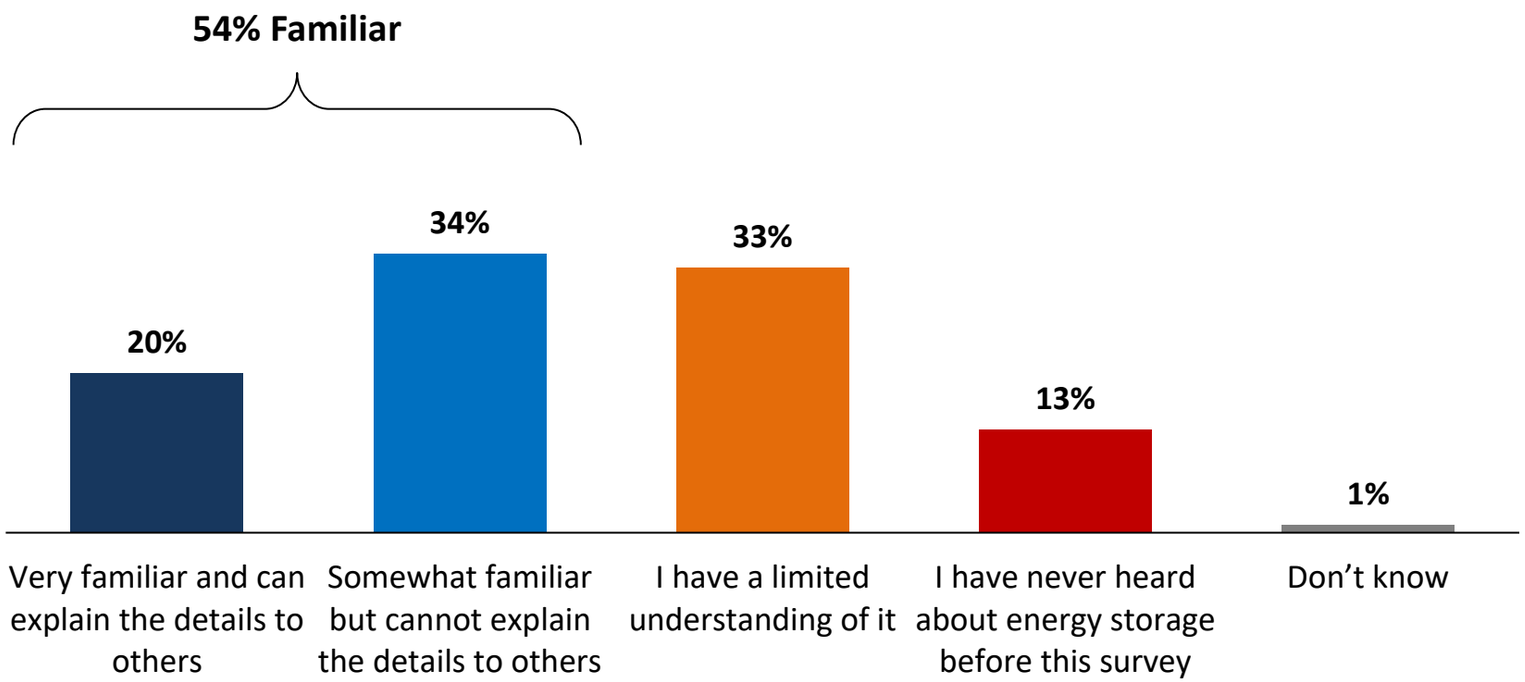
INNOVATIVE RESEARCH GROUP

Energy Storage

General Familiarity: Half (54%) of respondents are familiar with energy storage; higher among Strong Environmentalists and Transition Resisters

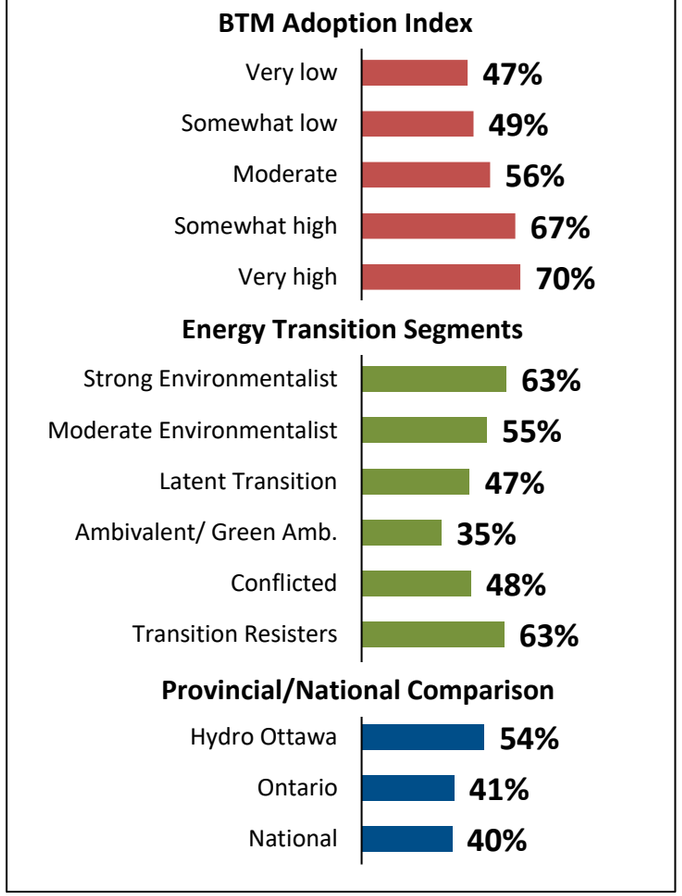
Q Energy storage is capturing electricity when it is produced so that it can be used later. Before this survey, how familiar were you with energy storage?

[asked of all Hydro Ottawa respondents; n=1,000]



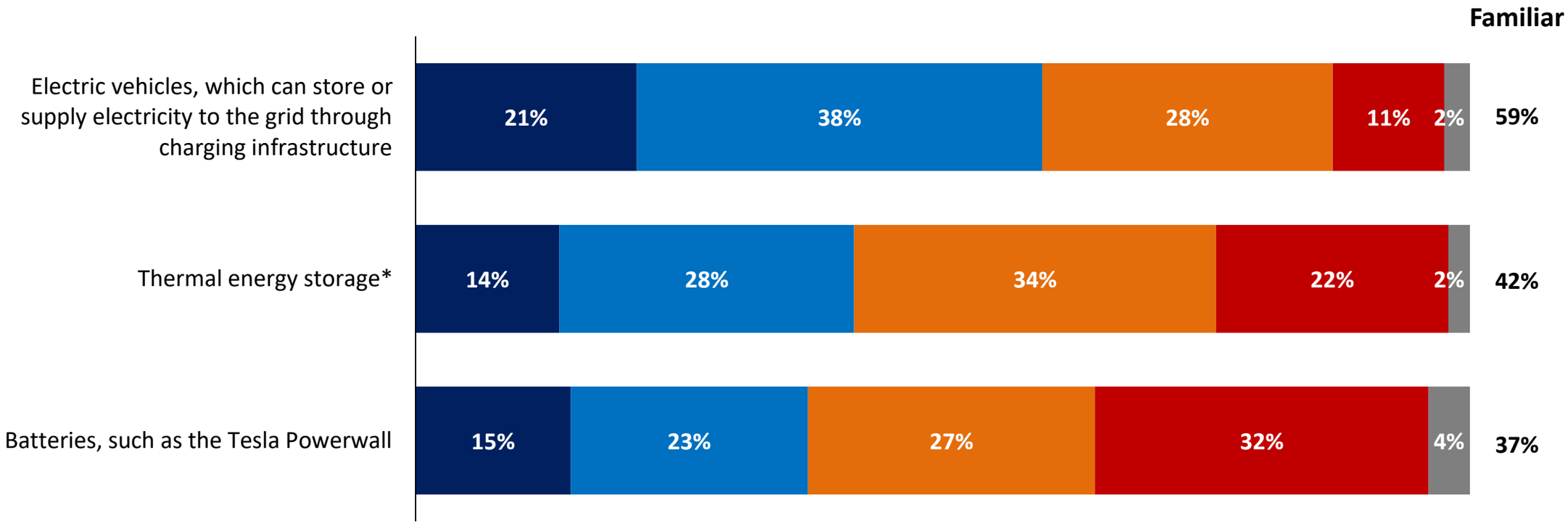
Segmentation

Respondents who say 'Familiar'



Familiarity w/ Specific Technology: Respondents are most familiar with electric vehicles, least familiar with batteries

Q Below are some examples of energy storage technology. Please indicate how familiar you are with each one.
[asked of all Hydro Ottawa respondents; n=1,000]



* FULL DESCRIPTION PROVIDED TO RESPONDENTS: Thermal energy storage, which means heating or cooling a medium to use the energy when needed later. In its simplest form, this could mean using a water tank for heat storage, where the water is heated at times when there is a lot of energy, and the energy is then stored in the water for use when energy is less plentiful.

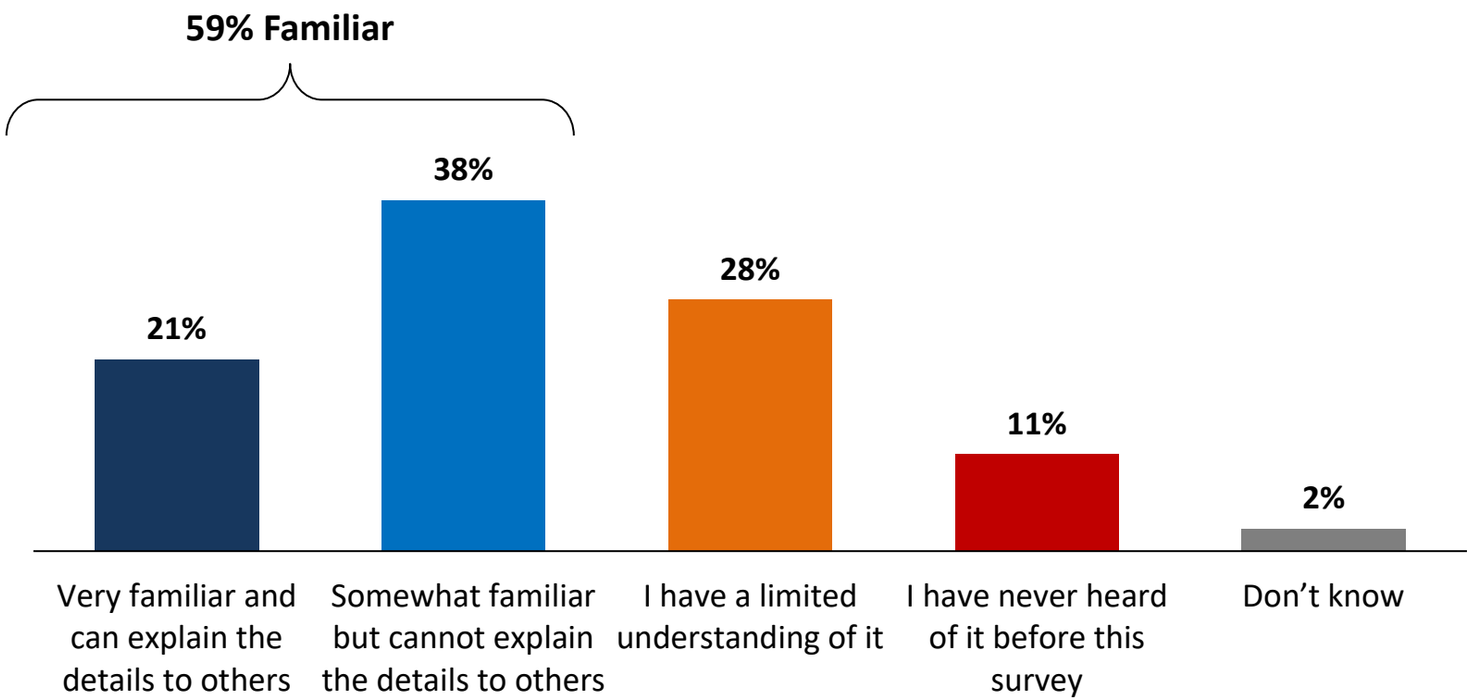
INNOVATIVE RESEARCH GROUP

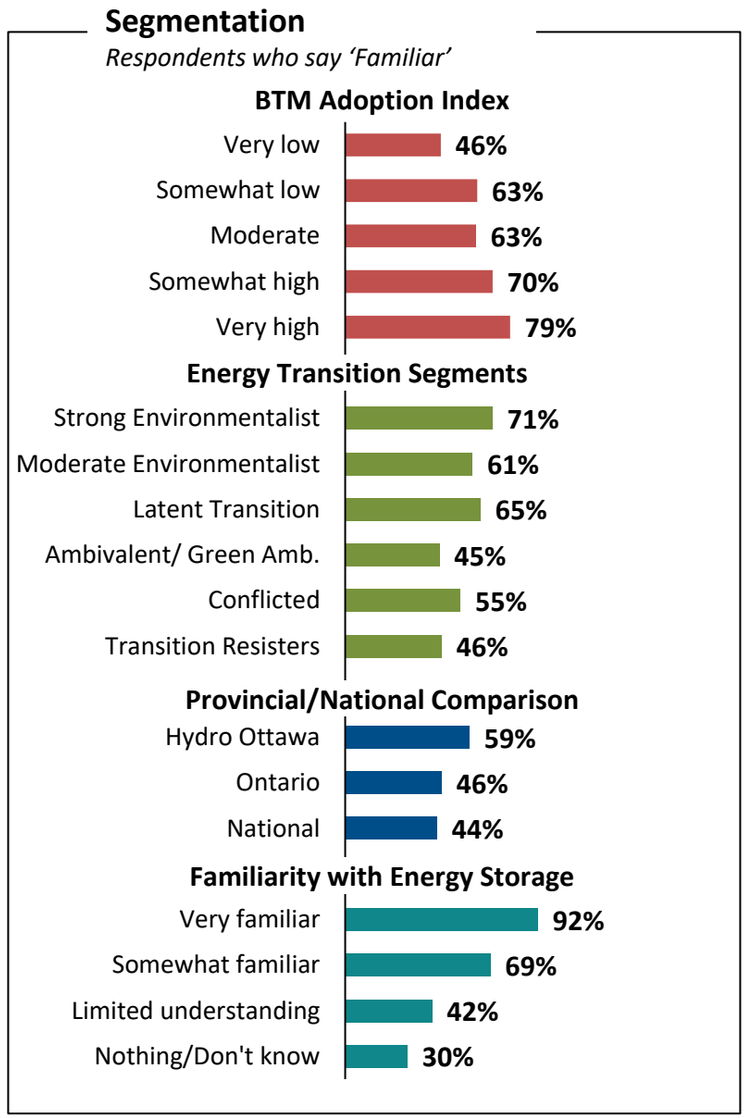
Electric Vehicles: 6-in-10 (59%) are familiar with electric vehicles; higher among Strong Environmentalists

Q Below are some examples of energy storage technology. Please indicate how familiar you are with each one.

[asked of all Hydro Ottawa respondents; n=1,000]

Electric vehicles, which can store or supply electricity to the grid through charging infrastructure



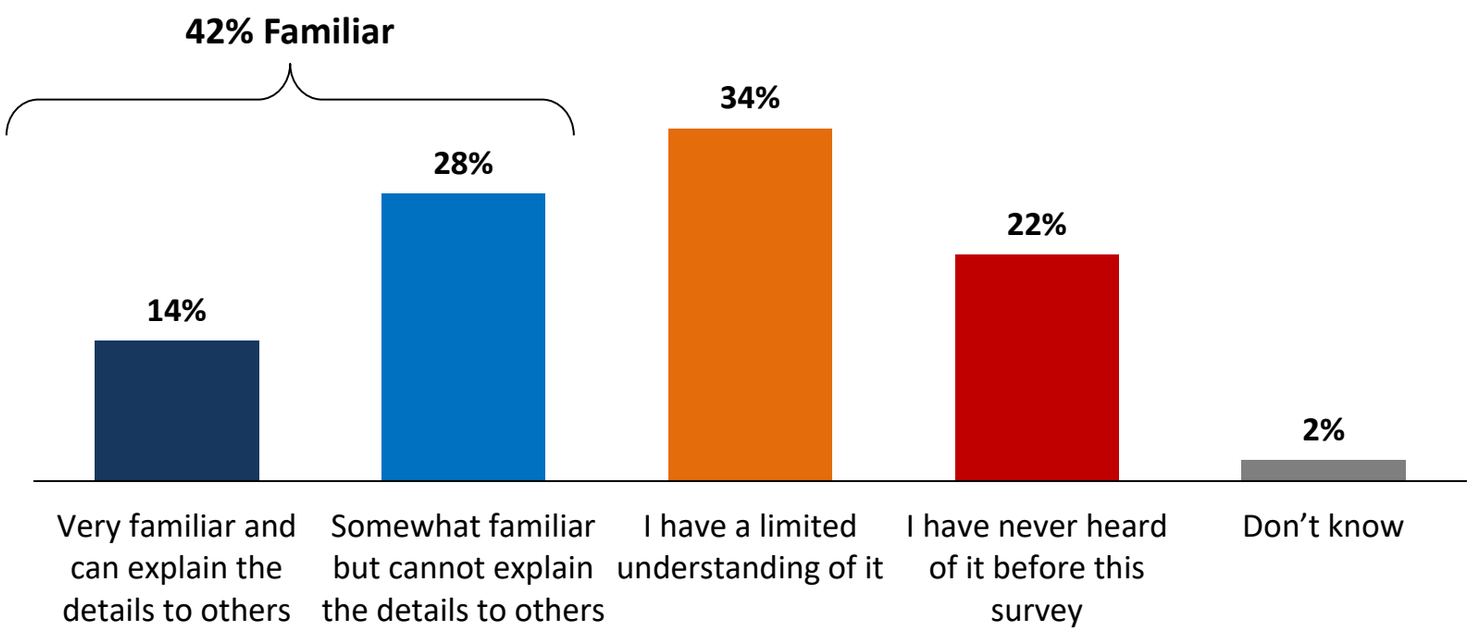


Thermal Energy Storage: 2-in-5 (42%) are familiar with thermal energy storage; higher among the Environmentalist segments

Q Below are some examples of energy storage technology. Please indicate how familiar you are with each one.

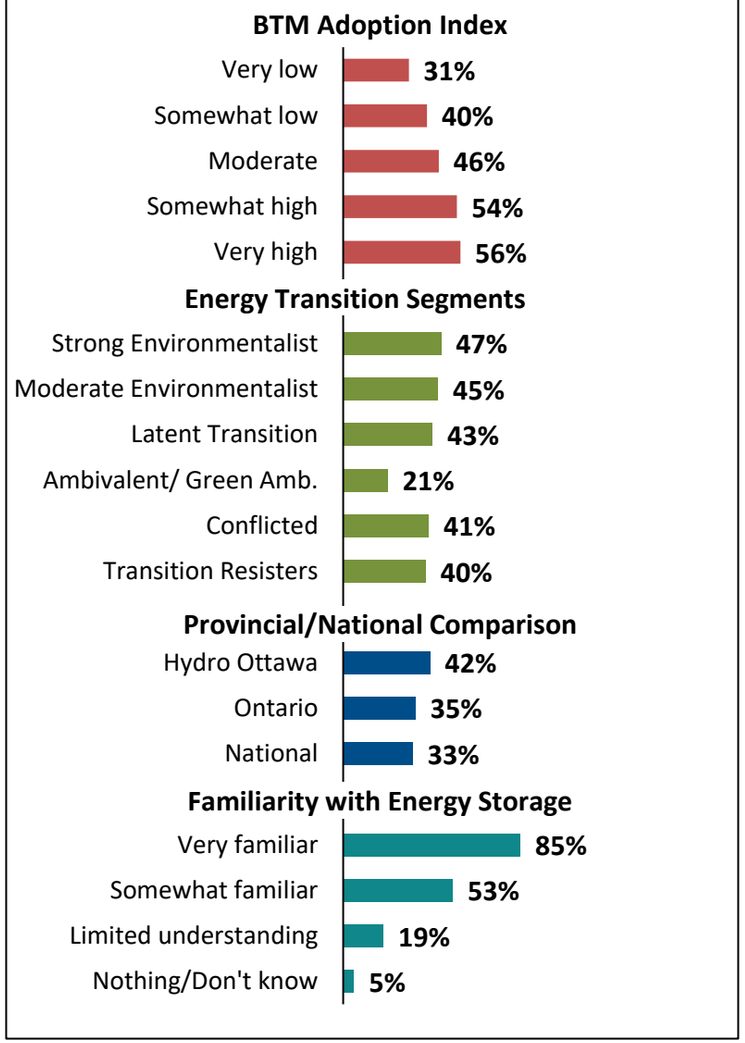
[asked of all Hydro Ottawa respondents; n=1,000]

Thermal energy storage, which means heating or cooling a medium to use the energy when needed later. In its simplest form, this could mean using a water tank for heat storage, where the water is heated at times when there is a lot of energy, and the energy is then stored in the water for use when energy is less plentiful



Segmentation

Respondents who say 'Familiar'

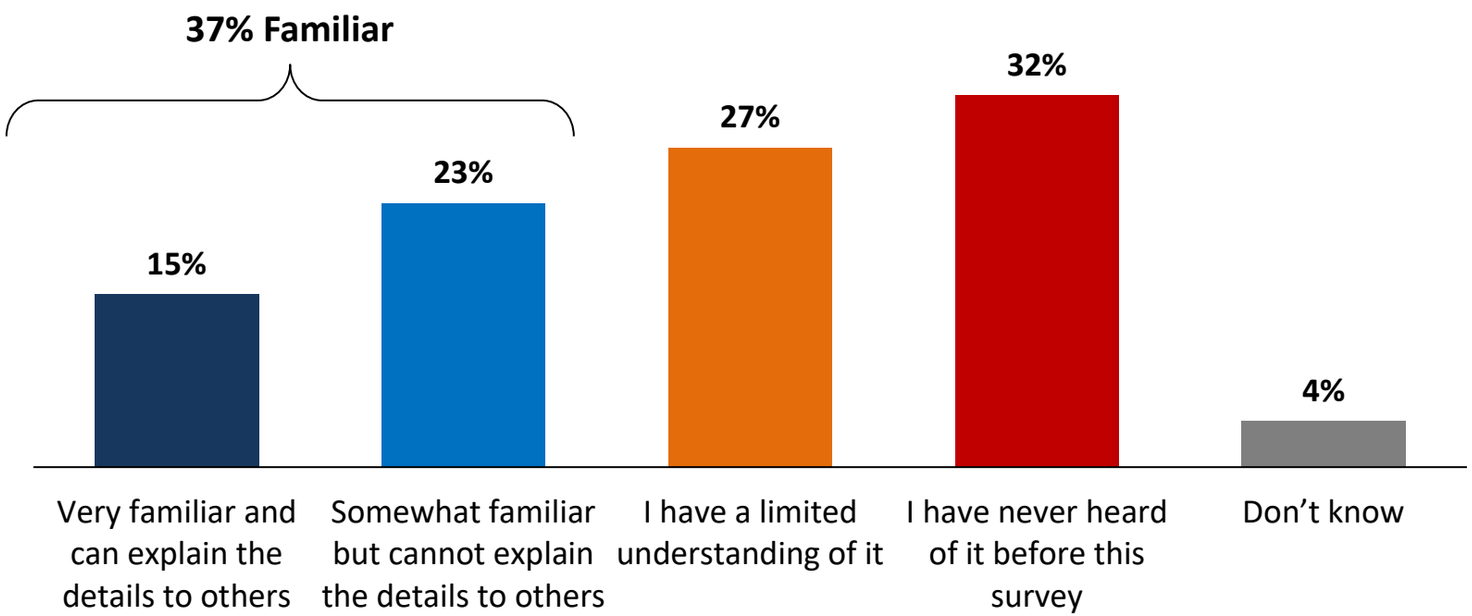


Batteries: 2-in-5 (37%) are familiar with batteries; higher than Ontario and national averages

Q Below are some examples of energy storage technology. Please indicate how familiar you are with each one.

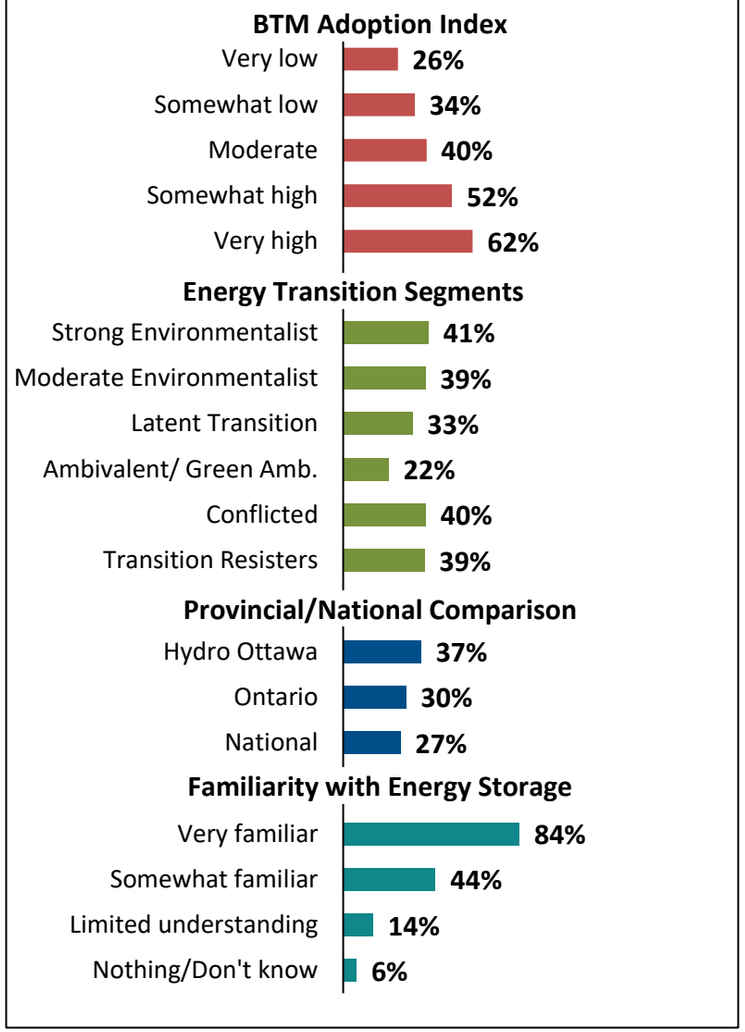
[asked of all Hydro Ottawa respondents; n=1,000]

Batteries, such as the Tesla Powerwall



Segmentation

Respondents who say 'Familiar'

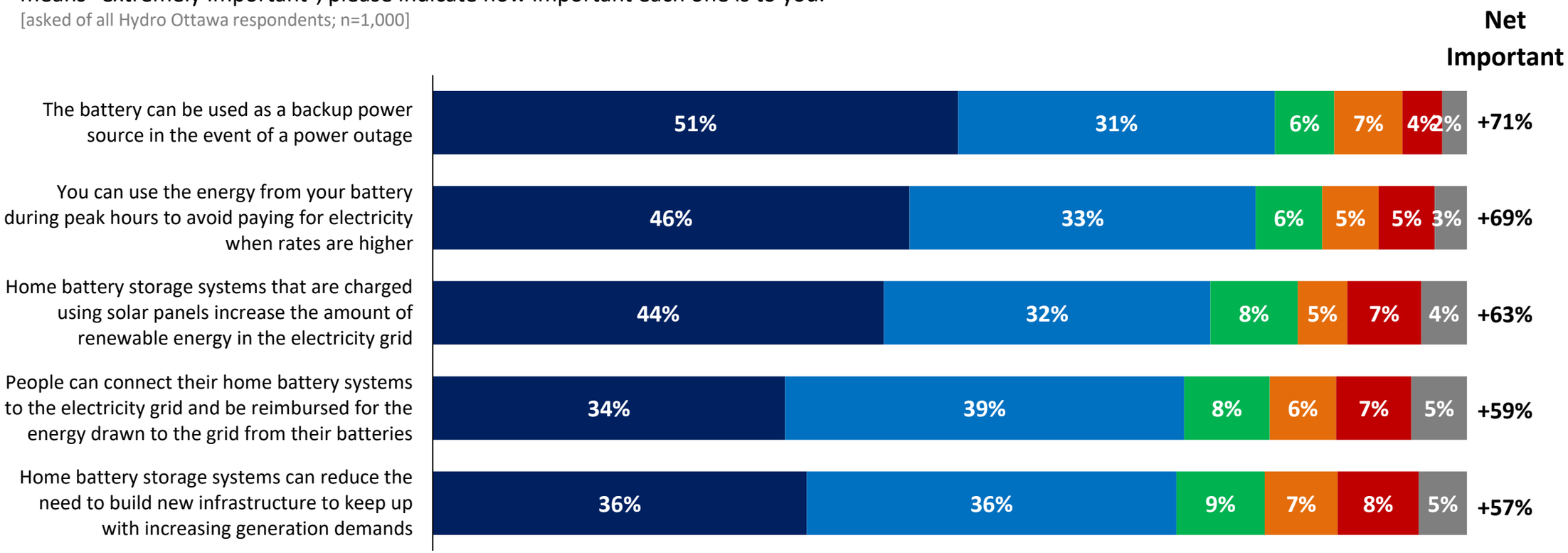


Benefits of Battery Storage | Importance: Using batteries as a backup power source is considered the most important benefit

Q

Below are some possible benefits of home battery storage. Using a scale from 0 to 10, where 0 means “not at all important” and 10 means “extremely important”, please indicate how important each one is to you.

[asked of all Hydro Ottawa respondents; n=1,000]



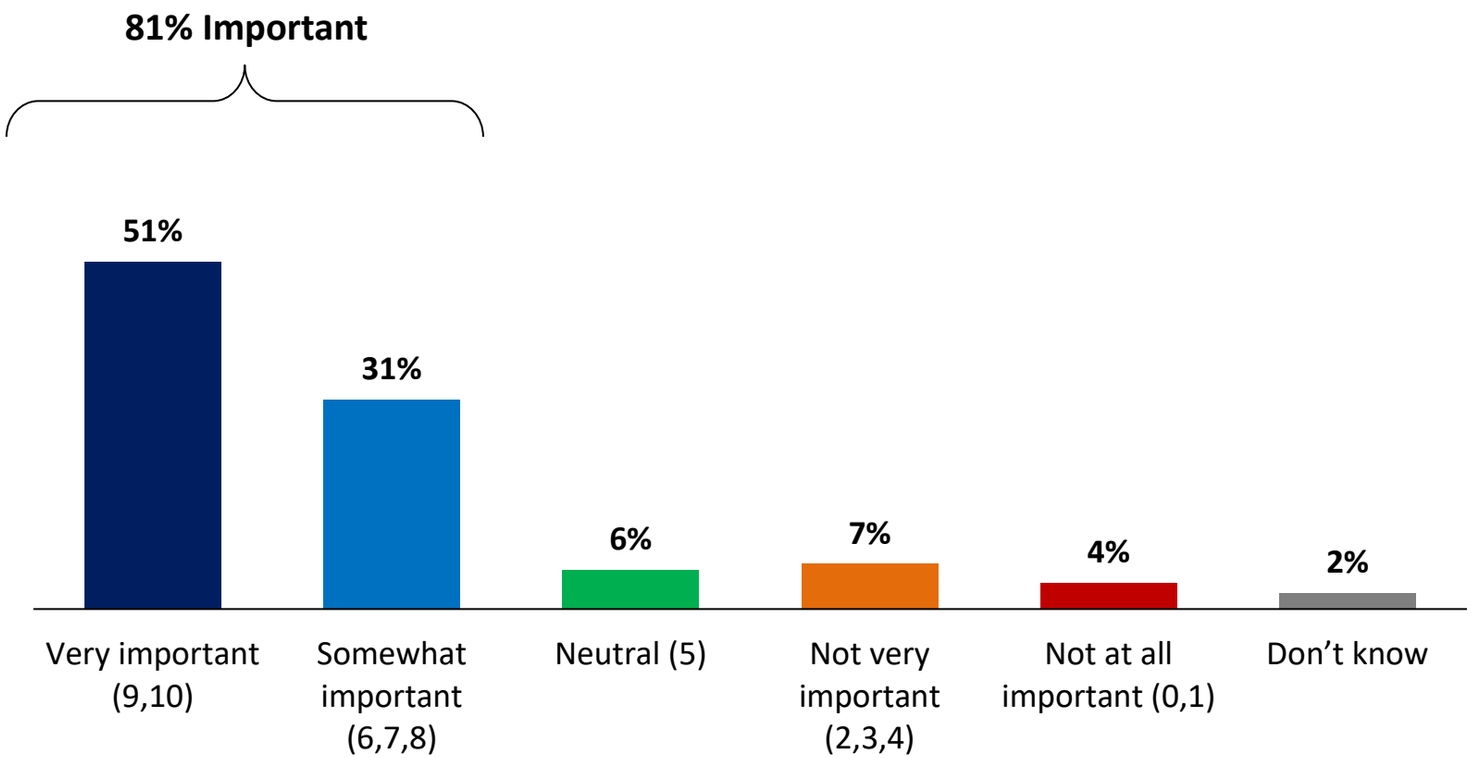
INNOVATIVE RESEARCH GROUP

Battery Backup During Power Outage: 4-in-5 (81%) find batteries being used as backup power source during a power outage is important

Q Below are some possible benefits of home battery storage. Using a scale from 0 to 10, where 0 means "not at all important" and 10 means "extremely important", please indicate how important each one is to you.

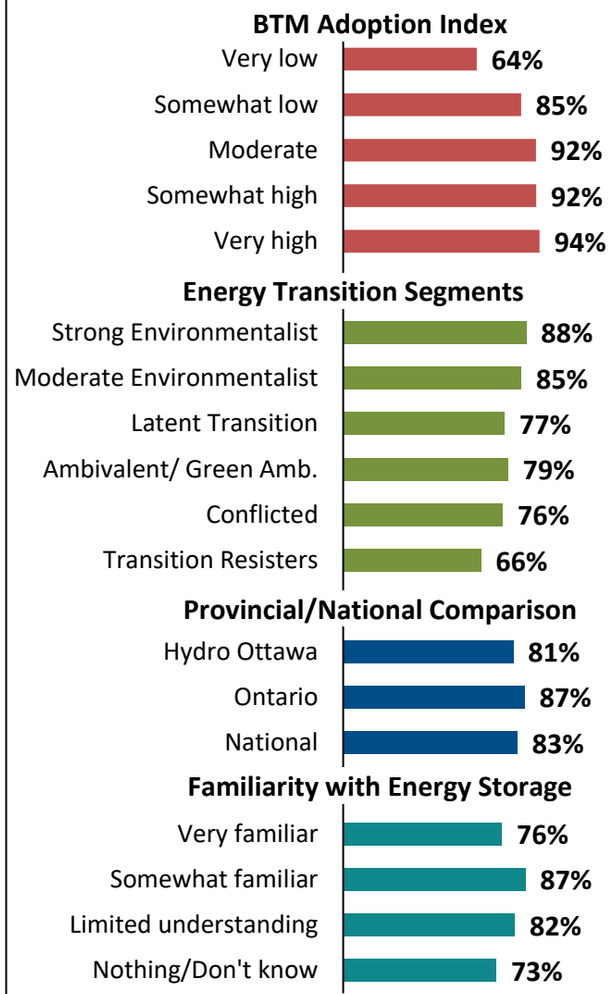
[asked of all Hydro Ottawa respondents; n=1,000]

The battery can be used as a backup power source in the event of a power outage



Segmentation

Respondents who say 'Important'



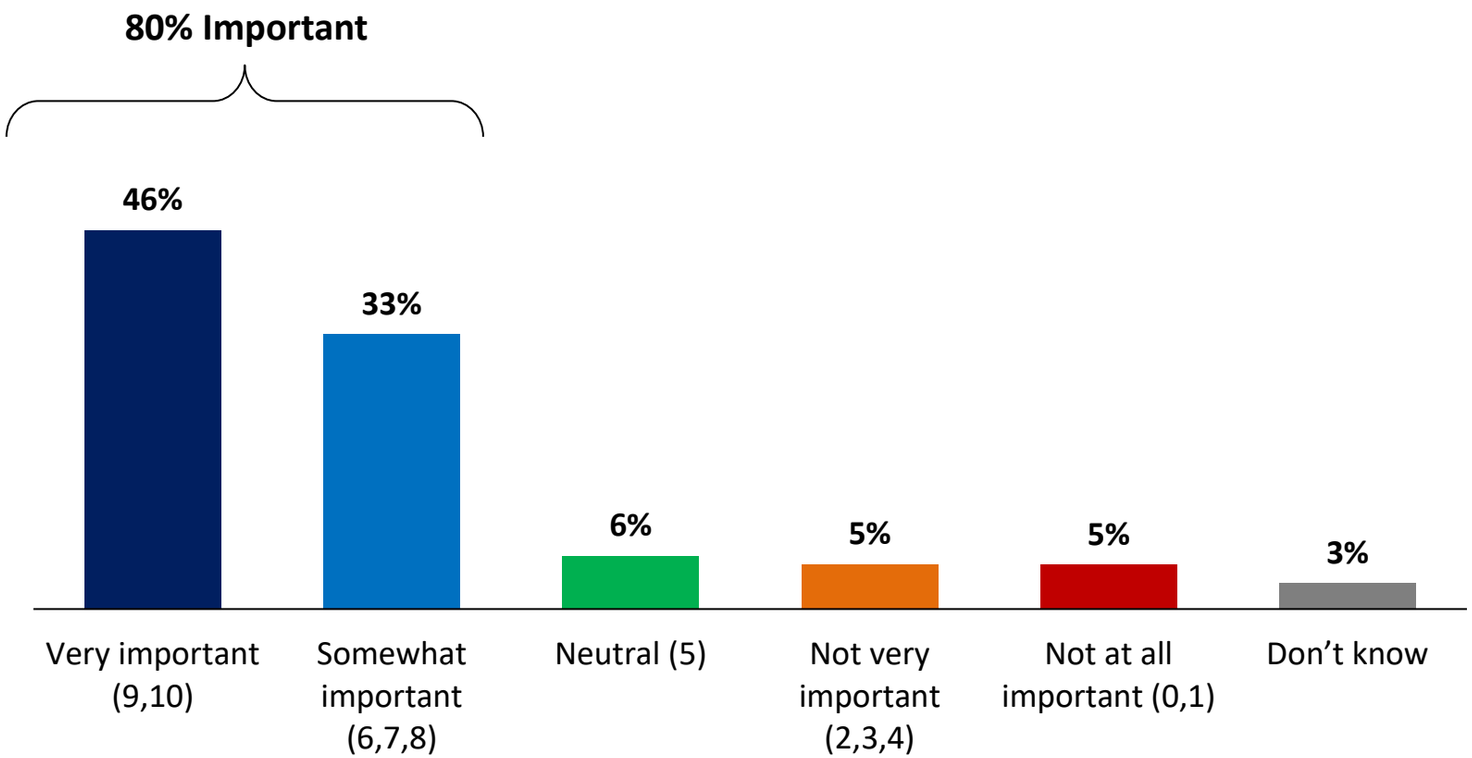
Use Battery During Peak Hours: 4-in-5 (80%) find that using energy from their battery during peak hours is important

Q

Below are some possible benefits of home battery storage. Using a scale from 0 to 10, where 0 means "not at all important" and 10 means "extremely important", please indicate how important each one is to you.

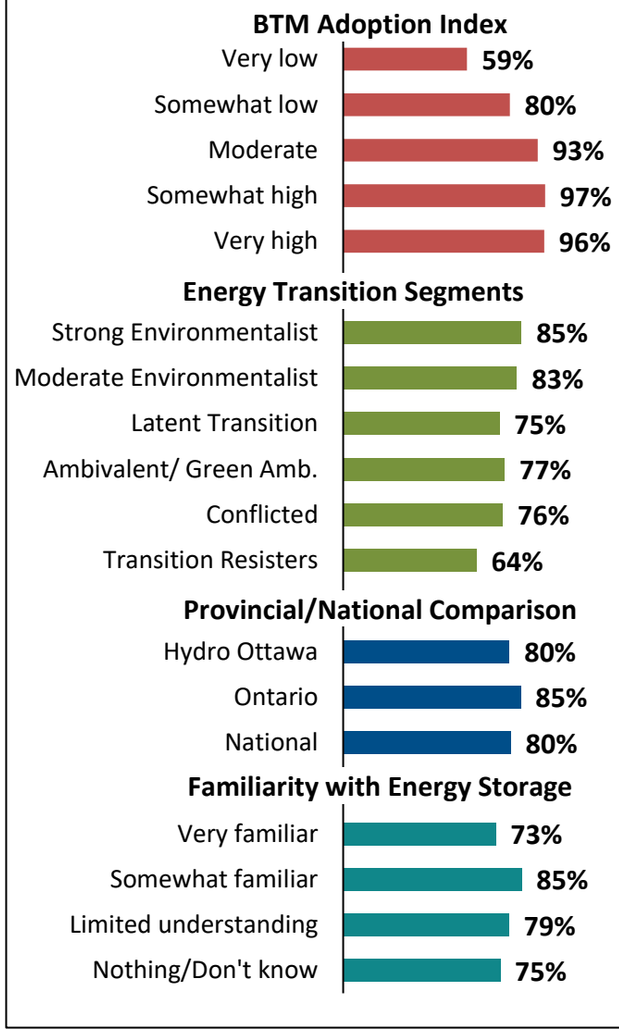
[asked of all Hydro Ottawa respondents; n=1,000]

You can use the energy from your battery during peak hours to avoid paying for electricity when rates are higher



Segmentation

Respondents who say 'Important'



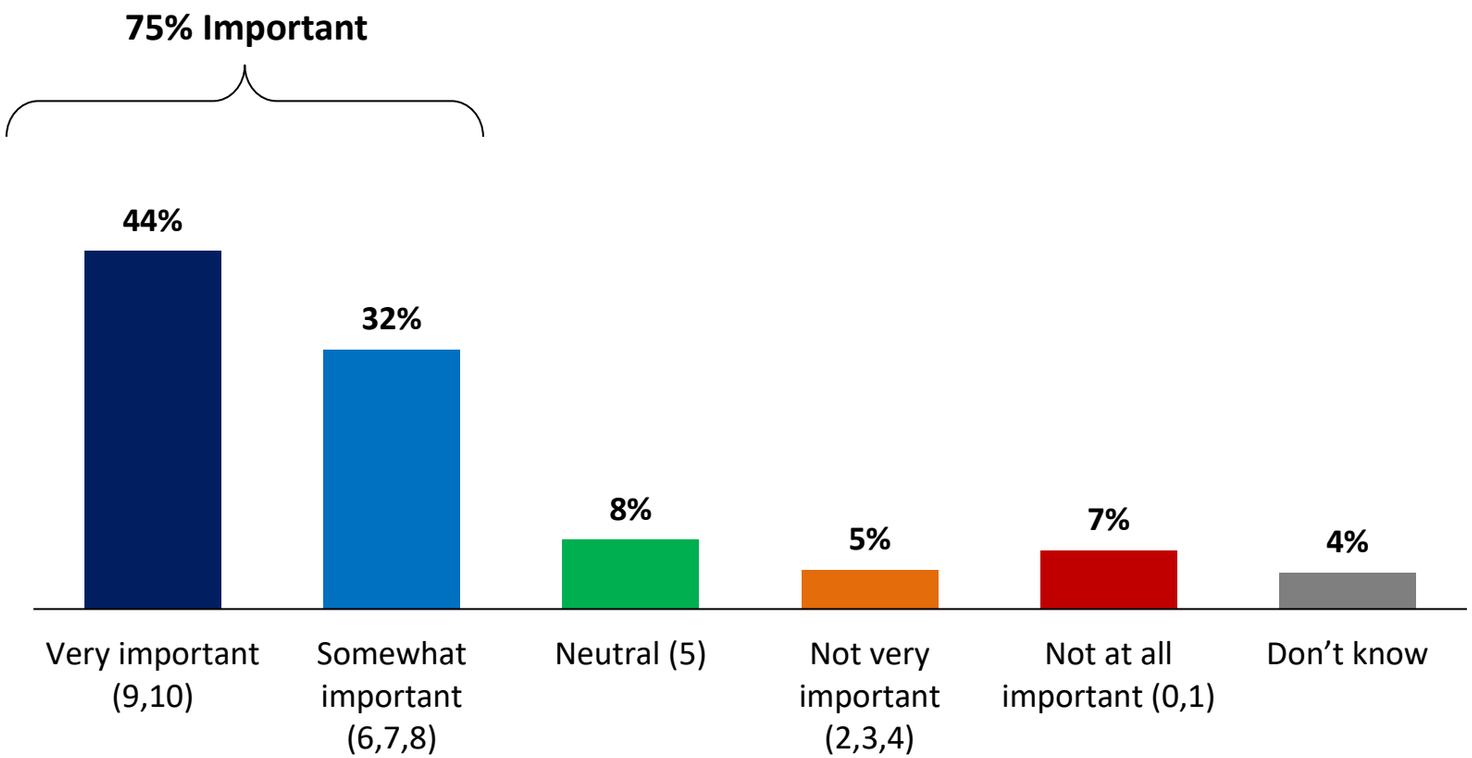
Batteries Charged by Solar Panels: 3-in-4 (75%) find that charging batteries by solar is important; higher among Environmentalists

Q

Below are some possible benefits of home battery storage. Using a scale from 0 to 10, where 0 means "not at all important" and 10 means "extremely important", please indicate how important each one is to you.

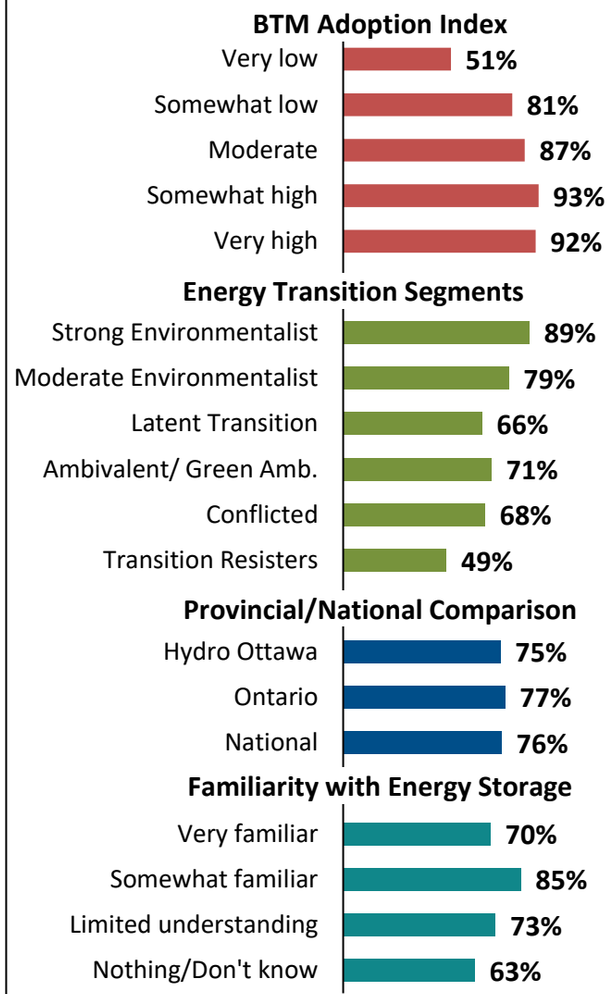
[asked of all Hydro Ottawa respondents; n=1,000]

Home battery storage systems that are charged using solar panels increase the amount of renewable energy in the electricity grid



Segmentation

Respondents who say 'Important'

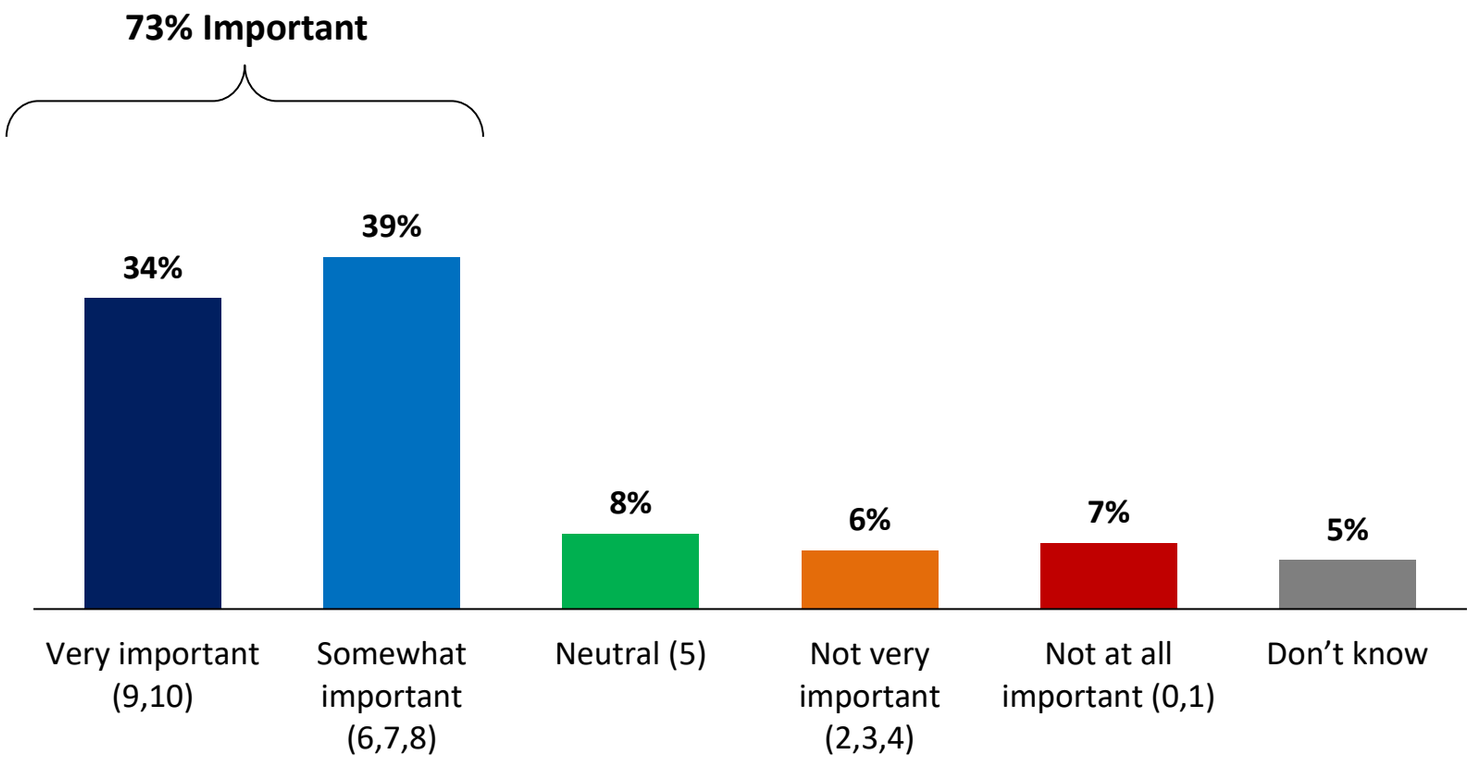


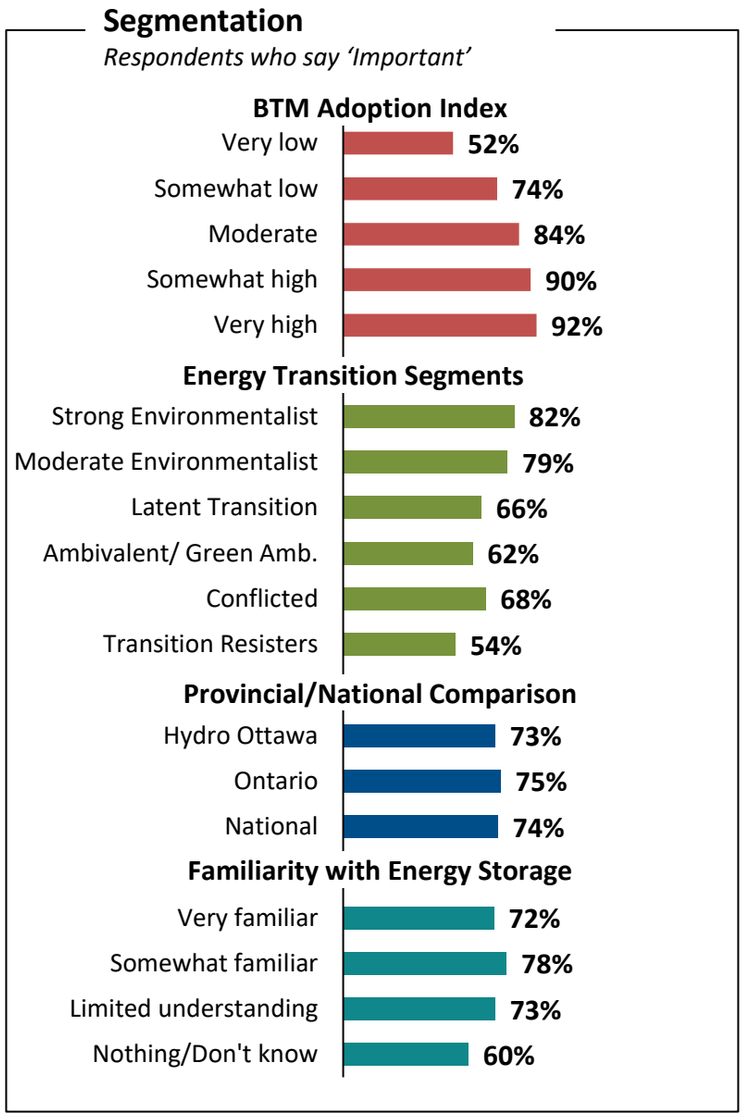
$$ for Drawing from Batteries to Grid: 3-in-4 (73%) find reimbursement for connecting their home battery to their local grid important

Q Below are some possible benefits of home battery storage. Using a scale from 0 to 10, where 0 means "not at all important" and 10 means "extremely important", please indicate how important each one is to you.

[asked of all Hydro Ottawa respondents; n=1,000]

People can connect their home battery systems to the local electricity grid and be reimbursed for the energy drawn to the grid from their batteries



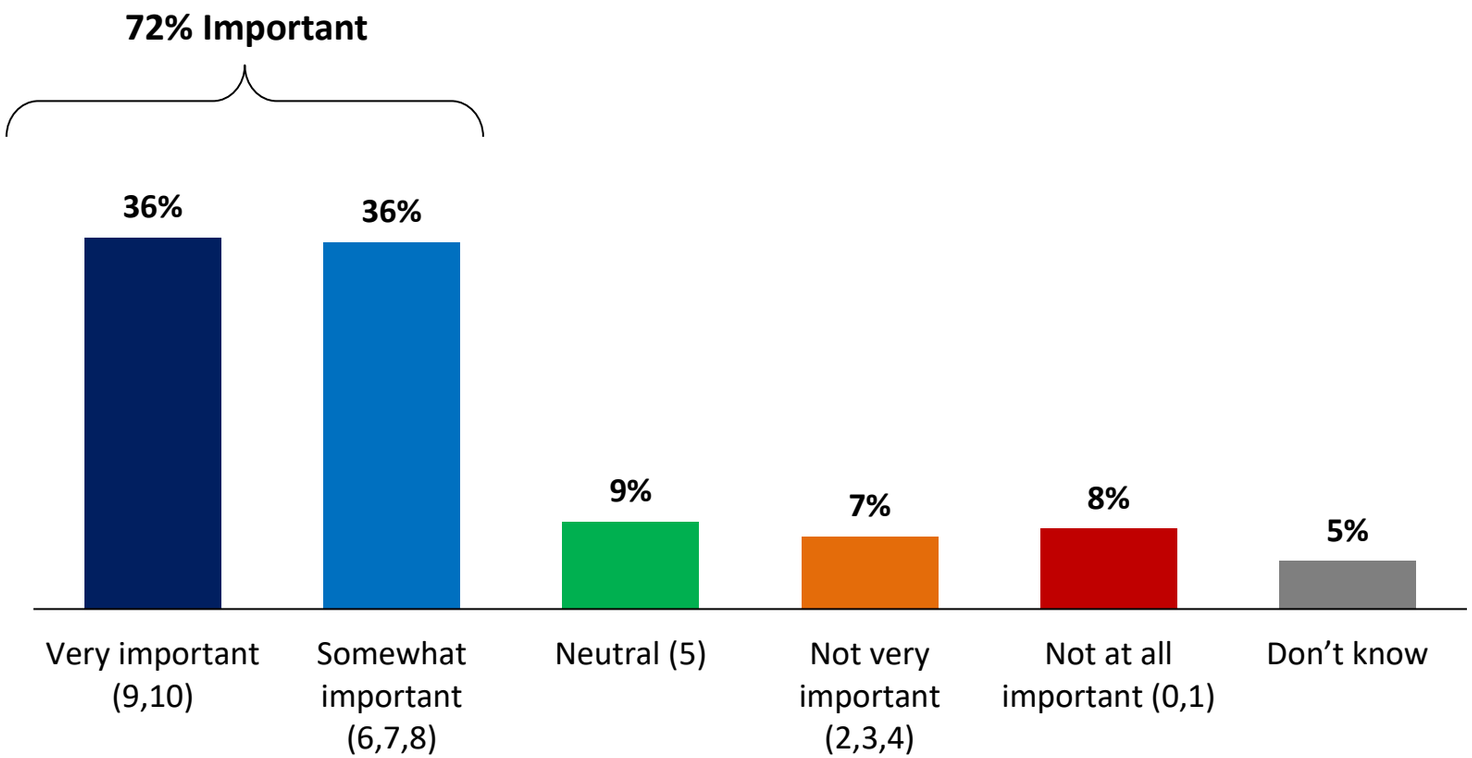


Reduce Need for New Infrastructure: 7-in-10 (72%) say that reducing the need for building new infrastructure important

Q Below are some possible benefits of home battery storage. Using a scale from 0 to 10, where 0 means "not at all important" and 10 means "extremely important", please indicate how important each one is to you.

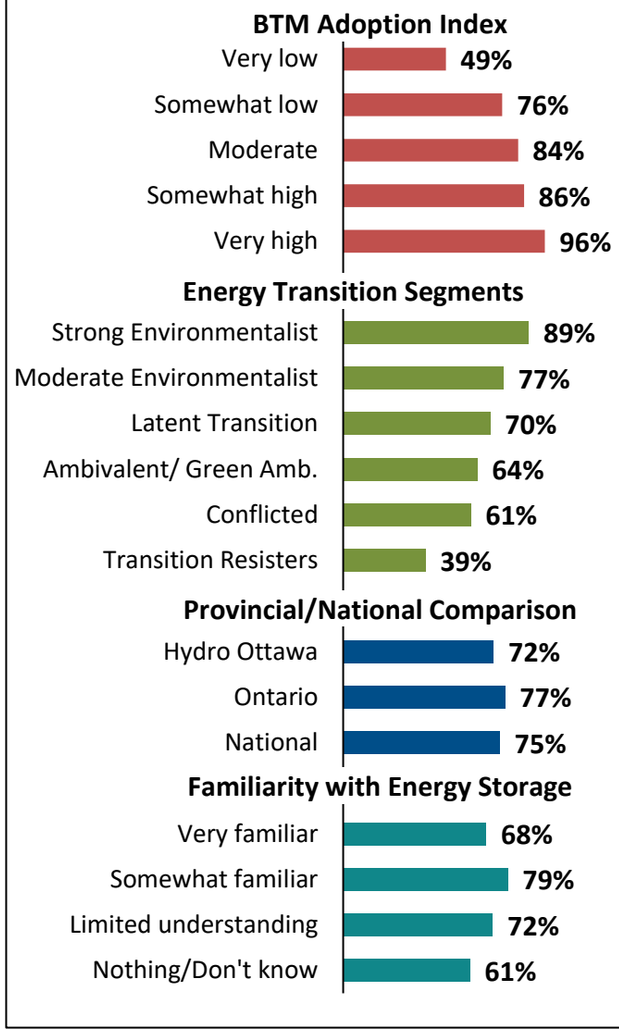
[asked of all Hydro Ottawa respondents; n=1,000]

Home battery storage systems can reduce the need to build new infrastructure to keep up with increasing generation demands



Segmentation

Respondents who say 'Important'

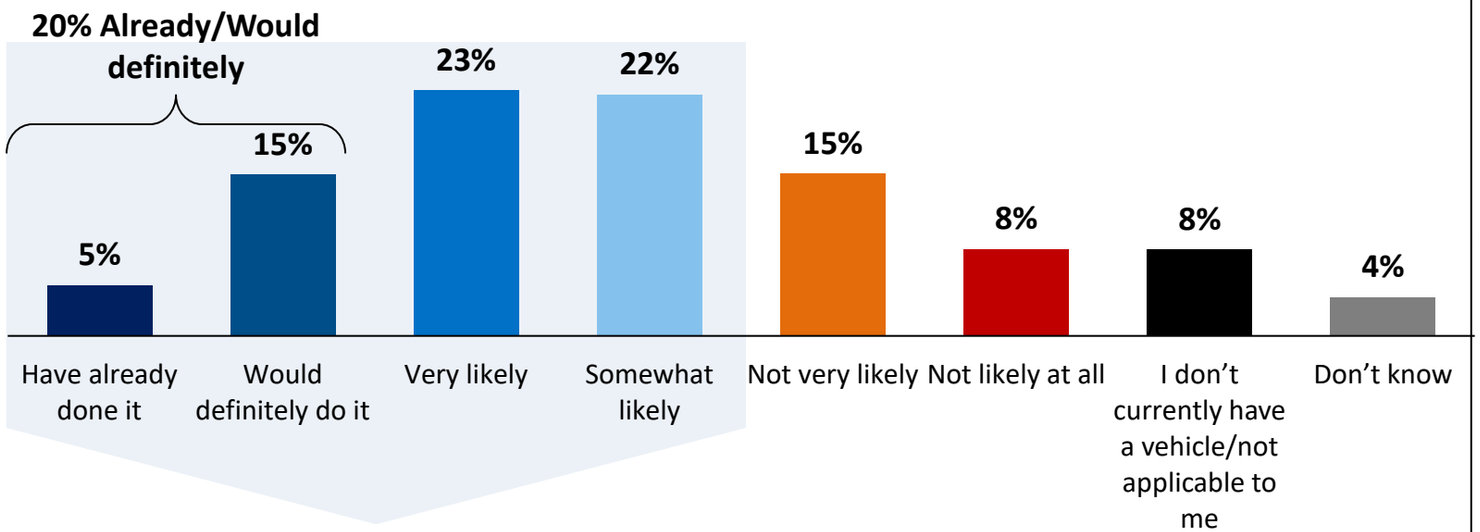


EVs, Shift and Demand Response, etc.

Likelihood to Purchase EV: 2-in-3 (65%) are at least somewhat likely to purchase an EV; 42% of those interested would buy a 100% EV

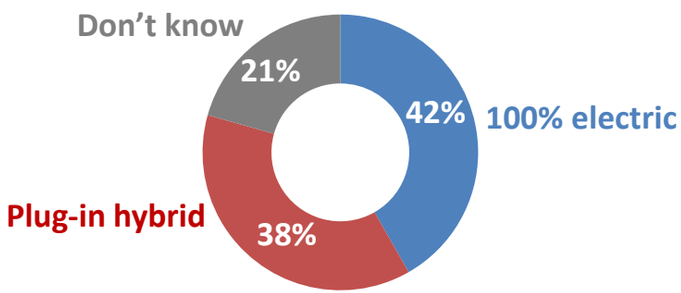
Q How likely would you say you are to buy a plug-in hybrid or an all-electric vehicle when it's time to replace your current vehicle?

[asked of all Hydro Ottawa respondents; n=1,000]



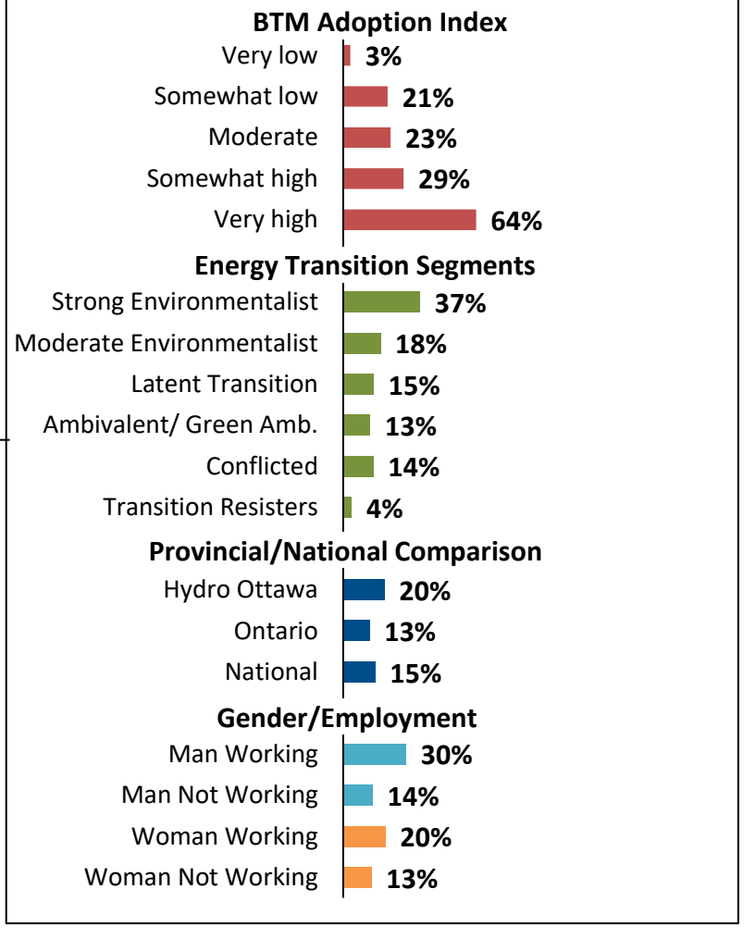
Q And, which type of vehicle have you purchased or would be likely to purchase?

[asked of those at least somewhat likely to purchase an EV; n=651]



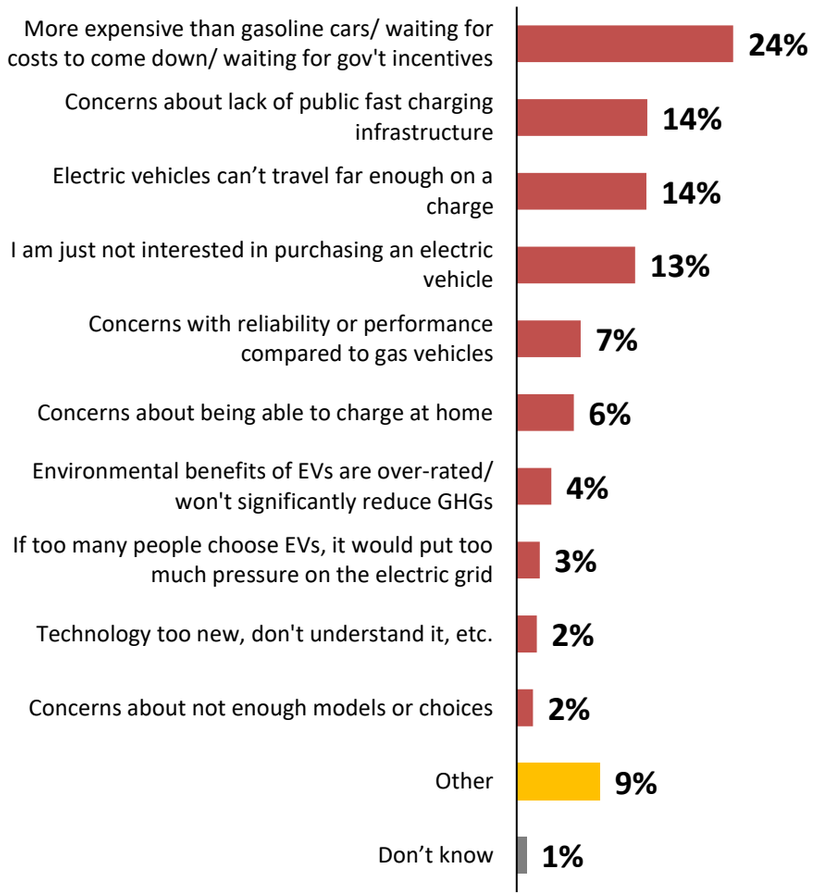
Segmentation

Respondents who say 'Already/Would definitely'

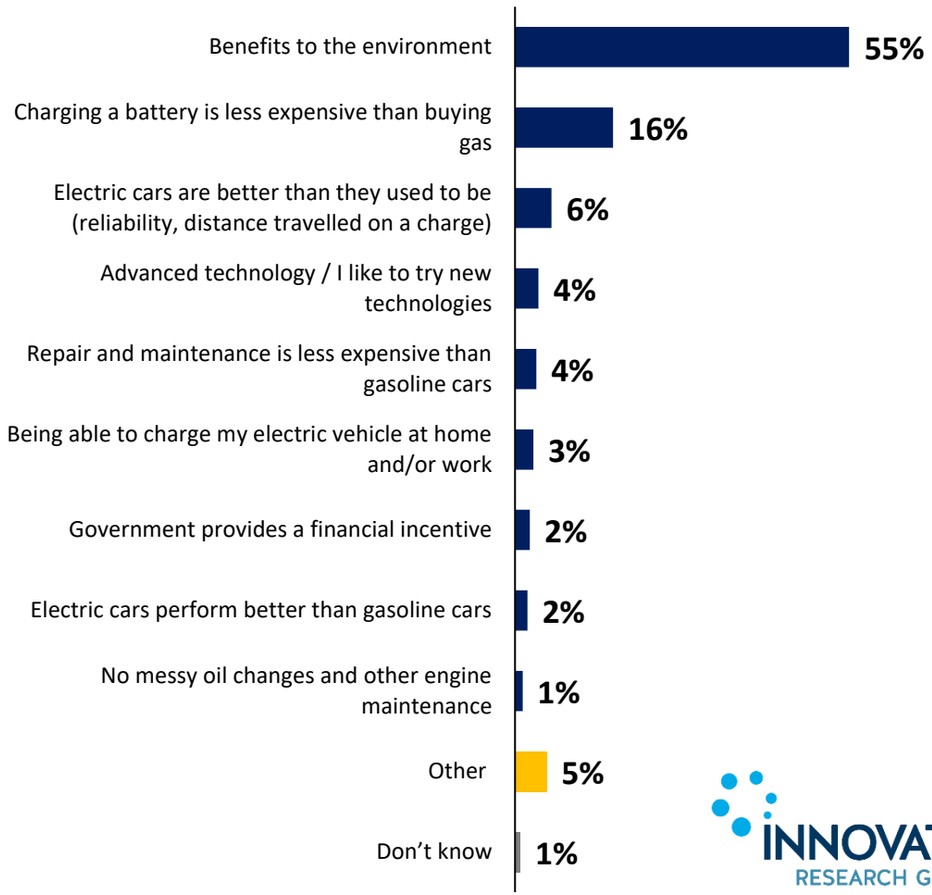


EV Purchase Barriers & Drivers: Top reason for purchasing an EV is to benefits to the environment; cost is the main reason for not purchasing

Q Which of the following best describes why you might not purchase an electric vehicle?
[asked of those who would not purchase an EV; n=457]



Q Which of the following best describes why you have purchased or plan on purchasing an electric vehicle?
[asked of those who have or are at least very likely to purchase an EV; n=426]

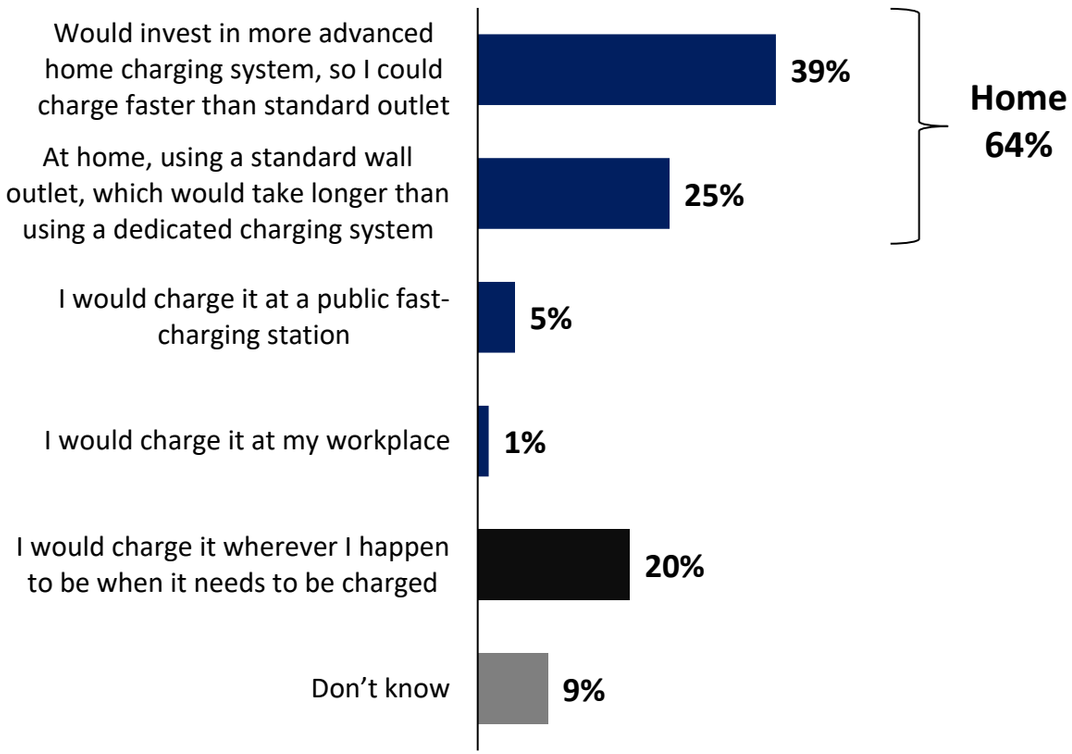


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EV Analysis Segments

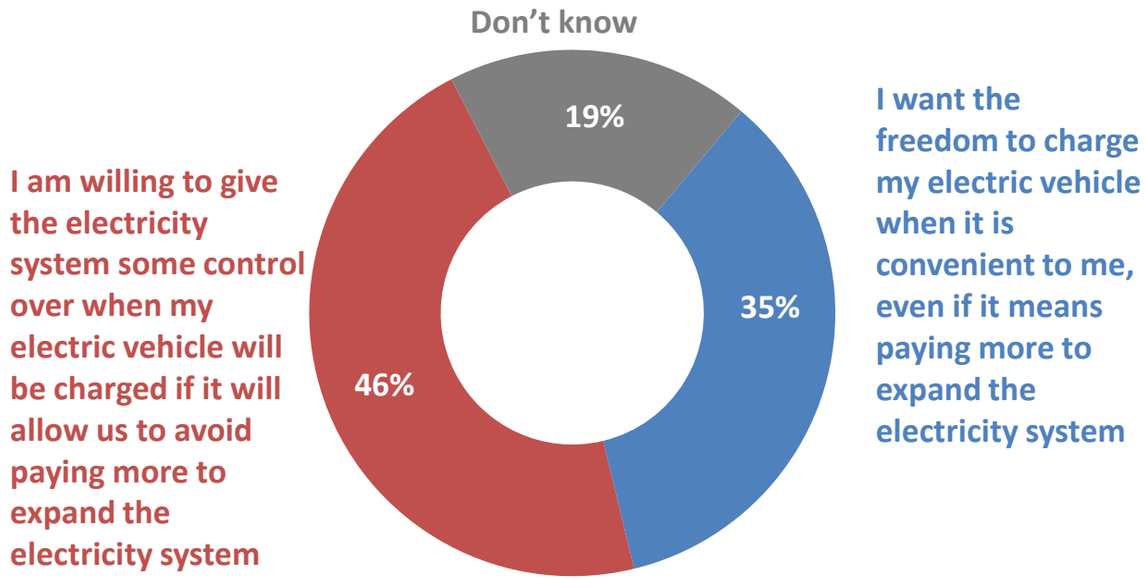
Q Which of the following best describes how you would prefer to charge your electric vehicle, assuming you were driving it frequently?

[asked of all Hydro Ottawa respondents; n=1,000]



Q Electric vehicles place new demands on the electricity system. Depending on how those demands are managed, the electricity system may need to be expanded or it may be able to use surplus capacity. Which of the following statements is closest to your own point of view when it comes to the demand created by electric vehicles?

[asked of all Toronto Hydro respondents; n=1,000]



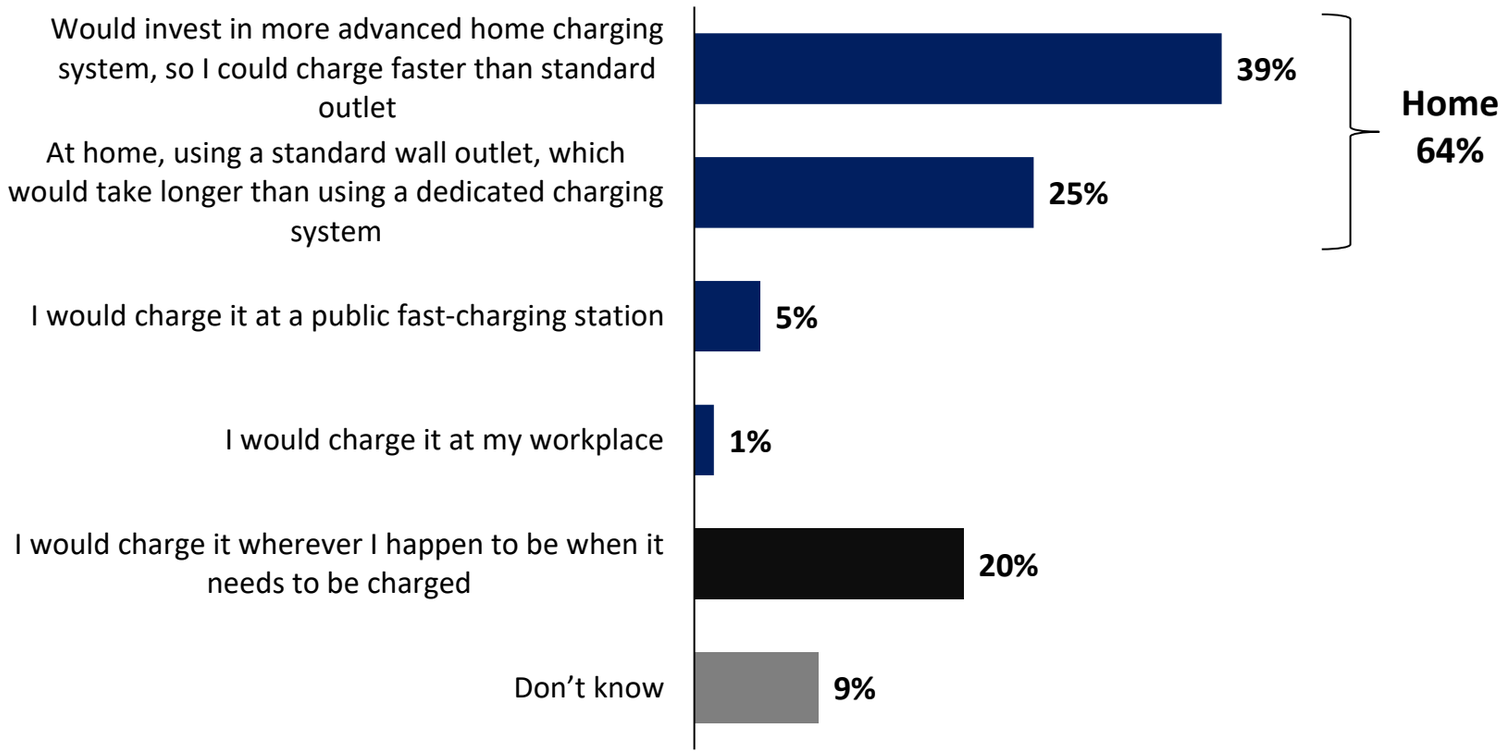
NOTE: These questions were asked after respondents were asked about the benefits and potential programs associated with EVs. We are showing the results for these questions out of order as they were used to segment respondents for inclusion in the sidebars throughout this series of questions.

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Charging Preferences: 2-in-3 (64%) prefer charging their EV at home; increases with purchase intent and familiarity with EVs

Q Which of the following best describes how you would prefer to charge your electric vehicle, assuming you were driving it frequently?

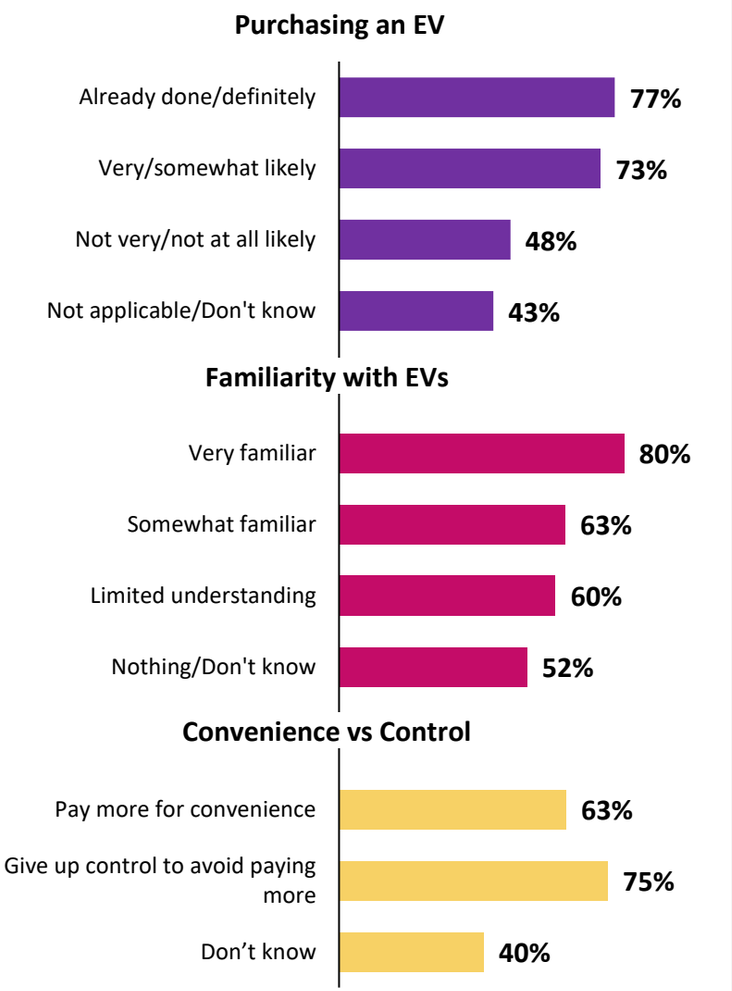
[asked of all Hydro Ottawa respondents; n=1,000]



NOTE: This question was asked after respondents were asked about the benefits and potential programs associated with EVs. We are showing the results for this question out of order as it was used to segment respondents for inclusion in the sidebars throughout this series of questions.

Segmentation

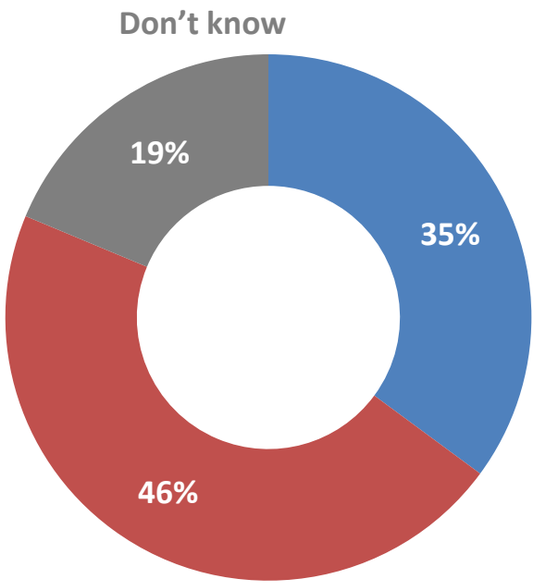
Respondents who say ‘Home’



Control vs Paying More: Almost half (46%) say they are willing to give some control; higher among those who already/definitely will buy an EV

Q Electric vehicles place new demands on the electricity system. Depending on how those demands are managed, the electricity system may need to be expanded or it may be able to use surplus capacity. Which of the following statements is closest to your own point of view when it comes to the demand created by electric vehicles?

[asked of all Hydro Ottawa respondents; n=1,000]



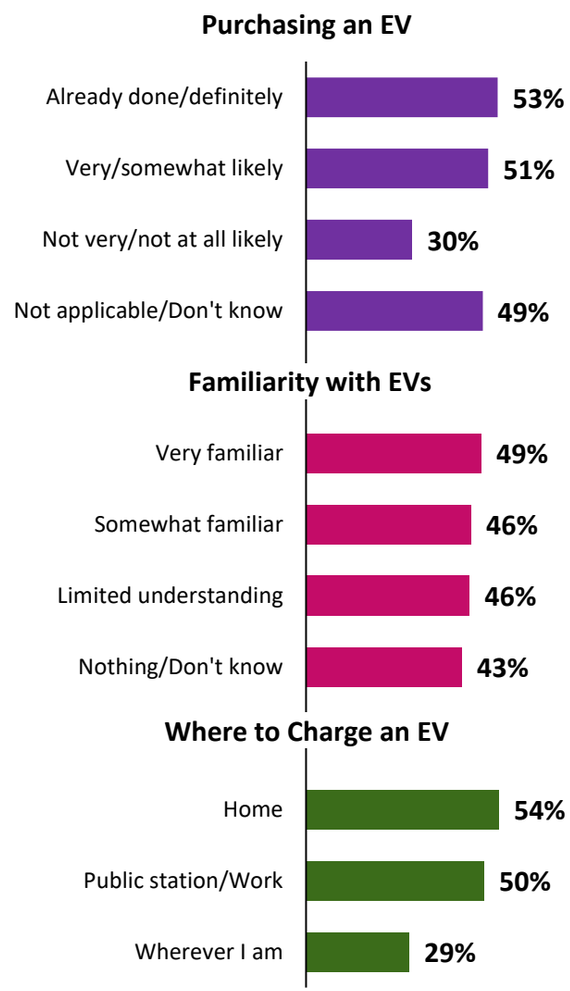
I want the freedom to charge my electric vehicle when it is convenient to me, even if it means paying more to expand the electricity system

I am willing to give the electricity system some control over when my electric vehicle will be charged if it will allow us to avoid paying more to expand the electricity system

NOTE: This question was asked after respondents were asked about the benefits and potential programs associated with EVs. We are showing the results for this question out of order as it was used to segment respondents for inclusion in the sidebars throughout this series of questions.

Segmentation

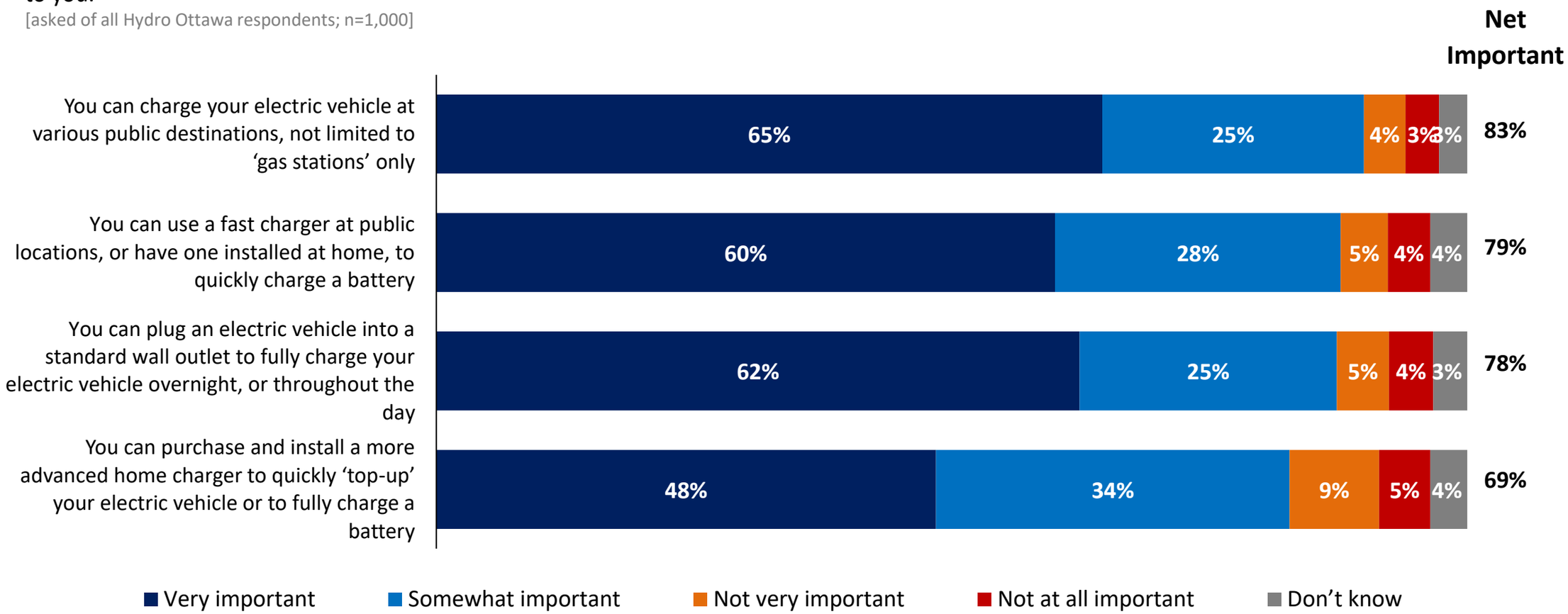
Respondents who say 'Willing to give some control…'



Benefits of EVs| Importance: Charging EVs at various public locations most important, while advanced home charger is less important

Q There are many benefits of owning an electric vehicle. Looking at the list below, please indicate how important each of these features is to you.

[asked of all Hydro Ottawa respondents; n=1,000]

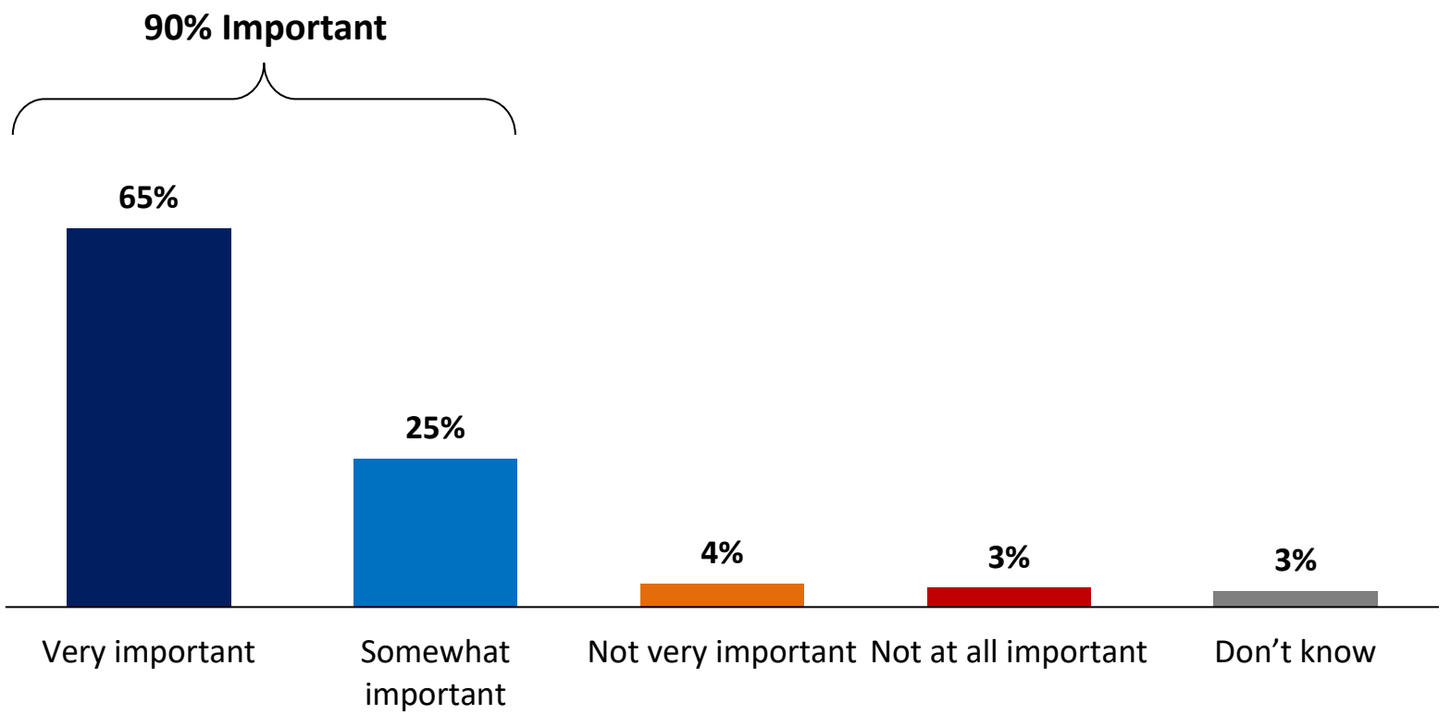


INNOVATIVE RESEARCH GROUP

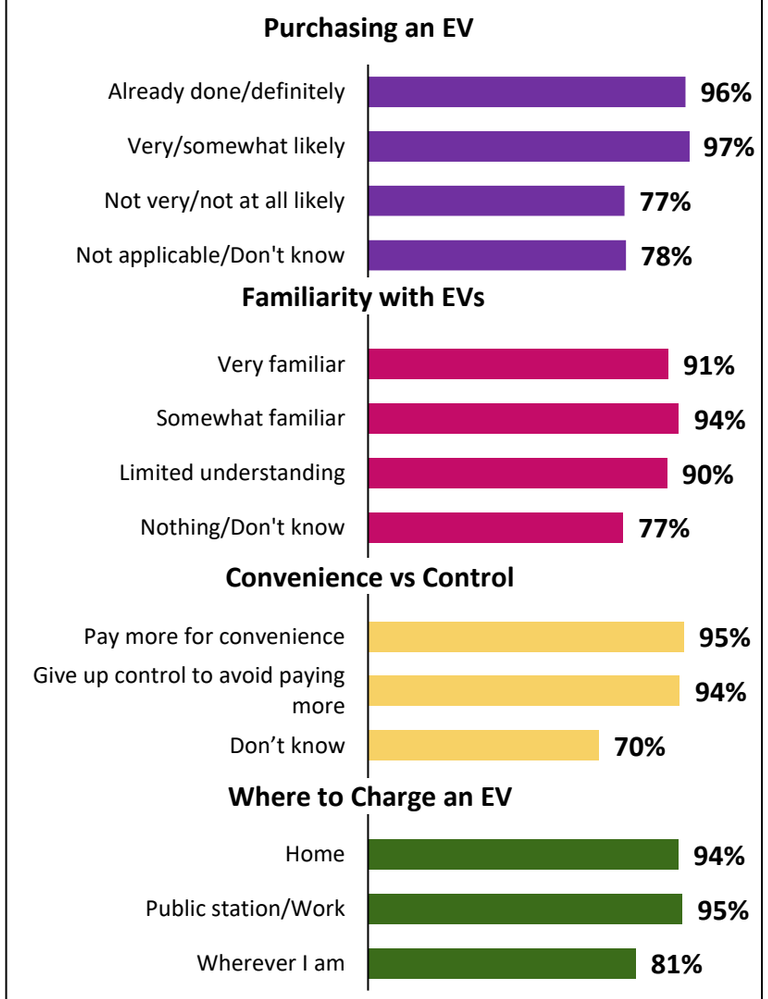
Public Charging at Various Locations: 9-in-10 (90%) find that charging at various public locations is important; higher with purchase intent

Q There are many benefits of owning an electric vehicle. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

You can charge your electric vehicle at various public destinations, not limited to 'gas stations' only.



Segmentation
Respondents who say 'Important'

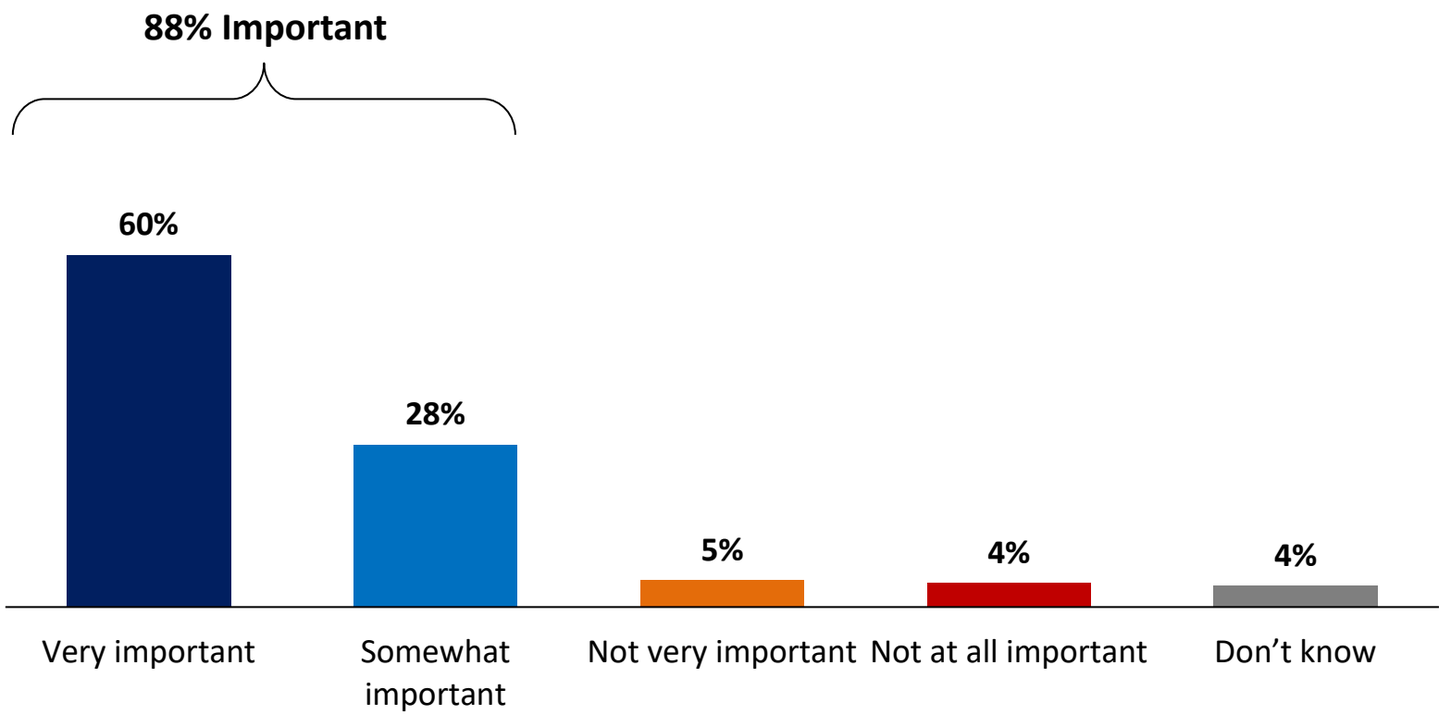


Fast Charging | Home & Public: 9-in-10 (88%) find fast chargers in public locations important

Q There are many benefits of owning an electric vehicle. Looking at the list below, please indicate how important each of these features is to you.

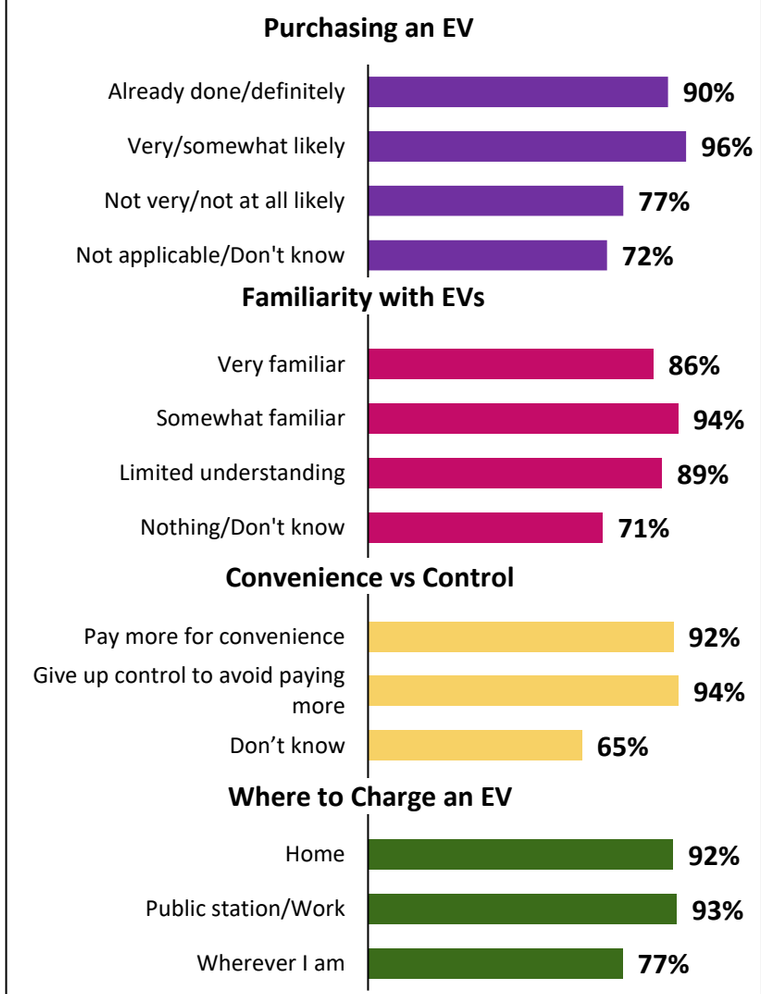
[asked of all Hydro Ottawa respondents; n=1,000]

You can use a fast charger at public locations, or have one installed at home, to quickly charge a battery



Segmentation

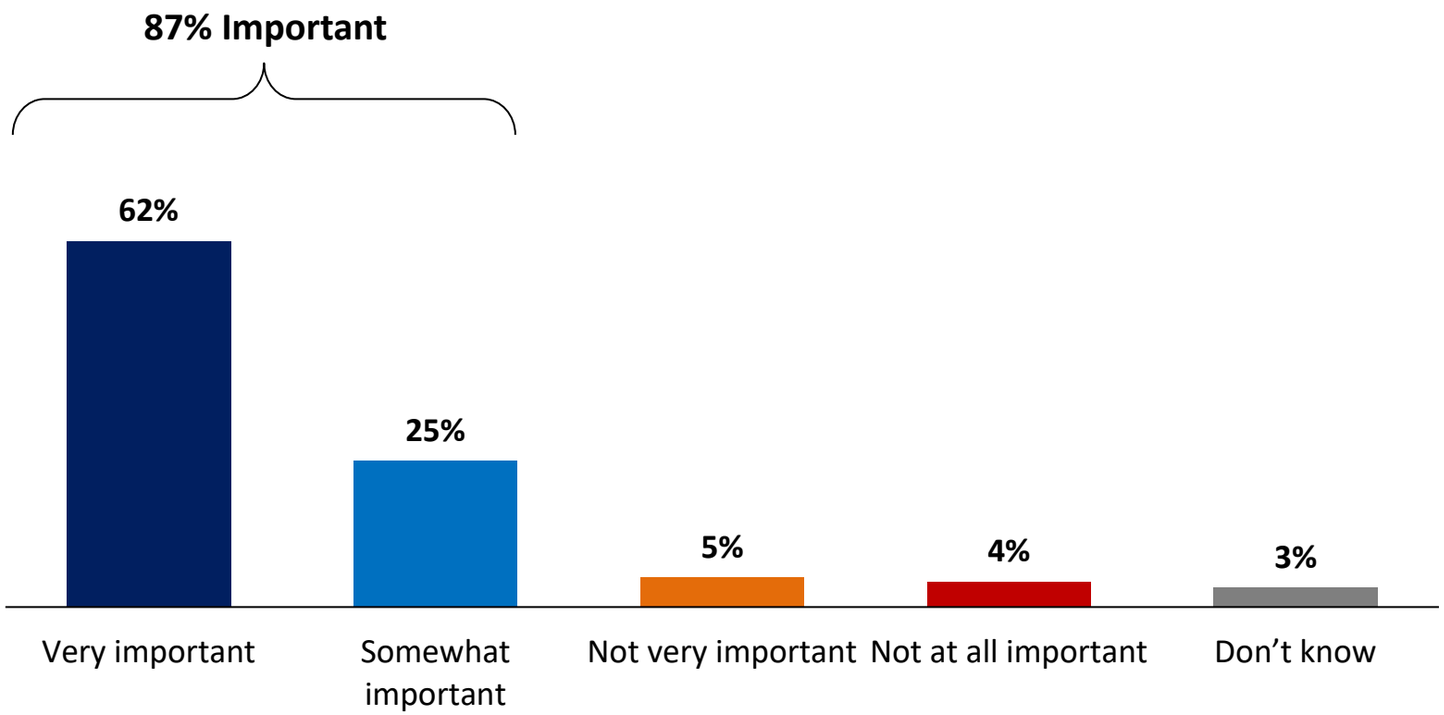
Respondents who say ‘Important’



Standard Wall Outlet Charging: 9-in-10 (87%) say that plugging their EV[64] into a standard wall outlet is important

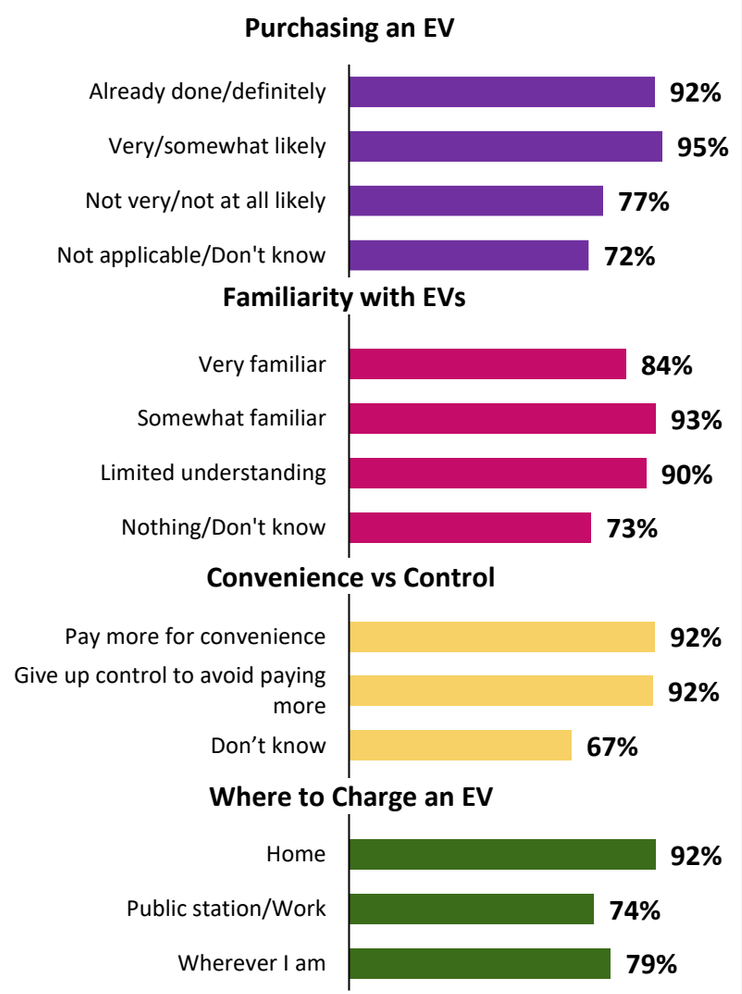
Q There are many benefits of owning an electric vehicle. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

You can plug an electric vehicle into a standard wall outlet to fully charge your electric vehicle overnight, or throughout the day.



Segmentation

Respondents who say ‘Important’

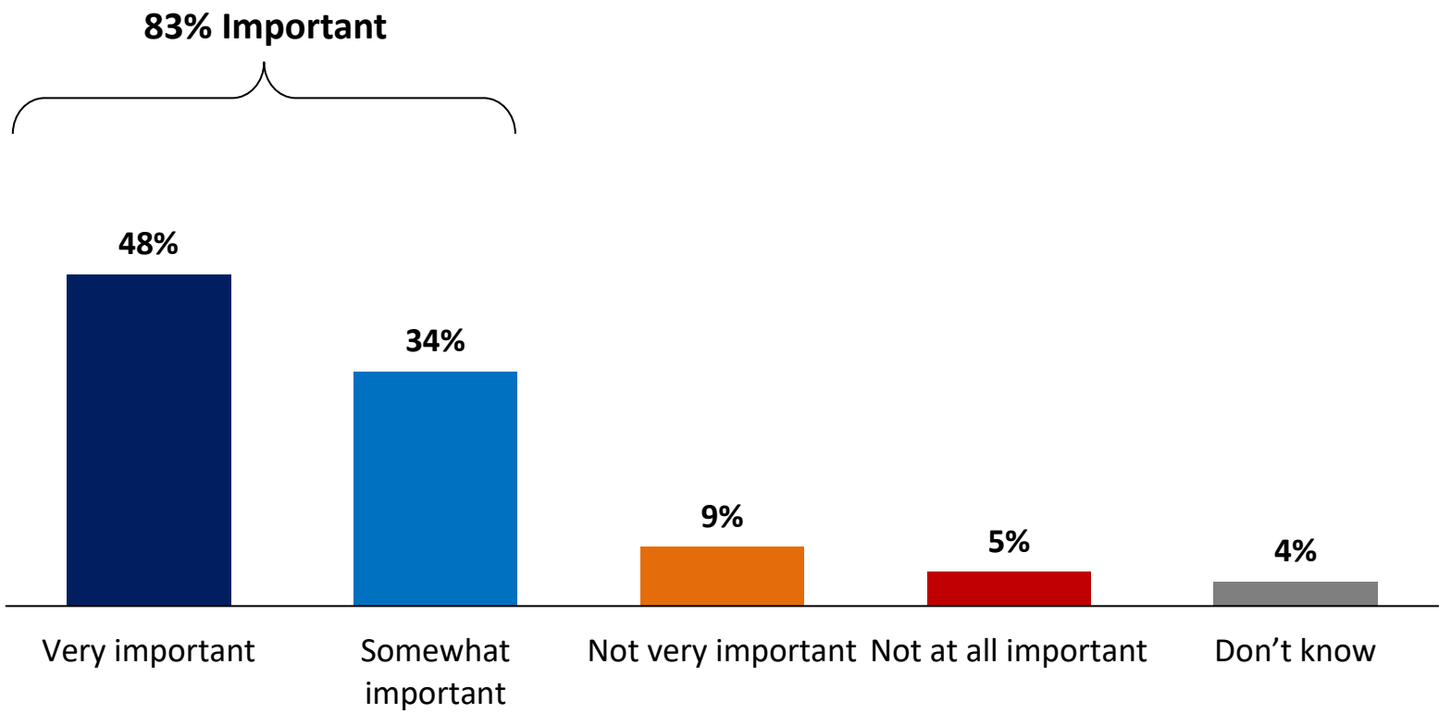


Advanced Home Charging: 4-in-5 (83%) find that an advanced home charger to quickly ‘top up’/charge their EVs is important

Q There are many benefits of owning an electric vehicle. Looking at the list below, please indicate how important each of these features is to you.

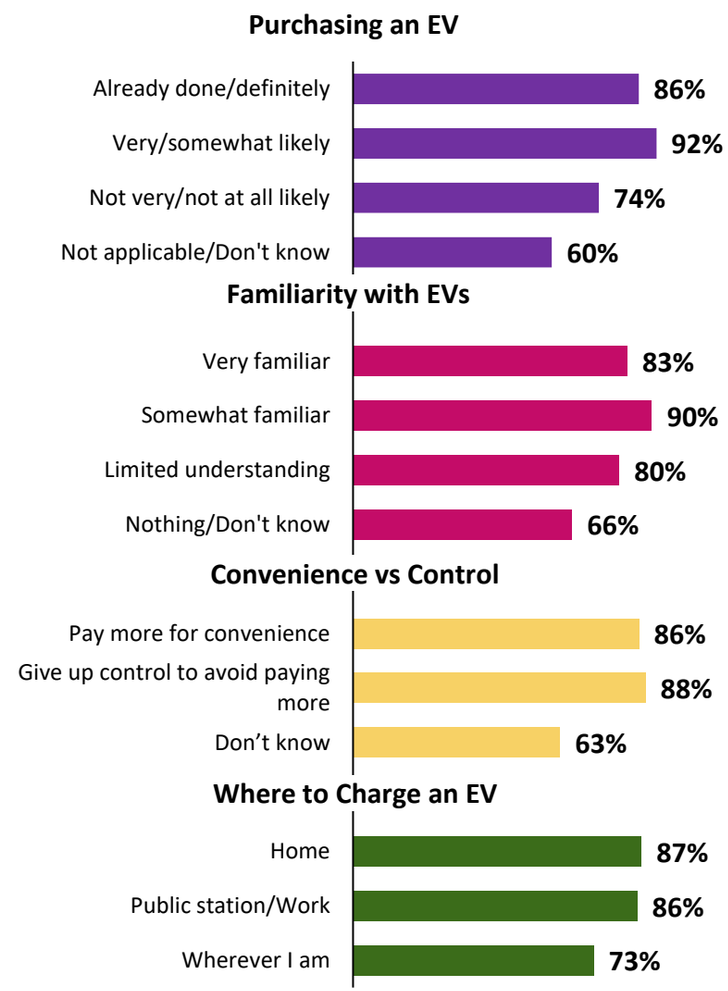
[asked of all Hydro Ottawa respondents; n=1,000]

You can purchase and install a more advanced home charger to quickly ‘top-up’ your electric vehicle or to fully charge a battery



Segmentation

Respondents who say ‘Important’



Potential EV Services & Programs | Description & Abbreviations

Because this was an online survey, we were able to provide full descriptions to help respondents understand the potential services and programs for EV owners. The table below shows the full survey wording, along with an abbreviated form used so that we could fit all items on a single chart on the follow slide.

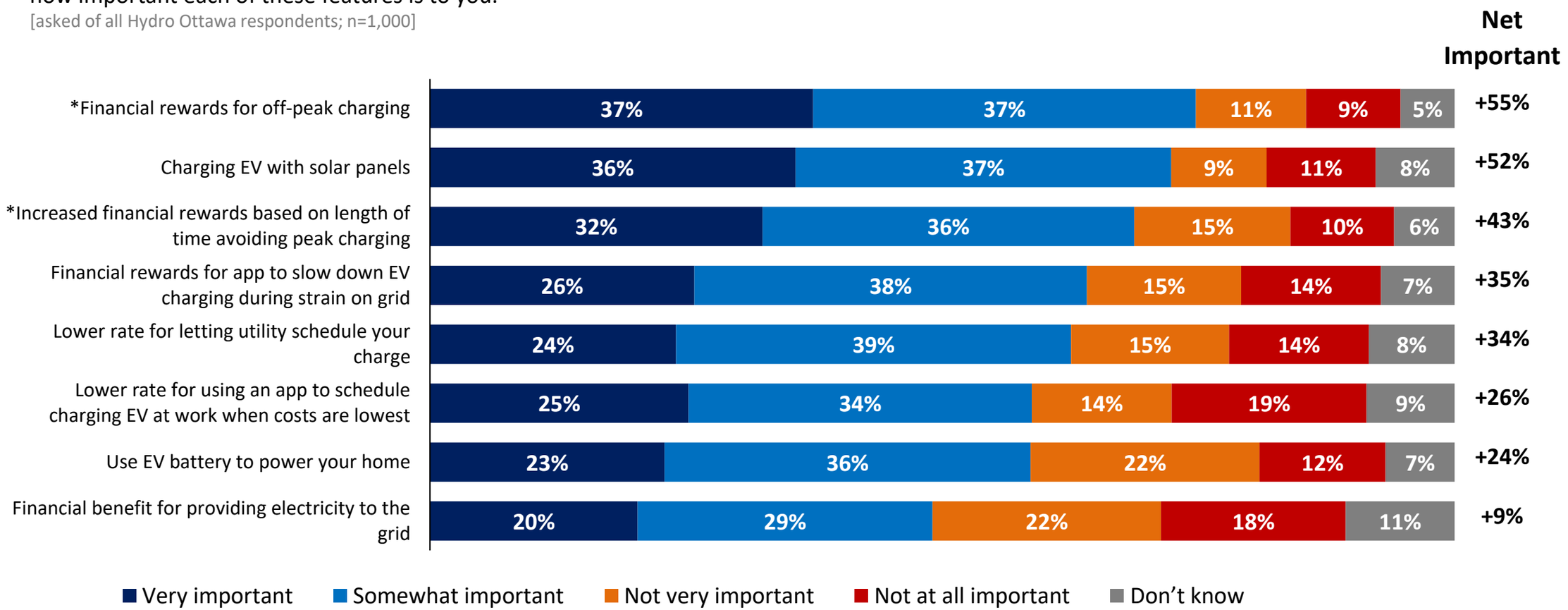
FULL DESCRIPTION USED IN SURVEY	ABBREVIATION USED ON FOLLOWING SLIDE
Using the energy stored in the battery of your electric vehicle to power electric appliances and fixtures in your home and during outages	Use EV battery to power your home
Receiving a financial benefit for allowing your electrical utility to draw electricity from your car to the local electricity grid	Financial benefit for providing electricity to the grid
Installing solar panels and a battery back-up system to charge your electric vehicle with solar energy, avoiding electricity costs while also reducing the strain on the power grid	Charging EV with solar panels
Signing an agreement to receive a lower rate to charge your electric vehicle, in return for your electrical utility being able to schedule your charge to avoid periods of peak demand	Lower rate for letting utility schedule your charge
*Receiving financial rewards each time you charge your electric vehicle during designated off-peak times	Financial rewards for off-peak charging
*Receiving increasing financial rewards the more weeks you successfully avoid charging your electric vehicle during peak times	Increased financial rewards based on length of time avoiding peak charging
Receiving financial rewards if you sign up for an app that allows you to slow down your electric vehicle charging when a strain on the grid is detected; the more you reduce the charge the more you earn	Financial rewards for app to slow down EV charging during strain on grid
Receiving a lower electricity rate by signing up for an app that would allow you to charge your electric vehicle at work using a smart charger to schedule your electrical charging based on your planned departure for when electricity costs are lowest through-out the day	Lower rate for using an app to schedule charging EV at work when costs are lowest

** While all other items in this battery were randomized, these two items were always asked one after the other to highlight that the second is describing increasing rewards based on the length of time EV owners successfully comply with the prior item.*

Potential EV Services & Programs | Importance: Financial rewards for off-peak charging considered the most important program

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Please indicate how important each of these features is to you.

[asked of all Hydro Ottawa respondents; n=1,000]



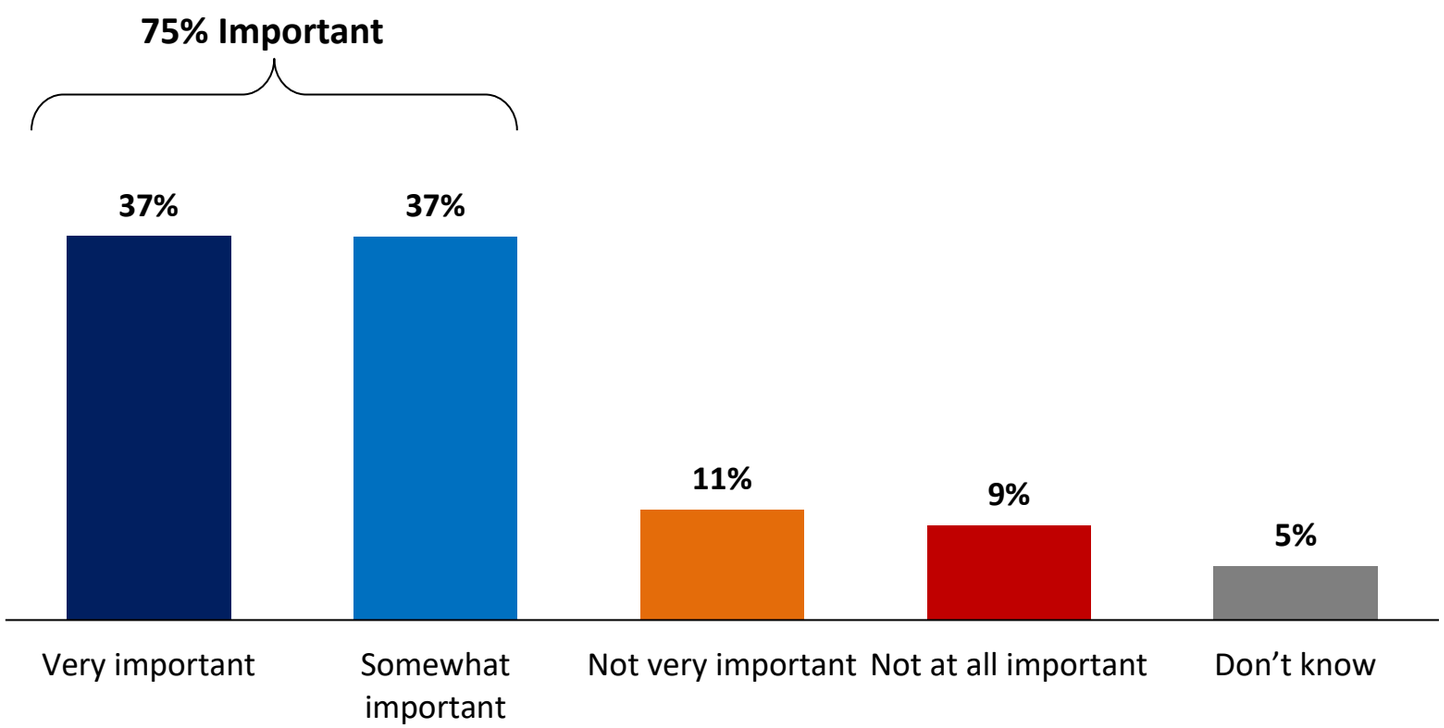
** While all other items in this battery were randomized, these two items were always asked one after the other to highlight that the second is describing increasing rewards based on the length of time EV owners successfully comply with the prior item.*

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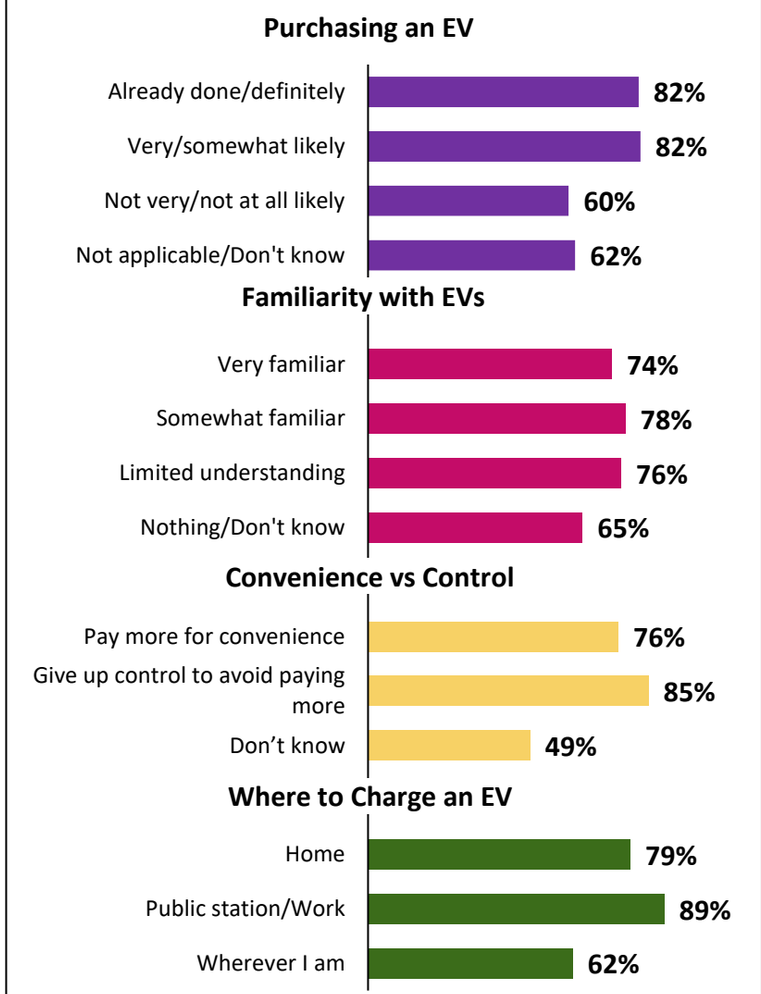
$$ Rewards for Each Off-Peak Charge: 3-in-4 (75%) say financial rewards for off-peak charging is important

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Receiving financial rewards each time you charge your electric vehicle during designated off-peak times



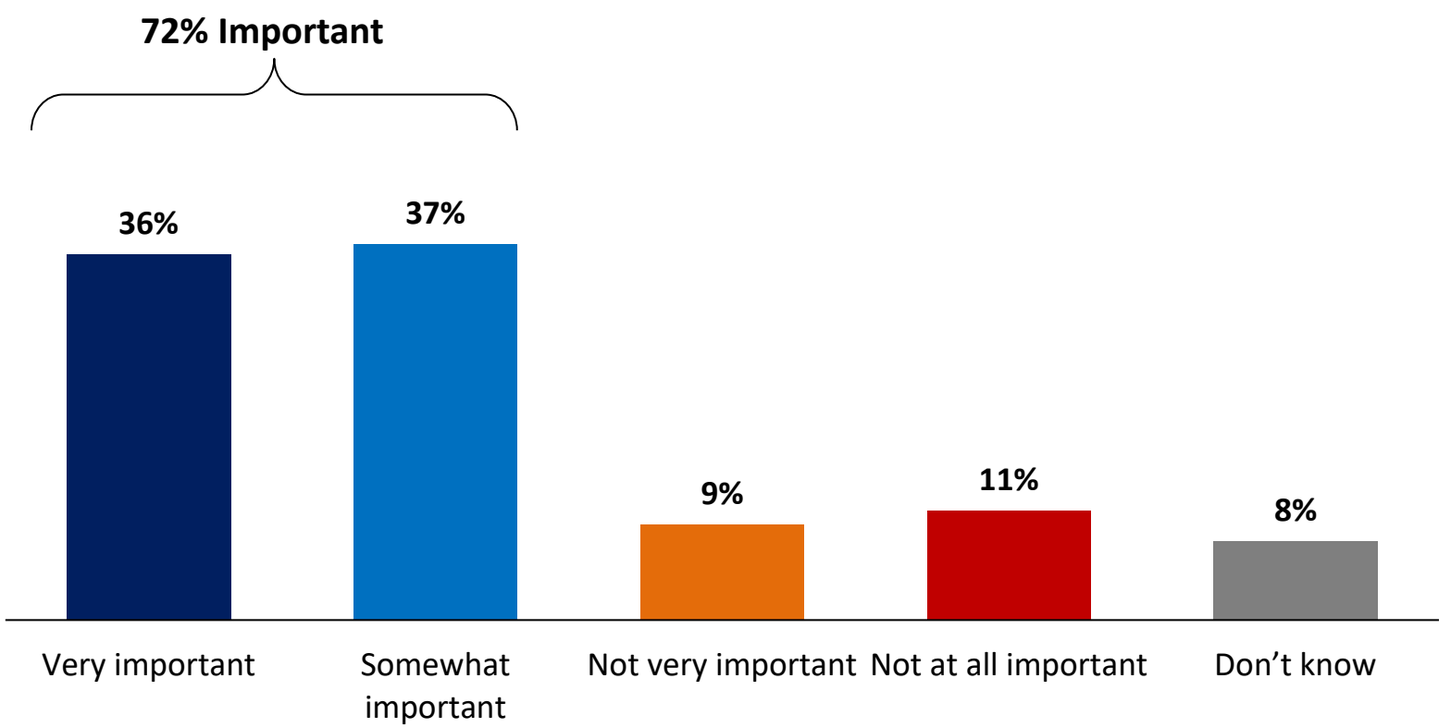
Segmentation
Respondents who say ‘Important’



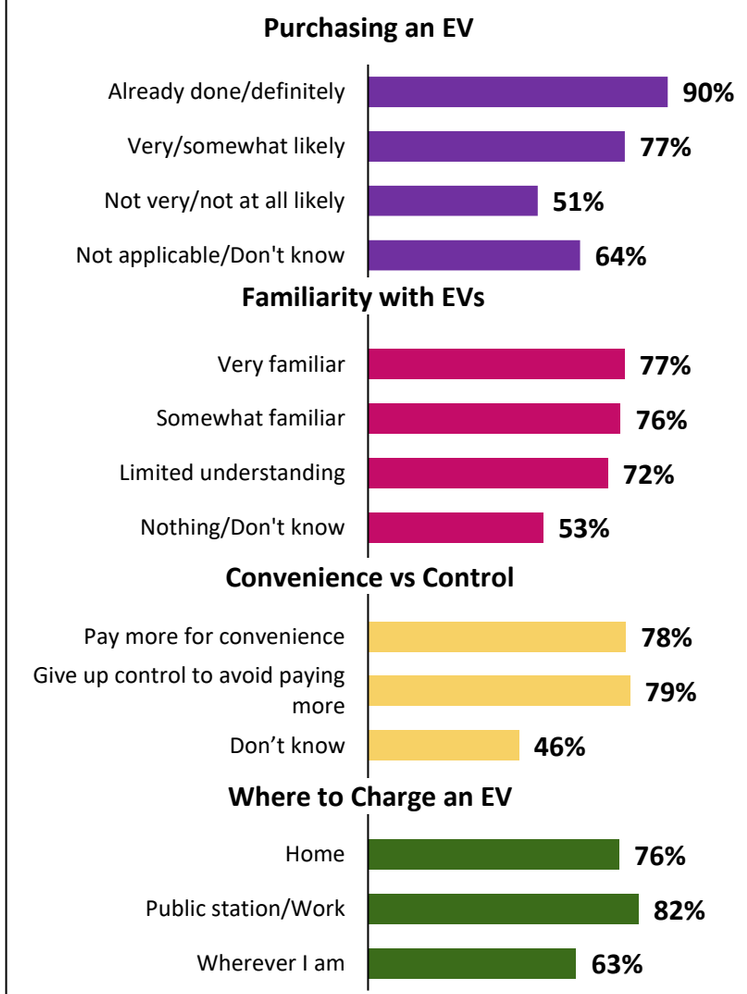
Charging with Solar Panels: 7-in-10 (72%) find that charging their EV with solar panels is important; increases w/ purchase intent & familiarity

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Installing solar panels and a battery back-up system to charge your electric vehicle with solar energy, avoiding electricity costs while also reducing the strain on the power grid



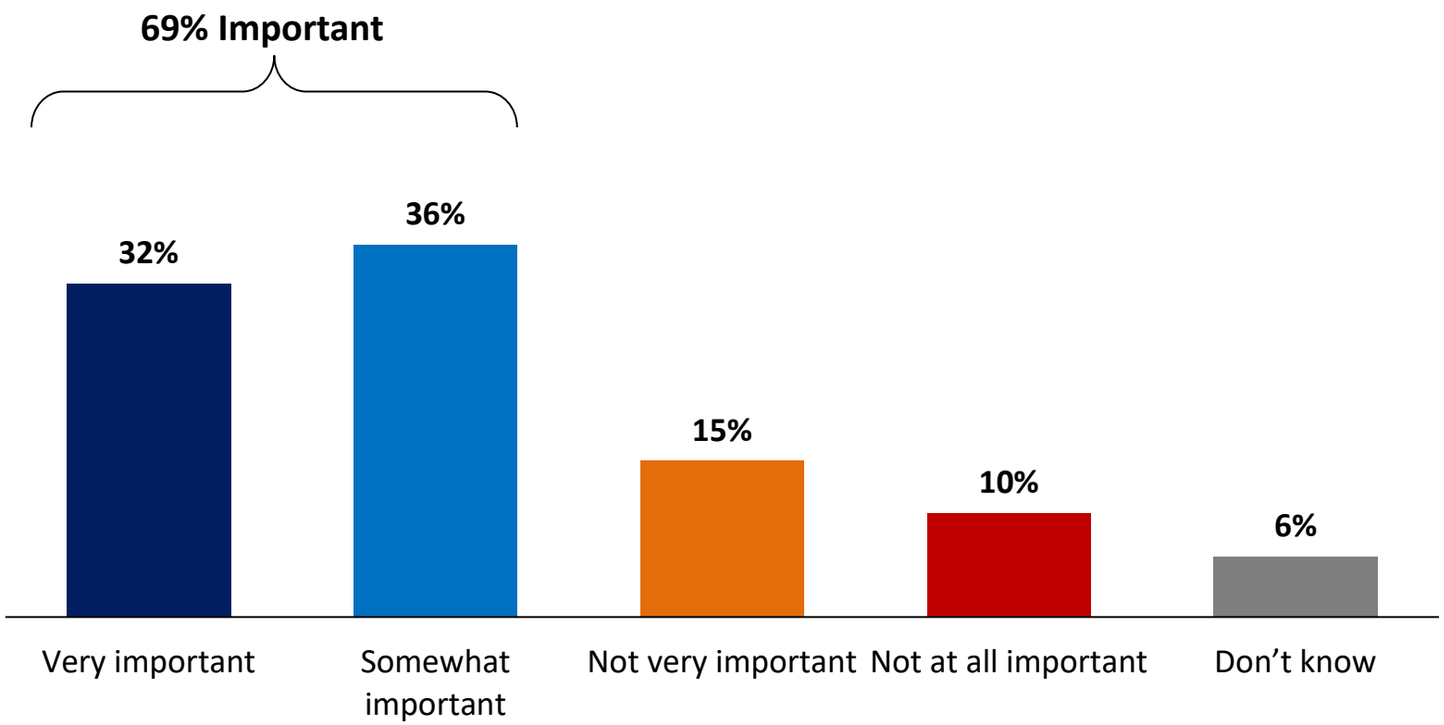
Segmentation
Respondents who say ‘Important’



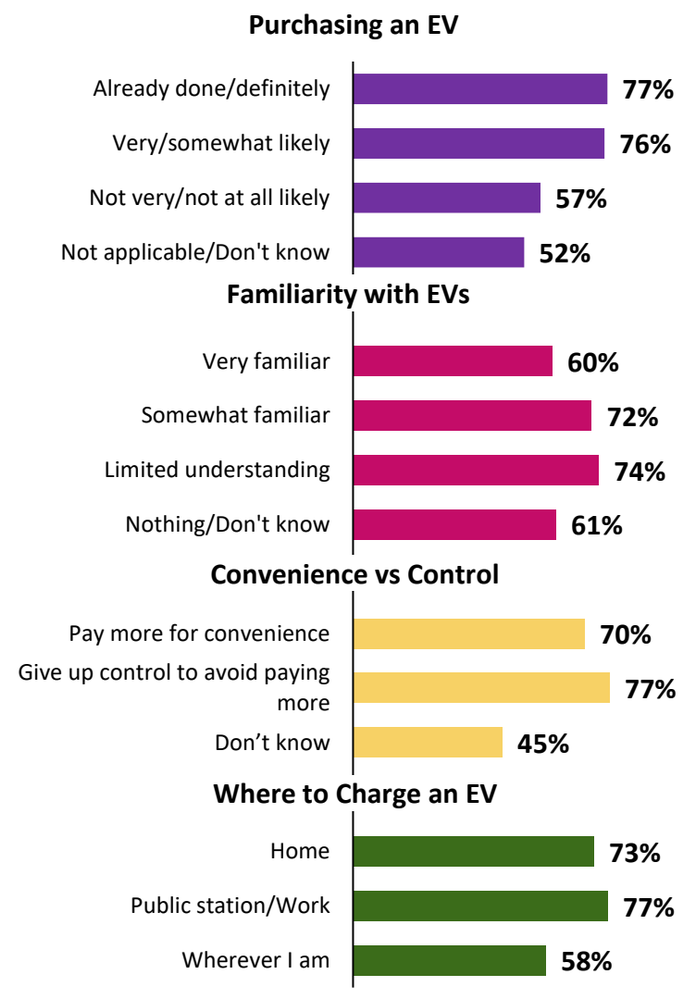
Increasing $$ Rewards for Avoiding Off-Peak Charge: 7-in-10 (69%) find increasing financial rewards for avoiding off-peak charging important

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Receiving increasing financial rewards the more weeks you successfully avoid charging your electric vehicle during peak times



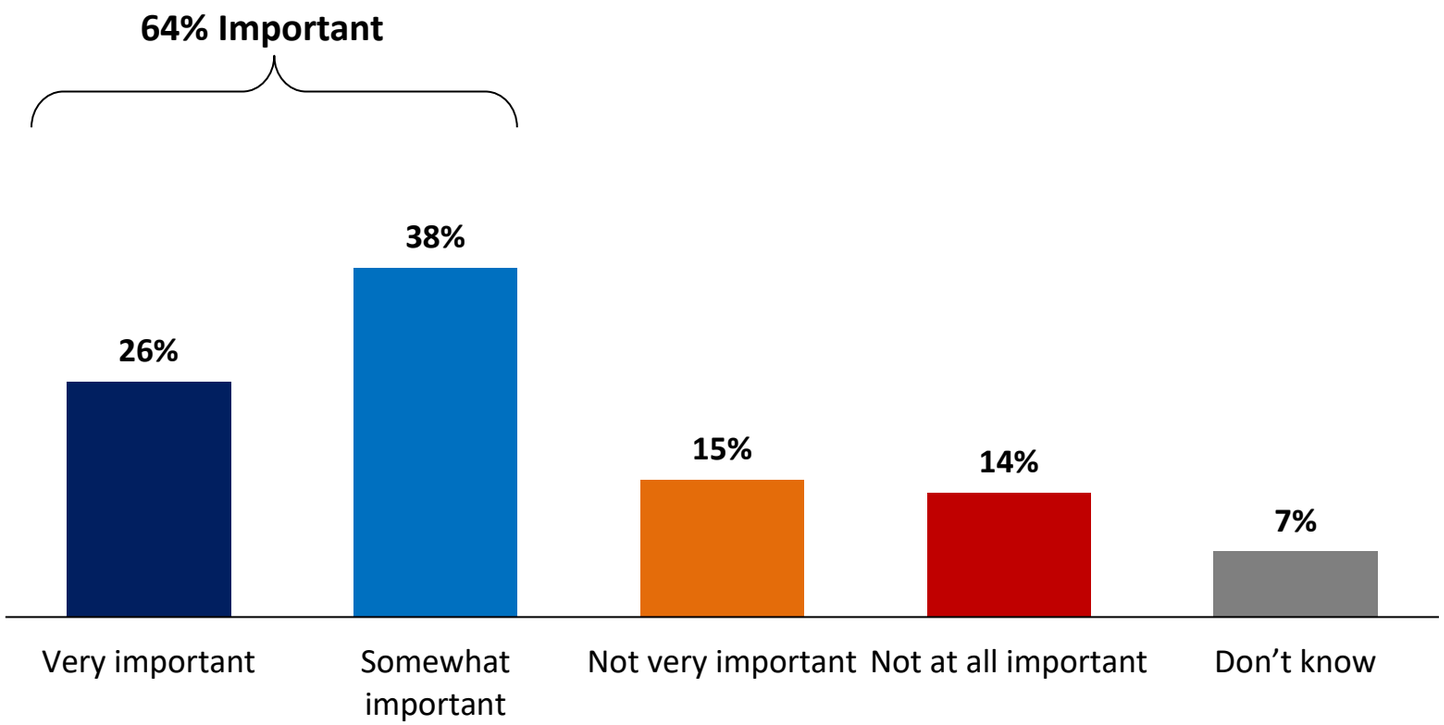
Segmentation
Respondents who say ‘Important’



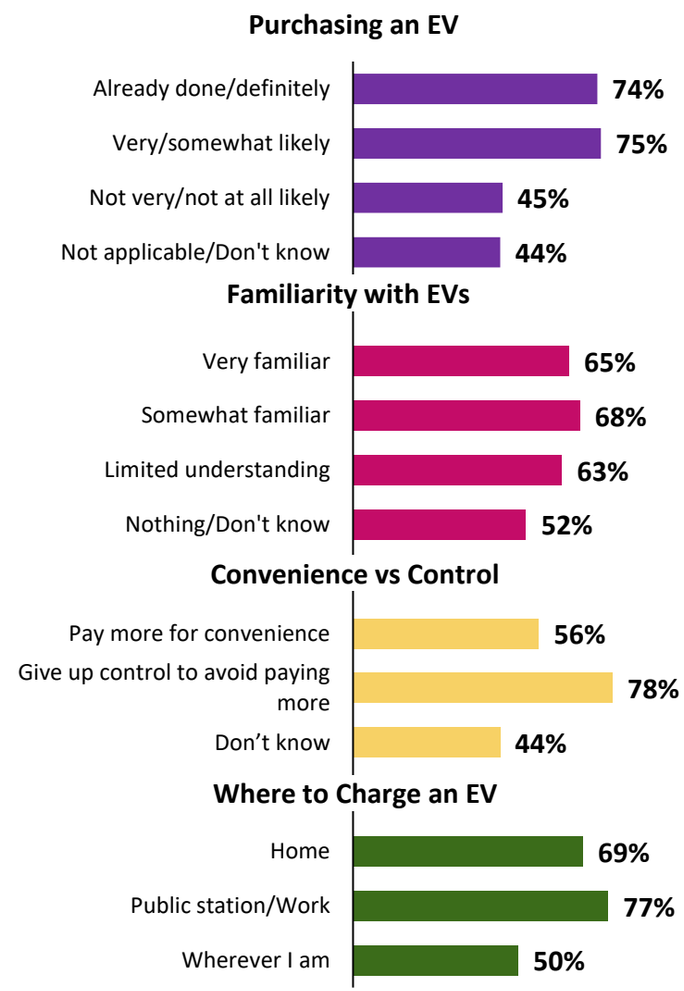
$$ Rewards for Using App to Slow Down Charge: 2-in-3 (64%) say a financial reward for using an app to slow down charge is important

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Receiving financial rewards if you sign up for an app that allows you to slow down your electric vehicle charging when a strain on the grid is detected; the more you reduce the charge the more you earn



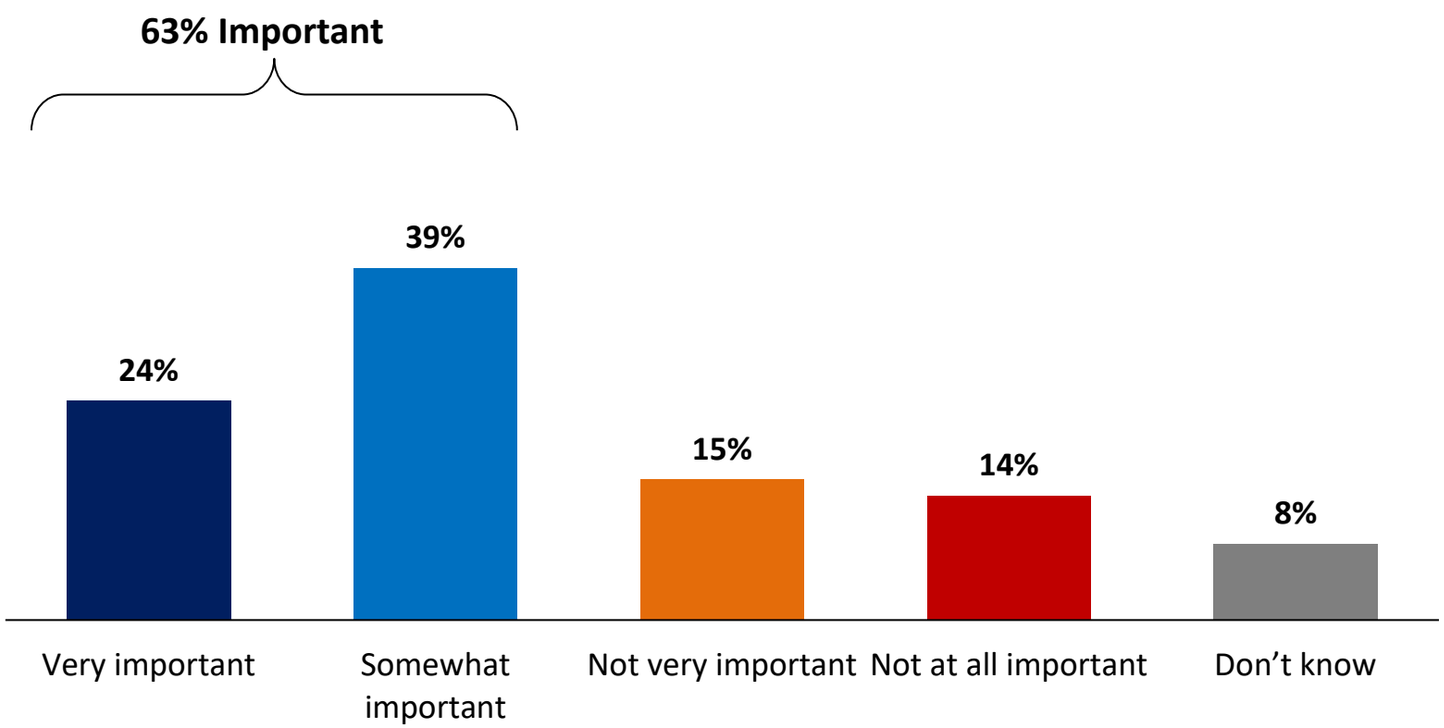
Segmentation
Respondents who say ‘Important’



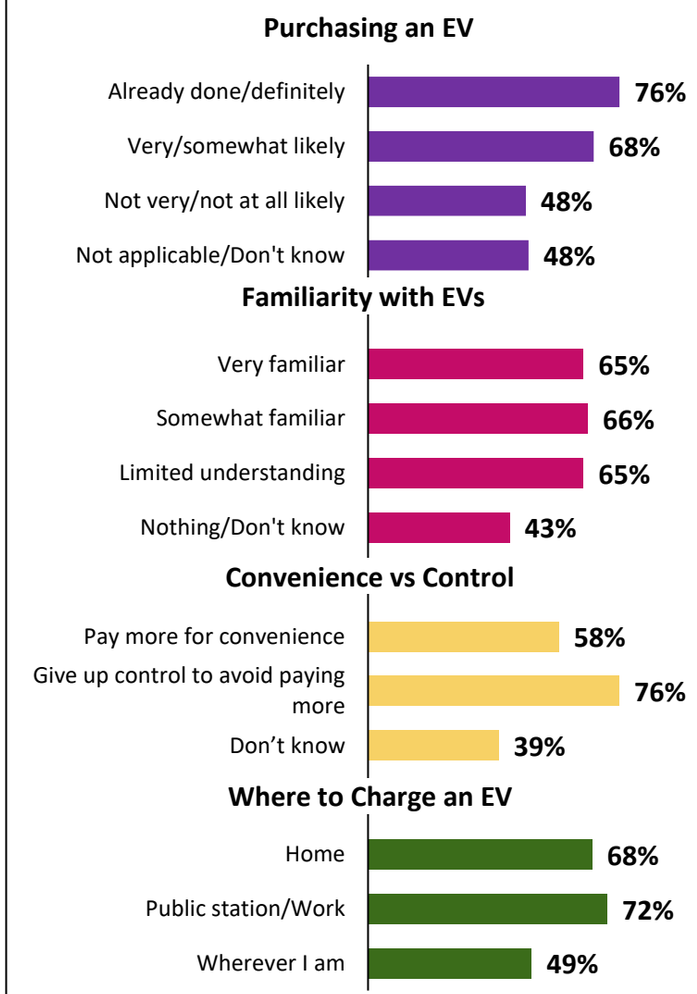
Lower Rate & Utility Able to Schedule Charge: 2-in-3 (63%) say that a lower rate if utility can schedule their charge is important

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Signing an agreement to receive a lower rate to charge your electric vehicle, in return for your electrical utility being able to schedule your charge to avoid periods of peak demand



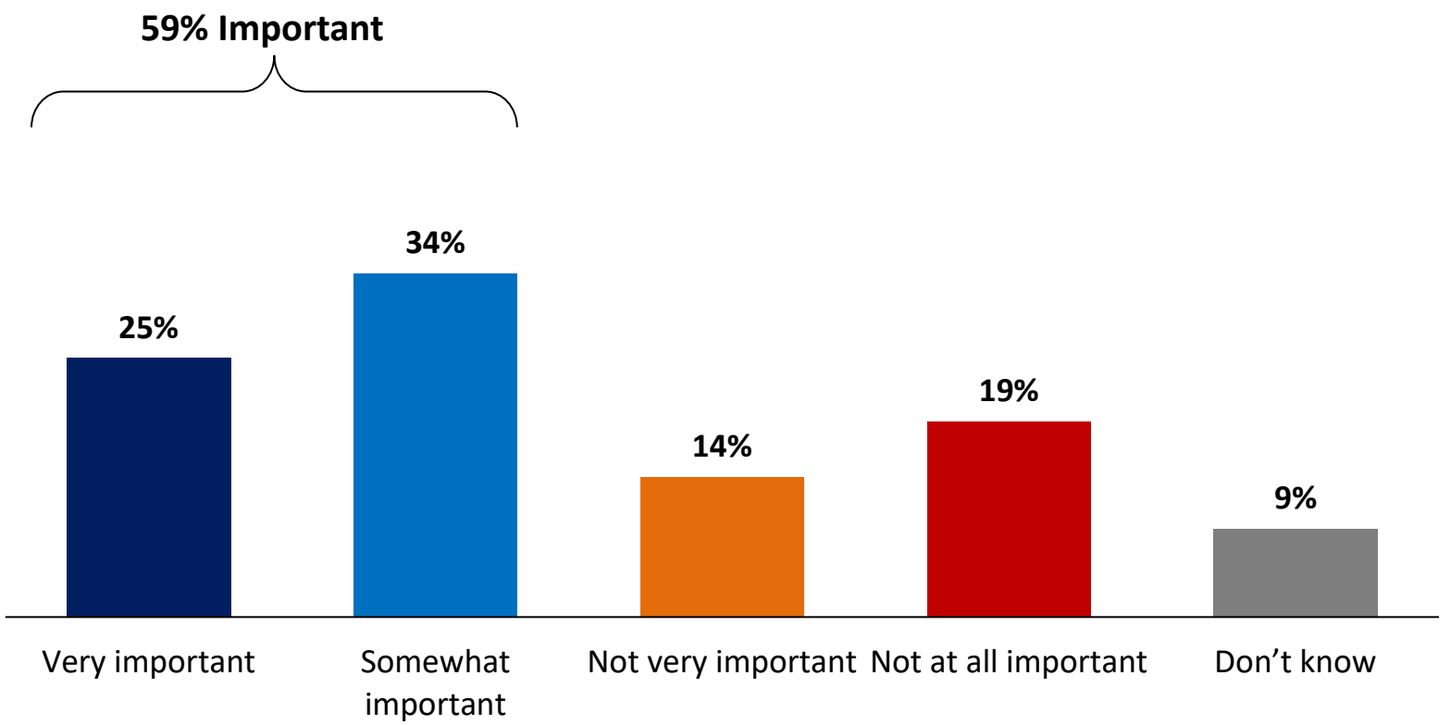
Segmentation
Respondents who say ‘Important’



Lower Rate for App to Control Charge at Work: 3-in-5 (59%) say that a lower rate to sign up for an app to control charge at work is important

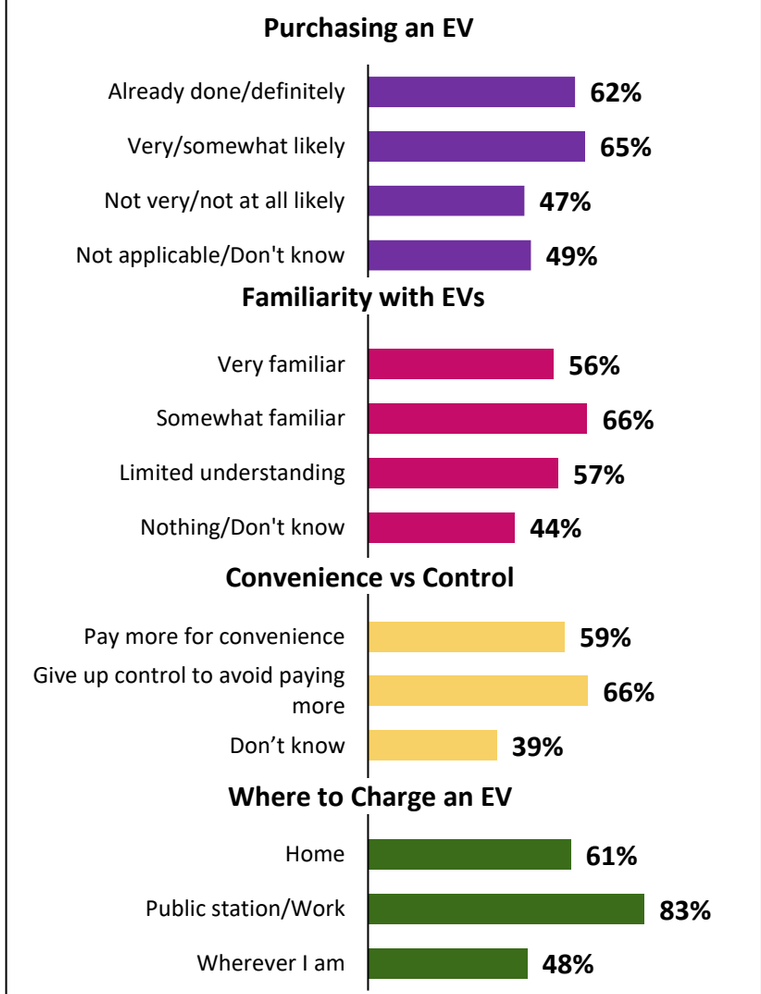
Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Receiving a lower electricity rate by signing up for an app that would allow you to charge your electric vehicle at work using a smart charger to schedule your electrical charging based on your planned departure for when electricity costs are lowest through-out the day



Segmentation

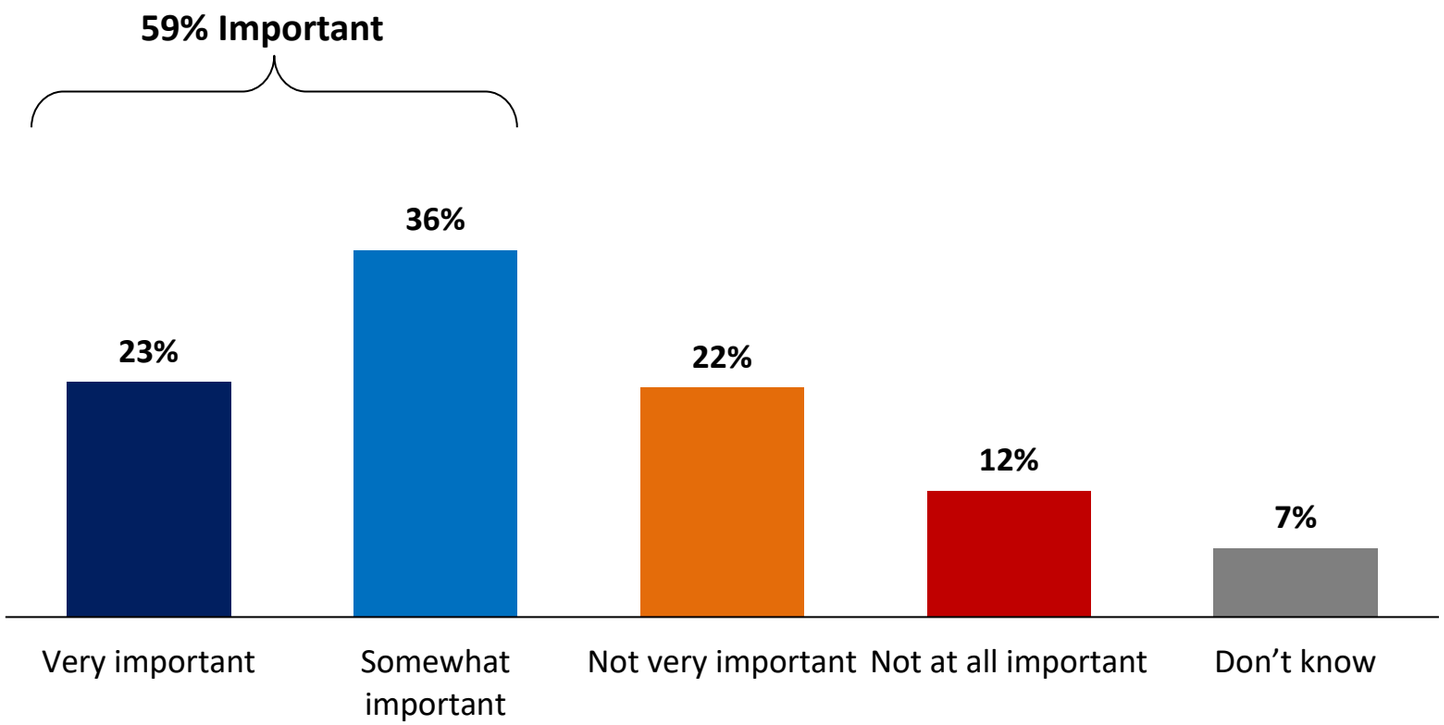
Respondents who say ‘Important’



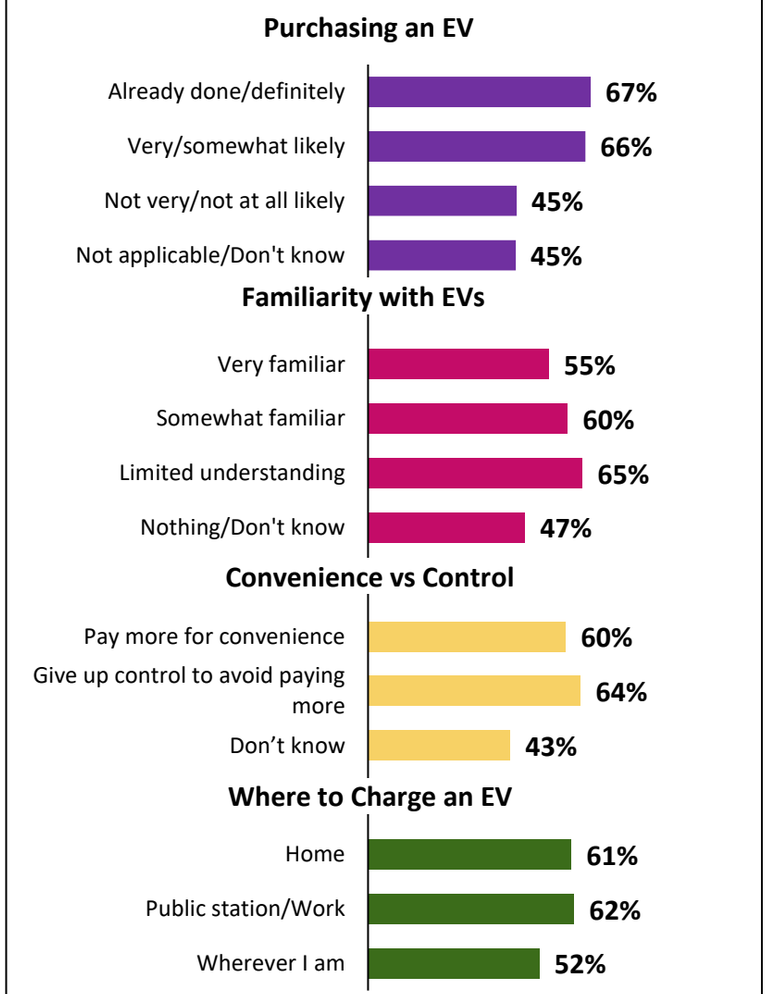
Use EV Battery to Power Home: 3-in-5 (59%) find that using their EV battery to power their home during outages is important

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Using the energy stored in the battery of your electric vehicle to power electric appliances and fixtures in your home and during outages



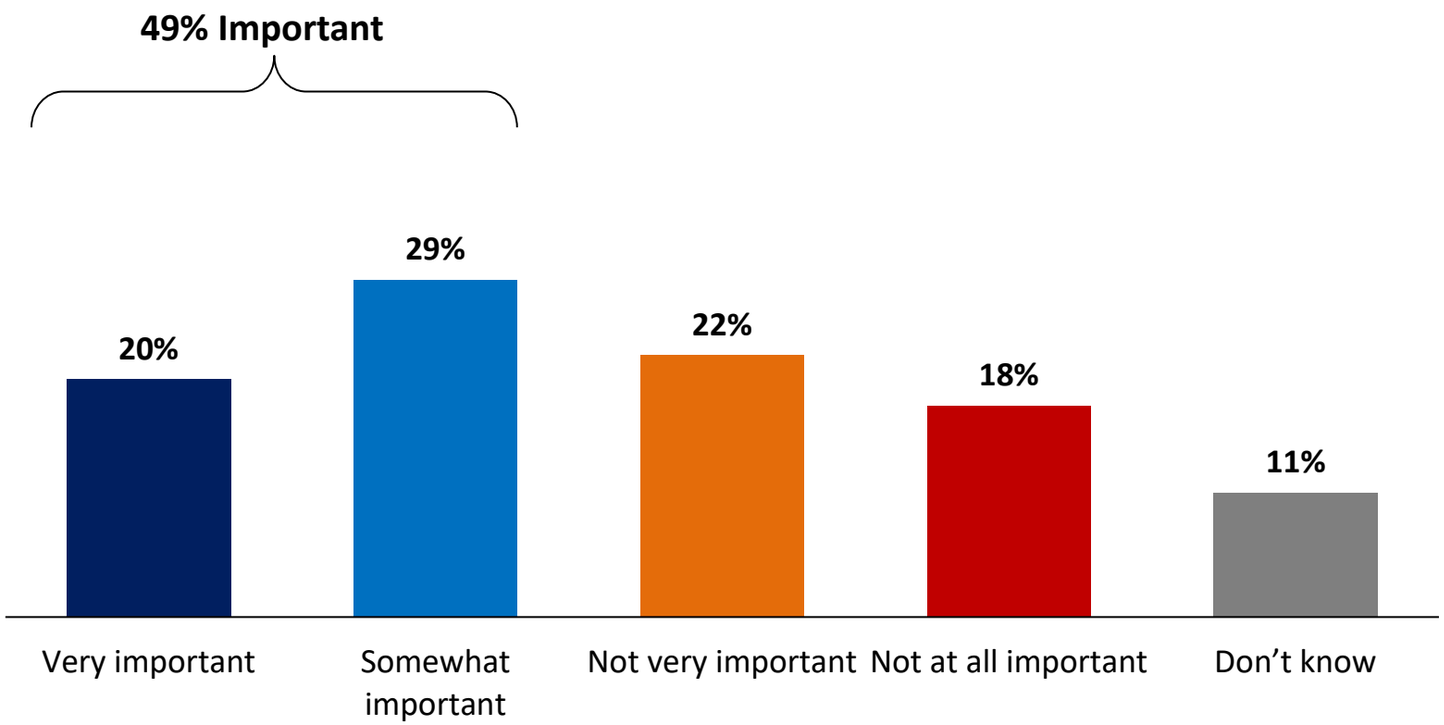
Segmentation
Respondents who say ‘Important’



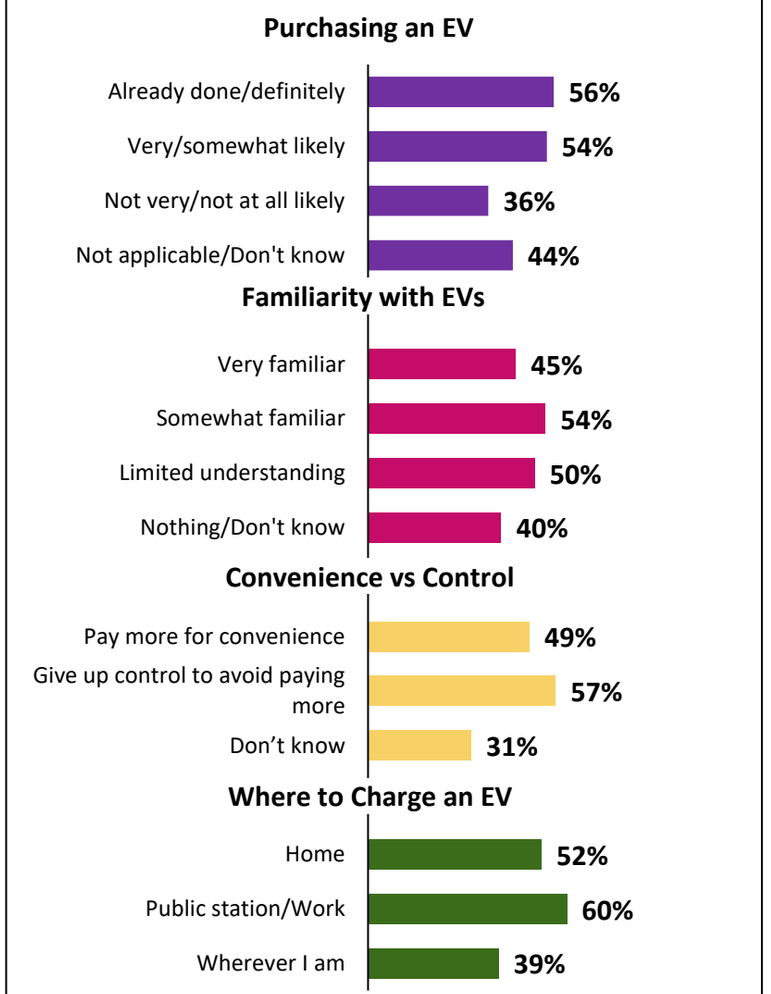
$$ Benefit for Providing Electricity to the Grid: Half (49%) say that a financial benefit for providing electricity to the grid is important

Q Below are some potential services and programs to balance the needs of electric vehicle owners and the electricity grid. Looking at the list below, please indicate how important each of these features is to you.
[asked of all Hydro Ottawa respondents; n=1,000]

Receiving a financial benefit for allowing your electrical utility to draw electricity from your car to the local electricity grid



Segmentation
Respondents who say ‘Important’

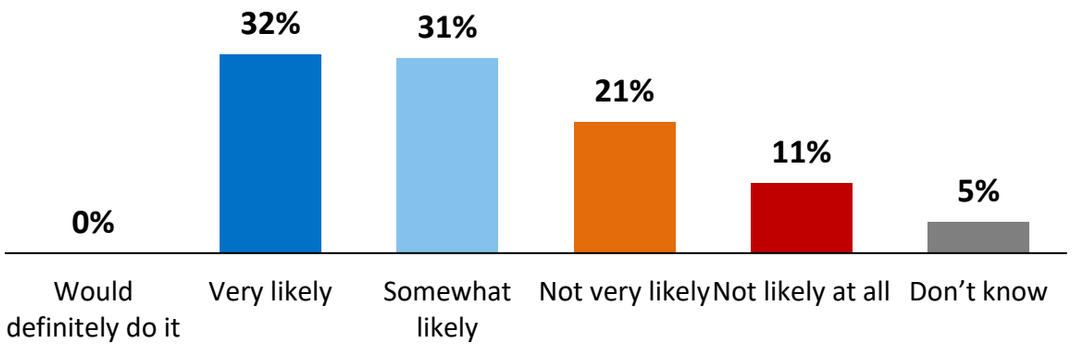


EV Purchase Intent:
Regression Analysis

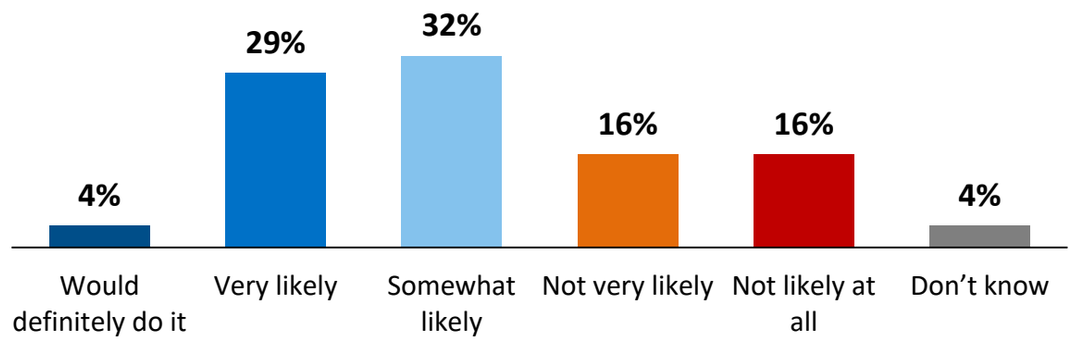
Likelihood to Purchase EV | Pre vs Post: After learning about incentive programs available, 4% more say they would *definitely* buy an EV

Q How likely would you say you are to buy a plug-in hybrid or an all-electric vehicle when it's time to replace your current vehicle?
AND
Now that you have had a chance to consider some of the potential benefits of owning an electric vehicle, how likely would you say you are to buy a plug-in hybrid or 100% electric vehicle when it's time to replace your current vehicle?

Pre exposure to benefits and potential programs
[rebased to exclude those who already purchased, would definitely purchase or who don't have a vehicle; n=722]



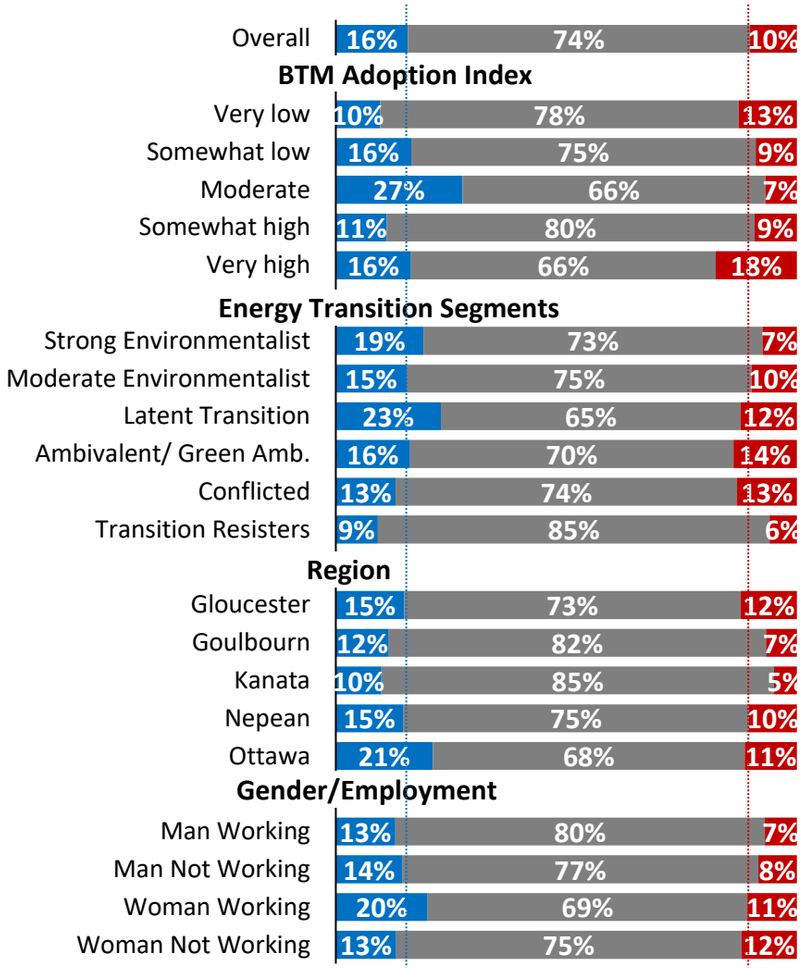
Post exposure to benefits and potential programs
[asked of those who haven't already or did not say they definitely would purchase an EV; n=722]

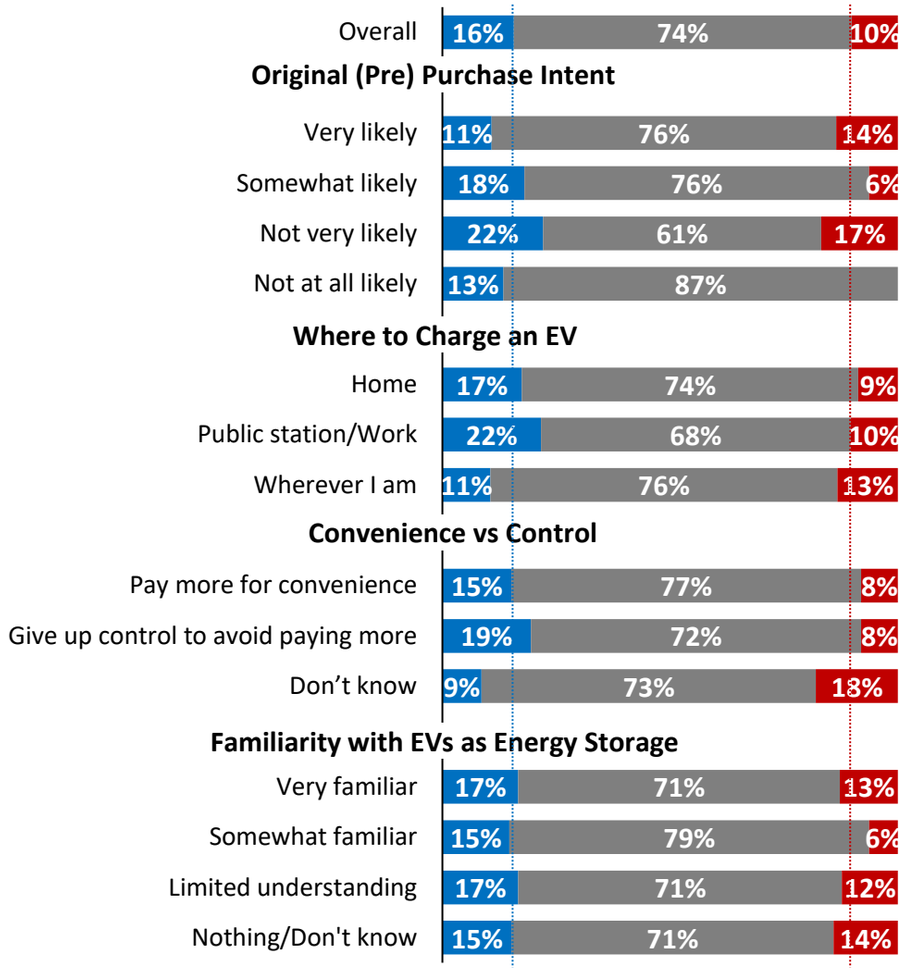


	Pre-Test	Post-Test	Δ
Would definitely	0%	4%	**+4%**
Would definitely/Very likely	32%	33%	**+1%**
Would definitely/Very/ Somewhat likely	63%	65%	**+2%**

Note: Pre-Post changes in red are significantly different from 0 at a 95% confidence level. Changes in blue are significantly different from 0 at a 90% confidence level.

Change in Purchase Intent: The Latent Transition segment is more likely to increase purchase intent compared to the other segments





More likely to purchase | No change | Less likely to purchase

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The Benefits of Regression Analysis

The core analysis in this section of the report so far reveals insights into two types of descriptive questions:

What? ***What*** is the level of likelihood of purchasing an EV after learning about the benefits of owning an EV and programs that utilities can offer to balance the needs of EV owners and the capacity of the grid?

Who? ***Who*** is more likely to purchase an EV after learning more?

Regression analysis allows us to address **causal** questions:

Why? ***Why*** some customers are more likely to purchase an EV after learning about more than others?

What ***drives*** EV purchase intent?

Which message can we ***move*** to ***increase*** the intent?

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What is Regression Analysis?

Regressions are a means of determining importance.

- A regression allows us to take all the questions that may explain the key question we are interested in and see which of these is the most important.
- Regressions do this by holding all the likely suspects constant and varying one question at a time to see which questions (explanatory variables) have the greatest impact on the key question (dependent variable).

How Does Factor Analysis Work?

Identifying categories of drivers

- To determine which variables are important drivers, we first sort them into broad categories (e.g. demographics, controls for the broader context, programs utilities can offer to respond to an increase in electricity demand, and benefits of buying an EV).
- For categories with many similar variables, we reduce the number of variables that will go into the model using ***Factor Analysis***

What is Factor Analysis?

- A ***Factor Analysis*** finds the underlying dimensions of opinion that best explains the pattern of responses on the larger set of questions.
- Factor analysis allows us to find which questions mean similar things to the public. The use of factor analysis allows us to determine what can be grouped together in order to conduct meaningful analysis and reduce multicollinearity between variables.
- We measured **the importance of 4 benefits of owning an EV**. We found **a single underlying factor** that explains most of the variance in this set of measures. We also measured **the importance of 8 programs utilities can offer to respond to an increase in electricity demand**. We found that **1 underlying factor and 4 standalone items** explain most of the variance in the larger set of questions.

Regression Analysis

The regression model controls for ***demographics*** and ***the broader context***.

Demographics

- *Gender*
- *Age*
- *Region*
- *Income*
- *Employment*

Environmental Controls

- *Energy Transition Segment*
- *Desire for control over charging*
- *Initial likelihood to buy an EV*

Programs utilities can offer to respond to an increase in electricity demand and ***benefits of buying an EV*** and are explanatory variables.

Responsive Programs

- *Off-peak Charging (Factor)*
- *Use EV battery to power your home*
- *Financial benefit for providing electricity to the grid*
- *Charging EV with solar panels*
- *Lower rate for using an app to schedule charging EV at work when costs are lowest*

Benefits of buying an EV

- *Charging Convenience (Factor)*

Note: Question wording may be summarized in chart, does not reflect exact text.

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Factor Analysis: *Which measures mean similar things to respondents?*

Responsive Programs

Off-Peak Charging Factor

- *"Increased financial rewards based on length of time avoiding peak charging"*
- *"Financial rewards for off-peak charging"*
- *"Lower rate for letting utility schedule your charge"*
- *"Financial rewards for app to slow down EV charging during strain on grid"*

Standalones

- *"Use EV battery to power your home"*
- *"Financial benefit for providing electricity to the grid"*
- *"Charging EV with solar panels"*
- *"Lower rate for using an app to schedule charging EV at work when costs are lowest"*

Benefits of buying an EV

Charging Convenience Factor

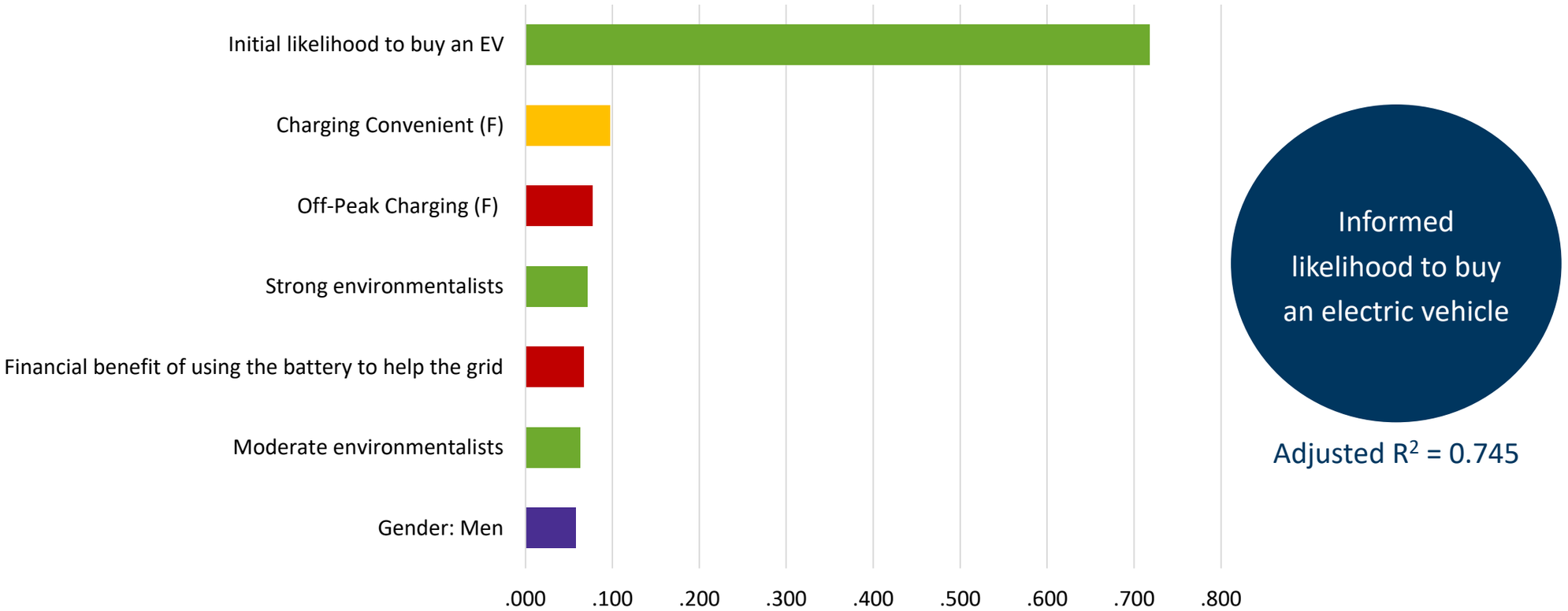
- *"Plug EVs into a standard wall outlet for a full charge"*
- *"Charging at various public destinations"*
- *"More advanced home charger to 'top-up' EV or a battery quickly"*
- *"Fast charger at public locations, or install one at home, to quickly charge a battery."*

No standalones

Note: Question wording may be summarized in chart, does not reflect exact text.

Regression Analysis: *Informed Likelihood to Buy an EV*

How likely Hydro Ottawa customers would purchase an EV prior to learning any benefits and programs discussed in this survey is the strongest driver of interest in buying an EV after being exposed to those benefits and programs. Controlling for how likely one would purchase an EV *a priori*, having learned more about the convenience of charging an EV is the second highest driver to purchase an EV afterwards, followed by financial rewards for off-peak charging.



Informed likelihood to buy an electric vehicle

Adjusted $R^2 = 0.745$

NOTE: Chart shows standardized beta scores. All drivers significant at a 95% confidence interval unless indicated otherwise.

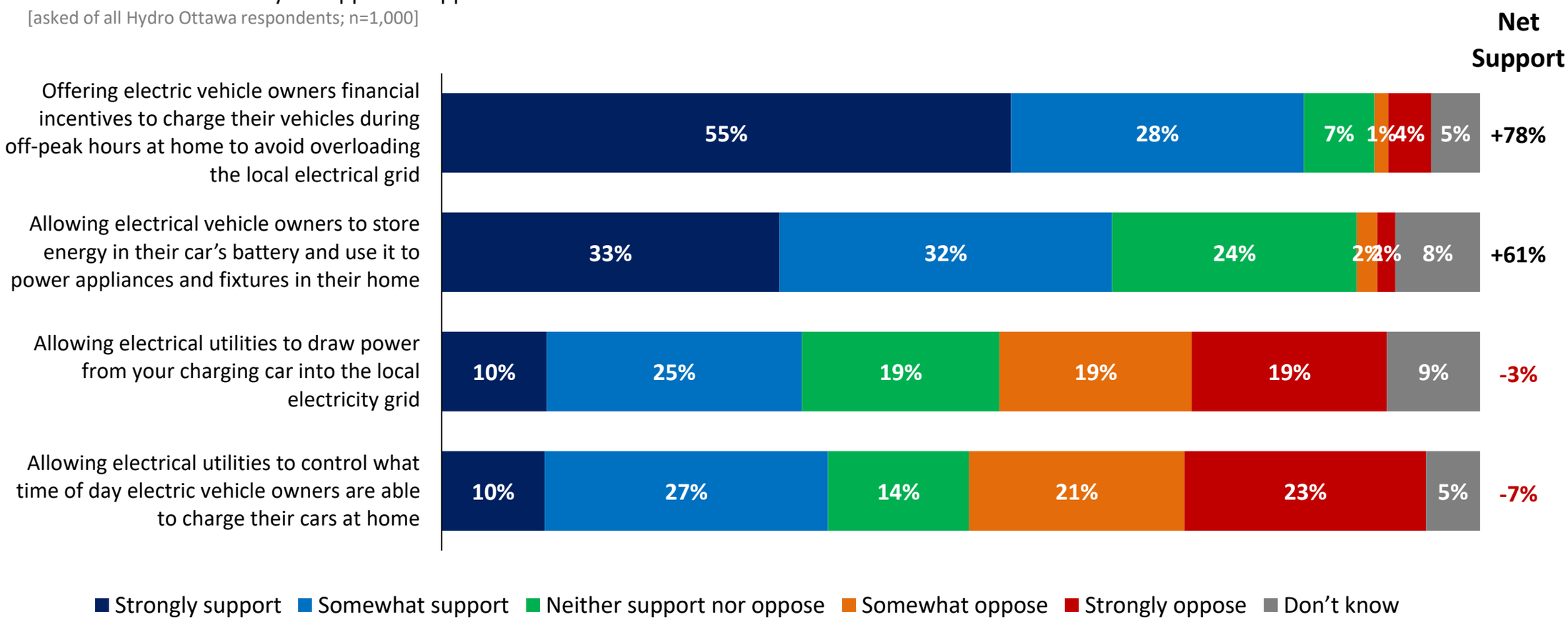
Impact of EVs on Electricity System

Impact of EVs on System: Support is significantly lower for allowing utilities to draw power or control charging time

Q

Below is a list of initiatives your utility could implement to help manage the impact of electric vehicles on your local electricity system. Please indicate whether you support or oppose each of these initiatives.

[asked of all Hydro Ottawa respondents; n=1,000]



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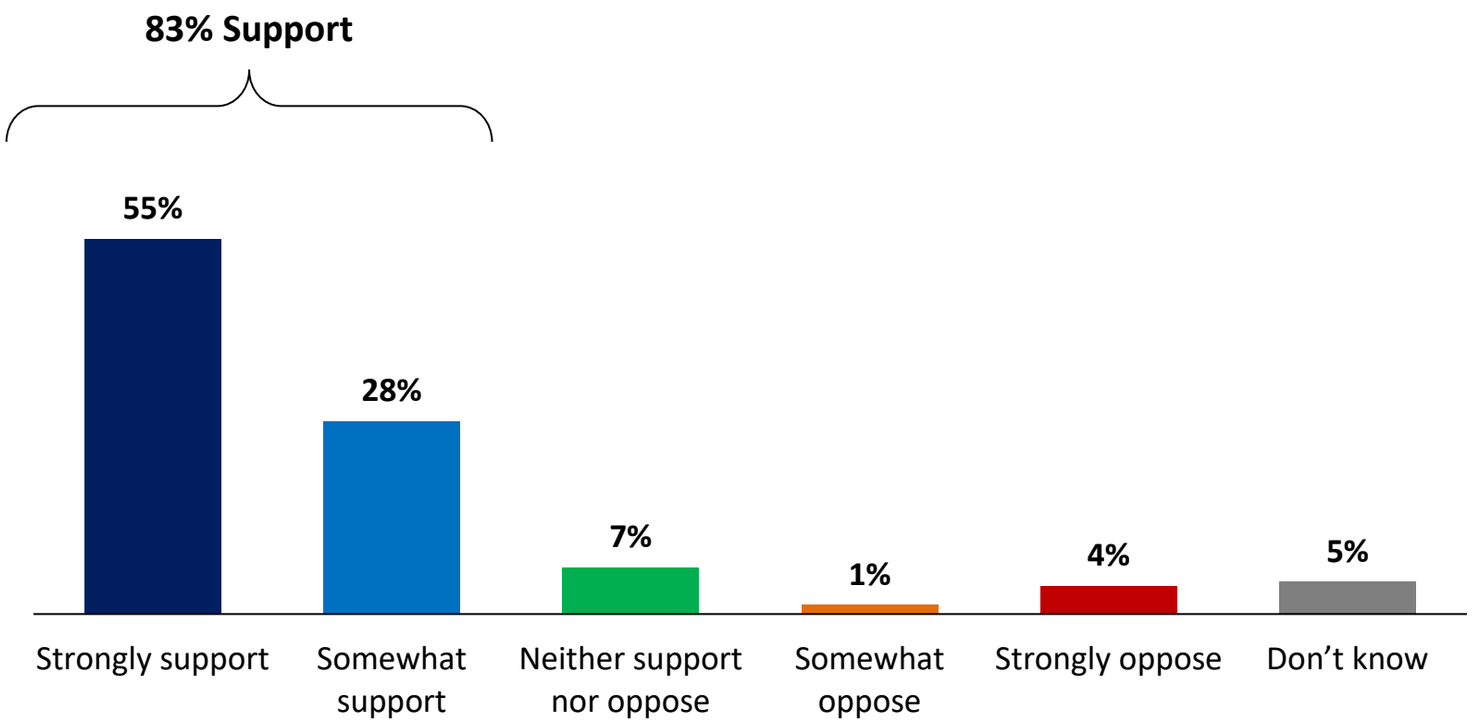
Incentives for Off-Peak Charging: 4-in-5 (83%) support offering EV owners an incentive for off-peak charging; increases with purchase intent

Q

Below is a list of initiatives your utility could implement to help manage the impact of electric vehicles on your local electricity system. Please indicate whether you support or oppose each of these initiatives.

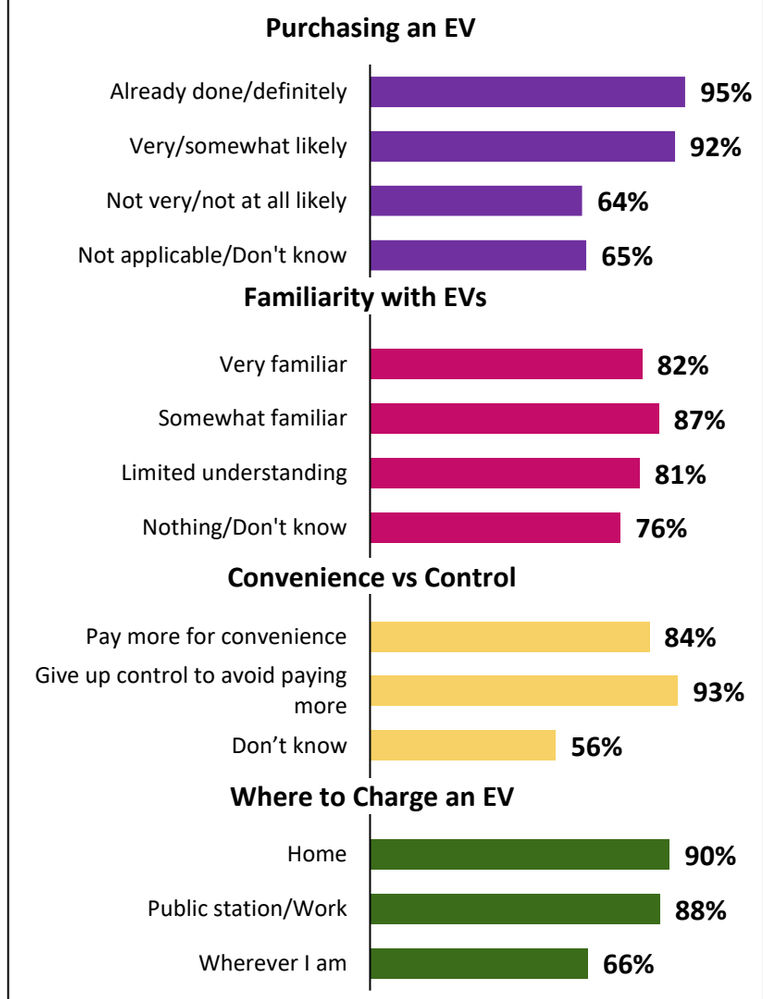
[asked of all Hydro Ottawa respondents; n=1,000]

Offering electric vehicle owners financial incentives to charge their vehicles during off-peak hours at home to avoid overloading the local electrical grid



Segmentation

Respondents who say ‘Support’

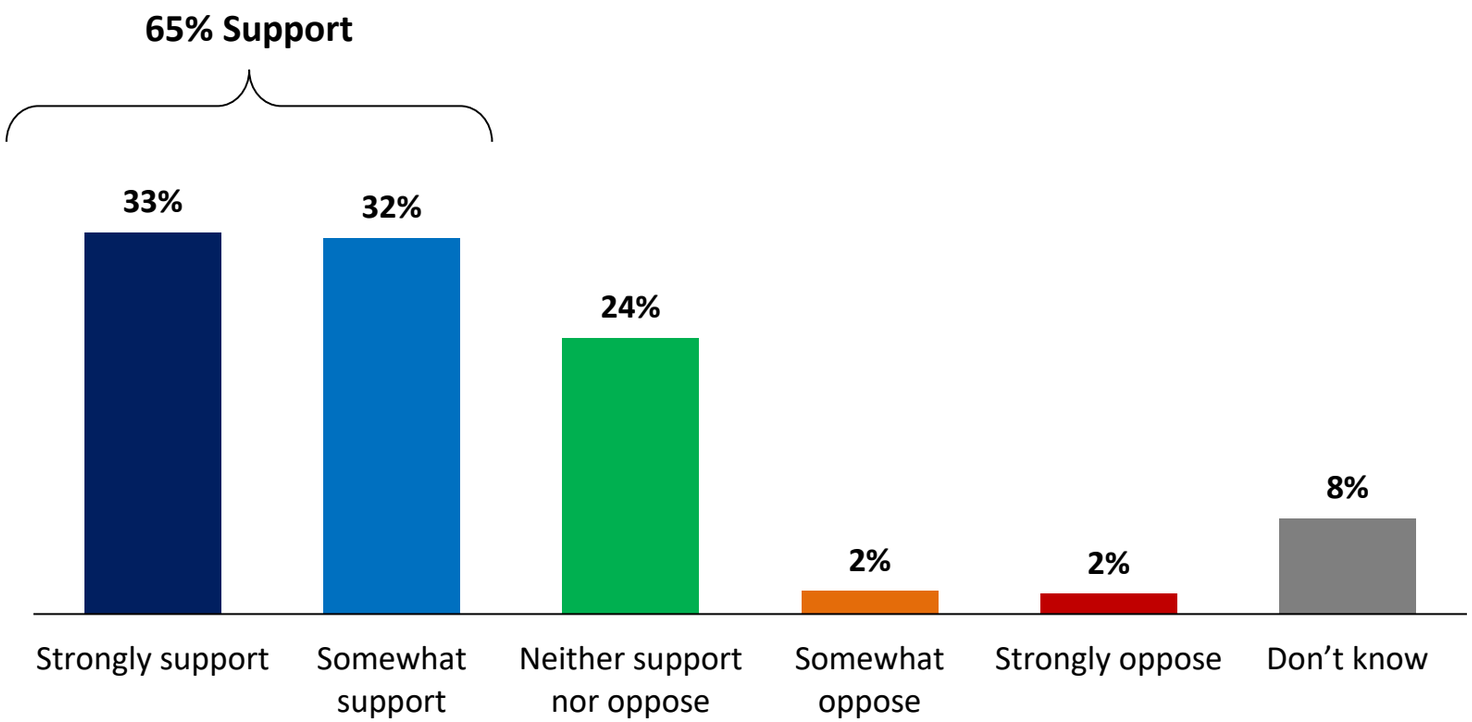


Use EV Battery to Power Home: 2-in-3 (65%) support EV owners using their vehicle's battery to power their home; increases w/ purchase intent

Q Below is a list of initiatives your utility could implement to help manage the impact of electric vehicles on your local electricity system. Please indicate whether you support or oppose each of these initiatives.

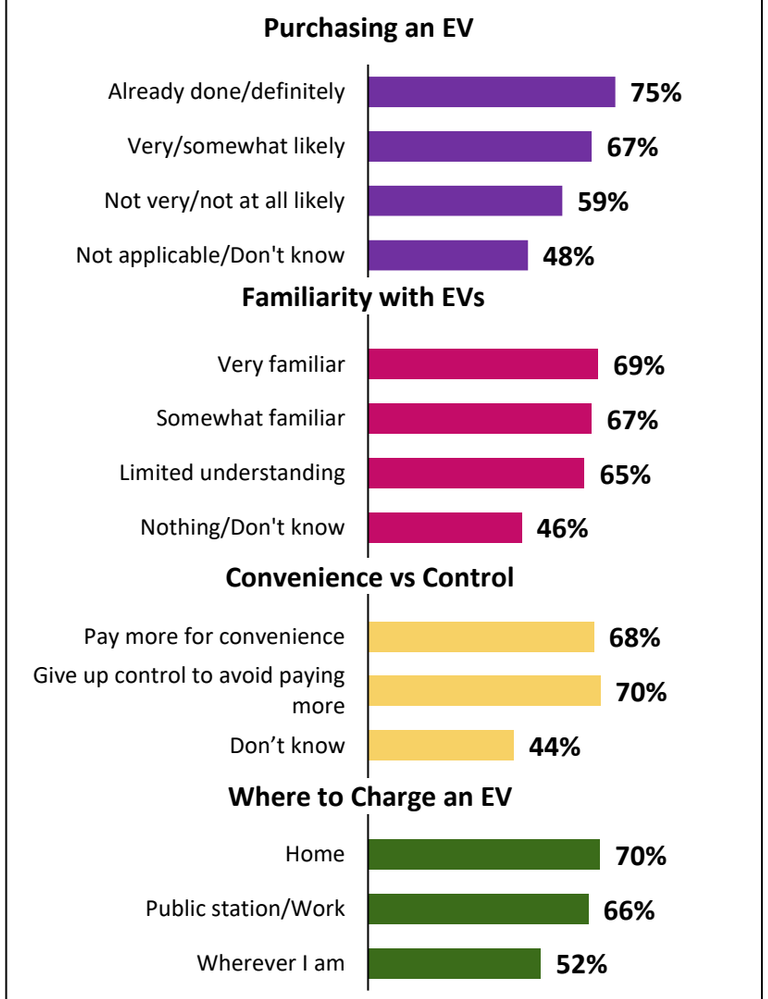
[asked of all Hydro Ottawa respondents; n=1,000]

Allowing electrical vehicle owners to store energy in their car's battery and use it to power appliances and fixtures in their home



Segmentation

Respondents who say 'Support'



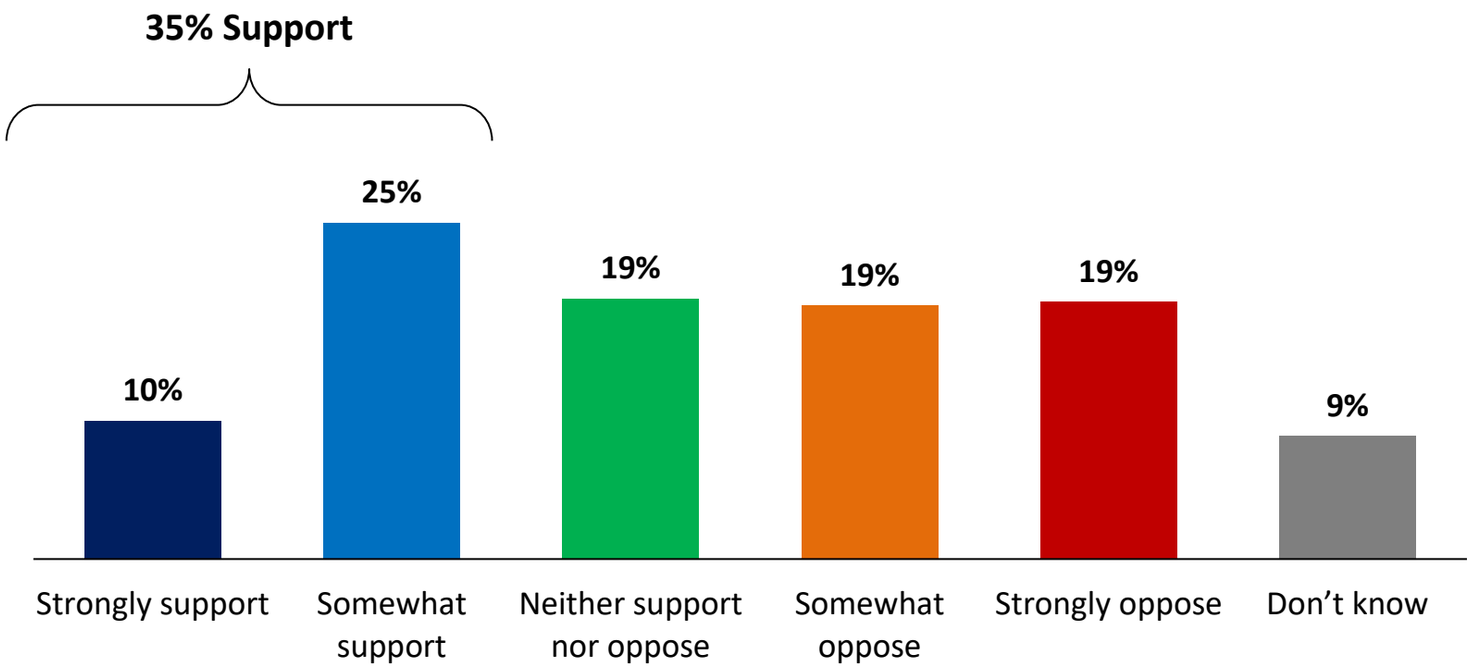
Draw Power to Grid: 1-in-3 (35%) support allowing electrical utilities to draw power from the grid; increases with purchase intent[79]

Q

Below is a list of initiatives your utility could implement to help manage the impact of electric vehicles on your local electricity system. Please indicate whether you support or oppose each of these initiatives.

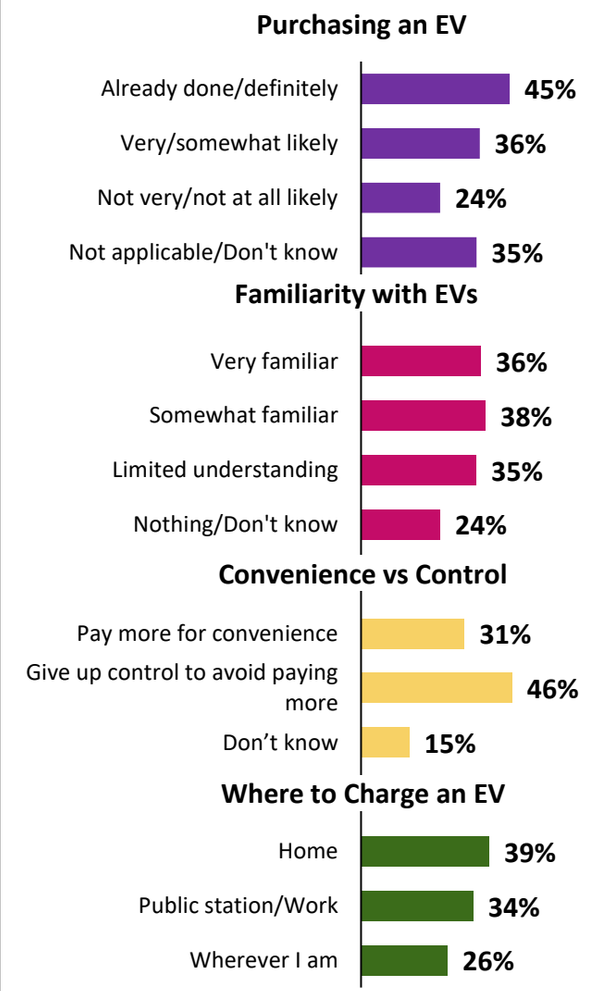
[asked of all Hydro Ottawa respondents; n=1,000]

Allowing electrical utilities to draw power from your charging car into the local electricity grid



Segmentation

Respondents who say ‘Support’

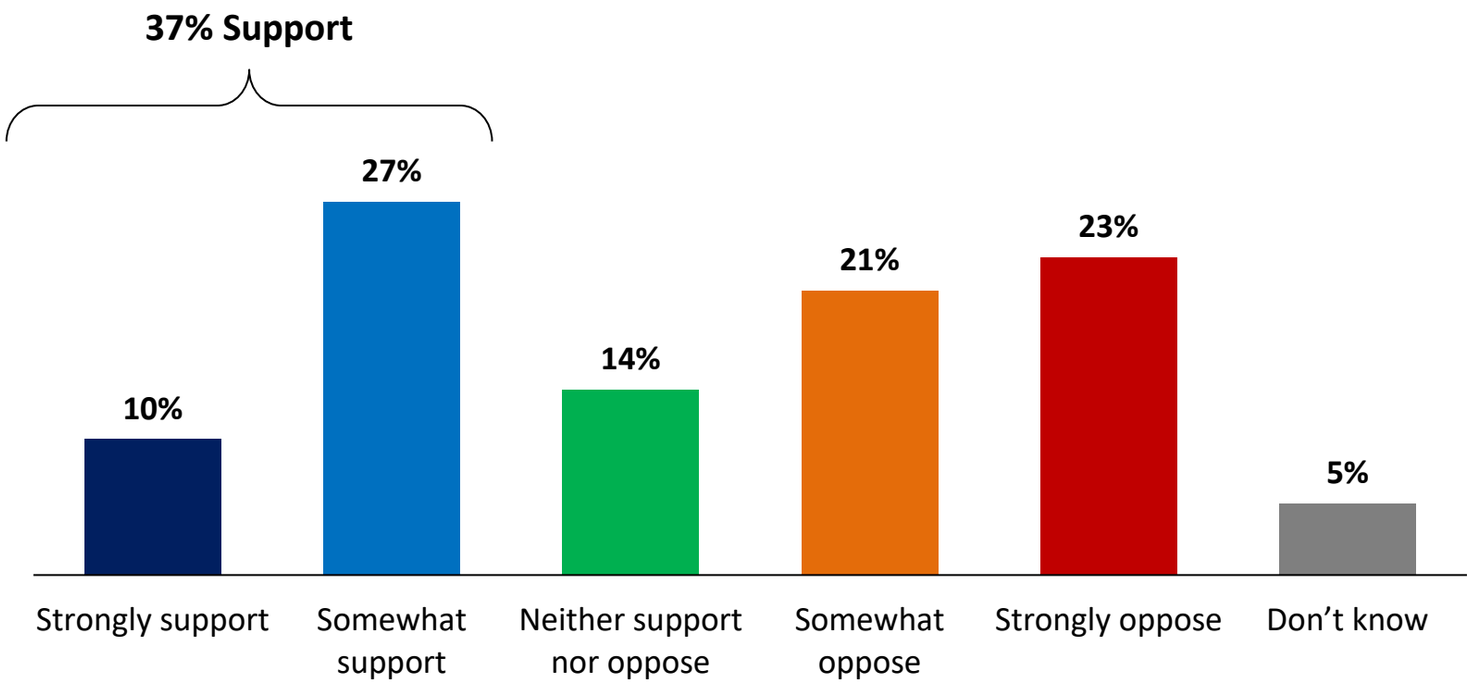


Utilities Control Time of Charging: 2-in-5 (37%) support allowing electrical utilities to control time of charging their vehicle at home

Q Below is a list of initiatives your utility could implement to help manage the impact of electric vehicles on your local electricity system. Please indicate whether you support or oppose each of these initiatives.

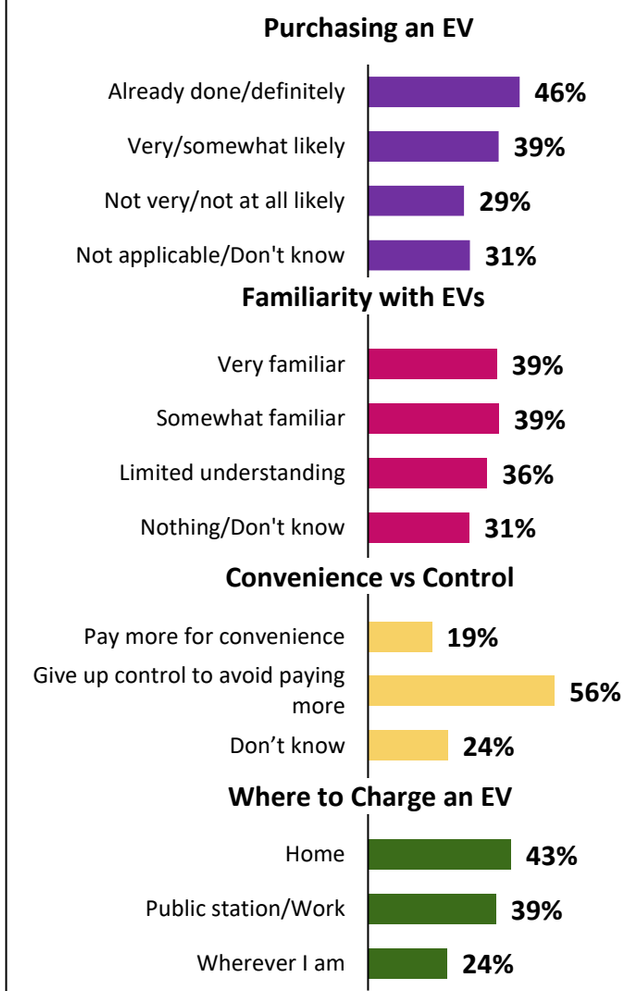
[asked of all Hydro Ottawa respondents; n=1,000]

Allowing electrical utilities to control what time of day electric vehicle owners are able to charge their cars at home



Segmentation

Respondents who say ‘Support’



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CUSTOMER ENGAGEMENT ON THE 2026-2030 APPLICATION

1. INTRODUCTION

In alignment with the OEB's Renewed Regulatory Framework (RRF) and its emphasis on placing customers at the forefront of investment decision-making, Hydro Ottawa undertook a comprehensive customer engagement process as part of its 2026-2030 Custom Incentive Rate-setting (Custom IR) Application. This initiative drew participation from over 25,000 customers, representing approximately 7% of Hydro Ottawa's customer base.

Building on its ongoing efforts to involve customers, Hydro Ottawa collaborated with specialized external experts to design and implement a two-phase engagement program specifically tailored to this Application. This program effectively identified and confirmed customer needs, preferences, and expectations related to system investments and desired outcomes. The valuable insights gained from this engagement process directly informed decisions regarding the pacing and prioritization of specific investments outlined in the application.

The outcome of this engagement exercise is described in detail in the consolidated Customer Engagement Report produced by Innovative Research Group Inc. (Innovative Research), which is appended to this Schedule as Attachment 1-4-2(A) - Customer Engagement Report. Innovative Research is a national consulting firm with extensive expertise in public opinion research and specifically in the context of energy policy and utility operations.

2. CUSTOMER CONSULTATION ON CUSTOM IR APPLICATION

In preparing its 2026-2030 rate application, Hydro Ottawa initiated a collaborative engagement program with Innovative Research in November 2023. Recognizing the importance of capturing diverse perspectives, Hydro Ottawa prioritized two key considerations in designing the program.

First, the engagement process aimed to ensure representation across a broad spectrum of customer types. This included consideration of various rate classes and demographic factors (such as gender, age, income, and geographic location within the service territory).

Second, the program was carefully designed to accommodate varying levels of customer familiarity with the complexities of the electricity system. Hydro Ottawa sought to create an inclusive environment where all customers, regardless of their prior knowledge, could effectively contribute their perspectives, needs and preferences.

To address these challenges, and to ensure inclusivity and comprehensiveness more broadly, several guiding principles were incorporated into the design of the engagement program:

- Random sampling was used to ensure sufficient representation and findings that can be generalized across the customer base.
- A voluntary opt-in feature allowed for participation of additional customers who wanted to make their views known.
- Participants were equipped with the background and context needed to provide informed answers, even in the absence of any prior knowledge.
- Input was sought with reference to clearly expressed and tangible options, trade-offs and implications.
- Open-ended opportunities were provided through which customers could speak to issues extending beyond those specifically covered, if they wished.

A two-phased approach ensured incorporation of customer feedback into Hydro Ottawa's distribution system and business plans. Phase I focused on strategy, and sought input aimed at understanding customer needs and preferences. This was distilled into priorities and principles that Hydro Ottawa planners and subject matter experts were guided by in developing the draft distribution system and business plans (as reflected in the "Needs and Preferences Planning Placemat" in Appendix.08 of the consolidated Customer Engagement Report found in

Attachment 1-4-2(A) - Customer Engagement Report on Hydro Ottawa's 2026-2030 Rate Application). Phase II then focused on soliciting more specific input to guide the tactical decision points within these plans.

During that phase, Hydro Ottawa presented a summary draft plan to customers in a user-friendly workbook format. This workbook facilitated deeper engagement by:

- Clearly outlining cost impacts;
- Offering choices regarding investment pacing, where customers were presented with three distinct options:
    - **Hydro Ottawa's draft plan:** This represented the company's proposed timeline for investments, balancing cost considerations with system needs.
    - **An accelerated plan:** This option involved a more extensive pace of investment, leading to higher cost considerations.
    - **A decelerated plan:** This option represented a more gradual approach to investment, potentially moderating near-term bill impacts but possibly delaying the realization of certain system upgrades and their associated benefits.
- Explaining the link between investment pace and outcomes**:** The workbook clearly articulated how each investment option would affect expected outcomes, such as system reliability, resilience, and the integration of renewable energy sources.

This approach allowed customers to actively participate in shaping the final investment plan by expressing their preferences for balancing costs, timing, and desired system outcomes. This feedback directly informed the final plan submitted to the OEB, demonstrating Hydro Ottawa's commitment to incorporating customer perspectives in its decision-making process.

Between March and October 2024, Hydro Ottawa obtained feedback from 25,721 customers – 3,882 in Phase I and 21,839 in Phase II. This represented approximately 7% of Hydro Ottawa's total customer base, and a significant increase over the comparable engagement level for Hydro

Ottawa's previous Custom IR application, when 20,963 customers took part, and which at the time represented the largest engagement exercise in Hydro Ottawa's history.

To complement its formal customer engagement program, Hydro Ottawa launched a comprehensive communications and public education strategy in early 2024. This initiative, which continued through the fall, utilized various channels such as newsletters, community presentations, advertorials, podcasts, and social media to enhance customer understanding of the local electricity system.

By clarifying industry concepts and providing accessible information, Hydro Ottawa empowered customers to actively participate in the engagement process and provide informed feedback on the 2026-2030 rate application. This approach reflects Hydro Ottawa's commitment to transparency, customer-centricity, and its role as a trusted partner in building a smart energy future for the community.

Overall, Hydro Ottawa's customer engagement demonstrated strong support for the draft plan across all rate classes. Customers, when presented with investment trade-offs and potential bill impacts, consistently favored sustaining or improving the system, even at a higher cost. Following initial selections, customers were shown the total cost impact and given the opportunity to revise their choices.

The customer engagement process revealed clear preferences regarding investment trade-offs. The following percentages represent customer support for either the draft investment plan or accelerated investment approach:

- **Aging Infrastructure:** 76% (Residential), 73% (Small Business), 96% (GS>50kW)
- **Metering Renewal:** 69% (Residential), 65% (Small Business), 75% (GS>50kW)
- **Grid Modernization:** 79% (Residential), 76% (Small Business), 93% (GS>50kW)

- **Growth and Electrification:** 68% (Residential), 71% (Small Business), 89% (GS>50kW)
- **Grid Resilience:** 81% (Residential), 80% (Small Business), 93% (GS>50kW).

Furthermore, when presented with the total cost of the draft plan, strong social permission was evident:

- 84% (Residential)
- 83% (Small Business)
- 94% (GS>50kW)

These results underscore a strong customer willingness to invest in maintaining and enhancing the reliability and modernization of Hydro Ottawa's electricity grid.

2.1. PHASE I

Phase I, which took place between February and May 2024, focused on understanding customer preferences for system investments and desired outcomes. The Phase I research employed a sequential mixed-methods approach:

Qualitative research: Focus groups and in-depth interviews were conducted with diverse customer segments to gather rich insights into their experiences and expectations for service delivery. This qualitative data directly informed the design and implementation of the subsequent quantitative research.

Quantitative research: Building on the qualitative findings, this stage aimed to quantify customer preferences and priorities for system investments via a tailored online survey for each of the four customer groups.

This comprehensive approach ensured that diverse customer perspectives were gathered and analyzed to shape Hydro Ottawa's investment plan from its early stages.

Engagement results and key findings from Phase I, in relation to satisfaction and general priorities, include:

- Customer satisfaction has improved relative to 2019 for residential and small business customers.
- Residential and small business customers prioritize very similar general outcomes, with both ranking “maintaining reliable electricity service” as their top priority.
- Commercial and industrial and key account customers have more distinctive prioritizations, with reliable service being important, but outranked by the related and more specific objective of hardening the grid to withstand severe weather. Capacity to meet future demand was also a high-ranked priority of these customer classes.

Participation levels and overall satisfaction by customer group is outlined in Table 1 below.

Table 1 - Results from Phase I of the Customer Engagement on the 2026-2030 Rate Application

Customer Group	Focus Groups and Interviews Conducted	Online Survey Participation	Overall Satisfaction
Residential	2 Focus Groups	3,357	83%
Small Business	2 Focus Groups	438	80%
Commercial & Industrial	7 Interviews	50	89%
Key Account	12 Interviews	37	84%

General Priorities

Among competing outcomes, reliability, rates and preparing the grid to withstand severe weather events were the top three priorities for both residential and small business customers. Commercial and industrial customers prioritized rates, hardening the grid to withstand severe weather and grid capacity expansion. For key account customers, hardening the grid to

withstand severe weather, reliability and grid capacity expansion topped the list of service outcome priorities.

Support for Core Investment Priorities and Trade-Offs

In terms of general investment trade-offs, customer feedback revealed strong support for grid modernization investments across all customer classes. This support was evident for investments in:

- **System Renewal:** Prioritizing the replacement of aging infrastructure to maintain reliability. This category received the strongest endorsement from customers.
- **General Plant:** Upgrading equipment and IT systems to enhance operational efficiency.
- **System Capacity:** Expanding the grid to service high-growth areas and accommodate increasing demand.

Importantly, this support for investment remained high even when customers were informed about the potential impact on their electricity bills. Commercial, industrial, and key account customers generally expressed greater support for these investments compared to residential and small business customers.

Support for Grid Modernization

Hydro Ottawa's Phase I customer engagement also focused on understanding customer priorities regarding the energy transition and electrification. Across all rate classes, there was support for exploring investments in new technologies that enhance services and improve efficiencies. Customers emphasized the importance of clear communication regarding the cost-benefits of these investments. Furthermore, customers were supportive of the idea of Hydro Ottawa exploring electrification investments today that help prepare for the future, even if the benefits might not be immediately realized.

Further details of the Phase I engagement are provided in Attachment 1-4-2(A) - Customer Engagement Report on Hydro Ottawa's 2026-2030 Rate Application (see pages 21-237). A concise summary of customer preferences, categorized by customer class, can be found in the "Needs and Preferences Planning Placemat" (see pages 238-240).

2.2. PHASE II

Phase II of the customer engagement process focused on gathering detailed feedback on Hydro Ottawa's draft five-year capital investment plan, utilizing tailored workbooks for residential, small business, and commercial customers.

This phase was characterized by:

- **Workbook Format:** Interactive workbooks provided customers with a user-friendly platform to explore the proposed investment plan and its associated costs.
- **Contextual Information:** Workbooks included background information on the provincial electricity system, Hydro Ottawa's role, and bill components to enhance customer understanding.
- **Transparency on Costs:** Customers were presented with the overall budgetary impact of the draft plan, including estimated monthly bill increases.
- **Detailed Investment Categories:** The workbooks provided a breakdown of proposed investments across four key categories:
    - Growth and Electrification (55% of proposed capital expenditures)
    - Aging Infrastructure (33% of proposed capital expenditures)
    - Grid Modernization (7% of proposed capital expenditures)
    - Grid Resilience (5% of proposed capital expenditures)
- **Feedback Mechanisms:** Customers were invited to provide input on preferred approaches to managing costs, investing in customer programs, and the overall effectiveness of the engagement process.

The Phase II workbooks concluded by assessing customers' overall social permission for the proposed investment plan and associated rate increases.

Key findings include:

- **Strong Overall Support:** The results demonstrated strong overall support for the plan, particularly among commercial customers who recognize the value of a reliable and modern electricity grid.
- **Acceptance of Necessary Increases:** While many customers expressed a general dislike for bill increases, a majority within each customer category acknowledged the necessity of these increases to fund critical system investments.
- **Desire for Accelerated Investment:** A significant minority of respondents favored an even faster pace of investment, indicating a willingness to absorb higher near-term costs to expedite system upgrades and realize their associated benefits sooner.

This feedback provided valuable insight into customer perspectives on the balance between affordability and the need for continued investment in a reliable and sustainable electricity system, which is outlined in Table 2 below.

Table 2 - Support for Proposed Investment Plan per Rate Class

Support for Proposed Investment Plan	Residential	Small Business	Commercial and Key Account
I think Hydro Ottawa should accelerate spending beyond its proposed draft plan to deliver better system outcomes	19%	20%	8%
I support the proposed bill increase when it comes to preparing Hydro Ottawa's grid for the future	28%	25%	32%
I don't like the proposed bill increase, but I think it's necessary to maintain the grid to a reasonable standard and prepare for the future	37%	39%	54%
Total Social Permission for Investment Plan	**84%**	**83%**	**94%**
I oppose the bill increase and think Hydro Ottawa needs to scale back its plan	11%	13%	2%
I don't know	5%	4%	4%

To maximize participation in the Phase II customer engagement survey, Hydro Ottawa employed a multi-faceted outreach strategy.

The outreach strategy included:

- **Email Communications:** A series of targeted email campaigns (initial, follow-up, and reminders) were the primary driver of survey participation.
- **Website Presence:** A dedicated landing page and website banner provided easy access to the survey.
- **Digital and Social Media:** Targeted social media campaigns and digital advertising, including posts amplified by municipal councillors, increased awareness.
- **Traditional Advertising:** Bill inserts, on-hold messages, shareholder letters, radio ads, and print advertising were utilized to reach a broader audience.

This multi-channel approach ensured widespread visibility of the survey across various customer touchpoints. Modest participation incentives were also offered to further encourage engagement.

The valuable insights obtained from Phase II were incorporated to refine and finalize the 2026-2030 investment plan. Full copies of the workbooks and survey results by customer class are available in Attachment 1-4-2(A) - Customer Engagement Report on Hydro Ottawa's 2026-2030 Rate Application (see pages 241-500).

2.3. KEY TAKEAWAYS

Overall, 25,721 customers provided feedback on Hydro Ottawa's 2026-2030 investment plan. The outcomes of both Phase I and Phase II of the consultation are summarized and analyzed in more detail in the following appendices of Attachment 1-4-2(A) - Customer Engagement Report on Hydro Ottawa's 2026-2030 Rate Application:

PHASE I

- Appendix.01 – Low-Volume Customer Needs & Preference Focus Groups
- Appendix.02 – C&I Customer Needs & Preference Interviews
- Appendix.03 – Key Account Needs & Preference Interviews
- Appendix.04 – Residential Needs & Preferences Survey
- Appendix.05 – Small Business Needs and Preferences Survey
- Appendix.06 – C&I Needs and Preferences Survey
- Appendix.07 – Key Accounts Needs and Preferences Survey
- Appendix.08 – Needs and Preferences Planning Placemat

PHASE II

- Appendix.09 – Residential Trade-off Survey
- Appendix.10 – Small Business Trade-off Survey
- Appendix.11 – GS>50 kW Trade-off Survey

Hydro Ottawa's customer engagement initiatives revealed that a majority of participating customers are willing to support the investments outlined in the utility's draft plan, reflecting a shared understanding of the necessity for ongoing investment in a reliable and sustainable electricity system.

Integrating Customer Feedback

Hydro Ottawa has demonstrably integrated customer feedback into its investment and business plans. The following Schedules within the Distribution System Plan detail how capital investments will be strategically paced to align with customer priorities while managing rate impacts:

- Schedule 2-5-1 - Distribution System Plan Overview
- Schedule 2-5-2 - Coordinated Planning with Third Parties
- Schedule 2-5-3 - Performance Measurement for Continuous Improvement
- Schedule 2-5-4 - Asset Management Process
- Schedule 2-5-5 - Capital Expenditure Plan

In addition, the following Material Investment plans explicitly outline the customer benefits associated with each proposed investment in both the distribution grid, and non system assets such as fleet, facilities, information technology, and tools:

- Schedule 2-5-6 - System Access Investments
- Schedule 2-5-7 - System Renewal Investments
- Schedule 2-5-8 - System Service Investments
- Schedule 2-5-9 - General Plant Investments

Finally, Schedule 1-2-3 - Business Plan details Hydro Ottawa’s formal Business Plan, which outlines how Hydro Ottawa capital and operational plans are tailored to reflect customer needs and priorities.

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Hydro Ottawa
Customer Engagement

Executive Summary

2026-30 CIR Application

Prepared by **Innovative Research Group Inc.**

STRICTY CONFIDENTIAL

Customer Engagement

2026-30 CIR Application

January 2025

Confidentiality

This report and all the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Hydro Ottawa Limited (Hydro Ottawa).

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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Introduction

Hydro Ottawa Limited (**Hydro Ottawa**) commissioned Innovative Research Group Inc. (**INNOVATIVE**) to design, execute, and document the results of its customer engagement process under the Renewed Regulatory Framework for Electricity Distributors (RRFE) as part of its business planning process for the 2026-2030 Custom Incentive Rate-Setting Application.

Throughout the process of developing its 2026-2030 Custom Incentive Rate-Setting Application, Hydro Ottawa set out to gather meaningful feedback from its customers, specifically when it came to their needs, preferences and trade-offs regarding the pacing and prioritization of specific investment and spending areas.

Finding from Hydro Ottawa's customer engagement demonstrate strong support for the draft plan, across all rate classes.

When customers were asked about bill impact in the context of the pacing of investments and other outcomes, they chose to pay more to sustain and/or improve the system. Following the key trade-off choices, customers were shown the total cost impact of their choices and given an opportunity to change their responses. The following summarizes customer feedback on key investment trade-offs:

- **Aging Infrastructure**: trade-offs regarding the pace of replacing end-of-life or deteriorating infrastructure saw preferences for Hydro Ottawa's *draft plan* or an *accelerated investment pace* at 76% for residential, 73% for small business, and 96% for GS>50kW customers.

- **Metering Renewal**: trade-offs regarding the pace of replacing older, obsolete meters saw preferences for the *draft plan* or an *accelerated investment pace* at 69% for residential, 65% for small business, and 75% for GS>50kW customers.

- **Grid Modernization**: trade-offs regarding investments in new assets and technology, including real-time grid visibility and remote control of feeders saw preferences for the *draft plan* or an *accelerated investment pace* at 79% for residential, 76% for small business, and 93% for GS>50kW customers.

- **Growth and Electrification**: trade-offs regarding investments in the grid to meet growing demand for electricity saw preferences for the *draft plan* or an *accelerated investment pace* at 68% for residential, 71% for small business, and 89% for GS>50kW customers.

- **Grid Resilience**: trade-offs regarding investments to make the grid more resilient against external factors, such as extreme weather, saw preferences for the *draft plan* or an *accelerated investment pace* at 81% for residential, 80% for small business, and 93% for GS>50kW customers. NOTE: for this trade-off, a plurality (or majority) of customers, across all rate classes, preferred an accelerated investments pace over the other options presented.

A similar response was seen when customers were asked about the total cost of the Hydro Ottawa's draft plan and given the option to support the plan or to support spending above or below the amount required

by the plan. Social permission[1] for Hydro Ottawa's draft plan was 84% among residential customers, 83% among small businesses, and 94% among GS>50kW customers.

An average of 87% of customers, across all rate classes, provided *social permission* to proceed with Hydro Ottawa's draft plan.

Approach to Meaningful Customer Engagement

The Ontario Energy Board's (OEB) "consumer-centric" approach to rate applications contained in the *RRFE* requires Local Distribution Companies (LDCs) to demonstrate that their services are provided in a manner that responds to identified customer needs and preferences.[2] LDCs are required to provide an overview of customer engagement activities that they have undertaken with respect to their plans and how customer needs and preferences have been reflected in the LDCs' application. The Handbook for Utility Rate Applications notes the following: *"The OEB expects a utility's rate application to provide an overview of customer needs, preferences and expectations learned through the utility's customer engagement activities."*[3] These requirements have the effect of bringing customers feedback data to bear on utility planning.

The OEB does not specify how customer engagement should be conducted or how customer feedback should be received. However, it has encouraged utilities to use *"both existing and new processes."*[4] Hydro Ottawa's customer engagement was designed with this in mind, where customer feedback was collected using multiple methodologies, including: an online customer feedback portal, focus groups, one-on-one interviews, and online surveys. Additional information on the approach is provided in subsequent sections of this executive summary and within the relevant appendices.

Throughout 2024, INNOVATIVE gathered feedback from nearly 26,000 Hydro Ottawa customers as part of the utility's application-specific customer engagement efforts. In context, this engagement represented Hydro Ottawa's largest and most comprehensive customer engagement to date.

The key objectives of this customer engagement were to:

1. Obtain input as to customers' needs and preferences as they relate to the outcomes and goals that the utility should focus on over the 2026-2030 rate period.

2. Solicit customer feedback on key investment areas based on pacing, bill impact, and performance outcomes.

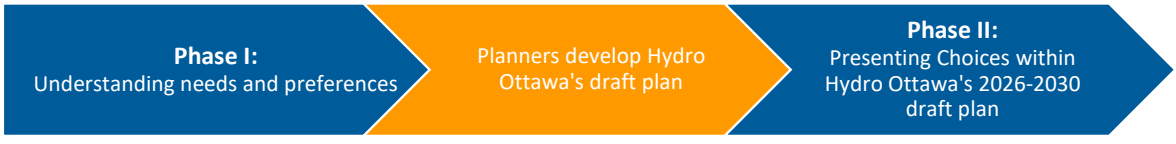
3. Assess overall social permission for the draft plan.

[1] **Social permission** is the percentage of customers who responded to Hydro Ottawa's draft plan by indicating either: (1) they think Hydro Ottawa should accelerate spending beyond the level in the draft plan to deliver better system outcomes, (2) they support the proposed rate increase that is reflected in the draft plan, or (3) they feel that the proposed rate increase in the draft plan is necessary, even though they do not like paying more.

[2] OEB Renewed Regulatory Framework for Electricity: Sections 2.4.1, 4.0, and 4.1.
[3] Handbook for Utility Rate Applications, p. 12 (October 13, 2016)
[4] Handbook for Utility Rate Applications, p. 12 (October 13, 2016)

INNOVATIVE and Hydro Ottawa developed a two-phased engagement approach to achieve these objectives. Following the customer engagement in Phase I, Hydro Ottawa developed a draft plan to align with identified customer needs, preferences, and expectations. Afterwards, INNOVATIVE worked with Hydro Ottawa to translate the draft plan into engagement materials that a typical customer could understand. INNOVATIVE developed a workbook survey and tested it through a series of one-on-one interviews to ensure the clarity of information presented to customers.

After testing and refinements, the workbook was then made available to all customers. It mainly focused on obtaining customer feedback on key investment areas based on pacing, bill impact, and performance outcomes.



The way customers want to be engaged is evolving. Building off lessons learned from its 2021 rate application customer engagement (as well as other Ontario LDC customer engagements), Hydro Ottawa's approach employed enhanced methods of engagement to better meet evolving expectations.

This document contains the results of both phases of customer engagement, with a focus on the generalizable results of the representative customer samples from Phases I and II.

Customer Engagement Key Findings

Phase I: Understanding Customer Needs and Preferences

Based on the direction provided by the Handbook for Utility Rate Applications and previous OEB decisions, the first phase of Hydro Ottawa's customer engagement focused on understanding customers' **needs** and **preferences**, defined as follow:

Needs	**Needs questions** focus on understanding the gap between the services and experience customers want and the services and experience customers are receiving.
Preferences	**Preferences questions** focus on customer views about the outcomes the utility should focus on, priorities among those outcomes, and trade-offs illustrated by choices on specific programs or the pacing and prioritization of investments.

The first phase of the customer engagement took place between **January and May 2024**. This phase involved extensive planning, followed by obtaining input on customers' needs and preferences as they relate to the outcomes and goals that the utility should focus on over the 2026-2030 rate period.

Customer Engagement Approach

As one of the objectives of Phase I was to obtain input as to customers' needs and preferences, the customer engagement focused on understanding the range of views that exist within the customer base, how different types of customers perceive certain issues, and ultimately deliver a summary or "**Placemat**" (see **Appendix.08**) that can be used by the planners in developing the draft plan.

This initial phase of engagement was conducted during Hydro Ottawa's planning cycle to ensure that the draft plan that was subsequently prepared took into consideration the needs and preferences of customers. Building on existing research, INNOVATIVE conducted a series of exploratory focus groups and in-depth interviews with customers.

Between February and April 2024, an initial round of exploratory qualitative research was conducted amongst residential, small business (GS<50 kW), commercial & industrial (GS>50kW), and key account customers. Through discussing customers' expectations, today and into the future, these focus groups and interviews were able to identify key outcomes, and the criteria customers use to measure success. This engagement also provided insights into what customers expect of Hydro Ottawa, and what customers prioritize, both in the context of valued customer outcomes, and choices the utility was considering in its 2026-2030 rate application.

Hydro Ottawa's customer engagement was an iterative process, wherein each phase and activity informed the next. The results of the exploratory qualitative research customers (see **Appendices 01-03**) played an important role in informing the questions that were asked in the subsequent online surveys. Results from these subsequent surveys formed the bulk of the insights gathered in Phase I of customer engagement.

The graphic below summarizes the sample sizes of the online surveys conducted by rate class.



This section provides an overview of customer needs, preferences and expectations as gathered through the representative online surveys conducted in Phase I. Full results can be found in **Appendices 04-07.**

Customer Needs

Before understanding customer needs, the survey measured customer satisfaction with the services provided by Hydro Ottawa. A large majority of the customers across rate class were satisfied with the services provided.

Overall Satisfaction with Hydro Ottawa	Phase I Online Survey Results			
	Residential (n=3,357)	Small Business (n=438)	C&I* (n=50)	Key Accounts* (n=37)
Satisfied	83%	80%	89%	84%
Neutral	11%	13%	8%	12%
Dissatisfied	5%	7%	0%	4%

* Interpret C&I and Key Account results as directional due to the small sample size.

Comprehending customer needs means understanding the gap between the services and experience customers want and the services and experience customers are receiving. To uncover this gap, we asked what Hydro Ottawa could do to improve its services.

Overall, the results indicated that Hydro Ottawa is meeting its customers' needs. In addition to overall high levels of satisfaction with Hydro Ottawa, most customers – across all rate classes – indicated they either *don't know* or *do not believe that there is anything specific* that the utility can do to improve services.

Top-5 Customer Needs (open-ended)	Phase I Online Survey Results			
	Residential (n=3,357)	Small Business (n=438)	C&I* (n=50)	Key Accounts* (n=37)
1st	**Don't know**	**Don't know**	**Don't know**	**Don't know**
2nd	Billing	Billing	Nothing	Nothing
3rd	Nothing	Nothing	Customer Service	Customer Service
4th	Reliability	Reliability	Billing	Communications
5th	Communications	Customer Service	Communications	Reliability

* Interpret C&I and Key Account results as directional due to the small sample size.

Customer Preferences

Based on a preliminary review of Hydro Ottawa's past and ongoing customer engagement efforts, as well as the initial exploratory qualitative research, a list of potential utility outcomes was identified as follows:

For residential and small business customers:

1. *Maintaining reliable electrical service for customers.*
2. *Preparing the grid to withstand increasingly severe weather events.*
3. *Providing accurate and timely communications during power outages.*
4. *Delivering electricity at a reasonable price.*
5. *Helping customers with energy conservation.*
6. *Building capacity for the electricity grid to meet the local community's expected future needs.*
7. *Replacing aging electrical infrastructure operating beyond its expected useful life.*
8. *Providing tools and new technologies to help customers better manage their electricity usage.*
9. *Ensuring the safety of electrical equipment and infrastructure.*
10. *Providing customers with advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EVs, contractors, energy products, etc.) so they can make more informed decisions.*

For C&I and key account customers:

1. *Providing reasonable electricity distribution rates.*
2. *Providing reasonable timelines for capital projects (e.g. new connections/service upgrades/relocations).*
3. *Ensuring reasonable costs for capital projects (e.g. new connections/service upgrades).*
4. *Delivering reliable electrical service, including power quality (e.g. minimizing voltage fluctuations and momentary interruptions).*
5. *Hardening the local grid to withstand increasingly severe weather events (e.g. windstorms, thunderstorms, derechos, tornados, floods, ice storms, and heatwaves).*
6. *Providing enhanced advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EV charging stations, contractors, energy products, etc.).*
7. *Ensuring electrical capacity is available to meet future customer demand.*
8. *Investing in technology that permits customers to better manage and monitor their electricity usage and/or local generation.*
9. *Ensuring the safe operations of its infrastructure.*
10. *Providing "behind the meter" electricity solutions and services (e.g. designing, building, or maintaining distributed generation or battery storage solutions for customers).*

General Priorities

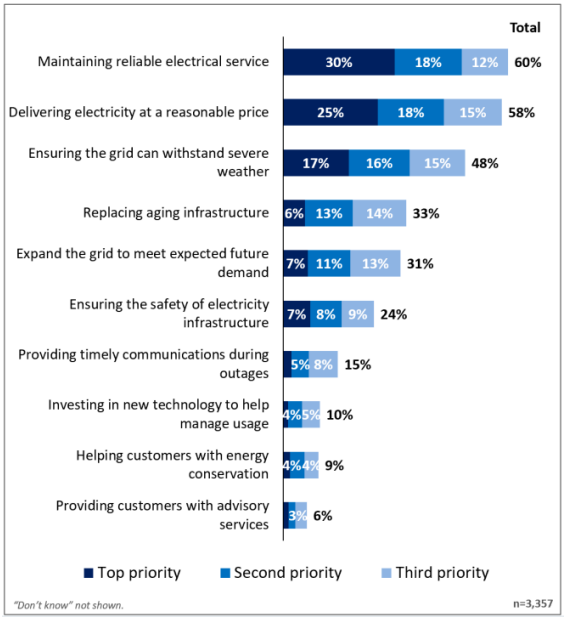
Among competing outcomes, *reliability, rates,* and *preparing the grid to withstand severe weather events* were the top three priorities for both residential and small business customers. Commercial and industrial customers prioritized *rates, hardening the grid to withstand severe weather* and *grid capacity expansion.* For key account customers, *hardening the grid to withstand severe weather, reliability* and *grid capacity expansion* topped the list of service outcome priorities.

Prioritizing Outcomes	Phase I Online Survey Results			
	Residential (n=3,357)	Small Business (n=438)	C&I* (n=50)	Key Accounts* (n=37)
(%) indicates total percentage by rate class that place specific priority in their top 3 outcomes	**Reliable service (60%)**	**Reasonable rates (62%)**	**Reasonable rates (65%)**	**Hardening the grid to withstand severe weather (68%)**
	Reasonable rates (58%)	**Reliable service (62%)**	**Hardening the grid to withstand severe weather (58%)**	**Reliable service (59%)**
	Prepare the grid to withstand severe weather events (48%)	**Prepare the grid to withstand severe weather events (42%)**	**Grid capacity expansion for future demand (44%)**	**Grid capacity expansion for future demand (54%)**

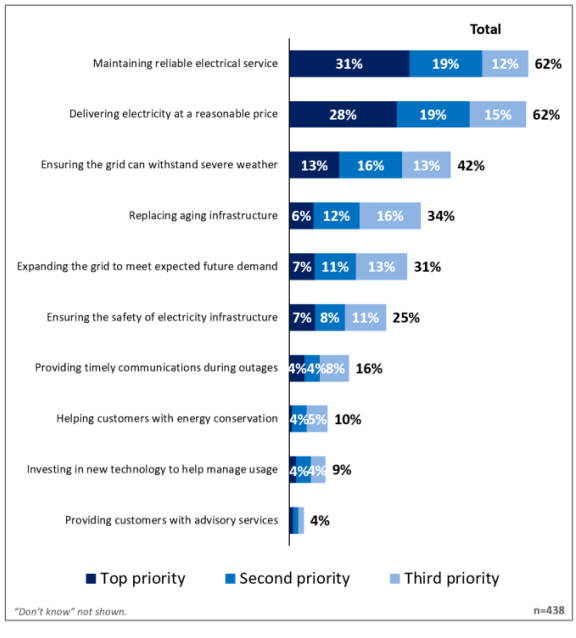
* Interpret C&I and Key Account results as directional due to the small sample size.

The charts below detail the full outcome priorities ranking identified in Phase I of the customer engagement, by rate class.

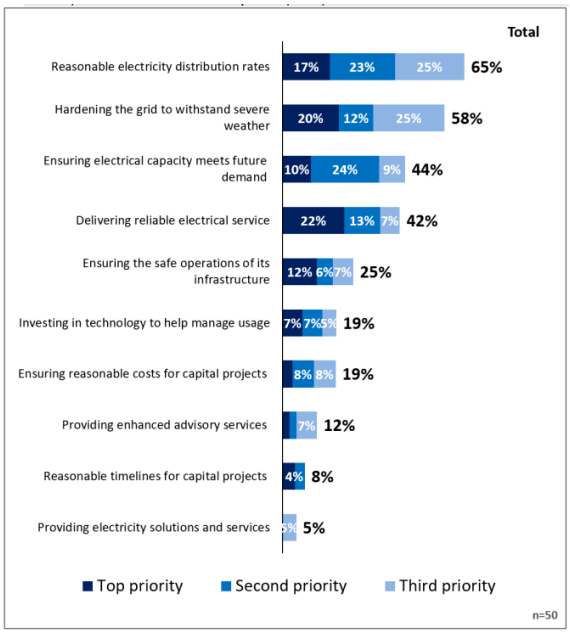
Residential



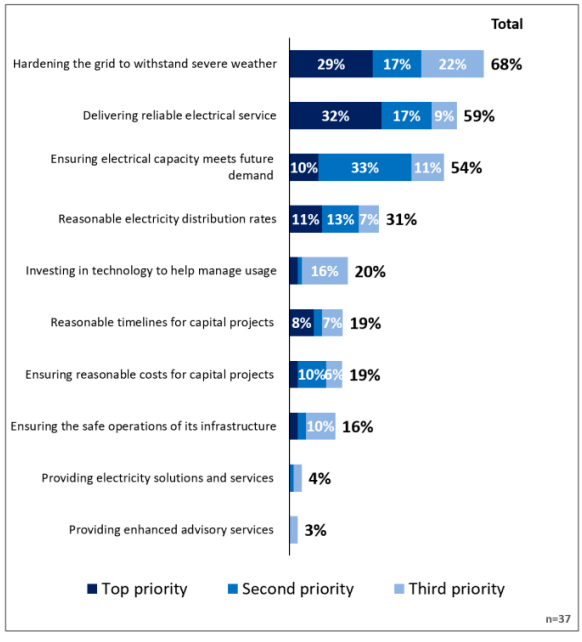
Small Business



Commercial & Industrial



Key Accounts



In addition to identifying top customer needs and general priorities, other preferences around **reliability**, **investment trade-offs** and **grid modernization** were measured.

Prioritizing Reliability Investments

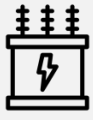
In terms of prioritizing reliability investments, residential and small business customers were primarily interested in reducing the length of restoration time caused by extreme weather. C&I and key account customers put a greater priority on investments that generally reduce the number of regular outages.

Reliability	Phase I Online Survey Results			
	Residential (n=3,357)	Small Business (n=438)	C&I* (n=50)	Key Accounts* (n=37)
(%) indicates total percentage by rate class that place specific priority in their top 3 outcomes	**Reduce restoration time in extreme weather (72%)**	**Reduce restoration time in extreme weather (68%)**	**Reduce outages (70%)**	**Reduce outages (68%)**
	Reduce outages in extreme weather (61%)	**Reduce restoration time (62%)**	**Reduce restoration time in extreme weather (68%)**	**Reduce restoration time (61%)**
	Reduce restoration time (61%)	**Reduce outages (61%)**	**Reduce outages in extreme weather (58%)**	**Reduce outages in extreme weather (61%)**

* Interpret C&I and Key Account results as directional due to the small sample size.

Support for Core Investment Priorities

The Phase I customer engagement surveys revealed that a majority of customers support investments in core aspects of Hydro Ottawa's distribution system, even if that meant electricity bills would need to increase.

Investment Trade-off (% total support)		Residential (n=3,357)	Small Business (n=438)	C&I* (n=50)	Key Accounts* (n=37)
	**System Renewal** Necessary investments in aging infrastructure to maintain system reliability.	**76%**	**74%**	**69%**	**83%**
	**General Plant** Necessary investments to ensure staff have reliable equipment and IT systems.	**71%**	**64%**	**75%**	**74%**
	**System Service** Proactive investments to ensure customers in high-growth areas do not experience a decrease in reliability.	**62%**	**62%**	**63%**	**81%**

* Interpret C&I and Key Account results as directional due to the small sample size.

Support for Grid Modernization

A key component of Hydro Ottawa's Phase I customer engagement was to understand customer priorities as they pertain to the energy transition and electrification.

Across all rate classes, customers were supportive of Hydro Ottawa exploring investments in new technologies that provide better services and improve efficiencies with the expectation is that Hydro Ottawa would communicate the cost-benefits of investments.

Furthermore, customers were supportive of the idea of Hydro Ottawa exploring electrification investments today that help prepare for the future, even if the benefits might not be immediately realized.

Grid Modernization (% total support)		Residential (n=3,357)	Small Business (n=438)	C&I* (n=50)	Key Accounts* (n=37)
	**Higher Cost Technologies** Explore new technologies that would make the system better even if it could increase customer rates.	**67%**	**69%**	**66%**	**77%**
	**Delayed Benefit** Explore new technologies that that might not provide immediate benefit but will in the future.	**68%**	**65%**	**59%**	**73%**

* Interpret C&I and Key Account results as directional due to the small sample size.

Delivery of Phase I Findings

The findings from these surveys are also summarized in the *"Customer Engagement: Needs and Preferences Planning Placemat"* (see **Appendix.08**) which was shared with Hydro Ottawa planners, to ensure customer feedback could be considered as a key input in the development of Hydro Ottawa's draft distribution system and business plan.

Phase II: Accessing Trade-off in the 2026-30 Draft Plan

Following the delivery of Phase I findings in the spring of 2024, Hydro Ottawa began developing a draft plan to align with identified customer needs, preferences, and expectations. Hydro Ottawa engaged again with INNOVATIVE to design, execute, and document the results of a second customer engagement based on that plan.

The purpose of this second phase of engagement was to:

1. Solicit customer feedback on key investment areas based on pacing, bill impact, and performance outcomes.
2. Assess overall social permission for the draft plan.

Customer Engagement Approach

INNOVATIVE worked with Hydro Ottawa to understand the utility's draft plan, where there was optionality within the plan, and what implications these decisions would have for customers, including service levels and bill impacts. In 2024, the draft plan was then translated into engagement materials that a typical customer could understand. INNOVATIVE developed a workbook survey and tested it through a series of one-on-one customer interviews. The survey was then made available to all customers in the fall of 2024.

Using workbook surveys, customers were re-engaged to solicit feedback on Hydro Ottawa's draft plan and explore specific trade-offs in relation to five key investment areas and the associated bill impacts, as well as the pacing and prioritization of investments.

The following section summarizes customer feedback from this online survey among residential, small business, commercial and industrial and key account customers (GS>50 kW)

The graphic below summarizes the sample sizes of this engagement by customer rate class.



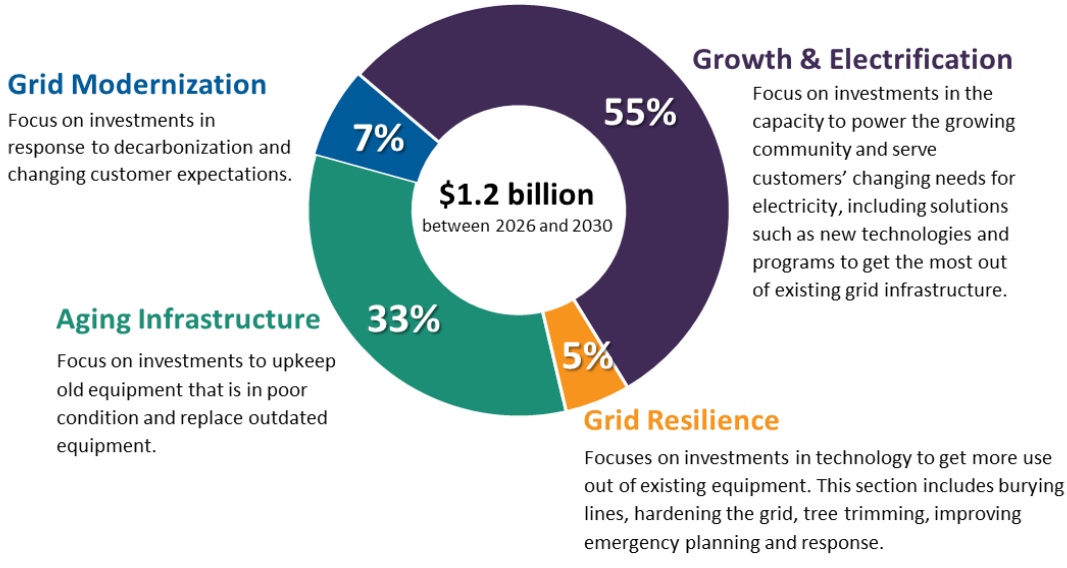
* C&I and Key Account customers were directed to the same workbook survey which based bill impacts on the typical GS>50kW account. The rationale for this approach is because most Key Account customers represent multiple accounts within the GS>50kW rate class, as opposed to the large use customer rate class.

For reporting purposes, C&I and Key Account customers have been grouped together in the tables below to represent the GS>50kW rate class.

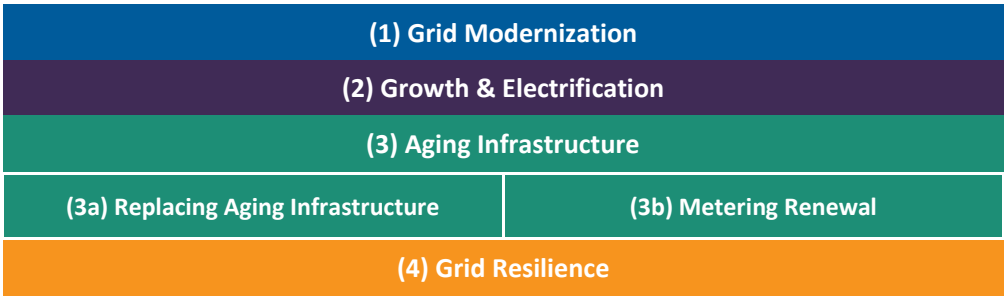
Core Investment Categories

Hydro Ottawa's 2026–2039 draft plan was made up of four spending categories:

1. *Grid Modernization*
2. *Growth & Electrification*
3. *Aging Infrastructure*
4. *Grid Resilience*.



Within these **four categories**, customers were asked to make choices on trade-offs consisting of **five key investment areas**:



Social Permission

An average of 87% of customers, across all rate classes, gave Hydro Ottawa social permission to proceed with its draft plan.

These customers provided social permission by indicating either:

1. They think Hydro Ottawa should accelerate spending beyond the level in the draft plan to deliver better system outcomes.
2. They support the proposed rate increase that is reflected in the draft plan, or
3. They feel that the proposed rate increase in the draft plan is necessary, even though they don't like the proposed rate increase.

Together, these three customer choices constitute what we define as "social permission".

Overall Social Permission by Rate Class

Rate Class	Residential	Small Business	GS>50 kW*	Average Across Rate Class
Sample Size	n=21,280	n = 515	n = 44	
Proposed Rate Impact (increase by 2030)	$17.76	$47.11	$1,219.15	
Accelerate spending	19%	20%	8%	16%
Support proposed bill	28%	25%	32%	28%
Necessary to maintain grid	37%	39%	54%	43%
Oppose the bill increase	11%	13%	2%	9%
Don't know	5%	4%	4%	4%
Social Permission (Accelerate + Support + Necessary)	**84%**	**83%**	**94%**	**87%**

* Due to the small sample size, C&I and KA Customers were combined in Phase Two to represent the GS>50kW rate class for the purposes of analysis.

In addition to assessing the level of social permission customers gave to Hydro Ottawa's draft plan, the survey also gauged customer preferences on specific trade-offs within the five key investment areas. Within each investment area, customers were given three options to choose from:

1. **Accelerated Pace:** A faster paced spending option that would make additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.
2. **Hydro Ottawa's Draft Plan:** The option presented in the draft plan that proposed measures and investments meant to maintain the current safety and reliability of the grid.
3. **Slower Pace:** A minimum spending option that would prices lower and meet the basic performance requirements, but may entail some trade-offs on key outcomes, such as reliability.

The tables below show the trade-off preference for each investment area and social permission for residential, small business, and GS>50kW customers.

Residential

Accelerated + Draft Plan	Three Categories of Customer Preference			Accelerated + Draft Plan
	Accelerated Pace	Draft Plan	Slower Pace	
Overall Social Permission	**84%**			
Replacing Aging Infrastructure	41%	35%	18%	**76%**
Metering Renewal	19%	50%	25%	**69%**
Grid Modernization	35%	44%	15%	**79%**
Growth & Electrification	23%	45%	26%	**68%**
Grid Resilience	48%	33%	12%	**81%**

Small Business

Accelerated + Draft Plan	Three Categories of Customer Preference			Accelerated + Draft Plan
	Accelerated Pace	Draft Plan	Slower Pace	
Overall Social Permission	**83%**			
Replacing Aging Infrastructure	39%	34%	20%	**73%**
Metering Renewal	18%	47%	28%	**65%**
Grid Modernization	34%	41%	17%	**76%**
Growth & Electrification	25%	46%	22%	**71%**
Grid Resilience	48%	31%	13%	**80%**

GS>50kW (C&I + Key Accounts)

Accelerated + Draft Plan	Three Categories of Customer Preference			Accelerated + Draft Plan
	Accelerated Pace	Draft Plan	Slower Pace	
Overall Social Permission	**94%**			
Replacing Aging Infrastructure	25%	70%	2%	**96%**
Metering Renewal	16%	59%	23%	**75%**
Grid Modernization	15%	77%	6%	**93%**
Growth & Electrification	13%	75%	10%	**89%**
Grid Resilience	52%	41%	6%	**93%**

Note: Due to the small sample size, C&I and KA Customers were combined in Phase Two to represent the GS>50kW rate class for the purposes of analysis.

LEAP Qualified Residential Customers

While lower than the average residential customer, 78% of Low-income Energy Assistance Program (LEAP) qualified residential customers gave Hydro Ottawa social permission to proceed with its draft plan.

The level of social permission was similar among customers who did not disclose their household income after tax and household size in the survey.

The level of social permission among residential customers whose household income after tax is less than $71,000 but who do not qualify for LEAP is on par with the residential customers overall.

Social Permission by Residential Rate Class

	Residential Overall	LEAP Qualification			
		LEAP Qualified	Income <$71k, Not LEAP Qualified	Income>$71k, Not LEAP Qualified	Prefer not to say
Accelerate spending	19%	14%	15%	24%	13%
Support proposed bill	28%	23%	31%	31%	22%
Necessary to maintain grid	37%	41%	40%	34%	40%
Oppose the bill increase	11%	14%	11%	8%	17%
Don't know	5%	8%	4%	3%	8%
Social Permission (Accelerate + Support + Necessary)	**84%**	**78%**	**85%**	**89%**	**75%**

Customer Engagement Coverage & Enhancements

The following section provides details on the expanded coverage and enhancements applied in Hydro Ottawa's customer engagement.

Comparing Coverage to Previous Customer Engagement

The number of customers who completed Hydro Ottawa's Phase II survey increased from the utility's last rate filing customer engagement in 2019. This is particularly pronounced among small business and GS>50kW customers as seen in the table below.

Phase II Customer Engagement Responses:

Rate Class	2024 Engagement (Phase II Online Surveys)	2019 Engagement (Phase II Online Surveys)
Residential	n=21,280	n=17,208
Small Business	n=515	n=307
GS>50kW*	n=44	n=13

* Due to the small sample size, C&I and KA Customers were combined in Phase Two to represent the GS>50kW rate class for the purposes of analysis.

Enhancements to Hydro Ottawa's Customer Engagement Survey

Enhanced elements in Hydro Ottawa's 2024 customer engagement survey included:



Investment categories: Both Hydro Ottawa's latest and past customer engagement surveys/workbooks were organized around four investment categories.

- The investment categories in the 2019 version: *system access, system renewal, system service,* and *general plant*.
- The investment categories in the latest version: *grid modernization, growth and electrification, aging infrastructure,* and *grid resilience*.

The details in the breakdown of the investment categories are different between surveys. Additionally, the questions asked to help customers make choices are different between surveys.

The rationale for renaming the four investment categories in the latest survey was to present terminology that would be better understood by customers.

Both approaches were designed to solicit feedback on customer preferences and trade-offs between price and other key outcomes.

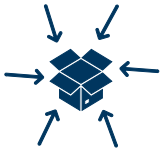
Customer outcomes: When soliciting feedback about customer trade-offs, the engagement survey laid out how price connected to outcomes in a grid format.



- In both 2019 and the latest version of the customer engagement surveys/workbooks, the grids allowed customers to better understand the trade-offs between price and the various performance outcomes.
- Unlike the 2019 version, the grids in the latest survey had a "What is included" section that provided more detail on the trade-offs between price and the different outcomes.



Dynamic bill calculator: A bill calculator was included in both the 2019 and 2024 surveys. This calculator was enhanced in the 2024 survey to provide customers with real-time estimated net bill impact as they adjusted their choices. The enhanced calculated greater ease in building a bill that better reflected customer preferences and priorities relative to the draft plan.



Giving all customers a chance to participate: A more extensive effort was made to enhance accessibility and broaden participation in the representative online survey. Previously, participation was primarily limited to email, but now a wider range of communication channels has been utilized to allow more customers to engage. In addition to email and bill inserts, the survey was promoted through social media platforms, digital advertising, and QR codes in print materials. Customers accessing the survey via these channels were able to verify their status as Hydro Ottawa customers by providing their account number and the first three characters of their postal code. This process ensured that the survey results more accurately reflected the views of a broader customer base, including those who responded through channels other than email.



Enhanced Customer Understanding: To help customers better understand the driving forces behind the energy transition, optional user-relevant data pop-up boxes were added. These provided insights into energy usage impacts with clear examples, such as the electricity consumption of AI databases compared to traditional data centres, as well as demonstrating the consumption of electric vehicles.

Building Understanding.

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APPENDIX 01

Phase I Customer Engagement
2026 Rate Application

Low-Volume Customer Needs & Preference Focus Groups

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February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

Residential & Small Business

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Customer Engagement

2026-2030 COS Rate Application

February 2025

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Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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Methodology

Innovative Research Group Inc. (INNOVATIVE) was engaged by Hydro Ottawa Limited (Hydro Ottawa) to design, execute, and document the results of its customer engagement, as part of Hydro Ottawa's Cost of Service (COS) Rate Application to the Ontario Energy Board (OEB) for the years 2026 to 2030.

The primary goal of the Phase I Low-Volume focus groups was to explore customer needs and preferences with regards to the electricity service they receive from Hydro Ottawa today as well as into the future. This research also touched upon perceptions around energy transition, Hydro Ottawa's role in the energy transition, and its impact on customers.

As part of this engagement, a series of focus groups were held among Hydro Ottawa Low-Volume customers (e.g. residential and small business customers) between March 12th and 13th, 2024 via the Zoom videoconference platform. Four (4) focus groups were held with low-volume customers (residential and small business customers) from each of the following areas below:

Date	Focus Group Times	Number of Participants	Customer Type	Service Area
March 12th, 2024	5:30 pm – 7:30 pm	8 participants	Small business	Downtown Ottawa
	7:30 pm – 9:30 pm	9 participants	Residential	
March 13th, 2024	5:30 pm – 7:30 pm	7 participants	Small business	Suburbs
	7:30 pm – 9:30 pm	7 participants	Residential	

Participants were recruited randomly by e-mail, using customer lists provided by Hydro Ottawa.

Residential customers received a $100 cash incentive as compensation for their time, while Small Business participants received $150.

Focus Group Structure

The focus groups were facilitated by a trained moderator and followed a structured discussion guide. All groups began with a discussion about what Hydro Ottawa does, Hydro Ottawa's share of customers monthly electricity bill, and how Hydro Ottawa fits into Ontario's electricity system. To aid in this discussion, a handout was used and displayed to customers through screensharing (see Appendix).

Customers were then asked about their level of satisfaction with Hydro Ottawa's services, and what Hydro Ottawa could do to better serve them as their electricity distributor. The groups went on to discuss their expectations from Hydro Ottawa as well as what priorities they thought Hydro Ottawa should focus on.

The latter half of the group focused on the future of Hydro Ottawa, starting off with the issues and challenges that Hydro Ottawa will face in the next decade, and the consequences of leaving these issues unaddressed.

The groups then moved on to familiarity with energy transition, how customers feel about the energy transition, and Hydro Ottawa's role in the transition. To aid in this discussion, a handout was used and displayed through screensharing (see Appendix).

The discussion wrapped up with a conversation on whether they feel Hydro Ottawa cares about their customers, how Hydro Ottawa can consult with their customers in the future, and whether opinions have changed as a result of the discussion.

This report summarizes key findings and offers observations. Respondents' verbatim responses are in italics. In general, our approach in reporting is to allow the respondents to be heard as much as possible, utilizing representative verbatim comments, offering interpretation and comment where necessary.

Note to the reader: Qualitative research does not hold the statistical reliability or representativeness of quantitative research. It is an exploratory research technique that should be used for strategic direction only. In focus group research, the value of the findings lies in the depth and range of information provided by the participants, rather than in the number of individuals holding each view.

Key Findings

Customers' familiarity with Hydro Ottawa was limited.

Customers generally understand Hydro Ottawa as their electricity provider but lack knowledge about its operations and ownership. The majority were unaware of the portion of their electricity bill allocated to Hydro Ottawa. Only a small number of customers had a more comprehensive understanding of Hydro Ottawa's role within Ontario's electricity system.

Billing issues were common, particularly among small business customers managing multiple properties.

Overall, most customers expressed satisfaction with Hydro Ottawa's service. Dissatisfaction stemmed from confusion with billing, difficulties in accessing information, and challenges during outages. Customers seek transparent billing procedures, user-friendly account management tools, and incentives for energy conservation to manage their expenses effectively. Clear and proactive communication regarding outages, billing, and energy-saving tips is also crucial for improving customer satisfaction.

Reliability is a top priority for customers, especially during extreme weather events.

When asked about their current needs and expectations regarding their electricity service, the main topic that arose unaided was reliability. Downtown customers generally experienced more satisfaction with reliability compared to suburb customers, who faced extended outages and financial impacts.

Hydro Ottawa will face issues and challenges: Customers think it's best to get ahead of it.

Most customers believe aging infrastructure, capacity constraints, and cybersecurity are emerging challenges for Hydro Ottawa. To maintain reliability, most customers say that Hydro Ottawa should be proactive in planning ahead. Recommendations for improvement include investing in hardening the system, modernizing the grid, and burying wires underground for increased reliability. Infrastructure investments and initiatives supporting environmental sustainability are also crucial to customer expectations.

Customers expect Hydro Ottawa to play an active role in the energy transition.

When discussing Hydro Ottawa's role in the energy transition, customers want Hydro Ottawa to take on an advisory or partnership role. This means being a source of information and advice on clean energy options and the technology available to customers. Moreover, they stress the importance of Hydro Ottawa offering incentives to motivate customers—especially small businesses—to upgrade their facilities for improved energy efficiency and transition to cleaner energy sources.

Hydro Ottawa Today

Role of Hydro Ottawa

Most participants had a general understanding of Hydro Ottawa as their electricity provider, but beyond that, customer knowledge was limited and for some, not top of mind. Few knew of Hydro Ottawa's place in the electricity system, how they operate, and who owns them. Some participants raised the question of whether Hydro Ottawa generates electricity. In addition, customers weren't aware of how much of their electricity bill was remitted to Hydro Ottawa, and a few participants were surprised after learning of the percentage.

When asked what else Hydro Ottawa does, maintenance of infrastructure was the top mention across the groups. Other responsibilities mentioned include providing information on electricity use and consumption, low-income assistance programs, and community initiatives. Only a few participants mentioned their role in innovation and research.

> *"[Hydro Ottawa] transmits and distributes electricity throughout the city…any kind of new projects, new buildings. They manage the construction on the public side of the property line to get it to your building, your facility and obviously maintenance, that sort of thing as well."* – **Small Business, Downtown Ottawa**

> *"I was saying, like, distribute energy, taking care of the grid, generate renewable energies."* – Small business, Suburbs

> *"Outside the scope of infrastructure and power, I know a lot of major companies kind of have a sustainability program in giving back to the community and I know that Hydro Ottawa has participated in programs like that in the past."* – Residential, Downtown Ottawa

> *"I've been in the power distribution business. I don't know enough about it though…if they're actually generating it, just distributing or doing both."* – Residential, Suburbs

General Satisfaction

Level of Satisfaction

After discussing the role of Hydro Ottawa in the electricity system, participants were asked about their satisfaction level regarding their electricity service. Most participants expressed satisfaction with their service, however, there were a few participants who were dissatisfied.

Those who were satisfied brought up reliability of their electricity service and outage management while those dissatisfied highlighted confusion with their electricity bill and difficulties in accessing and obtaining information.

Reliability

Reliability was the top unaided mention across all groups, with vastly different experiences between downtown Ottawa and suburbs groups. Those satisfied in terms of reliability were most likely to be Downtown Ottawa customers. These customers found Hydro Ottawa's services to be quite reliable with minimal outages reported. Participants from downtown Ottawa noted minimal service disruptions except during construction activities as well as speed in restoring electricity in the event of power outages.

In contrast, most suburbs customers expressed unreliability as the main reason for their dissatisfaction and the challenges they face due to extended outages. They emphasized the financial impact such as loss of wages (for residential customers) and loss of revenue and resources (for small businesses, particularly those who rely heavily on having continuous power supply). Across all the groups, participants mentioned the need for reliability to continue or be improved to keep customers satisfied.

> *"I think I expect more from them, especially with the delivering of the electricity and all the problems we've had in Ottawa. We had to shut down for a whole week I was in America. I'm in the Maryville area. So having to shut down your business for a whole week…you know, kills a lot of businesses."* – Small business, Suburbs

> *"Here in Ottawa, I haven't gotten a single power outage or anything like that. It's pretty nice."* – Residential, Downtown Ottawa

> *"There is a lot you can do to improve the reliability of the grid. I think if I were in charge I would have a plan to bury all the lines. With climate change, it's not great. We've had a lot of power outages. I had to get myself a solar system because the grid is not properly maintained. I've had outages of 1-2 days. Overall, I'm not impressed with Hydro Ottawa."* – Residential, Downtown Ottawa

Billing/Account

Billing was another area that was mentioned often when asked why they felt satisfied or dissatisfied. While most were satisfied with billing, some participants expressed confusion regarding how their bill was calculated, understanding their bill, and the available rate options. While issues faced by small business and residential customers were quite similar, there were also some differences.

For residential customers, one common concern was obtaining and assessing information regarding their bills and accounts. A few participants mentioned how it would be beneficial if Hydro Ottawa sent them information on the various plans available and provided recommendations based on their usage.

> *"From a customer standpoint, [a participant] mentioned the various levels and plans that you can be on. I find that a little bit confusing and where I'm not clear…It would be nice if Hydro Ottawa could make recommendations based on you know, if you're this type of person, this could you suit you. I think there's a lot that could probably be done to help direct people to the right type of plan that makes sense for them from a cost standpoint."* – Residential, Downtown Ottawa

For small business customers, some customers brought up concerns around unclear pricing and billing adjustments, logistical challenges, and difficulty in accessing accurate information and contacting customer service for resolutions. For example, for small business customers who manage multiple properties, these customers experienced delays in updating tenant changes and a poor website user experience when managing accounts. One customer mentions the inconvenience of paying each meter individually and the logistical burden of remembering multiple account details.

> *"I have many meters, nine to be exact. And it would be nice for me to be able to group them. But I can't do that I have to pay each one individually. And then I got to remember each account individually. And if there's something wrong with one, then, you know, just becomes, it's a bit of a logistical chore."* – Small Business, Downtown Ottawa

> *"I'm really, really confused about the billing, or because as a business, I want to know with that, which one is the cost of it. I do have a roaster which requires 60 amperes…but the bill, surprisingly, is less. And then I'm paying one bill into another location, which I don't have even that roaster."* – Small Business, Downtown Ottawa

> *"Like our company's new in Ottawa, and I find the deposit they are asking it's so big. And they keep like, yes, I understand, it's one month of your biggest bill…they keep asking more and more."* – Small Business, Suburbs

Communication

On communication, we heard mixed responses in the context of outage and billing/account communication. In the context of outage communication, some participants mentioned Hydro Ottawa was proactive in communicating outages, with mentions of text alerts they received and going to their website or social media for outage information. However, a few participants brought up the issue of providing accurate outage information so that customers can have a good estimate of when they expect their power to back on so that they could plan.

> *"I think that's fantastic they're being proactive about it. But what I find is when are finally able to connect to their website that shows the outage map. There's not a lot of clarity or detail there. Right? It seems very broad and average doubt in terms of when do you expect the power to come back?"* – Residential, Suburbs

In the context of billing/account communication, a few participants noted the difficulty in initial account setup. One participant, a newcomer to Canada, expressed the lack of information and guidance from Hydro Ottawa.

> *"This was my first electricity connection. I used to live in a basement for my first month so when the lady said that now you're living in an apartment, so you need to just tell them that you are here and to activate. I went to the website, and I just did everything. But I still didn't know whether when I'll move on, ultimately, will there be power or not, or I didn't have much information on that. But it was pretty smooth."* – Residential, Downtown Ottawa

A small business participant had a similar issue.

> *"I haven't had much interaction with them, as we've had our business open for quite some time. So I remember, the getting started part was a little bit difficult. Not just the money part of it, but even just communicating with them trying to figure out how to get organized."* – Small Business, Suburbs

Overall, customers acknowledged improvements over time and appreciated better communication, especially for small businesses. A few customers who had positive interactions with Hydro Ottawa noted improvements in communication channels and responsiveness.

Customer Service

When it comes to customer service, participants who have interacted with Hydro Ottawa's customer service were mostly dissatisfied. Concerns involving long response or wait times to receive services and the right information were prevalent. This was a particular concern for small business customers.

> *"Customer Support is really not to the level I'm expecting on it. It's very hard. Who is in charge? Who is the one you can make it happen? It depends on the type of accessing information and getting the right thing is big challenge as an immigrant."* – Small Business, Downtown Ottawa

However, one participant had a good experience:

> *"When I've called customer service, they've been pretty efficient…And I've been happy with that."* – Small Business, Downtown Ottawa

Some customers express dissatisfaction primarily due to difficulties in accessing the right support channels. One customer highlights the frustration of being rerouted multiple times before finding someone capable of addressing their specific issues:

> *"When dealing with…Hydro Ottawa, I do have a bit of an issue in the fact that who does want and who handles want, it's hard to tell. So, you know, sometimes I might get rerouted two or three times before I get to someone who can actually deal with my situation, whatever it might be."* – Small Business, Downtown Ottawa

How Hydro Ottawa can serve its customers better

When asked how Hydro Ottawa could serve them better, participants tended to follow up on issues that they first mentioned when asked whether they were satisfied or dissatisfied, especially on communication, customer service and reliability. New topics such as cost, innovation, programs and infrastructure investments.

Communication and Customer Service

Similar to the earlier discussion, customers emphasized the importance of clear communication regarding outage notifications, billing, and accounts.

> *"[On billing] There are other things coming into the bill, a credit you see, and they don't give any reason what is that. And then they put it on and then take it off again."* – Small Business, Suburbs

> *"[On outage communications] I think have the estimates a little bit, you know, narrower and precise than you know now between now and 3 am in the morning. I understand they have to get the crew there and all that sort of stuff."* – Residential, Suburbs

However, some customers also mentioned how Hydro Ottawa can serve customers better by taking on an advisory role, particularly in areas such as energy consumption and technology adoption. These customers want Hydro Ottawa to be a proactive partner in helping them make informed energy decisions. Recommendations include providing simple summaries and clear instructions on how to save energy or benefit from available programs.

> *"At the end of the day, it's a bill, we have to pay. I would wish that they can give us recommendations on how to reduce. I normally would just look at the email and then pay the bill, like, I would wish that there was more transparency around my bills, like just looking at the average in 2022 versus 2023. Like I was paying more than 2022, like 50%, more 70% more than what I was paying in 2023, even though the rates were cheaper in 2022. So I didn't understand that. And then now in 2024, like my rates are getting higher again. So you can do like the tiered rates versus the like, standard rate and things like that I kind of wish I had known about earlier on like, a few years ago, so that I could look into those options."* – Small Business, Suburbs

> *"It's the naming, right? Sometimes the names aren't inherently clear to a lot of people what that implies in terms of a package deal, like, tiered, okay, you know, you probably get the sense that there's different prices for different timing, but some of the other names are unclear. Maybe they could say…based on your usage for the last two years, we think you should be on this plan, and be a bit more proactive."* – Residential, Downtown Ottawa

> *"It's helping us understand what the future is going to look like. And if 99% or 99.5, or 98.7, whatever it is, that reliability is something that we should no longer expect because of the vulnerability of the system under the climate change scenario, what can we do in order to be better prepared for right now? I don't know what I need to know to be better prepared. And so what I'm looking for is that leadership…should I start tucking some money away? Or is there going to be a program coming up? Is that batteries? Is it generators? If I buy an electric car, is there enough power for it? Like it's understanding the future…status quo is changing. What does that future look like? And how's it going to impact me? What can I do to prepare? This is the type of information that we interested in."* – Residential, Suburbs

In addition, customers appreciate receiving newsletters for updates but also express the need for a more informative and a user-friendly website. They desire a centralized platform to access all necessary information related to their accounts, services, and energy-saving tips easily.

> *"Information is big knowledge. Maybe communicate through emails. If they have any website updates, like they have a website so if there was any update, they can say, okay, go look into your website."* – Small Business, Downtown Ottawa

> *"A interface or user-friendly interface for us. Somewhere where we'll be able to gather all the information we need, knowing when a tenant has requested to move out request. If we could be at one place, that would be amazing. And you asked a question, 'Would you be willing to pay?' I think, in my perspective, and in the perspective of my organization, we would be willing to pay anytime."* – Small Business, Downtown Ottawa

Reliability

Some participants mentioned reliability as an area for improvement. This was especially heard from customers in the suburbs who face more outages compared to those in urban service areas. To increase reliability, a few suggested burying wires underground to reduce outages during adverse weather conditions:

> *"My only real want from Hydro Ottawa right now is to try and put more wiring underground wherever possible, because during the during derecho, we had a fairly brief outage, and luckily, we didn't lose any, any supplies because the fridges stayed cold enough. I went out and made some deliveries in Orleans…all buried wires, and none of them were down. I know it's a big expense, but I think that this needs to be looked at as a long term plan."* – Small Business, Suburbs

> *"Bury the wires. I know it's expensive, but set aside a fixed percent or whatever of the revenue to do that, but I don't necessarily see them doing that. And then sort of invest in backup systems that are microgrids, work with community associations to invest in small scale sort of systems that would provide doubling up. And I know you mentioned that there were problem areas, so start there."* – Residential, Downtown Ottawa

Billing

Many participants mentioned issues with the billing system, such as difficulty in managing multiple accounts and accessing invoices conveniently. They suggest implementing a more user-friendly interface and offering options for receiving invoices via mail instead of solely relying on online access. They also desire more transparency and proactive communication regarding billing changes.

> *"The only thing I can say that I like to have different is to have my invoices actually mailed to me so I don't have to log in to get them. I can't even imagine somebody having to manage multiple accounts and having to go from one account to the other to the other, just to get the invoices that a computer could have mailed to you all at once."* – Small Business, Downtown Ottawa

> *"I think my big thing is the billing system that's driving me crazy on a regular basis. So I mean, you know, I don't want to be flogging a dead horse."* – Small Business, Downtown Ottawa

> *"I look at the bills I would say pretty in detail every month, and like the delivery charges? They go up and down. And I have no idea why. In that sense, I feel like at least Enbridge in comparison*

has a very detailed table that lists exactly what you pay. It's very detailed. There's like 10 different things, but at least they tell you." – Residential, Downtown Ottawa

Cost

Reducing the cost of electricity was mentioned in some of the groups, especially with the issue of cost of living being top of mind. Some felt Hydro Ottawa can help customers lower their bill by providing tips and tools to manage their consumption, personalized services, and incentives for upgrading equipment.

"The sort of things that people are discussing, I think, are relevant and should be considered. Perhaps addressing the different levels of business and, providing based on those needs would make a difference." – Small Business, Downtown Ottawa

"I mean, for me, it's really just dollar and cents thing. You see these huge paychecks for certain individuals and all that stuff. I understand, you know, that it's a company, but it's kind of owned, in a sense by us, we're the guys paying it. So, you know, just a little bit more help, some reductions, something to happen." – Small Business, Suburbs

"It helps in telling us you need to take this option and these are the options to reduce energy consumptions." – Residential, Downtown Ottawa

One small business customer suggested offering submetering options for landlords to encourage energy conservation among tenants:

"Hydro Ottawa is fairly inflexible about using some of the newer technologies that are available to people to install meters for say 20 or 30 unit buildings. That would help the landlord distribute the electricity bills to the tenants directly. And I think there's an element of conservation there, because when one person is paying the bill, people are less likely to conserve, they don't see the net effect of leaving lights on and things like that." – Small Business, Downtown Ottawa

Innovation and Infrastructure Investments

Some participants also mentioned how there is a need for innovation and investments given the environmental issues, Canada's goal of net zero and future issues we may face. Most mentioned the need to continue maintaining existing infrastructure, but there were also mentions enabling new infrastructure. For example, some mentioned that Hydro Ottawa would be the best organization to communicate the technologies available to customers to help they become more environmentally conscious.

"I think especially with the environmental issues, we're having…and the drive to zero carbon footprint that so many organizations are on. I think a lot of those messages, programs and innovation are sort of funneled through the utilities and government agencies sort of initiating them. As a direct contact with you every month, utility is probably the easiest method of conveying some of that stuff. I think it's going to become more important, moving forward here as people become more engaged and, sort of electrification, getting away from carbon fuels, recovered based fuels and things like that." – Small Business, Downtown Ottawa

"It's becoming almost a social obligation or responsibility because there will be increasing demands on Hydro because of vehicles, building, requiring more electricity. Help people generate their own, give incentives to put up solar panels and feed your grid because it's going to be

increasingly in demand over the next however many years, decades. It's not going away." – Small Business, Downtown Ottawa

Expectations

Customers expect Hydro Ottawa to provide consistent, reliable, and innovative services while also balancing transparency, community engagement, and environmental responsibility. These expectations reflect the broader trends in the energy sector towards sustainability, customer-centricity, and technological advancements.

Reliability

Reliability was a top mention when asked customers' expectation of Hydro Ottawa. Customers expect consistent and reliable service without disruptions, especially when it comes to electricity supply.

> *"Have, by and large, consistent service? I guess? Please never turn the lights off."* – Small Business, Downtown Ottawa

> *"Reliable service. I work from home, so I rely on electricity. It's a must."* – Residential, Suburbs

Communication

Customers expect easy access to information, both through traditional means like newsletters and mail as well as through channels such as website and social media. In addition, clear communication about services, changes, and innovations is crucial for customer satisfaction.

> *"Places I can get information as well. So I've signed up for the newsletter. It's great, you know. But then, yeah. Is there enough information to find on the website? I'm not always convinced of that."* – Small Business, Downtown Ottawa

Customer Service

Customers also expect the ability to connect with Hydro Ottawa's customer service to access information, answer their questions, and provide support in an approachable and efficient manner.

> *"I think it's similar to all of the other services that we receive. And so that means easy access, you know, not getting just the voice system. To be able to get someone politeness, information and helpfulness. And so, for me, they're doing that. But my account is simple. But that's the expectation I do have. I also have that for Bell and Rogers and everyone else, no different."* – Small Business, Downtown Ottawa

> *"They have to be thinking about how to use artificial intelligence to be able to help people when they go on the website. If there is a chatbot, like ChatGPT…and give me all the answers upfront, but I can directly chat with it. It shouldn't be like a chatbot that doesn't know what it's doing".* – Residential, Downtown Ottawa

Innovation

There is an expectation for Hydro Ottawa to play a role in innovation, especially concerning environmental issues such as reducing carbon footprints. Some customers expect Hydro Ottawa to take the lead while others see them taking more of an advisory role. Customers are interested in incentives for adopting clean energy practices like solar panels and expect Hydro Ottawa to facilitate these initiatives.

> *"As we go through trying to address climate change, I see them as having a role, a very strong role in helping us through that. So I expect them to step up. And someone already mentioned renewable energy sources, those sorts of things. Take that role on with vigor."* – Small Business, Suburbs

> *"I will not take my advice from one person. I would consider [Hydro Ottawa's] advice, but I would do my own research."* – Residential, Downtown Ottawa

Value-for-Money

Customers want to trust that Hydro Ottawa provides value for money for the services they pay. This includes not only reliable service but also reasonable pricing and transparency in terms of how their bill is structured and what they are paying for.

> *"I find it's too big chunk of my operating expenses. It's a hard one, right? Is it value for money and the fact that they're reliable? Yes. Is it a big chunk of my budget? Yes. Does it cut into my profits? Yes. You know. So, you know, it's hard."* – Small Business, Downtown Ottawa

> *"Keeping rates low? To be honest, right? Families are feeling the pinch on all kinds of expenses and costs is important. So keeping prices affordable for everyone makes a lot of sense."* – Residential, Downtown Ottawa

Preferences

When asked about Hydro Ottawa's top priorities, the main topics that came up unaided were reliable electricity, effective communication, good customer service, and efforts to prepare for climate change.

Reliability

The consensus among participants is that Hydro Ottawa's top priority should be ensuring the reliability of power supply. This includes maintaining existing infrastructure, improving system resiliency, and preparing for extreme weather events.

> *"The reliability of, you know, power, without a doubt. Don't lose sight of that."* – Small Business, Downtown Ottawa

> *"I'm thinking that there's probably a lot of design things they can do in the grid that actually strengthen the grid from the soil. To the events, I wasn't so much thinking that they would be, you know, installing generators at every option, although they might facilitate that, you know, they might have a, you know, partners that you could work with as a small business you could work with, and bring that about."* – Small Business, Suburbs

In the context of climate change resilience, participants highlighted the importance of Hydro Ottawa's role in addressing climate-related challenges such as more frequent extreme weather events. This includes investing in system hardening, grid modernization, and exploring alternative power sources or backup systems to minimize disruptions during climate events.

> *"Hardening the system – making it resilient to the climate change we are living in now. The other thing they could do is do whatever they can to support maintenance and linemen. I think that helps improve the trust in their efficiency and resilience."* – Residential, Suburbs

> *"I mean, it comes back again, to what you're saying, with really having preparation for these for these older grids because I also live in these neighborhoods [with old systems]. We lost it during the derecho for nine days…there was a winter storm last year, that was taking down a few trees and ice storm as well. Three, four, five years ago, that this was never the case for us growing up. It's for me the number one priority."* – Small Business, Suburbs

Communication

Customers emphasized the importance of clear, simple, and relevant communication from Hydro Ottawa. They prefer email communication and easy access to information on the website without unnecessary details or "information overload."

> *"Clear, simple messaging. If things are changing, tell us. Don't throw tons of information at us, just tell us what's relevant. I like the idea of having a dedicated resource as well someone who specializes in small business that can facilitate a solution like solar or improved ways to do things."* – Small Business, Downtown Ottawa

Customers expect transparency from Hydro Ottawa regarding infrastructure upgrades, system maintenance, and billing processes.

"Everyone's paying and everyone's putting money into the pot. I understand that some places are hard to upgrade. Yeah. So which places? Maybe some transparency, maybe some kind of plan for these neighborhoods that are on old systems." – Small Business, Suburbs

"I think transparency, and also like communication about what they're doing, concretely what they're doing to mitigate these issues with the archaic, let's say infrastructure that is way out of date." – Residential, Suburbs

Customer Service

There is a need for Hydro Ottawa to provide dedicated resources and advisory services, especially for small landlords and businesses. We heard across the groups how Hydro Ottawa could provide guidance on energy consumption reduction, adopting renewable energy technologies like solar power and heat pumps, and cost-saving measures.

"I think there might be an opportunity for them to have a group that could speak to small landlords or small businesses, and help them figure out a way to lower their consumption. And I guess some of that's innovation, and renewable resources, I think I have the building that would be very good for solar power. But I mean, I've never had any time to discuss it. I've never had someone on the other end of the line who was knowledgeable enough to have a good discussion with me." – Small Business, Downtown Ottawa

Infrastructure Planning

With the increasing demand for electric vehicles (EVs), the shift away from carbon emitting energies, and the overall growth in electricity consumption, Hydro Ottawa should focus on infrastructure planning to meet future demands. This includes improving the grid to support EV charging infrastructure and ensuring adequate power capacity for residential and small business customers.

"Support for every cars. I mean, this is massive, right? We're at the beginning of this massive surge towards that. It's not just having a place to plug in but to make sure the infrastructure supports you." – Small Business, Suburbs

"I'm not sure that any of utilities are ready for the promise that are being made. And with this push towards electrification. I can see it in the next 5-10 years, there's going to be a transition to electricity. And where's that electricity coming from? How is it going to get there?" – Small Business, Downtown Ottawa

"The integrity of the system and to not have us think about power. To maintain it and theoretically improve it. It's the future proofing…of what lies ahead. That's the challenge. There is no crystal ball out there so our power grid tends to be reactive. But ultimately, if there is some additional forethought into understanding what the future needs are, in order to keep it stable, instead of reacting to what happened yesterday, preventing what could happen tomorrow…there's a lot of opportunity there." – Residential, Suburbs

Hydro Ottawa Tomorrow

Future Challenges

When asked about the emerging issues or challenges that may affect the services that Hydro Ottawa provides the most common mentions include aging infrastructure, capacity constraints, and cyber attacks as we move toward advanced technology and infrastructure.

System Renewal

The aging infrastructure of Hydro Ottawa needs constant attention and maintenance. Proactive maintenance and system renewal are crucial to ensure reliability and minimize costly reactive repairs. This not only affects the reliability of services but also impacts customer satisfaction and economic productivity, especially for some small businesses e.g. restaurants who rely heavily on uninterrupted power supply.

> *"You're not only sustaining what you have now, but also building for what's to come in the future. And I think with the time that we are in in terms of winter storms, summer storms, tornadoes and stuff, if they just put a Band-Aid on what's broken now and not look towards the future, there's going to be more and more holes where, okay, this neighborhood has now patched up now we have, you know, the infrastructure in place, they're going to keep finding holes, and people are going to be continuously disappointed."* – Small Business, Suburbs

> *"Aging infrastructure. Some of my students live in Barrhaven, I drive up to them, sometimes I'm working at their homes, there's no power. There's just nothing on the street. It's all buried. What is that costing? Can I please have a number? What would it cost to come into Cedar Dale here and various other places? We need to upgrade. We need to be, you know, everything kind of balanced here."* – Residential, Suburbs

Capacity Constraints

With the increasing demand for electricity due to population growth, economic activities, and transitioning to electric vehicles and heat pumps, there are concerns about whether the current capacity of the grid can handle future requirements. This includes not only generating enough electricity but also ensuring efficient distribution and management of power across the system.

> *"I wonder if they really do have the capacity to generate all the electricity that's going to be needed. I mean, we're being encouraged to go off gas and switch to heat, compost and all that kind of thing. And obviously, since the electrical supply is pretty low carbon emissions, it's the right thing to do. But I presume they've looked at whether they can actually get to that point, you know, with population out there and everything."* – Small Business, Suburbs

> *"More generation, more demand, right? A lot more housing coming in as required all over Canada, but especially in Ontario. Toronto is going to be the big one. But Ottawa is going to have to carry a big share of more and more population."* – Small Business, Downtown Ottawa

> "I would like to know, how are they getting ready? Because apparently, most of vehicles will be electric in few years so are they in a position to provide power to everyone if everybody has electric vehicles? How are they getting ready for that to ensure capacity?" – Residential, Downtown Ottawa

Cyber attacks

The issue of cyber attacks on Hydro Ottawa's grid system was brought up by a few customers. As technology becomes much more advanced and smarter, the incidence of cyber attacks may rise, and customers feel strongly this is something Hydro Ottawa should prioritize. In addition, they expect that Hydro Ottawa has the *right* people on the job to ensure the safety of the grid.

> *"It's a sad reality, but is the is the power grid vulnerable to like cyber attacks and where that is going? So it was something that would take resources and, and technology and expertise to create resilience. But is that a true threat? Or not? Or is that just the latest bandwagon that we're all vulnerable? Or are we really? I think I guess I'm really talking about risk assessment, and it's difficult to ask people like us sitting in our living rooms that are in enjoying the lights being on to say, Well, I think they should worry about cyber, I think they should concentrate more on storage in order to stabilize the flow of the power. I have no idea."* – Residential, Suburbs

> *"I'm worried about the potential of cyber attacks on the infrastructure. That's something that sort of keeps happening. And I think, you know, the more you talk about AI and sort of smart grid type things, the more vulnerable the network can be to malicious attacks or bad actors or things like that. And I think we're even seeing that I read an article today about how a lot of the plugs like EV plugs are super easy to hack into. And they actually can cause damage to the network. So it's coming. I think the more we sort of rely on technology for, you know, sort of like analytics and also efficiencies, the more sort of devastating of an attack could be on the network. And I don't know that we always talk about it in the same sentence. It's sort of a bit of an afterthought."* – Residential, Downtown Ottawa

Impact of Leaving Challenges Unaddressed

On the topic of the consequences that Hydro Ottawa would face leaving challenges unaddressed, customers mentioned overall customer dissatisfaction, unreliability, and reduced credibility and trust. Ultimately, this might hinder Hydro Ottawa from contributing to reaching their net zero emission goal by 2030 and addressing the challenges posed by climate change.

> *"Running a hotel, when we have a power outage, there is an immediate demand for compensation from our guests in the hotel. And while we've had nothing to do with the power outage, we lose money. On days, there's a power outage, like hands down just like [participant] you have perishable inventory and goods. Like the minute we don't have a reliable power service, we lose money. So it's critical."* - Small Business, Suburbs

"I think that we could fall behind. Technology is moving and is, you know, ever changing. So if we fall behind and prices for, you know, lighting and all that stuff, you know go up because we are not able to keep up with the manpower." – Residential, Downtown Ottawa

"When there are negative things that come out, Reddit, is quick to jump on it, right? And I think they can fall back in an operational standpoint, but also in a social standpoint, you know, it's very easy for hydro Ottawa, to have like a sour taste in people's mouths if they are unable to deliver if they're constantly over promising or if they are not trustworthy or not reliable. So I think reliability from a customer is perhaps equally as important. I also think that there has to be perhaps some type of good rapport, and kind of a good image that they want to uphold. And of course, the image comes from what we talked about, right, addressing customer concerns, I think, being proactive and being reliable." – Residential, Downtown Ottawa

Energy Transition

General Awareness

Across all the groups, familiarity with the term "energy transition" was quite low. However, after a quick discussion from the moderator on energy transition, the terminology made more sense to customers. They acknowledged it as the shift from traditional, carbon-based energy sources to cleaner alternatives such as electricity and renewables like solar, wind, hydro, and nuclear power. In addition, they emphasized the necessity of this transition due to environmental concerns, climate change, and the need to reduce the carbon footprint associated with energy production.

> *"I think, at this point in time is it's transitioning from, basically dirty and energy, petrochemical based and energy to clean energy, which is electricity, and renewables. And that's kind of the future, right? Because we can't keep doing what we're doing. Times are changing and it's moving fast. So we need to stay on top and then move with the times."* – Small Business, Downtown Ottawa

> *"Literally the transition to cleaner energy use and better options."* – Residential, Downtown Ottawa

When followed up with the question, "How does energy transition make you feel?" customer responses were mixed. Some customers were excited, interested, and curious, while others said it's necessary. One participant mentioned "daunting."

> *"We stumble through these things, there's never going to be a good plan for it all, and the plan will be wrong, we'll stumble through. So there's even precursors of this, right, the Ontario government has had for what, seven years…the deal of putting solar panels on your roof, that's not new. And then they kept adjusting the amount of money, you couldn't sell it to your neighbor, you had to sell it back to the grid. So one of the things of the stumbling through is making sure that the economics works. And, you know, when you're encouraging people to adopt new behaviors make it simple enough, and safe enough, right. So honestly, we'll stumble through this no matter what Hydro Ottawa tries to do and it'll try and do its best with very good people. You know, they'll get half of it right and half of it wrong, and they don't do it on their own. If you're asking, is it scary or comforting or in between? It's a little comforting that there's options."* – Small Business, Downtown Ottawa

> *"I would say, like the word that I would use is maybe daunting. Because exactly as [participant] said, you show a chart, and it seems like oh, this is great, right, customers will now begin to provide electricity, what a wonderfully mutually beneficial system. And yet the reality is, like many people do not have home environments that can support solar panels, even if they do how much is actually being generated? Is that sufficient? What types of technology make the most sense? How is that being charged or credited? The complexity related to this is so so high, and, and I know we need to be creative and come up with really good, reasonable solutions that are going to maybe scare us a little bit initially. I think a lot of people who want to do the right thing, I think most people are reasonable at this stage in terms of understanding climate change is real, you know, wanting to participate in ways that they can that make sense to a greener planet. But I just think this is daunting."* – Residential, Downtown Ottawa

Hydro Ottawa's Role in the Energy Transition

Most small business participants believe Hydro Ottawa's role in the energy transition involves educating customers, proactive communication, incentives, acting as a partner or advisor, and providing accessible resources for energy solutions.

Education and Communication

Participants emphasized the importance of Hydro Ottawa providing educational resources to help customers understand the possibilities and benefits of transitioning to clean energy sources like solar, wind, and electric vehicles. This could include webinars, informational sessions, and practical demonstrations.

> *"Maybe just to an educational component, like for the scale that we're at, what's actually possible? It can be little webinars, it can be you know, TED talks or whatever. Just little blocks of information, drawings even, you know, if you have a roof this big, you can put this many panels on and generate this much energy and make this much money…those kinds of things, practical applications."* – Small Business, Downtown Ottawa

There was a consensus that Hydro Ottawa needs to proactively engage with customers and provide information about energy-saving programs, incentives, and solutions tailored to different customer needs.

> *"It's short of in where do we start? I think that part of how can they help me would be to help me determine where I can fit in. Am I best as a consumer as is or does my profile make an eligible prosumer? Or am I better off being independently redundant? And therefore my solar panels on my roof if I had them are best in my own batteries that then just keep my house going. Because I'm in a neighborhood that would be a lower priority because it's more rural. Like those are the type of things to say, well, this is the type of profile you fit and here are your choices to help us on this journey. So to circle back to your question, where do I fit in as a potentially motivated person to be part of this journey? But I don't know where to start either. I think Hydro Ottawa could play a role in that to help me identify what my options are."* – Residential, Suburbs

Advisory and Partnership

Customers emphasized the importance of Hydro Ottawa being a partner or acting as an advisor in navigating the energy transition by advocating for customers' interests, providing support in adopting new technologies and practices, and establishing programs. Some mentioned they see Hydro Ottawa taking this role as they are the only utility in Ottawa.

> *"At the end of the day, our family's business is still quite small, we only have a handful people working with us. I would just like them to be reliable for Hydro Ottawa, to be a partner and to advocate for their customers, I still think it is going to take some time for us to go towards the distributed energy resource."* – Small Business, Suburbs

> *"Hydro Ottawa is the only game in town unless I wanted to go off the grid, but I don't even think I have the choice for that in the urban density that I'm in, in suburbia. But for me, I'll be*

comfortable with it being Hydro or someone that Hydro has endorsed, say, this is the representative in your neighborhood, give them a call, walk through your house, explain the options and give you candid feedback. That'd be everything from bleeding edge to some conservative things to status quo, and help me understand what the options, the consequences and cost would be. And then at that point, I'd be much better informed." – Residential, Suburbs

Incentives for Transition

Participants suggested that Hydro Ottawa should provide incentives for customers, especially businesses, to upgrade their facilities to be more energy-efficient and transition to cleaner energy sources. This would not only involve financial incentives but also vetted contractors for energy-related projects.

"I would like to see them do something towards encouraging people maybe financially maybe otherwise to get on board with this stuff. There needs to be some incentive to organizations in general, to upgrade their sort of internal facilities. It could be things like installing batteries, setting up all the switching that would be required. And so I think that that's something that could be started, you know, very soon on a trial basis where you'd select a few people to start to get to zero emissions." – Small Business, Suburbs

"There has to be some kind of incentivization for these basically, small businesses, if we're the ones who are now going to be aiding with the power supply. The technology is changing, but how are they going to incentivize us to be a part of this program." – Small Business, Suburbs

Other Topics

The discussion wrapped up with asking participants whether they thought Hydro Ottawa cares about customers like them. Generally, customers agreed that overall, Hydro Ottawa cares.

> *"I think they need to, I would like to think that yes, because it takes you know, the whole collective to make it happen. So and if it's, you know, civically run, then you know, they are looking out for the city, and it's and the dwellers. So my answer is yes."* – Small Business, Downtown Ottawa

> *"It's their job to care. Anyone who doesn't keep their customers happy either spends an awful lot of money deal with irate customers or in a monopolistic way, they'll lose their customers, right? I think they still do and of course, focus groups like this is evidence that they want to hear the voice of customers."* – Small Business, Downtown Ottawa

> *"I'd like to believe they do. If we're lucky enough, we care about the quality of the work we do. And we hope that in some way, you know, even as a data analyst, I hope in some way I'm moving things forward and making a difference. So I've got to sort of extend that leap of faith to the people at [Hydro Ottawa], it's an institution, but they're my neighbor down the street, or across the way with the various skill sets."* – Residential, Suburbs

> *"I think collectively, absolutely. But are they going to prioritize my house in a rural area? So at the individual level? I think it's an unfair question. I think that they're looking after the masses and the collective and what is most efficient, and as a consequence there's going to be some individuals that will be on the lower priority list and that's just the nature of it and we just have to accept it."* – Residential, Suburbs

Depending on time, there were short discussions in some groups on how Hydro Ottawa should consult with customers on the topics discussed in the groups in the future. The main themes that came up were communicating in a way that was clear, simple, and transparent as this would allow complex ideas to be translated plainly for the average customer. A few customers mentioned keeping the conversation going, taking into consideration the different types of customers, their needs, and preferences.

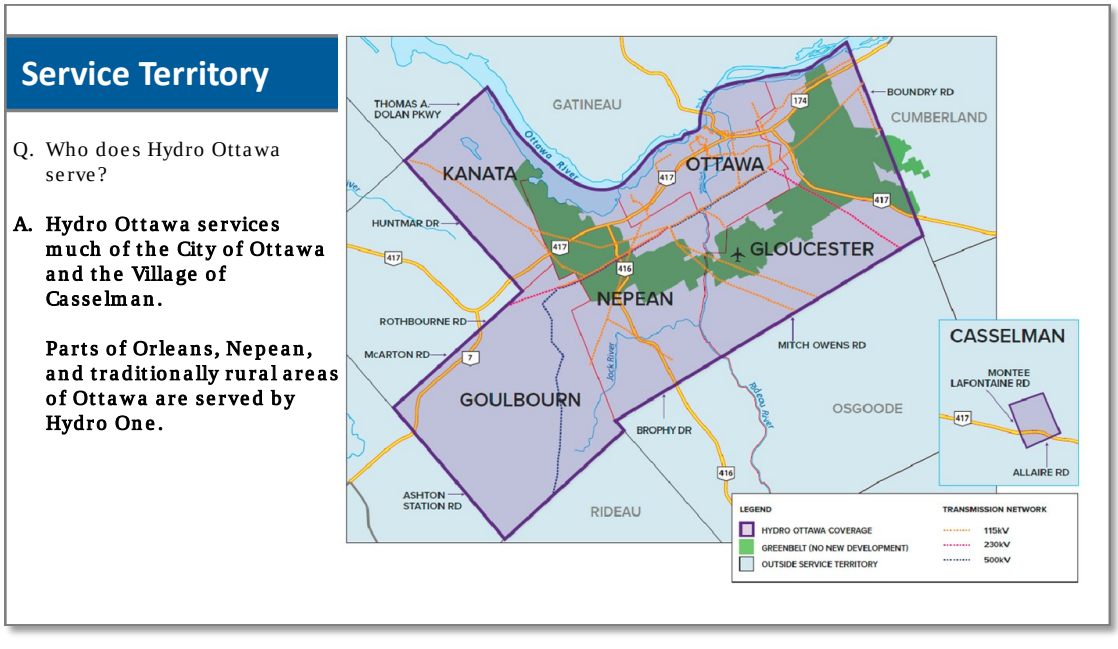
Appendix

In all focus group sessions with small business and residential customers, a series of stimulus were used to help guide the conversation. The stimulus focused on the following 5 themes:

1. Service Territory
2. About Hydro Ottawa
3. Today's Electrical Grid
4. Energy Transition
5. Tomorrow's Electrical Grid

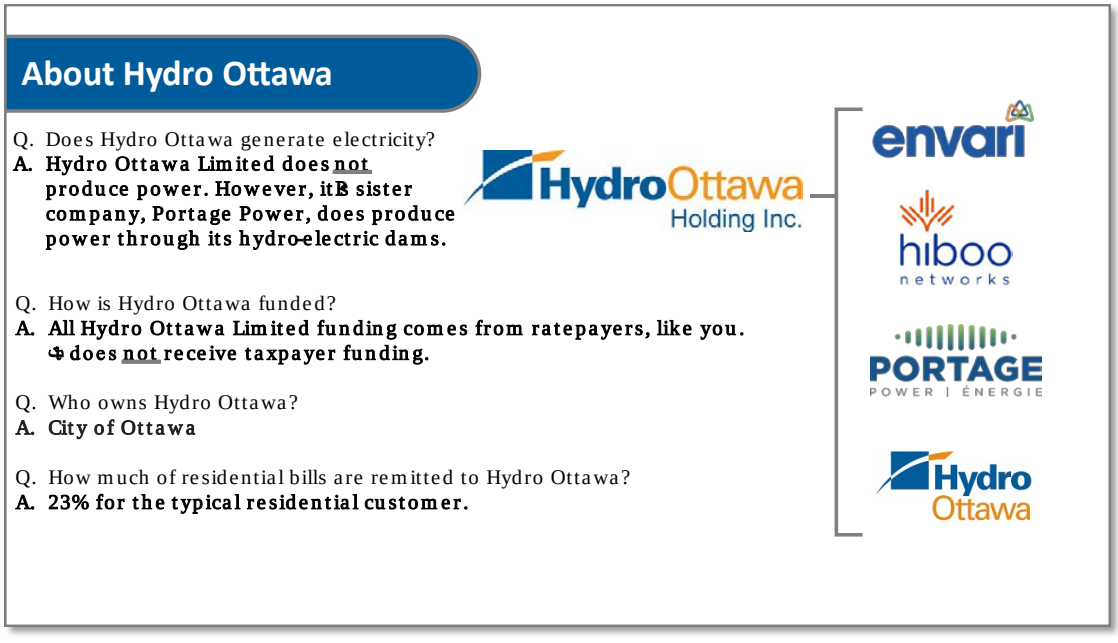
The complete stimulus used in each group can be found below.

Service Territory



About Hydro Ottawa

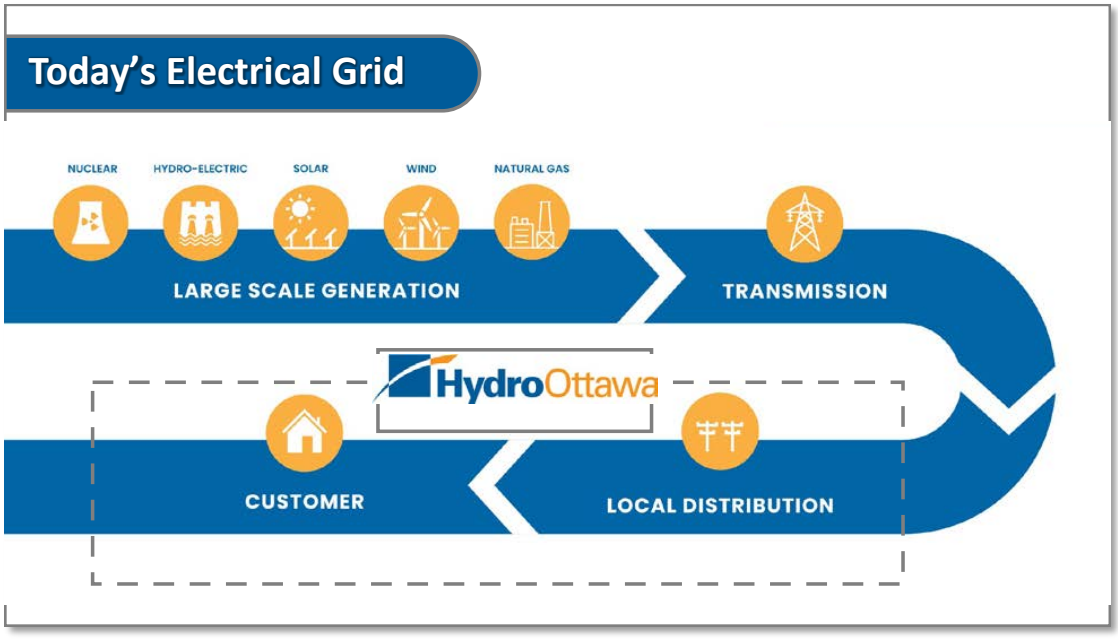
Residential



Small Business

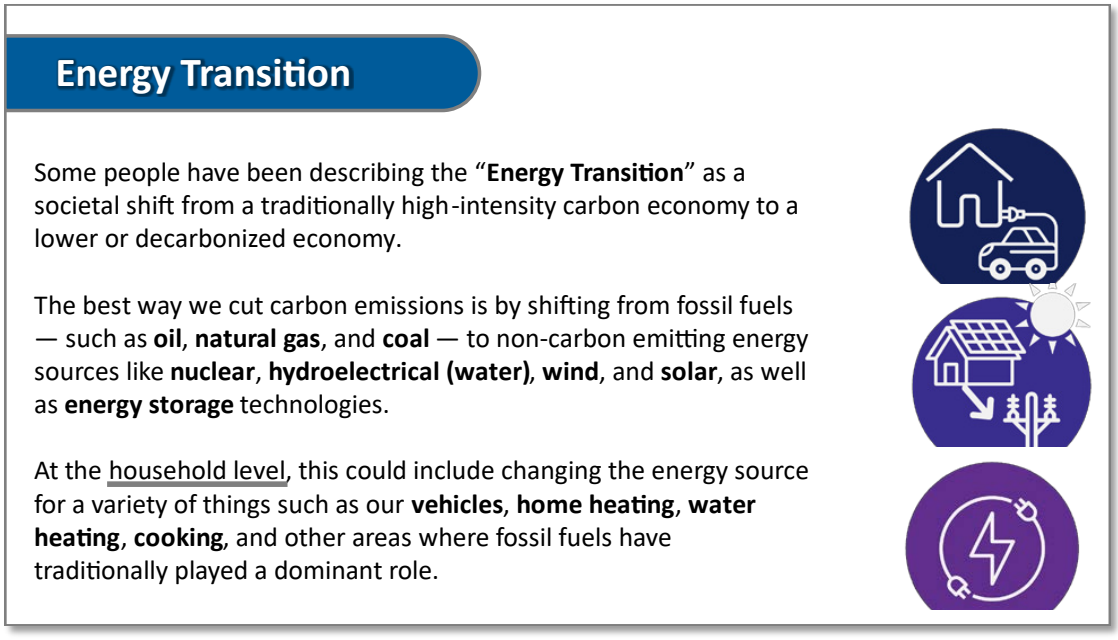


Today's Electrical Grid



Energy Transition

Residential



Small Business

Energy Transition

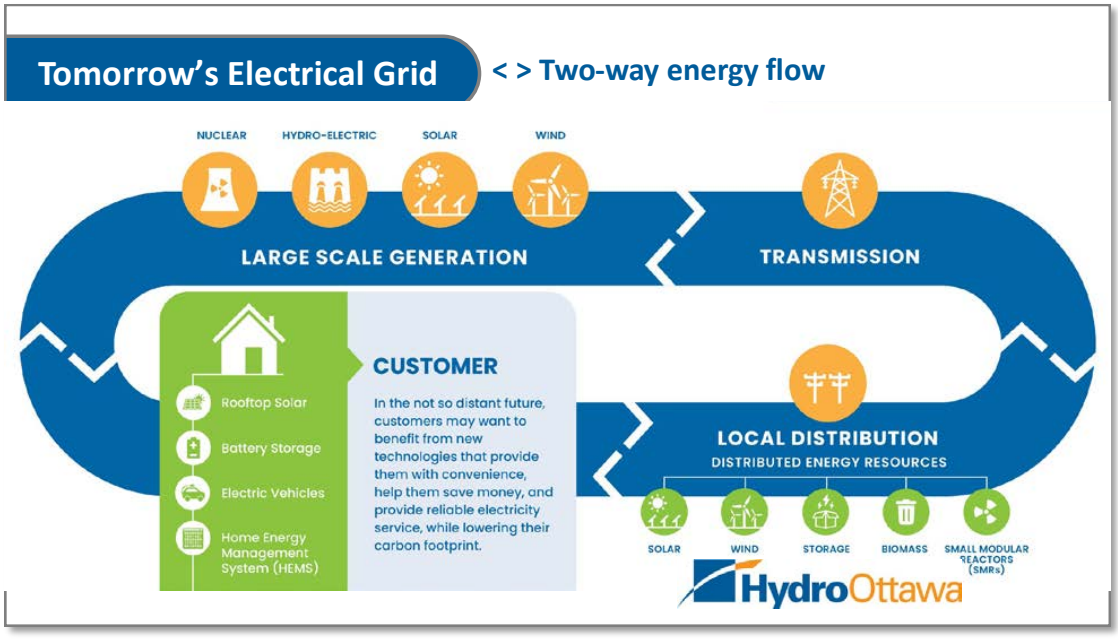
Some people have been describing the "**Energy Transition**" as a societal shift from a traditionally high-intensity carbon economy to a lower or decarbonized economy.

The best way we cut carbon emissions is by shifting from fossil fuels — such as **oil**, **natural gas**, and **coal** — to non-carbon emitting energy sources like **nuclear**, **hydroelectrical (water)**, **wind**, and **solar**, as well as **energy storage** technologies.

At the firm level, this could include changing the energy source for a variety of things such as our **vehicles**, **facility heating**, **water heating**, **cooking**, and other areas where fossil fuels have traditionally played a dominant role.



Tomorrow's Electrical Grid



Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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Phase I Customer Engagement
2026 Rate Application

C&I Customer Needs & Preference Interviews

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February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

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C&I

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Customer Engagement

2026-2030 COS Rate Application

February 2025

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Methodology

Innovative Research Group Inc. (INNOVATIVE) was engaged by Hydro Ottawa Limited (Hydro Ottawa) to design, execute, and document the results of its customer engagement, as part of Hydro Ottawa's Cost of Service (COS) Rate Application to the Ontario Energy Board (OEB) for the years 2026 to 2030.

The primary goal of the Phase I Commercial and Industrial (C&I) customer interviews was to explore customer needs and preferences with regards to the electricity service they receive from Hydro Ottawa today as well as into the future. This research is based on feedback from a small group of customers and is intended to identify the breadth of opinions to help inform subsequent survey design.

Seven (7) interviews were held among Hydro Ottawa Commercial and Industrial (C&I) customers between April 3rd and April 16th via the Zoom videoconference platform. Participants were recruited randomly by e-mail, using customer lists provided by Hydro Ottawa. C&I participants received a $200 cash incentive as compensation for their time.

Interview Structure

The interviews were facilitated by a trained moderator and followed a structured discussion guide. All interviews began with a discussion on the customer's role and their organization as well as their interactions with Hydro Ottawa.

Customers were then asked about their level of satisfaction with Hydro Ottawa's services, and what Hydro Ottawa could do to better serve them as their electricity distributor. The interview went on to discuss their needs and expectations from Hydro Ottawa as well as what priorities they thought Hydro Ottawa should focus on.

The latter half of the interview focused on the future of Hydro Ottawa, starting off with the issues and challenges that Hydro Ottawa will face in the next decade, and the consequences of leaving these issues unaddressed. This part of the discussion also touched upon the willingness to pay.

Depending on the time and direction of the conversation, the discussion wrapped up with how Hydro Ottawa can consult and engage with their customers in the future.

This report summarizes key findings and offers observations. Respondents' verbatim responses are in italics. In general, our approach in reporting is to allow the respondents to be heard as much as possible, utilizing representative verbatim comments, offering interpretation and comment where necessary.

Note to the reader: Qualitative research does not hold the statistical reliability or representativeness of quantitative research. It is an exploratory research technique that should be used for strategic direction only. In qualitative research, the value of the findings lies in the depth and range of information provided by the participants, rather than in the number of individuals holding each view.

Key Findings

Generally, C&I customers are satisfied with the service from Hydro Ottawa.

Most customers cite issues with account management, reliability, customer service and communication as reasons for dissatisfaction in the past but are currently satisfied with their service as they felt Hydro Ottawa has made significant improvements.

Customers want to do their part and expect Hydro Ottawa to take the lead as an advisor in the energy transition.

Many customers expressed the desire to become "greener" but felt Hydro Ottawa's current offerings didn't support this. Customers want Hydro Ottawa to offer advisory services to help them navigate the energy transition. Not only would this involve large-scale innovation to ensure the grid can meet the future demand but also the development of tools for customers to better manage their consumption.

Leaving issues and challenges unaddressed would have a negative impact across various areas.

Many customers mentioned that neglecting climate action, aging infrastructure, and capacity issues could result in unreliable electricity, leading to customer dissatisfaction and distrust in Hydro Ottawa. This could also have spillover effects on environmental efforts and economic development, as failure to meet customer needs may deter technology adoption and drive organizations to move their business elsewhere.

Price increases are necessary, but for customers to be onboard, transparency is key.

Many customers held the view that while no one likes price increases, it's necessary to ensure system reliability. These customers expect Hydro Ottawa to clearly communicate and illustrate how their funds will be utilized to address future challenges, such as improving infrastructure and implementing energy conservation initiatives.

Hydro Ottawa Today

Interactions with Hydro Ottawa

When it comes to interactions with Hydro Ottawa, most commercial and industrial customers mentioned interacting with Hydro Ottawa only when there was an issue or concern such as dealing with billing issues or inquiring about a power outage.

Only a few commercial and industrial customers reported interacting with Hydro Ottawa outside of addressing issues or concerns. These customers reported engaging with Hydro Ottawa on programs and incentives relating to energy efficiency upgrades and energy conservation.

> *"Almost extremely minimal [issues]. I mean, the last interaction I had was we were looking into adding a ...charging station for vehicles. I filled out the form, and I went through the process. I called them, and they guided me onto filling out the form online."*

General Satisfaction

Level of Satisfaction

The discussion moved onto customers' satisfaction about the service they receive from Hydro Ottawa. Most participants expressed satisfaction with their overall service, even customers who had poor experiences in the past. When asked to elaborate on the reasons for their satisfaction, these customers brought up the reliability of their electricity service, customer service, and Hydro Ottawa's efficiency in managing power outages. Participants whose poor experiences didn't impact their overall satisfaction of Hydro Ottawa mentioned lack of account management and communication as reasons for dissatisfaction in the past.

> *"I'd say right now, very satisfied. The service has improved significantly since the issues that they were having three four years ago. We rarely have outages at our office, and we find out pretty quickly now when they're gonna happen. That was the main concern for us because every time we had a big unplanned outage, our servers were going down and we couldn't operate, especially during COVID. They've been pretty reliable, and customer service has been good. I haven't had any significant issues except maybe when their team came to cut some trees at the back to clear some lines and they just left the branches on the ground. That's the only issue I had with them lately."*

There were a few participants whose past experiences impacted their view of Hydro Ottawa immensely, leading them to feel very dissatisfied. These customers expressed disruptions in their operations and financial loss as reasons for dissatisfaction.

> *"My overall view of Hydro Ottawa is pretty poor. I bought an industrial building almost three years ago now. To go through the process with the engineer, and my electrical company, and to install the new transformer that we needed basically took 18 months."*

Opportunities for Hydro Ottawa to better serve its customers

When asked how Hydro Ottawa could serve them better, participants often mentioned common areas for improvement such as reliability and customer service. A few commercial and industrial customers operating outside of downtown Ottawa experienced more power outages and felt this is an area that Hydro Ottawa could improve while others mentioned that although Hydro Ottawa has good reliability, it should stay on top of maintaining the grid to prevent or reduce future outages.

> *"It's surprising how many outages we have for how close we are to a power hub. It seems a little better in the past six months, but before that we could potentially count one every other month…it's not that they're bad [on reliability], but it should be maintained."*

Some customers mentioned customer service needed to be improved. These customers mentioned that Hydro Ottawa could serve their organization better by ensuring inquiries were handled in a timely manner and staff were knowledgeable.

> *"Well, I try not to but if I have to [call], I'll pick up the phone call and wait on hold forever until I reach someone. But I have to say we don't have very many problems with Hydro."*

In addition, customers expressed how Hydro Ottawa could play a role in implementing and communicating programs, rates and plans to support commercial and industrial customers in adopting technology and becoming more energy efficient. These customers want to do their part in helping the environment, however, the lack of programs and initiatives for businesses disincentivized them to make extensive upgrades and/or adopt new technology. Many of these customers mentioned that having similar residential programs for businesses would incentivize organizations to make their buildings *greener* and allow them to play their part. Furthermore, this would involve Hydro Ottawa to act as an advisor in helping organizations make personalized and informed energy-related decisions.

> *"They have smart meters put in place a couple of years ago, and they're all not fully utilized in terms of allowing [for improved data sharing], and seeing the benefits of the data coming from them. There's some data that could be brought in from the smart meters that could be beneficial within an application that would allow people to understand what their energy usage is and their time of day and usage."*

> *"The focus for us would be being more efficient in our use of the electricity, and anything Hydro Ottawa could do to help us do that would be awesome. Again, whether it's through studies or through subsidies to upgrade equipment, that sort of thing would be extremely useful, because we believe that we need to do our share to fight against climate change."*

Needs and Expectations

In discussing needs and expectations, customers typically brought up topics from the earlier discussion on how Hydro Ottawa could better serve their organization. Common mentions include reliability and customer service, however, participants also touched upon price and value for money, innovation, and infrastructure investments.

Reliability

Most customers held the view that reliability is something they *expect* Hydro Ottawa to focus on as their main role is to distribute electricity. They stressed the importance of having consistent power supply and prompt restoration times in the event of outages – a job many participants think Hydro Ottawa is doing a good job of.

> *"When we do have outages, it's usually fixed so quickly. So yeah, no effort when it comes to the servers, I really don't have anything bad to say."*

One participant expressed that reliability is *mandatory* for their organization as the consequences of long-term outages would be dire. This is an area where the customer felt Hydro Ottawa should not compromise and should work to continuously improve the grid to ensure resilience against extreme weather.

> *"We have critical life support systems here. Like, worst thing that could possibly happen is, if there's a huge blowout and they didn't have the good infrastructure…they're lacking the labor to repair things, they don't prioritize well or they don't have the resources to get to us quickly enough. If our generator runs out, let's say we don't get gas on time, these life support systems could all go down. And we arrived in a critical emergency where now we're evacuating hundreds of people, hospitals are overloading them, or the life support systems stop and people will die."*

Customer Service

Similar to reliability, customers expect customer service to be similar to what you'd expect from other service providers. Generally, participants don't expect Hydro Ottawa to respond to their inquiries immediately but mentioned that the response should be timely as unresolved issues or requests can impact their organization's bottom line.

> *"They should have a human that you could call. And I think that's probably an answer that you hear in every single research. Thing that you do with businesses is that you need a person to call, because you don't always know which button to press on the menu and then whatever when you're calling the general hotline. We're a larger account…like the form for the electricity rebate. Like, it's a very simple, like, I think there's five fields to fill out, but until you know where to go get it and where to send it, who needs to sign within the company, what number needs to be on there?"*

A few participants mentioned the need to improve communication when it comes to outages. While they noted that Hydro Ottawa is proactive in communicating outages, the area for improvement lies in restoration time estimates as this would aid customers in deciding their next steps when experiencing outages.

> *"By and large, I think the few outages we've had, they were pretty good at remedying those…we've been very happy with their repair and the maintenance staff. Where [Hydro Ottawa] is a bit weak I find is notifying the specific clients."*

Some participants mentioned the need for Hydro Ottawa to play a role in providing advisory services. These customers feel Hydro Ottawa is the best positioned to take on the role of an advisor rather than a third-party organization. This would involve having knowledgeable staff who can (1) educate their organization in areas such as reducing energy consumption and adopting alternative

energy options, (2) consult on programs or initiatives available and (3) provide a personalized experience.

> *"I can see how they could use the technology to analyze, let's say, our bills for the last five years, and say, 'Okay, you guys have a 20,000 square foot surface … you're using that much electricity … that's not the standard'. When they [Hydro Ottawa] look at all their clients, and they're crunching the data, they can say, 'Wow, you guys are really heavy users of electricity … there's got to be a problem', and identify these locations that are a bit weird … and then having an individual [advisor] take those red clients. And then you tell [the rest], good for you, you're a green."*

Price/Value for Money

Overall, customers believe they receive value for money for the services they pay for. A few customers, in the non-profit, residential development and property management space, mentioned that it was important that Hydro Ottawa keep the cost of electricity reasonable. These customers were on the smaller side among commercial and industrial customers, and therefore, had limited resources compared to larger customers.

> *"Keeping costs under control for sure."*

Innovation

Conversations on innovation were limited as customers often referred to innovation from an infrastructure standpoint rather than technological innovation. One participant mentioned the need to expand self-service options and real-time access to energy usage for organizations through the website or an app as this would allow customers to better manage their account(s) and have better control of their consumption.

> *"If you had the better backend in terms of knowing what your physical real numbers are, and what physically is happening, then you could apply it to what they have…because right now, I don't really know if I'm using that much [electricity] or not. As I go out and take start taking meter readings and doing stuff myself, well, that information is right there now because the Smart Meter provides it so well that you could leverage it. And you can query data, you can do all kinds of stuff with it. Like a person that's a diabetic, you put that thing in your arm to scan yourself every day. And you can see what your blood sugar is, or what were your primetime is, were you having high or low blood sugar, you can apply that in terms of electricity and notice where your users are your best time of day, what's not happening appropriately, what is and where you can do better. Doesn't necessarily need manpower other than the startup to develop the app to leverage what they already have. Make it real time."*

Infrastructure Investments

To ensure that the grid is resilient, customers expect Hydro Ottawa to harden the system. This involves making investments in maintaining, improving, or replacing current infrastructure. Some customers suggested that Hydro Ottawa set a priority list and work on areas that need upgrades first.

> *"…Making sure they have the infrastructure that is reliable."*

Preferences

When asked the top 3 priorities Hydro Ottawa should focus on, commercial and industrial customers typically mention reliability, communication, and innovation unaided.

Reliability

Unsurprisingly, the top priority for customers is ensuring reliability. While most customers felt that Hydro Ottawa provided reliable electricity, they expressed that outages, especially prolonged outages, impact their operations and ultimately, their bottom line. Customers want Hydro Ottawa to harden the system by maintaining and replacing infrastructure, making it resilient to events such as blackouts and extreme weather.

> *"Consistency and reliability and power supply."*

Communication

Customers noted a range of areas Hydro Ottawa should focus on regarding communications. A few customers expressed that Hydro Ottawa should prioritize communications from a customer service perspective. These customers mentioned that it is crucial for customer service to be knowledgeable so that they can provide customers with accurate information or transfer the customer to the correct department to support them with their issue or concern.

> *"Be credible, you know, people [customer service employees] who actually know. And if you don't know, say you don't know. And again, keep your commitments and your promises. If someone's going to call you back, make sure someone calls you back."*

From an advisory standpoint, most customers want Hydro Ottawa to prioritize what and how they communicate to customers in areas such as energy consumption reduction, technology adoption programs and incentives. The key theme we heard was customers wanted a more personalized communication approach rather than receiving communications that weren't relevant to their organization. Most customers mentioned email as the best channel of communication and suggested Hydro Ottawa could provide a link redirecting them to the website or a telephone number to call if they were interested in learning more.

> *"Having programs to help facilitate heavy duty EVs, and not just for myself, but for the end user as well. It's the end user that's going to require it."*

Innovation

As Canada is transitioning towards electricity and alternative energy sources, many customers feel that Hydro Ottawa should prioritize large scale innovation that can accommodate this change. This not only involves ensuring the grid has capacity to support the increasing demand, but also ensuring infrastructure is in place to support that demand.

> *"EV chargers are such a great current example where there's a lot of encouragement, there's a lot of, you know, like a push to implement. There's also this justification for [Hydro Ottawa] to upsize their infrastructure and to kind of go after their own funding and stuff. I feel like they are well positioned to kind of manage that."*

In contrast, customers also want to see innovation on the customer level. A few customers expressed wanting to better manage their consumption, suggesting Hydro Ottawa develop a tool or app that allows customers to access their consumption in real time as well as historical data. A few

customers mentioned it would be neat to incorporate AI to personalize the experience by providing tips and programs for that organization based on their usage data.

> *"Better apps or better control of using online billing…the online management of your accounts, and physically seeing what your usages are everything in real time. Stuff like that, where once you're aware of what you're using and how you're using it."*

Hydro Ottawa Tomorrow

Future Challenges

When asked about the emerging issues or challenges that may impact the services that Hydro Ottawa provides, the most common mentions include climate action, customer service needs, aging infrastructure, and capacity constraints.

Climate Action

Many commercial and industrial customers posed the increasing number of extreme weather events as a challenge that will impact Hydro Ottawa services. As these events are inevitable, steps taken to improve the resiliency of the grid and harden the system will be beneficial in the long run as it will reduce the number of customers impacted in the event of extreme weather.

> *"Climate resiliency. It keeps happening, and we keep having tornadoes in Ottawa. Snow, ice storms that are likely going to happen if the climate is warmer, we're going to see more zero temperatures instead of -20. And that's going to bring ice storms, and all sorts of issues related to that."*

Customer service needs

As we move toward electrification, a challenge Hydro Ottawa will face is customers' growing demand to obtain information and how to disseminate this information. This involves information communicated through digital channels such as through email or website but also in-person. In addition, there exists a demand for a *personalized* service from customers as it pertains to their energy needs and preferences.

> *"Sometimes some of the things that we see apply more to residential businesses. I don't know if Hydro Ottawa looks at their large accounts where they say, 'Hey, what about this account? That's spending $20,000 a month maybe that's a business, let's target those people with specific advertisements or specific type of marketing.'"*

Aging Infrastructure

To ensure reliability of the electricity grid and minimize costly reactive repairs, Hydro Ottawa's aging infrastructure requires *proactive* maintenance. This involves focusing first on high priority areas or infrastructure that require repairing or replacing.

> *"I would assume that they would, they would replace the equipment in a timely manner, you know, like, not wait till they actually collapsed. And they'd be proactive in upgrading it and not just be reactive, in terms of how much money or percentage of money they should spend on this. I assume that they have some components that are aging and vulnerable, and that they would have some sort of system to determine. I mean, one thing that I hope that they have is that set, it's a system that allows them to determine which components are in the red, orange or yellow, you know, and ensure that they dedicate enough money to address at least the reds…you know?"*

Capacity Constraints

With increasing population growth in Ottawa and the shift to electrification, many customers posed the question of whether there will be enough capacity to meet the demand of the future. To

accommodate the city's evolving needs, this involves (1) the need to expand capacity and (2) to have appropriate infrastructure in place to distribute the electricity.

> *"Well, to me, I mean, you got the light rail right now that's going to use an enormous amount of powers. And I'm assuming that Hydro Ottawa is supplying that power. How is that going to impact on our business? Will we get more downtime … in the summer with all the ACs, the train, businesses [consuming electricity]?"*

> *"I think capacity. I think we're going to run out of electricity, especially if we have all these electric vehicles going around…there's going to be a gap there that needs to be filled. So, increase capacity… if we don't have enough supply, we're going to have breakdowns all the time that jeopardize the system."*

Impact of Leaving Challenges Unaddressed

On the topic of the consequences that Hydro Ottawa would face leaving challenges unaddressed, the top mention was unreliable electricity service which in turn would lead to customer dissatisfaction with Hydro Ottawa. Although customers feel electricity prices are higher in Hydro Ottawa, compared to other jurisdictions like Quebec, most feel they receive value for money for the service they receive. However, if customers experience more outages but are facing increasing electricity costs, this may impact their perception of the utility.

On a larger scale, not addressing identified challenges could lead to negative environmental and economic outcomes. For one, if Hydro Ottawa cannot meet customers' needs in terms of providing information, offering incentives and programs, and acting as an advisor, customers may not be incentivized to adopt alternative energy or make energy efficiency upgrades. Furthermore, this can drive organizations to move their businesses to other jurisdictions where (1) electricity is more reliable, (2) the increase in electricity costs is evidenced by the innovation and actions the utility is taking to improve and harden the grid, and (3) the utility supports commercial and industrial organizations in the energy transition.

> *"I think it's gonna be you know, grid breakdowns and power outages. And again, I lived in countries where they have blackouts regularly for a few hours during the day, and that is not pleasant. And I think Canadians are not used to that. So, I think public opinion would backlash if that happened. You know, I don't have a lot of faith in governments taking the rap for anything. If we started having breakdowns in first world cities like Toronto, or Ottawa, or any big cities in the province, people are going to freak out. It's just like cell phones; every time we have a cell phone outage the world and people freak out. Electricity is one of them, especially in the winter."*

When asked about willingness to pay for electricity so that Hydro Ottawa can address future challenges and issues, almost all commercial and industrial customers held the view that although no one likes price increases, they understood that increases were necessary to ensure the reliability of the electricity, tackle environmental issues, and continuously innovate to meet the demand of the future.

However, these customers expressed that to get customers on board with price increases, Hydro Ottawa needed to be clear, transparent, and proactive in terms of communicating and executing their plan. These customers expect Hydro Ottawa to *explain* how their dollars would be used to fund

projects such as improving or maintaining infrastructure and energy conservation or technology adoption programs to benefit customers now and into the future.

> *"Everything's expensive. Unfortunately, everything's gonna go up no matter what. There are costs to electricity. And we have to do it. So, while I don't like high costs…I understand where it's required in order to do what we need to do. And that's what a lot of consumers don't understand that you can cut back, but then you're not gonna have the support necessary when there isn't a storm or when there are rare things, if we don't have the capability, the tools…or backups of our systems to make sure that we have something in place to support us. And I think that's something that they're trying to solve [in the] long term, I believe."*

Other Topics

Depending on the length and direction of the interview, the interviewer gave a high-level explanation of the customer engagement process and inquired on the types of engagement customers would be interested in. In these conversations, customers were pleased with the different engagement options available and expressed interest in participating in these activities.

A few participants mentioned that having an in-person or online conference where individuals responsible for managing their organization's electricity bill can attend and learn from Hydro Ottawa as well as their peers would be helpful.

> *"Maybe it's seminars, and if they are really targeted to our type of organization, I would be interested in participating in some sort of seminar or conference where they would talk about this. If it's clear that there's some benefit to us I would definitely be interested and I know others would be too. Something educational where after the event, they can make resources available so that you can contact them or redirect people to a website, or I have an expert that is available for detailed conversation."*

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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Phase I Customer Engagement
2026 Rate Application

Key Account Needs & Preference Interviews

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February 2025

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2026 – 2030 Rate Application

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Key Accounts

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Customer Engagement

2026-2030 CIR Application

February 2025

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Methodology

Innovative Research Group Inc. (INNOVATIVE) was engaged by Hydro Ottawa Limited (Hydro Ottawa) to design, execute, and document the results of its customer engagement, as part of Hydro Ottawa's Rate Application to the Ontario Energy Board (OEB) for the years 2026 to 2030.

The primary goal of the Phase I Key Account (KA) customer interviews was to explore customer needs and preferences with regards to the electricity service they receive from Hydro Ottawa today as well as into the future. This research is based on feedback from a small group of customers and is intended to identify the breadth of opinions to help inform subsequent survey design.

12 interviews were held among Hydro Ottawa Key Account (KA) customers between March 26th and April 26th via the MS Teams platform or telephone. Participants were recruited by e-mail, using Key Account lists provided by Hydro Ottawa.

Interview Structure

The interviews were facilitated by a trained moderator and followed a structured discussion guide. All interviews began with a discussion on the customer's role and their organization as well as their interactions with Hydro Ottawa.

Customers were then asked about their level of satisfaction with Hydro Ottawa's services, and what Hydro Ottawa could do to better serve them as their electricity distributor. The interview went on to discuss their needs and expectations from Hydro Ottawa as well as what priorities they thought Hydro Ottawa should focus on.

The latter half of the interview focused on the future of Hydro Ottawa, starting off with the issues and challenges that Hydro Ottawa will face in the next decade, and the consequences of leaving these issues unaddressed. This part of the discussion also touched upon willingness to pay.

Depending on the time and direction of the conversation, the discussion wrapped up with how Hydro Ottawa can consult and engage with their customers in the future.

This report summarizes key findings and offers observations. Respondents' verbatim responses are in italics. In general, our approach in reporting is to allow the respondents to be heard as much as possible, utilizing representative verbatim comments, offering interpretation and comment where necessary.

Note to the reader: Qualitative research does not hold the statistical reliability or representativeness of quantitative research. It is an exploratory research technique that should be used for strategic direction only. In qualitative research, the value of the findings lies in the depth and range of information provided by the participants, rather than in the number of individuals holding each view.

Key Findings

Generally, key account clients are satisfied with the service from Hydro Ottawa.

Most key account clients commend Hydro Ottawa for its excellent customer service, reliability, and proactive efforts in addressing their needs. Key Account customers express high satisfaction with their Key Account Representatives, noting that among organizations dealing with multiple utilities, Hydro Ottawa stands out as the best in Ontario and even across Canada. However, some clients have raised concerns about power quality issues, a lack of flexibility in implementing solutions, and limited transparency regarding pricing.

Reliability, communication, and innovation are highlighted as top priorities.

Most key account clients value Hydro Ottawa's reliable electricity service but stress the importance of maintaining it during expansions and in areas with occasional outages. They emphasize the need for agility in adopting new technologies and proactive support in the energy transition. Clients also seek partnerships to implement innovative solutions and leverage data analytics to improve energy efficiency and consumption.

Key account clients expect Hydro Ottawa to take the lead as an advisor in the energy transition.

Key account clients want to be actively involved in the upcoming decision-making process, recognizing their significant stake in the decisions ahead. They seek deeper engagement and enhanced advisory services to navigate the energy transition, which they view as a major challenge for Hydro Ottawa in the coming decade. These clients expect Hydro Ottawa to take a proactive approach by (1) expanding capacity, (2) ensuring grid protection in the energy transition, and (3) Providing proactive forecasting to understand future demand.

Price increases are acceptable, so long as transparency and value are maintained.

Most key account participants expressed openness to paying higher electricity costs if they receive enhanced services aligned with their business needs, specifically proactive sustainability support, innovative financing options, and improved infrastructure resilience. They emphasized the importance of fully understanding the additional benefits before making a final decision on rate increases.

Hydro Ottawa Today

Interactions with Hydro Ottawa

When it comes to interactions with Hydro Ottawa, key account clients mostly interact with Hydro Ottawa through their key account manager and in various ways depending on their role within the organization. Most mentioned having quarterly or biannual meetings with Hydro Ottawa to discuss their electricity bills, grid capacity for expansion, energy efficiency programs and incentives. They rely on Hydro Ottawa for various services including information, energy rebate applications, and assistance with maintenance and construction projects.

> *"They schedule meetings, they meet with me, they let me know about the incentive, they're doing a really good job. They booked those meetings."*

> *"We meet formally quarterly with [KEY ACCOUNT MANAGER], and his team. We talk about a lot of the things that you discussed in the preamble. And then also we meet ad hoc about other things. We've looked at things like electric boilers, EVs, charging stations. They provided us with a large incentive many years ago, and so we've had ongoing conversations about that. I would say very positive relationship."*

General Satisfaction

Current Level of Satisfaction

Overall, the satisfaction with the service from Hydro Ottawa is generally high among the key account clients. They appreciate the communication, reliability, and proactive approach of Hydro Ottawa in addressing their needs and providing support. Some clients have had great experiences and interactions, especially in terms of communication and partnership on initiatives like decarbonization and energy efficiency. Most see Hydro Ottawa as the preferred utility provider compared to other utility companies.

> *"Yeah, very good service. Very responsive. I would say among all the utility providers, Hydro Ottawa comes top of the list. It's like Hydro Ottawa partnering with us, coming up to us with initiatives, with solutions, with the way forward. They're always proactive and they're always there to assist."*

> *"I worked with them closely on the incentives and the development of the deep retrofit accelerator initiative. Because when I say closely, I'm not taking any credit, we are in somewhat constant communication around those types of initiatives. And I like that they're thinking that way, as an organization that they're thinking about the future of how they're going to support organizations in this move to one acknowledged decarbonization."*

Some participants highlighted opportunities for simplifying incentive programs to align more closely with other utility providers. While many key account customers expressed satisfaction with staff-level interactions, they also identified potential for improved collaboration at senior management levels.

> *"I think a number of initiatives that could have gotten started got derailed, and that has sort of percolated, now, we're still dealing with the fallout of that. At the staff level, I would say I'm*

happy with their relationship, and I recognize that there are limitations with their capacity because of the labour disruption."

Additionally, one participant noted that addressing occasional power bumps and related power quality issues could help prevent equipment damage and associated costs.

"We have a lot of power bumps and outages, mostly bumps. And we have damaged equipment as a result of that. So our most recent power month, [DATE], costs us about $25,000 in repairs, and that's not counting time that people had to spend resetting equipment, etc. That's just strictly dollars for repair."

How Hydro Ottawa can better serve its customers

When asked how Hydro Ottawa could serve them better, most mentioned the need for more efficient and streamlined processes. While they recognize and appreciate the efforts of key account managers, some expressed a desire for faster progress and more flexible procedures, particularly in addressing their needs during emergencies.

"But I have asked for solutions, I said, is there somebody who can come and look over the site and tell us is there something we can do to help ourselves like (reducing the power interruptions), and I haven't gotten that response."

"Well, so simplicity of the paperwork or a lot of the bigger companies will be willing to hire consultants to do it."

Additionally, some highlighted the need for enhanced communication and transparency, such as providing better access to utility data, clearer billing explanations, and more transparent pricing and decision-making processes. A few emphasized the need for more proactive engagement, personalized assistance, and program recommendations. One suggested providing more granular data, such as minute-by-minute usage data, could empower organizations to optimize their energy management strategies effectively.

"So right now, I think we can get hourly data. As crazy as it sounds, getting minute by minute data would be nice. There are certain things that you just can't quite figure out what's going on without the minute-by-minute data."

Needs and Expectations

When addressing needs and expectations, key account clients generally revisited subjects previously discussed regarding how Hydro Ottawa could better serve their organization. Reliability and power quality, communication, and customer service are commonly mentioned. They also addressed the importance of social commitments and value for money.

Reliability

While most key account clients believed Hydro Ottawa met their expectations in terms of reliability, some say they rely on Hydro Ottawa to provide consistent and reliable service to support their operations, especially during severe weather events. They view Hydro Ottawa as a partner and expect open communication and proactive measures to address any electrical disruptions promptly.

> *"Affected by the derecho. They were affected just before the holidays, like December 2022, there was a big storm and stuff like that. So we in that one particular community, we have definitely had prolonged power outages."*

> *"The labs that we run as well are very important and safety concerns as well like, and some of the research that goes on for years with ice cores and with other chemicals, we have to make sure that we're keeping up that and along with our dining services…. And those people have to eat. And if we lose power in the middle of winter and can't heat and can't feed them, we've got a huge problem on our hands."*

Customer Service

Most key account clients appreciated good communication and responsiveness from Hydro Ottawa's key account managers. Some had concerns about inefficiencies, such as delays in getting tasks done and slow response times for quotes or requests for information. Additionally, they expect greater proactivity from Hydro Ottawa in terms of reaching out with initiatives and solutions, as well as providing transparent information about programs and prices.

> *"But sometimes, when we make requests, certainly on the data side or the metering side, I find it's surprisingly difficult sometimes for the staff at Hydro Ottawa to answer the question. And it gives me a sense that maybe there are some difficulties to work with legacy systems that they have in place at Hydro Ottawa."*

A few express a willingness to collaborate more closely with Hydro Ottawa to improve energy efficiency and implement energy-saving initiatives. Specifically, one suggested that Hydro Ottawa conduct energy audits and provide support for programs aimed at energy improvements.

> *"We do have a lot of energy improvements going on. And we also have energy audits, and we also plan. But it will be good if the utility providers themselves could do the walkthrough, conduct the audits. If we can get that support from you to improve our program..."*

Community Investment

One customer expressed a desire for a shift in how investments are made in the community, suggesting that the focus should move away from charity-driven initiatives and instead prioritize investments that directly benefit and engage the community. They emphasized the opportunity for a more strategic, long-term approach to community development, aiming for lasting impact rather than short-term relief.

"I would love to see them investing in the community in a different way. Not that you don't raise an issue, I have nothing against me that way. But I think they have such an opportunity in this community to invest in things that are directly in the community, more of an investment focused rather than charity focus that could do."

Preferences

When asked the top three priorities Hydro Ottawa should focus on, reliability, communication and innovation were commonly mentioned by key account clients.

Reliability

Reliability of electricity emerged as the top priority from key account clients. While most noted having a reliable electricity service, some expressed frustration about frequent power interruptions and have concerns about the grid's capacity to handle decarbonization efforts in the future. They emphasized the importance of maintaining reliability during expansions and in areas experiencing occasional power outages.

"One of the big ones is making sure that we're going to have enough power when we expand. We already are in communication with them. Let's say, we're building a brand-new large building on [LOCATION]. What does that mean for Hydro Ottawa?"

One customer emphasized the importance of keeping up with metering, renewal, and maintenance in particular replacing outdated, analog meters with digital ones, while another customer stressed the need for reliability to drive long-term progress.

"They have to really come to re-enter and calibrate our meters. And if there are meters that are for replacement, they should be replaced. I have meters that are analog, they're not digital. And that's a problem, I don't want anything of that vintage here, I need to have the best metering possible. Imagine I have 165 tenants, I have to charge them, if they receive the meter feed from Hydro Ottawa is not reliable, then my bill is not going to be reliable for the tenants...."

"We need to remain competitive from a reliability side of things. We don't want to jeopardize that. The second would be reliability, and not reliable in the electrical sense. But the word I guess, would be consistency in terms of policy and development. So if they're going down this route, and this is a broad criticism of politics and government and that sort of thing, but the biggest issue we have with carbon is the lack of consistency."

Innovation (Adaptability and Collaboration for Energy Transition)

Most participants suggested Hydro Ottawa should be nimble and adaptable to new technologies and ideas, particularly those related to energy transition and conservation. Some expressed a desire for more innovative solutions to support decarbonization efforts, including grid modernization and the adoption of renewable energy sources like solar panels and heat pumps.

"I think they have to be more and more nimble with new ideas and new technology... I think that with some of this stuff [is] coming on pretty quickly. .... We're not installing knob and tube wiring anymore. So, I think just kind of being a little bit more open to different strategies."

A few participants underscore the importance of leveraging data analytics to enhance energy efficiency and consumption monitoring. They advocated for Hydro Ottawa to provide deeper data analysis services, highlighting the need to understand consumption patterns and detect anomalies to support energy conservation efforts. They also emphasize the potential benefits of creating

heatmaps to compare building energy consumption, noting that this could aid in identifying and addressing inefficiencies.

> *"I think we have a lot of data, for sure. But we don't analyze the data as well. If we have a partner, like, I mean, of course, we have contractors, but, let's say Hydro Ottawa can also provide a service, we dive deep. And then we say, what's the data telling us? That would be kind of very helpful."*

Communications and Customer Service

Even though most participants are satisfied with the communication and customer services received from Hydro Ottawa, they still prioritize communication as one of the three key areas for improvement. They hope that Hydro Ottawa will continue to maintain their current level of customer service and act proactively to meet their needs. Some participants emphasized the importance of regional-specific programs and communication to address evolving needs related to decarbonization.

> *"There's a bunch of concern around grids capabilities to handle decarbonization efforts. Knowing that they are able to handle that and communicating that to the broader community would be useful…."*

A few highlighted the need for improved communication processes to explore opportunities for power sharing at various community levels, including across municipalities. They also highlighted the importance of establishing a communication protocol between buildings and the local utility to support initiatives like vehicle-to-grid chargers and battery storage, which can help reduce peak demand.

> *"I think there's a ton of opportunities that are gonna come up for power sharing on a community level or across the entire city or municipality... Like vehicle to grid chargers, and there seems to be lots of opportunities for battery storage and ways to reduce peak demand and stuff like that. But it definitely requires some form of communication protocol between the buildings themselves and the local utility. And there's been no discussion about that."*

Hydro Ottawa Tomorrow

Future Challenges

When asked about the emerging issues or challenges that may impact the services that Hydro Ottawa provides, the most common mentions include energy transition, capacity constraints, aging infrastructure, and customer service needs.

Energy Transition

Most key account participants mentioned energy transition is a big challenge for Hydro Ottawa in the next decade, particularly in meeting greenhouse gas emission targets and supporting electrification initiatives, such as the adoption of electric vehicles. A few mentioned this transition requires upgrading electrical services in existing buildings to support decarbonization efforts, including designing infrastructure to accommodate future energy demands.

> *"So definitely, upgrading services to existing buildings. We know that's going to become a key issue. An interesting little conundrum that we've come across on the new construction side is we're designing buildings that maybe aren't fully decarbonized day one, but we want them to be sort of net zero ready. Which means we're trying to design the electrical infrastructure for what we know will be the full load in the future."*

There is also a demand for innovative solutions like two-way EV charging, although there's a perception that Hydro Ottawa is not sufficiently engaged in these areas. Additionally, competition from other energy providers, like Enbridge, who offer attractive incentives, poses a challenge for Hydro Ottawa to remain competitive and provide cost-effective incentive programs for solar energy and other initiatives.

> *"So instead of hydro, or we're coming up front and really come up with incentives, then you got companies like Enbridge, trying to put a lucrative plan to do the actual incentive that hydro could be offering to clients."*

Capacity Constraints

With the increasing demand for electrification, economic activities, and the transition to electric vehicles and heat pumps, there are concerns about whether the current grid capacity can meet future requirements. This involves the need to (1) expand capacity, (2) ensure grid protection during the energy transition, and (3) understand future demand through proactive forecasting.

> *"My concern right now is the demand in the city and the electric cars. I'm not against electric vehicles, I think they're wonderful. But it's a huge demand on the grid, and it's affecting Canada. We are getting brownouts in the middle of summer when people are charging their cars and the AC is on full pin … Yeah, this is a big concern. Is there enough support? Is there enough power? That's probably my biggest concern other from the power quality."*

> *"Well, electrification is huge. EV, as a huge part of it. And again, if we start converting all our buildings from natural gas to heat pumps and ground source heat pumps, somebody's going to have to build 10 nuclear plants somewhere, just for the eight-week period in the middle of the wintertime… so they've got to come to the table with them controlling our heating systems. We've put in a couple sample sites, where we've got a heat pump with natural gas backup, and if they're controlling it, they're protecting the grid, they're protecting the distribution system.*

So they've got to have pricing schedules that make that attractive to us. To help us they have to have the ability to push that out."

Climate Action

A few participants emphasized the need to adapt to climate change impacts while ensuring the reliability and resilience of the grid. They expressed their concerns about the aging infrastructure's ability to withstand extreme weather events, with the need for infrastructure hardening and reliability improvements. A few highlighted the necessity of considering undergrounding power lines to mitigate weather-related disruptions, although the significant cost implications of such measures pose practical challenges.

"One of the last major events, I think it was the derecho, and there's been a lot of pressure for them to put their lines underground, but that's in the billions of dollars. And it's not something that is realistic. That's what I want to understand, particularly as we start to electrify and move to a greener system. What are their redundancies? And how do they help assure reliability of their infrastructure

Customer Service

As we progress towards electrification and decarbonization, one of the challenges Hydro Ottawa will encounter is meeting customers' increasing demand for information and effectively disseminating this information. Some participants recommended that Hydro Ottawa take a more proactive approach and arrange more frequent meetings to guide key account clients through energy transitions and streamlining processes related to renewable energy installations. Another suggestion is to improve communication and engagement with major customers regarding system planning, capacity investments, and opportunities for load sharing or microgrids.

"We were pushed to put in cogens. But now the market of cleaner energy is pushing away from that. So looking at our future, we're not getting rid of them anytime soon. But what are we going to replace them with? Yeah, what was our central plant gonna look like in 15 years? And how do we get our buildings ready for low temperature hot water over the next 15 years? So that when we put in a low temperature hot water, let's say a geothermal system in our central plant, are we ready at the building level?"

Willingness to Pay

When asked about willingness to pay for electricity so that Hydro Ottawa can address future challenges and issues, most key account clients expressed openness under certain conditions. Some indicated they would consider paying more if they received enhanced services and value aligned with their business needs, such as proactive support to meet sustainability targets, innovative financing options to make upgrades more affordable, and improved infrastructure resilience.

However, the potential cost implications of enhanced services were unknown. A few suggested they would need to understand exactly what additional services and benefits they would receive in exchange for higher rates before making a final decision.

"Right now we got 2.5 percent this year for an increase. And if Hydro Ottawa as a portion of the utility bill goes up by 15%, then we're going to have to make cuts in other places. We've also got to see value for money when we're doing stuff"

"If there was a value to the business, yes, absolutely [we'd pay more]."

Other Topics

The discussion wrapped up with participants offering insights on how Hydro Ottawa should engage with them moving forward. It was suggested that Hydro Ottawa should offer enhanced advisory services that are proactive and tailored to specific business challenges, demonstrating a deep understanding of each customer's unique needs, including navigating incentive programs and meeting certification requirements.

There were a number of participants suggesting that Hydro Ottawa engage with all key account clients through regular meetings or sessions, both virtually and in-person, to foster meaningful two-way dialogue and networking among stakeholders.

> *"We could … set up a special advisory group for all of our key accounts, quarterly sessions, and four meetings a year, we're going to build an audit into that to help you meet your carbon reduction, but also to help you save costs."*

> *"I think it'd be good to keep on top of. And maybe it is available somewhere, but it just hasn't been. Hey, we're thinking of doing a quarterly meeting with all of our key accounts to bring you all together. I mean, you can participate virtually, or maybe they hosted a breakfast or lunch or something like that... Because we need to do this together, energy transition is not going to happen effectively if it's a one-way dialogue. It has to be a two-way dialogue."*

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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APPENDIX 04

Phase I Customer Engagement
2026 Rate Application

Residential Needs & Preferences Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Hydro Ottawa Limited.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

Report Navigation

Residential

APPENDICIES

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- APPENDIX.02 – C&I Customer Needs & Preference Interviews
- APPENDIX.03 – Key Account Needs & Preference Interviews
- APPENDIX.04 – Residential Needs & Preferences Survey
- APPENDIX.05 – Small Business Needs & Preferences Survey
- APPENDIX.06 – C&I Needs & Preferences Survey
- APPENDIX.07 – Key Accounts Needs & Preferences Survey
- APPENDIX.08 – Needs and Preferences Planning Placemat

PHASE II: Trade-offs

- APPENDIX.09 – Residential Trade-off Survey
- APPENDIX.10 – Small Business Trade-off Survey
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Online Survey

Survey Design & Methodology

Residential

INNOVATIVE was engaged by Hydro Ottawa to gather customer input to assess importance of the preferences and priorities identified in the qualitative components of Phase I of the customer engagement.

Field Dates

The **Residential Online Survey** was sent to a random selection of Hydro Ottawa residential customers who provided the utility with an email address. Customers had an opportunity to complete the survey between **April 10th, 2024, and April 26th, 2024**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class.

In total, the residential survey was sent to **23,372** customers from *info@hydroottawa.com*. Reminder emails were sent on April 17th, April 19th, April 22nd and April 24th, 2024 after the initial invitation to those who had not yet completed the survey.

Residential Online Survey Completes

A total of **3,357** (unweighted) Hydro Ottawa residential customers completed the online survey.

Sample Weighting

The residential online survey sample was weighted to **n=3,357** proportionately by consumption quartiles and region in order to be representative of the broader Hydro Ottawa customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and region.

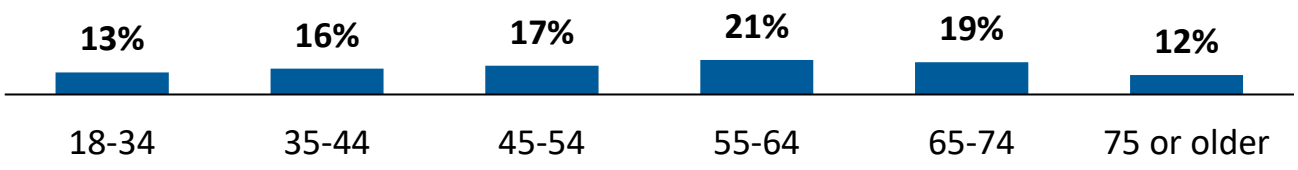
Region	Consumption Quartiles				Total
	Low	Medium-Low	Medium-High	High	
Ottawa	547 (521)	379 (341)	338 (312)	257 (307)	1521 (1481)
Gloucester	104 (88)	147 (143)	148 (153)	147 (153)	546 (538)
Nepean	115 (135)	193 (198)	176 (203)	182 (191)	666 (726)
Kanata	58 (62)	130 (98)	98 (102)	92 (99)	378 (361)
Goulbourn	31 (30)	55 (55)	63 (64)	71 (82)	220 (230)
Other	4 (3)	4 (4)	6 (5)	12 (9)	26 (21)
Total	**859 (839)**	**908 (839)**	**829 (839)**	**761 (841)**	**3357 (3357)**

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Online Survey
Demographic breakdown

Residential

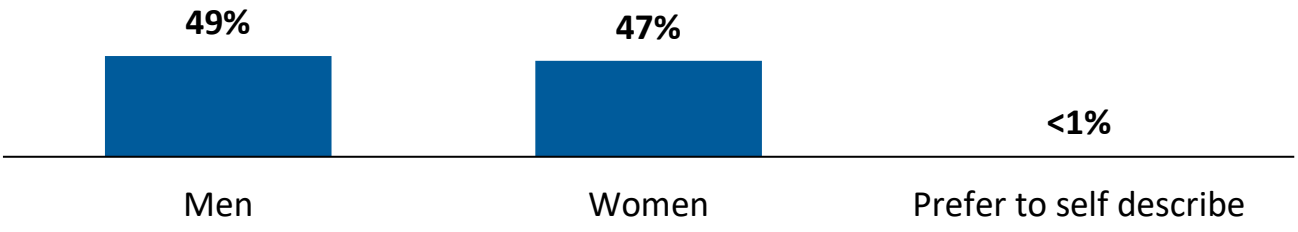
Q Age



"Prefer not to say" (2%) not shown.

n=3,357

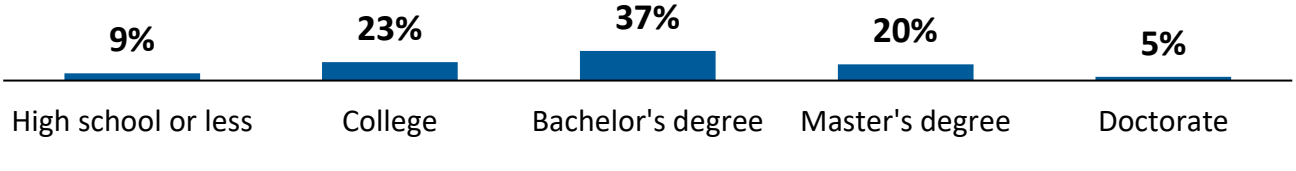
Q Gender



"Prefer not to say" (3%) not shown.

n=3,357

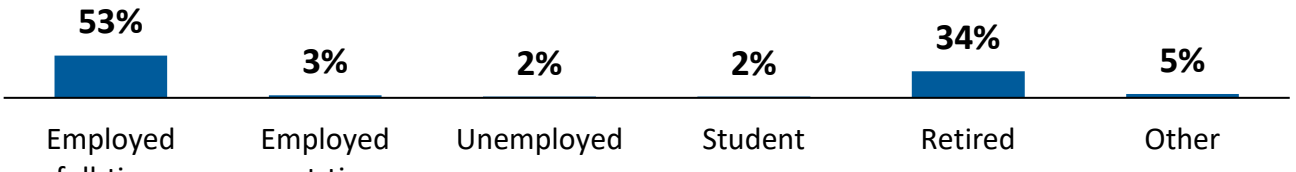
Q Education



"Prefer not to say" (5%) not shown.

n=3,357

Q Employment Status



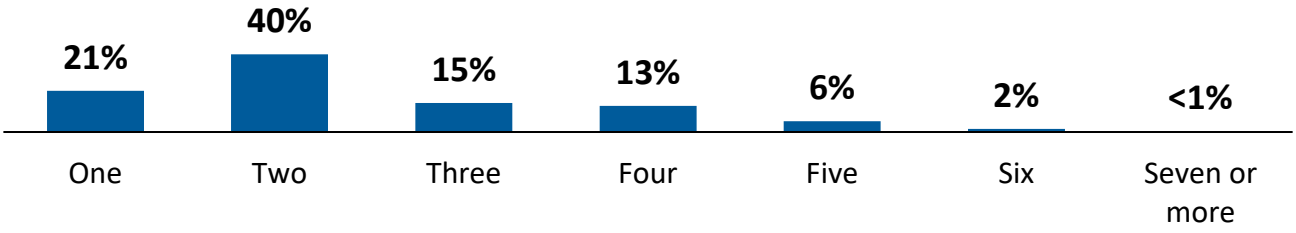
"Prefer not to say" (2%) not shown.

n=3,357

Online Survey
Demographic breakdown

Residential

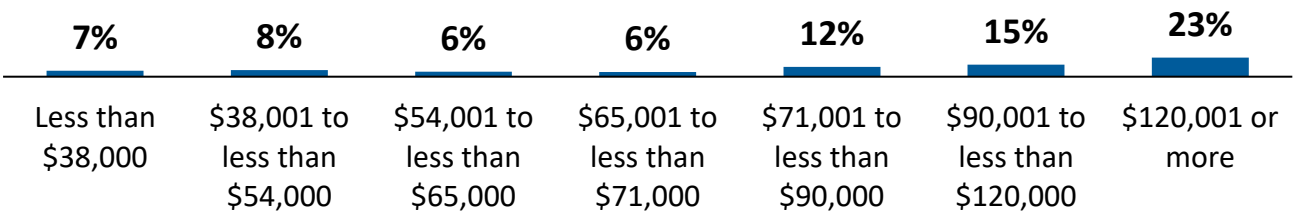
Q Household Size



"Prefer not to say" (3%) not shown.

n=3,357

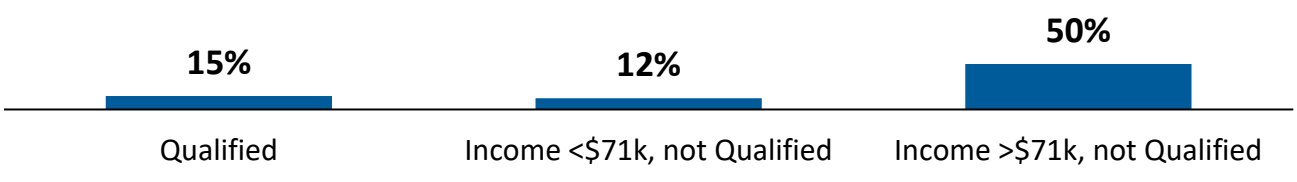
Q After Tax Household Income



"Prefer not to say" (23%) not shown.

n=3,357

Q LEAP/OESP Qualification (based on household size and income)



"Prefer not to say" (23%) not shown.

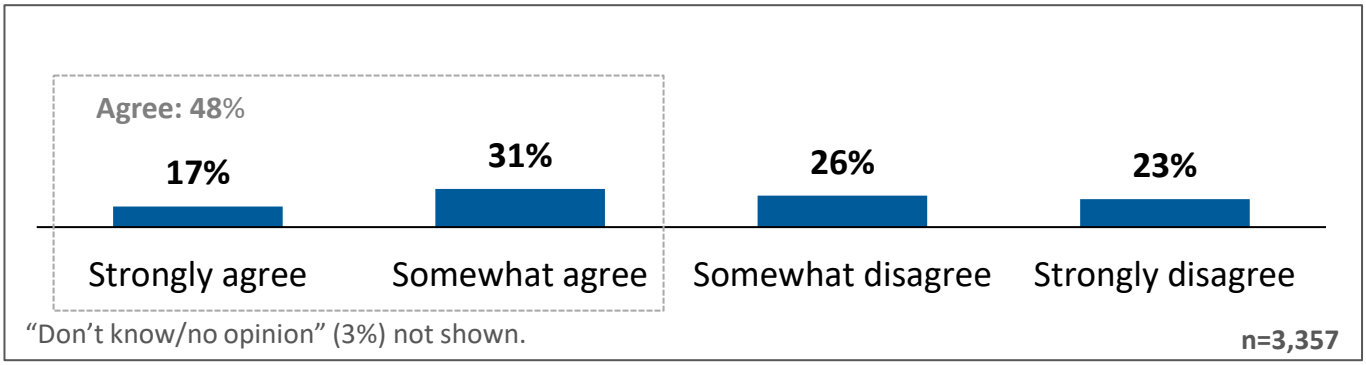
n=3,357

Online Survey
Environmental Controls

Residential

To what extent do you agree or disagree with the following statements?

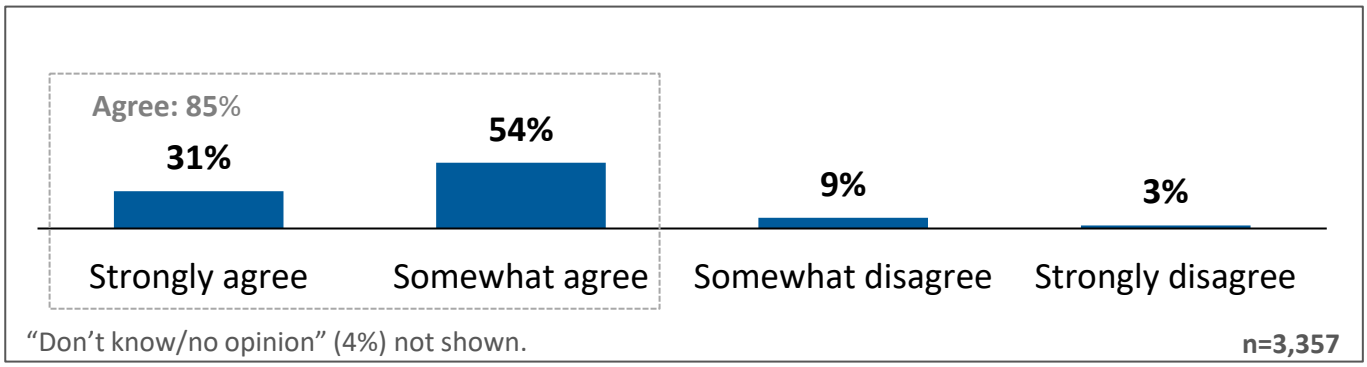
Q The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.



"Don't know/no opinion" (3%) not shown.

n=3,357

Q Customers are well-served by the electricity system in Ontario.



"Don't know/no opinion" (4%) not shown.

n=3,357

Online Survey

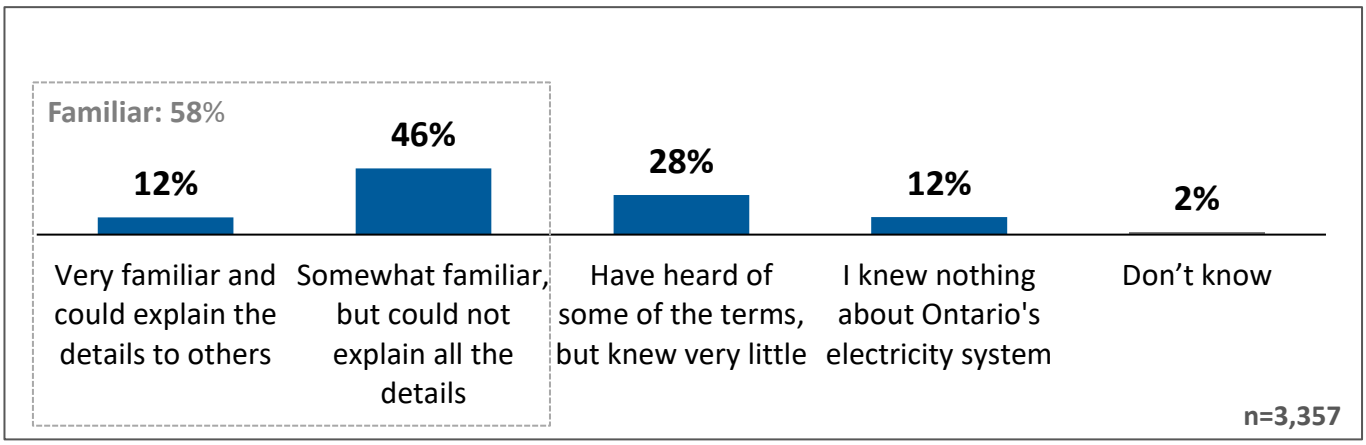
Familiarity with Ontario's Electricity System

Residential

As you may know, Ontario's electricity system has three key components: **generation**, **transmission** and **distribution**.

- **Generating stations** convert various forms of energy into electric power;
- **Transmission lines** connect the power produced at generating stations to where it is needed across the province; and
- **Local distribution networks** take the electricity from provincial transmission lines and bring it to your home through a network of wires, poles and other equipment.

Q Before this survey, how familiar were you with the various parts of the electricity system and how they work together?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Very familiar	12%	10%	11%	13%	19%	3	11%	13%
Somewhat familiar	45%	47%	49%	44%	48%	6	43%	51%
Knew very little	28%	29%	28%	30%	23%	7	30%	25%
Knew nothing	13%	13%	11%	12%	10%	4	15%	10%
Don't know	2%	1%	2%	1%	1%	1	1%	1%
Familiar (Very + Somewhat)	**57%**	**57%**	**60%**	**57%**	**67%**	**9**	**54%**	**64%**

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Familiarity with Ontario's Electricity System

Residential

Q Before this survey, how familiar were you with the various parts of the electricity system and how they work together?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Very familiar	12%	7%	12%	13%	16%	12%	8%	14%
Somewhat familiar	46%	43%	45%	49%	48%	37%	43%	49%
Knew very little	28%	31%	30%	26%	25%	28%	33%	26%
Knew nothing	12%	16%	12%	11%	10%	20%	15%	10%
Don't know	2%	2%	2%	1%	1%	3%	1%	1%
Familiar (Very + Somewhat)	**58%**	**51%**	**57%**	**62%**	**64%**	**48%**	**51%**	**62%**

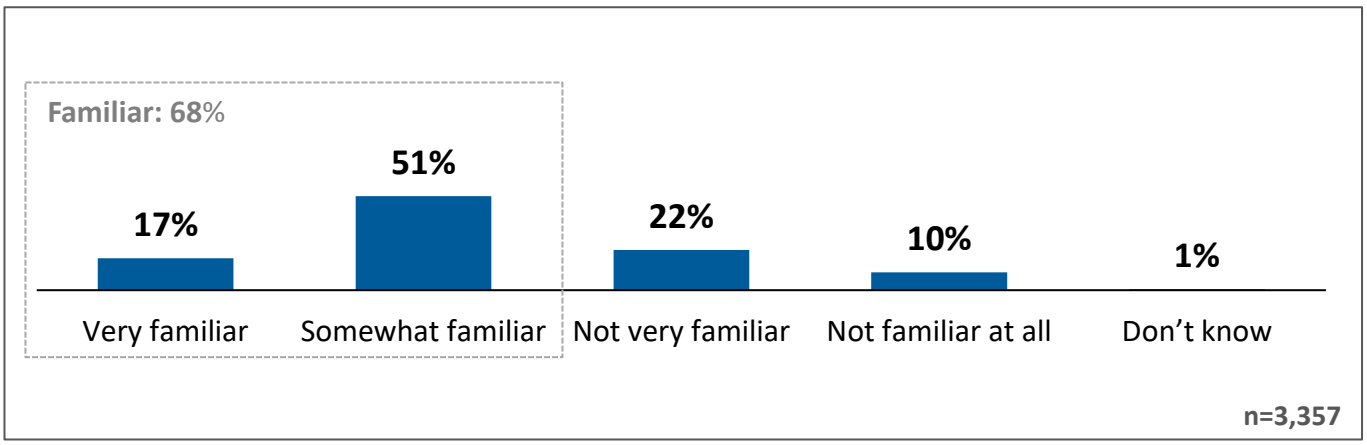
Online Survey

Familiarity with Hydro Ottawa

Residential

Hydro Ottawa owns and operates all aspects of the local electricity distribution system across most of the city of Ottawa and the Village of Casselman. This is the network that takes the electricity from the high-voltage transmission system and connects it to your home and the local community.

Q Before this survey, how familiar were you with **Hydro Ottawa**, and the role it plays in Ontario's electricity system?



		Region					Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Very familiar	15%	18%	17%	18%	26%	5	16%	19%
Somewhat familiar	50%	49%	54%	51%	47%	6	50%	52%
Not very familiar	22%	23%	20%	22%	19%	6	22%	21%
Not familiar at all	11%	9%	8%	9%	8%	4	11%	8%
Don't know	1%	1%	<1%	<1%	<1%	--	1%	<1%
Familiar (Very + Somewhat)	**66%**	**67%**	**72%**	**69%**	**73%**	**11**	**66%**	**71%**

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Familiarity with Hydro Ottawa

Residential

Q Before this survey, how familiar were you with **Hydro Ottawa**, and the role it plays in Ontario's electricity system?

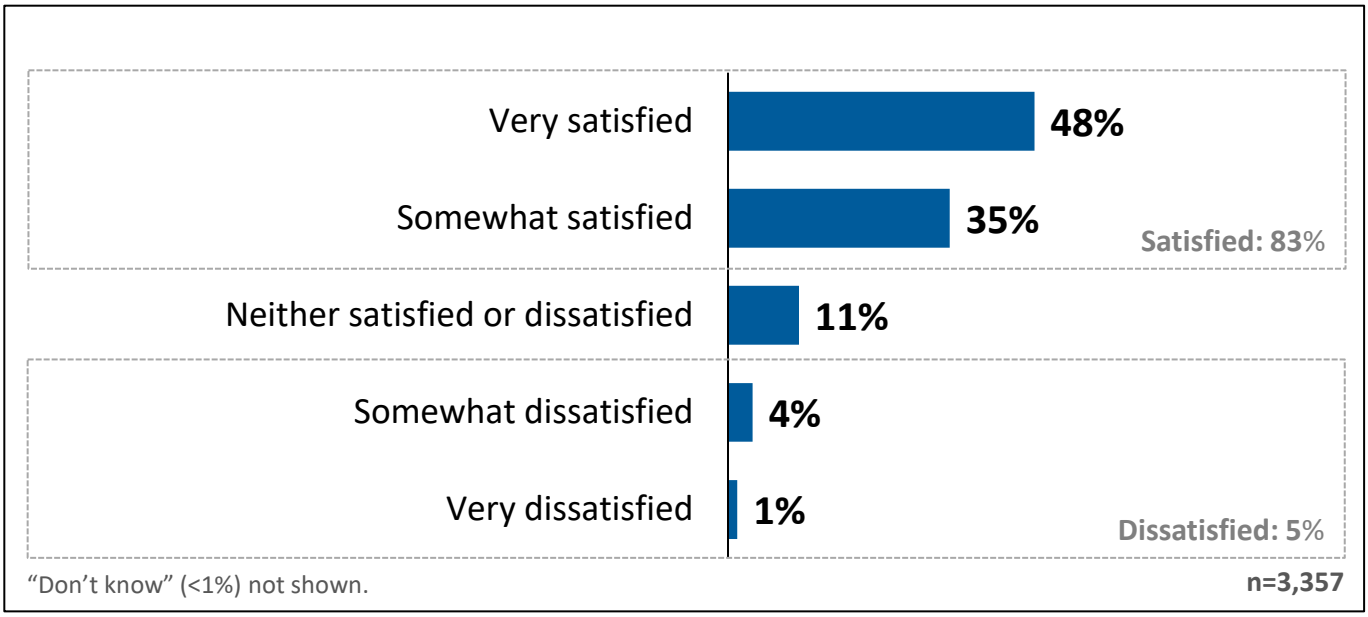
		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Very familiar	17%	13%	17%	19%	21%	13%	14%	19%
Somewhat familiar	51%	48%	50%	53%	51%	46%	48%	53%
Not very familiar	22%	25%	23%	20%	19%	24%	24%	20%
Not familiar at all	10%	13%	9%	8%	8%	16%	12%	8%
Don't know	1%	1%	1%	<1%	1%	1%	1%	<1%
Familiar (Very + Somewhat)	**68%**	**61%**	**66%**	**72%**	**72%**	**58%**	**63%**	**72%**

Online Survey

Overall Satisfaction with Hydro Ottawa

Residential

Q Generally, how satisfied or dissatisfied are you with the services that you receive from **Hydro Ottawa**?



"Don't know" (<1%) not shown.

n=3,357

	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Very satisfied	51%	48%	46%	47%	43%	9	40%	56%
Somewhat satisfied	33%	36%	36%	35%	40%	7	37%	33%
Neither satisfied nor dissatisfied	11%	11%	11%	12%	9%	3	15%	7%
Somewhat dissatisfied	3%	4%	5%	5%	6%	1	6%	2%
Very dissatisfied	1%	2%	2%	1%	1%	--	2%	1%
Don't know	<1%	<1%	<1%	<1%	<1%	--	<1%	<1%
Satisfied (Very + Somewhat)	**83%**	**84%**	**82%**	**82%**	**83%**	**16**	**77%**	**89%**
Dissatisfied (Very + Somewhat)	**5%**	**5%**	**7%**	**6%**	**8%**	**1**	**8%**	**3%**

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Overall Satisfaction with Hydro Ottawa

Residential

Q Generally, how satisfied or dissatisfied are you with the services that you receive from **Hydro Ottawa**?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Very satisfied	48%	49%	50%	49%	45%	51%	51%	48%
Somewhat satisfied	35%	34%	35%	35%	35%	30%	32%	36%
Neither satisfied nor dissatisfied	11%	12%	11%	10%	12%	12%	12%	11%
Somewhat dissatisfied	4%	3%	3%	4%	6%	5%	4%	4%
Very dissatisfied	1%	1%	1%	1%	2%	1%	1%	1%
Don't know	<1%	<1%	1%	<1%	1%	1%	<1%	<1%
Satisfied (Very + Somewhat)	**83%**	**84%**	**85%**	**84%**	**80%**	**81%**	**83%**	**84%**
Dissatisfied (Very + Somewhat)	**5%**	**4%**	**4%**	**5%**	**8%**	**6%**	**5%**	**5%**

Online Survey

How Hydro Ottawa can improve its services

Residential

Q Is there anything **Hydro Ottawa** can do to improve its services to you?

Response	%
Lower bills/provide better rates/make it affordable	12.8%
No issues/satisfied with services	10.8%
Improve reliability of service/reduce outages	8.9%
Improve/maintain infrastructure (e.g. bury lines)	3.4%
Improve communication during outages	2.9%
Improve customer service/reduce wait times/more contact options	1.6%
Billing improvements – bill format/more payment options	1.3%
Promote and educate on energy conservation/incentivize alternative energy	1.2%
Line management (e.g. tree trimming, branch clearing)	0.9%
Develop app/tool for customers to manage consumption/provide historical data	0.9%
Reduce delivery fee	0.6%
Build for the future/increase capacity	0.6%
Improve overall communications/future plan/climate action initiatives	0.5%
Advise on best rates/plans/programs for customer	0.5%
Improve new connection/disconnection experience	0.2%
Other	0.5%
None/Don’t know	52.5%

Note: Only responses >0.1% shown

Online Survey
Bill Remittance Familiarity

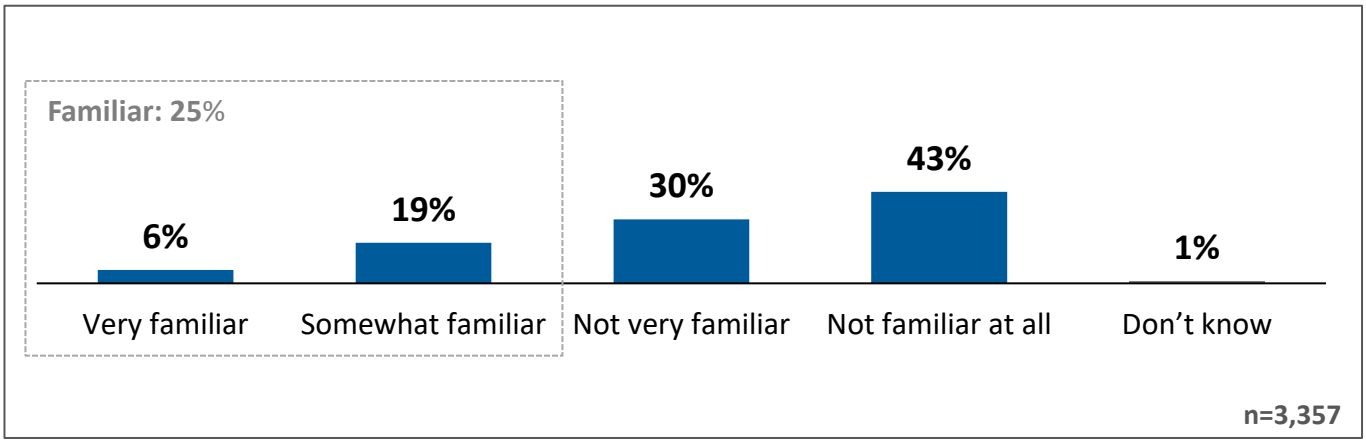
Residential

While Hydro Ottawa is only responsible for the distribution portion of the system, to make it easier for customers, they collect payment for the entire electricity system.

Hydro Ottawa keeps about **23%** of the average residential customer's bill in your area. The rest of the bill goes to power generation companies, transmission companies, the provincial government, and regulatory agencies.

Before this survey, how familiar were you with the amount of your electricity bill that went to Hydro Ottawa?

Q Before this survey, how familiar were you with the amount of your electricity bill that went to **Hydro Ottawa**?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Very familiar	5%	6%	9%	6%	11%	--	8%	4%
Somewhat familiar	17%	22%	20%	20%	19%	5	22%	17%
Not very familiar	30%	29%	33%	29%	30%	5	30%	30%
Not familiar at all	47%	41%	37%	43%	38%	10	39%	48%
Don't know	1%	1%	1%	2%	2%	1	1%	1%
Familiar (Very + Somewhat)	**22%**	**28%**	**29%**	**26%**	**30%**	**5**	**30%**	**21%**

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey
Bill Remittance Familiarity

Residential

Q Before this survey, how familiar were you with the amount of your electricity bill that went to **Hydro Ottawa**?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Very familiar	6%	5%	5%	8%	7%	9%	4%	6%
Somewhat familiar	19%	17%	19%	19%	22%	18%	19%	19%
Not very familiar	30%	27%	32%	31%	30%	30%	31%	31%
Not familiar at all	43%	49%	43%	41%	39%	42%	44%	43%
Don't know	1%	2%	2%	1%	1%	1%	1%	1%
Familiar (Very + Somewhat)	**25%**	**22%**	**23%**	**27%**	**30%**	**27%**	**24%**	**25%**

INNOVATIVE RESEARCH GROUP

Residential Customers

Priorities & Preferences

Appendix 04



Online Survey

Importance of Customer Priorities

Residential

The second topic in this survey is on **outcomes**, or services that matter to you. Everyday Hydro Ottawa interacts with hundreds of its customers through multiple channels and touchpoints, including surveys, SMS/text and email notifications, community outreach, newsletters, their call centre and social media.

In a recent series of customer focus groups, a number of company goals were identified as priorities for **Hydro Ottawa**.

Shortened Customer Priorities Response Labels	Full Customer Priorities Response Labels
Maintaining reliable electrical service	Maintaining reliable electrical service for customers
Ensuring the grid can withstand severe weather	Preparing the grid to withstand increasingly severe weather events
Providing timely communications during outages	Providing accurate and timely communications during power outages
Delivering electricity at a reasonable price	Delivering electricity at a reasonable price
Helping customers with energy conservation	Helping customers with energy conservation
Expand the grid to meet expected future demand	Building capacity for the electricity grid to meet the local community's expected future needs
Replacing aging infrastructure	Replacing aging electrical infrastructure operating beyond its expected useful life
Investing in new technology to help manage usage	Providing tools and new technologies to help customers better manage their electricity usage
Ensuring the safety of electricity infrastructure	Ensuring the safety of electrical equipment and infrastructure
Providing customers with advisory services	Providing customers with advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EVs, contractors, energy products, etc.) so they can make more informed decisions

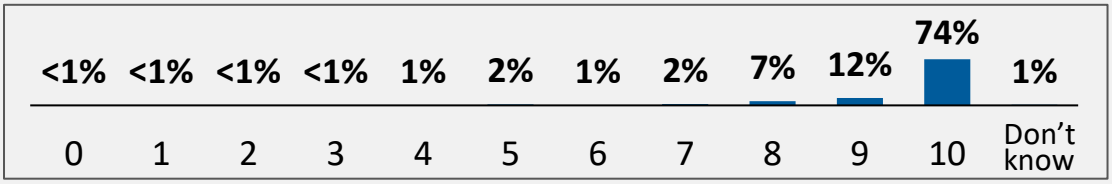
Online Survey

Importance of Customer Priorities

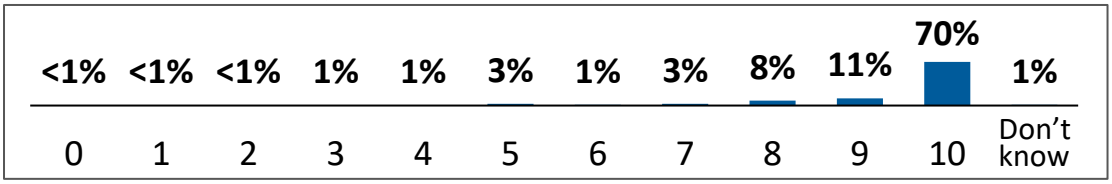
Residential

Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to you as a customer?

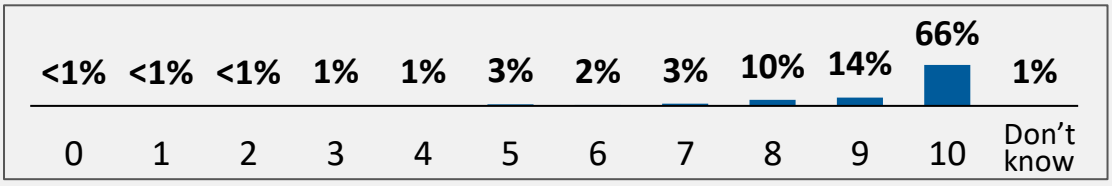
Maintaining reliable electrical service [average = **9.45**]



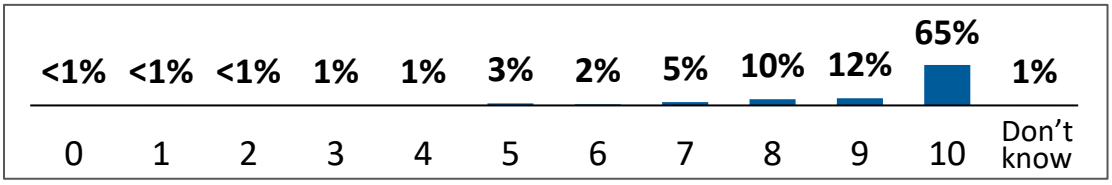
Delivering electricity at a reasonable price [average = **9.29**]



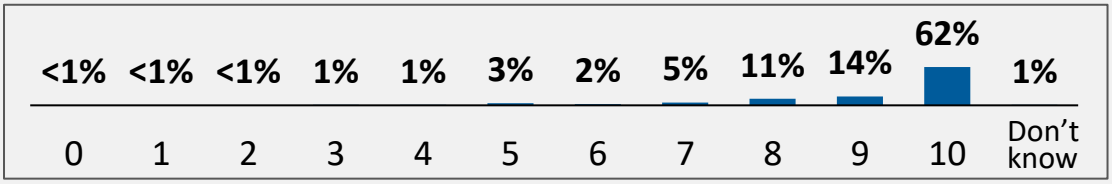
Ensuring the grid can withstand severe weather [average = **9.21**]



Ensuring the safety of electricity infrastructure [average = **9.15**]



Providing timely communications during outages [average = **9.08**]



Note: Priority labels have been shortened for brevity. See slide 17 for full label text.
"Don't know" not included in calculation of means.

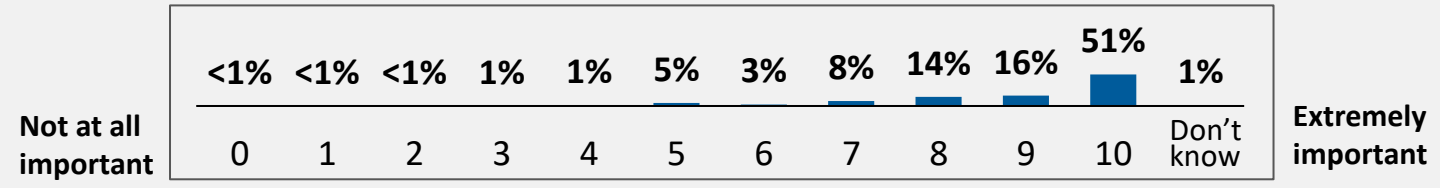
Online Survey

Importance of Customer Priorities (Cont'd)

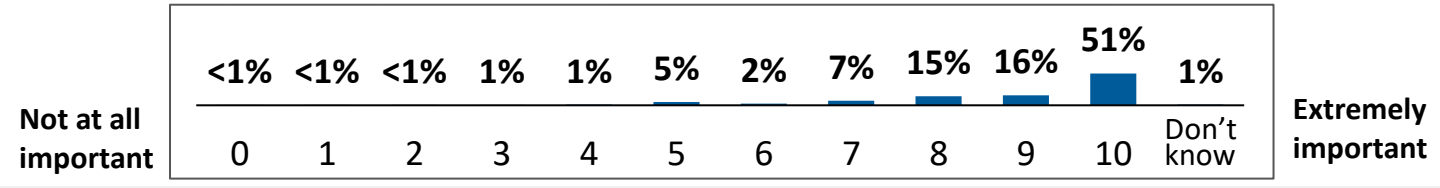
Residential

Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to you as a customer?

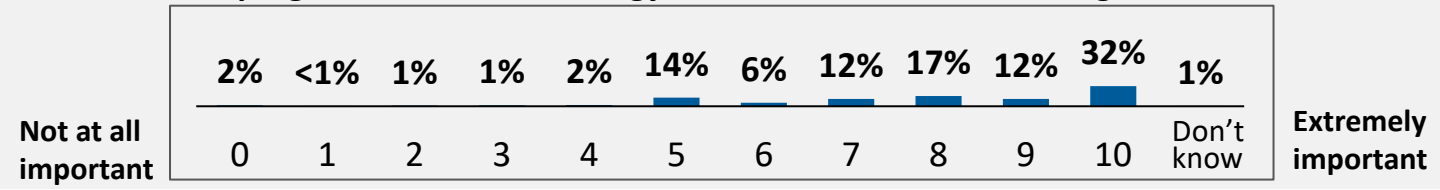
Replacing aging infrastructure [average = **8.80**]



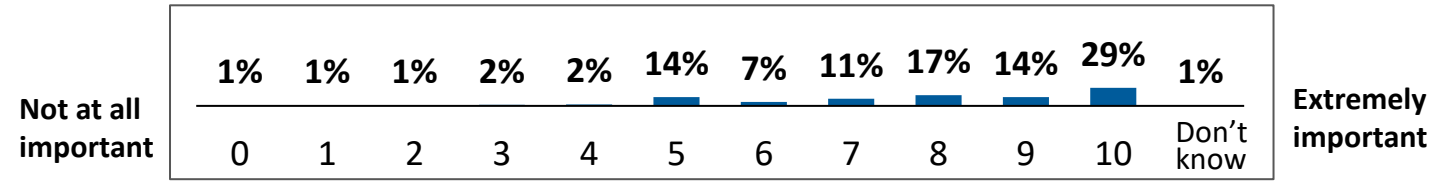
Expand the grid to meet expected future demand [average = **8.80**]



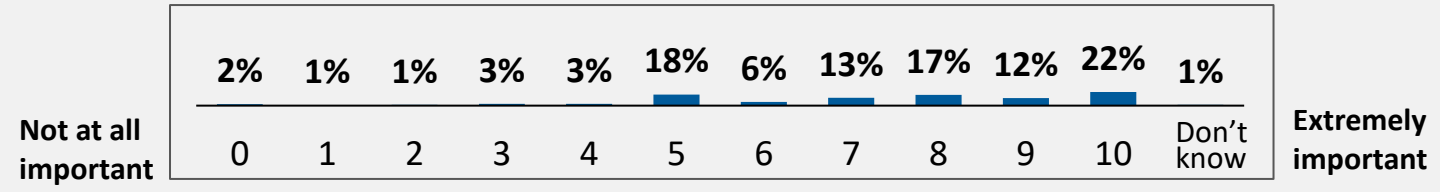
Helping customers with energy conservation [average = **7.73**]



Investing in new technology to help manage usage [average = **7.67**]



Providing customers with advisory services [average = **7.14**]



Note: Priority labels have been shortened for brevity. See slide 17 for full label text.
"Don't know" not included in calculation of means.

Online Survey

Importance of Customer Priorities – Average Scores

Residential

Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to you as a customer?

		Region						Bill Impact	
Average Score	Overall	Ottawa	Glou-cester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Maintaining reliable electrical service	9.45	9.37	9.54	9.46	9.59	9.45	9.52	9.37	9.55
Delivering electricity at a reasonable price	9.29	9.20	9.37	9.31	9.35	9.48	9.34	9.49	9.10
Ensuring the grid can withstand severe weather	9.21	9.12	9.28	9.28	9.26	9.33	9.37	9.16	9.29
Ensuring the safety of electricity infrastructure	9.15	9.08	9.21	9.13	9.31	9.20	9.26	9.10	9.22
Providing timely communications during outages	9.08	8.97	9.14	9.08	9.26	9.26	9.28	9.12	9.04
Replacing aging infrastructure	8.80	8.71	8.85	8.84	9.02	8.85	8.54	8.77	8.85
Expand the grid to meet expected future demand	8.80	8.68	8.84	8.81	9.02	9.03	8.70	8.73	8.88
Helping customers with energy conservation	7.73	7.71	7.86	7.69	7.73	7.59	8.47	7.93	7.52
Investing in new technology to help manage usage	7.67	7.63	7.64	7.83	7.61	7.58	7.97	7.96	7.41
Providing customers with advisory services	7.14	7.13	7.15	7.17	7.07	7.16	7.83	7.34	6.96

Note: Priority labels have been shortened for brevity. See slide 17 for full label text. "Don't know" not included in calculation of means.*Due to limited sample size (n=21) results should be treated as directional.

Online Survey

Importance of Customer Priorities – Average Scores

Residential

Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to you as a customer?

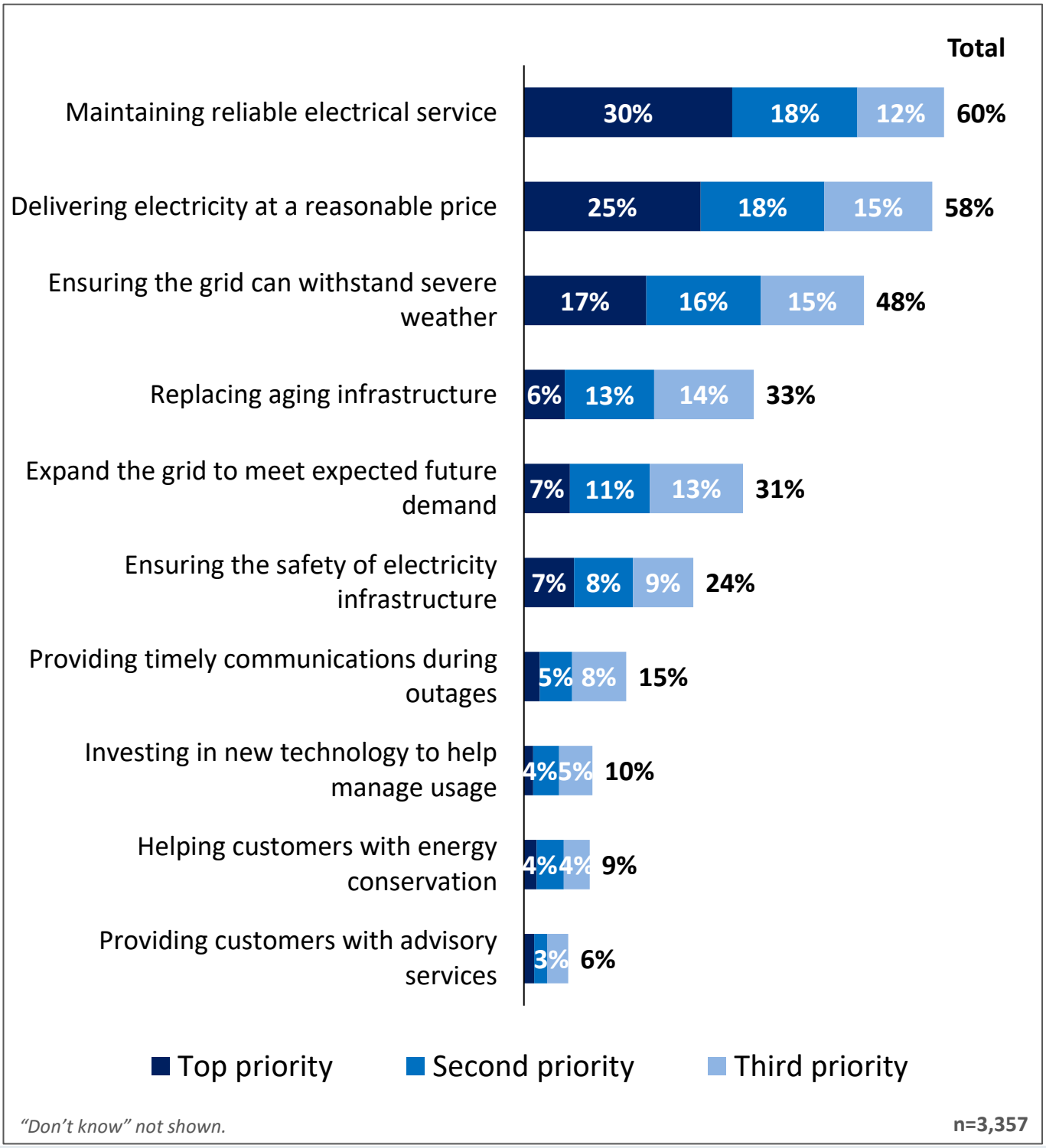
		Consumption Quartiles				LEAP/OESP Qualification		
Average Score	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Maintaining reliable electrical service	9.45	9.34	9.44	9.57	9.43	9.14	9.53	9.48
Delivering electricity at a reasonable price	9.29	9.30	9.26	9.25	9.34	9.21	9.47	9.20
Ensuring the grid can withstand severe weather	9.21	9.10	9.24	9.30	9.21	8.85	9.28	9.24
Ensuring the safety of electricity infrastructure	9.15	9.06	9.14	9.27	9.12	8.91	9.20	9.16
Providing timely communications during outages	9.08	9.00	9.01	9.19	9.09	8.84	9.21	9.02
Replacing aging infrastructure	8.80	8.62	8.79	8.98	8.82	8.54	8.81	8.82
Expand the grid to meet expected future demand	8.80	8.61	8.79	8.94	8.84	8.42	8.72	8.86
Helping customers with energy conservation	7.73	7.83	7.76	7.71	7.61	8.22	7.80	7.56
Investing in new technology to help manage usage	7.67	7.70	7.69	7.74	7.56	8.05	7.77	7.56
Providing customers with advisory services	7.14	7.07	7.17	7.15	7.19	7.39	7.11	7.09

Note: Priority labels have been shortened for brevity. See slide 17 for full label text.
"Don't know" not included in calculation of means.

Online Survey
Ranking Customer Priorities

Residential

Q Thinking of the priorities on the previous page, which would you say is the **most** important? What is the **next most important** priority you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?



"Don't know" not shown.

n=3,357

Note: Priority labels have been shortened for brevity. See slide 17 for full label text.

Online Survey

Ranking Customer Priorities – Summary

Residential

Q Thinking of the priorities on the previous page, which would you say is the **most** important? What is the **next most important** priority you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?

		Region						Bill Impact	
% who select as top 3 priority	Overall	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Maintaining reliable electrical service	60%	60%	64%	58%	62%	56%	8	56%	64%
Delivering electricity at a reasonable price	58%	57%	58%	59%	58%	65%	10	69%	48%
Ensuring the grid can withstand severe weather	48%	46%	47%	53%	49%	49%	14	44%	53%
Replacing aging infrastructure	33%	32%	32%	33%	34%	33%	10	30%	37%
Expand the grid to meet expected future demand	31%	31%	31%	31%	33%	32%	6	26%	37%
Ensuring the safety of electricity infrastructure	24%	26%	24%	22%	21%	23%	2	22%	26%
Providing timely communications during outages	15%	14%	16%	14%	16%	12%	6	16%	13%
Investing in new technology to help manage usage	10%	9%	9%	11%	12%	9%	2	13%	7%
Helping customers with energy conservation	9%	11%	9%	8%	7%	6%	2	12%	7%
Providing customers with advisory services	6%	7%	5%	7%	5%	5%	2	8%	5%

Note: Priority labels have been shortened for brevity. See slide 17 for full label text.
***Results shown in frequencies rather than percentages due to limited sample (n<30).**

Online Survey

Ranking Customer Priorities – Summary

Residential

Q Thinking of the priorities on the previous page, which would you say is the **most** important? What is the **next most important** priority you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?

		Consumption Quartiles				LEAP/OESP Qualification		
% who select as top 3 priority	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Maintaining reliable electrical service	60%	58%	61%	60%	61%	51%	59%	61%
Delivering electricity at a reasonable price	58%	61%	58%	56%	58%	64%	59%	55%
Ensuring the grid can withstand severe weather	48%	46%	49%	47%	51%	37%	51%	51%
Replacing aging infrastructure	33%	31%	31%	34%	35%	32%	35%	33%
Expand the grid to meet expected future demand	31%	27%	35%	33%	29%	23%	29%	35%
Ensuring the safety of electricity infrastructure	24%	23%	26%	25%	23%	28%	24%	24%
Providing timely communications during outages	15%	15%	12%	15%	16%	17%	17%	14%
Investing in new technology to help manage usage	10%	12%	9%	10%	8%	18%	9%	9%
Helping customers with energy conservation	9%	12%	9%	8%	8%	15%	7%	9%
Providing customers with advisory services	6%	7%	5%	7%	6%	10%	5%	6%

Note: Priority labels have been shortened for brevity. See slide 17 for full label text.

Online Survey
Additional Priority Areas

Residential

Q Can you think of any other important priorities that **Hydro Ottawa** should be focusing on?

Response	%
Expanding electricity grid to meet future needs	2.8%
Replacing aging electrical infrastructure	2.3%
Lower cost/discount for low-income and senior customers	2.0%
Delivering electricity at a reasonable price	1.9%
Providing customers with advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EVs, contractors)	1.8%
Maintaining reliable electrical service for customers	1.7%
Providing accurate and timely communications during power outages	1.6%
Transparent and open communication	1.4%
Helping customers with energy conservation	1.3%
Consider impact to environment/protect environment/sustainability	1.2%
Improve ease of connecting alternative energy systems to the grid	1.1%
All previously mentioned priorities are important	1.1%
Provide programs/Incentivize technology adoption	0.7%
Positive comment - General	0.7%
Develop better rates/plans to suit different customers' needs	0.6%
Improve fiscal responsibility/cap salary for executives	0.3%
Other	0.6%
None/Don’t know	77.0%

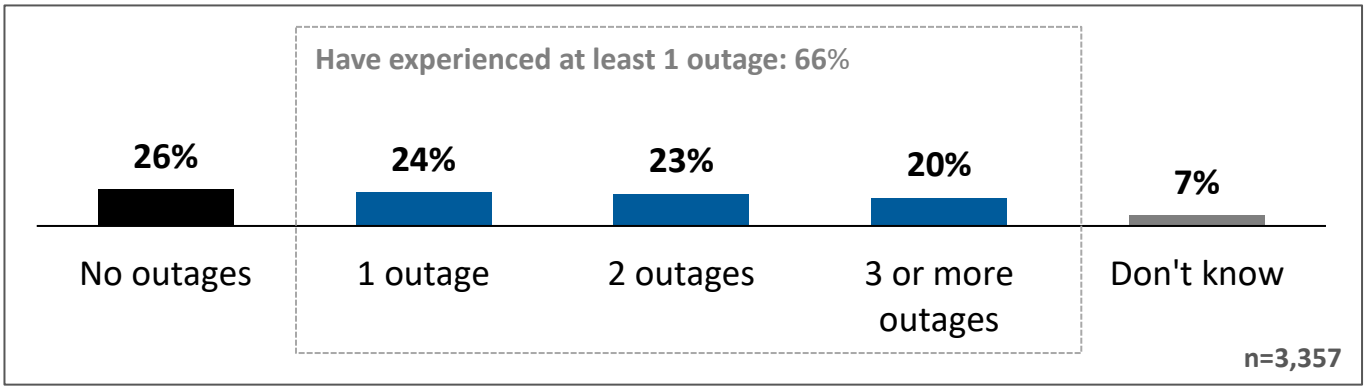
Note: Only responses >0.1% shown

Online Survey
Reliability Preferences

Residential

Now, let's talk about the reliability of electricity service you receive.

Q Have you experienced any power outages at **your home in the past 12 months** which *lasted longer than one minute*? If so, approximately how many of these power outages did you experience over the past 12 months?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
No outages	37%	17%	20%	19%	10%	--	26%	27%
1 outage	26%	20%	25%	25%	15%	2	22%	25%
2 outages	20%	25%	25%	25%	24%	5	23%	23%
3 or more outages	10%	30%	21%	23%	45%	13	22%	18%
Don't know	6%	8%	9%	8%	7%	1	7%	7%
Have experienced at least 1 outage	**57%**	**75%**	**71%**	**73%**	**83%**	**20**	**67%**	**66%**

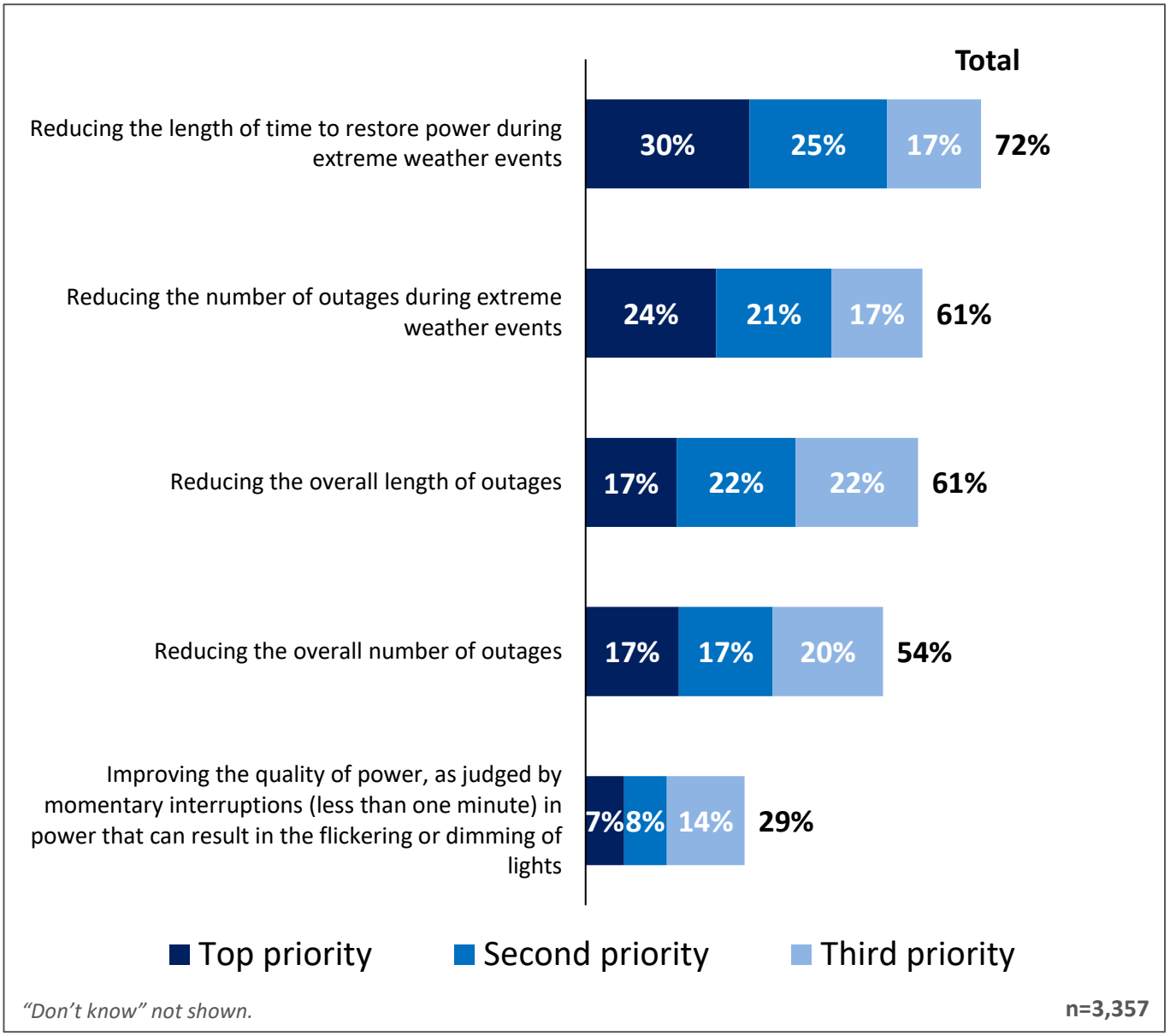
	Consumption Quartiles				LEAP/OESP Qualification		
	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
No outages	37%	27%	21%	20%	34%	27%	25%
1 outage	22%	26%	26%	22%	25%	23%	24%
2 outages	19%	22%	24%	26%	20%	27%	23%
3 or more outages	12%	18%	22%	27%	16%	15%	22%
Don't know	9%	8%	7%	6%	6%	8%	6%
Have experienced at least 1 outage	**54%**	**66%**	**73%**	**74%**	**60%**	**65%**	**70%**

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey
Ranking Reliability Preferences

Residential

Q When it comes to reliability, there are a number of areas that **Hydro Ottawa** could focus on. Among the following reliability outcomes, which would you say is the **most** important? What is the next most important reliability outcome you think **Hydro Ottawa** should focus on? And what do you consider the third most important priority?



"Don't know" not shown.

n=3,357

Online Survey

Ranking Reliability Preferences – Summary

Residential

Q When it comes to reliability, there are a number of areas that **Hydro Ottawa** could focus on. Among the following reliability outcomes, which would you say is the **most** important? What is the next most important reliability outcome you think **Hydro Ottawa** should focus on? And what do you consider the third most important priority?

		Region						Bill Impact	
% who select as top 3 priority	Overall	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Reducing the length of time to restore power during extreme weather	72%	72%	73%	74%	69%	67%	16	73%	73%
Reducing the number of outages during extreme weather	61%	61%	60%	61%	61%	66%	12	61%	62%
Reducing the overall length of outages	61%	61%	60%	59%	62%	63%	9	57%	65%
Reducing the overall number of outages	54%	54%	54%	54%	57%	56%	8	51%	57%
Improving the quality of power, as judged by momentary interruptions	29%	26%	32%	31%	32%	29%	10	34%	24%
Don't know	10%	11%	9%	9%	7%	8%	3	10%	9%

Note: Categories have been shortened for brevity.
***Results shown in frequencies rather than percentages due to limited sample (n<30).**

Online Survey

Ranking Reliability Preferences – Summary

Residential

Q When it comes to reliability, there are a number of areas that **Hydro Ottawa** could focus on. Among the following reliability outcomes, which would you say is the **most** important? What is the next most important reliability outcome you think **Hydro Ottawa** should focus on? And what do you consider the third most important priority?

		Consumption Quartiles				LEAP/OESP Qualification		
% who select as top 3 priority	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Reducing the length of time to restore power during extreme weather	72%	70%	72%	72%	74%	69%	74%	74%
Reducing the number of outages during extreme weather	61%	58%	61%	61%	66%	60%	61%	62%
Reducing the overall length of outages	61%	59%	61%	61%	61%	53%	58%	65%
Reducing the overall number of outages	54%	52%	54%	56%	55%	48%	56%	55%
Improving the quality of power, as judged by momentary interruptions	29%	30%	30%	28%	27%	35%	32%	27%
Don't know	10%	13%	9%	9%	7%	15%	9%	7%

Note: Categories have been shortened for brevity.

INNOVATIVE RESEARCH GROUP

Residential Customers

Investment Trade-Offs

Appendix 04



Online Survey

Investment Trade-Offs – System Renewal

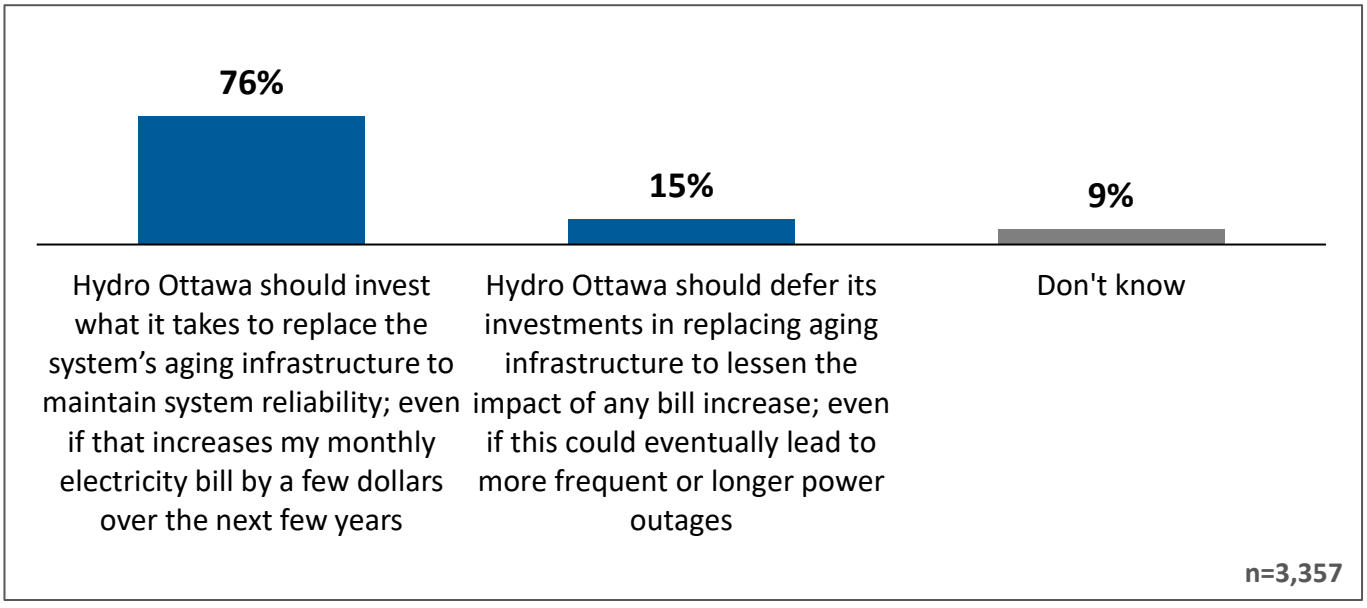
Residential

The final topic in this survey is on **investment trade-offs.**

Hydro Ottawa is in the early stages of developing its investment plan for the five years between 2026 and 2030. While conversations with customers will continue over the next 12 months, the utility wants to know your preferences when it comes to finding the right balance between costs and other outcomes that customers value.

There are four investment categories that we would like to discuss.

Q Regarding investments in aging infrastructure, which of the following statements best represents your point of view?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Invest what it takes	76%	76%	73%	80%	78%	14	64%	88%
Defer investments	15%	15%	18%	13%	13%	3	25%	6%
Don't know	9%	9%	9%	7%	9%	3	11%	5%

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Investment Trade-Offs – System Renewal

Residential

Q Regarding investments in aging infrastructure, which of the following statements best represents your point of view?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Invest what it takes	76%	73%	78%	78%	75%	65%	78%	81%
Defer investments	15%	16%	14%	13%	17%	23%	14%	13%
Don’t know	9%	11%	8%	8%	9%	12%	8%	6%

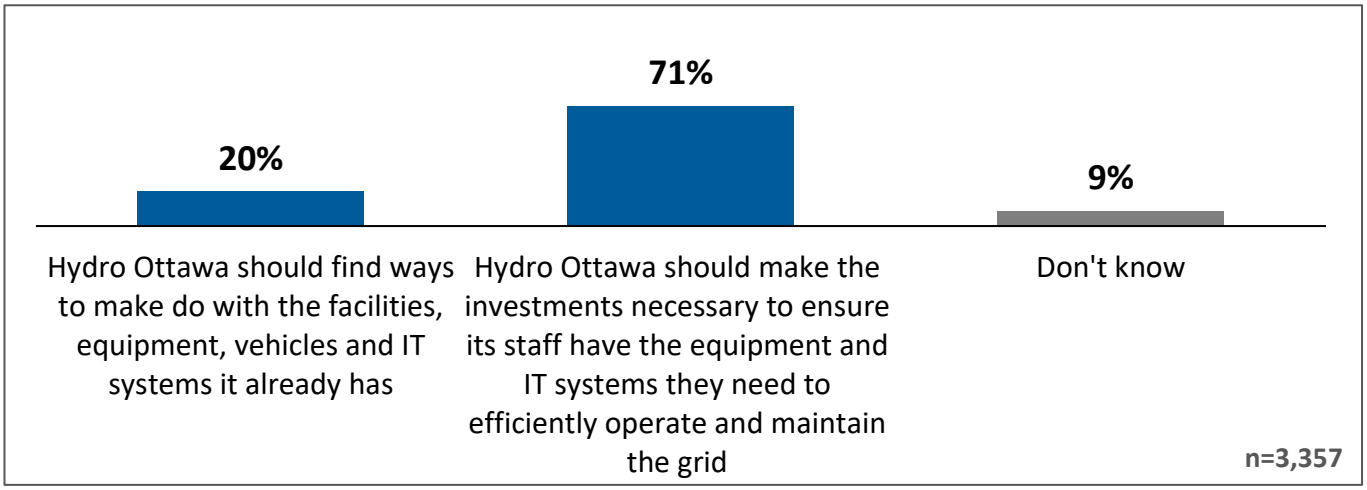
Online Survey

Investment Trade-Offs – General Plant

Residential

The second category focuses on keeping **Hydro Ottawa**'s business running. This includes facilities to house staff and equipment, vehicles and tools to service equipment, and up-to-date IT systems to manage customer data and protect the electricity grid from cybersecurity threats.

Q Regarding these types of investments, which of the following statements best represents your point of view?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Make do with what it already has	21%	19%	22%	19%	19%	6	25%	16%
Make the necessary investments	71%	73%	69%	73%	72%	10	65%	77%
Don't know	8%	8%	10%	8%	9%	4	9%	7%

	Consumption Quartiles				LEAP/OESP Qualification		
	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Make do with what it already has	22%	20%	19%	21%	24%	21%	21%
Make the necessary investments	69%	71%	73%	71%	67%	71%	73%
Don't know	9%	9%	8%	8%	9%	9%	7%

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

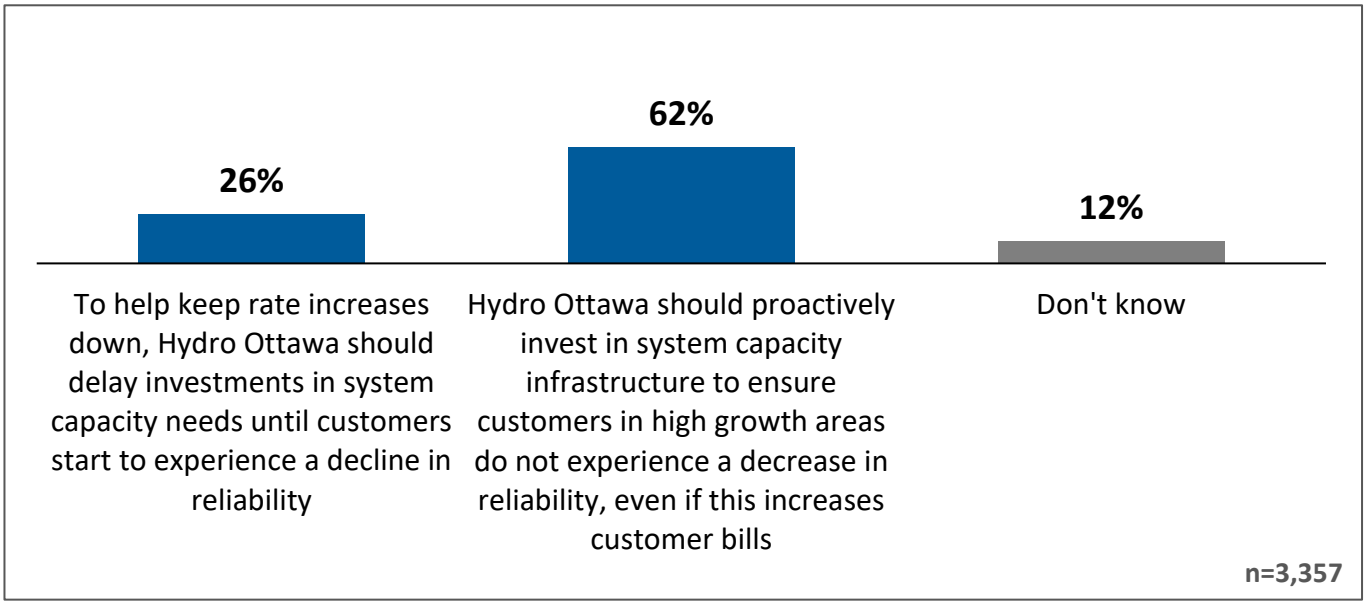
Investment Trade-Offs – System Service

Residential

The third investment category focuses on growth and greater demand for electricity in various parts of **Hydro Ottawa's** service territory.

Increased demand for electricity puts pressure on existing electrical infrastructure. Eventually, further infrastructure investments are required to support increased demand for electricity.

Q With this in mind, which of the following statements best represents your point of view?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Delay capacity investments until reliability declines	28%	27%	27%	22%	21%	5	35%	18%
Proactive investments in system capacity	60%	62%	61%	65%	66%	14	52%	73%
Don't know	12%	11%	12%	13%	13%	2	14%	9%

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Investment Trade-Offs – System Service

Residential

Q With this in mind, which of the following statements best represents your point of view?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Delay capacity investments until reliability declines	26%	30%	26%	24%	24%	32%	27%	24%
Proactive investments in system capacity	62%	56%	63%	64%	64%	54%	63%	67%
Don't know	12%	13%	11%	12%	12%	14%	10%	9%

Online Survey

Investment Trade-Offs – Grid Modernization

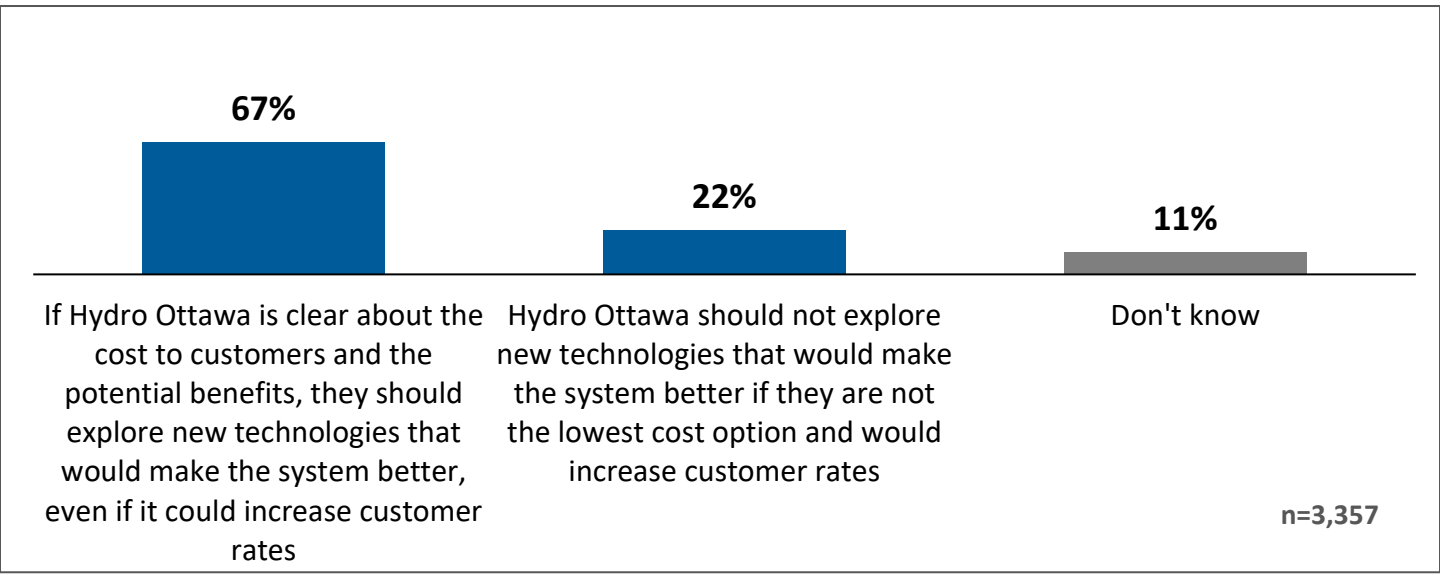
Residential

Hydro Ottawa can invest in technology that can lead to a wide range of benefits including reliability, efficiency, customer service, and reducing environmental impacts.

When deemed the lowest cost option that will provide equal or improved service, Hydro Ottawa will, in most cases, invest in technology. However, there are two other scenarios where Hydro Ottawa needs your feedback.

First, there are times when Hydro Ottawa identifies new technology that can improve reliability or provide other benefits, but it will cost customers more. For instance, advanced monitoring technology can provide signals when there is an outage, allowing Hydro Ottawa to provide customers with better information on the areas impacted by outages and helping crews find affected areas more quickly.

Q Regarding these types of investments which of the following best represents your view?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Explore new technologies	67%	63%	67%	68%	68%	13	57%	77%
Should not explore new technologies	22%	25%	22%	21%	20%	5	29%	16%
Don't know	11%	12%	12%	10%	12%	2	14%	8%

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Investment Trade-Offs – Grid Modernization

Residential

Q With this in mind, which of the following statements best represents your point of view?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Explore new technologies	67%	65%	68%	67%	66%	56%	66%	73%
Should not explore new technologies	22%	23%	21%	22%	22%	30%	24%	18%
Don't know	11%	12%	11%	11%	11%	14%	10%	9%

Online Survey

Investment Trade-Offs – Grid Modernization (Cont'd)

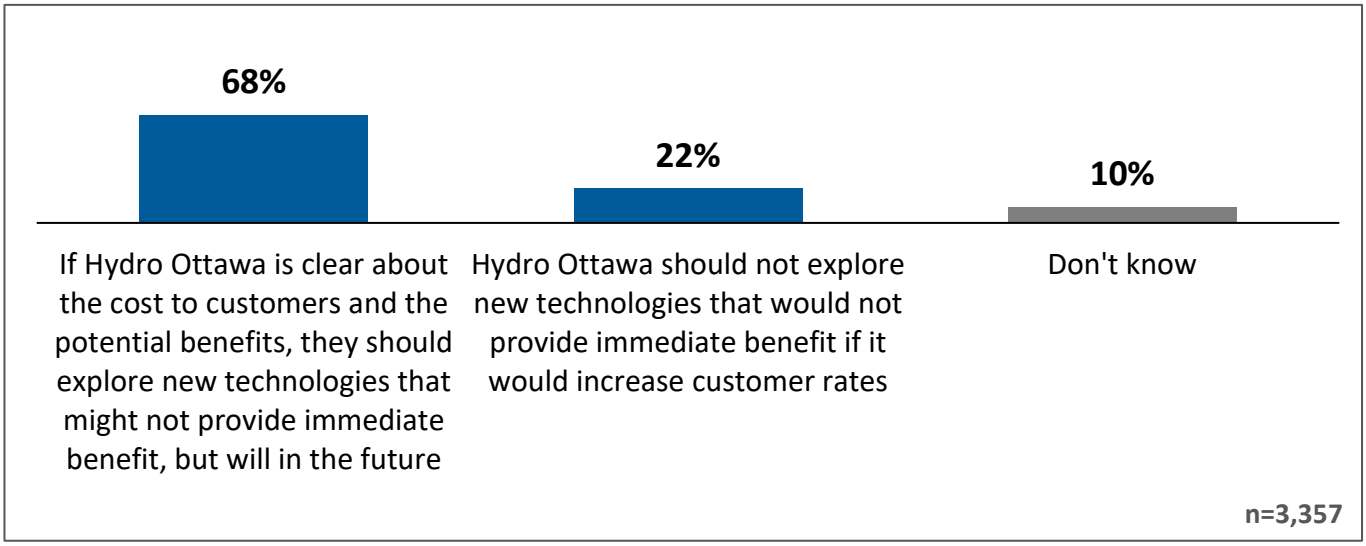
Residential

The second scenario is where **Hydro Ottawa** identifies new technology that is needed to improve the system in the future and would increase costs now, but the benefit might not be felt until later.

This includes accommodating emerging technologies like solar power, battery storage and electric vehicles. Regardless of whether you are considering new energy choices like an electric vehicle for yourself today, **Hydro Ottawa** must be prepared as adoption becomes more widespread over the next 5-10 years.

For instance, charging each electric vehicle draws as much energy as two average homes. If a dozen or so people come home and start changing their vehicles at a period of peak demand, it could overload the grid in that neighbourhood. While **Hydro Ottawa** cannot predict the exact rate of electric vehicle adoption in east central Ontario, the utility must make certain investments today that will allow it to manage electric vehicle demand in the future.

Q Which of the following best represents your view?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Explore new technologies	71%	63%	69%	67%	67%	13	60%	78%
Should not explore new technologies	20%	26%	22%	22%	20%	3	28%	16%
Don't know	10%	11%	9%	10%	13%	4	13%	6%

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Investment Trade-Offs – Grid Modernization (Cont'd)

Residential

Q Which of the following best represents your view?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Explore new technologies	68%	65%	70%	70%	68%	60%	67%	74%
Should not explore new technologies	22%	23%	20%	21%	22%	27%	21%	19%
Don't know	10%	12%	10%	9%	10%	13%	12%	7%

INNOVATIVE RESEARCH GROUP

Residential Customers

Energy Transition

Appendix 04



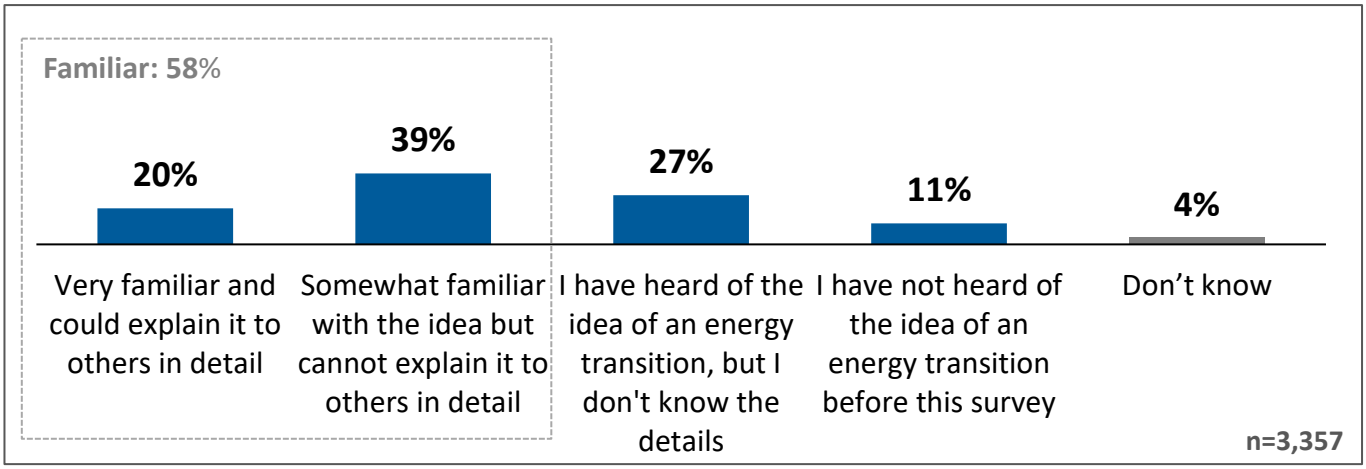
Online Survey

Familiarity with Energy Transition

Residential

An issue people have been talking about lately in Canada is the idea that Canada and the world may be transitioning from its current energy system that depends highly on carbon-based fossil fuels like coal, oil and gas to a lower-carbon energy system.

Q How familiar are you with the idea of transitioning from its current energy system that depends highly on carbon-based fuels to a lower-carbon energy system?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Very familiar, could explain it to others in detail	23%	17%	16%	20%	19%	2	17%	23%
Somewhat familiar, cannot explain it to others in detail	39%	38%	37%	41%	38%	5	34%	45%
Have heard of it before, but don't know the details	24%	30%	32%	26%	25%	8	31%	22%
Haven't heard of the idea of energy transition before	11%	13%	11%	11%	14%	3	14%	8%
Don't know	4%	3%	4%	2%	4%	3	5%	2%
Familiar (Very + Somewhat)	**62%**	**54%**	**53%**	**61%**	**57%**	**6**	**50%**	**68%**

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Familiarity with Energy Transition

Residential

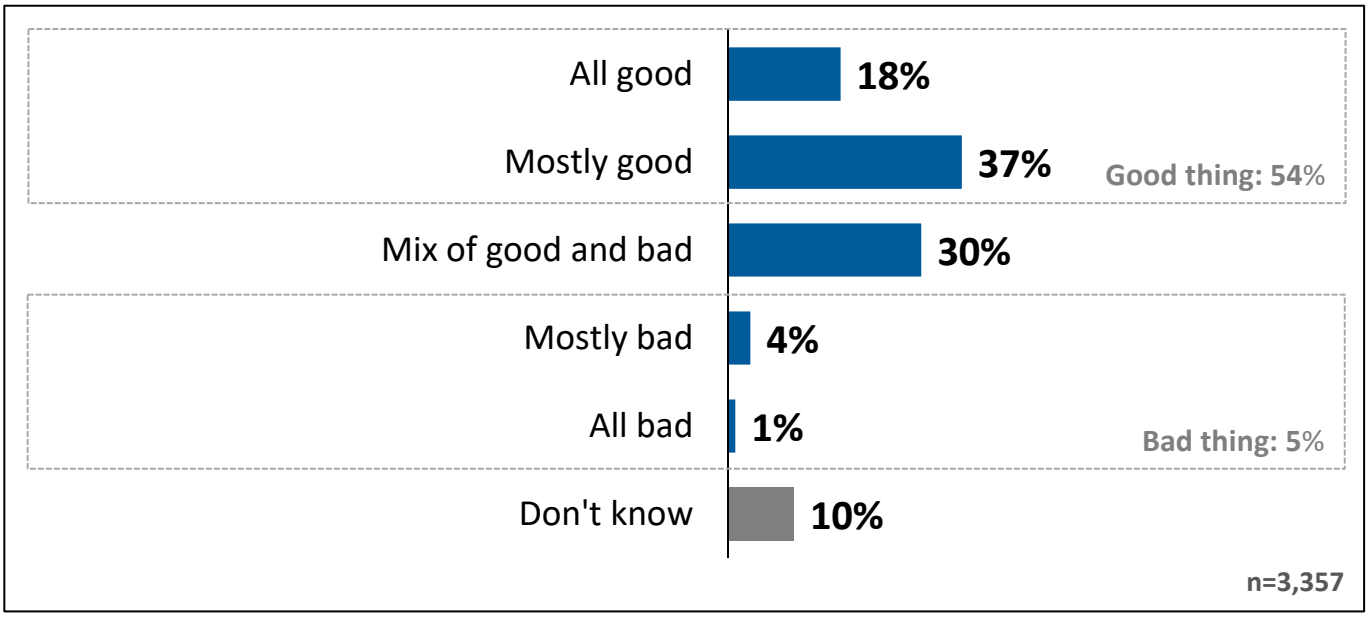
Q How familiar are you with the idea of transitioning from its current energy system that depends highly on carbon-based fuels to a lower-carbon energy system?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Very familiar, could explain it to others	20%	14%	21%	22%	23%	15%	15%	24%
Somewhat familiar, cannot explain it to others	39%	40%	37%	40%	38%	30%	38%	42%
Have heard of it before, but don't know the details	27%	30%	28%	25%	24%	31%	30%	24%
Haven't heard of the idea of before	11%	12%	12%	10%	11%	18%	12%	9%
Don't know	4%	4%	4%	3%	4%	6%	4%	2%
Familiar (Very + Somewhat)	**58%**	**54%**	**57%**	**61%**	**60%**	**45%**	**53%**	**65%**

Online Survey
Impression of Energy Transition

Residential

Q From what you know or based on your first impression, does energy transition sound like a good thing or a bad thing?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
All good	22%	15%	14%	17%	11%	2	13%	23%
Mostly good	39%	32%	37%	34%	37%	6	31%	43%
Mix of good and bad	26%	34%	33%	35%	33%	8	37%	24%
Mostly bad	3%	5%	3%	4%	5%	1	5%	3%
All bad	1%	1%	2%	<1%	--	--	1%	1%
Don't know	9%	12%	11%	9%	15%	4	13%	7%
Good thing (All + Mostly)	**61%**	**47%**	**51%**	**51%**	**47%**	**8**	**44%**	**66%**
Bad thing (All + Mostly)	**4%**	**6%**	**5%**	**4%**	**5%**	**1**	**6%**	**4%**

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Impression of Energy Transition

Residential

Q From what you know or based on your first impression, does energy transition sound like a good thing or a bad thing?

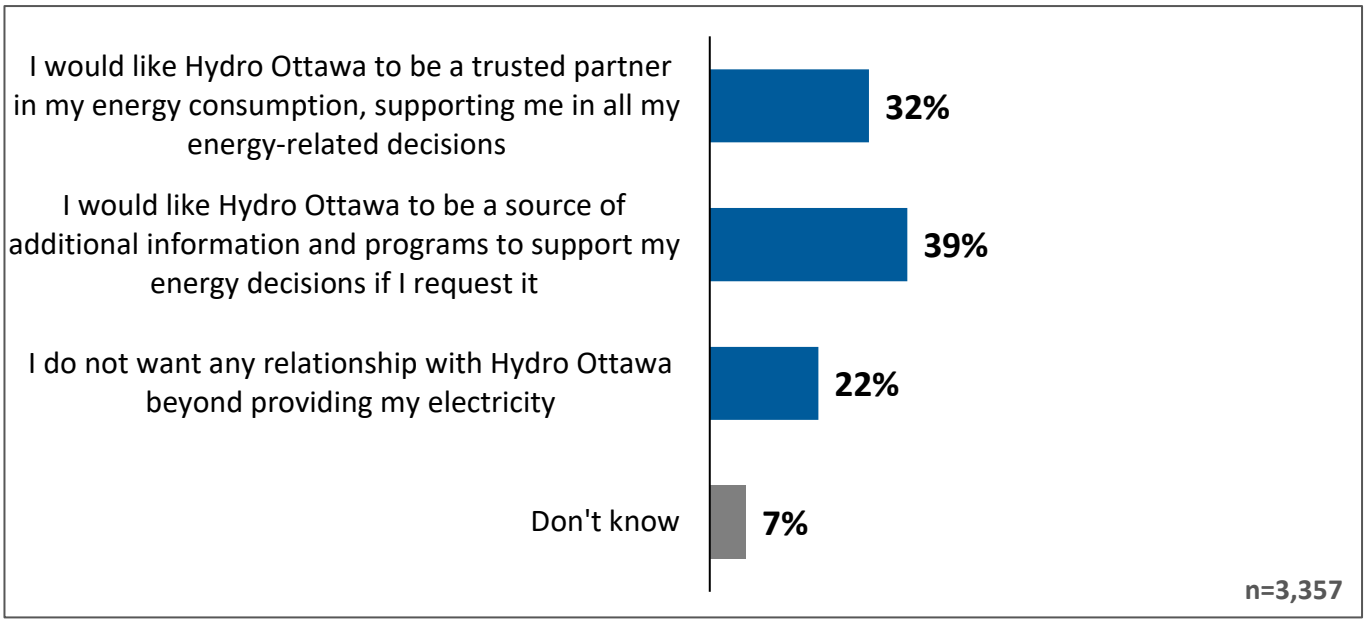
		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
All good	18%	17%	17%	18%	19%	17%	17%	21%
Mostly good	37%	38%	37%	37%	35%	31%	39%	40%
Mix of good and bad	30%	29%	31%	31%	30%	34%	28%	27%
Mostly bad	4%	3%	3%	5%	4%	3%	3%	3%
All bad	1%	1%	1%	2%	1%	1%	1%	1%
Don't know	10%	12%	11%	8%	11%	14%	12%	7%
Good thing (All + Mostly)	**54%**	**55%**	**55%**	**54%**	**54%**	**47%**	**56%**	**61%**
Bad thing (All + Mostly)	**5%**	**4%**	**3%**	**6%**	**5%**	**4%**	**5%**	**4%**

Online Survey

Relationship with Hydro Ottawa

Residential

Q Beyond providing you with electricity, which of the following best describes your desired relationship with **Hydro Ottawa**?



	Region						Bill Impact	
	Ottawa	Gloucester	Nepean	Kanata	Goulbourn	Other*	Major Impact	No Major Impact
Trusted partnership with decision-making support	32%	32%	31%	32%	31%	7	34%	29%
Relationship limited to information and additional programs	39%	39%	41%	38%	40%	6	35%	45%
No relationship beyond providing electricity	22%	22%	21%	23%	20%	2	22%	21%
Don’t know	7%	6%	7%	7%	9%	5	8%	5%

Note: *Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Investment Trade-Offs – System Service

Residential

Q Beyond providing you with electricity, which of the following best describes your desired relationship with **Hydro Ottawa**?

		Consumption Quartiles				LEAP/OESP Qualification		
	Overall	Low	Medium-Low	Medium-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified
Trusted partnership with decision-making support	32%	34%	30%	32%	30%	37%	32%	32%
Relationship limited to information and additional programs	39%	38%	40%	39%	40%	36%	40%	41%
No relationship beyond providing electricity	22%	20%	22%	21%	23%	18%	20%	22%
Don't know	7%	8%	7%	7%	7%	9%	8%	5%

INNOVATIVE RESEARCH GROUP

Residential Customers

Final Comments

Appendix 04



Online Survey

Additional Comments or Feedback

Residential

Q Before this survey concludes, do you have any additional comments or feedback you'd like to share with **Hydro Ottawa**?

Response	%
Positive feedback/Hydro Ottawa doing well/their best	7.3%
Lower rates/keep costs low/maintain affordability	3.1%
Concern or issue with survey/question wording - General	1.8%
Support investment in green energy/energy transition	1.3%
Prioritize reliability (e.g. Plans for underground cables, reduce outages)	1.2%
More information/communication/ability to track usage	1.2%
Increase is necessary, be transparent in plan and pricing	1.0%
Positive feedback about the survey	1.0%
Improve line management (e.g. tree trimming, branch clearing)	0.9%
Support EV investments/prepare grid for EV adoption	0.8%
Investment tradeoff questions were leading/difficult choice/unfair	0.8%
Consider challenges in their plan (e.g. increasing populating, capacity constraints)	0.7%
Provide incentives for technology adoption (e.g. solar panels)	0.7%
Find a middle ground/balanced approach	0.6%
Cap salary for executives	0.5%
More billing and payment options	0.4%
Support nuclear power investment	0.4%
Invest money wisely	0.3%
Survey was too long/took more than 10 minutes	0.3%
Ensure system is secure/not susceptible to cyber attacks	0.2%
Other	1.7%
None/Don't know	73.5%

Note: Only responses >0.1% shown

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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APPENDIX 05

Phase I Customer Engagement
2026 Rate Application

Small Business Needs & Preferences Survey

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February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

Report Navigation

Small Business

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Low-Volume Customer Needs & Preference Focus Groups
- APPENDIX.02 – C&I Customer Needs & Preference Interviews
- APPENDIX.03 – Key Account Needs & Preference Interviews
- APPENDIX.04 – Residential Needs & Preferences Survey
- APPENDIX.05 – Small Business Needs & Preferences Survey
- APPENDIX.06 – C&I Needs & Preferences Survey
- APPENDIX.07 – Key Accounts Needs & Preferences Survey
- APPENDIX.08 – Needs and Preferences Planning Placemat

PHASE II: Trade-offs

- APPENDIX.09 – Residential Trade-off Survey
- APPENDIX.10 – Small Business Trade-off Survey
- APPENDIX.11 – GS>50 kW Trade-off Survey

Online Survey

Survey Design & Methodology

Small Business

INNOVATIVE was engaged by Hydro Ottawa to gather customer input to assess importance of the preferences and priorities identified in the qualitative components of Phase I of the customer engagement.

Field Dates

The **Small Business Online Survey** was sent to a random selection of Hydro Ottawa Small Business customers who provided the utility with an email address. Customers had an opportunity to complete the survey between **April 10th, 2024, and April 25th, 2024**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class.

In total, the Small Business survey was sent to **9,344** customers from *info@hydroottawa.com*. A reminder email was sent on April 17th, April 19th, April 22nd and April 24th, 2024 to those who had not yet completed the survey.

Small Business Online Survey Completes

A total of **438** (unweighted) Hydro Ottawa Small Business customers completed the online survey.

Sample Weighting

The Small Business online survey sample was weighted to **n = 438** proportionately by collapsed consumption quartiles and region in order to be representative of the broader Hydro Ottawa customer base.

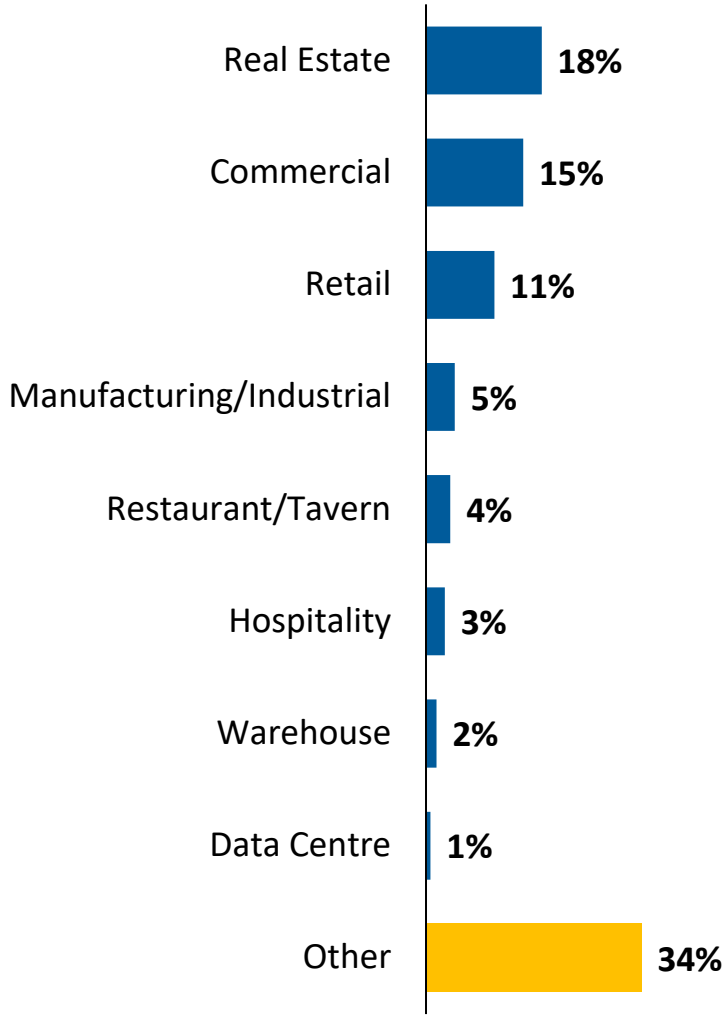
The table below summarizes the unweighted and weighted (in brackets) sample breakdown by collapsed consumption quartile and region.

Region	Consumption Quartiles				Total
	Low	Medium-Low	Medium-High	High	
Ottawa	80 (71)	71 (66)	69 (63)	43 (59)	263 (260)
Gloucester	14 (14)	19 (16)	12 (16)	6 (8)	51 (55)
Nepean	13 (15)	13 (18)	19 (20)	21 (20)	66 (73)
Kanata	11 (7)	8 (6)	7 (6)	7 (8)	33 (27)
Goulbourn	3 (4)	8 (6)	8 (7)	5 (6)	24 (22)
Other	1 (1)	0 (0)	0 (0)	0 (0)	1 (1)
Total	**122 (112)**	**119 (112)**	**115 (112)**	**82 (102)**	**438 (438)**

Online Survey
Firmographic Breakdown

Small Business

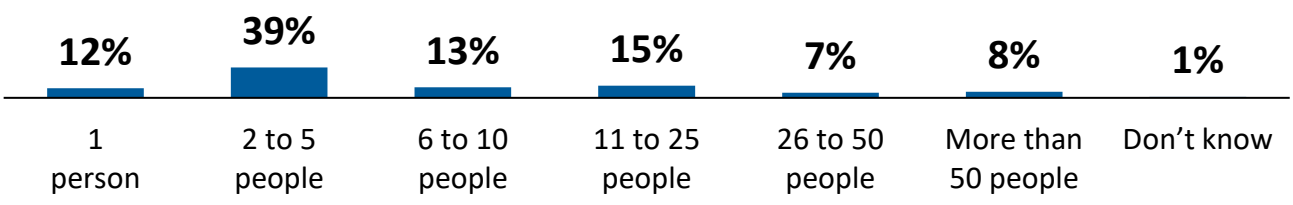
Q Business Sector



"Prefer not to say" (8%) not shown.

n=438

Q Business Size



"Prefer not to say" (6%) not shown.

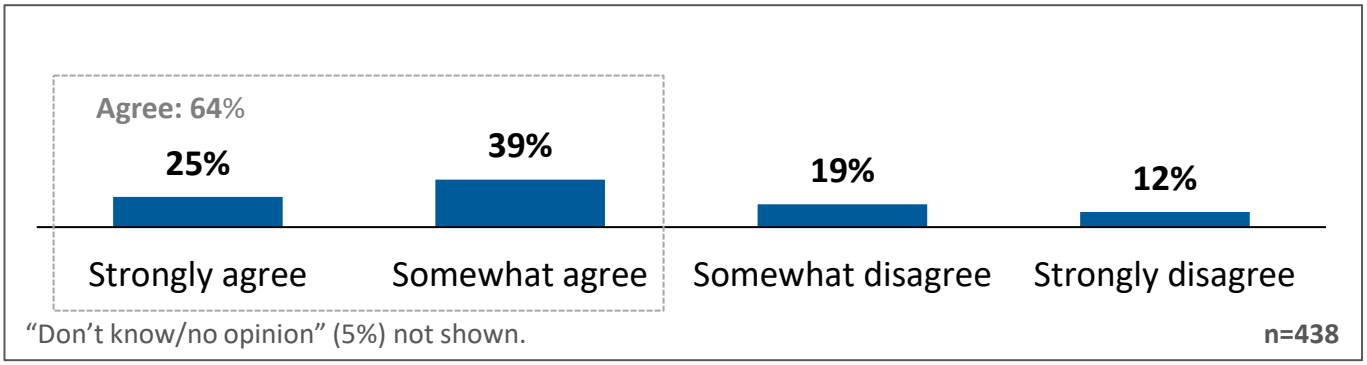
n=438

Online Survey
Environmental Controls

Small Business

To what extent do you agree or disagree with the following statements?

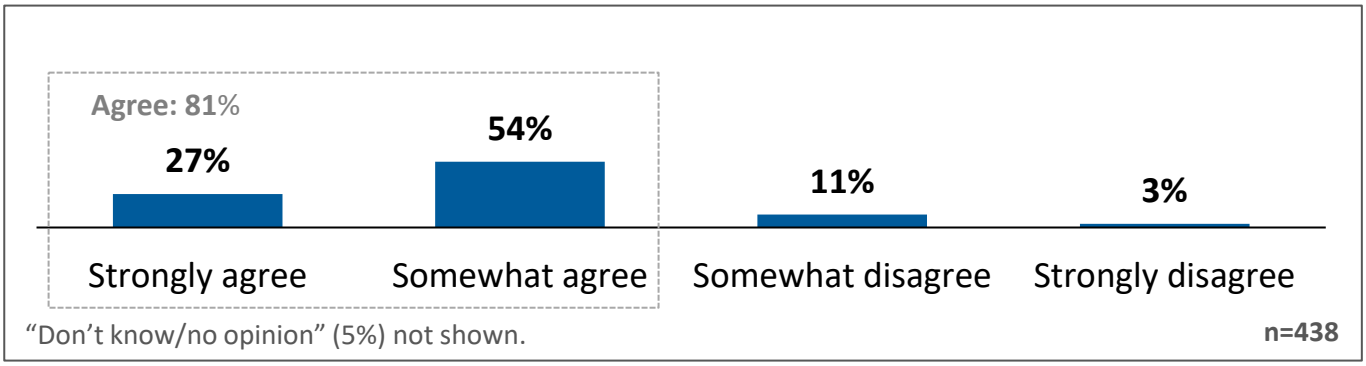
Q The cost of my electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.



"Don't know/no opinion" (5%) not shown.

n=438

Q Customers are well-served by the electricity system in Ontario.



"Don't know/no opinion" (5%) not shown.

n=438

Online Survey

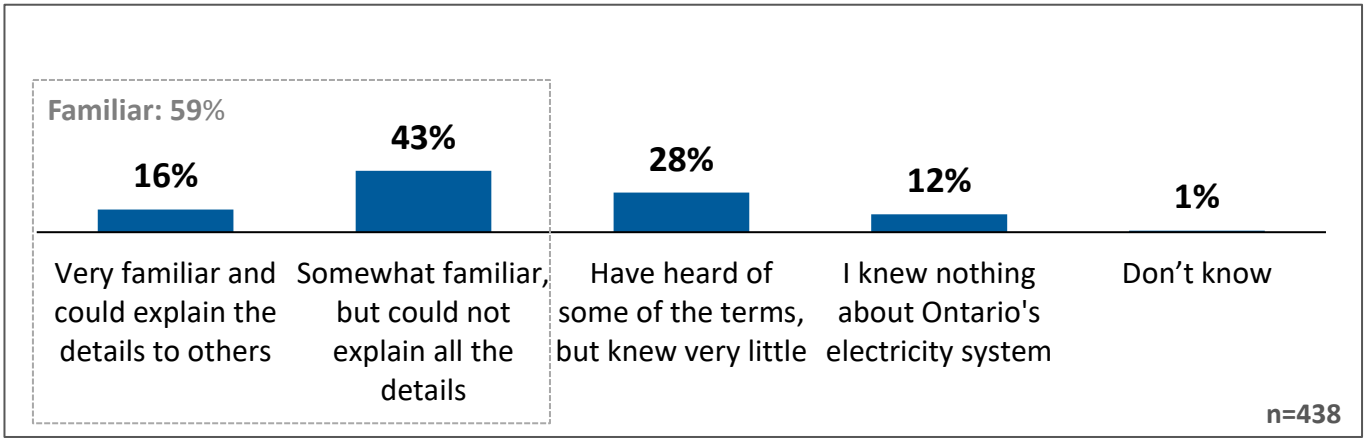
Familiarity with Ontario's Electricity System

Small Business

As you may know, Ontario's electricity system has three key components: **generation**, **transmission** and **distribution**.

- **Generating stations** convert various forms of energy into electric power;
- **Transmission lines** connect the power produced at generating stations to where it is needed across the province; and
- **Local distribution networks** take the electricity from provincial transmission lines and bring it to your home through a network of wires, poles and other equipment.

Q Before this survey, how familiar were you with the various parts of the electricity system and how they work together?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Very familiar	11%	15%	22%	16%
Somewhat familiar	49%	44%	46%	32%
Knew very little	24%	25%	25%	37%
Knew nothing	16%	14%	5%	16%
Don't know	1%	2%	2%	--
Familiar (Very + Somewhat)	**59%**	**59%**	**68%**	**48%**

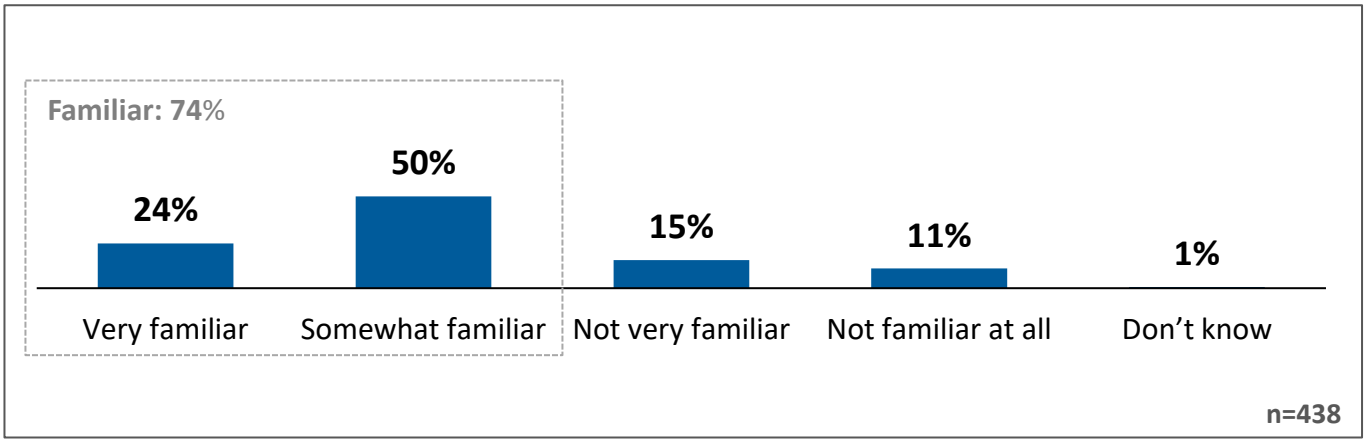
Online Survey

Familiarity with Hydro Ottawa

Small Business

Hydro Ottawa owns and operates all aspects of the local electricity distribution system across 10 municipalities in the Durham region, Belleville, and Gravenhurst. This is the network that takes the electricity from the high-voltage transmission system and connects it to your home and local community.

Q Before this survey, how familiar were you with **Hydro Ottawa**, and the role it plays in Ontario's electricity system?



Consumption Quartiles

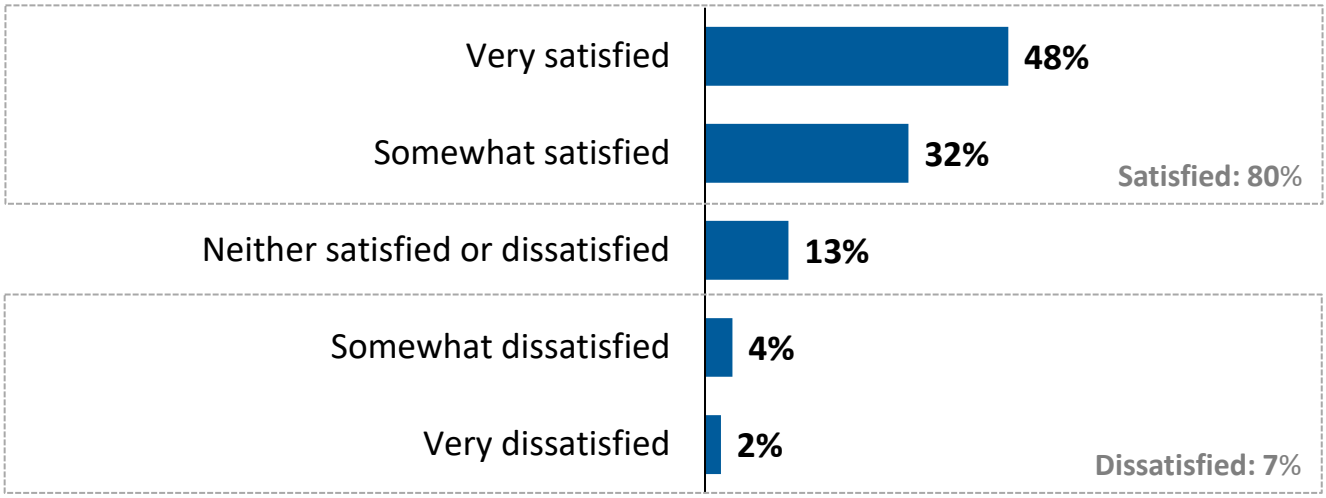
	Low	Medium-Low	Medium-High	High
Very familiar	20%	26%	28%	23%
Somewhat familiar	46%	50%	49%	53%
Not very familiar	17%	14%	16%	12%
Not familiar at all	16%	9%	6%	11%
Don't know	--	1%	1%	1%
Familiar (Very + Somewhat)	**66%**	**76%**	**77%**	**76%**

Online Survey

Overall Satisfaction with Hydro Ottawa

Small Business

Q Generally, how satisfied or dissatisfied are you with the services that your organization receives from **Hydro Ottawa**?



"Don't know" (<1%) not shown.

n=438

Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Very satisfied	48%	52%	46%	45%
Somewhat satisfied	37%	31%	25%	35%
Neither satisfied nor dissatisfied	9%	14%	19%	10%
Somewhat dissatisfied	2%	2%	5%	8%
Very dissatisfied	4%	1%	4%	2%
Don't know	--	--	1%	--
Satisfied (Very + Somewhat)	**86%**	**83%**	**71%**	**80%**
Dissatisfied (Very + Somewhat)	**6%**	**3%**	**9%**	**10%**

Online Survey

How Hydro Ottawa can improve its services

Small Business

Q Is there anything **Hydro Ottawa** can do to improve its services to your organization?

Response	%
Lower bills/provide better rates/make it affordable	12.9%
No issues/satisfied with services	10.6%
Improve reliability of service/reduce outages	5.6%
Improve customer service/reduce wait times/more contact options	5.1%
Improve/maintain infrastructure (e.g. bury lines)	3.1%
Billing improvements – bill format/more payment options	2.9%
Improve communication during outages	2.4%
Build for the future/increase capacity	1.5%
Advise on best rates/plans/programs for customer	1.0%
Promote and educate on energy conservation/incentivize alternative energy	0.9%
Line management (e.g. tree trimming, branch clearing)	0.6%
Improve new connection/disconnection experience	0.5%
Improve overall communications/future plan/climate action initiatives	0.4%
Develop app/tool for customers to manage consumption/provide historical data	0.2%
Reduce delivery fee	0.2%
Other	0.7%
None/Don’t know	51.3%

Note: Only responses >0.1% shown

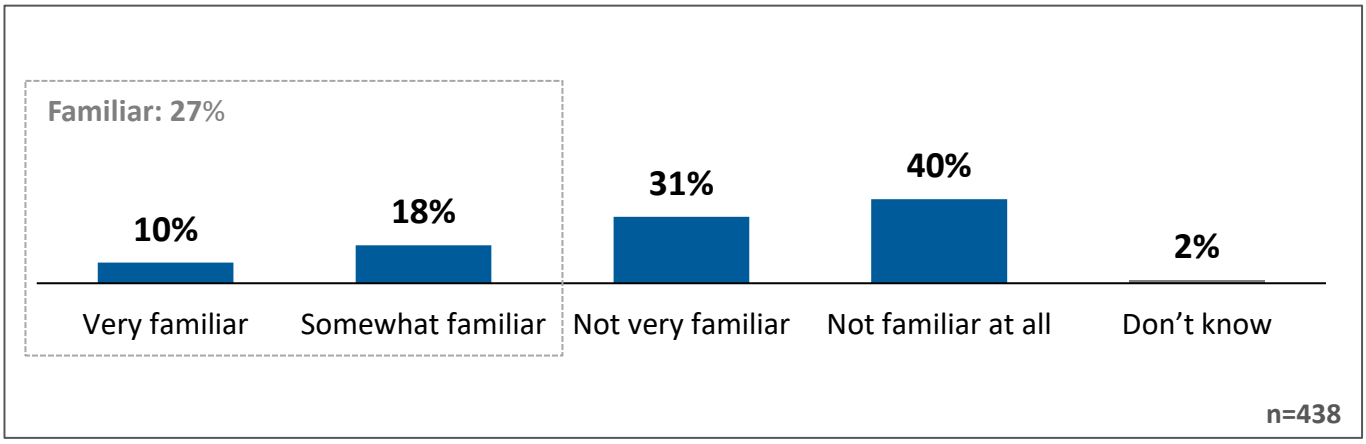
Online Survey
Bill Remittance Familiarity

Small Business

While Hydro Ottawa is only responsible for the distribution portion of the system, to make it easier for customers, they collect payment for the entire electricity system.

Hydro Ottawa keeps about 22% of the average small business customer's bill in your area. The rest of the bill goes to power generation companies, transmission companies, the provincial government, and regulatory agencies.

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to **Hydro Ottawa**?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Very familiar	4%	10%	14%	10%
Somewhat familiar	20%	17%	20%	14%
Not very familiar	32%	31%	30%	33%
Not familiar at all	44%	41%	34%	38%
Don't know	--	1%	1%	5%
Familiar (Very + Somewhat)	**24%**	**27%**	**35%**	**24%**

INNOVATIVE RESEARCH GROUP

Small Business Customers

Priorities & Preferences

Appendix 05



Online Survey

Importance of Customer Priorities

Small Business

The second topic in this survey is on **outcomes**, or services that matter to you. Everyday **Hydro Ottawa** interacts with hundreds of its customers through multiple channels and touchpoints, including surveys, the customer care centre and social media.

In a recent series of customer focus groups, a number of goals were identified as potential priorities for **Hydro Ottawa**.

Shortened Customer Priorities Response Labels	Full Customer Priorities Response Labels
Maintaining reliable electrical service	Maintaining reliable electrical service for customers
Ensuring the grid can withstand severe weather	Preparing the grid to withstand increasingly severe weather events
Providing timely communications during outages	Providing accurate and timely communications during power outages
Delivering electricity at a reasonable price	Delivering electricity at a reasonable price
Helping customers with energy conservation	Helping customers with energy conservation
Expanding the grid to meet expected future demand	Building capacity for the electricity grid to meet the local community's expected future needs
Replacing aging infrastructure	Replacing aging electrical infrastructure operating beyond its expected useful life
Investing in new technology to help manage usage	Providing tools and new technologies to help customers better manage their electricity usage
Ensuring the safety of electricity infrastructure	Ensuring the safety of electrical equipment and infrastructure
Providing customers with advisory services	Providing customers with advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EVs, contractors, energy products, etc.) so they can make more informed decisions

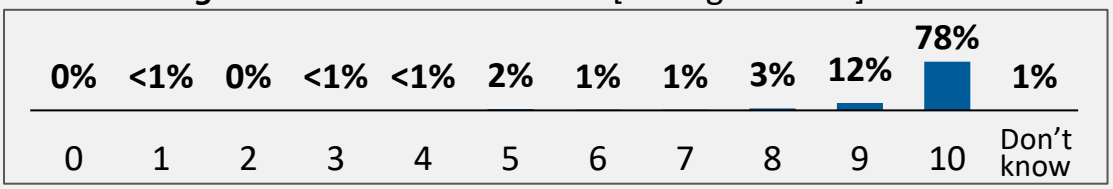
Online Survey

Importance of Customer Priorities

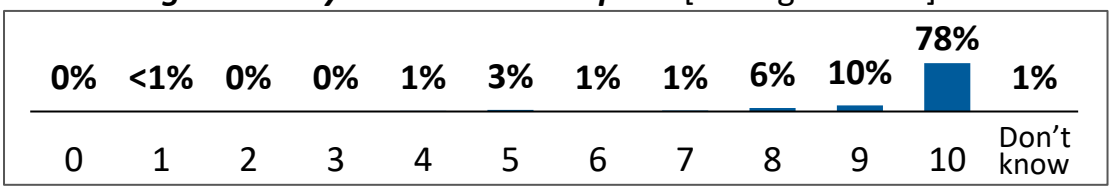
Small Business

Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to you as a customer?

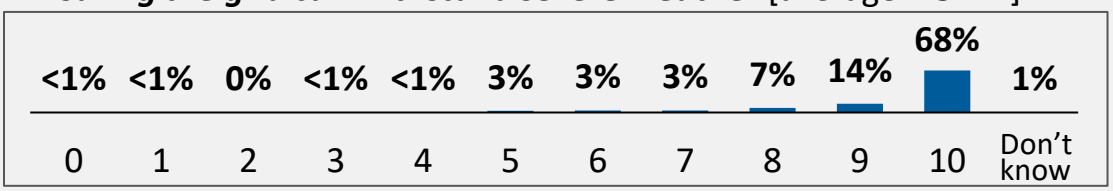
Maintaining reliable electrical service [average = **9.54**]



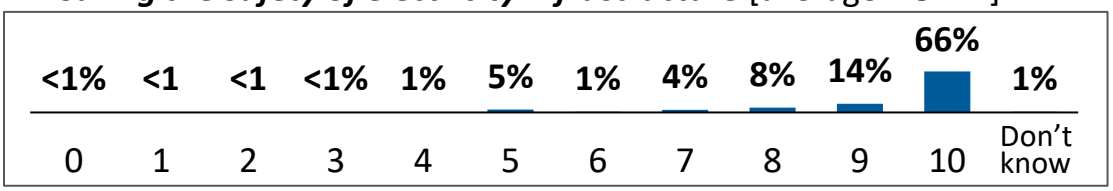
Delivering electricity at a reasonable price [average = **9.48**]



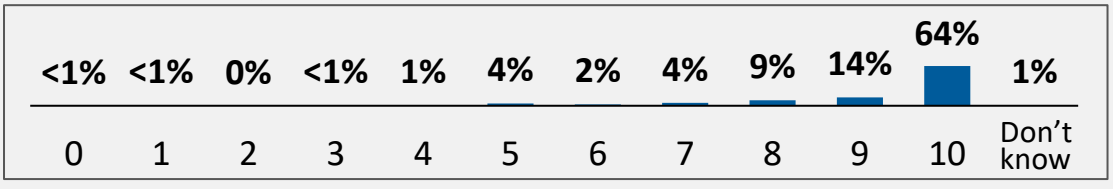
Ensuring the grid can withstand severe weather [average = **9.27**]



Ensuring the safety of electricity infrastructure [average = **9.17**]



Providing timely communications during outages [average = **9.14**]



Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
"Don't know" not included in calculation of means.

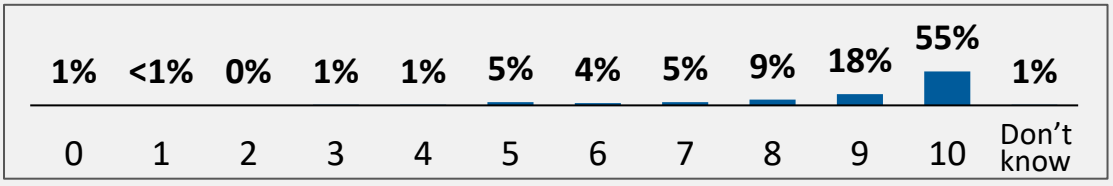
Online Survey

Importance of Customer Priorities (Cont'd)

Small Business

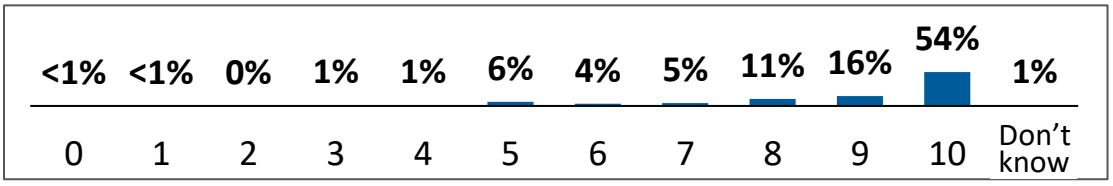
Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to you as a customer?

Expanding the grid to meet expected future demand [average = **8.83**]



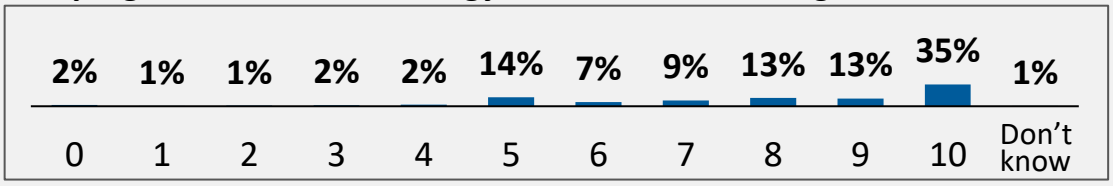
Not at all important — Extremely important

Replacing aging infrastructure [average = **8.83**]



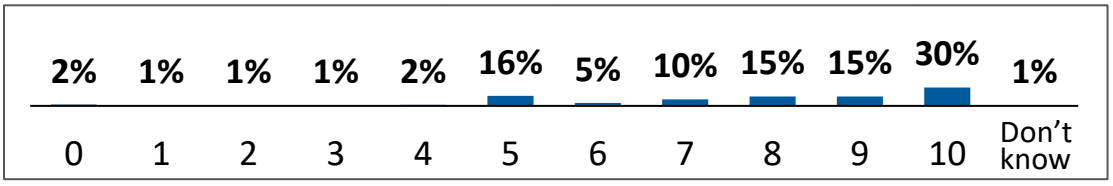
Not at all important — Extremely important

Helping customers with energy conservation [average = **7.72**]



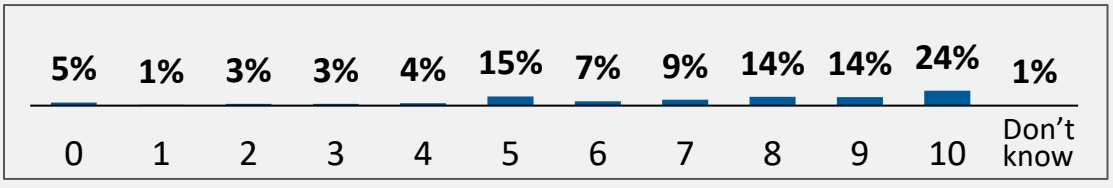
Not at all important — Extremely important

Investing in new technology to help manage usage [average = **7.60**]



Not at all important — Extremely important

Providing customers with advisory services [average = **6.98**]



Not at all important — Extremely important

Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
"Don't know" not included in calculation of means.

Online Survey

Importance of Customer Priorities – Average Scores

Small Business

Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to you as a customer?

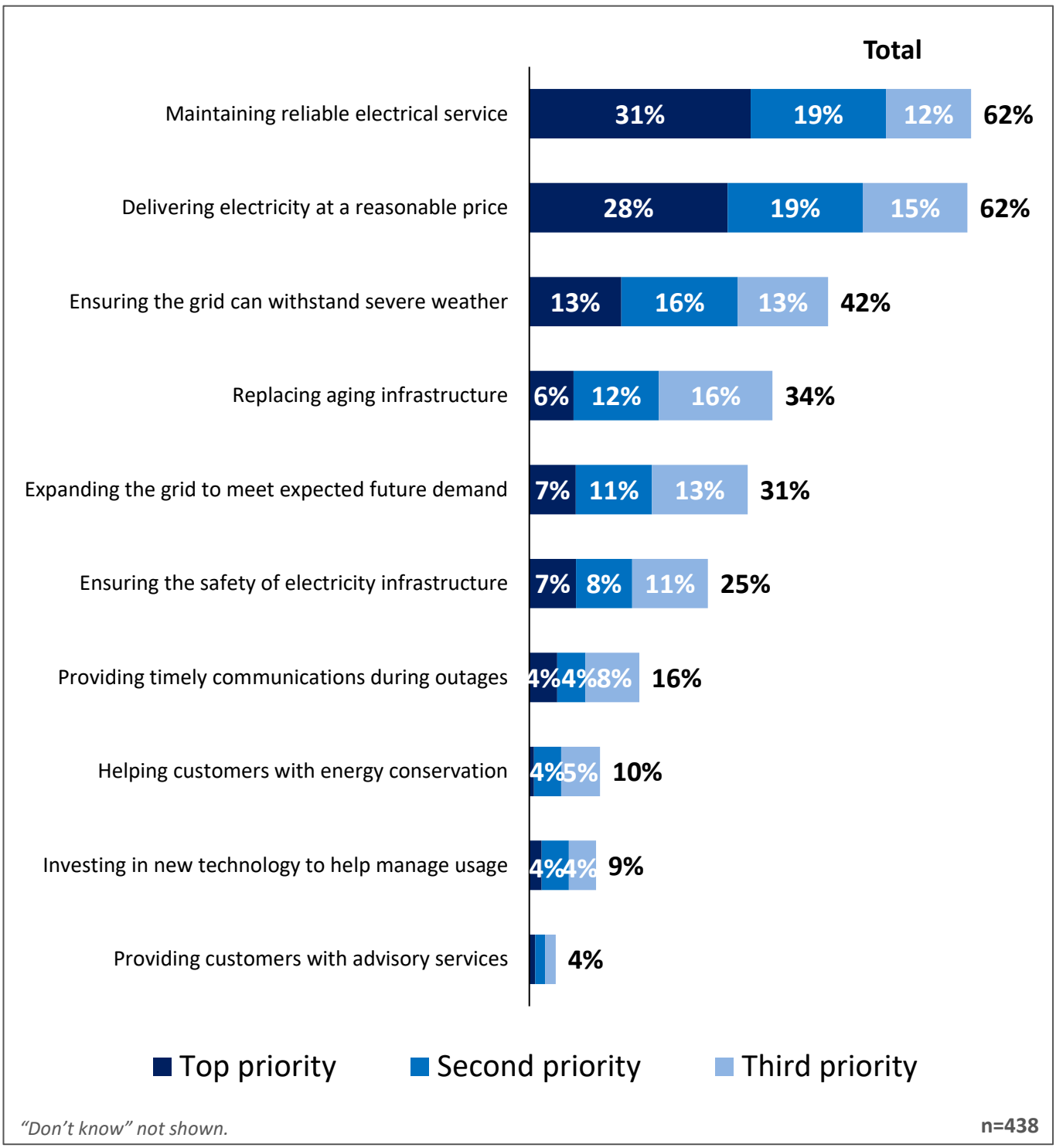
		Consumption Quartiles			
Average Score	Overall	Low	Medium-Low	Medium-High	High
Maintaining reliable electrical service	9.54	9.45	9.53	9.53	9.67
Delivering electricity at a reasonable price	9.48	9.50	9.42	9.54	9.45
Ensuring the grid can withstand severe weather	9.27	9.24	9.27	9.17	9.43
Ensuring the safety of electricity infrastructure	9.17	9.20	9.25	8.91	9.35
Providing timely communications during outages	9.14	9.13	9.17	9.09	9.15
Expanding the grid to meet expected future demand	8.83	8.85	8.94	8.69	8.85
Replacing aging infrastructure	8.83	8.76	8.81	8.64	9.15
Helping customers with energy conservation	7.72	7.81	7.93	7.36	7.80
Investing in new technology to help manage usage	7.60	7.73	7.69	7.39	7.58
Providing customers with advisory services	6.98	6.90	7.02	6.78	7.24

Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
"Don't know" not included in calculation of means.

Online Survey
Ranking Customer Priorities

Small Business

Q Thinking of the priorities on the previous page, which would you say is the **most** important? What is the **next most important** priority you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?



"Don't know" not shown.

n=438

Note: Priority labels have been shortened for brevity. See slide 12 for full label text.

Online Survey

Ranking Customer Priorities – Summary

Small Business

Q Thinking of the priorities on the previous page, which would you say is the **most** important? What is the **next most important** priority you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?

		Consumption Quartiles			
% who select as top 3 priority	Overall	Low	Medium-Low	Medium-High	High
Maintaining reliable electrical service	62%	62%	64%	60%	63%
Delivering electricity at a reasonable price	62%	60%	62%	59%	68%
Ensuring the grid can withstand severe weather	42%	38%	38%	47%	46%
Replacing aging infrastructure	34%	37%	32%	38%	30%
Expand the grid to meet expected future demand	31%	31%	29%	37%	26%
Ensuring the safety of electricity infrastructure	25%	25%	24%	31%	20%
Providing timely communications during outages	16%	17%	15%	14%	16%
Helping customers with energy conservation	10%	11%	12%	5%	12%
Investing in new technology to help manage usage	9%	6%	11%	8%	13%
Providing customers with advisory services	4%	5%	8%	1%	1%

Note: Priority labels have been shortened for brevity. See slide 12 for full label text.

Online Survey
Additional Priority Areas

Small Business

Q Can you think of any other important priorities that **Hydro Ottawa** should be focusing on?

Response	%
Expanding electricity grid to meet future needs	3.1%
Lower cost/discount for low-income and senior customers	2.5%
Replacing aging electrical infrastructure	2.5%
Develop better rates/plans to suit different customers' needs	2.2%
Transparent and open communication	2.1%
Improve ease of connecting alternative energy systems to the grid	1.9%
Helping customers with energy conservation	1.7%
Delivering electricity at a reasonable price	1.7%
Positive comment - General	1.3%
Consider impact to environment/protect environment/sustainability	1.2%
Maintaining reliable electrical service for customers	1.1%
Providing accurate and timely communications during power outages	1.1%
Providing customers with advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EVs, contractors)	1.1%
All previously mentioned priorities are important	0.9%
Other	0.4%
None/Don’t know	75.0%

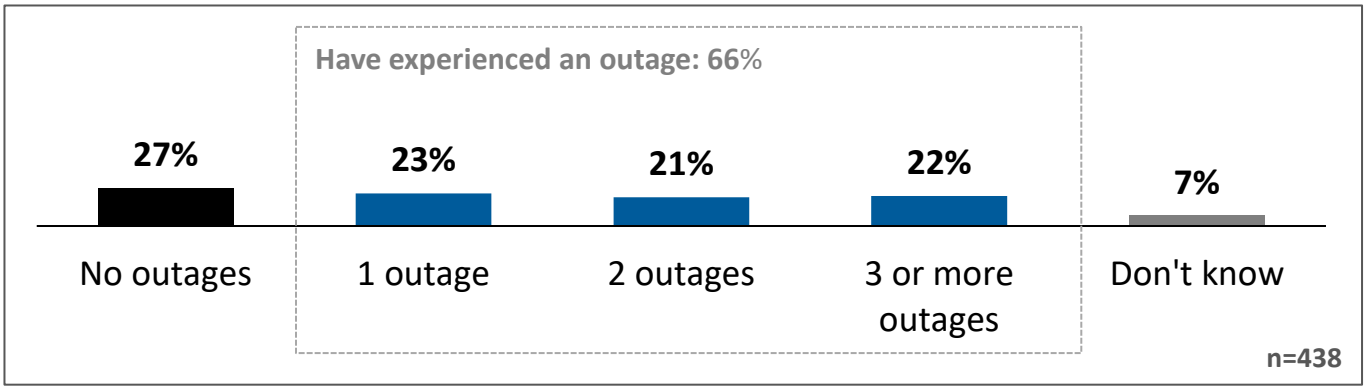
Note: Only responses >0.1% shown

Online Survey
Reliability Preferences

Small Business

Now, let's talk about the reliability of electricity service you receive.

Q Have you experienced any power outages **at your organization in the past 12 months** which *lasted longer than one minute*? If so, approximately how many of these power outages did you experience over the past 12 months?



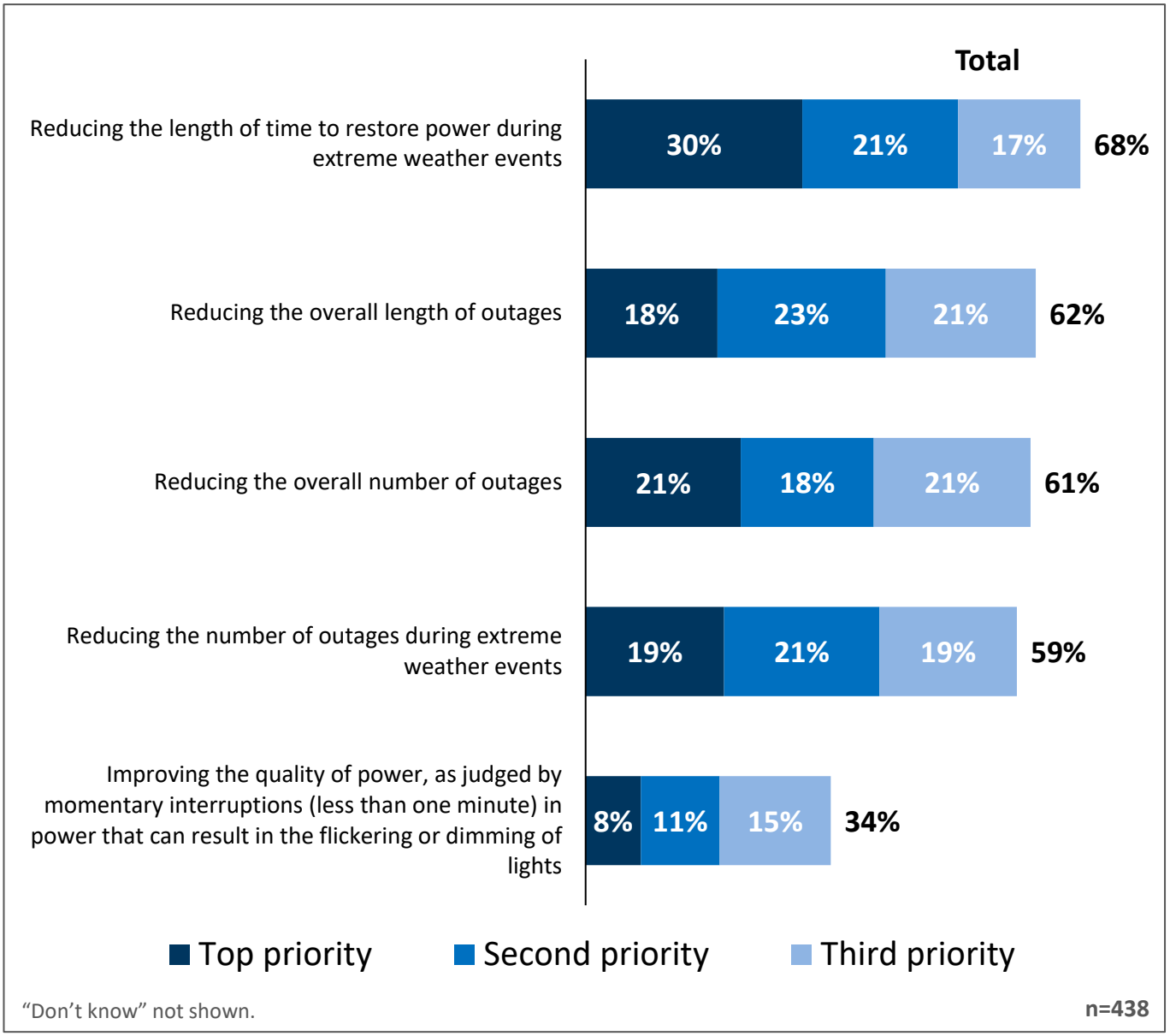
Consumption Quartiles

	Low	Medium-Low	Medium-High	High
No outages	33%	26%	24%	25%
1 outage	27%	25%	23%	18%
2 outages	13%	23%	26%	21%
3 or more outages	19%	19%	19%	29%
Don't know	8%	7%	7%	7%
Have experienced at least 1 outage	**59%**	**67%**	**69%**	**68%**

Online Survey
Ranking Reliability Preferences

Small Business

Q When it comes to reliability, there are a number of areas that **Hydro Ottawa** could focus on. Among the following reliability outcomes, which would you say is the **most** important? What is the next most important reliability outcome you think **Hydro Ottawa** should focus on? And what do you consider the third most important priority?



"Don't know" not shown.

n=438

Online Survey

Ranking Reliability Preferences – Summary

Small Business

Q When it comes to reliability, there are a number of areas that **Hydro Ottawa** could focus on. Among the following reliability outcomes, which would you say is the **most** important? What is the next most important reliability outcome you think **Hydro Ottawa** should focus on? And what do you consider the third most important priority?

		Consumption Quartiles			
% who select as top 3 priority	Overall	Low	Medium-Low	Medium-High	High
Reducing the length of time to restore power during extreme weather	68%	68%	70%	63%	69%
Reducing the overall length of outages	62%	60%	57%	64%	66%
Reducing the overall number of outages	61%	58%	59%	65%	62%
Reducing the number of outages during extreme weather	59%	59%	61%	58%	58%
Improving the quality of power, as judged by momentary interruptions	34%	32%	32%	34%	36%
Don't know	7%	9%	8%	7%	5%

Note: Categories have been shortened for brevity.

INNOVATIVE RESEARCH GROUP

Small Business Customers

Investment Trade-Offs

Appendix 05



Online Survey

Investment Trade-Offs – System Renewal

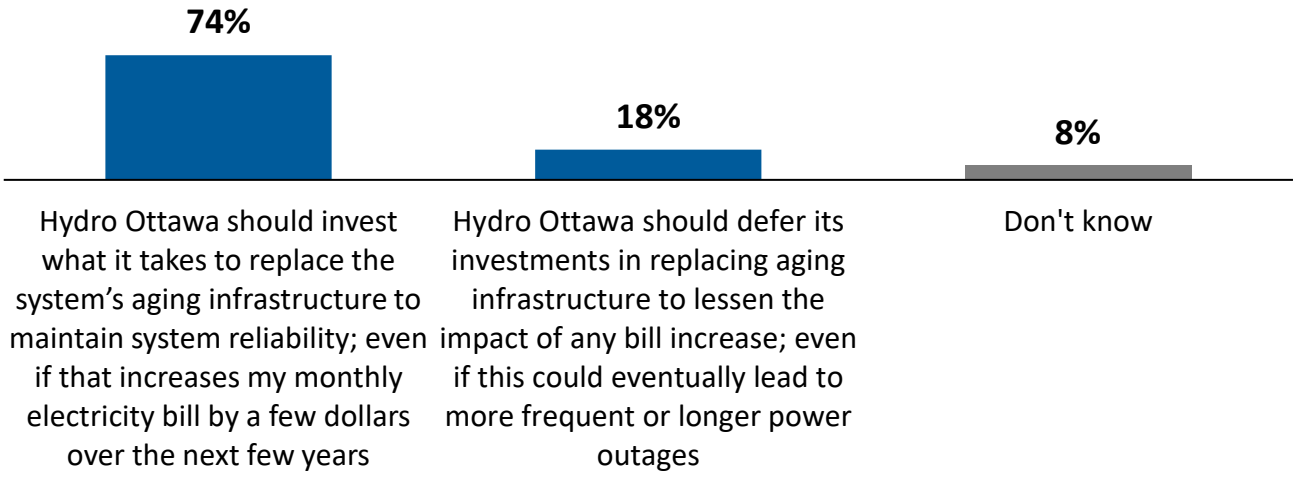
Small Business

The final topic in this survey is on **investment trade-offs.**

Hydro Ottawa is in the early stages of developing its investment plan for the five years between 2026 and 2030. While conversations with customers will continue over the next 12 months, the utility wants to know your preferences when it comes to finding the right balance between costs and other outcomes that customers value.

There are four investment categories that we would like to discuss. The first category focuses on projects that replace and restore aging electrical infrastructure, like overhead poles and underground cables.

Q Regarding investments in aging infrastructure, which of the following statements best represents your point of view?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Invest what it takes	75%	71%	74%	75%
Defer investments	16%	20%	18%	18%
Don't know	8%	9%	9%	7%

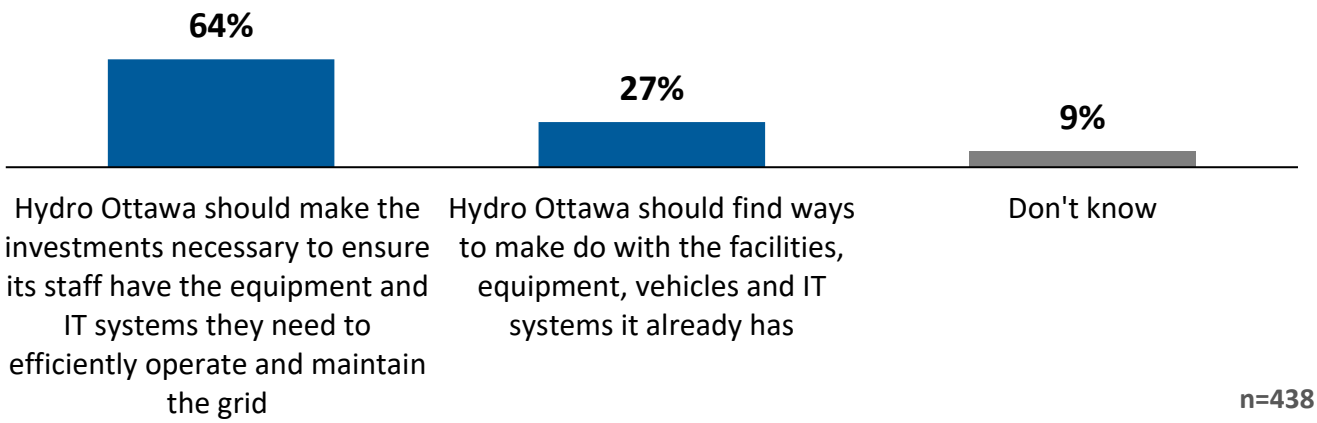
Online Survey

Investment Trade-Offs – General Plant

Small Business

The second category focuses on keeping **Hydro Ottawa's** business running. This includes facilities to house staff and equipment, vehicles and tools to service equipment, and up-to-date IT systems to manage customer data and protect the electrical grid from cybersecurity threats.

Q Regarding these types of investments, which of the following statements best represents your point of view?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Make the necessary investments	65%	65%	62%	64%
Make do with what it already has	25%	27%	28%	28%
Don't know	10%	9%	11%	8%

Online Survey

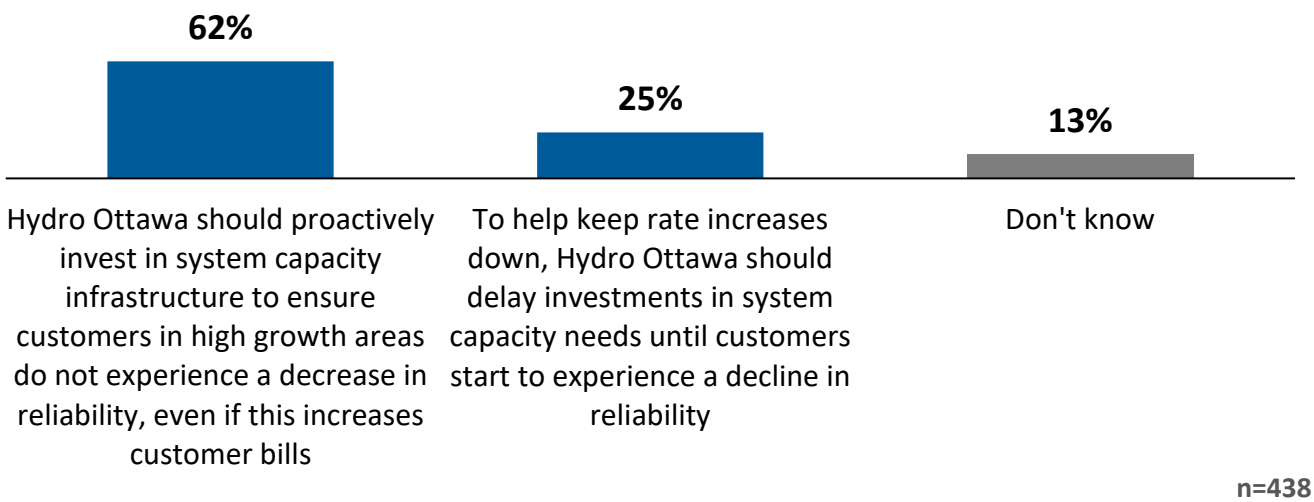
Investment Trade-Offs – System Service

Small Business

The third investment category focuses on growth and greater demand for electricity in various parts of **Hydro Ottawa's** service territory.

Increased demand for electricity puts pressure on existing electrical infrastructure. Eventually, further infrastructure investments are required to support increased demand for electricity.

Q With this in mind, which of the following statements best represents your point of view?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Proactive investments in system capacity	68%	57%	68%	56%
Delay capacity investments until reliability declines	21%	27%	22%	28%
Don't know	10%	16%	10%	16%

Online Survey

Investment Trade-Offs – Grid Modernization

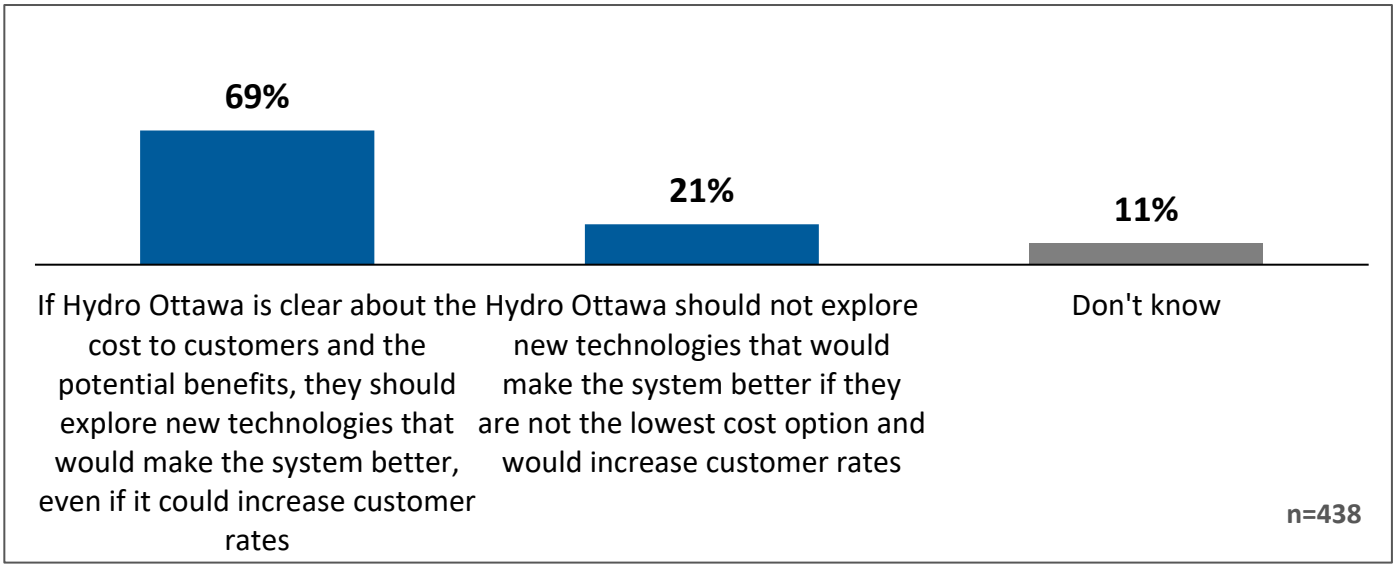
Small Business

Hydro Ottawa can invest in technology that can lead to a wide range of benefits including reliability, efficiency, customer service, and reducing environmental impacts.

When deemed the lowest cost option that will provide equal or improved service, Hydro Ottawa will, in most cases, invest in technology. However, there are two other scenarios where Hydro Ottawa needs your feedback.

First, there are times when Hydro Ottawa identifies new technology that can improve reliability or provide other benefits, but it will cost customers more. For instance, advanced monitoring technology can provide signals when there is an outage, allowing Hydro Ottawa to provide customers with better information on the areas impacted by outages and helping crews find affected areas more quickly.

Q Regarding these types of investments which of the following best represents your view?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Explore new technologies	69%	67%	72%	66%
Should not explore new technologies	22%	19%	20%	21%
Don’t know	9%	14%	8%	13%

Online Survey

Investment Trade-Offs – Grid Modernization (Cont'd)

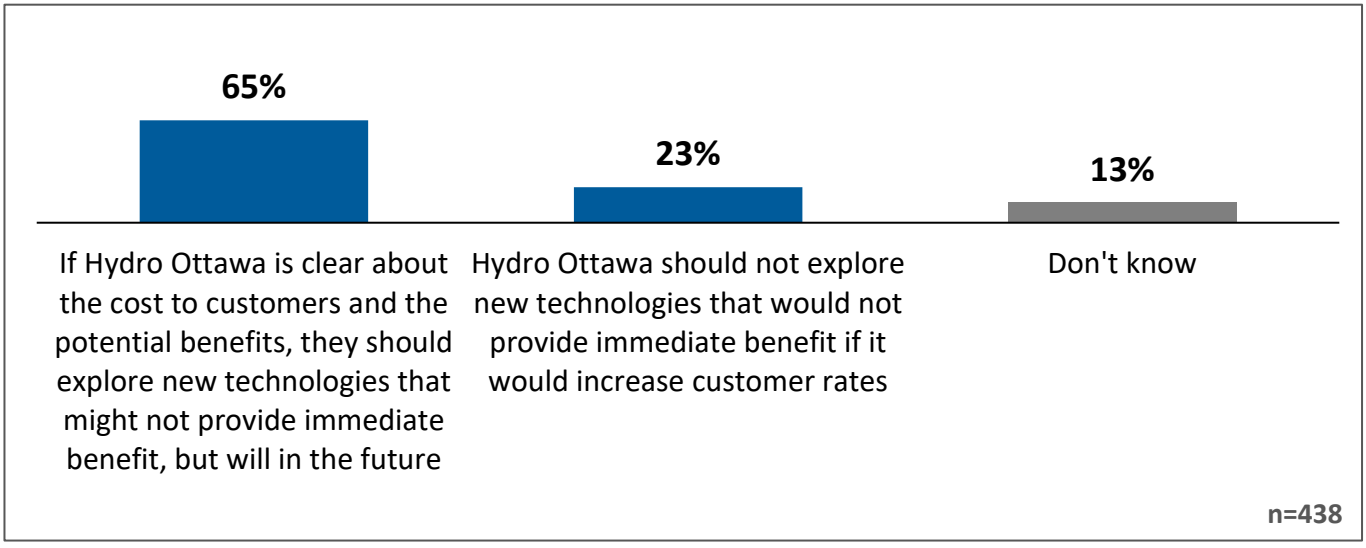
Small Business

The second scenario is where **Hydro Ottawa** identifies new technology that is needed to improve the system in the future and would increase costs now, but the benefit might not be felt until later.

This includes accommodating emerging technologies like solar power, battery storage and electric vehicles. Regardless of whether you are considering new energy choices like an electric vehicle for yourself today, **Hydro Ottawa** must be prepared as adoption becomes more widespread over the next 5-10 years.

For instance, charging each electric vehicle draws as much energy as two average homes. If a dozen or so people come home and start changing their vehicles at a period of peak demand, it could overload the grid in that neighbourhood. While **Hydro Ottawa** cannot predict the exact rate of electric vehicle adoption in east central Ontario, the utility must make certain investments today that will allow it to manage electric vehicle demand in the future.

Q Which of the following best represents your view?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Explore new technologies	66%	65%	67%	62%
Should not explore new technologies	24%	19%	22%	25%
Don't know	10%	16%	11%	13%

INNOVATIVE RESEARCH GROUP

Small Business Customers

Energy Transition

Appendix 05



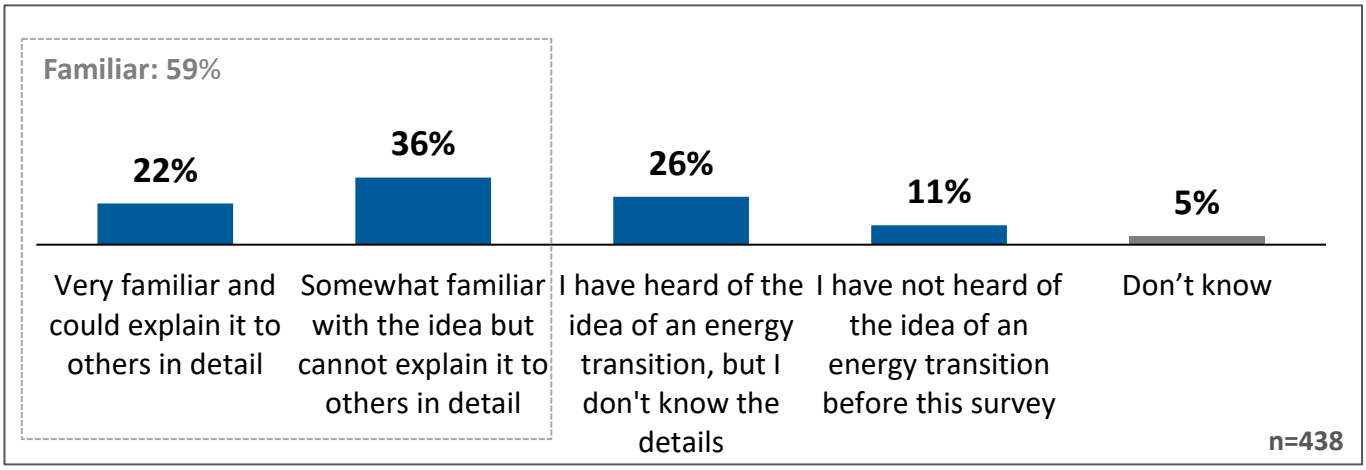
Online Survey

Familiarity with Energy Transition

Small Business

One issue people have been talking about lately in Canada is the idea that Canada and the world may be transitioning from its current energy system that depends highly on carbon-based fossil fuels like coal, oil and gas to a lower-carbon energy system.

Q How familiar are you with the idea of transitioning from its current energy system that depends highly on carbon-based fuels to a lower-carbon energy system?



Consumption Quartiles

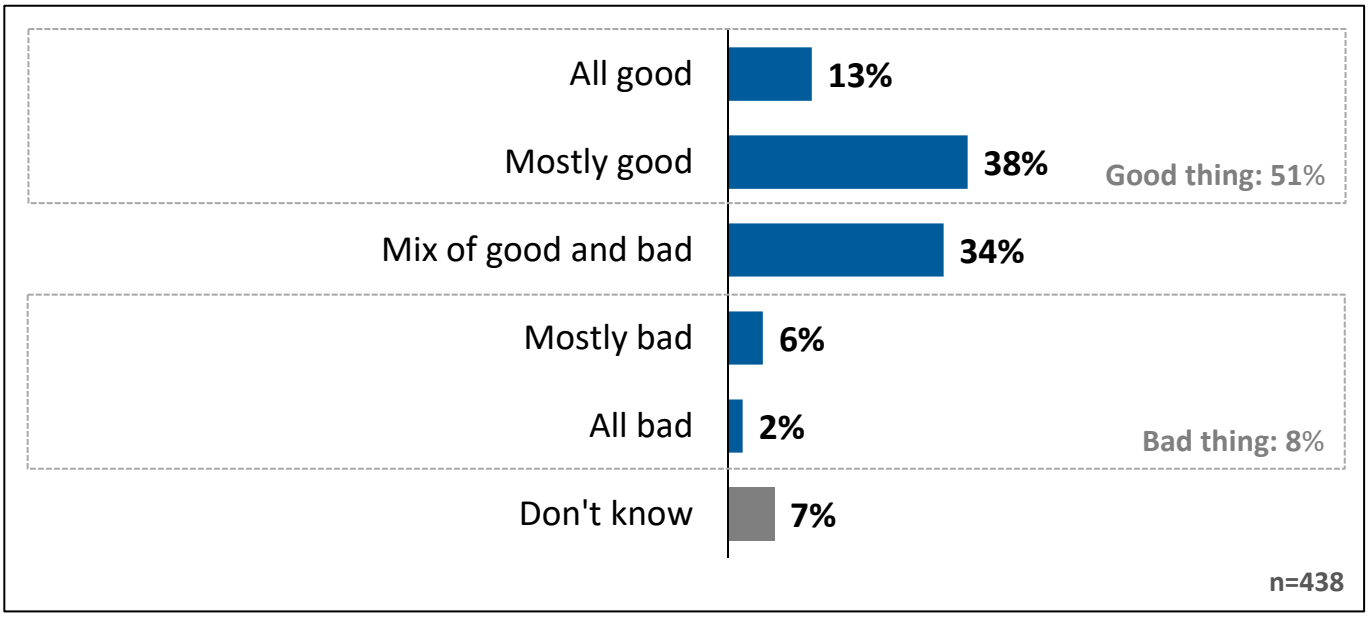
	Low	Medium-Low	Medium-High	High
Very familiar, could explain it to others in detail	21%	20%	26%	23%
Somewhat familiar, cannot explain it to others in detail	39%	39%	37%	30%
Have heard of it before, but don't know the details	21%	29%	25%	28%
Haven't heard of the idea of energy transition before	13%	9%	8%	13%
Don't know	6%	3%	4%	5%
Familiar (Very + Somewhat)	**60%**	**59%**	**63%**	**53%**

Online Survey

Impression of Energy Transition

Small Business

Q From what you know or based on your first impression, does energy transition sound like a good thing or a bad thing?



Consumption Quartiles

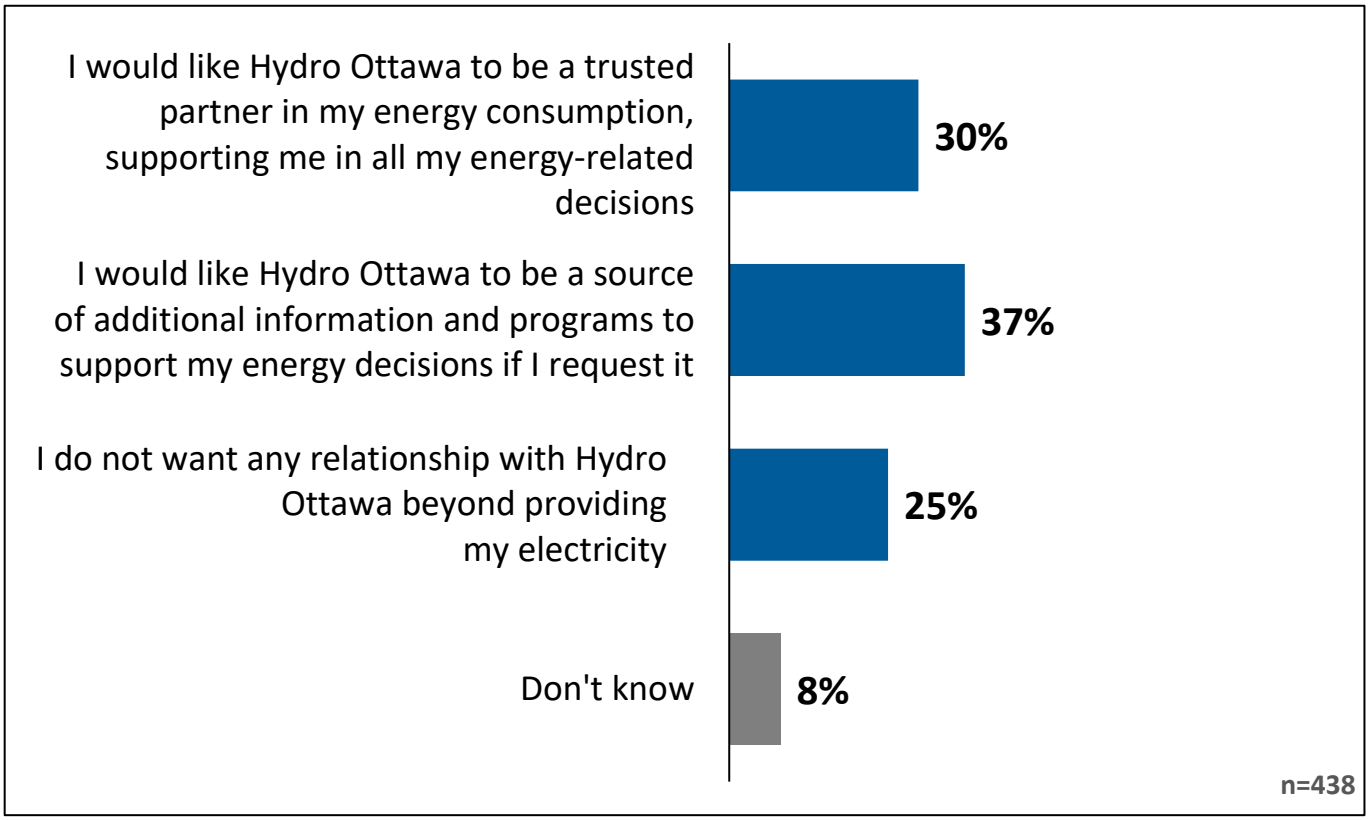
	Low	Medium-Low	Medium-High	High
All good	14%	10%	19%	10%
Mostly good	39%	39%	33%	39%
Mix of good and bad	32%	40%	30%	34%
Mostly bad	4%	2%	8%	8%
All bad	3%	2%	3%	1%
Don't know	8%	7%	7%	7%
Good thing (All + Mostly)	**53%**	**49%**	**52%**	**49%**
Bad thing (All + Mostly)	**7%**	**4%**	**11%**	**9%**

Online Survey

Relationship with Hydro Ottawa

Small Business

Q Beyond providing you with electricity, which of the following best describes your desired relationship with Hydro Ottawa?



Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Trusted partnership with decision-making support	33%	26%	28%	33%
Relationship limited to information and additional programs	40%	33%	38%	38%
No relationship beyond providing electricity	21%	32%	27%	19%
Don’t know	6%	9%	7%	11%

INNOVATIVE RESEARCH GROUP

Small Business Customers

Final Comments



Online Survey

Additional Comments or Feedback

Small Business

Q Before this survey concludes, do you have any additional comments or feedback you'd like to share with **Hydro Ottawa**?

Response	%
Positive feedback/Hydro Ottawa doing well/their best	7.6%
Lower rates/keep costs low/maintain affordability	3.3%
More information/communication/ability to track usage	2.5%
Investment tradeoff questions were leading/difficult choice/unfair	1.6%
Prioritize reliability (e.g. Plans for underground cables, reduce outages)	1.6%
Increase is necessary, be transparent in plan and pricing	1.2%
Consider challenges in their plan (e.g. increasing populating, capacity constraints)	1.1%
Positive feedback about the survey	1.1%
Find a middle ground/balanced approach	1.1%
Cap salary for executives	0.9%
Support investment in green energy/energy transition	0.9%
Concern or issue with survey/question wording - General	0.8%
Provide incentives for technology adoption (e.g. solar panels)	0.7%
Support nuclear power investment	0.7%
Reinvest profits into improving the system/infrastructure rather than increasing costs	0.6%
Improve line management (e.g. tree trimming, branch clearing)	0.6%
More billing and payment options	0.2%
Support EV investments/prepare grid for EV adoption	0.2%
Other	3.1%
None/Don't know	70.0%

Note: Only responses >0.1% shown

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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Phase I Customer Engagement
2026 Rate Application

C&I Customer Needs & Preference Interviews

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February 2025

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2026 – 2030 Rate Application

Report Navigation

C&I

APPENDICIES

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- APPENDIX.02 – C&I Customer Needs & Preference Interviews
- APPENDIX.03 – Key Account Needs & Preference Interviews
- APPENDIX.04 – Residential Needs & Preferences Survey
- APPENDIX.05 – Small Business Needs & Preferences Survey
- APPENDIX.06 – C&I Needs & Preferences Survey
- APPENDIX.07 – Key Accounts Needs & Preferences Survey
- APPENDIX.08 – Needs and Preferences Planning Placemat

PHASE II: Trade-offs

- APPENDIX.09 – Residential Trade-off Survey
- APPENDIX.10 – Small Business Trade-off Survey
- APPENDIX.11 – GS>50 kW Trade-off Survey

Online Survey
Survey Design & Methodology

C&I

Field Dates

The **C&I Online Survey** was sent to all of Hydro Ottawa's Commercial & Industrial customers who provided the utility with an email address. Customers had an opportunity to complete the survey between **May 9th and May 27th, 2024**.

Each customer received a unique URL that could be linked back to their average monthly consumption, and region.

In total, the C&I survey was sent to **867** customers from *info@hydroottawa.com*. Reminder emails were sent on May 16th, May 21st and May 24th to those who had not yet completed the survey.

C&I Online Survey Completes

A total of **50** (unweighted) Hydro Ottawa's C&I customers completed the online survey.

Given the limited sample size among C&I customers, results should be treated as directional.

Sample Weighting

The C&I online survey sample was weighted to 50 proportionately by consumption quartiles and region in order to be representative of the broader Hydro Ottawa's customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by collapsed consumption quartile and region.

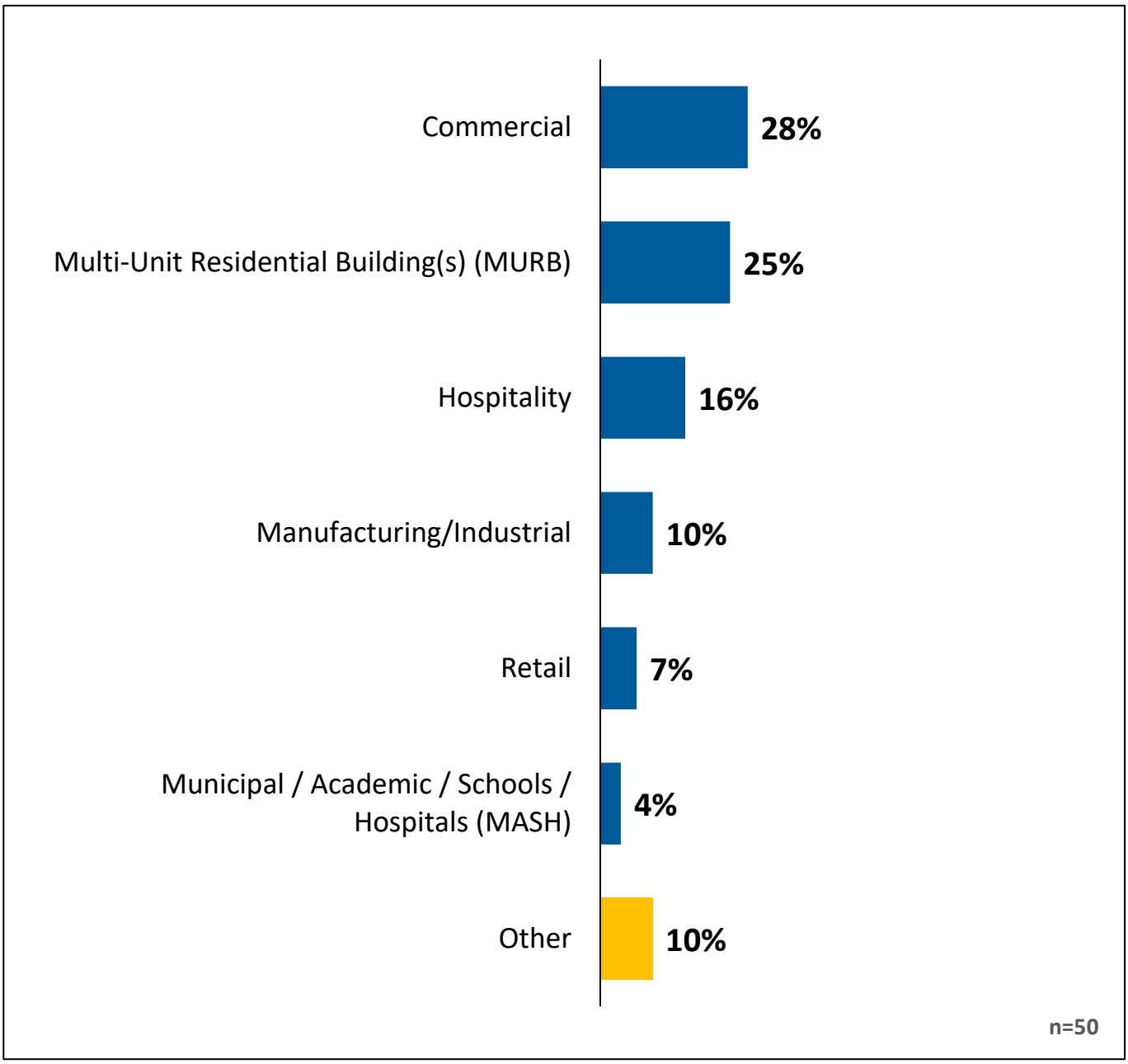
Region	Consumption Quartiles		Total
	Low-Medium	Medium-High	
Ottawa	9 (11)	13 (18)	22 (30)
West	16 (10)	6 (4)	22 (14)
East	4 (4)	2 (2)	6 (6)
Total	**29 (25)**	**21 (25)**	**50 (50)**

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Online Survey
Firmographic Breakdown

C&I

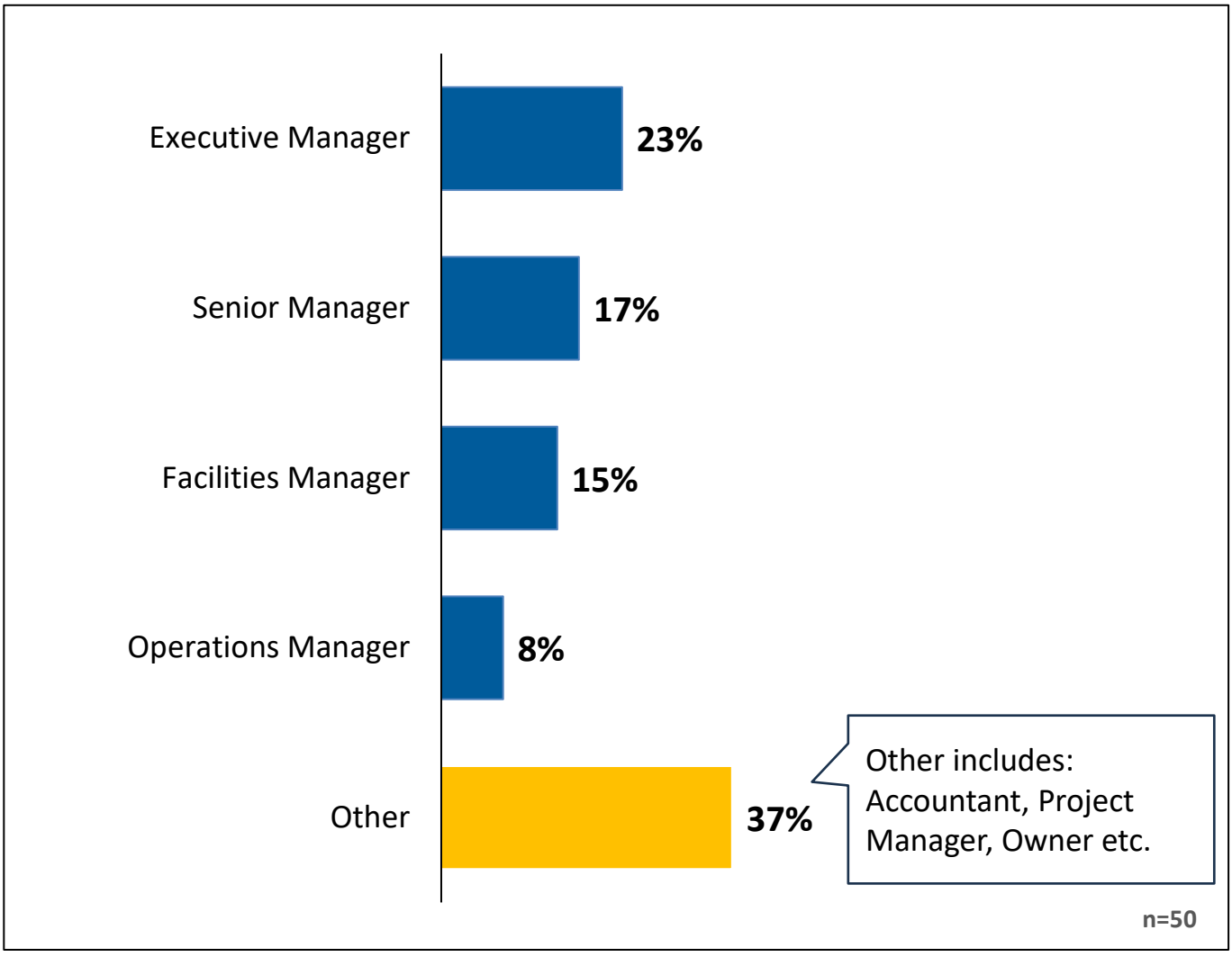
Q Organization Sector



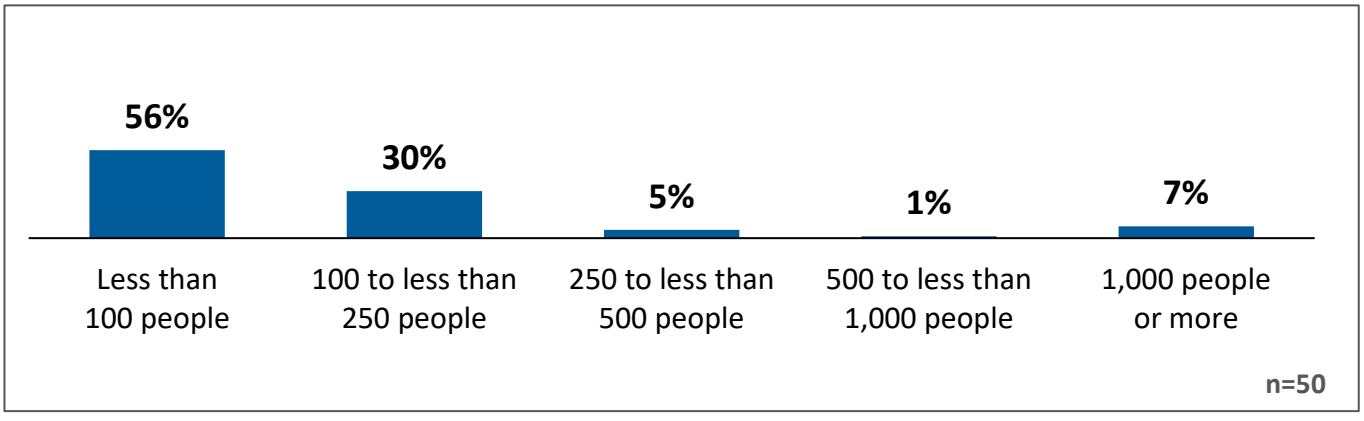
Online Survey
Firmographic Breakdown

C&I

Q Role at Organization



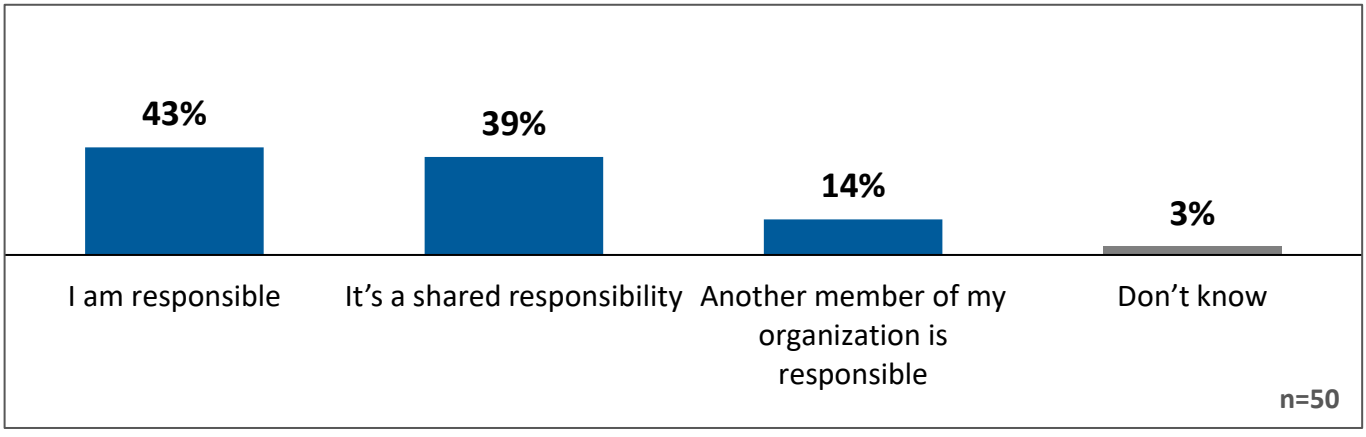
Q Organization Size



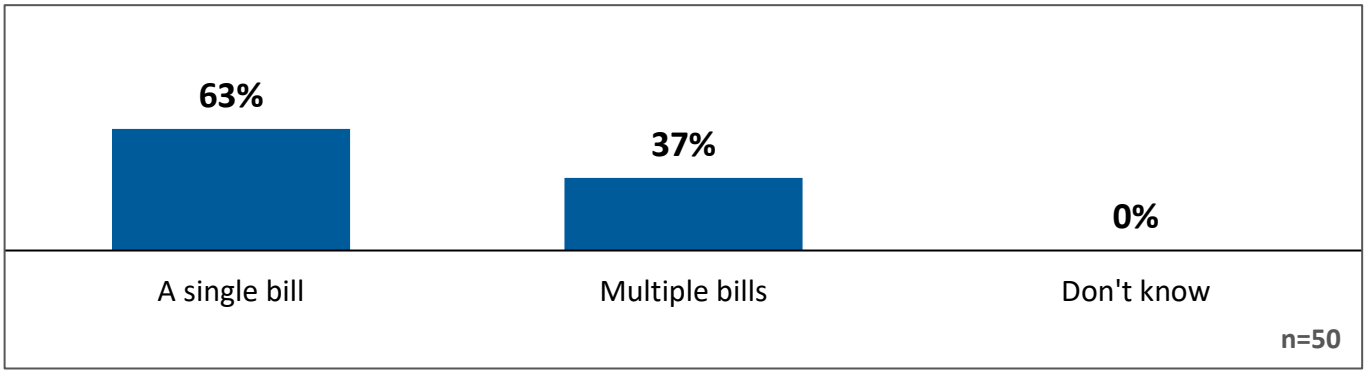
Online Survey
Firmographic Breakdown

C&I

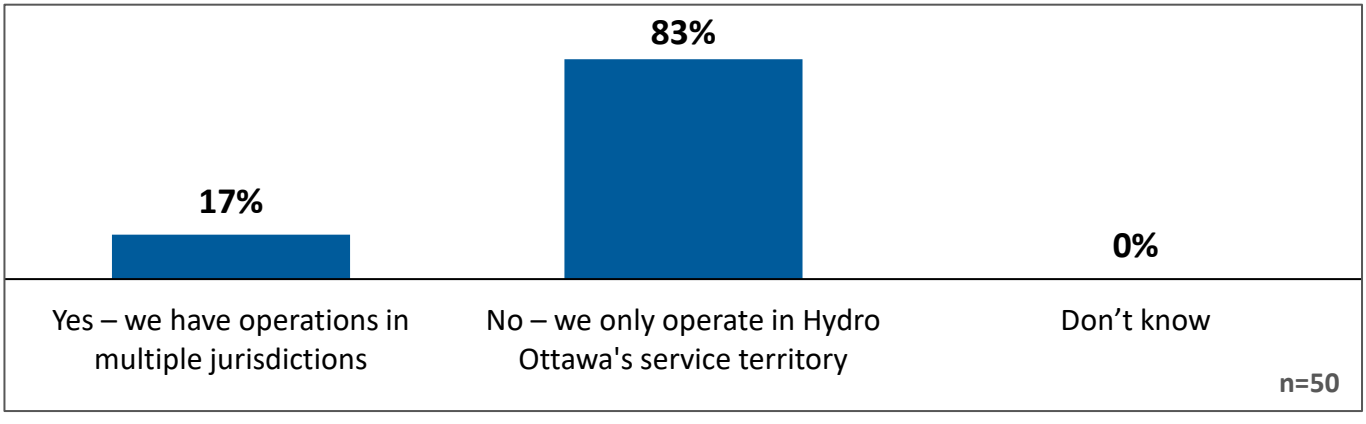
Q As part of your job, are you responsible for managing or overseeing your organization's electricity usage?



Q Does your organization receive a single bill or multiple bills from Hydro Ottawa?



Q Does your organization receive electrical bills from utilities other than Hydro Ottawa?



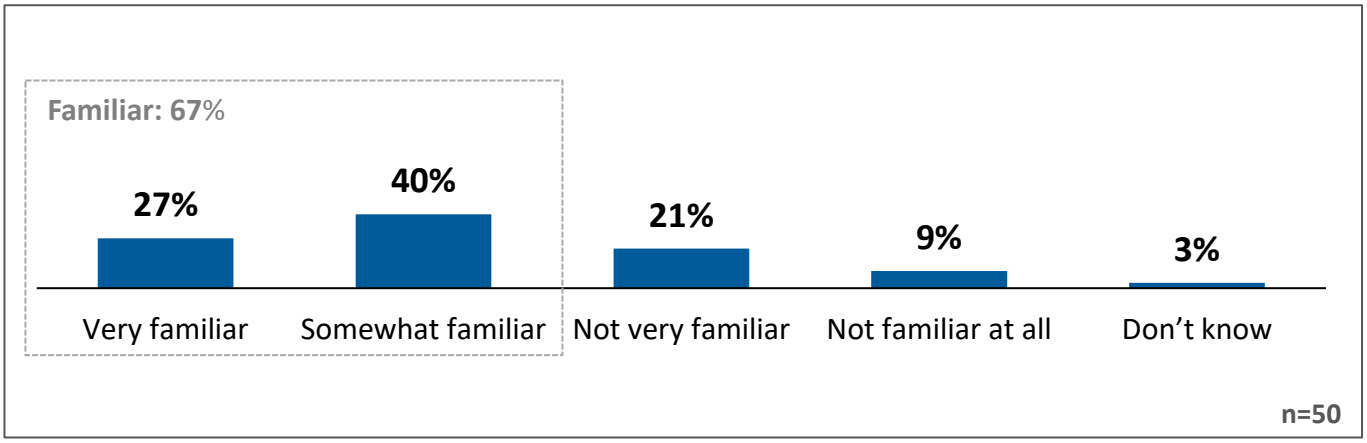
Online Survey

Familiarity with Hydro Ottawa

C&I

Hydro Ottawa owns and operates all aspects of the local electricity distribution system across 10 municipalities in the Durham region, Belleville, and Gravenhurst. This is the network that takes the electricity from the high-voltage transmission system and connects it to your home and local community.

Q Before this survey, how familiar were you with **Hydro Ottawa**, and the role it plays in Ontario's electricity system?

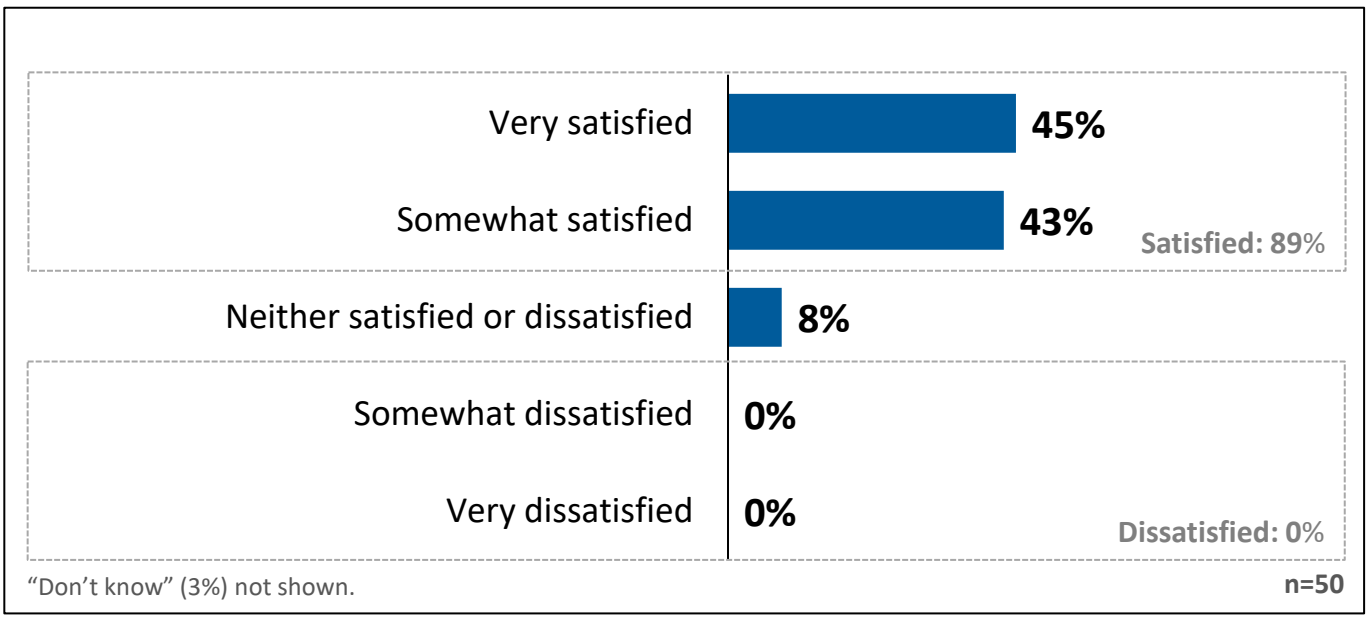


Online Survey

Overall Satisfaction with Hydro Ottawa

C&I

Q Generally, how satisfied or dissatisfied are you with the services that your organization receives from **Hydro Ottawa**?



"Don't know" (3%) not shown.

n=50

Online Survey

How Hydro Ottawa can improve its services

C&I

Q Is there anything **Hydro Ottawa** can do to improve its services to your organization?

Response	%
No issues/satisfied with service	15.3%
Improve customer service experience	6.3%
Other billing concerns (e.g. accurate bills, more info, bill generation)	4.0%
Provide conservation tips/info/incentives	3.7%
Lower rates	3.7%
Enable customers to manage multiple accounts	3.5%
More reliable service, specifically fewer outages	3.1%
Other	5.9%
None/Don’t know	54.5%

Note: Only responses >0.1% shown

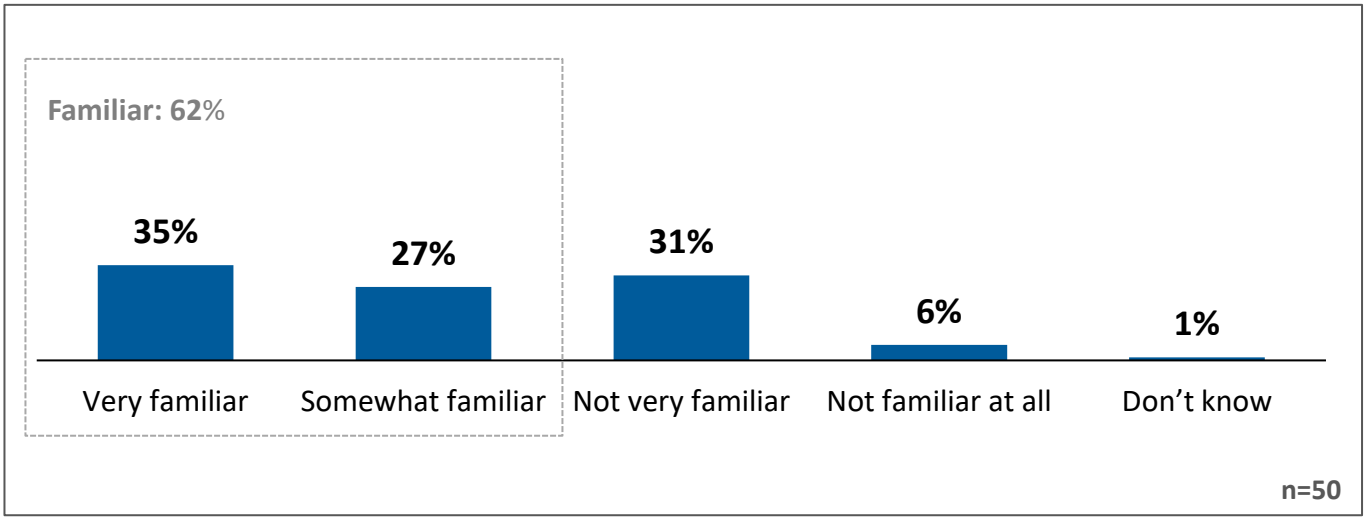
Online Survey

Bill Remittance Familiarity

C&I

While **Hydro Ottawa** is responsible for collecting payment for the entire electricity bill, it retains only a small percentage of C&I customer's bill in your area. The majority of the bill goes to power generation companies, transmission companies, the provincial government, and regulatory agencies.

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to **Hydro Ottawa**?



INNOVATIVE RESEARCH GROUP

C&I Customers

Priorities & Preferences

Appendix 06



Online Survey

Importance of Customer Priorities

C&I

The second topic in this survey is on **outcomes**, or services that matter to you.

Hydro Ottawa regularly holds discussions with its customers to better understand how it should set spending priorities with ratepayer dollars.

In a recent series of C&I customer interviews, **several areas were identified as priorities** for Hydro Ottawa.

Shortened General Outcomes Priorities Response Labels	Full General Outcomes Priorities Response Labels
Delivering reliable electrical service	Delivering reliable electrical service, including power quality (e.g. minimizing voltage fluctuations and momentary interruptions)
Reasonable electricity distribution rates	Providing reasonable electricity distribution rates
Hardening the grid to withstand severe weather	Hardening the local grid to withstand increasingly severe weather events (e.g. windstorms, derechos, tornados, floods, and ice storms)
Ensuring electrical capacity meets future demand	Ensuring electrical capacity is available to meet future customer demand
Ensuring the safe operations of its infrastructure	Ensuring the safe operations of its infrastructure
Ensuring reasonable costs for capital projects	Ensuring reasonable *costs* for capital projects (e.g. new connections/service upgrades)
Reasonable timelines for capital projects	Providing reasonable *timelines* for capital projects (e.g. new connections/service upgrades/relocations)
Investing in technology to help manage usage	Investing in technology that permits customers to better manage and monitor their electricity usage and/or local generation
Providing enhanced advisory services	Providing enhanced advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EV charging stations, contractors, energy products, etc.)
Providing electricity solutions and services	Providing “behind the meter” electricity solutions and services (e.g. designing, building, or maintaining distributed generation or battery storage solutions for customers)

Online Survey

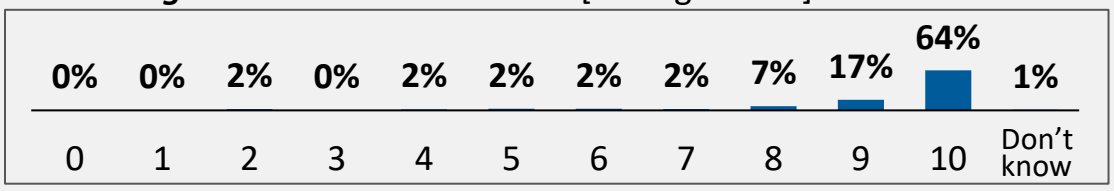
Importance of Customer Priorities

C&I

Q

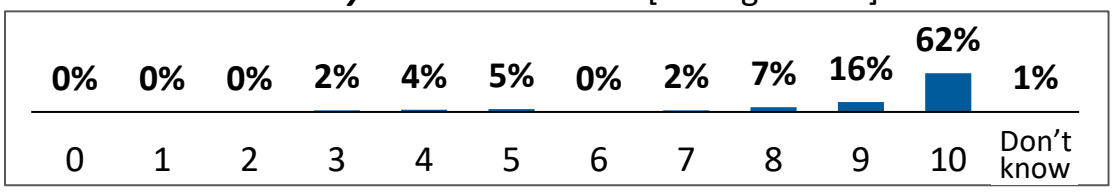
Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to your organization?

Delivering reliable electrical service [average = **9.2**]



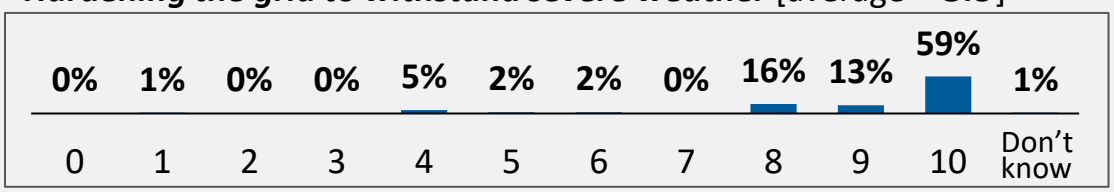
Not at all important — **Extremely important**

Reasonable electricity distribution rates [average = **9.0**]



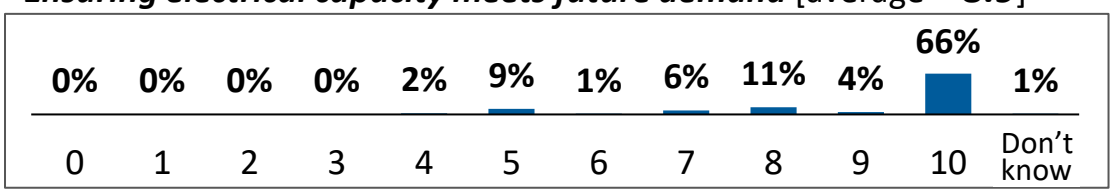
Not at all important — **Extremely important**

Hardening the grid to withstand severe weather [average = **8.9**]



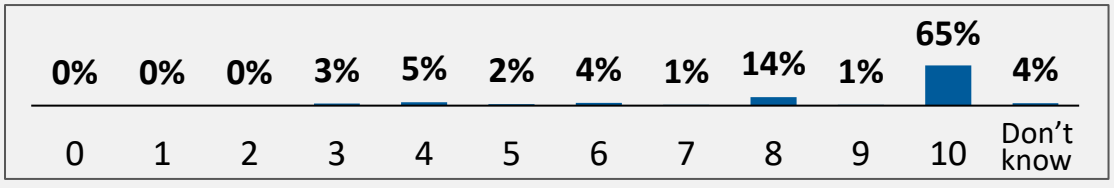
Not at all important — **Extremely important**

Ensuring electrical capacity meets future demand [average = **8.9**]



Not at all important — **Extremely important**

Ensuring the safe operations of its infrastructure [average = **8.8**]



Not at all important — **Extremely important**

Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
"Don't know" not included in calculation of means.

Online Survey

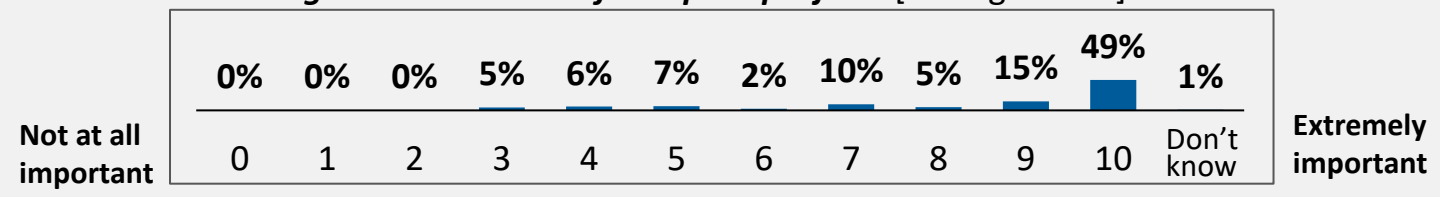
Importance of Customer Priorities (Cont'd)

C&I

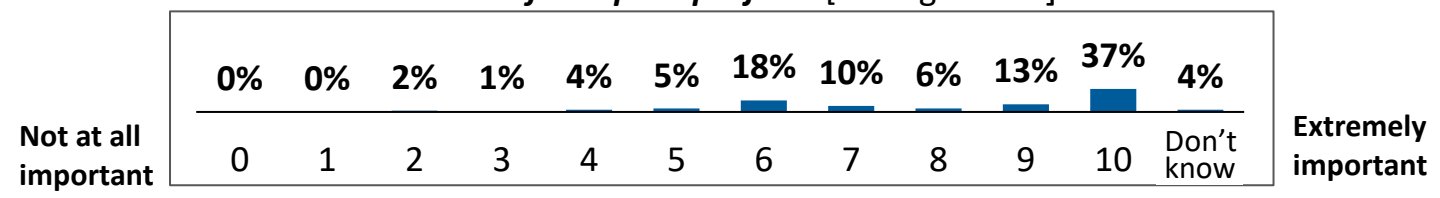
Q

Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to your organization?

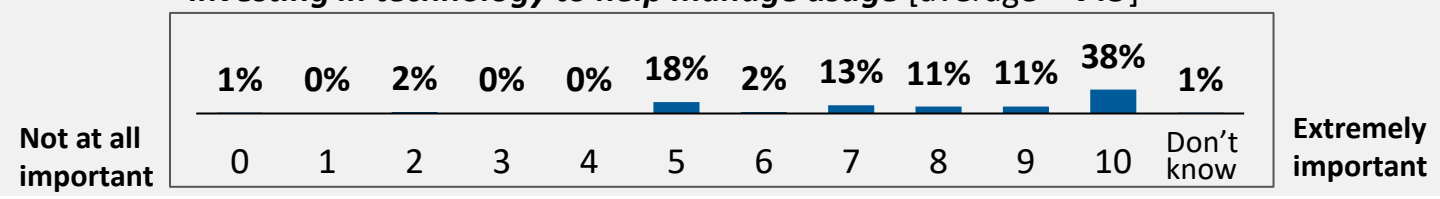
Ensuring reasonable costs for capital projects [average = **8.3**]



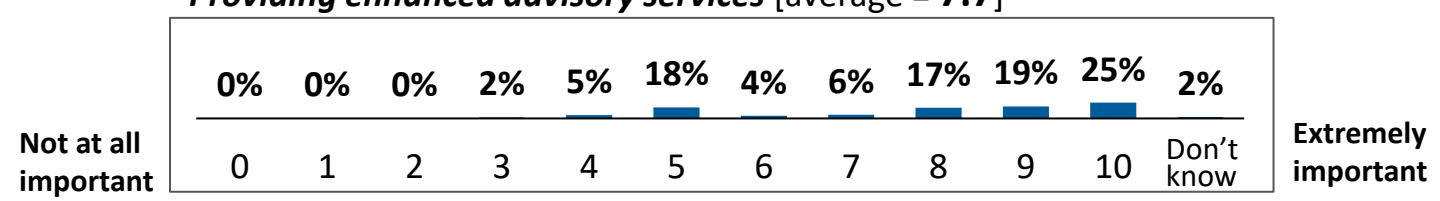
Reasonable timelines for capital projects [average = **7.9**]



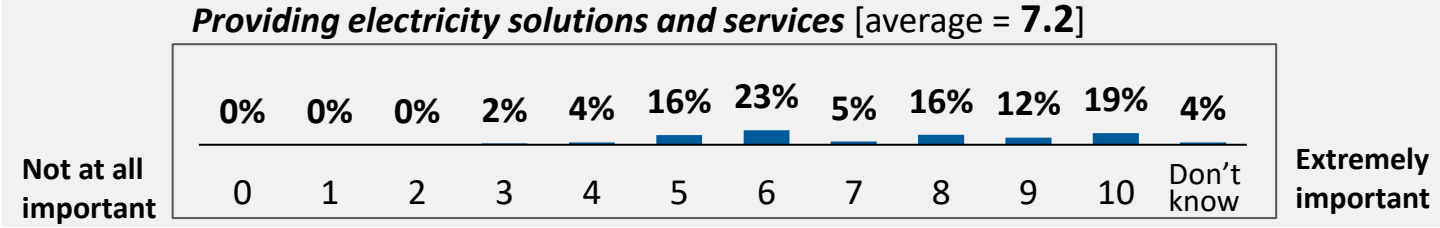
Investing in technology to help manage usage [average = **7.9**]



Providing enhanced advisory services [average = **7.7**]



Providing electricity solutions and services [average = **7.2**]

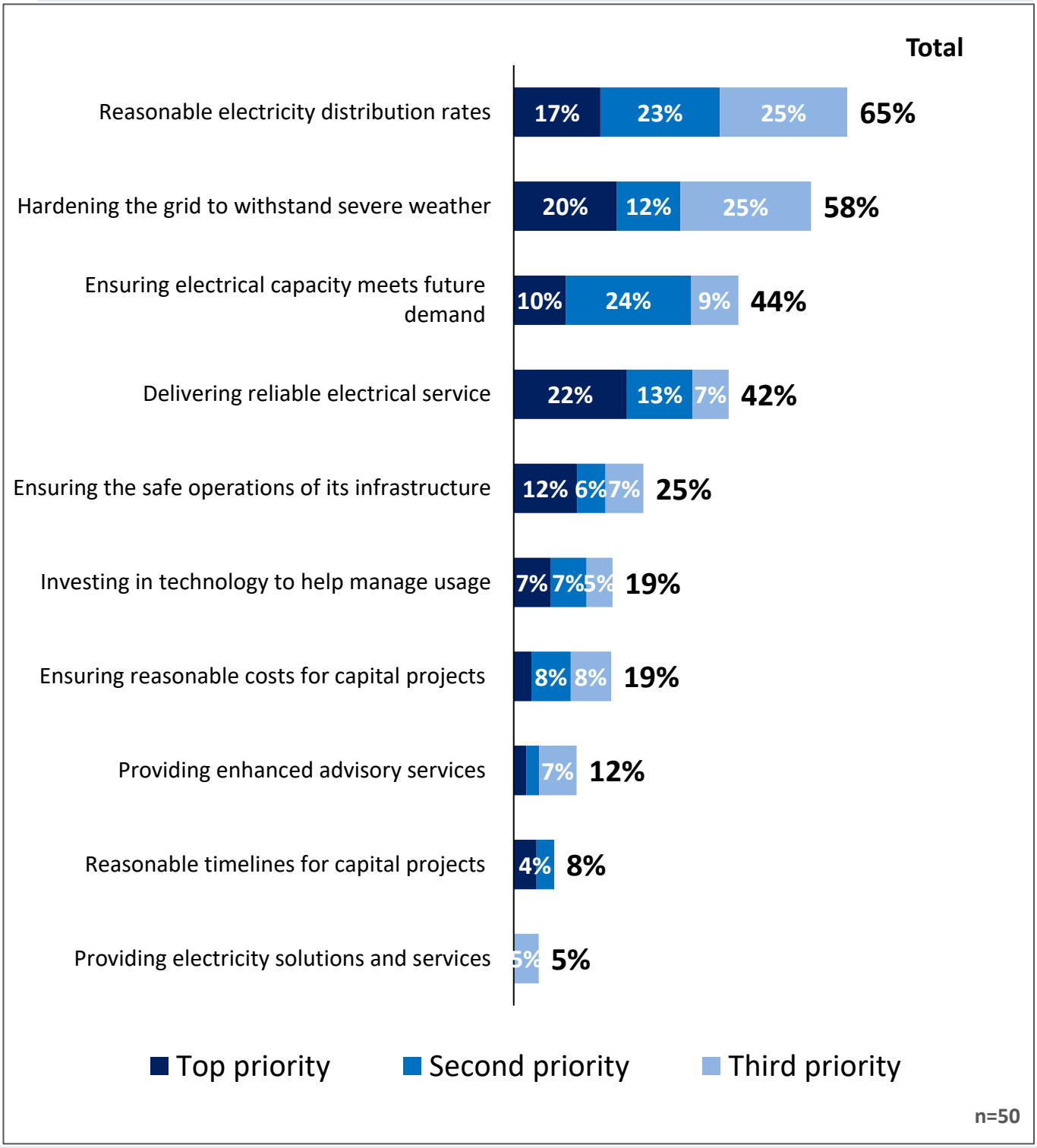


Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
"Don't know" not included in calculation of means.

Online Survey
Ranking Customer Priorities

C&I

Q Thinking of the priorities on the previous page, which would you say is the **most** important? What is the **next most important** priority you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?



Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
Data labels are removed where 3% or less. "Don't know" is not shown.

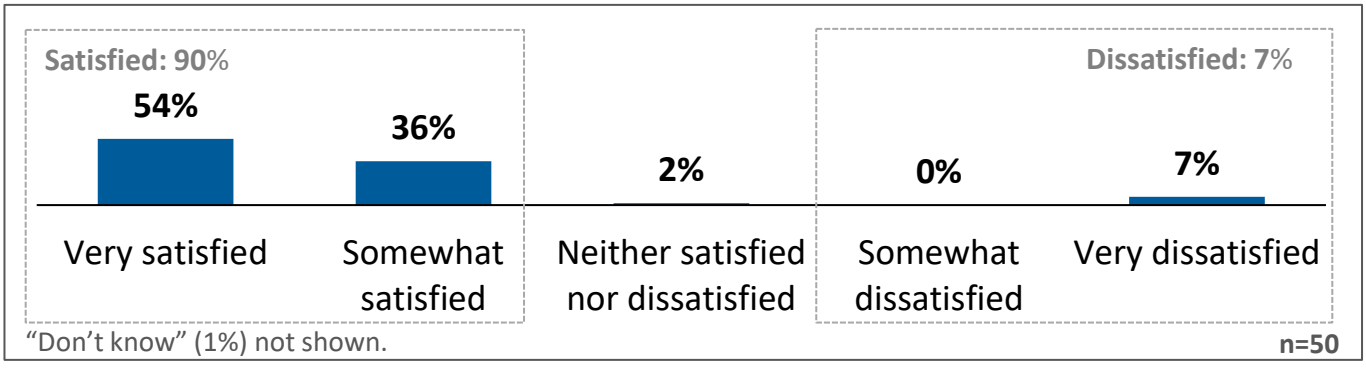
Online Survey

Power Quality and Reliability Outcomes

C&I

The following statements are about the electrical service that your organization receives from **Hydro Ottawa**. For each statement, please indicate your level of satisfaction or dissatisfaction.

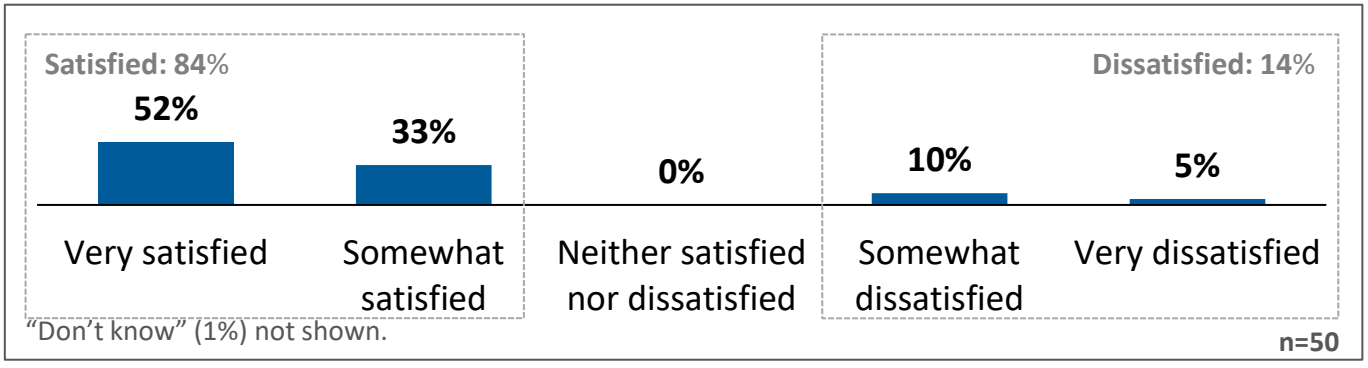
Q **Power quality**, as judged by the absence of voltage fluctuations that may affect your equipment or operations.



"Don't know" (1%) not shown.

n=50

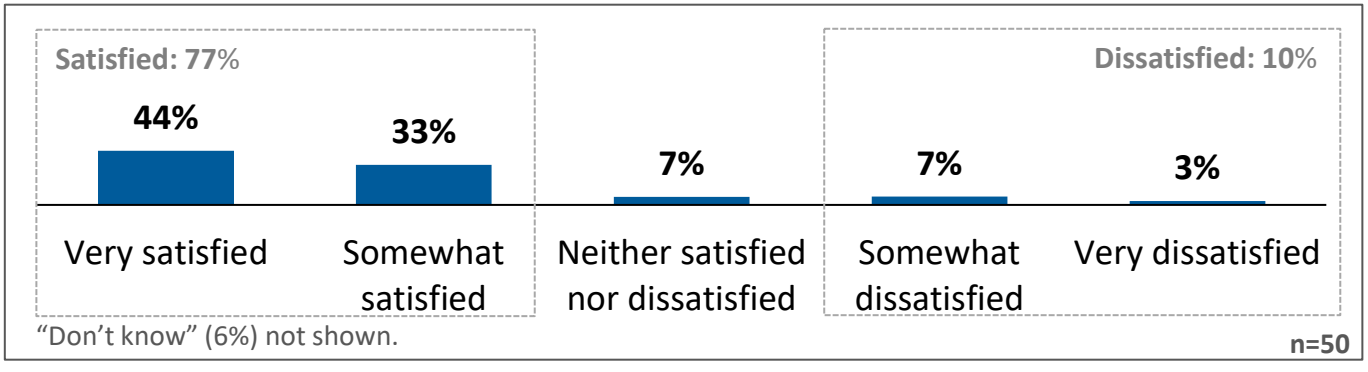
Q The **reliability of your electricity service**, as judged by the number of power outages you experience.



"Don't know" (1%) not shown.

n=50

Q The amount of **time it takes to restore power** when unscheduled outages occur.



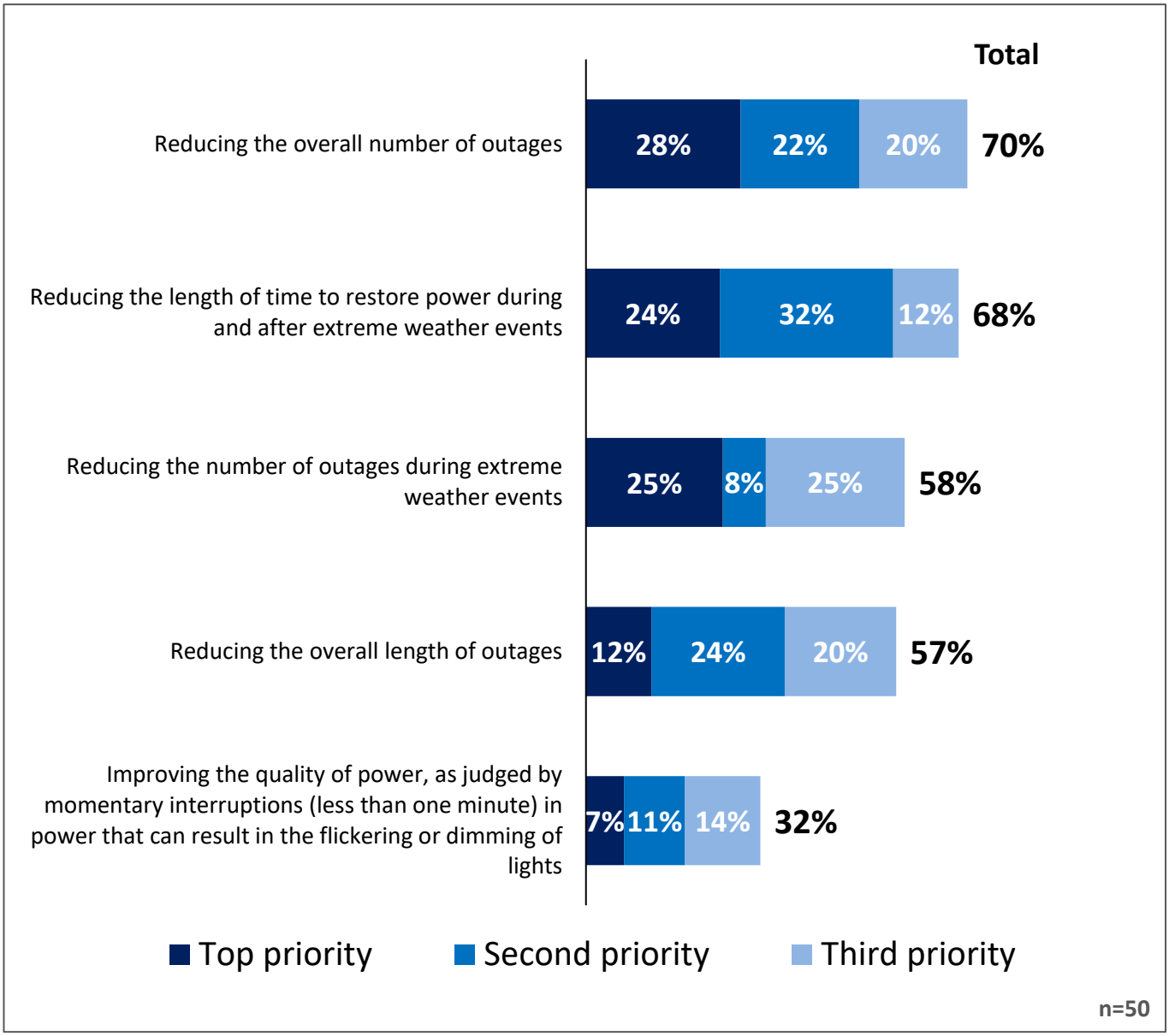
"Don't know" (6%) not shown.

n=50

Online Survey
Ranking Reliability Preferences

C&I

Q When it comes to reliability, there are a number of areas that **Hydro Ottawa** could focus on. Among the following reliability outcomes, which would you say is the **most** important? What is the next most important reliability outcome you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?



Note: "Don't know" not shown.

Online Survey
Additional Priority Areas

C&I

Q Can you think of any other priorities that **Hydro Ottawa** should be focusing on, not listed on the previous pages?

Response	%
Provide customers with technology adoption options/incentives	4.9%
[Priority listed] Providing reasonable electricity distribution rates	3.7%
[Priority listed] Delivering reliable electrical service, including power quality	2.6%
Prioritize clean sources of energy (e.g. solar, wind)	2.4%
No issues/satisfied with service	1.2%
Other	6.6%
Don’t know	78.7%

Note: Only responses >0.1% shown

INNOVATIVE RESEARCH GROUP

C&I Customers

Investment Trade-Offs

Appendix 06



Online Survey

Investment Trade-Offs – System Renewal

C&I

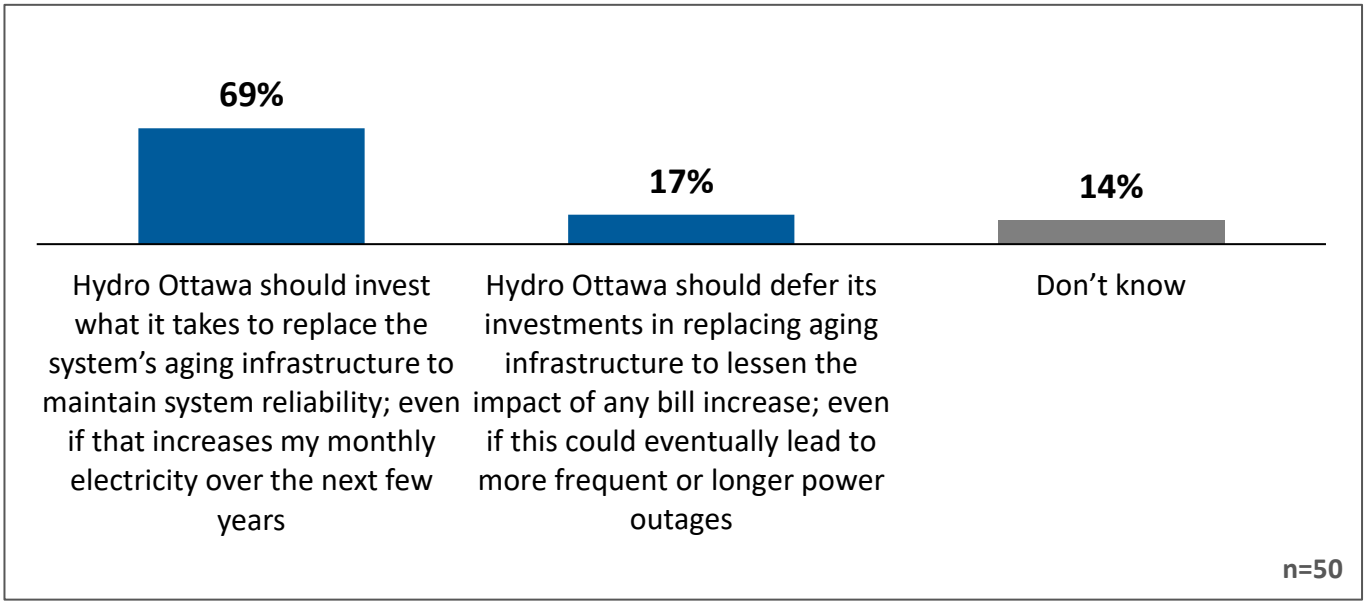
The final topic in this survey is on **investment trade-offs**.

Hydro Ottawa is in the early stages of developing its investment plan for the five years between 2026 and 2030. While conversations with customers will continue over the next 12 months, the utility wants to know your preferences when it comes to finding the right balance between costs and other outcomes that customers value.

There are four investment categories that we would like to discuss.

The first category focuses on projects that replace and restore aging electrical infrastructure, like overhead poles and underground cables.

Q Regarding investments in aging infrastructure, which of the following statements best represents your point of view?



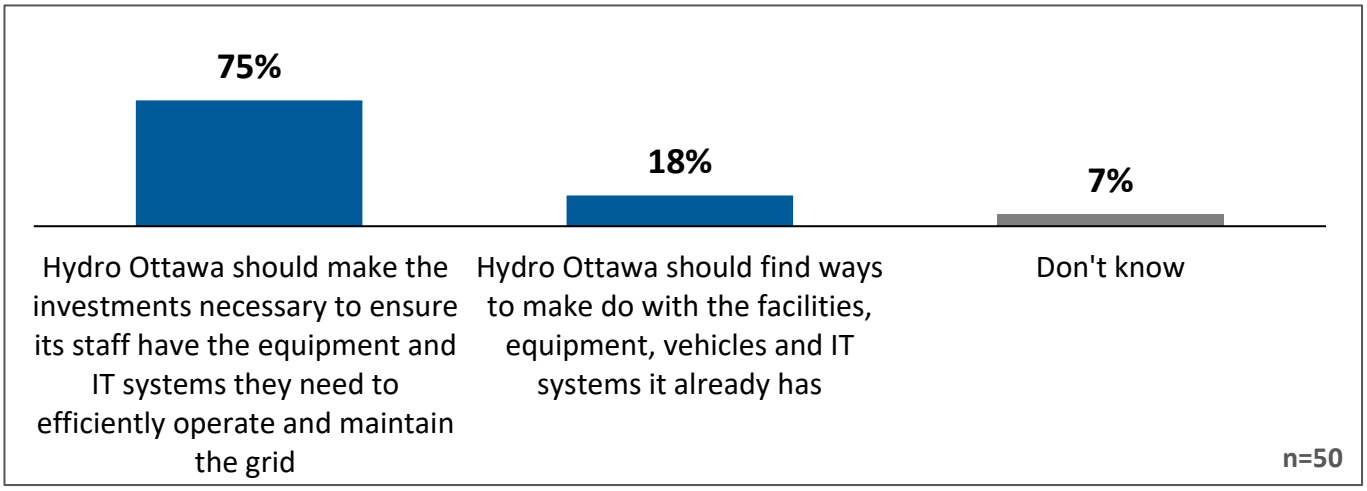
Online Survey

Investment Trade-Offs – General Plant

C&I

The second category focuses on keeping **Hydro Ottawa's** business running. This includes facilities to house staff and equipment, vehicles and tools to service equipment, and up-to-date IT systems to manage customer data and protect the electrical grid from cybersecurity threats.

Q Regarding these types of investments, which of the following statements best represents your point of view?



Online Survey

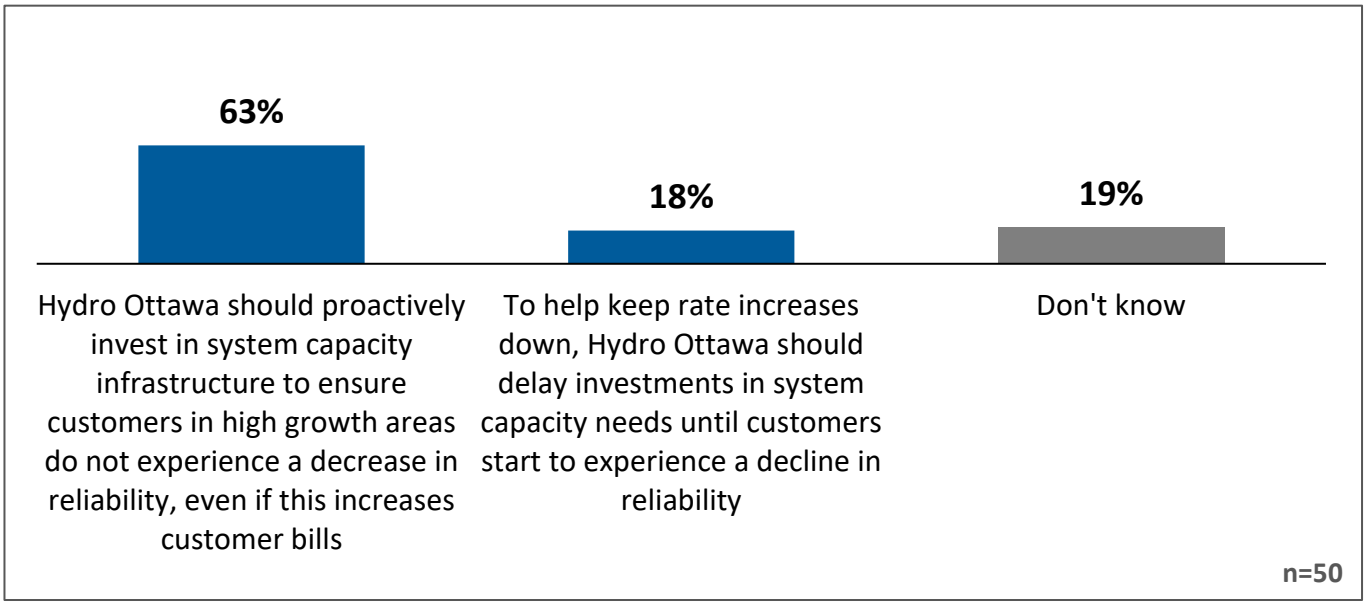
Investment Trade-Offs – System Service

C&I

The third investment category focuses on growth and greater demand for electricity in various parts of **Hydro Ottawa's** service territory.

Increased demand for electricity puts pressure on existing electrical infrastructure. Eventually, further infrastructure investments are required to support increased demand for electricity.

Q With this in mind, which of the following statements best represents your point of view?



Online Survey

Investment Trade-Offs – Grid Modernization

C&I

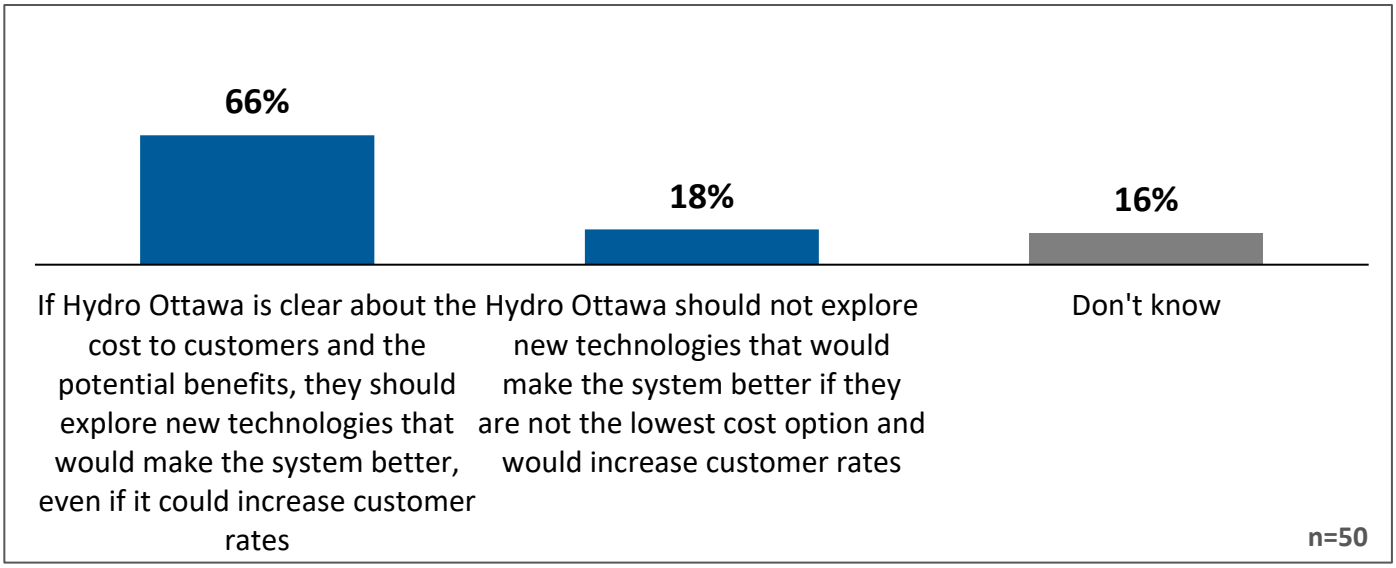
Hydro Ottawa can invest in technology that can lead to a wide range of benefits including reliability, efficiency, customer service, and reducing environmental impacts.

When deemed the lowest cost option that will provide equal or improved service, **Hydro Ottawa** will, in most cases, invest in technology.

However, there are two other scenarios where **Hydro Ottawa** needs your feedback.

First, there are times when **Hydro Ottawa** identifies new technology that can improve reliability or provide other benefits, but it will cost customers more. For instance, advanced monitoring technology can provide signals when there is an outage, allowing **Hydro Ottawa** to provide customers with better information on the areas impacted by outages and helping crews find affected areas more quickly.

Q Regarding these types of investments which of the following best represents your view?



Online Survey

Investment Trade-Offs – Grid Modernization (Cont'd)

C&I

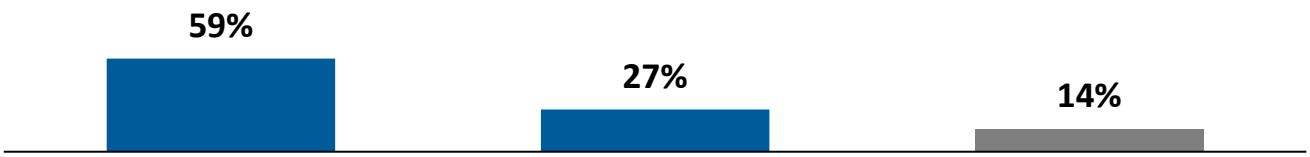
The second scenario is where **Hydro Ottawa** identifies new technology that is needed to improve the system in the future and would increase costs now, but the benefit might not be felt until later.

This includes accommodating emerging technologies like solar power, battery storage and electric vehicles.

Regardless of whether you are considering new energy choices like battery storage, distributed energy resources (e.g. solar power), or onsite EV charging stations today, **Hydro Ottawa** must be prepared as adoption becomes more widespread over the next 5-10 years.

While **Hydro Ottawa** cannot predict the exact rate of new technology adoption in east central Ontario, the utility must make certain investments today that will allow it to manage demand in the future.

Q Which of the following best represents your view?



n=50

INNOVATIVE RESEARCH GROUP

C&I Customers

Energy Transition

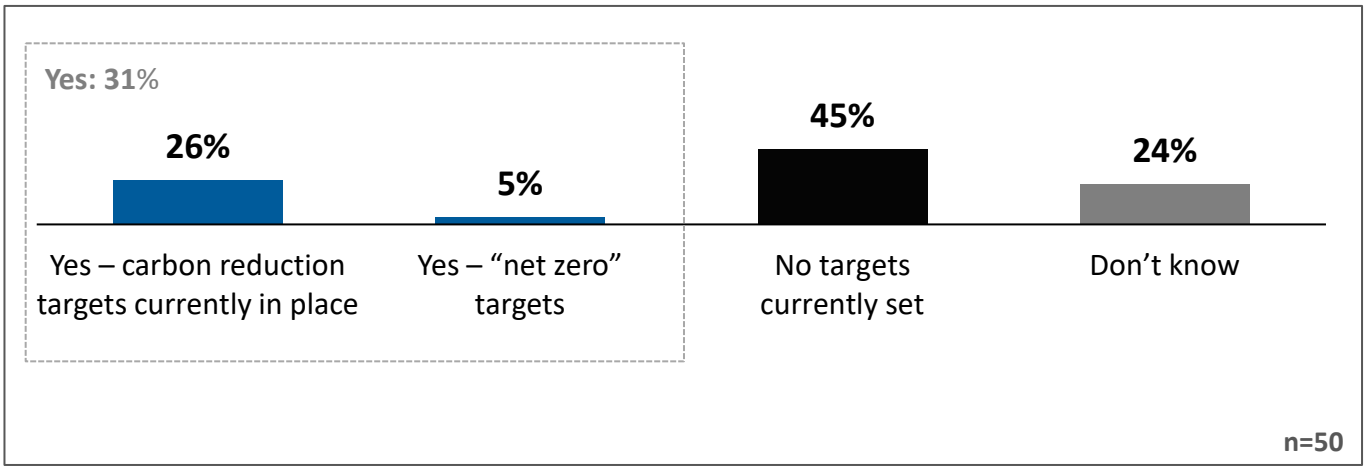
Appendix 06



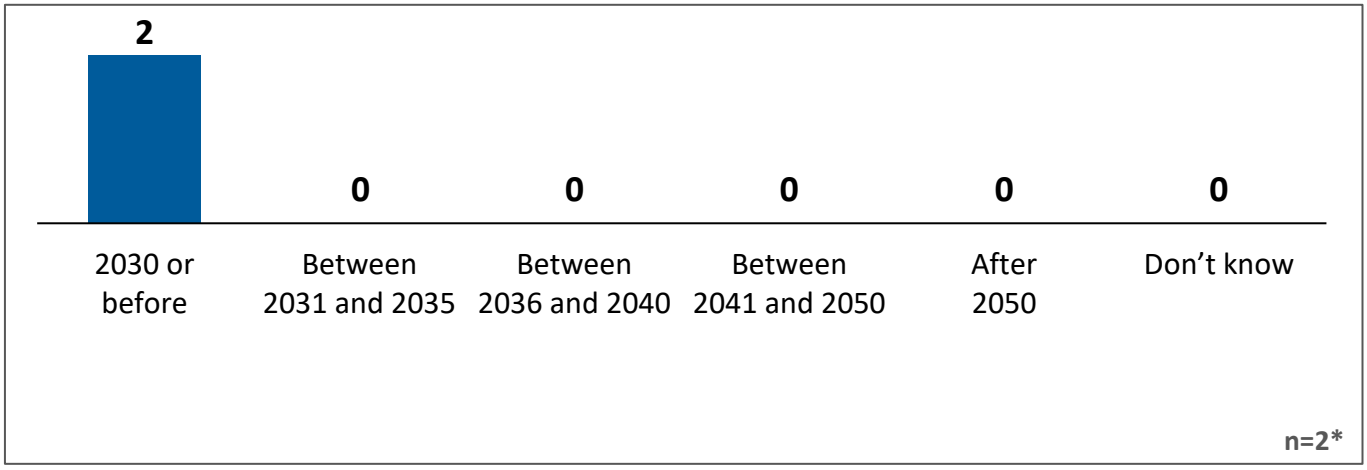
Online Survey
Carbon Reduction Initiatives

C&I

Q Does your organization have a carbon reduction program in place?



Q What is your organization's "net zero" target date?



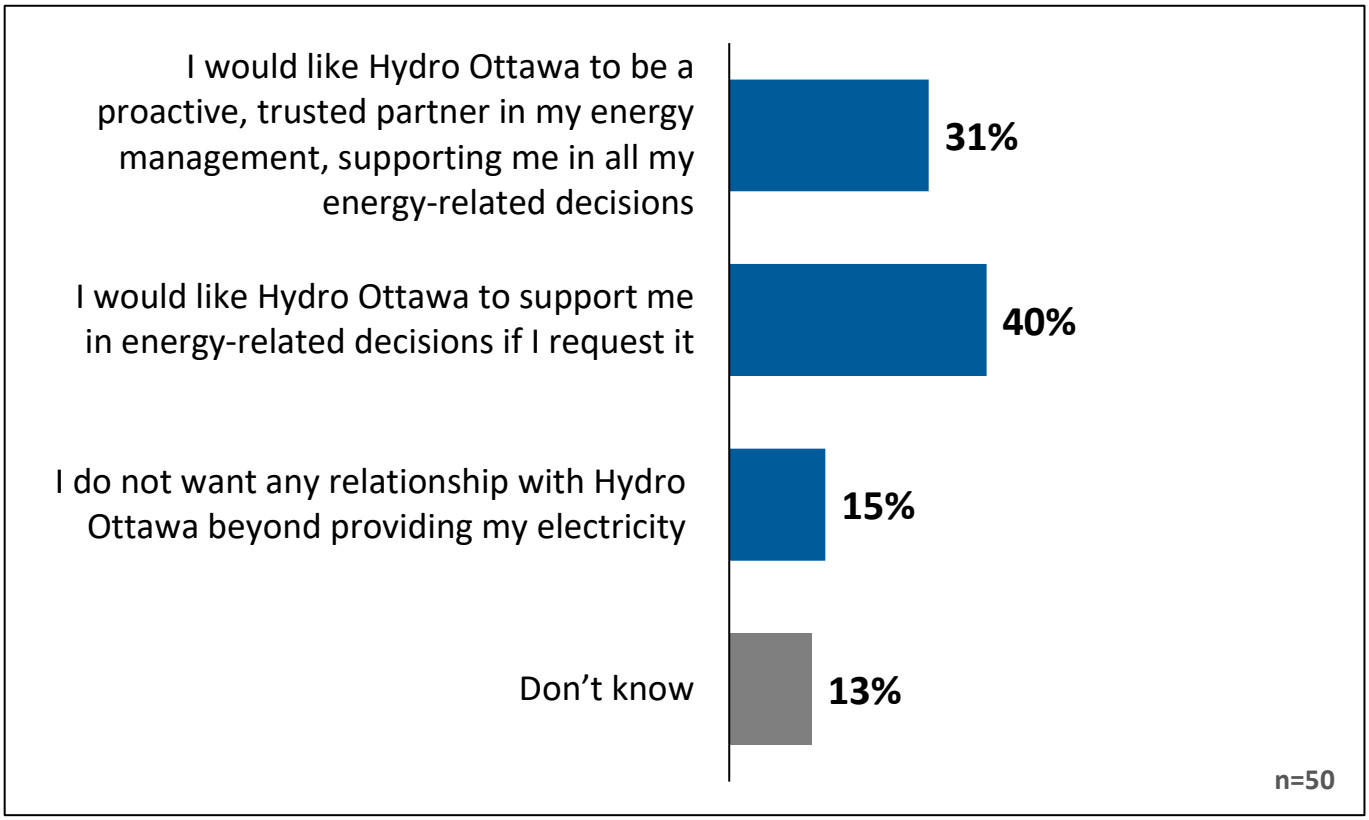
Note: *Asked among those who have "net zero" targets in place.
Results shown in frequencies rather than percentages due to limited sample (n<50).

Online Survey

Relationship with Hydro Ottawa

C&I

Q Beyond providing you with electricity, which of the following best describes your organization's desired relationship with **Hydro Ottawa**?



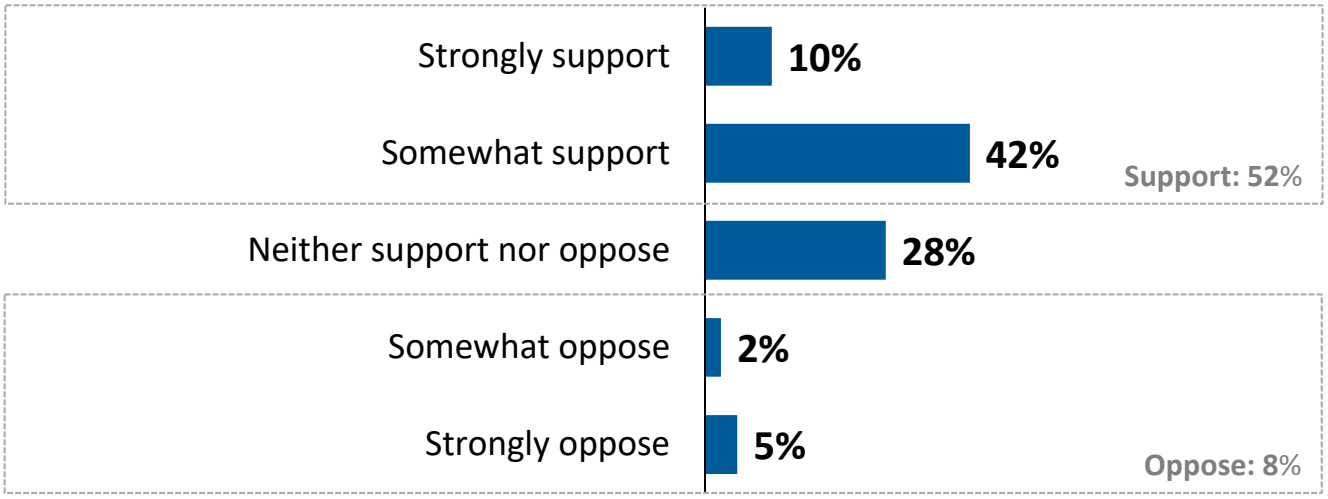
Online Survey

Financing for Energy Transition

C&I

In a recent series of interviews with C&I customers, the idea of project financing was discussed.

Q Do you support **Hydro Ottawa** helping **finance capital costs of energy transition projects** through monthly bills (i.e. finance behind-the-meter solutions and new equipment over an extended period through your organization's operating costs)?



"Don't know" (12%) not shown.

n=50

INNOVATIVE RESEARCH GROUP

Key Account Customers

Environmental Controls

Appendix 06

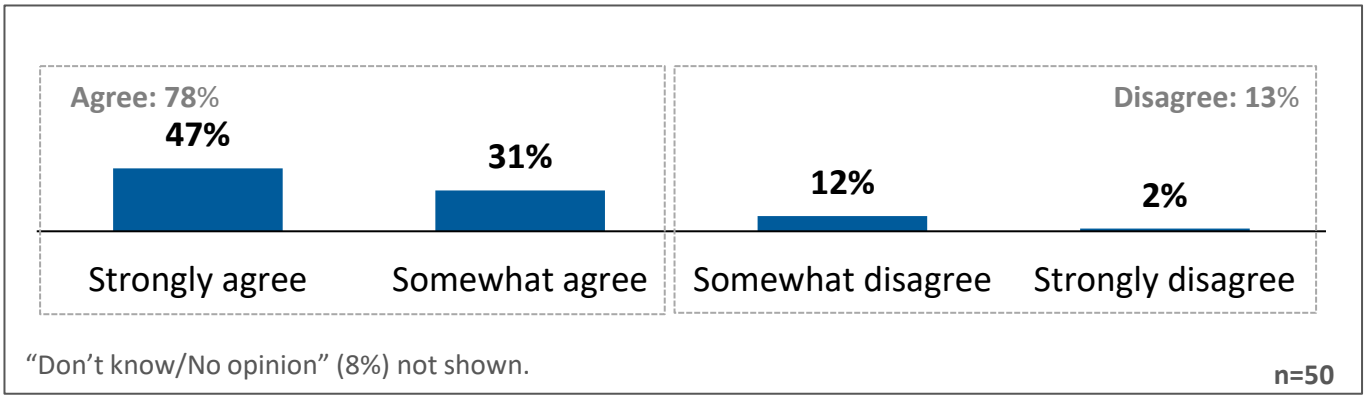


Online Survey
Environmental Controls

C&I

Please indicate if you agree or disagree with the following statements.

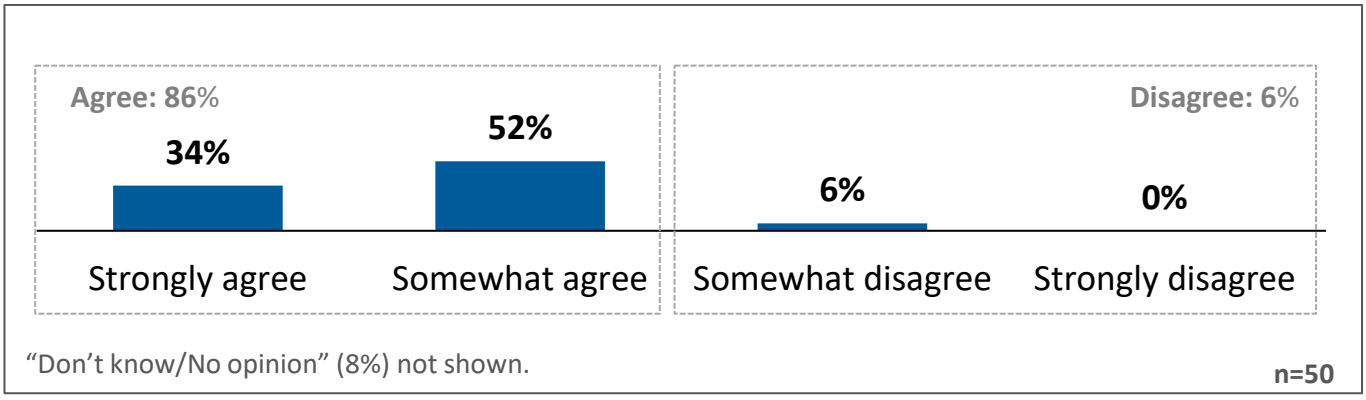
Q The cost of my organization's electricity bill has a major impact on the bottom line and results in some important spending priorities and investments being put off.



"Don't know/No opinion" (8%) not shown.

n=50

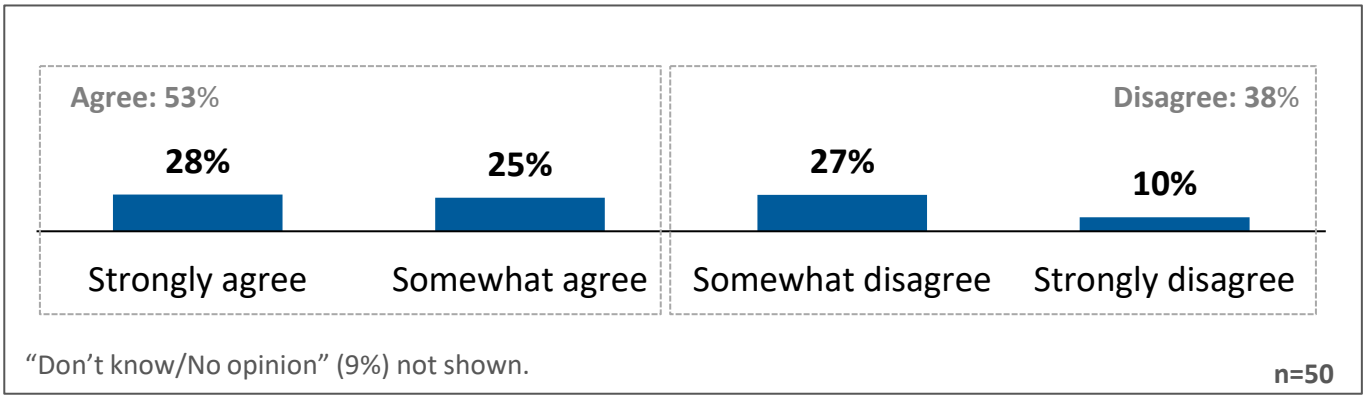
Q Customers are well served by the electricity system in Ontario.



"Don't know/No opinion" (8%) not shown.

n=50

Q Fossil fuels should be phased out as quickly as possible to speed up the shift to a lower-carbon future.



"Don't know/No opinion" (9%) not shown.

n=50

INNOVATIVE RESEARCH GROUP

C&I Customers

Final Comments

Appendix 06



Online Survey

Additional Comments or Feedback

C&I

Q Before this survey concludes, do you have any additional comments or feedback you'd like to share with **Hydro Ottawa**?

Response	%
Comments showing appreciation/positive feedback	4.7%
Invest in alternative/clean energy sources	2.4%
Improve customer service experience	1.2%
Other	4.9%
None/Don't know	86.8%

Note: Only responses >0.1% shown

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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APPENDIX 07

Phase I Customer Engagement
2026 Rate Application

Key Accounts Needs & Preferences Survey

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February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

Report Navigation

Key Account

APPENDICIES

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- APPENDIX.01 – Low-Volume Customer Needs & Preference Focus Groups
- APPENDIX.02 – C&I Customer Needs & Preference Interviews
- APPENDIX.03 – Key Account Needs & Preference Interviews
- APPENDIX.04 – Residential Needs & Preferences Survey
- APPENDIX.05 – Small Business Needs & Preferences Survey
- APPENDIX.06 – C&I Needs & Preferences Survey
- APPENDIX.07 – Key Accounts Needs & Preferences Survey
- APPENDIX.08 – Needs and Preferences Planning Placemat

PHASE II: Trade-offs

- APPENDIX.09 – Residential Trade-off Survey
- APPENDIX.10 – Small Business Trade-off Survey
- APPENDIX.11 – GS>50 kW Trade-off Survey

Online Survey
Survey Design & Methodology

Key Account

Field Dates

The **Key Account Online Survey** was sent to all of Hydro Ottawa's Key Accounts via email. Customers had an opportunity to complete the survey between **May 9th and May 27th, 2024**.

Each customer received a unique URL that could be linked back to their customer type.

In total, the Key Account survey was sent to **185** customers from *info@hydroottawa.com*. Reminder emails were sent on May 16th and May 21st to those who had not yet completed the survey.

Key Account Online Survey Completes

A total of **37** (unweighted) Hydro Ottawa's Key Account customers completed the online survey.

Given the limited sample size among Key Account customers, results should be treated as directional.

Sample Weighting

The Key Account online survey sample was weighted to 37 proportionately by business type in order to be representative of Hydro Ottawa's broader Key Account customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by business type.

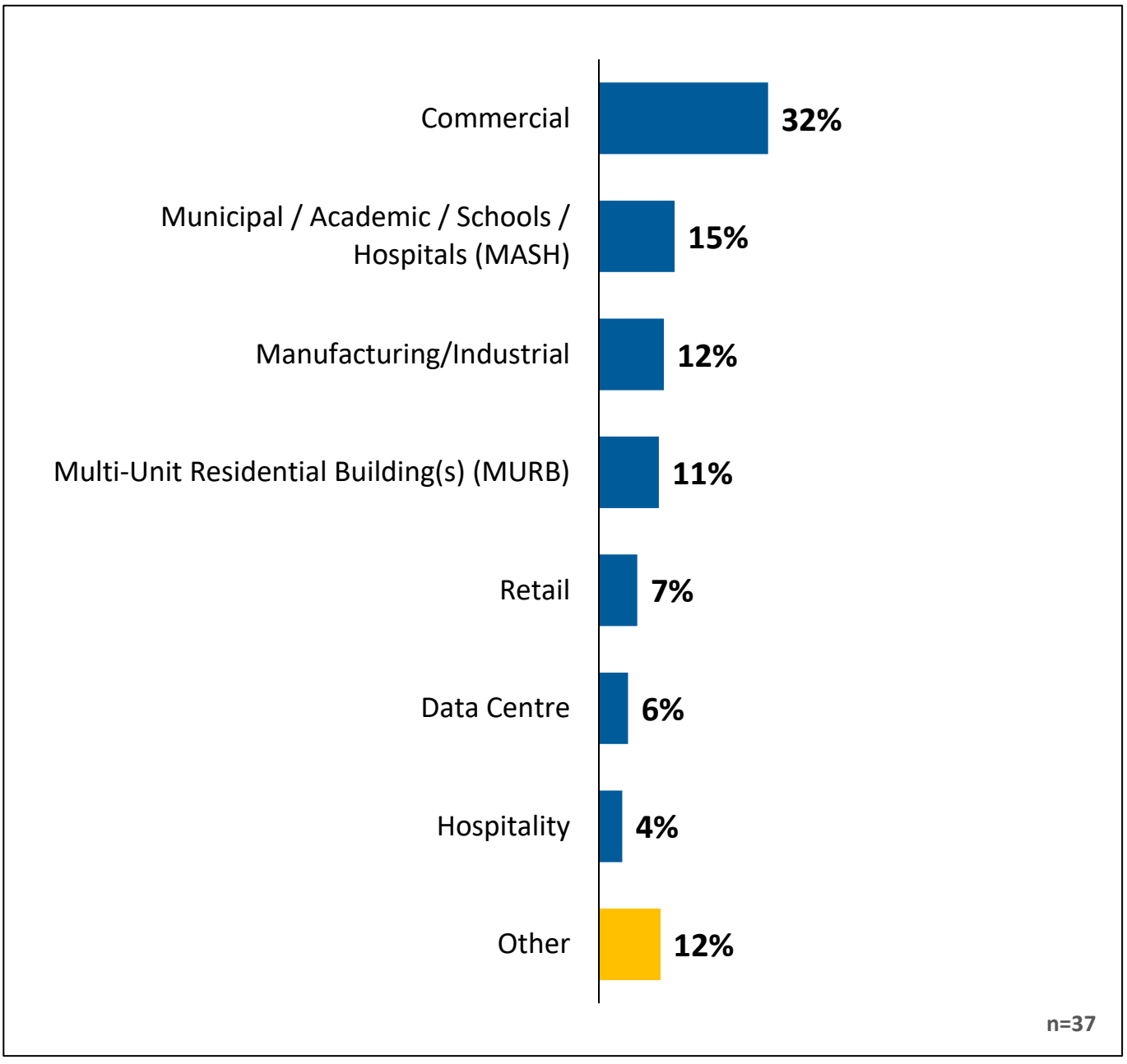
Sector	Unweighted n (Weighted n)
Commercial	7 (12)
Industrial	4 (6)
Municipal / Academic / Schools / Hospitals (MASH)	16 (9)
Multi-Unit Residential Building(s) (MURB)	10 (11)
Total	**37 (37)**

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Online Survey
Firmographic Breakdown

Key Account

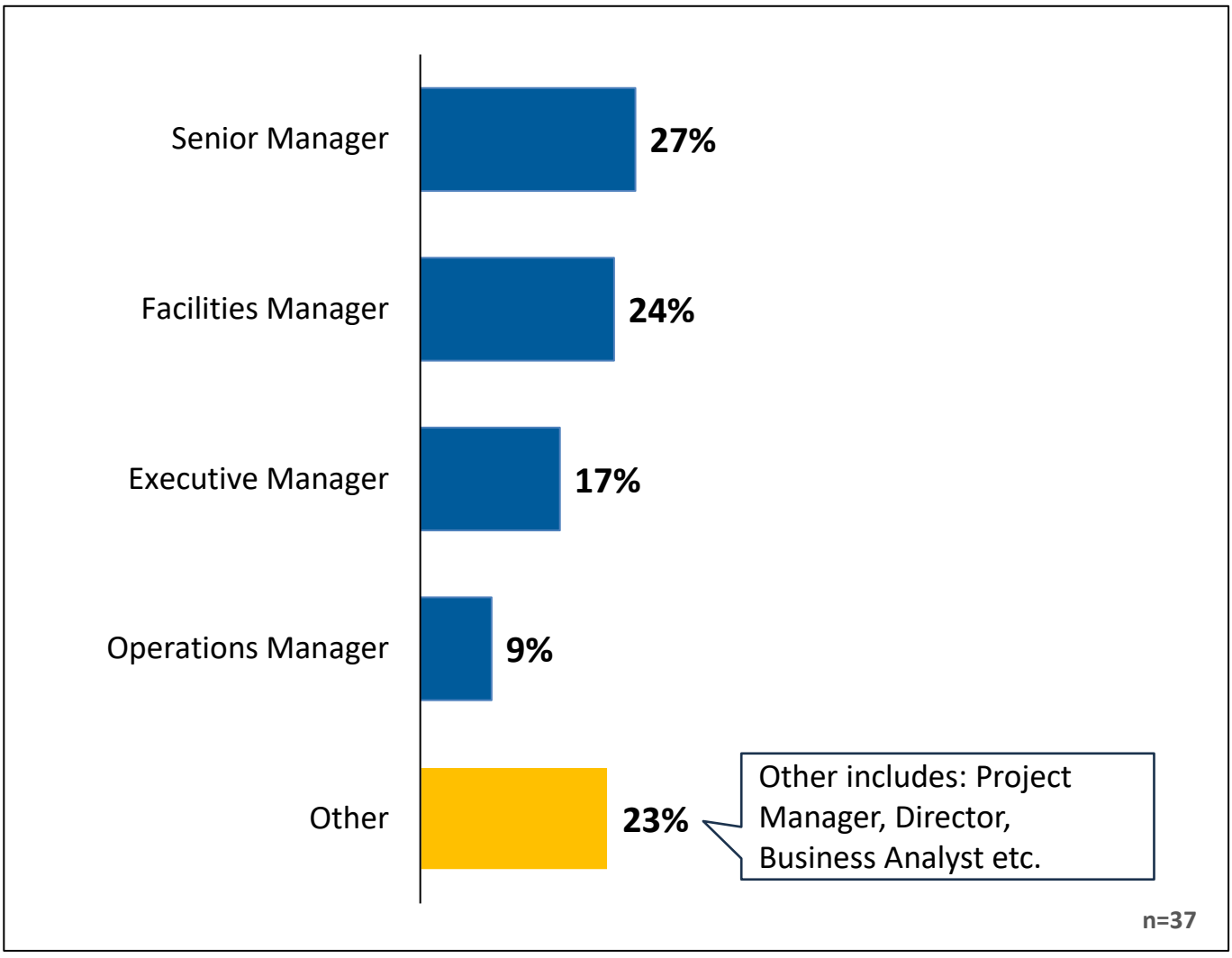
Q Organization Sector



Online Survey
Firmographic Breakdown

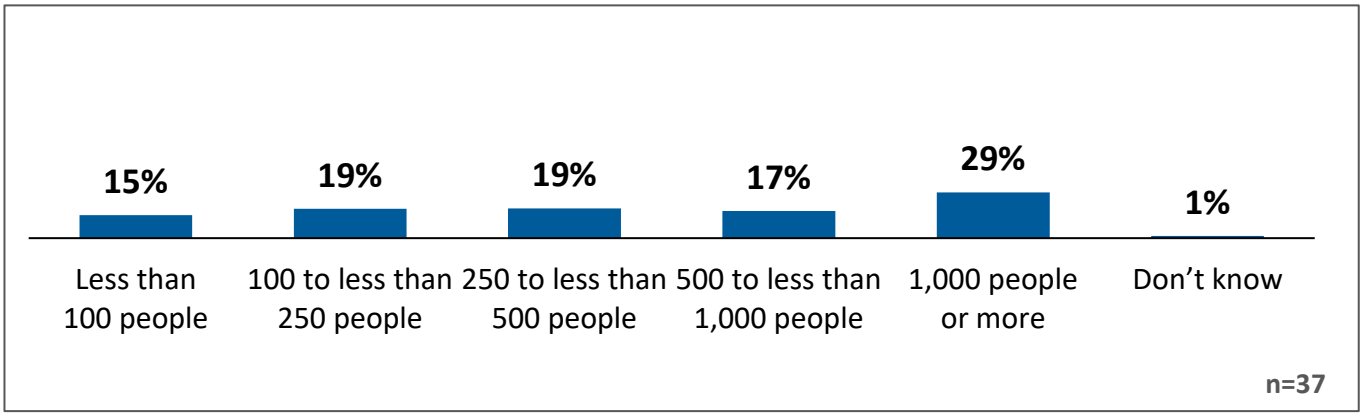
Key Account

Q Role at Organization



n=37

Q Organization Size

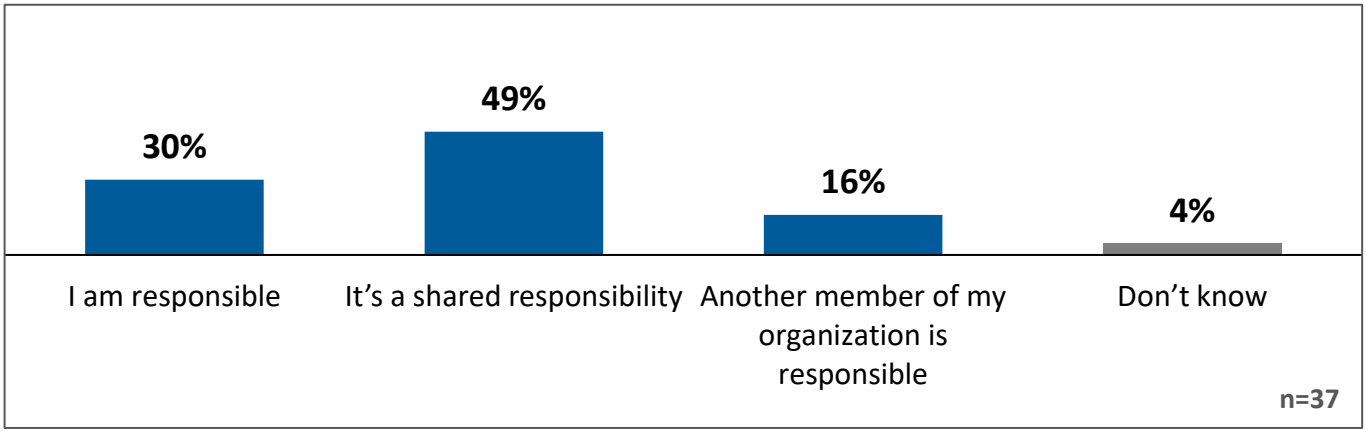


n=37

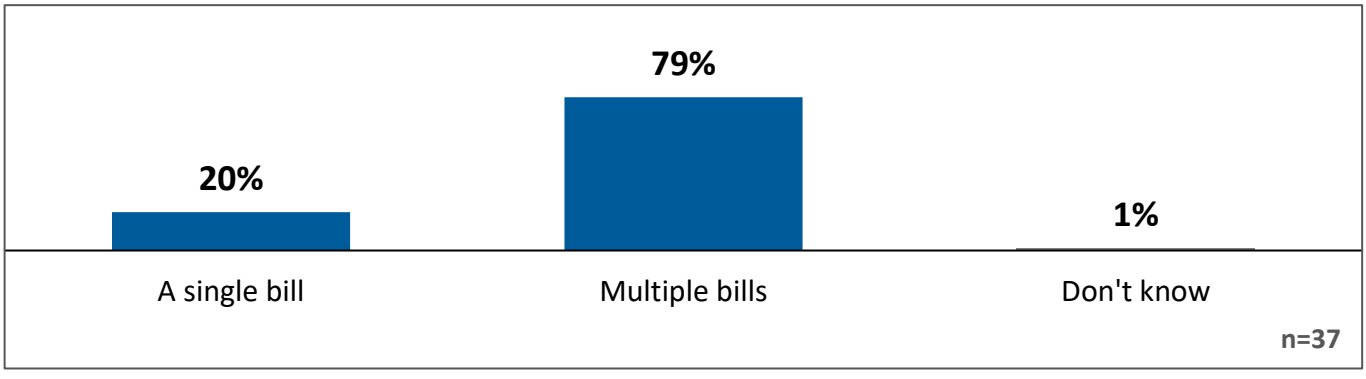
Online Survey
Firmographic Breakdown

Key Account

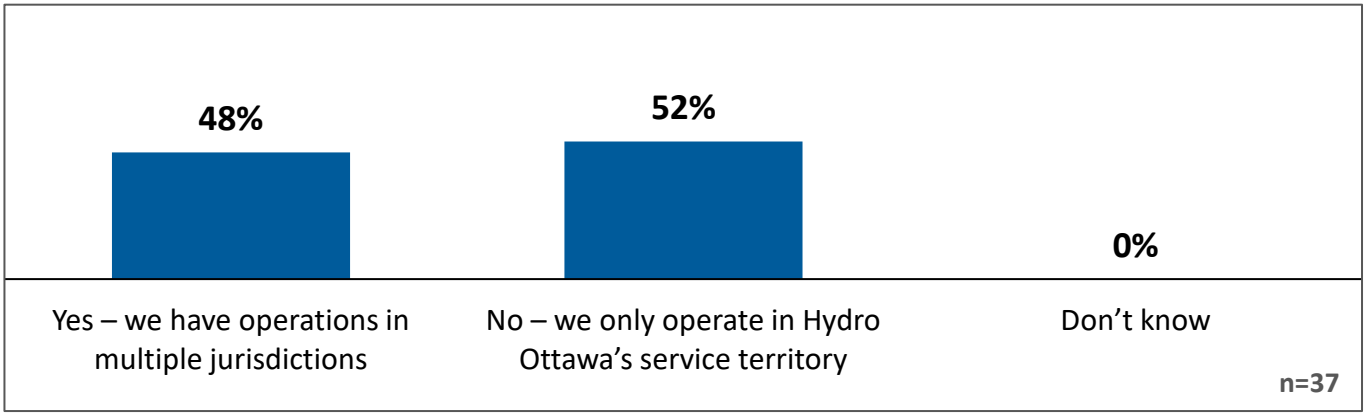
Q As part of your job, are you responsible for managing or overseeing your organization's electricity usage?



Q Does your organization receive a single bill or multiple bills from Hydro Ottawa?



Q Does your organization receive electrical bills from utilities other than Hydro Ottawa?



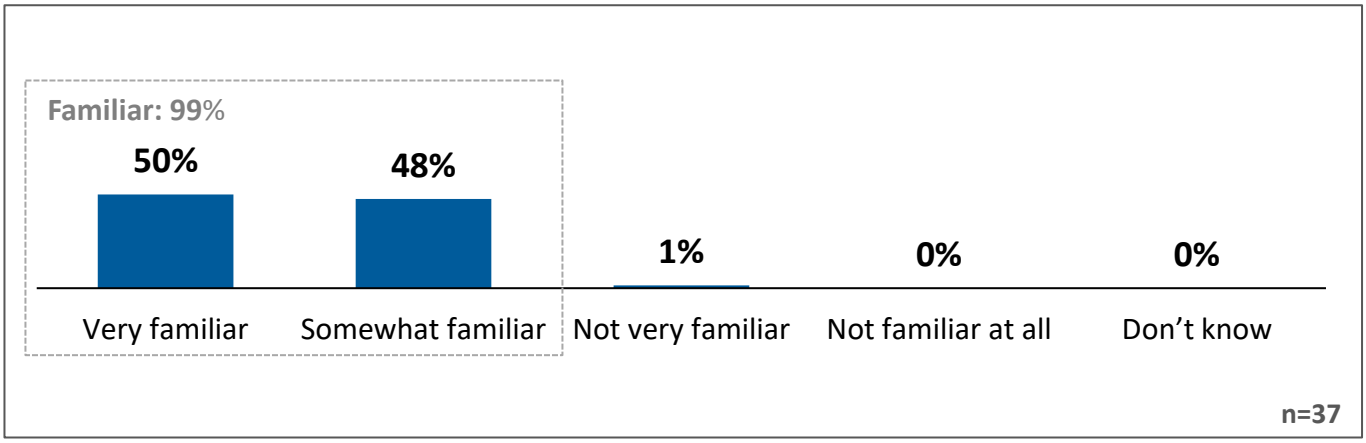
Online Survey

Familiarity with Hydro Ottawa

Key Account

Hydro Ottawa owns and operates all aspects of the local electricity distribution system across 10 municipalities in the Durham region, Belleville, and Gravenhurst. This is the network that takes the electricity from the high-voltage transmission system and connects it to your home and local community.

Q Before this survey, how familiar were you with **Hydro Ottawa**, and the role it plays in Ontario's electricity system?

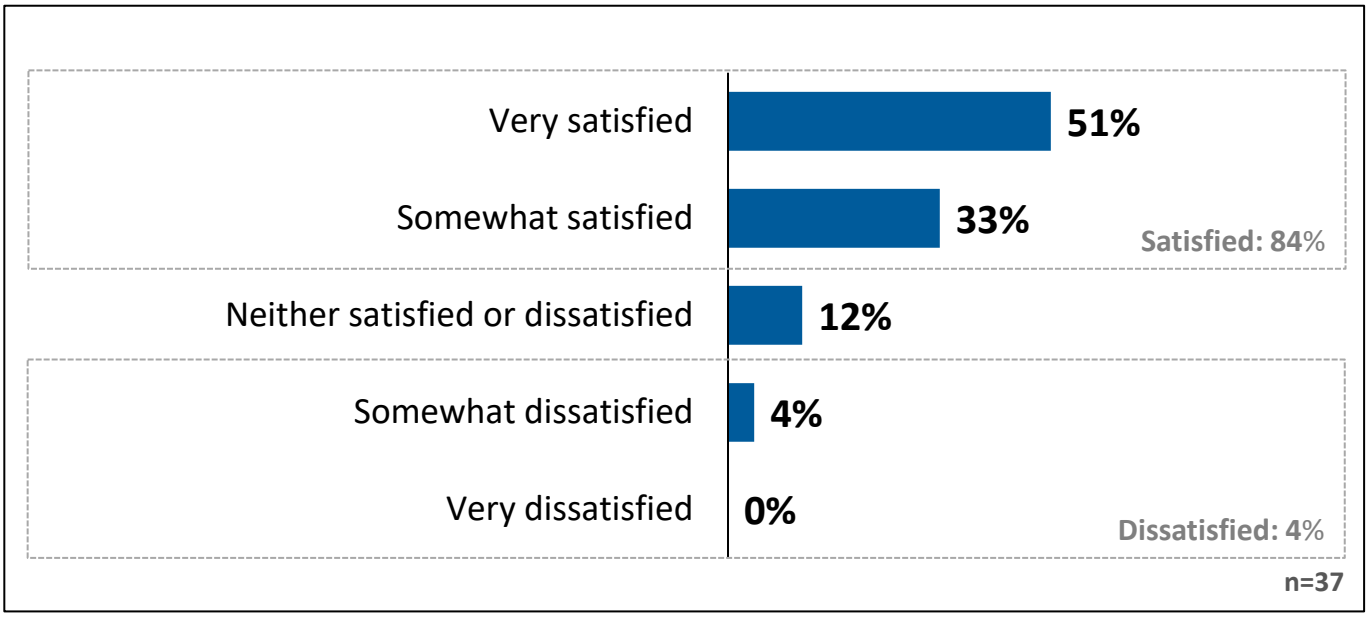


Online Survey

Overall Satisfaction with Hydro Ottawa

Key Account

Q Generally, how satisfied or dissatisfied are you with the services that your organization receives from **Hydro Ottawa**?



Online Survey

How Hydro Ottawa can improve its services

Key Account

Q Is there anything **Hydro Ottawa** can do to improve its services to your organization?

Response	%
No issues/satisfied with service	17.8%
Quicker response to inquiries/requests	10.3%
Provide conservation tips/info/incentives	4.3%
Enable customers to manage multiple accounts	4.3%
More reliable service, specifically better power quality	4.1%
More communication (e.g. global adjustment, plan)	2.9%
Other billing concerns (e.g. accurate bills, more info, bill generation)	1.5%
Other	5.8%
None/Don’t know	49.0%

Note: Only responses >0.1% shown

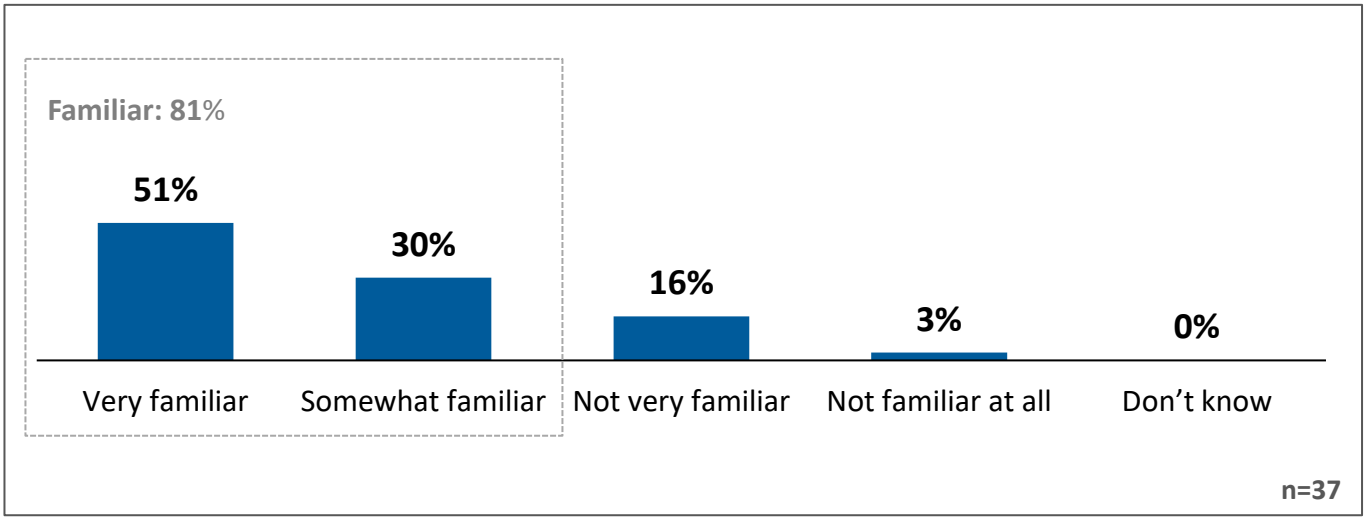
Online Survey

Bill Remittance Familiarity

Key Account

While **Hydro Ottawa** is responsible for collecting payment for the entire electricity bill, it retains only a small percentage of Key Account customer's bill in your area. The majority of the bill goes to power generation companies, transmission companies, the provincial government, and regulatory agencies.

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to **Hydro Ottawa**?



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Key Account Customers

Priorities & Preferences

Appendix 07



Online Survey

Importance of Customer Priorities

Key Account

The second topic in this survey is on **outcomes**, or services that matter to you.

Hydro Ottawa regularly holds discussions with its customers to better understand how it should set spending priorities with ratepayer dollars.

In a recent series of Key Account customer interviews, **several areas were identified as priorities** for Hydro Ottawa.

Shortened General Outcomes Priorities Response Labels	Full General Outcomes Priorities Response Labels
Reasonable electricity distribution rates	Providing reasonable electricity distribution rates
Reasonable timelines for capital projects	Providing reasonable *timelines* for capital projects (e.g. new connections/service upgrades/relocations)
Ensuring reasonable costs for capital projects	Ensuring reasonable *costs* for capital projects (e.g. new connections/service upgrades)
Delivering reliable electrical service	Delivering reliable electrical service, including power quality (e.g. minimizing voltage fluctuations and momentary interruptions)
Hardening the grid to withstand severe weather	Hardening the local grid to withstand increasingly severe weather events (e.g. windstorms, derechos, tornados, floods, and ice storms)
Providing enhanced advisory services	Providing enhanced advisory services (e.g. advice on solar panels, heat-pumps, battery storage, EV charging stations, contractors, energy products, etc.)
Ensuring electrical capacity meets future demand	Ensuring electrical capacity is available to meet future customer demand
Investing in technology to help manage usage	Investing in technology that permits customers to better manage and monitor their electricity usage and/or local generation
Ensuring the safe operations of its infrastructure	Ensuring the safe operations of its infrastructure
Providing electricity solutions and services	Providing “behind the meter” electricity solutions and services (e.g. designing, building, or maintaining distributed generation or battery storage solutions for customers)

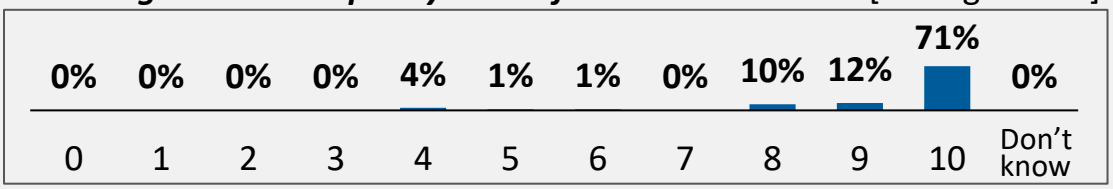
Online Survey

Importance of Customer Priorities

Key Account

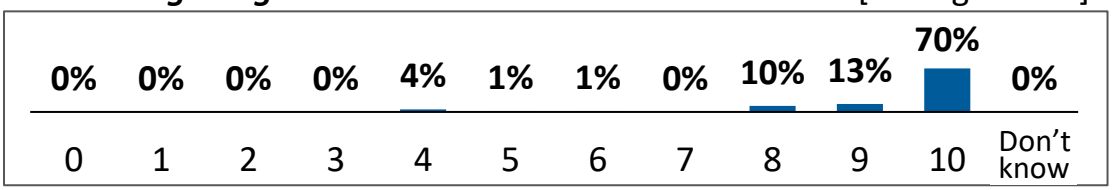
Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to your organization?

Ensuring electrical capacity meets future demand [average = **9.3**]



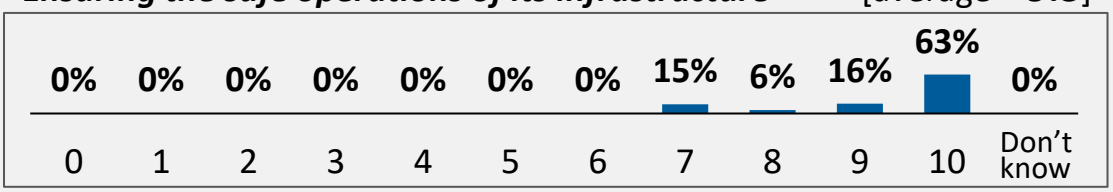
Not at all important — **Extremely important**

Hardening the grid to withstand severe weather [average = **9.3**]



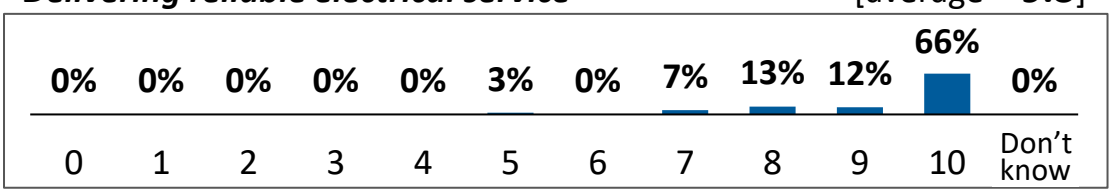
Not at all important — **Extremely important**

Ensuring the safe operations of its infrastructure [average = **9.3**]



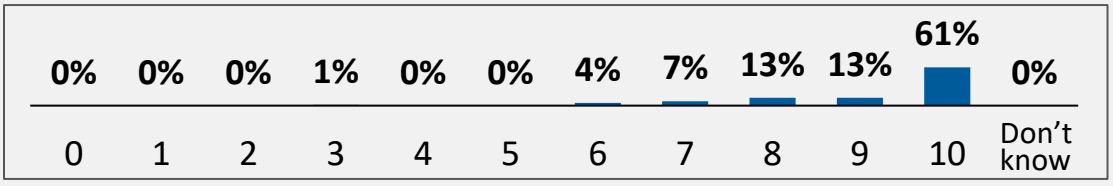
Not at all important — **Extremely important**

Delivering reliable electrical service [average = **9.3**]



Not at all important — **Extremely important**

Reasonable electricity distribution rates [average = **9.1**]



Not at all important — **Extremely important**

Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
"Don't know" not included in calculation of means.

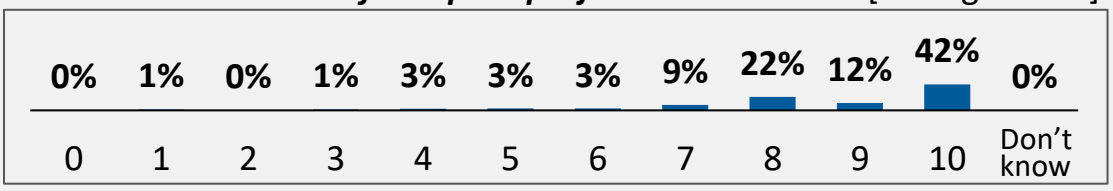
Online Survey

Importance of Customer Priorities (Cont'd)

Key Account

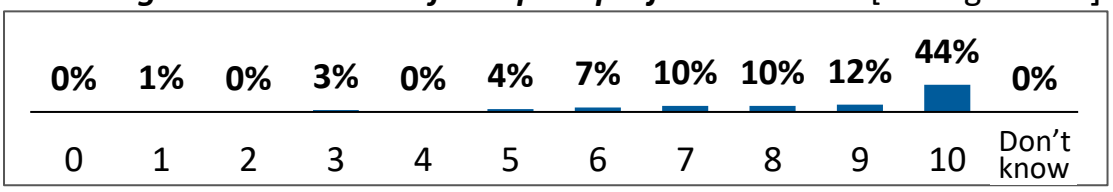
Q Using a scale from 0 to 10, where *0 means not important at all* and *10 means extremely important*, how important are each of the following **Hydro Ottawa** priorities to your organization?

Reasonable timelines for capital projects [average = **8.5**]



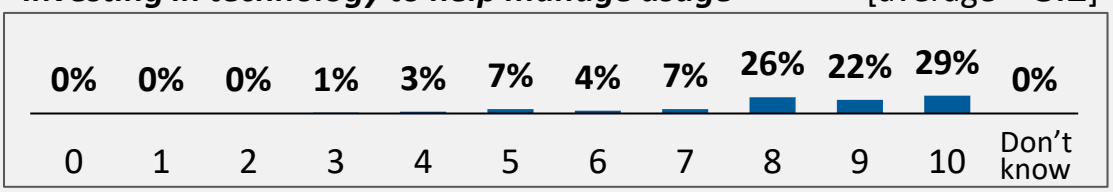
Not at all important — Extremely important

Ensuring reasonable costs for capital projects [average = **8.4**]



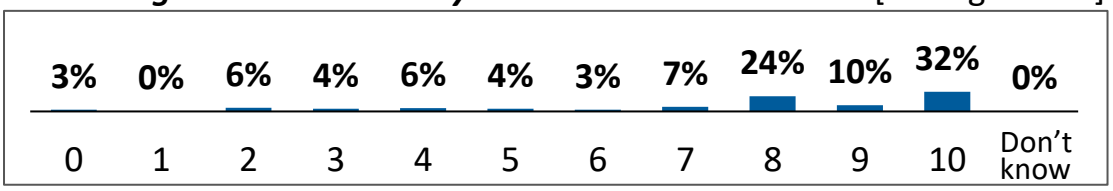
Not at all important — Extremely important

Investing in technology to help manage usage [average = **8.2**]



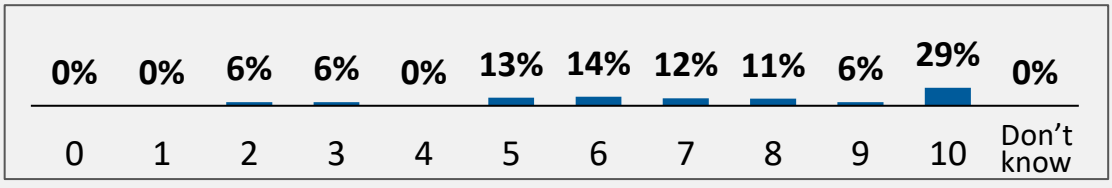
Not at all important — Extremely important

Providing enhanced advisory services [average = **7.5**]



Not at all important — Extremely important

Providing electricity solutions and services [average = **7.2**]



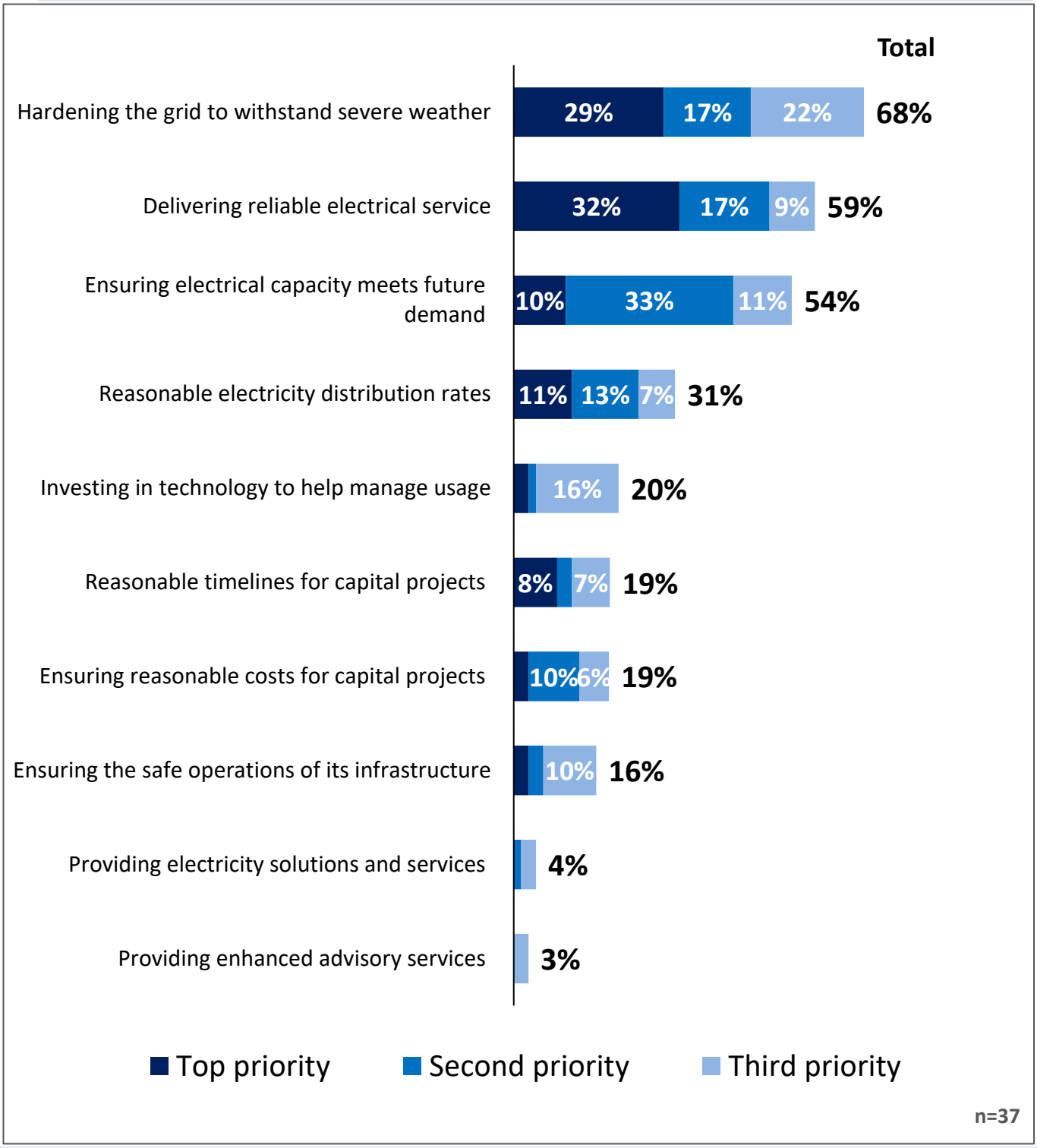
Not at all important — Extremely important

Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
"Don't know" not included in calculation of means.

Online Survey
Ranking Customer Priorities

Key Account

Q Thinking of the priorities on the previous page, which would you say is the **most** important? What is the **next most important** priority you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?



Note: Priority labels have been shortened for brevity. See slide 12 for full label text.
Data labels are removed where 3% or less. "Don't know" is not shown.

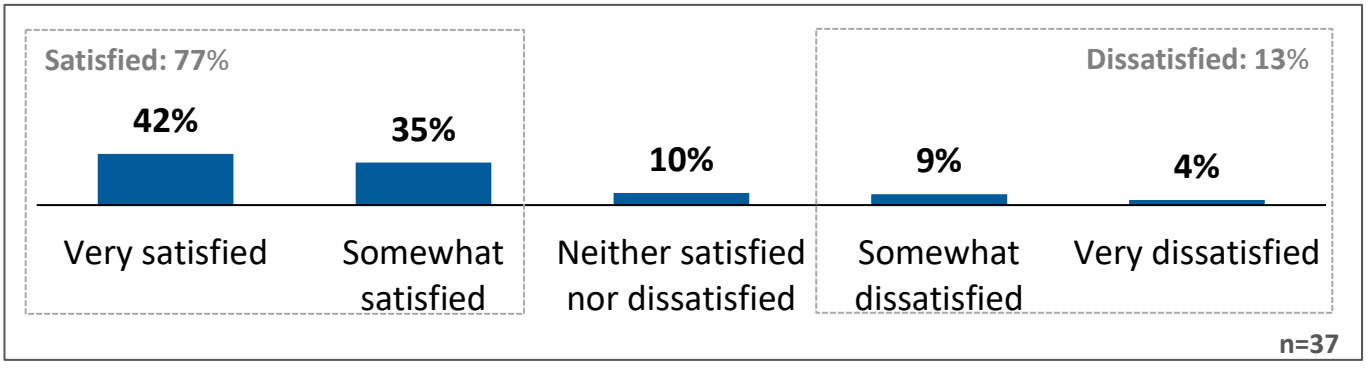
Online Survey

Power Quality and Reliability Outcomes

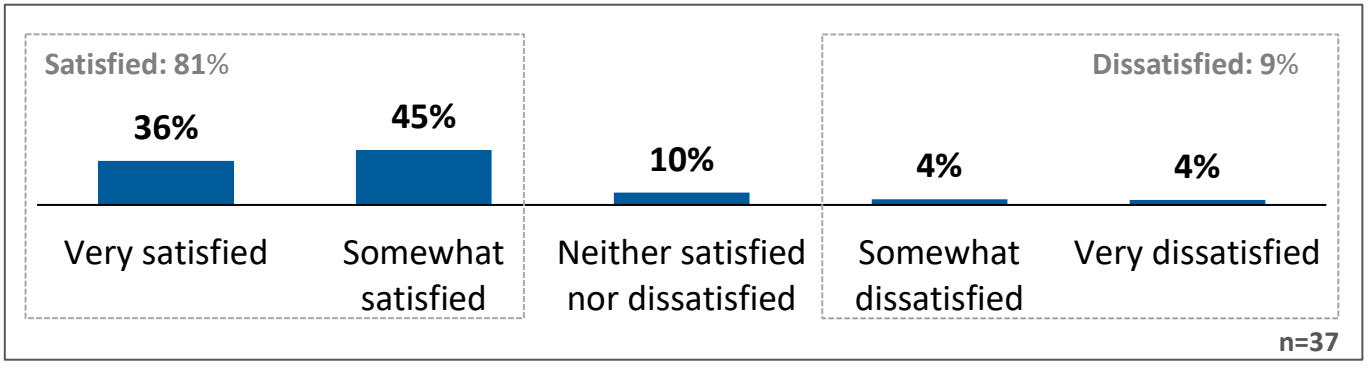
Key Account

The following statements are about the electrical service that your organization receives from **Hydro Ottawa**. For each statement, please indicate your level of satisfaction or dissatisfaction.

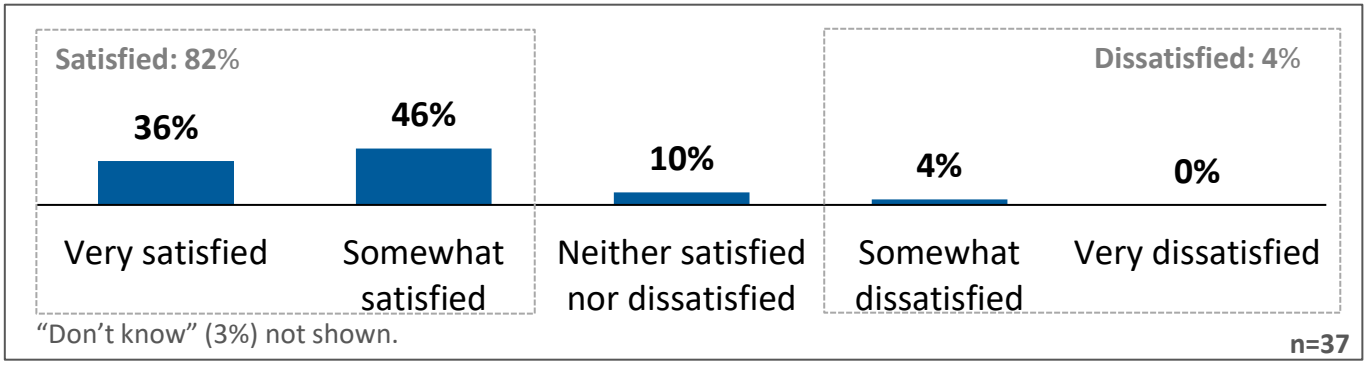
Q **Power quality**, as judged by the absence of voltage fluctuations that may affect your equipment or operations.



Q The **reliability of your electricity service** as judged by the number of power outages you experience.



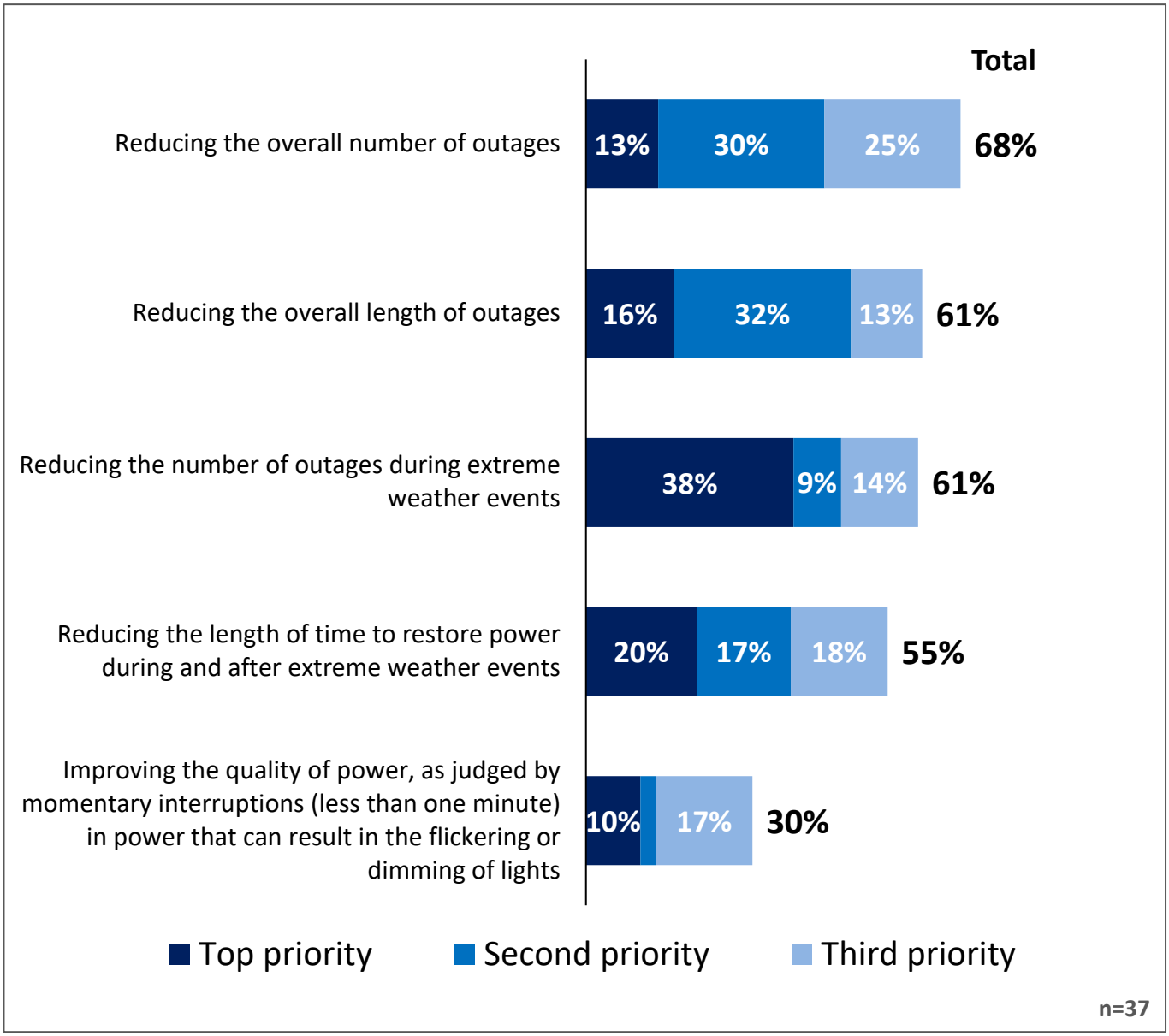
Q The amount of **time it takes to restore power** when unscheduled outages occur.



Online Survey
Ranking Reliability Preferences

Key Account

Q When it comes to reliability, there are a number of areas that **Hydro Ottawa** could focus on. Among the following reliability outcomes, which would you say is the **most** important? What is the next most important reliability outcome you think **Hydro Ottawa** should focus on? And what do you consider the **third most important** priority?



Note: "Don't know" not shown.

Online Survey
Additional Priority Areas

Key Account

Q Can you think of any other priorities that **Hydro Ottawa** should be focusing on, not listed on the previous pages?

Response	%
[Priority listed] Ensuring electrical capacity is available to meet future customer demand	2.9%
[Priority listed] Hardening the local grid to withstand increasingly severe weather	2.9%
Prioritize clean sources of energy (e.g. solar, wind)	1.5%
Other	2.9%
None/Don’t know	89.9%

Note: Only responses >0.1% shown

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Key Account Customers

Investment Trade-Offs

Appendix 07



Online Survey

Investment Trade-Offs – System Renewal

Key Account

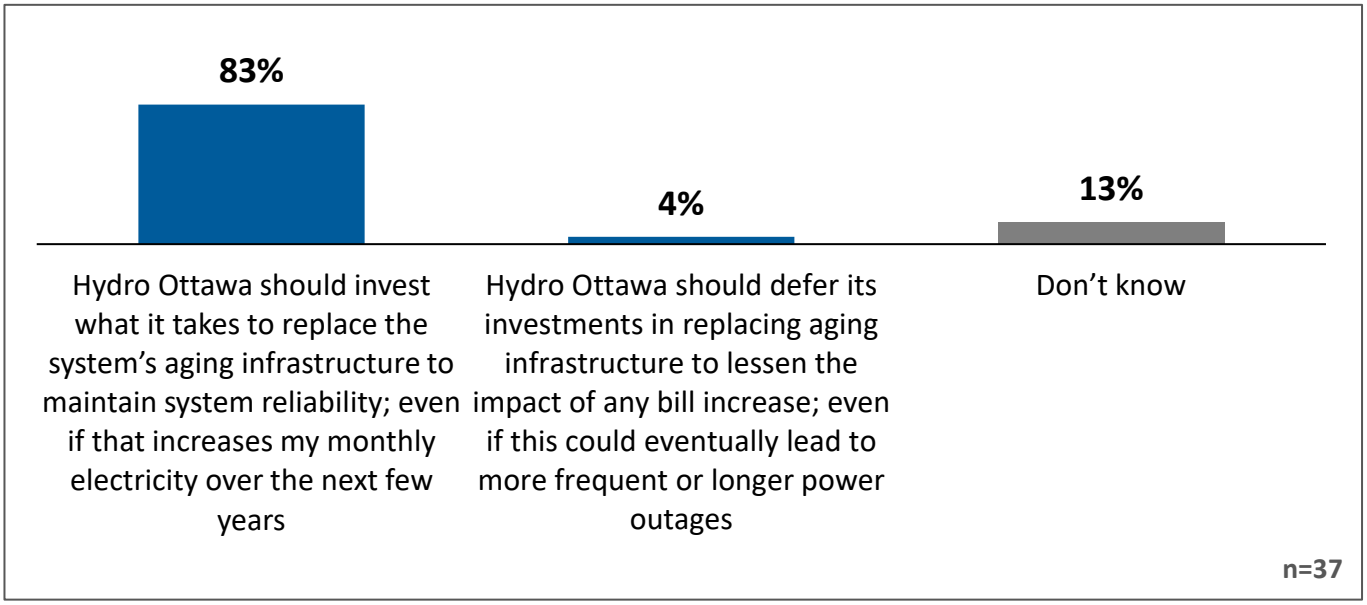
The final topic in this survey is on **investment trade-offs**.

Hydro Ottawa is in the early stages of developing its investment plan for the five years between 2026 and 2030. While conversations with customers will continue over the next 12 months, the utility wants to know your preferences when it comes to finding the right balance between costs and other outcomes that customers value.

There are four investment categories that we would like to discuss.

The first category focuses on projects that replace and restore aging electrical infrastructure, like overhead poles and underground cables.

Q Regarding investments in aging infrastructure, which of the following statements best represents your point of view?



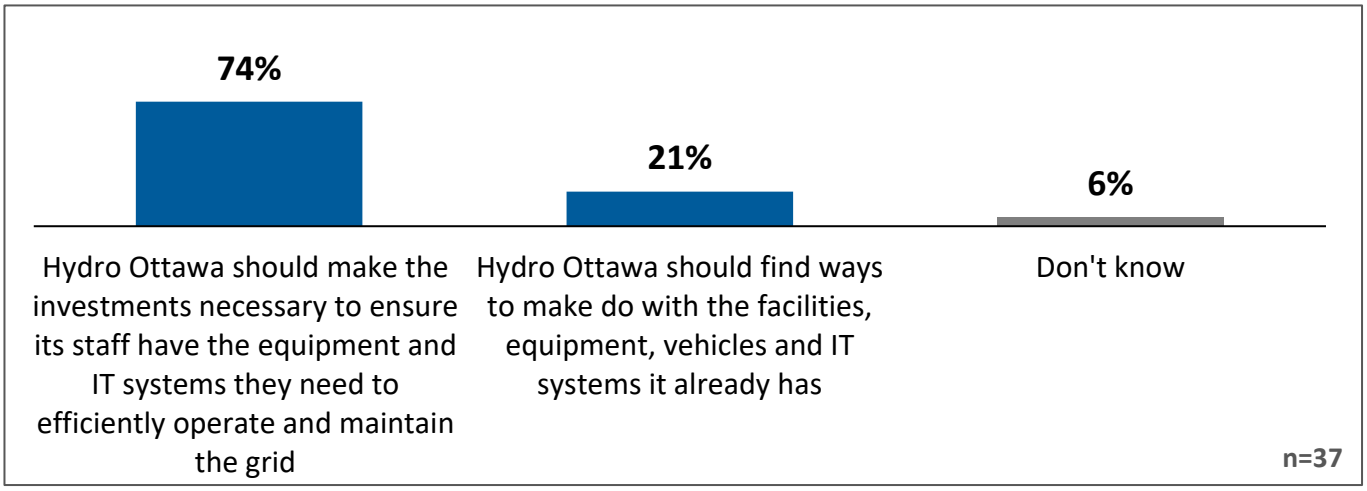
Online Survey

Investment Trade-Offs – General Plant

Key Account

The second category focuses on keeping **Hydro Ottawa's** business running. This includes facilities to house staff and equipment, vehicles and tools to service equipment, and up-to-date IT systems to manage customer data and protect the electrical grid from cybersecurity threats.

Q Regarding these types of investments, which of the following statements best represents your point of view?



Online Survey

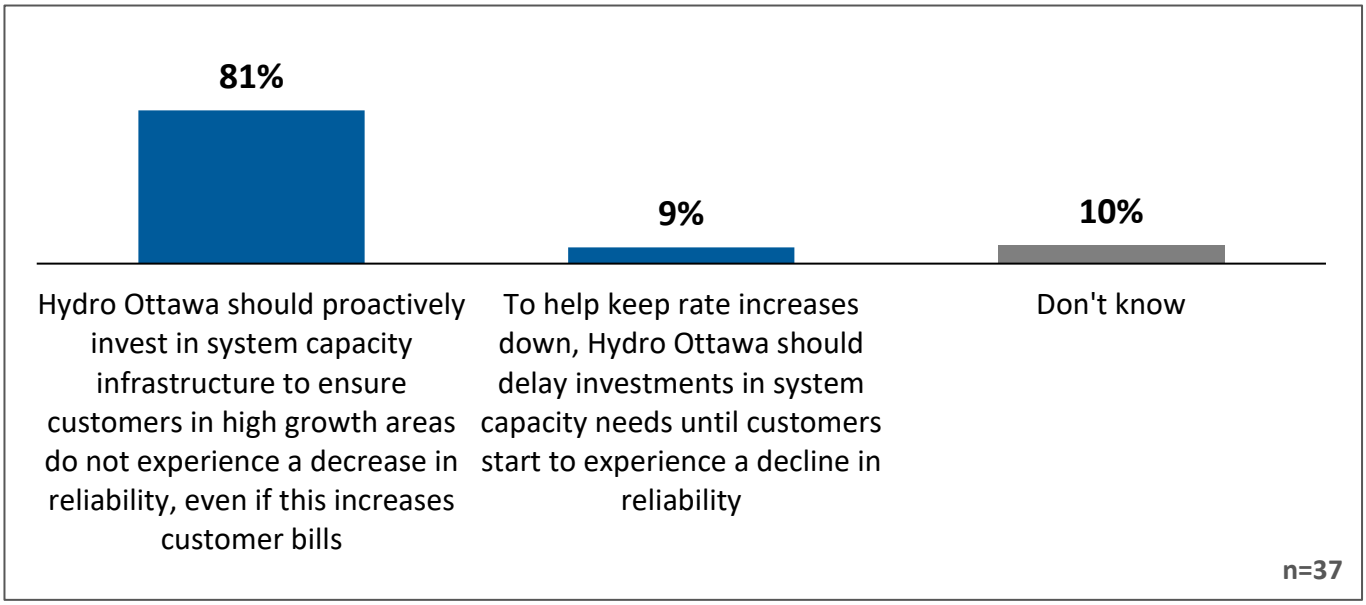
Investment Trade-Offs – System Service

Key Account

The third investment category focuses on growth and greater demand for electricity in various parts of **Hydro Ottawa's** service territory.

Increased demand for electricity puts pressure on existing electrical infrastructure. Eventually, further infrastructure investments are required to support increased demand for electricity.

Q With this in mind, which of the following statements best represents your point of view?



Online Survey

Investment Trade-Offs – Grid Modernization

Key Account

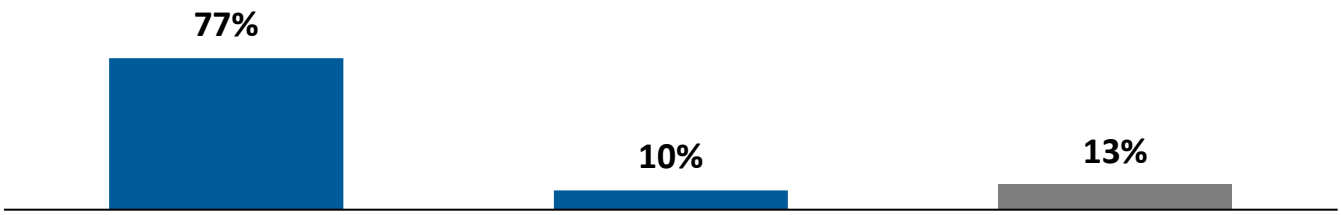
Hydro Ottawa can invest in technology that can lead to a wide range of benefits including reliability, efficiency, customer service, and reducing environmental impacts.

When deemed the lowest cost option that will provide equal or improved service, **Hydro Ottawa** will, in most cases, invest in technology.

However, there are two other scenarios where **Hydro Ottawa** needs your feedback.

First, there are times when **Hydro Ottawa** identifies new technology that can improve reliability or provide other benefits, but it will cost customers more. For instance, advanced monitoring technology can provide signals when there is an outage, allowing **Hydro Ottawa** to provide customers with better information on the areas impacted by outages and helping crews find affected areas more quickly.

Q Regarding these types of investments which of the following best represents your view?



n=37

Online Survey

Investment Trade-Offs – Grid Modernization (Cont'd)

Key Account

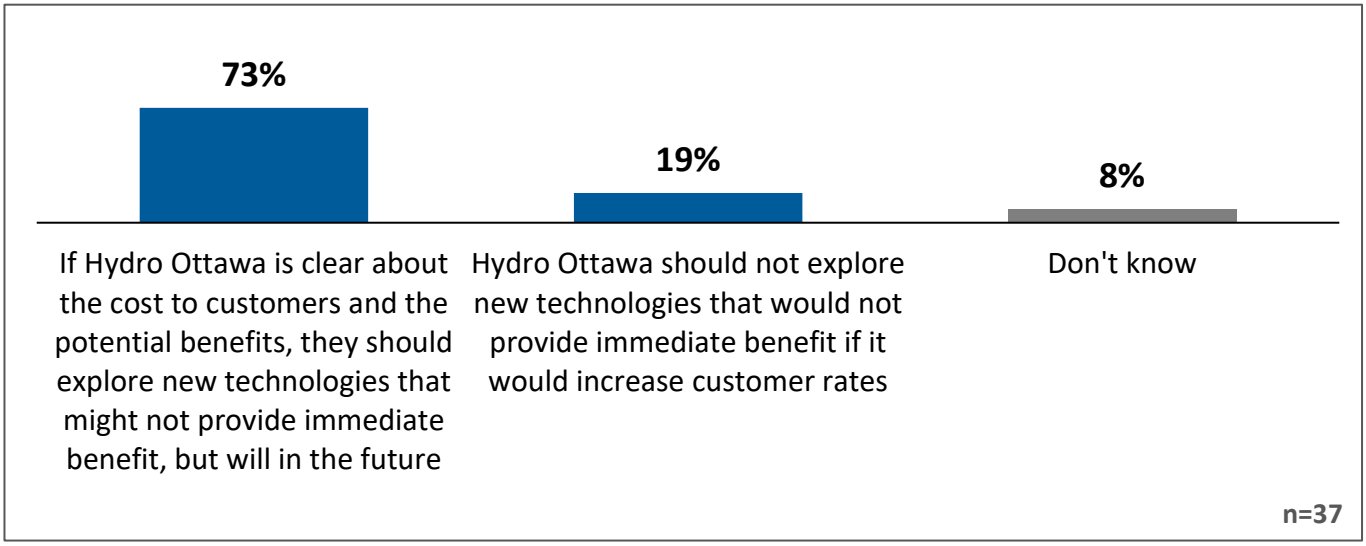
The second scenario is where **Hydro Ottawa** identifies new technology that is needed to improve the system in the future and would increase costs now, but the benefit might not be felt until later.

This includes accommodating emerging technologies like solar power, battery storage and electric vehicles.

Regardless of whether you are considering new energy choices like battery storage, distributed energy resources (e.g. solar power), or onsite EV charging stations today, **Hydro Ottawa** must be prepared as adoption becomes more widespread over the next 5-10 years.

While **Hydro Ottawa** cannot predict the exact rate of new technology adoption in east central Ontario, the utility must make certain investments today that will allow it to manage demand in the future.

Q Which of the following best represents your view?



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Key Account Customers

Energy Transition

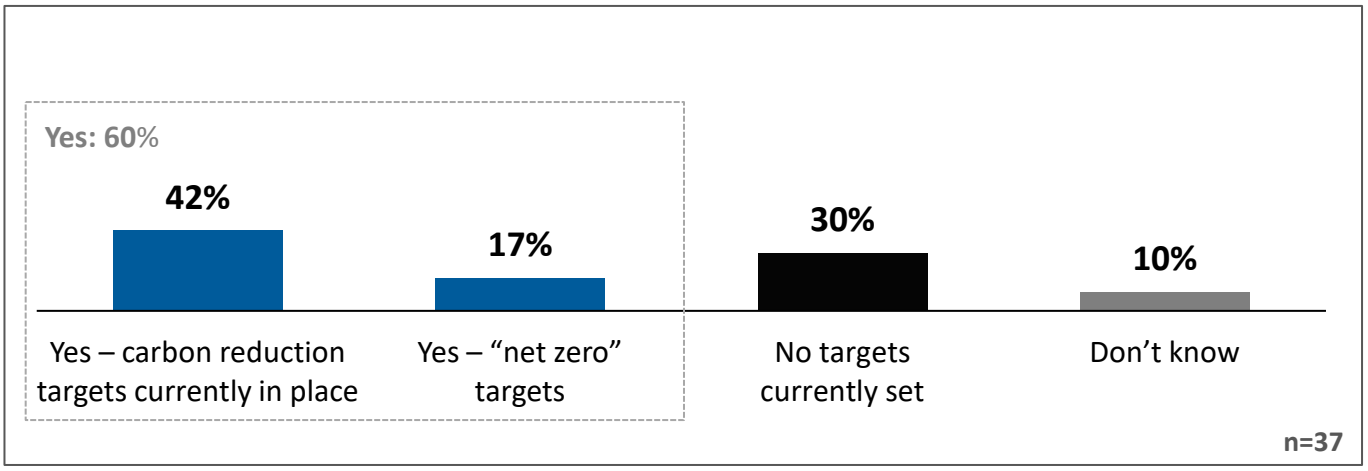
Appendix 07



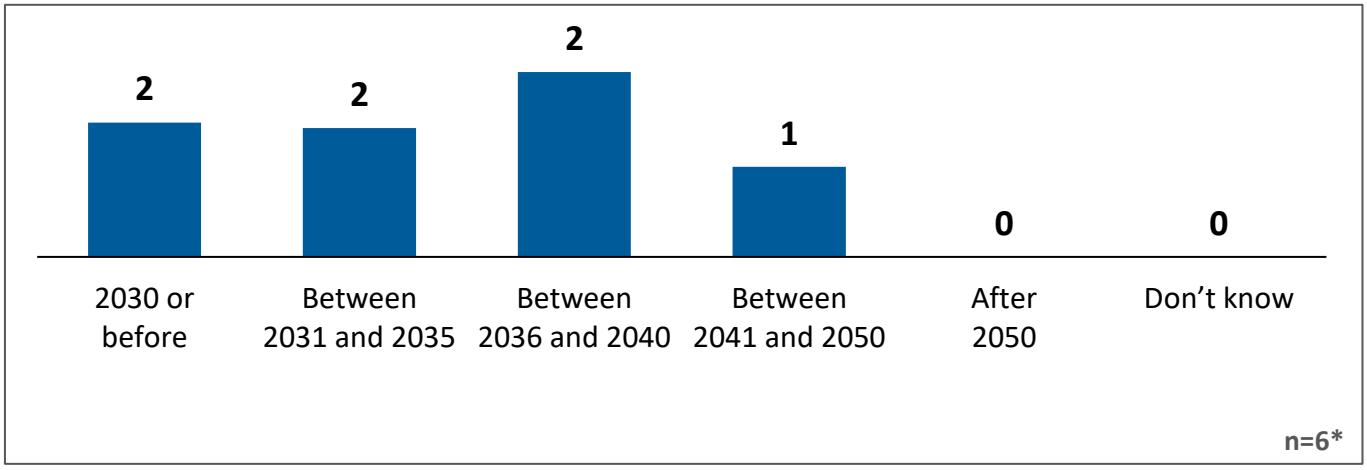
Online Survey
Carbon Reduction Initiatives

Key Account

Q Does your organization have a carbon reduction program in place?



Q What is your organization's "net zero" target date?



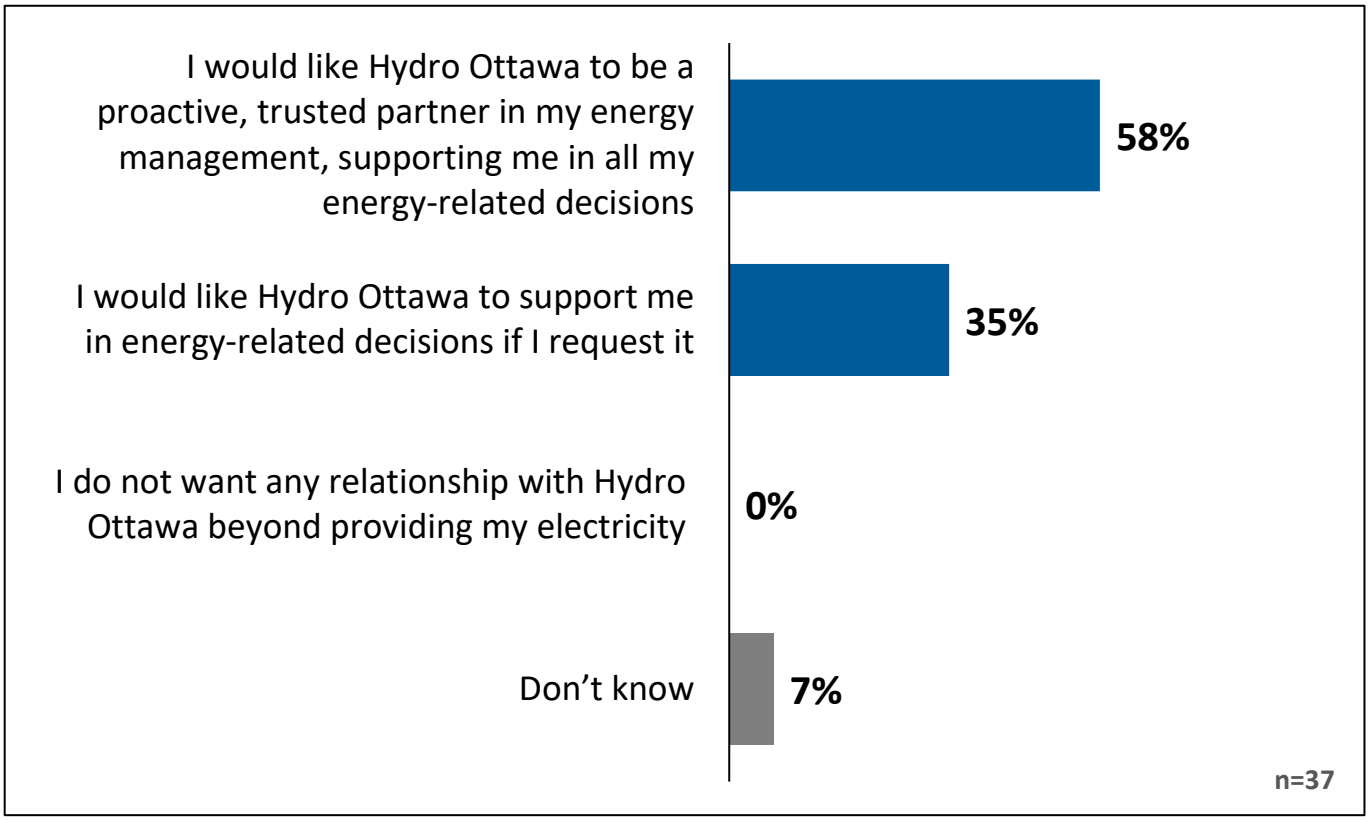
Note: *Asked among those who have "net zero" targets in place.
Results shown in frequencies rather than percentages due to limited sample (n<30).

Online Survey

Relationship with Hydro Ottawa

Key Account

Q Beyond providing you with electricity, which of the following best describes your organization's desired relationship with **Hydro Ottawa**?



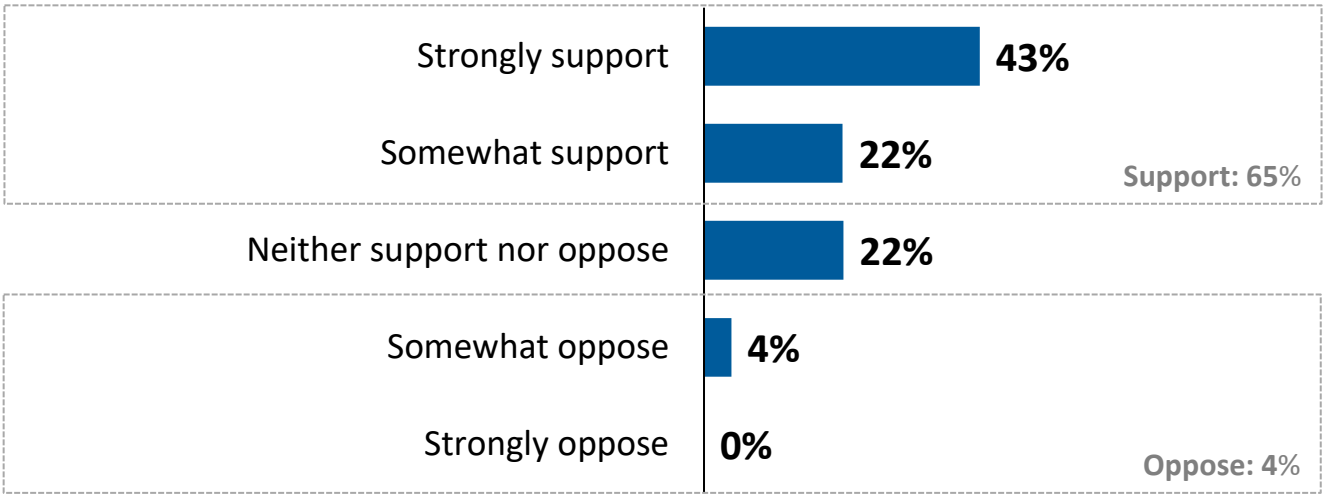
Online Survey

Financing for Energy Transition

Key Account

In a recent series of interviews with Key Account customers, the idea of project financing was discussed.

Q Do you support **Hydro Ottawa** helping **finance capital costs of energy transition projects** through monthly bills (i.e. finance behind-the-meter solutions and new equipment over an extended period through your organization's operating costs)?



"Don't know" (8%) not shown.

n=37

INNOVATIVE RESEARCH GROUP

Key Account Customers

Key Account Assessment

Appendix 07

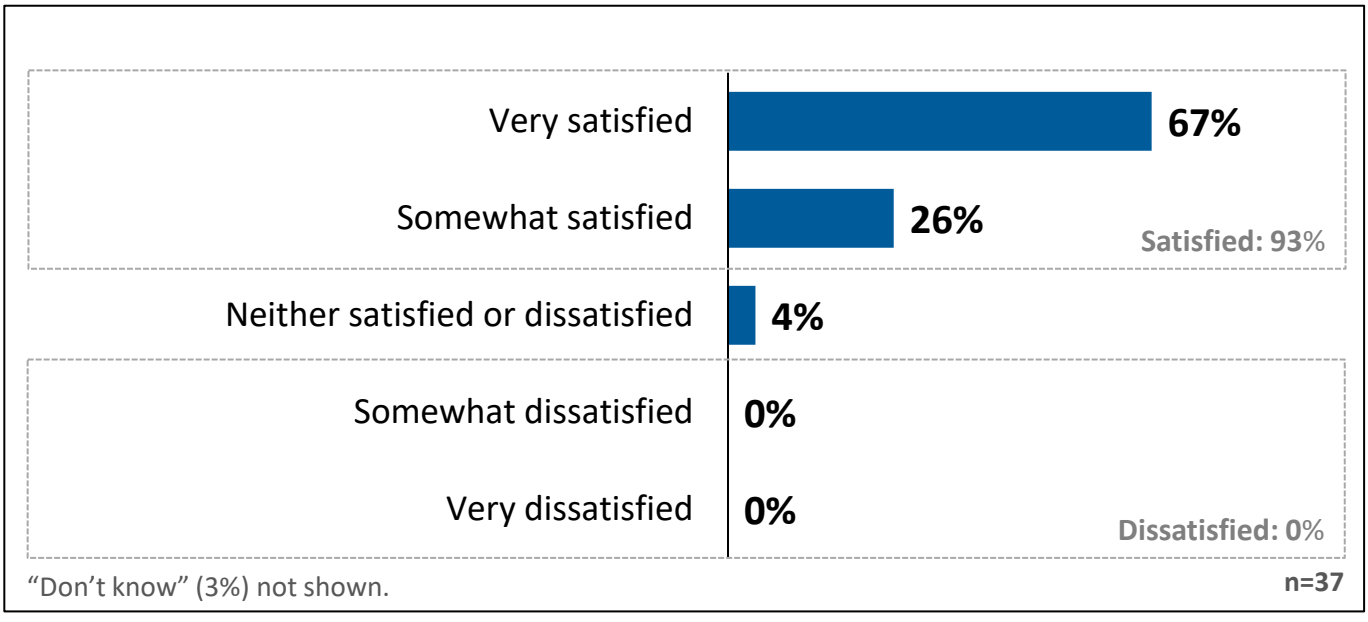


Online Survey

Overall Satisfaction with Key Account Management Services

Key Account

Q Overall, how satisfied are you with **Hydro Ottawa's** Key Account management services?



"Don't know" (3%) not shown.

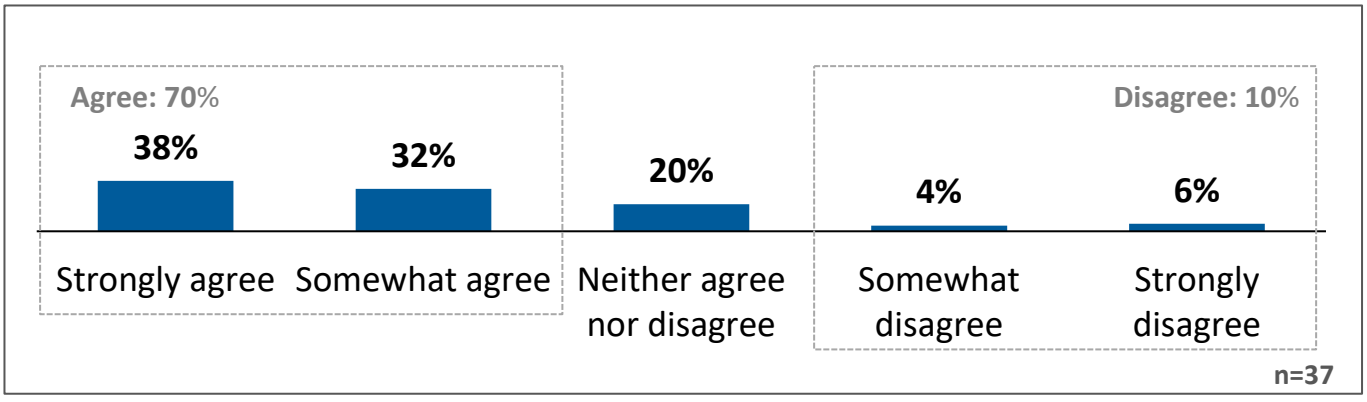
n=37

Online Survey
Key Account Assessment

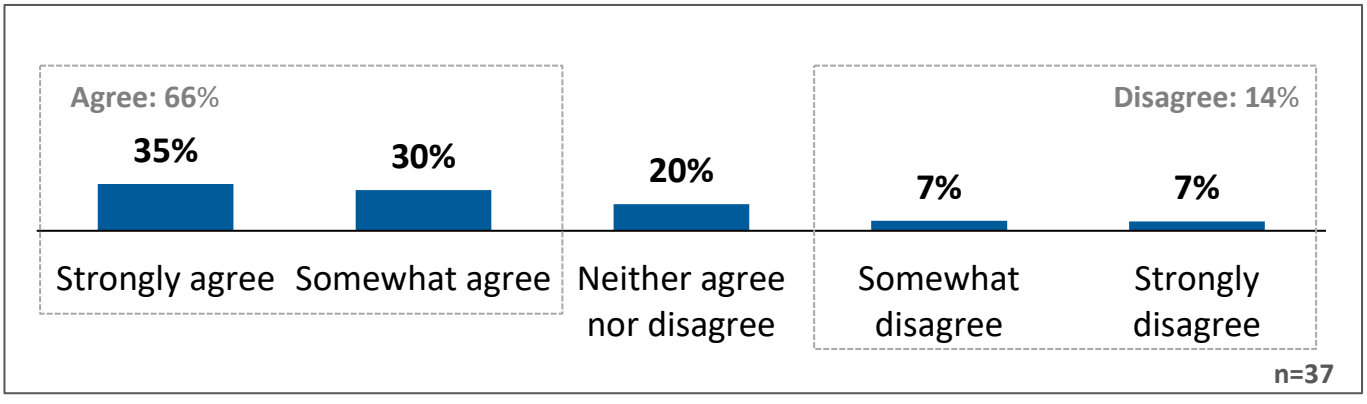
Key Account

Please indicate if you agree or disagree with the following statements.

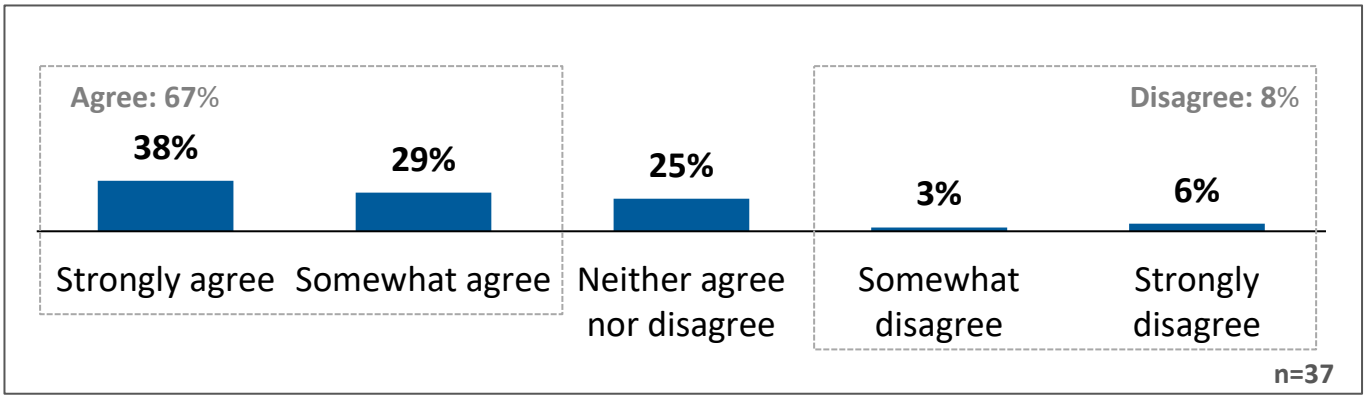
Q **Hydro Ottawa** understands my organization and its challenges.



Q **Hydro Ottawa** proactively provides my organization with business solutions.



Q **Hydro Ottawa** is more than an electricity distributor, it is a trusted partner to my organization.



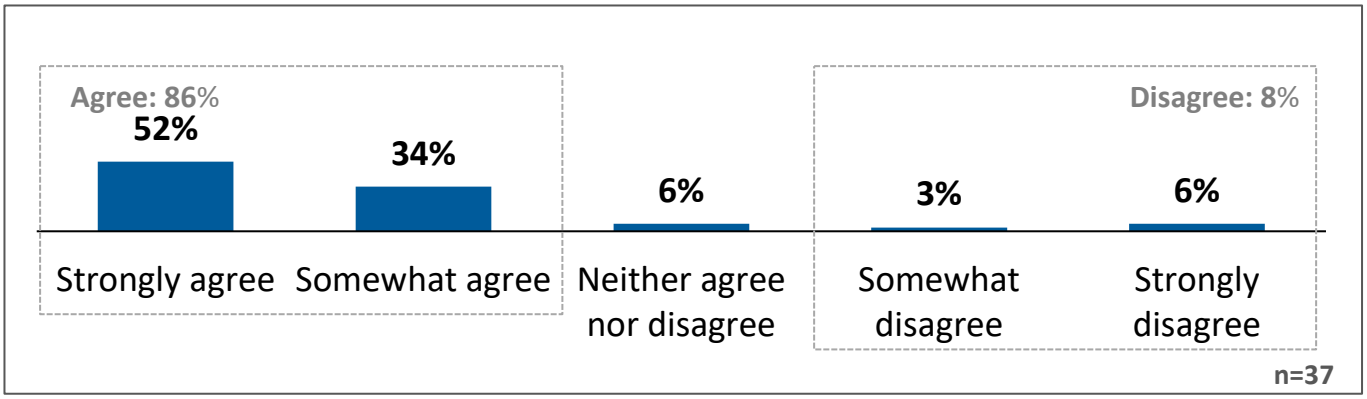
Online Survey

Key Account Assessment (Cont'd)

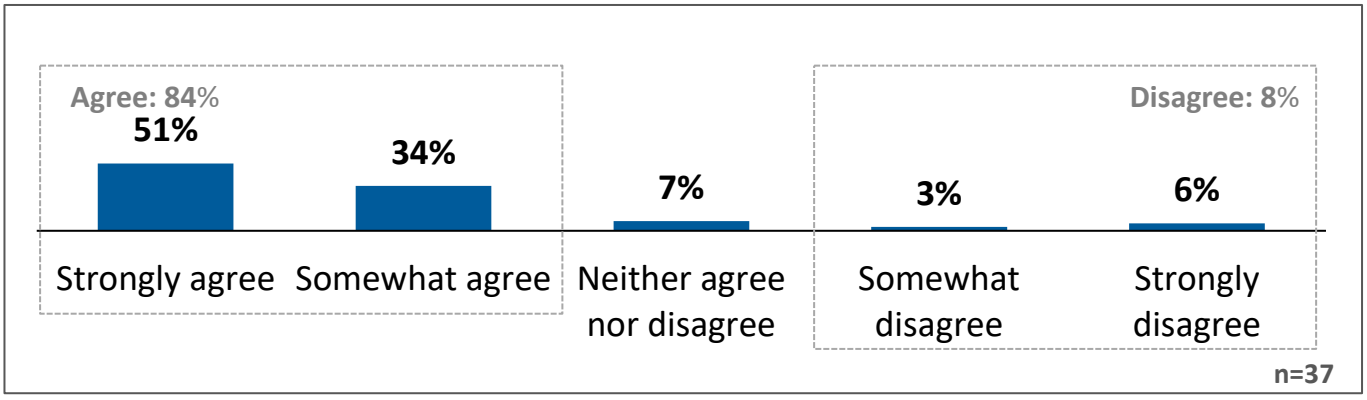
Key Account

Please indicate if you agree or disagree with the following statements.

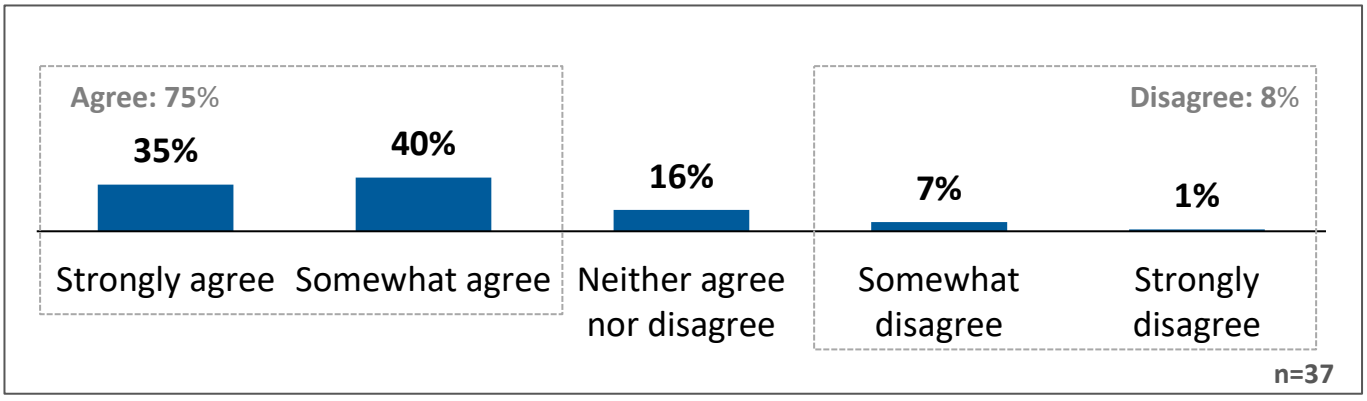
Q **Hydro Ottawa** staff are easily accessible to my organization.



Q **Hydro Ottawa** staff provide my organization with quality advice and guidance when I have questions about my service.



Q **Hydro Ottawa** provides my organization with good value for money.



Online Survey
Unregulated Services

Key Account

Q Are there services that are currently offered by Hydro Ottawa's **Key Account Team** that could be done differently to better fit your needs?

No/Don't know, 34



Yes, 3

Verbatims
Reliability
"More reliable power."
"Visibility and coordination on extreme weather outages."

Q Are there any additional services that you would look to Hydro Ottawa's **Key Account Team** to provide and would be willing to pay for?

No/Don't know, 33



Yes, 4

Verbatims
Reliability
"More reliable power."
Enhanced customer services
"Manage our various applications through the process at HOL. Provide updates and possibly increase timelines. "
"Grant application support."
Other
"Sub-metering program that meters more than electricity."

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Key Account Customers

Environmental Controls

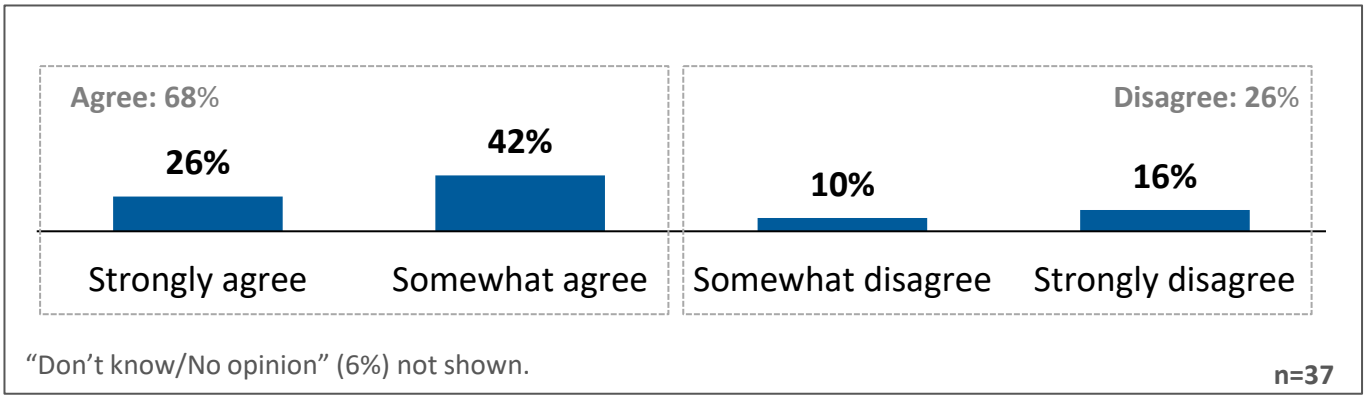
Appendix 07



Online Survey
Environmental Controls

Please indicate if you agree or disagree with the following statements.

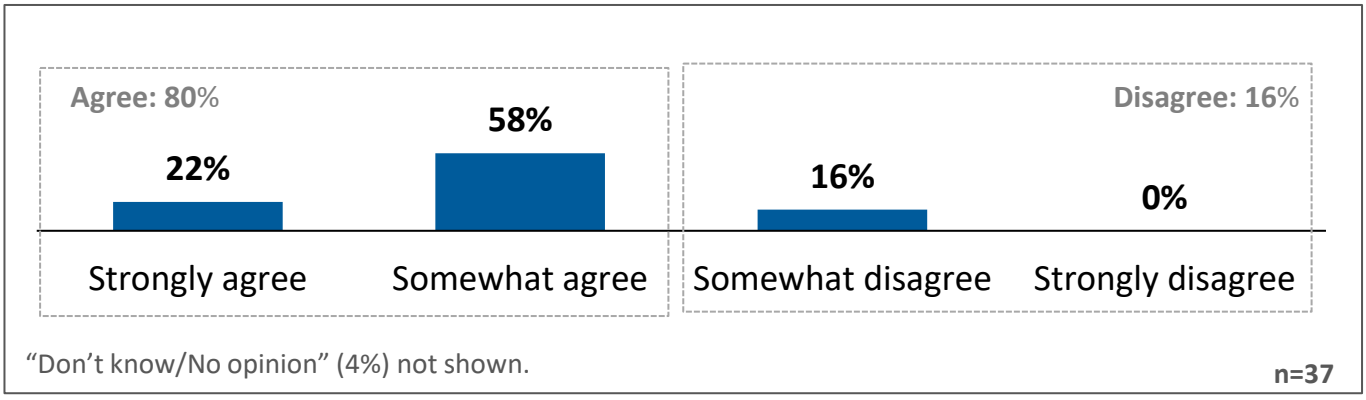
Q The cost of my organization's electricity bill has a major impact on the bottom line and results in some important spending priorities and investments being put off.



"Don't know/No opinion" (6%) not shown.

n=37

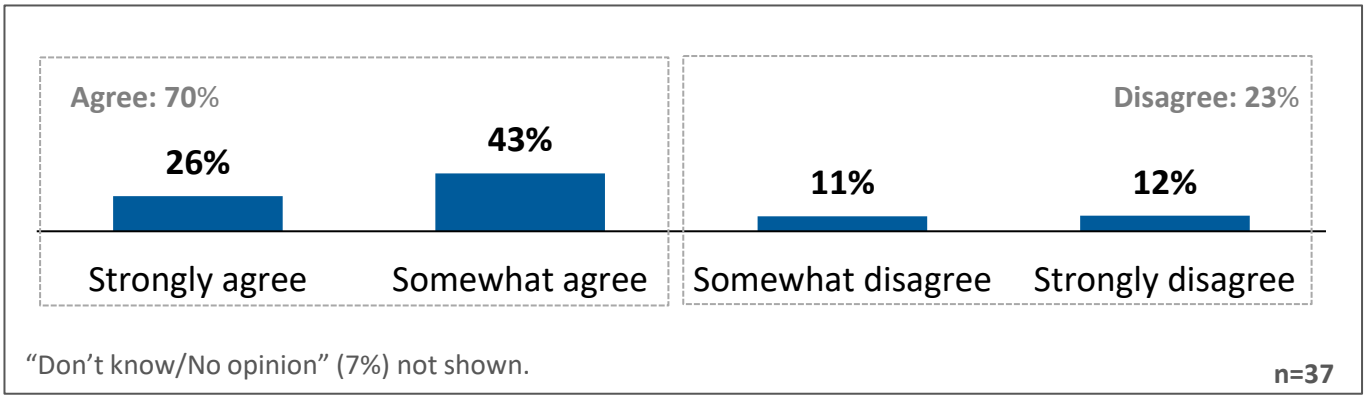
Q Customers are well served by the electricity system in Ontario.



"Don't know/No opinion" (4%) not shown.

n=37

Q Fossil fuels should be phased out as quickly as possible to speed up the shift to a lower-carbon future.



"Don't know/No opinion" (7%) not shown.

n=37

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Key Account Customers

Final Comments

Appendix 07



Online Survey

Additional Comments or Feedback

Key Account

Q Before this survey concludes, do you have any additional comments or feedback you'd like to share with **Hydro Ottawa**?

Response	%
Comments showing appreciation/positive feedback	5.8%
More information (e.g. Net Zero)	1.5%
Other	1.5%
None/Don't know	91.3%

Note: Only responses >0.1% shown

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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APPENDIX 08

HydroOttawa

INNOVATIVE RESEARCH GROUP

Phase I Customer Engagement
2026 Rate Application

Needs and Preferences Planning Placemat

2026 – 2030 Rate Application

Report Navigation

APPENDICIES

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- APPENDIX.01 – Low-Volume Customer Needs & Preference Focus Groups
- APPENDIX.02 – C&I Customer Needs & Preference Interviews
- APPENDIX.03 – Key Account Needs & Preference Interviews
- APPENDIX.04 – Residential Needs & Preferences Survey
- APPENDIX.05 – Small Business Needs & Preferences Survey
- APPENDIX.06 – C&I Needs and Preferences Survey
- APPENDIX.07 – Key Accounts Needs and Preferences Survey
- APPENDIX.08 – Needs and Preferences Planning Placemat

PHASE II: Trade-offs

- APPENDIX.09 – Residential Trade-off Survey
- APPENDIX.10 – Small Business Trade-off Survey
- APPENDIX.11 – GS>50 kW Trade-off Survey

Phase I Customer Engagement

Hydro Ottawa's 2026 Rate Application

Needs and Preferences Planning Placemat (May 2024)

INNOVATIVE RESEARCH GROUP

Rate Class Sample Size (Weighted n)	Residential (n=3,357)	Small Business (n=438)	C&I (n=50)	Key Accounts (n=37)
Needs				
What are customer needs? Most customers are generally satisfied with the service they receive from Hydro Ottawa. When asked how Hydro Ottawa can improve service, the top customer needs continue to be "ensure reliability" and "lower or reduce rates" in addition to "customer service."				
Top Customer Needs	Rates Reliability	Rates Reliability	Customer Service Billing	Customer Service Advisory
Preferences				
Prioritizing Outcomes				
General Priorities (%) indicates total percentage by rate class that place specific priority in their top 3 outcomes	Reliable service (60%) Reasonable rates (58%) Prepare the grid to withstand severe weather events (48%)	Reliable service (62%) Reasonable rates (62%) Prepare the grid to withstand severe weather events (42%)	Reasonable rates (65%) *Hardening* the grid to withstand severe weather (58%) Grid capacity expansion for future demand (44%)	*Hardening* the grid to withstand severe weather (68%) Reliable service (59%) Grid capacity expansion for future demand (54%)
Prioritizing Reliability Investments				
Reliability (%) indicates total percentage by rate class that place specific priority in their top 3 outcomes	Reduce restoration time in extreme weather (72%) Reduce outages in extreme weather (61%) Reduce length of outages (61%)	Reduce restoration time in extreme weather (68%) Reduce length of outages (62%) Reduce outages (61%)	Reduce outages (70%) Reduce restoration time in extreme weather (68%) Reduce outages in extreme weather (58%)	Reduce outages (68%) Reduce length of outages (61%) Reduce outages in extreme weather (61%)

INVESTMENT TRADE-OFFS: GENERAL	Support	Oppose	Don't know
System Renewal Necessary investments in aging infrastructure to maintain system reliability.	76% 15% 9%	74% 18% 8%	69% 17% 14%	83% 4% 13%
General Plant Necessary investments to ensure staff have reliable equipment and IT systems.	71% 20% 9%	64% 27% 9%	75% 18% 7%	74% 21% 6%
System Service Proactive investments to ensure customers in high growth areas do not experience a decrease in reliability.	62% 26% 12%	62% 25% 13%	63% 18% 19%	81% 9% 10%

INVESTMENT TRADE-OFFS: GRID MODERNIZATION	Support	Oppose	Don't know
Higher Cost Technologies Explore new technologies that would make the system better even if it could increase customer rates.	67% 22% 11%	69% 21% 11%	66% 18% 16%	77% 10% 13%
Delayed Benefit Explore new technologies that that might not provide immediate benefit, but will in the future.	68% 22% 10%	65% 23% 13%	59% 27% 14%	73% 19% 8%

FINANCING			% Total Support	
Financing (%) indicates support of Hydro Ottawa helping finance capital costs of energy	N/A	N/A	52%	65%

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APPENDIX 09

Phase II Customer Engagement
2026 Rate Application

Residential Trade-offs Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Hydro Ottawa Limited.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

Report Navigation

Residential

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Introduction

Representative Online Workbook

Residential

Hydro Ottawa's 2026-2030 Rate Application Customer Engagement

Innovative Research Group Inc. (INNOVATIVE) was engaged by Hydro Ottawa to assist in meeting Hydro Ottawa's customer engagement commitments under the Renewed Regulatory Framework for Electricity Distributors.

This report covers the second phase of engagement which focused on customer preferences on program timing and balancing outcomes. To obtain this feedback from customers, an online "workbook" was deployed to all customers with an email address, as well as promoted through a generic link on Hydro Ottawa's website, social media platforms, and through bill inserts and print media.

For residential customers, responses were weighted by region and usage to ensure the responses were representative of the broader customer base. INNOVATIVE is confident that the online trade-off survey results contained within this report are representative of Hydro Ottawa's actual customer base. This determination was reached by comparing the Phase I and II results based on key demographic, general attitudes towards electricity, as well as individual customer experience.

In addition to segmenting customers based on their geographical location within Hydro Ottawa's service territory, it is important to be able to identify factors that may influence customer preferences and distinguish between what is within, and what is outside of Hydro Ottawa's influence or control.

Perceptions of LDCs often tend to move with general perceptions of the sector rather than in response to the local utility.

Throughout this report, environmental control questions are used to help distinguish whether opinions regarding Hydro Ottawa's plans are utility-driven preferences or externally driven.

Segmentation *"side bars"* have been used throughout this report to look beyond the topline numbers to analyze the results for key segments. The makeup of these side bars varies based on rate class.

1. **Regional Segmentation:** Using customer postal codes, Hydro Ottawa's service territory is divided and analyzed based five sub-regions.

2. **Bill Impact on Finances**: To what extent do customers agree with the following statement:

    a) Residential: *The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.*

3. **Customer quartiles**: The residential online survey sample was weighted proportionately by consumption quartiles and region in order to be representative of the broader Hydro Ottawa customer base.

4. **Vulnerable Consumers**: Using a combination of household size and combined household income, the residential portion of this report identifies customer who would be eligible for financial assistance programs. The methodology used to calculate this segmentation is based on the OEB's *Low-income Energy Assistance Program* (LEAP).

Sample Validation

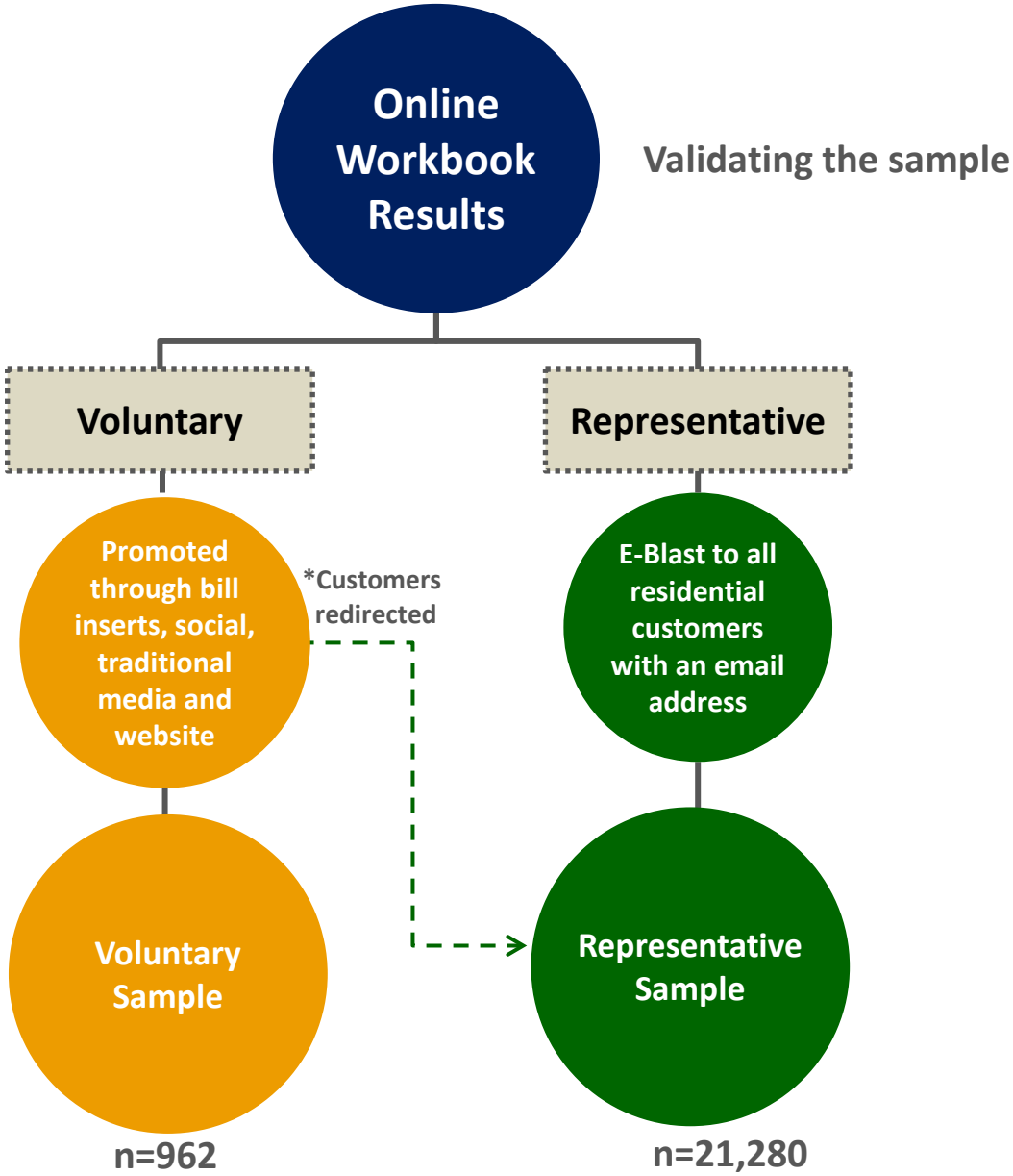
Overall Approach

Residential

Hydro Ottawa's residential customer engagement workbook featured two streams – *representative* and *voluntary*.

The voluntary stream created an open process that allowed anyone who wants to be heard an opportunity to express themselves, including those who have not provided the utility with an email address.

The representative stream ensures a representative sample of customers are engaged, allowing for the generalizability of findings. *This is a report of those responses.*



Note: respondents with a valid customer account number are included in the representative sample, regardless of which channel they entered the survey through.

Sample Validation

Email Sample Versus Broader Sample

Residential

Comparing the overall population to the sample of that population with email addresses across known variables, we can see that no group is substantially underrepresented in the email sample.

Overall Coverage

Five sixths of each population is included in the email sample.

	Full Population	Email Sample	Coverage
Residential	313,802 records	260,314 records	83%

Average Consumption

Residential customers with email addresses consume an average of 20% more energy than the full population.

	Full Population	Email Sample	Difference
Residential	7,239 kWh	7,254 kWh	**+0.2%**

Sample Validation

Survey Design and Methodology

Residential

Both the residential online survey and representative online workbook were weighted based on known variables, including rate zone and rate class. Furthermore, both surveys were weighted to be proportionate based on the actual distribution of residential customers throughout Hydro Ottawa's service territory.

Weighted and unweighted sample sizes are outlined below.

Residential Representative Online Workbook

Region	Unweighted N					Weighted N				
	Consumption Quartiles					Consumption Quartiles				
	Low	Medium-Low	Medium-High	High	**Total**	Low	Medium-Low	Medium-High	High	**Total**
Gloucester	10%	17%	18%	19%	**16%**	10%	17%	18%	19%	**16%**
Goulbourn/ Casselman	4%	7%	8%	10%	**7%**	4%	7%	8%	10%	**7%**
Kanata	7%	11%	12%	12%	**11%**	7%	11%	12%	12%	**11%**
Nepean	15%	23%	24%	23%	**21%**	15%	23%	24%	23%	**22%**
Ottawa	63%	42%	37%	36%	**45%**	63%	41%	37%	36%	**44%**
Total	**5,832**	**5,507**	**5,337**	**5,119**	**21,795**	**5,320**	**5,320**	**5,319**	**5,320**	**21,280**

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

INNOVATIVE RESEARCH GROUP

Residential Customers

Online Workbook Results



Representative Workbook

Survey Design & Methodology

Residential

INNOVATIVE was engaged by Hydro Ottawa to gather input on preferences on program timing and balancing outcomes. Pages watermarked with 'workbook page' show the actual pages of the workbook that was sent and completed by customers. The only additions are the actual results.

Field Dates & Workbook Delivery

The **Residential Online Workbook** was sent to all Hydro Ottawa residential customers who have provided the utility with an email address. Customers had an opportunity to complete the workbook between **September 16th and October 6th, 2024**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class.

In total, the residential workbook was sent to **313,802** customers by-way-of e-blast from INNOVATIVE.

Residential Online Workbook Completes

A total of **21,795** (unweighted) Hydro Ottawa residential customers completed the online workbook through a unique URL.

Sample Weighting

The residential online workbook sample has been weighted proportionately by region and consumption quartiles in order to be representative of the broader Hydro Ottawa service territory.

Region	Consumption Quartiles				Total	Distribution
	Low	Medium-Low	Medium-High	High		
Gloucester	537	889	982	1,012	**3,419**	**16%**
Goulbourn/Casselman	235	378	427	546	**1,586**	**7%**
Kanata	366	605	648	641	**2,260**	**11%**
Nepean	821	1,244	1,294	1,233	**4,593**	**22%**
Ottawa	3,361	2,204	1,968	1,889	**9,422**	**44%**
Total	**5,320**	**5,320**	**5,319**	**5,320**	**21,280**	**100%**

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

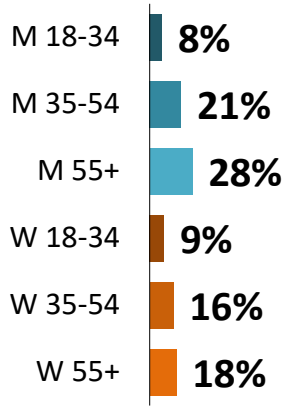
Representative Workbook

Demographic Breakdown

Residential

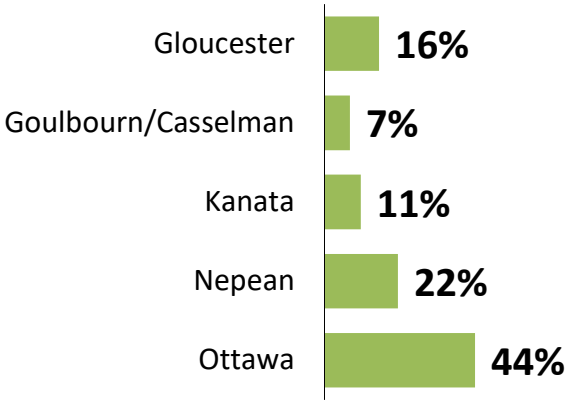
Age & Gender

n=21,280



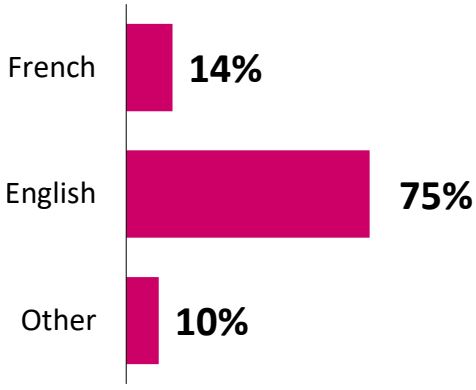
Region

n=21,280



Mother Tongue

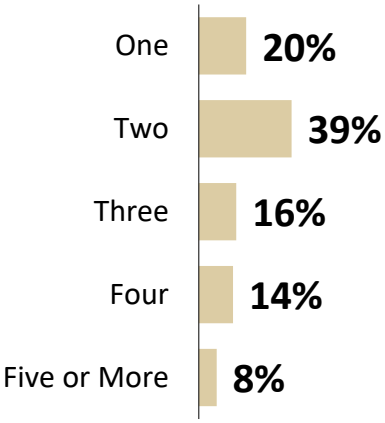
n=21,280



"Don't know" (<1%) not shown.

Household Size

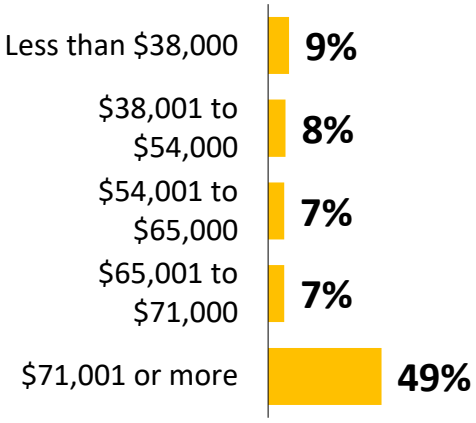
n=21,280



"Prefer not to say" (4%) not shown.

After Tax Household Income

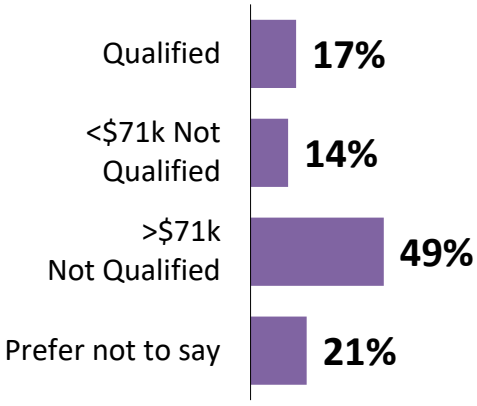
n=21,280



"Prefer not to say" (21%) not shown.

LEAP/OESP Qualification*

n=21,280



*Calculation based on household size and after-tax income.

Representative Workbook

Environmental Controls

Residential

The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.	Phase 2 Workbook
Strongly agree	19%
Somewhat agree	31%
Somewhat disagree	23%
Strongly disagree	24%
Don't know/No opinion	3%
Agree (Strongly + Somewhat)	**50%**
Disagree (Strongly + Somewhat)	**47%**

n=21,280

Before this Customers are well served by the electricity system in Ontario.	Phase 2 Workbook
Strongly agree	31%
Somewhat agree	50%
Somewhat disagree	11%
Strongly disagree	4%
Don't know/No opinion	4%
Agree (Strongly + Somewhat)	**81%**
Disagree (Strongly + Somewhat)	**14%**

n=21,280

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Customer Engagement Survey

Background Information

Residential

Welcome to Hydro Ottawa Limited's (Hydro Ottawa) customer feedback survey

Hydro Ottawa wants your input to ensure a sustainable balance between the services you receive and the price you pay.



Land Acknowledgement: The Algonquin Anishinaabeg is the Indigenous Nation of what we know today as the National Capital Region (Ottawa/Gatineau). Hydro Ottawa Limited acknowledges the traditional and unceded territory of the Algonquin Anishinaabeg people whose territories we work from and live in. Ottawa is now home to many diverse First Nations peoples, Inuit, and Métis. Hydro Ottawa honours all First Nations, Inuit and Métis peoples and their valuable past and present contributions to this land.

The purpose of this survey is to get your feedback on the draft 2026-2030 investment plan. Your feedback will help Hydro Ottawa align this plan with customer needs and preferences.

1. Your electricity rates pay for this plan, so your views should be considered.
2. You don't need to be an electricity expert to participate. The survey will provide you with background information and walk you through service level options so that you can answer questions.
3. Hydro Ottawa and its research partner have designed this survey to include diagrams, charts, and images to help explain Hydro Ottawa's draft plan and what it means for you.
4. Depending on how much feedback you wish to provide, this survey should take approximately **20-30 minutes** to complete. If you need to pause and return later to finish the survey, your completed answers will be saved.
5. Some of the survey content may not display correctly on a mobile browser. It is strongly recommended that you complete this survey on a desktop or laptop computer.

Those who complete the survey will be invited to enter a draw to win one of four prizes of $500 on-bill credits!

All individual responses will be kept confidential.

Innovative Research Group (www.innovativeresearch.ca), an independent research company, has been hired by Hydro Ottawa to gather your feedback, while protecting your confidentiality. Your individual answers will not be shared with Hydro Ottawa in any identifiable way.

INNOVATIVE RESEARCH GROUP

WORKBOOK

Customer Engagement Survey

Background Information

Residential

What is this customer engagement about?

The goal of this engagement is to share Hydro Ottawa's draft five-year investment plan for the future of its electrical grid and to collect your feedback. This will help Hydro Ottawa confirm the level of spending and investments in equipment and infrastructure, and the services they provide along with the rates you'll pay.

Every five years, Hydro Ottawa is required to submit a plan for its proposed rates and spending to the Ontario Energy Board (OEB) for approval.

- **In early 2024, thousands of Hydro Ottawa customers responded to an initial engagement** to support the preparation of Hydro Ottawa's draft investment plan.
- **Hydro Ottawa is now looking for your input on this draft plan** to ensure they understood what customer priorities are when deciding on future investments.
- **Early next year, Hydro Ottawa will present its proposed investment plan to the independent regulator**, the OEB. Your feedback is important to both Hydro Ottawa and the OEB and how it is incorporated into Hydro Ottawa's plans will be reviewed by the OEB.

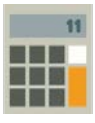
How will this customer engagement work?



1. The survey explains what Hydro Ottawa does and how much of your electricity bill goes to Hydro Ottawa.



2. The survey explains key considerations in Hydro Ottawa's planning process, how the draft investment plan benefits you and the impact on the 2026-2030 rates.



3. The survey asks for your input on 5 key choices that will affect the services you receive and the price you pay from 2026-2030.

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

Want to know more about Hydro Ottawa's customer engagement process?
Click here to learn more.

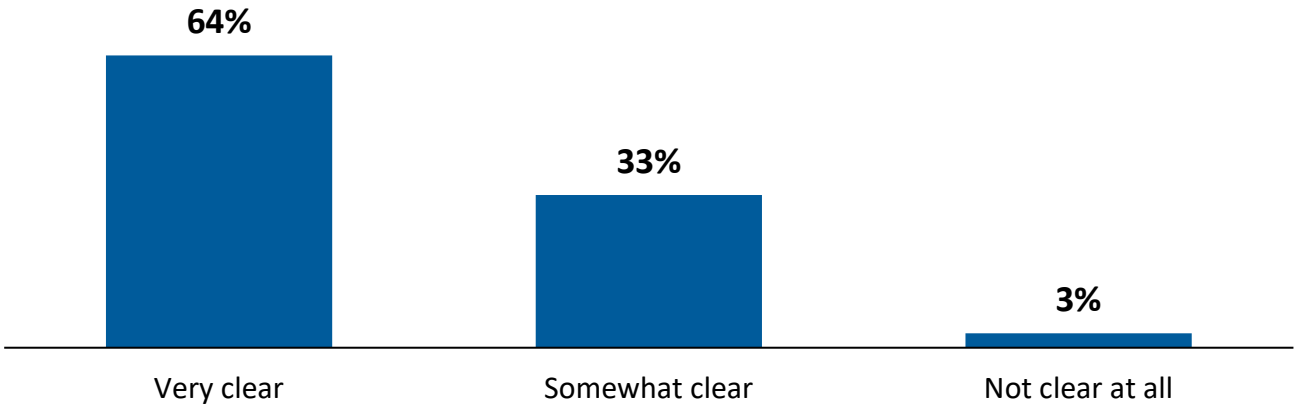
WORKBOOK PAGE

Representative Workbook

Clarity of Survey Purpose

Residential

Q Do you feel that the purpose of Hydro Ottawa's customer engagement is clear?



n=21,280

	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Very clear	63%	62%	63%	62%	65%	56%	59%	71%
Somewhat clear	34%	34%	35%	35%	32%	38%	38%	27%
Not clear at all	3%	3%	2%	3%	3%	6%	3%	2%

	Consumption Quartiles				LEAP/OESP Qualification			
	Low	Mid-Low	Mid-High	High	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Very clear	63%	64%	63%	64%	63%	64%	68%	55%
Somewhat clear	34%	33%	34%	32%	34%	34%	29%	41%
Not clear at all	3%	3%	3%	3%	3%	3%	3%	4%

Customer Engagement Survey

Background Information

Residential

Hydro Ottawa has a five-step approach to customer feedback.

✓ **1. Identify customer needs, preferences and priorities**

In 2024, Hydro Ottawa asked customers from across its service territory about their needs and priorities for electricity distribution service.

✓ **2. Use customer feedback to guide development of draft plan**

Hydro Ottawa used the feedback from the initial customer engagement to prioritize investments in the distribution grid, supporting systems and customer services.

We are here

3. Collect customer feedback on draft plan

Hydro Ottawa is asking customers to provide additional feedback on the draft plan to ensure it meets their needs and preferences.

4. Use customer feedback to finalize the plan

Hydro Ottawa will re-examine and make appropriate changes to the plan based on the feedback provided by customers in this engagement.

5. Submit the plan to the Ontario Energy Board (OEB)

Hydro Ottawa will file its detailed investment plan with the OEB along with a report summarizing the results of its customer engagement. The OEB, consumer advocates and other interested groups will examine the plan in an open and transparent public process known as a rate application.

WORKBOOK PAGE

Customer Engagement Survey

Background Information: Electricity 101

Residential

Hydro Ottawa's role in Ontario's electricity system

Ontario's electricity system is made up of three parts: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

About half of the electricity used in Ontario comes from nuclear power. The rest comes from a mix of hydroelectric, natural gas, wind and solar sources. Ontario Power Generation, a government-owned company, generates almost half of Ontario's electricity. The other half comes from other generators contracted by the grid operator.

Transmission

How electricity travels across Ontario

Once electricity is made, it is sent to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. Ontario has approximately 30,000 kilometers of transmission lines, mostly owned and operated by Hydro One.

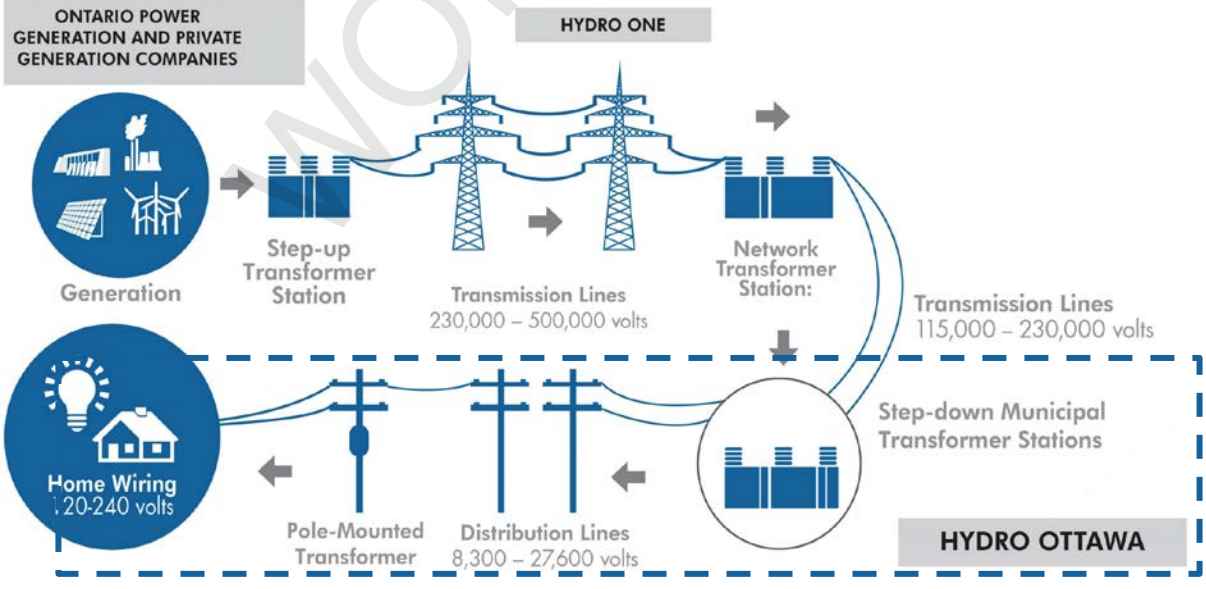
Distribution

HydroOttawa

How electricity is delivered to you

Hydro Ottawa is responsible for the last step of the journey: distributing electricity to customers' homes and businesses.

- Hydro Ottawa does not transmit or generate electricity.
- Its local distribution system is connected to the transmission grid through its distribution stations and transformers, allowing high voltages to be decreased so it can be distributed and safely used in homes and businesses across Hydro Ottawa's service territory.
- Its distribution system consists of approximately 50,000 poles, 2,700 km of overhead power lines, 3,000 km of underground cable, and 45,000 transformers.



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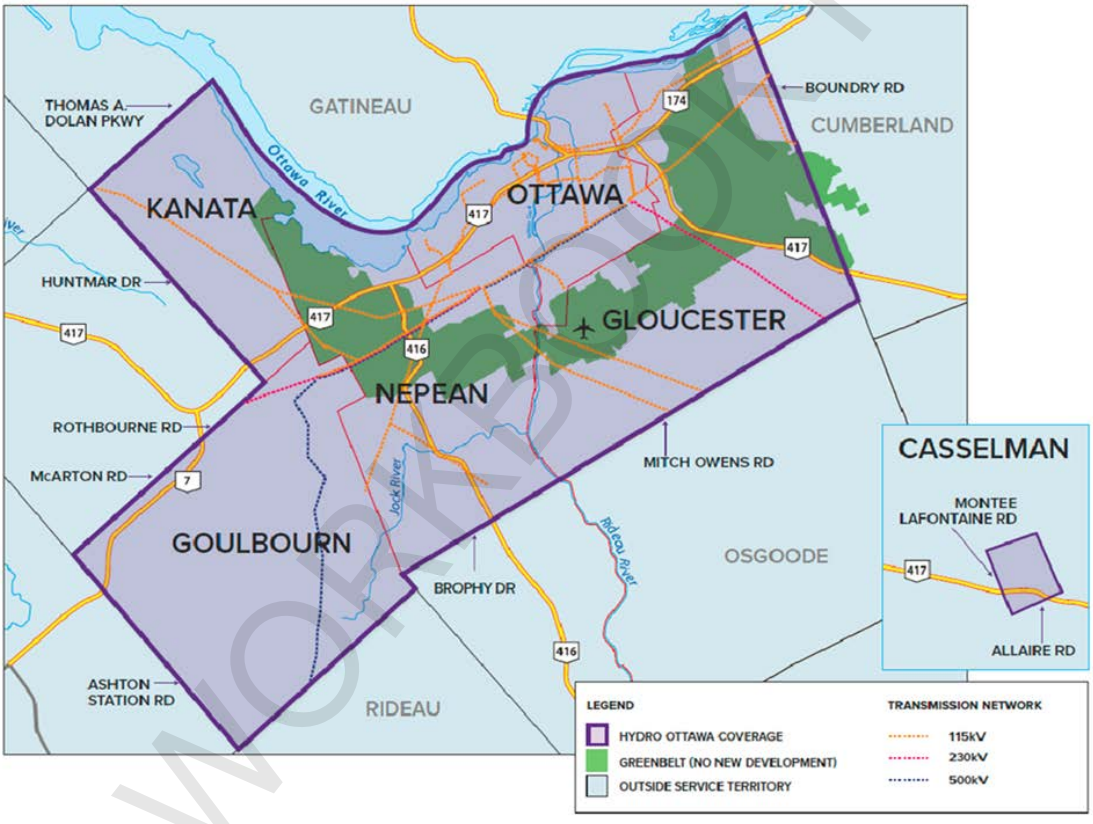
Customer Engagement Survey

Shaping Ottawa's energy future together

Residential

Hydro Ottawa Fast Facts

- A private corporation wholly owned by its shareholder, the City of Ottawa
- Third largest municipally-owned electricity distributor in Ontario
- Serves approximately **364,000 homes** and businesses (more than one million consumers)
- Service territory of **1,116 square kilometers** that includes most of the City of Ottawa and the Village of Casselman
- Does **not** receive taxpayer money to fund its operations or its investments in the distribution system
- Entirely funded through the distribution rates its customers pay



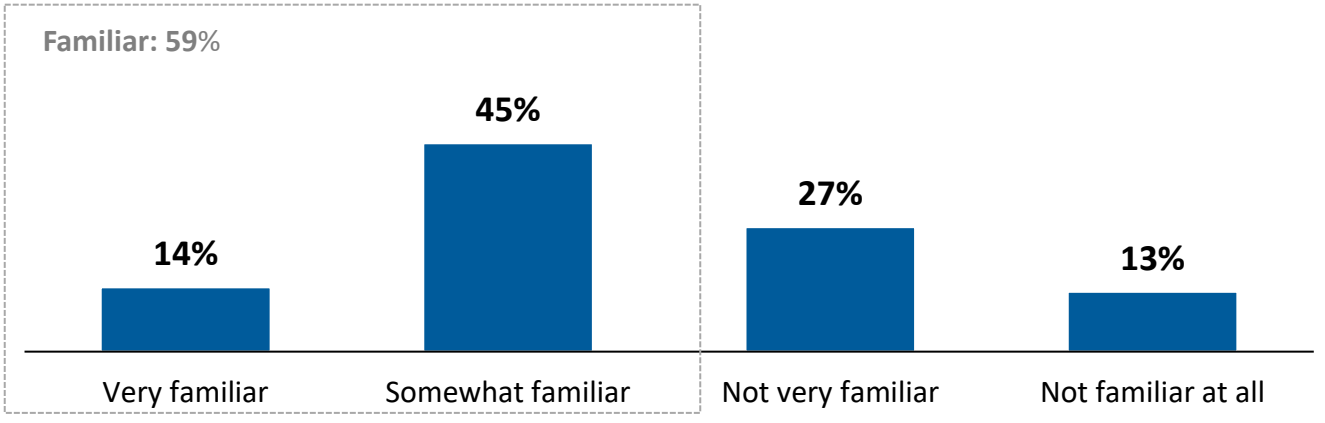
WORKBOOK PAGE

Representative Workbook

Familiarity with Ontario's Electricity System

Residential

Q Before this engagement, how familiar were you with Hydro Ottawa, and the role it plays in Ontario's electricity system?



"Don't know" (<1%) not shown.

n=21,280

	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Very familiar	13%	16%	16%	15%	13%	18%	11%	14%
Somewhat familiar	47%	47%	47%	45%	44%	40%	47%	47%
Not very familiar	27%	26%	26%	27%	28%	25%	29%	26%
Not familiar at all	12%	11%	11%	12%	15%	15%	12%	12%
Don't know	1%	<1%	<1%	<1%	1%	1%	<1%	<1%
Familiar (Very + Somewhat)	**60%**	**63%**	**63%**	**61%**	**57%**	**58%**	**58%**	**61%**
Not familiar (Very + Somewhat)	**39%**	**37%**	**37%**	**39%**	**42%**	**41%**	**41%**	**39%**

Representative Workbook

Familiarity with Ontario's Electricity System

Residential

Q Before this engagement, how familiar were you with Hydro Ottawa, and the role it plays in Ontario's electricity system?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very familiar	**14%**	11%	14%	14%	17%
Somewhat familiar	**45%**	41%	46%	47%	48%
Not very familiar	**27%**	30%	27%	27%	24%
Not familiar at all	**13%**	18%	13%	12%	10%
Don't know	**1%**	1%	<1%	1%	<1%
Familiar (Very + Somewhat)	**59%**	**52%**	**60%**	**61%**	**65%**

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Very familiar	**14%**	17%	11%	14%	13%
Somewhat familiar	**45%**	39%	45%	47%	46%
Not very familiar	**27%**	28%	29%	26%	27%
Not familiar at all	**13%**	15%	14%	12%	13%
Don't know	**1%**	1%	<1%	<1%	1%
Familiar (Very + Somewhat)	**59%**	**56%**	**56%**	**62%**	**59%**

Customer Engagement Survey

Planning for the future: Rates 101

Residential

How much of my electricity bill goes to Hydro Ottawa?

Every item on your bill is required by provincial regulation.

- Hydro Ottawa collects payment for the entire electricity system, but only keeps the distribution portion of the "**Delivery**" charge. The delivery charge pays for both Hydro Ottawa's **distribution system** and the **transmission system** (run by other utilities), as well as other charges such as line losses (power that is lost when electricity travels across the wires).
- **About 21% of a typical residential electricity bill goes to Hydro Ottawa** to pay for the local distribution grid. The **remaining 79%** of the bill goes to generation companies, transmission companies, the federal and provincial governments, and regulatory agencies.

Typical Residential Bill

Sample Hydro Ottawa Monthly Bill
(based on consumption of 750 kWh as of Jan. 1, 2024)

Account Number:
0000000000

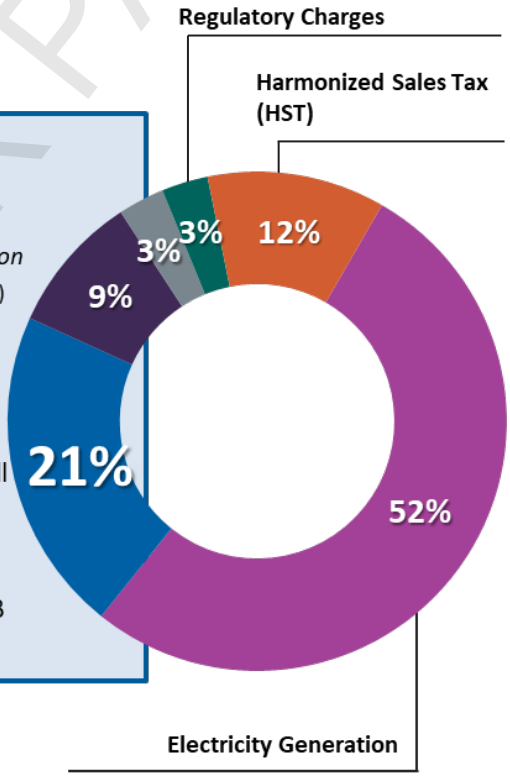
Meter Number:
00000000

Your Electricity Charges

Electricity	
TOU – Off Peak @ 8.7 c/kWh	41.11
TOU - Mid-Peak @ 12.2 c/kWh	16.47
TOU – On Peak @ 18.2 c/kWh	25.94
Delivery	53.06
Regulatory Charges	4.82
Total Electricity Charges	$141.40
HST	18.38
Ontario Electricity Rebate	(27.29)
Total Amount	$132.49

Delivery: *Transmission*
(varies based on usage)
$13.45

Delivery:
Distribution
Hydro Ottawa's part of the total bill is **$34.19**. This charge is the same for all residential customers per OEB requirements.



Note: The sample bill above uses an average consumption level of 750kWh per month, however your usage may vary above or below this assumed level. These types of variations would mostly impact your electricity (On, Mid and Off-Peak) charges. Diagram excludes Ontario Electricity Rebate and may not total 100% due to rounding.

Who holds Hydro Ottawa accountable?

ONTARIO ENERGY BOARD

The **Ontario Energy Board (OEB)** is the public interest regulator responsible for setting electricity distribution rates and charges and for protecting customers in Ontario.

The OEB holds Hydro Ottawa accountable for:

- How it spends your money in current and future plans.
- Reporting on key outcomes (e.g. reliability) through an annual scorecard.
- Finding savings and efficiencies to help offset rising costs.

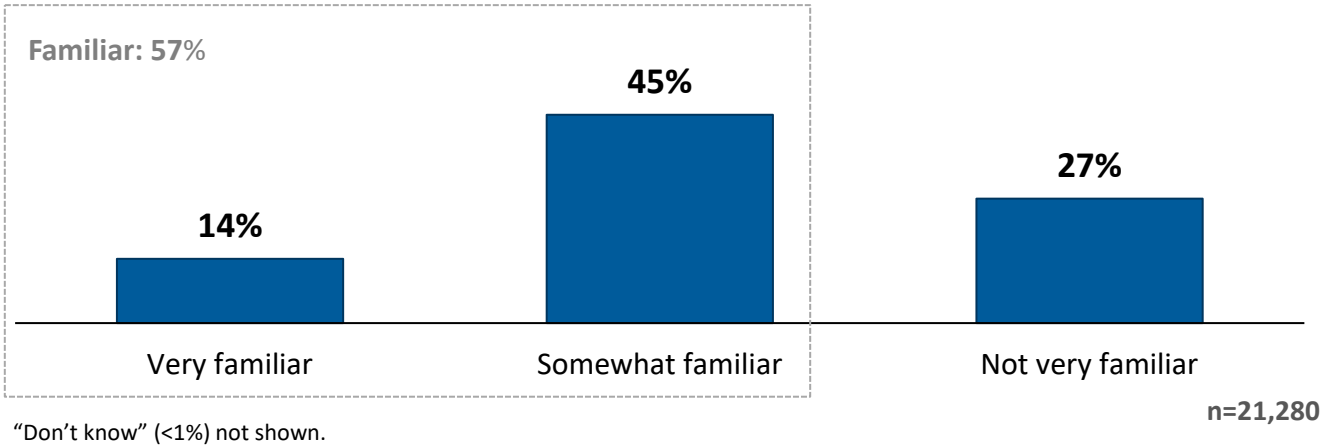
WORKBOOK PAGE

Representative Workbook

Familiarity with Bill Remittance to Hydro Ottawa

Residential

Q Before this customer engagement, how familiar were you with the amount of your electricity bill that went to Hydro Ottawa?



"Don't know" (<1%) not shown.

	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Very familiar	14%	16%	15%	16%	13%	22%	13%	12%
Somewhat familiar	45%	45%	44%	44%	40%	41%	47%	40%
Not familiar at all	41%	39%	41%	41%	46%	38%	40%	48%
Familiar (Very + Somewhat)	**59%**	**61%**	**59%**	**59%**	**54%**	**62%**	**60%**	**52%**

Representative Workbook

Familiarity with Bill Remittance to Hydro Ottawa

Residential

Q Before this customer engagement, how familiar were you with the amount of your electricity bill that went to Hydro Ottawa?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very familiar	**14%**	14%	14%	14%	15%
Somewhat familiar	**42%**	40%	43%	43%	44%
Not familiar at all	**43%**	46%	42%	43%	42%
Familiar (Very + Somewhat)	**57%**	**54%**	**58%**	**57%**	**58%**

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Very familiar	**14%**	20%	13%	14%	13%
Somewhat familiar	**42%**	41%	42%	42%	46%
Not familiar at all	**43%**	39%	45%	45%	42%
Familiar (Very + Somewhat)	**57%**	**61%**	**55%**	**55%**	**58%**

INNOVATIVE RESEARCH GROUP

Customer Engagement Survey

Planning for the future: Key challenges

Residential

Hydro Ottawa's Draft Plan

What is Hydro Ottawa's draft plan about?

Hydro Ottawa's draft plan involves significant investment in our infrastructure to support the energy transition. Key elements include boosting the capacity of substations, transformers, and both overhead and underground lines; expanding and enhancing connections with provincial transmission lines to handle larger electricity deliveries; and preparing to commission a new substation annually to meet the growing demand of a service territory with more customers.

Hydro Ottawa plans to deploy new technologies such as large-scale batteries for energy storage, replace aging assets that are at higher risk for failure, and bolster grid resilience to ensure reliable service amid more frequent severe weather events.

In preparing its plan, Hydro Ottawa's 2026-2030 draft plan must consider many existing and emerging challenges of delivering safe, reliable and clean electricity at a reasonable price.

To learn more about what Hydro Ottawa must consider in preparing its draft plan, click on the key challenges listed below:

Key challenges that Hydro Ottawa's 2026 - 2030 draft plan addresses:

- **Enabling the energy transition and reducing emissions**
- **Fixing and replacing aging assets**
- **Responding to rising costs**
- **Adapting to how customers use electricity**
- **Powering a growing and diverse community**
- **Responding and adapting to an increasing number of extreme weather events**
- **Responding to cyber security attacks/threats**
- **Addressing workforce challenges and employee safety**

WORKBOOK PAGE

Customer Engagement Survey

Planning for the future: Key challenges

Residential

Hydro Ottawa's Draft Plan

Key challenges that Hydro Ottawa's 2026 - 2030 draft plan addresses:

Enabling the energy transition and reducing emissions

- Hydro Ottawa has built a plan that aligns with the anticipated increased electrification of heating and transportation in our community (adoption of EVs, heat pumps, renewables and light rail transit).
- Based on current projections, Hydro Ottawa anticipates that by 2030, peak demand will increase due to heating needs and other forms of electrification. To accommodate this shift, Hydro Ottawa will need to construct one new substation per year through 2050.
- The City of Ottawa's Climate Change Master Plan aims for a 100% reduction in local greenhouse gas emissions by 2050. To meet this goal, Hydro Ottawa is expected to invest in reducing emissions from its vehicles and work centres and help businesses and households do the same.
- Hydro Ottawa continues to reduce emissions as part of its objective of being the first municipally-owned utility in Canada to achieve net-zero operations by 2030.

Fixing and replacing aging infrastructure

- Effective management of equipment is critical to the safe, reliable and efficient delivery of electricity to our customers.
- Like many distribution companies, much of Hydro Ottawa's grid was installed in the 1950s and 1960s and needs to be replaced or upgraded. Hydro Ottawa faces rising costs in purchasing equipment for the grid and doing construction work in your community.
- For example, nearly 25% of assets have surpassed their expected service life, raising safety, environmental, and reliability concerns.

Responding to rising costs

- Many customers are concerned about the rising cost of living.
- Hydro Ottawa provides information and resources to help customers conserve energy, be more efficient and find incentives that work for them.
- Like many businesses, Hydro Ottawa faces rising costs of purchasing essential equipment for the grid and supporting new construction in the community. The utility must find the right balance between the investment needs of the local grid and the financial needs of its customers.

Adapting to how customers use electricity

- Customers are relying more heavily on technology to manage their changing electricity needs through heat pumps, electric vehicles, solar panels, battery storage, and energy efficiency.
- Hydro Ottawa is upgrading and modernizing the grid so everyone can connect these new technologies safely and reliably.

Powering a growing and diverse community

- Hydro Ottawa serves a diverse mix of urban and rural areas, each with their own challenges and growth patterns.
- As Hydro Ottawa's service territory continues to grow, there is an increasing need to expand and enhance the capacity of its distribution system to power new residential/commercial buildings, densification, and major projects.

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Customer Engagement Survey

Planning for the future: Key challenges

Residential

Planning Considerations (continued)



Responding and adapting to an increasing number of extreme weather events

- Ottawa has become the weather-alert capital of Canada. Extreme weather events such as high heat, high winds, flooding and ice storms are increasingly straining and damaging the electricity grid.
- All utilities in Ontario, including Hydro Ottawa are expected to continue investing (above and beyond what is required to maintain and operate the system) in the resilience of our grid through a broad suite of measures such as hardening our assets; reconfiguring segments of our network; and enhancing our approach to tree trimming.



Responding to cyber security attacks/threats

- Cybercrime is on the rise across Canada. As the capital city of a G7 country which is a high-value target for malicious actors, Hydro Ottawa must enhance the resilience of its electrical grid against cyber security threats.
- Hydro Ottawa continues to invest in cybersecurity protections and controls for key assets and networks to prevent compromises that could compromise reliability and put customers at risk.



Addressing workforce challenges and employee safety

- There is a growing need for new skills and positions to adapt to changing energy sector needs and Hydro Ottawa will invest in new hires and upskilling of current employees.
- The safety of our employees and the public is at the forefront of our operations on a day-to-day basis.

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Customer Engagement Survey

Planning for the future: Background

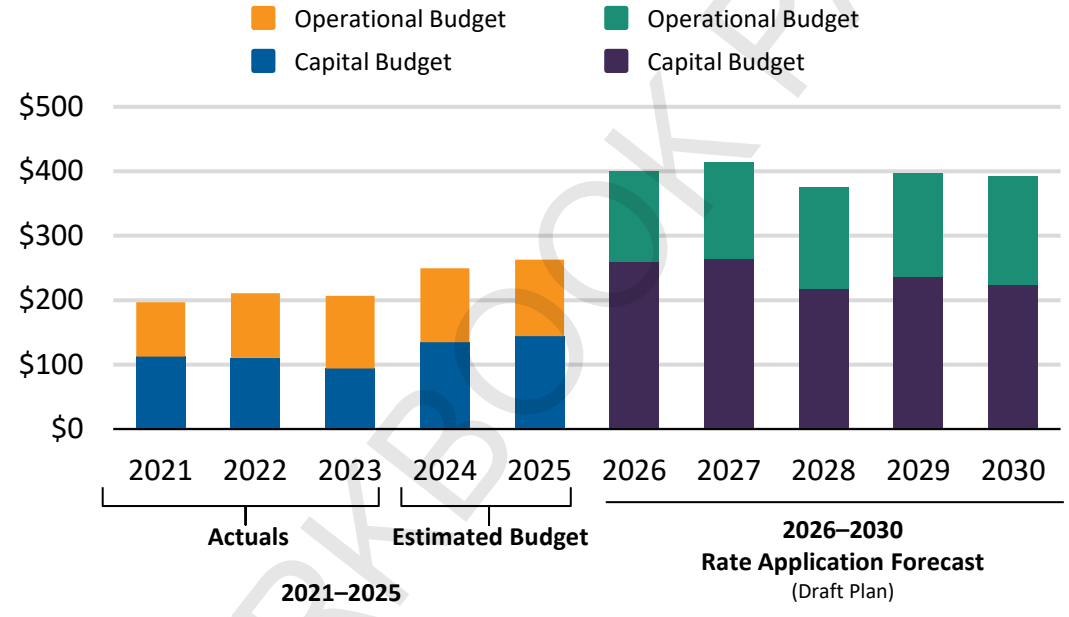
Residential

How much does it cost to run the local grid?

Like most businesses, Hydro Ottawa manages both an operating budget and a capital budget.

- Hydro Ottawa's **operating budget** covers recurring expenses, such as the maintenance of assets and tools, customer services, as well as the cost of employees who ensure these activities are completed.
- Its **capital budget** includes the equipment that is part of the distribution system, such as the overhead and underground infrastructure, computers and information systems, vehicles and facilities. These items, once purchased, provide long term benefits for many.

Actual and Forecasted Budgets per year ($ millions)



The above investments will result in a funding requirement of **$1.8 billion** over the next five years, 2026-2030. The 2021-2025 OEB approved funding was for **$1.2 billion,** but did not account for recent weather events, inflation, and other unforeseen factors that have increased costs.

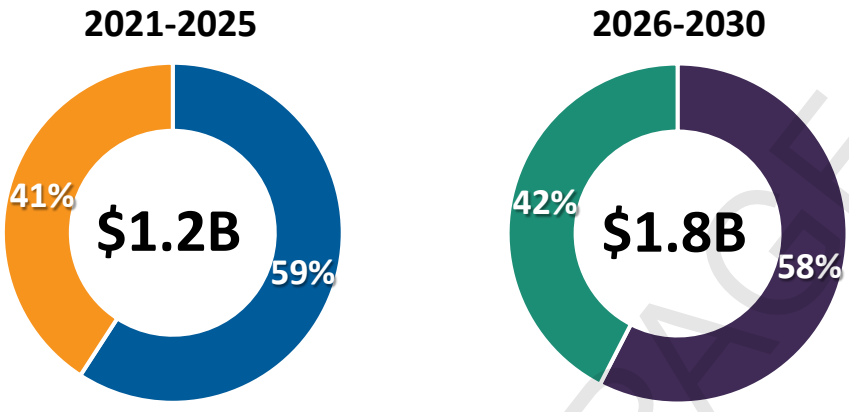
The final budget for 2026-2030 will be adjusted to reflect customer feedback collected through this engagement and any necessary adjustments prior to filing with the OEB. The OEB and other stakeholders will complete an extensive review before rates are set for 2026-2030.

WORKBOOK PACE

Customer Engagement Survey

Planning for the future: Background

Residential



WORKBOOK PAGE

How much will Hydro Ottawa's draft plan cost me?

At the end of the five-year plan (2030), the typical residential customer would see the distribution portion of their monthly electricity bill increase by **$17.76**: from an estimated rate (price) of **$34.51 in 2025** to a proposed rate (price) of **$52.27 by 2030.**

	Year	Avg. Monthly Bill*	Non-Distribution Component	Distribution Component (Hydro Ottawa's portion)	Hydro Ottawa's Portion: Annual Increase to Monthly Bill (%)	Hydro Ottawa's Portion: Annual Increase to Monthly Bill ($)
CURRENT	2024	$132.49	$98.30	$34.19	n/a	n/a
BUDGTED	2025	$132.06	$97.55	$34.51	1%	$0.32
Rate Period	2026	$140.99	$100.41	$40.58	18%	$6.07
	2027	$147.10	$102.28	$44.82	10%	$4.24
	2028	$152.21	$104.25	$47.96	7%	$3.14
	2029	$156.15	$106.31	$49.84	4%	$1.88
	2030	$160.75	$108.48	$52.27	5%	$2.43
	5-yr impact			$17.76	51%	$17.76

Note:

- *Average monthly bill includes taxes and the Ontario Electricity Rate.*
- *These estimated rate increases are preliminary and are subject to change based on customer feedback, regulatory approval and other factors. A typical residential customer is assumed to use 750 kWh per month and enrolled under Time-of-use Regulated Price Plan.*
- *Bill projections assume a general inflation increase of 2.1% for other aspects of the electricity bill that are outside of Hydro Ottawa's control (commodity, transmission, government, regulatory fees).*

Customer Engagement Survey

Planning for the future: Background

Residential

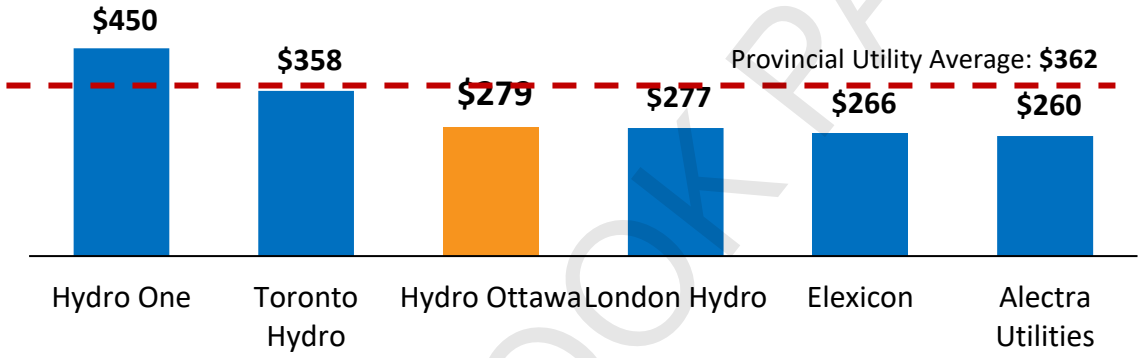
Finding Operating Efficiencies

Hydro Ottawa is continuing its focus on productivity and continuous improvement initiatives; which offset continuing costs and improves organizational effectiveness.

Hydro Ottawa's total operating costs are reported every year to the OEB and benchmarked against other distribution companies in Ontario. In publicly available data collected by the OEB, **Hydro Ottawa's total operating cost per customer averaged $279** over the last three years. This was, and historically has been, lower than the **average Ontario distribution company cost of $362 per customer** over the same period.

Six Largest Provincial Distributors: Operating Cost per Customer ($)

Source: 2021 – 2023 OEB Yearbook of Electricity Distributors (3-year average)



6 Largest Ontario Electricity Distributors

Want to know more about how Hydro Ottawa is finding ways to use customer dollars efficiently? Click here to learn more.



WORKBOOK PAGE

Hydro Ottawa's Customer Engagement Survey

Planning for the future: Background

Residential

Achieved over **$3.3 million** in annual savings on paper, printing and postage by successfully increasing online billing enrollment to **66% of customers**, also contributing to environmental sustainability goals.

Hydro Ottawa's has undergone several changes to improve productivity and efficiency. These changes include:

- Restructuring to align resources by lines of business, co-locating teams for better collaboration and communication.
- Introduction of new roles to improve project oversight, support supervisors, and attract quality candidates.
- Implementing seasonal construction shifts to increase productivity during longer daylight hours.
- These changes have resulted in a **8.8% decrease in the average cost per pole** installed, despite rising input costs.

Streamlined Move-in/Move-out processes through self-serve and automation, enabling a significant reduction in account setup fees for customers starting in 2026.

Cloud-based office productivity solutions were also implemented in 2021. This cloud productivity suite is focused on improving collaboration. The following were key business processes which were measured pre and post implementation

- **Conditions of Service:** Saw a **50% reduction in meeting and preparation time**. This document is a large initiative requiring multiple resources from across the organization. Reducing meeting time and preparation time for this type of activity delivers significant savings in resource time.
- **Field Reporting :** This was originally a paper-based process that used emails for back-and-forth communication between internal and external staff. With the use of a cloud-based system all staff can now collaborate in a single document, ensure all necessary information is gathered and easily track progress without sorting through emails. This has reduced paper in vehicles, ensured data is complete and increased time on value-added activities.

WORKBOOK PAGE

Customer Engagement Survey

Planning for the future: Budget overview

Residential

The choices Hydro Ottawa makes in its operating budget are primarily driven by technical analysis and expert assessments of best practices.

As promised earlier, this survey does not ask questions that expect you to be an electricity expert.

The OEB runs an open and transparent review process where experts from the OEB and intervenor groups review and have the opportunity to question Hydro Ottawa's analyses and assessments. Anyone, including you are welcome to participate in the OEB process.

This survey leaves detailed discussion of Hydro Ottawa's operating budget to experts from the OEB and intervenors in the formal OEB review; the survey focuses on collecting your views on competing trade-offs for capital investments.

Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?

- □ Definitely the right approach
- □ Probably the right approach
- □ Probably not the right approach
- □ Definitely not the right approach
- □ Don't know

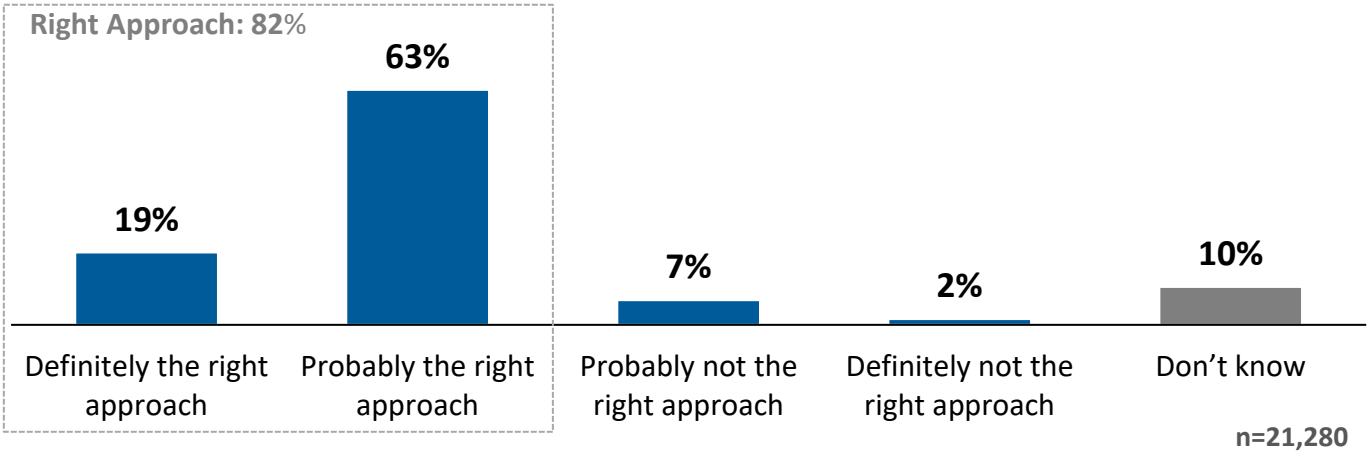
WORKBOOK PAGE

Representative Workbook

Meeting customer needs

Residential

Q Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Definitely the right approach	19%	18%	19%	20%	19%	25%	16%	19%
Probably the right approach	63%	64%	62%	62%	63%	51%	67%	66%
Probably not the right approach	6%	7%	7%	6%	7%	10%	6%	5%
Definitely not the right approach	2%	2%	2%	1%	2%	4%	1%	1%
Don't know	10%	9%	10%	10%	10%	11%	10%	9%
Right Approach (Definitely + Probably)	**83%**	**82%**	**82%**	**82%**	**81%**	**75%**	**83%**	**85%**

Representative Workbook

Meeting customer needs

Residential

Q Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Definitely the right approach	**19%**	21%	20%	19%	18%
Probably the right approach	**63%**	61%	63%	63%	63%
Probably not the right approach	**7%**	7%	7%	6%	7%
Definitely not the right approach	**2%**	2%	2%	2%	2%
Don't know	**10%**	10%	10%	10%	10%
Right Approach (Definitely + Probably)	**82%**	**82%**	**82%**	**82%**	**81%**

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Definitely the right approach	**19%**	26%	20%	18%	15%
Probably the right approach	**63%**	58%	64%	66%	58%
Probably not the right approach	**7%**	6%	6%	6%	9%
Definitely not the right approach	**2%**	1%	1%	1%	2%
Don't know	**10%**	9%	8%	8%	16%
Right Approach (Definitely + Probably)	**82%**	**84%**	**84%**	**84%**	**73%**

Representative Workbook

Meeting customer needs

Residential

Q Are there things that you would change about how Hydro Ottawa brings customer needs and preferences into Hydro Ottawa's plan? If so, what would you change?

Response	%
More collaborative/extensive and regular customer engagement	2.3%
Disapproval with rate increase	2.1%
General approval of current methods	1.9%
System improvement requests/underground grid	1.6%
More transparency in decision-making process	1.5%
Criticism of survey being overly complicated	0.9%
Equity concerns, protect low-income customers	0.7%
Criticism of survey being biased	0.7%
Focus on efficiency/cut costs	0.7%
Request for focus groups and townhalls	0.5%
Climate change concerns	0.4%
Not qualified to respond/need experts	0.4%
Billing improvements/explanations/TOU changes	0.4%
Inclusion of videos in outreach strategies	0.2%
More information on incentives	0.2%
How HO will deal with increased future energy needs	0.2%
More government assistance/reduce dividend to City of Ottawa	0.2%
Other	0.5%
None / Don't know	1.9%
No response	82.8%

n=21,280

Representative Workbook

Meeting customer needs

Residential

Q Are there things that you would change about how Hydro Ottawa brings customer needs and preferences into Hydro Ottawa's plan? If so, what would you change?

Sample Verbatims
More collaborative/extensive and regular customer engagement
"A few more updates, either in the form of a flyer or, so as not to waste paper, an email explaining what has been accomplished. Perhaps, once a year or so. People tend to accept higher costs if it is explained to them."
Disapproval with rate increase
"A 50% price increase over 5 years sounds unreasonable no matter what the rationale provided is."
General approval of current methods
"After reading all the information that you have provided, this seems like the most logical solution for the growing population of Ottawa. And thinking of the future. As much as I do not want my bill to increase, it is just inevitable with the aging infrastructure and the technology that is coming down the line so to speak."
System improvement requests/underground grid
"All systems have to continually be updated and upgraded. One thing that should be happening is more transparency in what is planned and how that plan is executed. Many things go on behind closed doors that don't get revealed. Relevant things that affect the end user cost should be transparently disclosed.
More transparency in decision-making process
"Although it is clear WHAT you are communicating to customers about distribution and impacting factors, it seems uni-directional. I have no visibility on what Hydro Ottawa understands about the customer beyond usage and rates. How are you measuring and evaluating your approach beyond this survey? How are you measuring success? It feels like an exercise to justify rate hikes where distribution rates are highly visible on our bills and as a customer, I feel manipulated. I do not know if you have the right"

Customer Engagement Survey

Planning process: 2026-2030 key investment areas

Residential

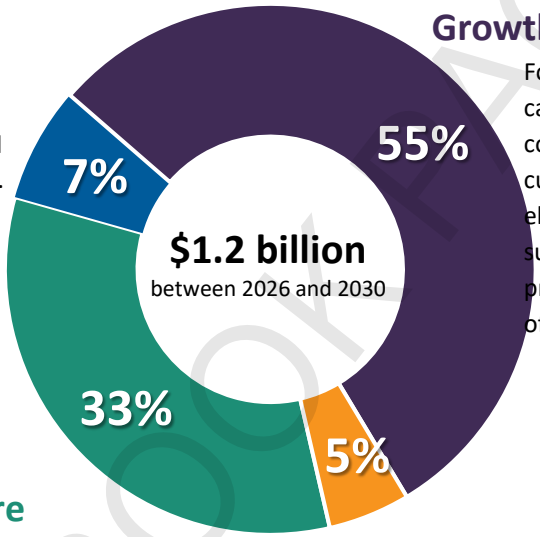
Hydro Ottawa draft capital investment plan

Hydro Ottawa's five-year 2026-2030 draft plan is made up of four capital investment categories, totalling an estimated $1.2 billion between 2026 and 2030.

The remainder of this feedback survey will focus on the discretionary **capital investment** within Hydro Ottawa's draft plan.

Grid Modernization

Focus on investments in response to decarbonization and changing customer expectations.



Growth & Electrification

Focus on investments in the capacity to power the growing community and serve customers' changing needs for electricity, including solutions such as new technologies and programs to get the most out of existing grid infrastructure.

Aging Infrastructure

Focus on investments to upkeep old equipment that is in poor condition and replace outdated equipment.

Grid Resilience

Focuses on investments in technology to get more use out of existing equipment. This section includes burying lines, hardening the grid, tree trimming, improving emergency planning and response.

Non-discretionary Capital Investments

All proposed capital investment in Hydro Ottawa's draft plan are regarded as necessary to provide customers with the services they require today and in the future. However, federal, provincial and municipal governments as well as regulators may set requirements and standards that Hydro Ottawa must satisfy. These non-discretionary expenditures can be broken down into four areas:

1. **Connecting customers:** This includes connecting customers to the grid when a new home or building is constructed or modified.
2. **Relocating equipment:** This includes moving equipment like overhead power lines and underground cables for road widening and other municipal infrastructure needs such as transit.
3. **Mandated services:** This includes installing and maintaining meters and distributing electricity from the grid.
4. **Compliance requirements:** This includes meeting and maintaining regulatory, technical, environmental, and safety standards.

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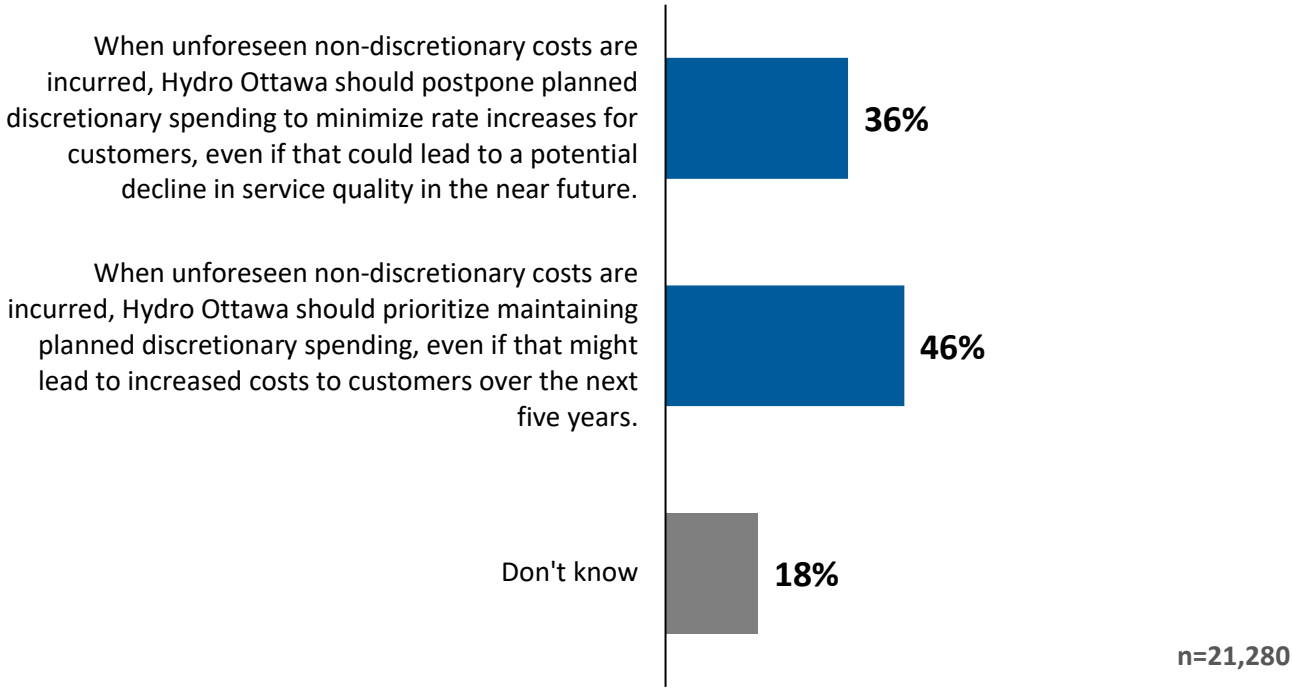
Representative Workbook

Discretionary Spending

Residential

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Which of the following statements best represents your point of view regarding Hydro Ottawa's approach to discretionary and non-discretionary spending?



n=21,280

	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Postpone discretionary spending	35%	39%	36%	38%	34%	51%	40%	26%
Maintain discretionary spending	46%	46%	48%	45%	47%	27%	40%	60%
Don't know	19%	15%	17%	17%	19%	22%	20%	13%

Representative Workbook

Discretionary Spending

Residential

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Which of the following statements best represents your point of view regarding Hydro Ottawa's approach to discretionary and non-discretionary spending?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Postpone discretionary spending	**36%**	38%	34%	35%	35%
Maintain discretionary spending	**46%**	42%	48%	47%	48%
Don't know	**18%**	19%	18%	18%	17%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Postpone discretionary spending	**36%**	41%	35%	33%	37%
Maintain discretionary spending	**46%**	35%	47%	54%	37%
Don't know	**18%**	24%	18%	13%	26%

Representative Workbook

Discretionary Spending

Residential

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Additional Feedback

Response	%
Approval - Need to address issues in the present	1.7%
Preparedness - accounting for unexpected events	1.6%
Criticism - responses require more nuance and information	1.5%
Disapproval - cost concerns	1.5%
Support for a 'somewhere in the middle' approach	0.9%
Prioritize grid resilience/burying lines	0.7%
Approval 'within reason'	0.7%
Operational efficiencies - corporate/management salaries	0.6%
Survey is biased	0.5%
Prioritize updating aging infrastructure/maintaining reliability	0.4%
Developers/customers involved should contribute	0.4%
Role of government	0.3%
Service should not be affected	0.3%
Discretionary spending should be postponed/kept to a minimum	0.3%
Environmental sustainability- solar energy, EVs	0.3%
More customer education/engagement required	0.2%
Survey complicated/difficult to understand/too long	0.2%
Less focus on growth/electrification/modernization	0.2%
Prioritize grid modernization	0.1%
Other	0.4%
None / Don't know	0.4%
No response	86.7%

n=21,280

Representative Workbook

Discretionary Spending

Residential

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Additional Feedback

Sample Verbatims
Approval - Need to address issues in the present
"A stitch in time saves nine". I wholeheartedly believe that repairing/maintaining equipment is preferable to replacing equipment because of major breakdowns. Long-term planning and maintenance should not be put off for the sake of short-term convenience."
Preparedness - accounting for unexpected events
"A portion of income received from customer billing should be set aside in a fund for unforeseen non-discretionary costs. We know that there is always something that arises that was not planned for. A homeowner faces the same issues and can't just demand a wage increase to meet his/her needs. Best to have a fund in place to minimize sudden impact on the customer rates while allowing discretionary spending to continue."
Criticism - responses require more nuance and information
"After the 5 years, what will happen? Does the price decrease or keep increasing? For sure during the renovation, consumers accept to pay higher price but do we get a break or do we keep paying more because the new technology requires consumer to pay more to keep it running?"
Disapproval - cost concerns
"51% increase over 5 years is unacceptable and unsustainable. Find cost saving instead, and better return on investment. How can people afford this out of control level of inflation?!"
Support for a 'somewhere in the middle' approach
"Perhaps prioritize SOME planned spending on infrastructure, but postpone less urgent upgrades, so that costs might increase more moderately than they would, while also limiting risk to service decline?!"

Customer Engagement Survey

Planning process: 2026-2030 rate application

Residential

Hydro Ottawa needs your feedback on its draft investment plan

The next sections are about 5 key choices that Hydro Ottawa would like your feedback on.

Each section provides some key background information. We encourage you to take the time to learn about your local electricity grid and where investments are made from distribution rates.

We know your time is valuable. While many people find this information interesting, if you would prefer to skip over the background information, you can jump right to the key choices.

How do I make choices?

Each discretionary investment choice has a summary of three options that Hydro Ottawa would like you to consider:

Accelerated Pace: A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

Hydro Ottawa's Draft Plan: An option currently in the draft plan that proposes measures and investments meant to ensure the safety and reliability of the grid.

Slower Pace: A minimum spending option that keeps prices lower and meets the basic performance requirements but may entail some trade-offs on key outcomes, such as reliability.

In each option, there is a table that enables you to select the draft plan, accelerate or slow down the pace of investment. While Hydro Ottawa's technical experts can tell us the maximum and minimum amounts we can practically spend, Hydro Ottawa also wants to know what customers like you have to say.

Is it clear that you can select the option that best reflects your personal view of the best balance between lower costs and faster improvements?

☐ Yes
☐ No

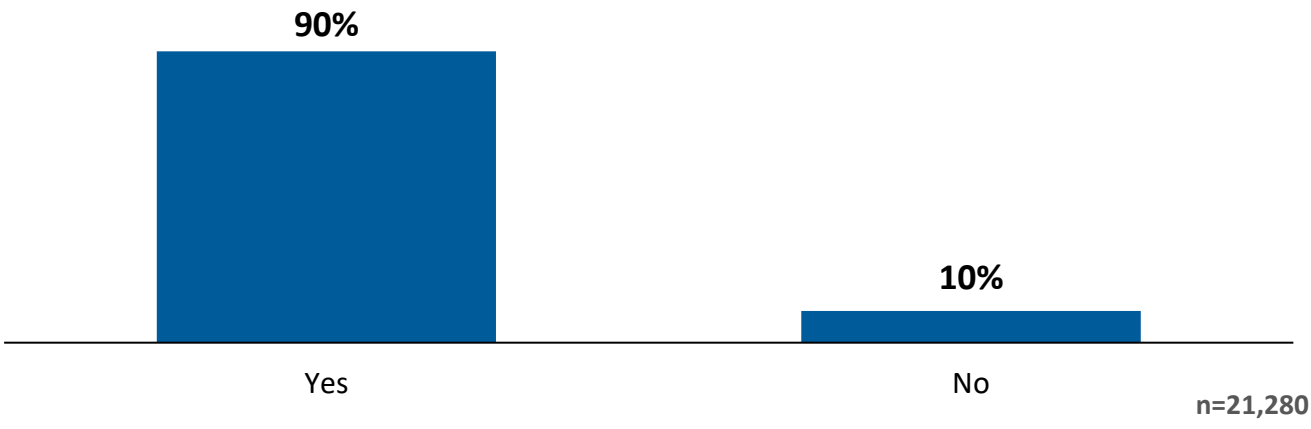
WORKBOOK PAGE

Representative Workbook

Clarity of Process

Residential

Q Is it clear that you can select the option that best reflects your personal view of the best balance between lower costs and faster improvements?



Region / Bill Impact on Finances

	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Yes	90%	91%	92%	90%	90%	84%	90%	93%
No	10%	9%	8%	10%	10%	16%	10%	7%

Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Yes	90%	91%	90%	89%
No	10%	9%	10%	11%

LEAP/OESP Qualification

	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Yes	89%	91%	92%	85%
No	11%	9%	8%	15%

Customer Engagement Survey

Planning process: Aging Infrastructure

Residential

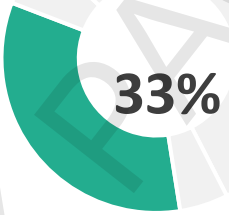
Aging Infrastructure

Taking care of our existing assets

WORKBOOK PAGE

What is this section about?

This section focuses on investments to upkeep old equipment that is in poor condition and replace outdated equipment.



There are **two** questions in this section:

1) The pace of replacing end-of-life or deteriorating infrastructure; and

2) The pace of replacing older, obsolete meters.

This spending category makes up **33%** of the **draft investment plan**. In terms of bill impact, this category (and any associated operating costs) represents an estimated **$5.89** of the proposed $17.76 increase in distribution rates by 2030.



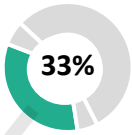
Customer Engagement Survey

Planning process: Replacing Aging Infrastructure

Residential



Making Choices (1 of 5): **Replacing Aging Infrastructure**



Overview

Hydro Ottawa owns a significant number (approximately 165,000) of assets (i.e. infrastructure and equipment) across its stations including overhead and underground lines. Each of these systems contains distinct assets with varying risk profiles.

A substantial portion of these assets, around 25%, have reached the end of their expected service life, increasing the likelihood of failure. An additional 15% of assets will reach this critical point within the next decade.

Overall, approximately 6% of Hydro Ottawa's assets are currently classified as being in Poor or Very Poor condition. These assets pose a higher risk of failure. To proactively address this, Hydro Ottawa is focusing its asset investment and maintenance programs on minimizing the number of assets in poor condition.

Impact on customers

For the current investment plan, Hydro Ottawa needs to decide how many assets to replace between 2026-2030 and how many replacements can be pushed into the future.

- **Reliability considerations**: Failure of a station or distribution asset can interrupt service, causing unplanned outages for customers. The duration of these outages depends on the asset affected.
- **Resiliency considerations**: Proactive replacement of poor conditioned assets can enhance the grid's resilience to extreme weather events and other disruptions. Delaying these replacements may increase the system's vulnerability and the risk of prolonged outages.
- **Capacity considerations**: The community's expected growth (including electrification forecast) has surpassed the capacity limitations of Hydro Ottawa's existing stations. To accommodate the forecasted demand (including electrification forecast), regions will be transitioned from lower voltage systems to a higher voltage system as many of these lower voltage systems are already operating at or beyond their intended service life, further compounding the issue.
- **Cost considerations**: If Hydro Ottawa defers investments in aging assets, the short-term costs for customers are lower. However, pushing replacements into the future also means less cost certainty and likely steeper increases in the long run.

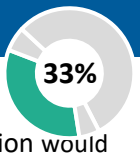
Hydro Ottawa's draft plan aims to sustain system reliability and minimize extended outages through a proactive asset replacement strategy. This approach prioritizes assets that support a large customer base and those critical for future grid modernization and electrification efforts.

WORKBOOK PAGE

Customer Engagement Survey

Planning process: Replacing Aging Infrastructure

Residential



Making Choices (1 of 5): **Replacing Aging Infrastructure**

By 2030, Hydro Ottawa's draft plan to replace and upgrade infrastructure in poor condition would cost the typical residential customer **$4.11** more per month on their monthly electricity bill.

Choice 1 of 5:

How much do you think Hydro Ottawa should invest in replacing infrastructure in poor condition?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$4.29 more per month by 2030*	Invest more than draft plan on replacing aging infrastructure	• By 2030, this investment initiative will significantly improve the reliability of Hydro Ottawa's electrical infrastructure and will focus on replacing the majority of poorly rated station, overhead, and underground assets to substantially reduce the risk of system failures. • Furthermore, it will enhance system resilience through the implementation of smart switches and evaluation of end-of-life overhead lines for potential undergrounding. • In addition, this initiative will address capacity constraints in certain areas by converting older, lower voltage systems to higher voltage systems.
Draft Plan ***Rate Impact*** *$4.11 more per month by 2030*	Focus on minimizing the number of assets in poor condition and reducing the risk of asset failure	• By 2030, this investment initiative will slightly improve the reliability of Hydro Ottawa's electrical infrastructure and will focus on replacing poorly rated station, overhead, and underground assets to substantially reduce system failures. • System monitoring and resilience will be enhanced through smart switches and evaluation of end-of-life overhead lines for potential undergrounding in high-impact locations. • In addition, this initiative will address capacity constraints in high-risk areas by converting older, lower voltage systems to a higher voltage system.
Slower Pace ***Rate Impact*** *$2.78 more per month by 2030*	Invest less than draft plan on replacing aging infrastructure	• By 2030, this investment initiative will partially address Hydro Ottawa's infrastructure in poor condition. • It will focus on replacing some poorly rated assets to reduce the risk of failure in areas with poor reliability. • By only addressing upgrades to infrastructure at the greatest risk of failure, overall system reliability will likely decrease. • In addition, this initiative will address capacity constraints in high-risk areas by converting older, lower voltage systems to a higher voltage system.

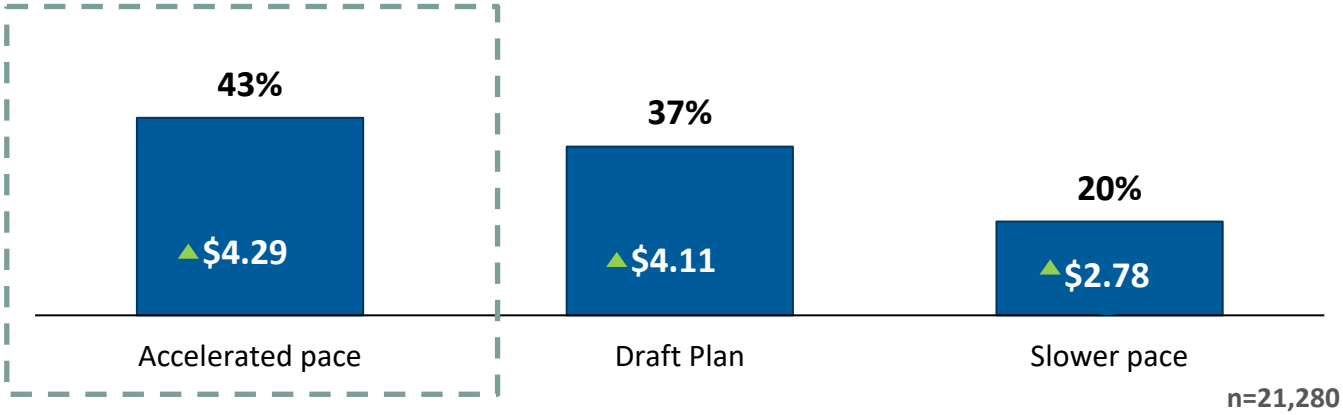
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Planning process: Replacing Aging Infrastructure

Residential

Q Which of the following investment plans would you most be comfortable with?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Accelerated pace	41%	40%	44%	42%	44%	27%	35%	55%
Draft plan	37%	38%	35%	37%	36%	34%	41%	35%
Slower pace	21%	22%	20%	21%	19%	39%	23%	10%

Representative Workbook

Planning process: Replacing Aging Infrastructure

Residential

Q Which of the following investment plans would you most be comfortable with?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerated pace	**43%**	38%	43%	44%	46%
Draft plan	**37%**	39%	37%	36%	35%
Slower pace	**20%**	23%	20%	19%	19%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerated pace	**43%**	32%	40%	50%	37%
Draft plan	**37%**	39%	40%	35%	37%
Slower pace	**20%**	30%	20%	15%	26%

Representative Workbook

Planning process: Replacing Aging Infrastructure

Residential

Q Do you have additional feedback on Hydro Ottawa's draft replacement of infrastructure in poor condition?

Response	%
Cost concerns	2.5%
Request for solar/clean energy options regarding climate change	1.9%
Criticism of information overload/did not understand	1.6%
Support for survey/general positive comment	1.0%
Criticism of biased survey	0.8%
Request for alternative presentation of info (ie: video, infographic)	0.6%
Corporate salaries/spending	0.6%
Initiatives/Rebates/incentives	0.4%
Comments on system upgrades/disposal practices	0.2%
Concerns over extreme weather patterns (disaster mitigation)	0.2%
Questions regarding the role of government	0.2%
What public can do to help lower costs/consumption	0.2%
Comparison with other regions	0.2%
Need more information/not properly informed	0.2%
Infrastructure	0.2%
Buying or Owing an EV/Electric Vehicles	0.2%
Negative-General	0.2%
Other	1.7%
None / Don't know	2.1%
No response	85.0%

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Representative Workbook

Planning process: Replacing Aging Infrastructure

Residential

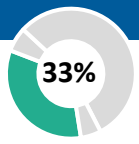
Q Do you have additional feedback on Hydro Ottawa's draft replacement of infrastructure in poor condition?

Sample Verbatims
Cost concerns
"Living conditions for the middle class in Ottawa (across Canada) has deteriorated tremendously in the last 5 years. our salaries are not in par with cost of living. The middle class is struggling. Before entertaining additional costs federally, provincially and municipally especially on the Middle Class, a better solution has to be entertained."
Request for solar/clean energy options regarding climate change
"Replace it in a way that makes our grids resilient and climate conscious: when citizens can feed in with small scale solar, wind, geothermal and storage, everyone wins!"
Support for survey/general positive comment
"Seems like the long term costs of not replacing stuff could outweigh replacing it slowly."
Criticism of biased survey
"This is an unfair question since all options offer a price increase. This survey is not fair and does not accurately describe the customers opinion since the choices are premeditated to yield a rate increase."

Customer Engagement Survey

Planning process: Metering Renewal

Residential



Making Choices (2 of 5): **Metering Renewal**

Overview

Hydro Ottawa owns approximately **367,000 meters**, with **61% operating beyond their service life.** The planned meter replacement initiative includes upgrading existing meters and the data management platform. This initiative also presents an opportunity to deploy grid-edge devices that support Hydro Ottawa's grid modernization goals (i.e. smart meters, solar panels).



Impact on customers

For the current investment plan, Hydro Ottawa needs to decide how many meters to replace between 2026-2030, and how many replacements can be pushed further into the future, to mitigate in-field failures of the existing aging meters.

Without replacing aging meters, Hydro Ottawa faces the risk of relying on estimates for billing. Moreover, the absence of more reliable data impedes grid modernization initiatives and limits Hydro Ottawa’s ability to optimize operations and deliver innovative customer solutions.

- **Reliability impacts:** Without higher resolution data, the ability to further improve upon Hydro Ottawa's restoration timing is reduced.
- **Capacity impacts**: Without more granular data at the supply point, the ability to understand usage patterns and peak times to support future energy needs is limited.
- **Cost considerations:** If Hydro Ottawa defers investments in metering, the short-term costs for customers are lower. However, pushing replacements into the future also means less cost certainty and likely steeper increases in the long run.

Hydro Ottawa's draft plan aims to sustain system reliability and minimize extended outages through a proactive asset replacement strategy. This approach prioritizes assets that support a large customer base and those critical for future grid modernization and electrification efforts, while maintaining regulatory billing requirements.

WORKBOOK PAGE

Hydro Ottawa's Customer Engagement Survey

Planning process: Metering Renewal

Residential

33%

Making Choices (2 of 5): **Metering renewal**

By 2030, Hydro Ottawa's draft plan to install new smart meter would cost the typical residential customer **$1.78** more per month on their monthly electricity bill.

Choice 2 of 5:

How much do you think Hydro Ottawa should invest in metering renewal by 2030?		
Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$3.22 more per month by 2030*	Replacement of all Hydro Ottawa meters (approximately 367,500 meters replaced in 5 years)	• The achievement of a fully upgraded smart meter system will help to foster customer engagement programs and enhanced grid visibility.
Draft Plan ***Rate Impact*** *$1.78 more per month by 2030*	Replacement of a subset of Hydro Ottawa meters (approximately 161,000 meters replaced in 5 years)	• To minimize ratepayer impact, upgraded smart meter system implementations will extend beyond 2030.
Slower Pace ***Rate Impact*** *$1.32 more per month by 2030*	Replacement of fewer than 161,000 Hydro Ottawa meters.	• The initiative will only include reactionary replacement of end-of-life meters posing risks to information and operational technology that could potentially hinder customer engagement and grid visibility efforts.

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Confirm selection above to continue.

Confirm

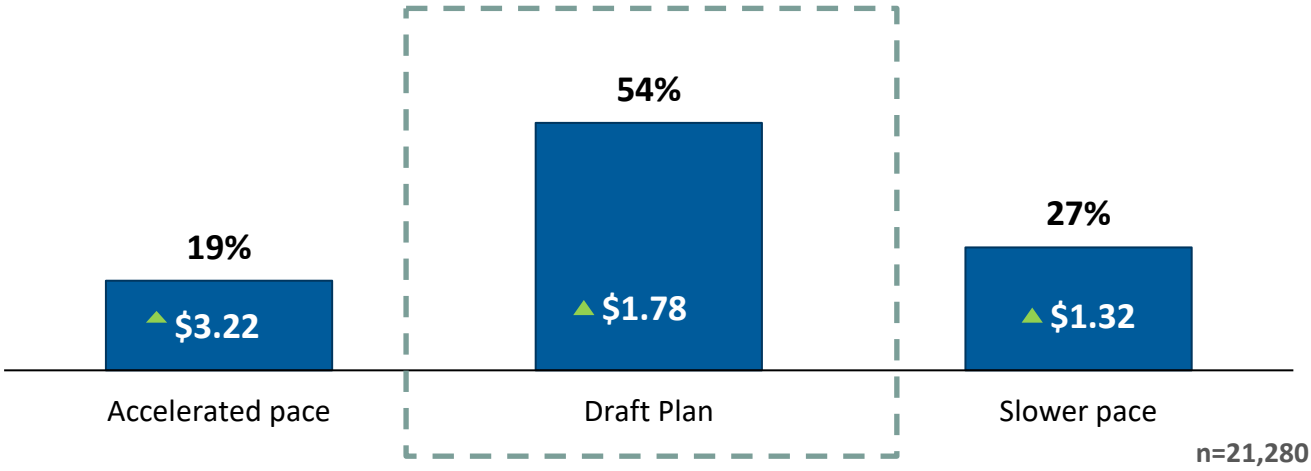
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Representative Workbook

Planning process: Metering Renewal

Residential

Q Which of the following investment plans would you most be comfortable with?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Accelerated pace	20%	16%	18%	19%	20%	18%	16%	22%
Draft plan	54%	56%	54%	53%	54%	42%	56%	58%
Slower pace	26%	28%	28%	28%	26%	40%	28%	20%

Representative Workbook

Planning process: Metering Renewal

Residential

Q Which of the following investment plans would you most be comfortable with?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerated pace	**19%**	18%	19%	19%	21%
Draft plan	**54%**	54%	54%	55%	52%
Slower pace	**27%**	28%	26%	26%	27%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerated pace	**19%**	21%	19%	21%	14%
Draft plan	**54%**	50%	57%	55%	52%
Slower pace	**27%**	29%	24%	23%	34%

Representative Workbook

Planning process: Metering Renewal

Residential

Q Do you have additional feedback on Hydro Ottawa's draft metering renewal plan?

Response	%
Equipment replacement/renewal	2.3%
General approval	1.4%
General disapproval - costs	0.7%
Prioritzation of reliable infrastructure/modernization	0.5%
Higher consumers should pay higher costs	0.3%
Cost of living concerns/affordability	0.2%
Operational efficencies- corporate/management salaries	0.2%
Do not charge customers- take from profits	0.2%
Criticism of survey bias	0.2%
System improvements (ie underground grid)	0.2%
Climate change concerns	0.1%
Electric Vehicle concerns	0.1%
Support for a 'somewhere in between' approach	0.1%
Other	1.0%
None / Don't know	0.9%
No response	91.7%

n=21,280

Representative Workbook

Planning process: Metering Renewal

Residential

Q Do you have additional feedback on Hydro Ottawa's draft metering renewal plan?

Sample Verbatims
Equipment replacement/renewal
"Get the obsolete equipment out and replaced with functional equipment. This will help with many not being overcharged for Hydro and more work on your end to fix the issues."
General approval
"I wholeheartedly support a proactive approach! Again, the difference between the Accelerated rate impact and the Draft Plan rate impact is negligible."
General disapproval - costs
"These risks included with 'slower pace' don't seem to be very important to me."

Customer Engagement Survey

Planning process: Grid Modernization

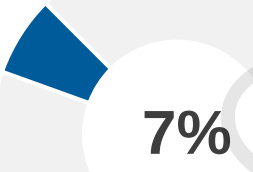
Residential

Grid Modernization

Investing in new assets and technology

What is this section about?

Focus on investments in response to decarbonization and changing customer expectations.



This spending category makes up **7%** of the **draft investment plan.** In terms of bill impact, this category (and any associated operating costs) represents an estimated **$1.37** of the proposed $17.76 increase is distribution rates by 2030.

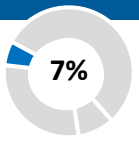
WORKBOOK PAGE

Customer Engagement Survey

Planning process: Grid Modernization

Residential

Making Choices (3 of 5): **Grid Modernization**



Overview

Hydro Ottawa's grid modernization strategy is a comprehensive plan to address evolving challenges in the utility sector. Developed in response to aging infrastructure, decarbonization, and changing customer expectations, the strategy aims to enhance grid reliability, flexibility, resilience, and customer engagement while promoting sustainability.

Hydro Ottawa's grid modernization plan has five key objectives:

- **Enhanced Reliability**: Improving the grid's reliability through advanced monitoring, proactive failure detection, fast fault detection, automated power quality control, automated system restoration, and reduced outage times.
- **Adaptive Grid Flexibility**: Enabling the grid to adapt to the changing energy demand and incorporate different energy generation sources.
- **Fortified Resilience & Robust Security**: Improving the grid's ability to withstand service disruptions due to system faults or climate events and safeguarding the grid's assets against cyber threats.
- **Strengthened Customer Engagement & Empowerment**: Engaging and empowering customers through real-time data, efficient billing, and tools to manage their energy use.
- **Sustainable Decarbonization & Renewable Integration**: Enabling carbon emissions reduction by optimizing planning and operations to support the integration of renewable energy sources into the grid and promote sustainability.

Impact on customers

Hydro Ottawa needs to determine what level of investment should be made in grid modernization, specifically through investments in software upkeep required to operate the grid, replacement and upgrade of protection and control relay equipment, addition of smart devices that provide remote visibility into Hydro Ottawa's grid, and expansion of Hydro Ottawa's communication infrastructure.

- **Reliability considerations**: If grid modernization is not pursued, Hydro Ottawa's ability to improve reliability will decrease, as grid modernization facilitates the necessary tools to increase and continually improve upon grid uptime.
- **Cost considerations**: If Hydro Ottawa defers investments in grid modernization, the short-term costs for customers are lower; however, as technology and electrification become more prevalent, Hydro Ottawa's ability to rapidly respond to outages, as well as Hydro Ottawa's ability to integrate distributed energy resources (e.g. solar panels and battery storage) in a market that is steering towards the prosumer (i.e. customers that both produce and consume electricity and can send their stored or generated electricity back to the grid) would be limited.

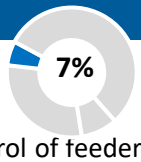
In its draft plan, Hydro Ottawa is proposing a balanced approach to grid modernization, ensuring reliability, flexibility, security, customer empowerment and integration of distributed energy resources.

WORKBOOK PAGE

Customer Engagement Survey

Planning process: Grid Modernization

Residential



Making Choices (3 of 5): **Grid Modernization**

By 2030, Hydro Ottawa's draft plan to invest in real-time visibility and remote control of feeders. This would cost the typical residential customer **$1.37** more per month on their monthly electricity bill.

Choice 3 of 5:

Which of the following investment plans would you most be comfortable with?

Option	What is included	Expected Outcome
Accelerated Pace  ***Rate Impact*** *$1.62 more per month by 2030*	Invest more in functionality, optical transport network, wireless solutions, and grid visibility.	• Significant investment in visibility and remote control of feeders, self-healing grid pilots, and centralized wireless management to enhance efficiency, reduce outages, and improve cybersecurity.
Draft Plan  ***Rate Impact*** *$1.37 more per month by 2030*	Invest in core functionality, optical transport network, wireless solutions and grid visibility.	• Targeted investments in real-time visibility and remote control of feeders to improve situational awareness and reduce outage duration. • Continued upkeep of the Advanced Distribution Management System (ADMS) that allows Hydro Ottawa to identify problems with the grid and re-route electricity to isolate faults and restore power.
Slower Pace  ***Rate Impact*** *$1.12 more per month by 2030*	Invest less in functionality, optical transport network, wireless solutions, and grid visibility.	• Limited investments in real-time visibility and remote control of feeders. • The reduced spend will limit the expansion of the optical transport network for critical network diversity. This would not allow for a reduction to outage duration.

WORKBOOK PAGE

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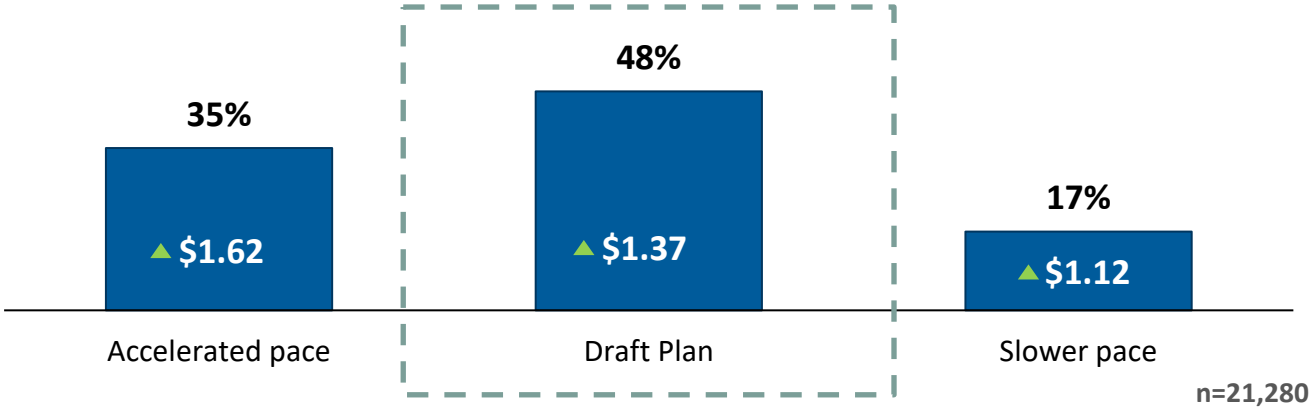
Confirm

Representative Workbook

Planning process: Grid Modernization

Residential

Q Which of the following investment plans would you most be comfortable with?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Accelerated pace	34%	31%	35%	35%	37%	25%	28%	45%
Draft plan	48%	51%	48%	47%	47%	41%	54%	46%
Slower pace	17%	18%	17%	18%	16%	33%	18%	9%

Representative Workbook

Planning process: Grid Modernization

Residential

Q Which of the following investment plans would you most be comfortable with?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerated pace	**35%**	32%	35%	36%	38%
Draft plan	**48%**	48%	49%	48%	46%
Slower pace	**17%**	20%	16%	16%	16%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerated pace	**35%**	29%	32%	41%	28%
Draft plan	**48%**	48%	51%	46%	49%
Slower pace	**17%**	23%	17%	13%	23%

Representative Workbook

Planning process: Grid Modernization

Residential

Q Do you have additional feedback on Hydro Ottawa's draft grid modernization plan?

Response	%
Prioritization of reliable infrastructure/modernization	1.7%
General approval	1.6%
Climate change concerns	0.5%
General disapproval - costs	0.4%
System improvements (ie underground grid)	0.3%
Cost of living concerns/affordability	0.2%
Criticism of survey bias	0.2%
Equipment replacement/renewal	0.2%
Operational efficencies- corporate/management salaries	0.1%
Do not charge customers- take from profits	0.1%
Electric Vehicle concerns	0.1%
Governement/beauracratic criticism	0.1%
Higher consumers should pay higher costs	0.1%
Consumer education	0.1%
Other	0.6%
None / Don't know	0.8%
No response	92.9%

n=21,280

Representative Workbook

Planning process: Grid Modernization

Residential

Q Do you have additional feedback on Hydro Ottawa's draft grid modernization plan?

Sample Verbatims
Prioritization of reliable infrastructure/modernization
"Grid modernization should be #1 priority, we need to adapt to changing times and accommodate for more electric vehicles on the grid. Also, the climate change with more extreme weather will mean hotter summers and colder winters, we need the grid to support more people working from home and having the air conditioning on in the summer and the furnace on more in the winter."
General approval
"The future is coming faster than we have anticipated and accepted. An additional 3% won't make a huge difference, but I think it is manageable."
Climate change concerns
"I've suffered too many prolonged energy black outs and only expect them to become more frequent given climate change risks, short-term thinking and chronic under-investment in public infrastructure."

Customer Engagement Survey

Planning process: Growth and Electrification

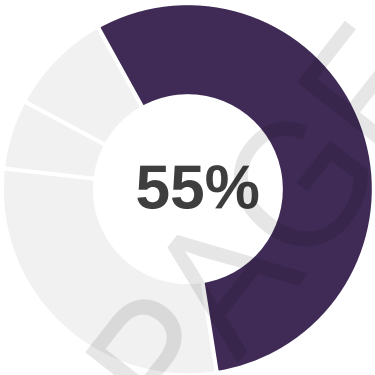
Residential

Growth and Electrification

Investing in the grid to meet growing demand for electricity

What is this section about?

This section focuses on investments in capacity to power the growing community and serve customers' growing and changing needs for electricity.



BOOK PAGE

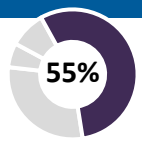
This spending category makes up **55%** of the **draft investment plan**. In terms of bill impact, this category (and any associated operating costs) represents an estimated **$4.60** of the proposed $17.76 increase is distribution rates by 2030.



Customer Engagement Survey

Planning process: Growth and Electrification

Residential



Making Choices (4 of 5): **Preparing for Electrification**

Overview

Hydro Ottawa is proactively preparing for the future by strategically planning infrastructure investments to support the anticipated growth in electricity demand. Electrification, the transition from fossil fuels to electricity, is driving significant changes in energy consumption patterns, creating both opportunities and challenges for the electricity distribution system.

The surge in electrification is fueling an unprecedented increase in demand, stemming from new customer connections and a rising demand from existing customers who are adopting technologies like electric vehicles, heat pumps, and switching to electricity for commercial purposes.

To ensure a reliable and resilient system that can meet the evolving needs of the community, Hydro Ottawa is employing a multifaceted approach to address the challenges of this growth:

- **Expanding Infrastructure:** New substations, increased operating voltages, and new lines will be added to enhance the capacity and flexibility of the distribution system.
- **Embracing Innovation:** This will include battery energy storage systems which will be integrated to better manage peak demand and support the increasing reliance on renewable energy sources.
- **Empowering Customers**: Innovative customer programs will be developed. These programs promote efficient electricity usage and encourage participation in demand-side management initiatives. These solutions go beyond traditional infrastructure by offering customer incentives in targeted areas of growth to provide additional electricity capacity, reduce peak demand, improve grid flexibility, and reduce costs for customers. They can also be implemented and scaled up or down faster than building traditional infrastructure.

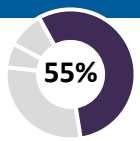
These measures will not only ensure that Hydro Ottawa's distribution system can accommodate the growing demand but will also contribute to a cleaner and more sustainable energy future for the community it serves.

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Customer Engagement Survey

Planning process: Growth and Electrification

Residential

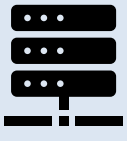


Impact on customers

Failure to invest in necessary infrastructure upgrades will have a cascading effect, hindering Hydro Ottawa's ability to meet the demands of a rapidly changing energy landscape.

- **Reliability and Outages:** An overloaded and outdated system will buckle under the pressure of increased demand, leading to frequent and widespread power outages, disrupting daily life, businesses, and essential services.
- **Economic Impacts:** Constraints on new connections and unreliable power will stifle economic growth and development, discouraging businesses and industries from investing in the region, ultimately affecting job creation and prosperity.
- **Environmental Consequences**: An inability to support electrification efforts will hinder the transition away from fossil fuels, resulting in increased greenhouse gas emissions and missed opportunities to embrace renewable energy sources.
- **Customer Dissatisfaction**: Frequent outages, limited access to new energy technologies and incentive programs, and potentially higher electricity costs will lead to frustration and a negative perception of Hydro Ottawa's service.

What's driving the energy transition? Public policy; technology; economic factors; and evolving expectations from customers. All these factors are happening against the backdrop of the need to address climate change and prepare to adapt to its effects.



How much more electricity is required? A Chat GPT search on Google consumes 10 times more energy than a traditional search. Today, some of the largest data centres have the same power footprint as running 7 million laptops.



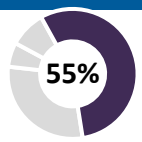
How much electricity does it take to charge an Electric Vehicle (EV)? Did you know that when an EV is charging it can use as much electricity as two average homes? If everyone in a neighbourhood came home from work or school and started charging their EVs at the same time, the electricity demand could overload the grid.

WORKBOOK PAGE

Customer Engagement Survey

Planning process: Growth and Electrification

Residential



Making Choices (4 of 5): **Preparing for Electrification**

By 2030, Hydro Ottawa's draft plan to invest in system capacity to prepare for electrification would cost the typical residential customer **$4.60** more per month on their monthly electricity bill.

Choice 4 of 5:

Which of the following investment plans would you most be comfortable with?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$6.94 more per month by 2030*	• Increased annual capacity investment to meet future electrification load growth by 2035.	• System capacity is **increased** to meet all growth related to electrification needs by 2035, eliminating reliability risk during system peak days.
Draft Plan ***Rate Impact*** *$4.60 more per month by 2030*	• Slow capacity investments to only critical needs by 2030 with some investments deferred to the next rate period	• System capacity will **maintain** pace with growth in the community, or slightly lagging. Limited impact timing and ability to connect customers. Includes non-wire solutions to support station peaks in high growth regions. • Will result in modest increased reliability risk in specific growth areas - risk of added outage duration or inability to restore some customers, if failures occur on peak loading days.
Slower Pace ***Rate Impact*** *$2.26 more per month by 2030*	• Slow capacity investments to only meet critical needs.	• System capacity will be **slightly lagging** to meet electrification needs by 2035. There might be some impact on the ability to connect customers in certain regions. • Will result in larger increased reliability risk in specific growth areas - risk of added outage duration or inability to restore some customers, if failures occur on peak loading days.

WORKBOOK PAGE

Confirm selection above to continue.

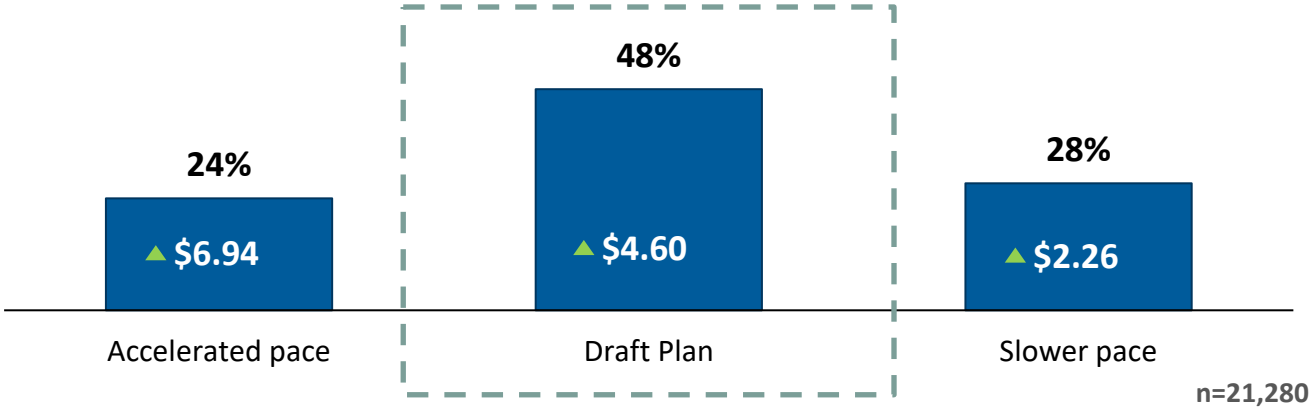
Confirm

Representative Workbook

Planning process: Growth and Electrification

Residential

Q Which of the following investment plans would you most be comfortable with?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Accelerated pace	24%	19%	23%	23%	26%	17%	17%	32%
Draft plan	48%	50%	49%	48%	47%	37%	52%	50%
Slower pace	27%	31%	28%	29%	26%	46%	31%	17%

Representative Workbook

Planning process: Growth and Electrification

Residential

Q Which of the following investment plans would you most be comfortable with?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerated pace	**24%**	21%	24%	25%	27%
Draft plan	**48%**	48%	49%	48%	47%
Slower pace	**28%**	31%	27%	27%	26%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerated pace	**24%**	20%	22%	29%	19%
Draft plan	**48%**	45%	50%	49%	46%
Slower pace	**28%**	34%	28%	22%	35%

Representative Workbook

Planning process: Growth and Electrification

Residential

Q Do you have additional feedback on Hydro Ottawa's draft electrification plan?

Response	%
Electric Vehicle concerns	2.7%
General approval	1.2%
Higher consumers should pay higher costs	1.1%
Prioritization of reliable infrastructure/modernization	0.7%
Climate change concerns	0.6%
General disapproval - costs	0.4%
System improvements (i.e. underground grid)	0.3%
Government/beauracratic criticism	0.3%
Cost of living concerns/affordability	0.3%
Criticism of survey bias	0.2%
Consumer education	0.1%
Do not charge customers- take from profits	0.1%
Support for a 'somewhere in between' approach	0.1%
Operational efficencies- corporate/management salaries	0.1%
Equipment replacement/renewal	0.1%
Conflicted (uncertain in response)	0.1%
Other	0.7%
None/Don't know	0.7%
No response	90.3%

n=21,280

Representative Workbook

Planning process: Growth and Electrification

Residential

Q Do you have additional feedback on Hydro Ottawa's draft electrification plan?

Sample Verbatims
Electric Vehicle concerns
"My feeling is that EV vehicles will eventually overwhelm the currently installed system. So increasing the capacity to be able to accommodate newly purchased EVs should be taken into account. I fear that not doing so could either potentially cause overloading; or at least preventing further adoption of EVs."
General approval
" I think we need to do this or we'll regret it. It's expensive, but if some of us install solar panels we can reduce our monthly costs that way and help out with the grid."
Higher consumers should pay higher costs
"People installing electric vehicle charging stations should pay a fee that off-sets costs."
Prioritization of reliable infrastructure/modernization
"Given the importance of decarbonizing, it is absolutely essential that the utility ensure that it is more than ready to handle the increased demand. Otherwise, that will reduce confidence in the system and will give people an excuse to hold back."

Customer Engagement Survey

Planning process: Grid Resilience

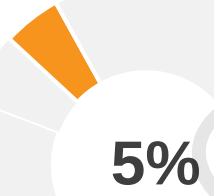
Residential

Grid Resilience

Investments to make the grid more resilient against external factors

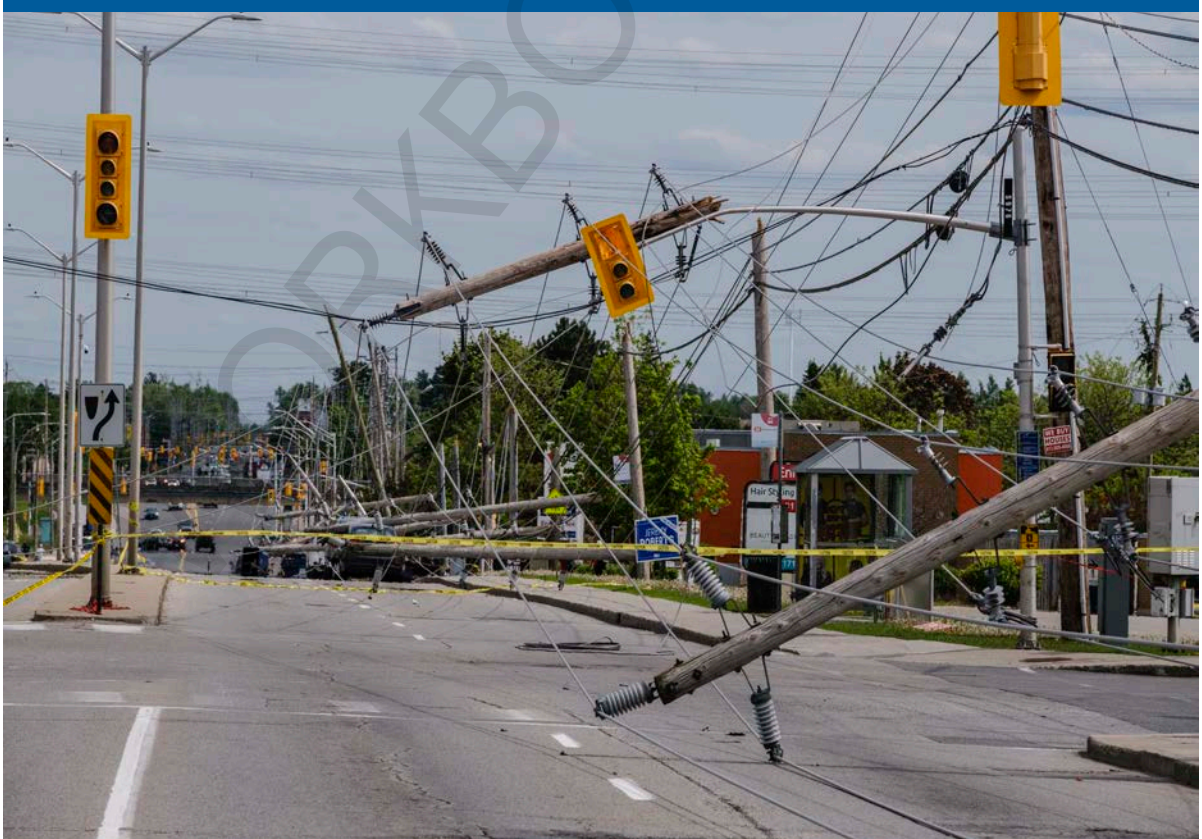
What is this section about?

This section focuses on investments in technology to get more use out of existing equipment. This section includes burying lines, hardening the grid, tree trimming, improving emergency planning and response.



WORKBOOK PAGE

This spending category makes up **5%** of the **draft investment plan.** In terms of bill impact, this category (and any associated operating costs) represents an estimated **$1.22** of the proposed $17.76 increase is distribution rates by 2030.



Customer Engagement Survey

Planning process: Grid Resilience

Residential

Making Choices (5 of 5): **Grid Resilience**

5%

Overview

Distribution system resilience refers to the ability of Hydro Ottawa's distribution network to withstand, adapt to, and recover from disruptions. These disruptions can stem from various sources, including severe weather events, natural disasters, equipment failures, cyberattacks, or unexpected surges in demand.

Resilience goes beyond simply preventing outages; it encompasses the ability to:

1. **Anticipate and mitigate risks**: Proactively identify and address vulnerabilities in the system to reduce the likelihood and impact of disruptions.
2. **Withstand disruptions**: Maintain critical functions and minimize the extent of outages during an event.
3. **Recover quickly**: Restore power and normal operations as rapidly as possible after a disruption.
4. **Adapt and learn**: Improve the system based on lessons learned from past events to enhance future resilience.

In recent years, Hydro Ottawa has experienced a series of severe weather events that have impacted its distribution system, notably the devastating Derecho storm of 2022. The Ottawa region has seen an increase in the frequency of severe weather events, including tornados, lightning storms, ice storms and heavy snowfalls. These frequent and intense weather events have posed ongoing challenges for Hydro Ottawa in maintaining a reliable power supply, highlighting the need for continued investment in grid resilience to withstand the growing impact of climate change.

Impact on customers

Hydro Ottawa needs to determine what level of investment should be made in burying lines, hardening its infrastructure, proactively removing or trimming trees and improving emergency planning and response between 2026 and 2030. If Hydro Ottawa does not invest sufficiently in grid resilience in the face of increasing severe weather events, the consequences could be severe:

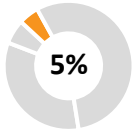
- **More frequent and longer outages**: Existing infrastructure may not be able to withstand the increased stress from intensified storms, leading to more widespread and prolonged power outages.
- **Increased costs for repairs and restoration**: Each storm that causes damage to the grid requires significant resources for repairs and restoration, placing a financial burden on the utility and potentially leading to higher rates for customers.
- **Economic disruption**: Power outages can disrupt businesses, schools, and other essential services, impacting productivity and economic activity in the region.
- **Public safety concerns**: Power outages can create safety risks, particularly for vulnerable populations who rely on electricity for medical devices or other critical needs.
- **Damage to public confidence**: Frequent outages can erode public trust in Hydro Ottawa and its ability to provide reliable service.

WORKBOOK PAGE

Customer Engagement Survey

Planning process: Grid Resilience

Residential



Making Choices (5 of 5): **Grid Resilience**

By 2030, Hydro Ottawa's draft plan to bury lines, harden infrastructure, proactively remove or trim trees and improve emergency planning and response between 2026 and 2030. This would cost the typical residential customer **$1.22** more per month on their monthly electricity bill.

Choice 5 of 5:

How much do you think Hydro Ottawa should invest in Grid Resilience?

Option	What is included	Expected Outcome
Accelerated Pace  ***Rate Impact*** *$1.36 more per month by 2030*	• Increased undergrounding. • Increased vegetation management. • Additional feeder connectivity/ties above and beyond recommended program.	• Same as draft plan, however, to a greater extent • Fewer customers impacted by severe storms • Quicker restoration efforts • Greater flexibility in response to outages • Quicker recovery and system stabilization post-storms
Draft Plan  ***Rate Impact*** *$1.22 more per month by 2030*	• Some proactive undergrounding of overhead lines	• Less customers impacted by severe storms. • Quicker restoration efforts. • Greater flexibility in response to outages. • Quicker recovery and system stabilization post storms.
Slower Pace  ***Rate Impact*** *$0.98 more per month by 2030*	• No proactive undergrounding of overhead lines. • Vegetation management in line with 2021-2025. • Limited feeder ties to base planning requirements.	• No significant change to the present state of impacts of major storms, or to restoration efforts and system recovery. • Risk of increased reactive spending, as the system is not preemptively "hardened". • Increased spending on emergency and storm response.

WORKBOOK PAGE

Confirm selection above to continue.

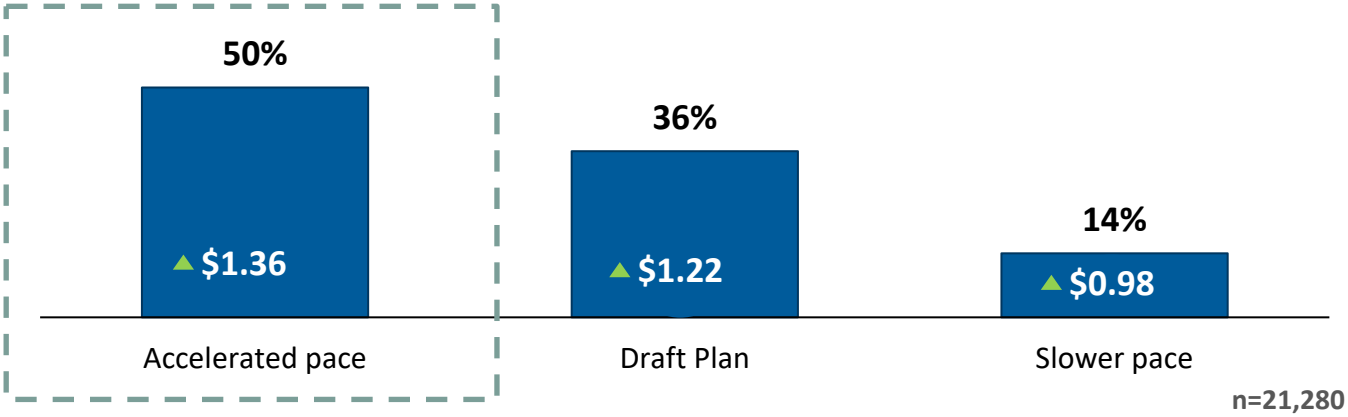
Confirm

Representative Workbook

Planning process: Grid Resilience

Residential

Q Which of the following investment plans would you most be comfortable with?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Accelerated pace	48%	48%	50%	49%	51%	35%	42%	62%
Draft plan	37%	37%	35%	37%	35%	37%	43%	31%
Slower pace	14%	15%	14%	15%	13%	28%	15%	7%

Representative Workbook

Planning process: Grid Resilience

Residential

Q Which of the following investment plans would you most be comfortable with?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerated pace	**50%**	44%	50%	53%	53%
Draft plan	**36%**	39%	37%	34%	34%
Slower pace	**14%**	17%	13%	13%	13%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerated pace	**50%**	40%	47%	57%	43%
Draft plan	**36%**	40%	40%	33%	39%
Slower pace	**14%**	20%	14%	10%	18%

Representative Workbook

Planning process: Grid Resilience

Residential

Q Do you have additional feedback on Hydro Ottawa's draft grid resilience plan?

Response	%
Prioritization of reliable infrastructure/modernization	2.0%
System improvements (i.e underground grid)	1.8%
General approval	1.5%
Climate change concerns	0.6%
General disapproval - costs	0.2%
Cost of living concerns/affordability	0.1%
Criticism of survey bias	0.1%
Equipment replacement/renewal	0.1%
Operational efficencies- corporate/management salaries	0.1%
Governement/beauracratic criticism	0.1%
Do not charge customers- take from profits	0.1%
Other	0.4%
None / Don't know	0.7%
No response	92.1%

n=21,280

Representative Workbook

Planning process: Grid Resilience

Residential

Q Do you have additional feedback on Hydro Ottawa's draft grid resilience plan?

Sample Verbatims
Prioritization of reliable infrastructure/modernization
"Serious changes in weather patterns have already demonstrated that grid resilience should be a high priority."
System improvements (i.e. underground grid)
"Incorporate off-grid and net metering solutions; what is the viability of hydro Ottawa reducing electrical bills in exchange for residential hosting/leasing roof solar or other renewable?"
General approval
"I would pay more than $1.36 per month to ensure that my service is rarely affected or short term. The cost of having no power to customers is not measurable so easily.. If your infrastructure is solid you will have less interruptions."
Climate change concerns
"Climate change is real, and we must adapt as quickly as possible - therefore the accelerated option is a MUST."

Customer Engagement Survey

Dynamic bill calculator

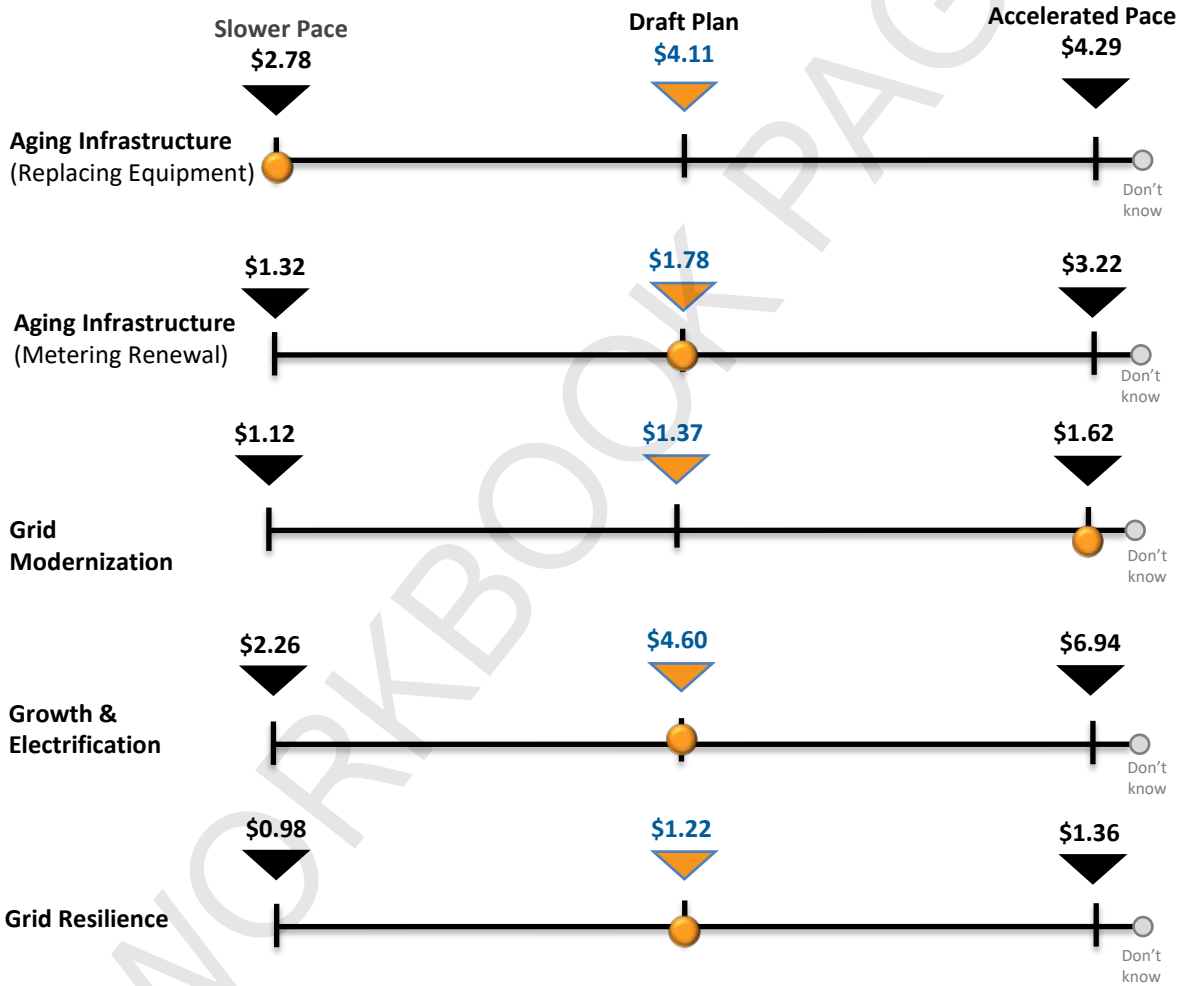
Residential

Key Choices Calculator: Dollars and Cents

Throughout this survey, you have been asked about **5 key choices** that could impact your rates. Below is a summary of your answers to the questions that could impact your rates.

At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You will have the opportunity to continue adjusting your answers until you feel you've reached the best balance for you.



The total impact of your choices would result in an estimated distribution charge of $XX.XX ($47.65 to $56.62) by 2030.

For the typical residential customer, this translates to an increase over 2025's monthly distribution rates by **xx% (38% to 64%)** or **$XX.XX ($13.14 to $22.11)**

Click the submit button after you have finalized your choices above.

Submit

WORKBOOK PAGE

Representative Workbook

Planning Process: Key Investment Areas Overview

Residential

After reviewing the workbook and selecting their answers, respondents were given the opportunity to adjust their choices and observe the impact of those choices on a typical small business customers overall bill, displayed as both a percentage and dollar increase over a 5-year period.

While the workbook pages for the initial option selection did not include a 'Don't know' option, this choice was available on the calculator page. The results are as follows:

Residential

5 Key Choices	Accelerated	Draft Plan	Slower	Don't know
Replacing Aging Infrastructure	41%	35%	18%	6%
Metering Renewal	19%	50%	25%	6%
Grid Modernization	35%	44%	15%	6%
Growth & Electrification	23%	45%	26%	6%
Grid Resilience	48%	33%	12%	6%

Representative Workbook

Social Permission

Residential

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

	Year	Avg. Monthly Bill*	Non-Distribution Component	Distribution Component (Hydro Ottawa's portion)	Hydro Ottawa's Portion: Annual Increase to Monthly Bill (%)	Hydro Ottawa's Portion: Annual Increase to Monthly Bill ($)
CURRENT	2024	$132.49	$98.30	$34.19	n/a	n/a
BUDGTED	2025	$132.06	$97.55	$34.51	1%	$0.32
Rate Period	2026	$140.99	$100.41	$40.58	18%	$6.07
	2027	$147.10	$102.28	$44.82	10%	$4.24
	2028	$152.21	$104.25	$47.96	7%	$3.14
	2029	$156.15	$106.31	$49.84	4%	$1.88
	2030	$160.75	$108.48	$52.27	5%	$2.43
	5-yr impact			$17.76	51%	$17.76

Note:

- *Average monthly bill includes taxes and the Ontario Electricity Rate.*
- *These estimated rate increases are preliminary and are subject to change based on customer feedback, regulatory approval and other factors. A typical residential customer is assumed to use 750 kWh per month and enrolled under Time-of-use Regulated Price Plan.*
- *Bill projections assume a general inflation increase of 2.1% for other aspects of the electricity bill that are outside of Hydro Ottawa's control (commodity, transmission, government, regulatory fees).*

Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $17.76 increase in the distribution portion of the typical residential customer's monthly electricity bill by 2030, which of the following best represents your point of view?

- ☐ I think Hydro Ottawa should accelerate spending beyond its proposed draft plan to deliver better system outcomes
- ☐ I support the proposed bill increase when it comes to preparing Hydro Ottawa's grid for the future
- ☐ I don't like the proposed bill increase, but I think it's necessary to maintain the grid to a reasonable standard and prepare for the future
- ☐ I oppose the bill increase and think Hydro Ottawa needs to scale back its plan
- ☐ I don't know

Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

(Response Optional)

WORKBOOK PAGE

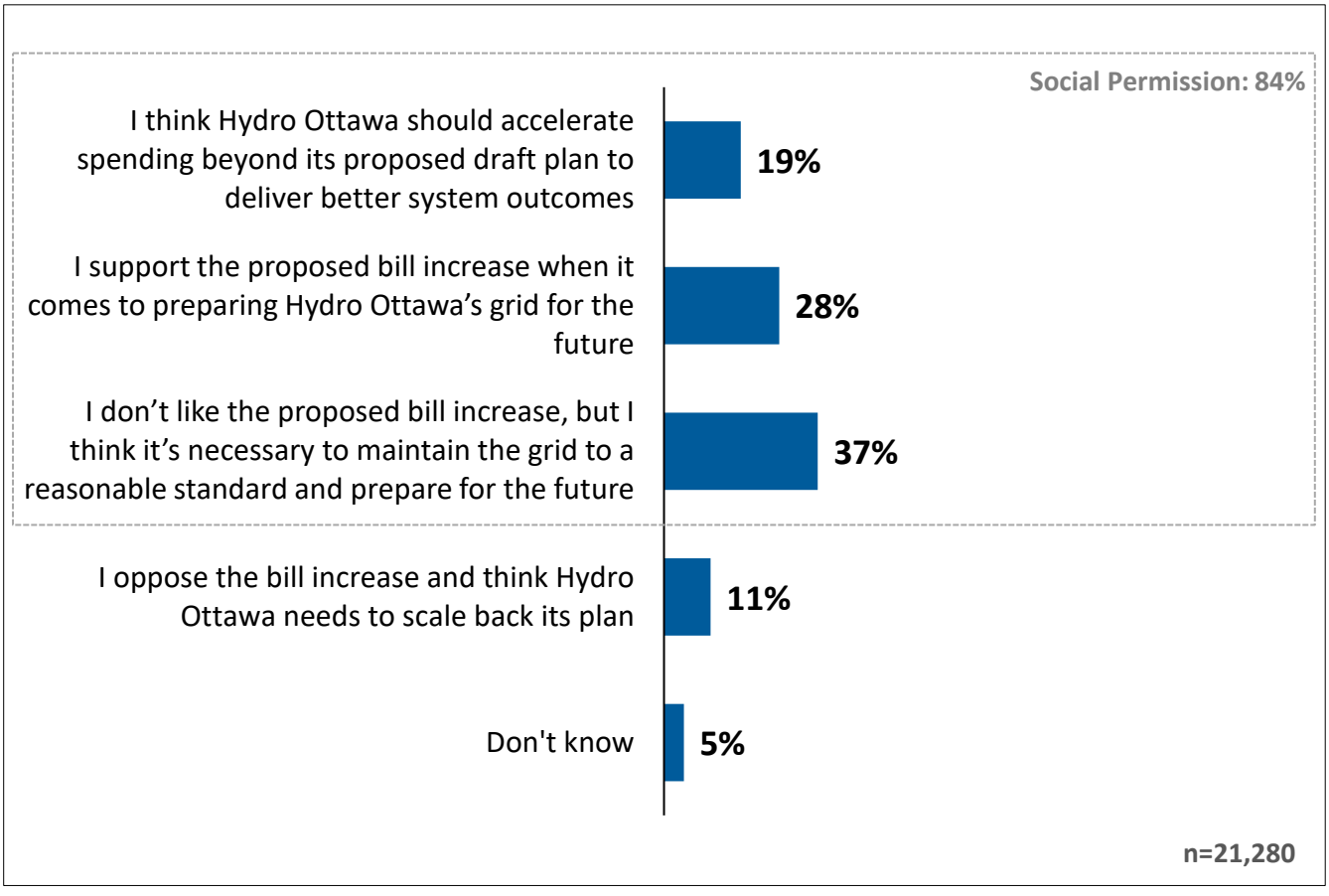
Representative Workbook

Social Permission

Residential

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $17.76 increase in the distribution portion of the typical residential customer's monthly electricity bill by 2030, which of the following best represents your point of view?



Representative Workbook

Social Permission

Residential

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $17.76 increase in the distribution portion of the typical residential customer's monthly electricity bill by 2030, which of the following best represents your point of view?

Region

	Overall	Gloucester	Goulbourn/ Casselman	Kanata	Nepean	Ottawa
Accelerate spending	**19%**	18%	16%	19%	17%	20%
Support proposed bill	**28%**	28%	30%	28%	28%	28%
Necessary to maintain grid	**37%**	38%	37%	38%	38%	37%
Oppose the bill increase	**11%**	11%	13%	12%	12%	11%
Don't know	**5%**	5%	4%	4%	5%	5%
Social Permission	**84%**	**85%**	**83%**	**84%**	**83%**	**84%**

Bill Impact on Finances

	Overall	Significant Impact	Impact	No Impact
Accelerate spending	**19%**	14%	10%	27%
Support proposed bill	**28%**	16%	28%	33%
Necessary to maintain grid	**37%**	37%	46%	32%
Oppose the bill increase	**11%**	26%	11%	5%
Don't know	**5%**	8%	4%	2%
Social Permission	**84%**	**67%**	**84%**	**92%**

Representative Workbook

Social Permission

Residential

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $17.76 increase in the distribution portion of the typical residential customer's monthly electricity bill by 2030, which of the following best represents your point of view?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerate spending	**19%**	15%	18%	19%	23%
Support proposed bill	**28%**	26%	29%	29%	27%
Necessary to maintain grid	**37%**	40%	38%	37%	34%
Oppose the bill increase	**11%**	13%	11%	10%	11%
Don't know	**5%**	6%	5%	5%	4%
Social Permission	**84%**	**81%**	**85%**	**85%**	**85%**

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerate spending	**19%**	14%	15%	24%	13%
Support proposed bill	**28%**	23%	31%	31%	22%
Necessary to maintain grid	**37%**	41%	40%	34%	40%
Oppose the bill increase	**11%**	14%	11%	8%	17%
Don't know	**5%**	8%	4%	3%	8%
Social Permission	**84%**	**78%**	**85%**	**89%**	**75%**

Representative Workbook

Social permission

Residential

Q Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

Response	%
Support for the increase (general)	1.7%
Lower salaries, cut wasteful spending, find efficiencies	1.4%
Oppose increase- unaffordable/unrealistic	0.9%
Need more information/transparency	0.9%
Increases should be tailored to income level/usage	0.9%
Focus on improving infrastructure/increased reliability	0.8%
Dislike rate increase but understand the need/it's necessary	0.6%
Concern about climate change- prioritize solar/wind, EVs	0.6%
Companies/government should fund the investment cost	0.5%
Gradually increase to align with inflation/match with inflation	0.5%
General positive comment (not targeted to increase)	0.4%
Accelerate plan/support measures that go beyond those proposed	0.4%
Criticism of survey bias	0.3%
General negative comment (not targeted to increase)	0.3%
Provide education/assistance/incentives for energy conservation	0.2%
Support for increase if rates decrease once goals are reached	0.2%
Support different focus for allocation of funds	0.2%
Concern regarding EVs/heat pumps/electric technology	0.1%
Concern that costs will be higher than stated	0.1%
Support for in-home solutions/local generation	0.1%
Concern over delivery fees vs cost of electricity/billing issues	0.1%
Other	0.4%
None / Don't know	0.7%
No response	87.8%

n=21,280

Representative Workbook

Social permission

Residential

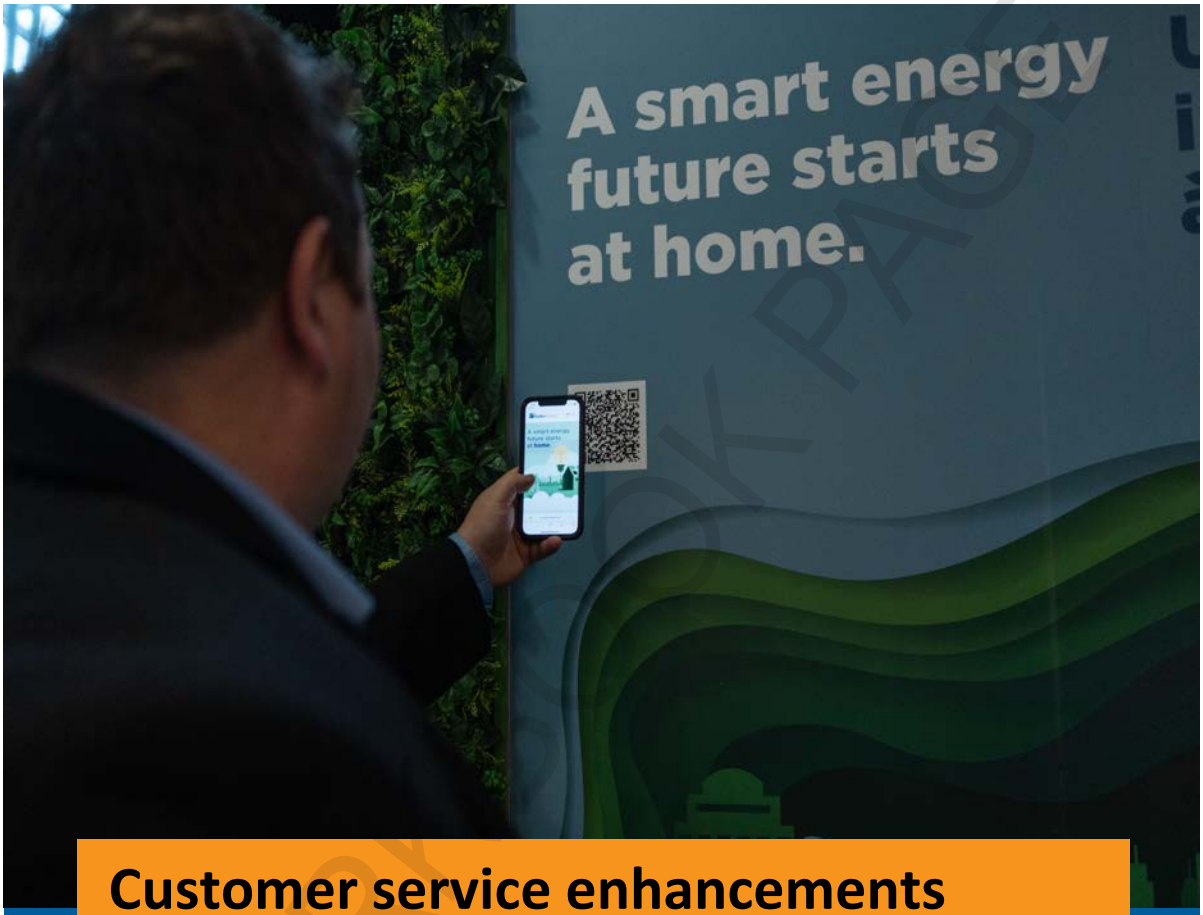
Q Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

Sample Verbatims
Support for the increase (general)
"Continue to meet infrastucture demand. The associated cost increases are unavoidable"
Lower salaries, cut wasteful spending, find efficiencies
"You need to work on the costs in this bill that come before it reaches Hydro Ottawa. The salaries paid executives are out of control and need reigning in. If they don't achieve objectives set, no bonuses."
Oppose increase- unaffordable/unrealistic
"An annual increase of 51% to a bill for most Canadians who are already struggling seems impossible."
Need more information/transparency
"I don't know how you calculated those increases and therefore I don't know if the numbers are legit or not."
Increases should be tailored to income level/usage
"This change may disproportionately impact families in lower socioeconomic groups whom are already feeling the impacts of inflation and a higher cost of living."

Customer Engagement Survey

Planning process: 2026-2030 rate application

Residential



Customer service enhancements

Planning for the future

WORKBOOK PAGE

INNOVATIVE RESEARCH GROUP

Customer Engagement Survey

Planning process: 2026-2030 rate application

Residential

Supporting our customers

Hydro Ottawa is dedicated to enhancing the overall customer experience. This means investing in digital technologies and other solutions to provide greater personalization, choice, convenience, and control over customers' energy services. Examples include enhancements to customer care and billing systems, customer relationship management (CRM), and digital customer engagement platforms.

Impact on customers

- Enhanced reliability, expanded functionality, and scalability lead to increased customer satisfaction.
- Advanced energy insights enable more touchpoints, programs, and offers, empowering customers to make informed decisions.
- Advanced self-serve options for customers to support and facilitate their energy transition and provide convenience and operational efficiency.
- Strengthened customer relationships and trust through reliable communication during major events.

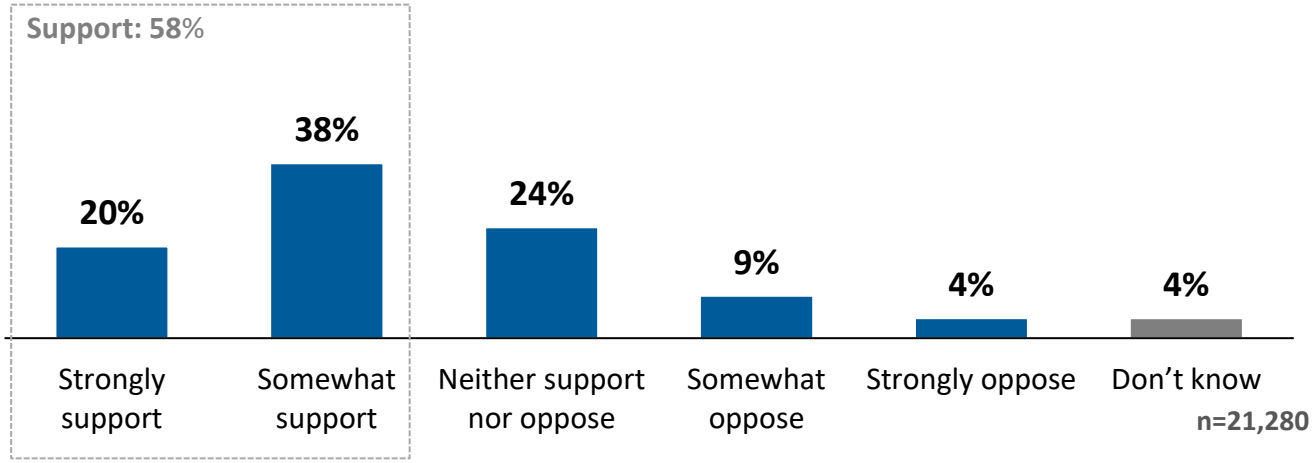
WORKBOOK PAGE

Representative Workbook

Customer programs and services

Residential

Q In the context of Hydro Ottawa's 2026-2030 rate application, do you support or oppose investments in enhanced customer programs and services?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Strongly support	21%	20%	20%	19%	20%	22%	14%	23%
Somewhat support	39%	37%	37%	39%	37%	27%	44%	40%
Neither support nor oppose	23%	24%	24%	23%	25%	22%	25%	24%
Somewhat oppose	9%	10%	10%	9%	9%	10%	10%	9%
Strongly oppose	4%	6%	4%	5%	4%	11%	3%	2%
Don't know	4%	3%	4%	4%	5%	7%	3%	3%
Support (Strongly + Somewhat)	**60%**	**57%**	**58%**	**58%**	**57%**	**50%**	**58%**	**63%**
Oppose (Strongly + Somewhat)	**14%**	**16%**	**15%**	**14%**	**13%**	**21%**	**13%**	**11%**

Representative Workbook

Customer programs and services

Residential

Q In the context of Hydro Ottawa's 2026-2030 rate application, do you support or oppose investments in enhanced customer programs and services?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Strongly support	**20%**	19%	19%	19%	22%
Somewhat support	**38%**	37%	39%	39%	37%
Neither support nor oppose	**24%**	25%	24%	24%	24%
Somewhat oppose	**9%**	10%	9%	9%	9%
Strongly oppose	**4%**	5%	4%	4%	5%
Don't know	**4%**	5%	5%	4%	4%
Support (Strongly + Somewhat)	**58%**	**56%**	**58%**	**58%**	**59%**
Oppose (Strongly + Somewhat)	**14%**	**14%**	**13%**	**14%**	**13%**

LEAP/OESP Qualification

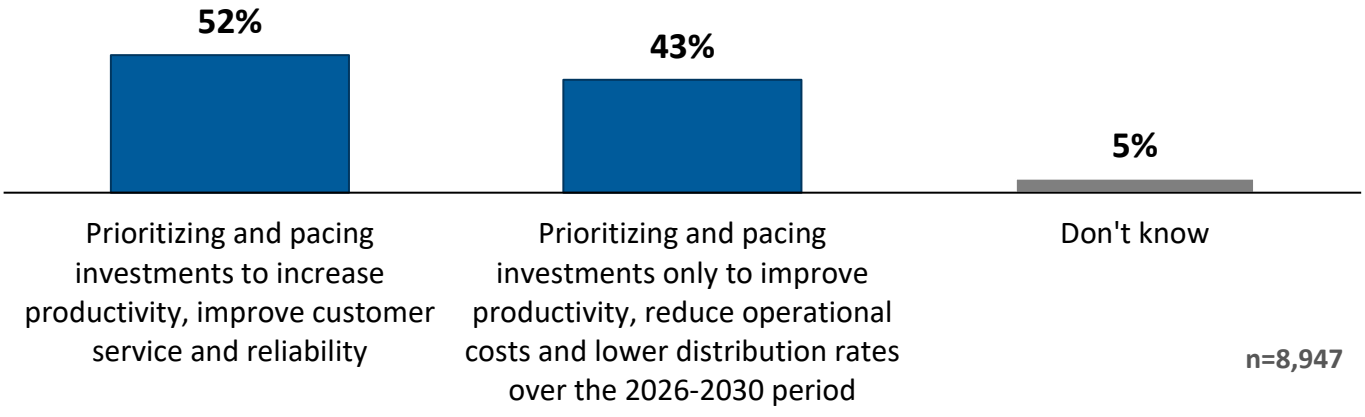
	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Strongly support	**20%**	22%	20%	22%	14%
Somewhat support	**38%**	36%	41%	40%	32%
Neither support nor oppose	**24%**	23%	23%	23%	29%
Somewhat oppose	**9%**	8%	9%	9%	11%
Strongly oppose	**4%**	4%	4%	4%	7%
Don't know	**4%**	6%	3%	3%	8%
Support (Strongly + Somewhat)	**58%**	**59%**	**60%**	**62%**	**46%**
Oppose (Strongly + Somewhat)	**14%**	**12%**	**13%**	**12%**	**18%**

Representative Workbook

Customer programs and services

Residential

Q Which of the following options do you prefer?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Prioritizing and pacing investments to increase productivity, improve customer service and reliability	54%	51%	52%	51%	52%	45%	43%	60%
Prioritizing and pacing investments only to improve productivity, reduce operational costs and lower distribution rates over the 2026-2030 period	41%	45%	43%	44%	42%	50%	52%	35%
Don't know	5%	4%	5%	5%	6%	5%	5%	5%

Note: Only asked those who 'Support'

Representative Workbook

Customer programs and services

Residential

Q Which of the following options do you prefer?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Prioritizing and pacing investments to increase productivity, improve customer service and reliability	**52%**	48%	51%	54%	54%
Prioritizing and pacing investments only to improve productivity, reduce operational costs and lower distribution rates over the 2026-2030 period	**43%**	46%	44%	40%	41%
Don't know	**5%**	6%	5%	6%	5%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Prioritizing and pacing investments to increase productivity, improve customer service and reliability	**52%**	46%	51%	55%	49%
Prioritizing and pacing investments only to improve productivity, reduce operational costs and lower distribution rates over the 2026-2030 period	**43%**	48%	44%	40%	44%
Don't know	**5%**	6%	5%	5%	7%

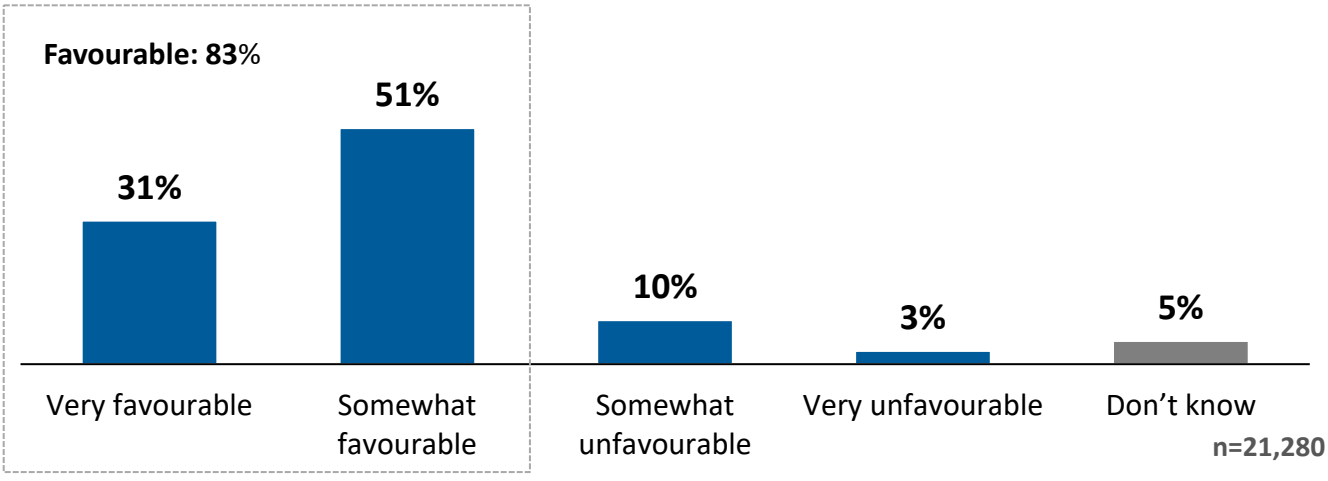
Note: Only asked those who 'Support'

Representative Workbook

Workbook Impression

Residential

Q Overall, what is your impression of the survey you just completed?



	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Very favourable	32%	30%	33%	30%	31%	31%	25%	37%
Somewhat favourable	51%	52%	50%	53%	51%	44%	58%	51%
Somewhat unfavourable	10%	10%	9%	9%	10%	12%	10%	8%
Very unfavourable	3%	3%	3%	2%	3%	6%	2%	2%
Don't know	5%	5%	5%	5%	5%	7%	5%	3%
Favourable (Very + Somewhat)	**83%**	**82%**	**83%**	**83%**	**82%**	**75%**	**83%**	**87%**
Unfavourable (Very + Somewhat)	**12%**	**13%**	**12%**	**11%**	**13%**	**18%**	**12%**	**10%**

Representative Workbook

Workbook Impression

Residential

Q Overall, what is your impression of the survey you just completed?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very favourable	**31%**	30%	31%	32%	31%
Somewhat favourable	**51%**	51%	53%	51%	50%
Somewhat unfavourable	**10%**	10%	9%	10%	10%
Very unfavourable	**3%**	3%	3%	3%	3%
Don't know	**5%**	5%	5%	5%	5%
Favourable (Very + Somewhat)	**83%**	**82%**	**83%**	**83%**	**82%**
Unfavourable (Very + Somewhat)	**12%**	**13%**	**12%**	**12%**	**13%**

LEAP/OESP Qualification

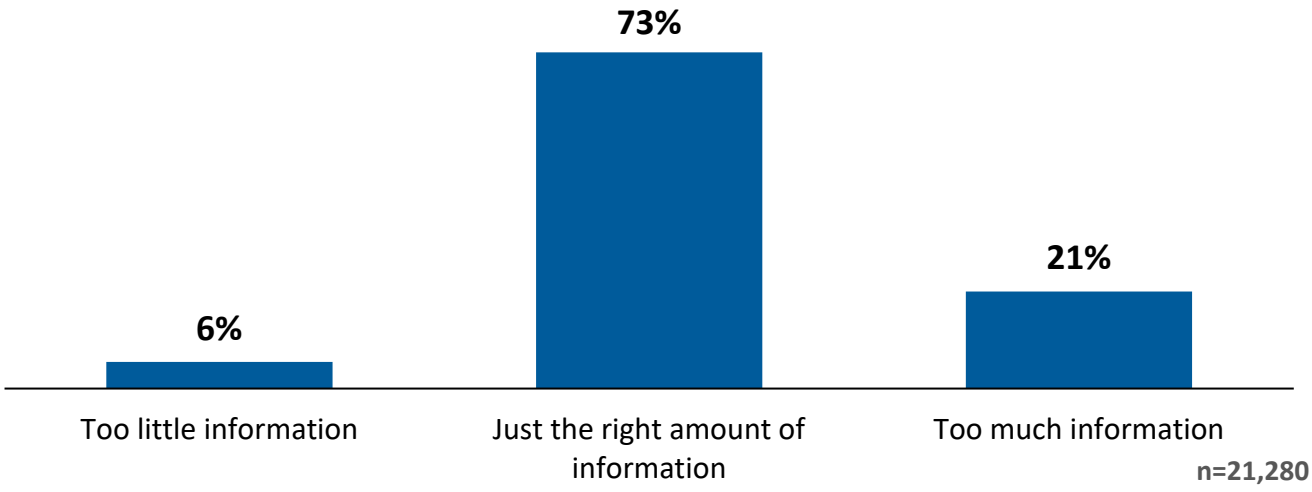
	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Very favourable	**31%**	34%	33%	34%	22%
Somewhat favourable	**51%**	50%	53%	52%	50%
Somewhat unfavourable	**10%**	9%	8%	9%	14%
Very unfavourable	**3%**	2%	2%	2%	5%
Don't know	**5%**	5%	4%	3%	10%
Favourable (Very + Somewhat)	**83%**	**84%**	**86%**	**86%**	**72%**
Unfavourable (Very + Somewhat)	**12%**	**11%**	**10%**	**11%**	**19%**

Representative Workbook

Workbook Impression

Residential

Q In this survey, do you feel that Hydro Ottawa provided too much information, not enough, or just the right amount?



n=21,280

	Region					Bill Impact on Finances		
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Significant Impact	Impact	No Impact
Too little information	6%	6%	6%	6%	6%	11%	5%	4%
Just the right amount of information	74%	76%	74%	74%	72%	68%	73%	76%
Too much information	21%	18%	20%	20%	23%	22%	22%	20%

Representative Workbook

Workbook Impression

Residential

Q In this survey, do you feel that Hydro Ottawa provided too much information, not enough, or just the right amount?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Too little information	**6%**	5%	6%	6%	6%
Just the right amount of information	**73%**	73%	73%	73%	74%
Too much information	**21%**	22%	21%	21%	20%

LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Too little information	**6%**	7%	5%	5%	8%
Just the right amount of information	**73%**	74%	77%	74%	68%
Too much information	**21%**	19%	19%	21%	24%

Representative Workbook

Workbook Impression

Residential

Q Was there any content missing that you would have liked to have seen included in this survey?

Response	%
Cost concerns	2.2%
Support for survey/general positive comment	1.8%
Request for solar/clean energy options regarding climate change	1.3%
Criticism of biased survey	0.9%
Need more information/not properly informed	0.9%
Criticism of an information overload/did not understand	0.7%
Coorporate salaries/spending	0.6%
Request for alternative presentation of info (ie: video, infographic)	0.5%
What public can do to help lower costs/consumption	0.4%
Comparison with other regions	0.4%
Buying or Owing Electric Vehicles	0.4%
Infrastructure	0.3%
Comments on system upgrades/disposal practices	0.3%
Concerns about extreme weather and related disaster costs	0.2%
Negative-General	0.2%
Questions regarding the role of government	0.2%
Initiatives/Rebates/incentives	0.2%
Seniors and People with Disabilities	0.1%
Other	0.5%
None / Don't know	2.5%
No response	85.3%

n=21,280

Representative Workbook

Workbook Impression

Residential

Q Was there any content missing that you would have liked to have seen included in this survey?

Sample Verbatims
Cost concerns
"The cost of living is increasing all around, I feel this survey was created in an attempt to soften the financial impact to consumers. All the while understanding that costs will rise, I think it is more important for corporations to absorb the majority of these costs, especially seeing as the "delivery charge" for my hydro seems to be the highest amount charged to me. So the infrastructure is in place, yet I pay for the delivery, this charge should be placed aside for improvements going forward."
Support for survey/general positive comment
"Good overview of critical issues, very informative! expandable sections providing further details for those interested could be helpful and appear more transparent. Understandable that infrastructure is in dire need of attention, but at times, the framing of the options/questions came across as leading and self-interested, not genuine or favourable. Overall made me blame you less for the insane cost of utilities though."
Request for solar/clean energy options regarding climate change
"I didn't see any specific mention of consumers also being able to generate power, e.g. through roof-top solar panels, and selling the surplus to Hydro Ottawa. I also didn't see any mention of the possibility that Hydro Ottawa could generate some of the power it distributes, e.g from solar panels, wind turbines, or hydro-electric. Such initiatives would help meet rising demand without increasing reliance on fossil fuels or nuclear for power generation."
Criticism of biased survey
"Your survey was designed to force the customer to select between options that are equally bad for them. Would you like to: 1) Pay more? 2) Have less service/quality? 3) Throw away your vote? I want my rates to remain LOW, AND I want you to INCREASE service quality. You've got people struggling to get by on minimum wage, and your asking them what they want to give up, money or services? For shame!"
Need more information/not properly informed
"Perhaps a bit more detail to speak to what would happen if we do not do A, B or C. To drive home the importance to acting now - vs. reacting later. Always better to be proactive than reactive."
"More information on managerial efficiencies would have been helpful. There tends to be too many overpaid managers and not enough workers in may organizations and I would like to know how you would address this."

Representative Workbook

Workbook Impression

Residential

Q Is there anything that you would still like answered?

Response	%
Cost complaints	1.7%
General Positive Comment	1.0%
Solar panels/clean energy transition	0.7%
Criticism of biased survey	0.6%
Need more information/not properly informed	0.4%
Executive Salaries/managment costs	0.4%
Share information post survey	0.3%
Role of government	0.3%
General Negative Comment	0.2%
Climate Change concerns and mitigation	0.2%
Performance and reliability in the coming years	0.2%
Incentives/Credits/Rebates	0.2%
Disaster/system failure management	0.1%
Address equity/protect low-income customers	0.1%
Alternative payment methods	0.1%
Other	0.3%
None / Don't know	2.7%
No response	90.5%

n=21,280

Representative Workbook

Workbook Impression

Residential

Q Is there anything that you would still like answered?

Sample Verbatims
Cost complaints
"After post-2030, will customers see a decrease in their bills? Maintenance to the system would be the main concern, yet shouldn't be as expensive. Therefore, the proposed increased $18 rate (you never stated if it was pre- or post-tax) will remain the same or potentially drop to a lower rate."
General Positive Comment
"This was a very interesting survey and has helped me to understand all the implications of the draft plan for the next few years."
Solar panels/clean energy transition
"An option that maximizes what could be done with locally generated, renewable energy, distributed through the local grid, using other generators for supplement rather than the other way around. How much could we produce, if we took that option seriously. Incentivize solar generation on every feasible location. Incentivize conservation. Incentivize local, regional circular systems to produce and conserve power."
Criticism of biased survey
"This survey seems biased towards getting people to agree that a 50% increase in the cost on bills for the Ottawa Hydro portion is justified."

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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APPENDIX 10

Phase II Customer Engagement
2026 Rate Application

Small Business Trade-off Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Hydro Ottawa Limited.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

Report Navigation

Small Business

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- APPENDIX.01 – Low-Volume Customer Needs & Preference Focus Groups
- APPENDIX.02 – C&I Customer Needs & Preference Interviews
- APPENDIX.03 – Key Account Needs & Preference Interviews
- APPENDIX.04 – Residential Needs & Preferences Survey
- APPENDIX.05 – Small Business Needs & Preferences Survey
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Introduction

Regional and Environmental Control Segmentation

Small Business

Hydro Ottawa's 2026-2030 Rate Application Customer Engagement

Innovative Research Group Inc. (INNOVATIVE) was engaged by Hydro Ottawa to assist in meeting Hydro Ottawa's customer engagement commitments under the Renewed Regulatory Framework for Electricity Distributors.

This report covers the second phase of engagement which focused on customer preferences on program timing and balancing outcomes. To obtain this feedback from customers, an online "workbook" was deployed to all customers with an email address, as well as promoted through a generic link on Hydro Ottawa's website, social media platforms, and through bill inserts and print media.

For residential customers, responses were weighted by region and usage to ensure the responses were representative of the broader customer base. INNOVATIVE is confident that the online trade-off survey results contained within this report are representative of Hydro Ottawa's actual customer base. This determination was reached by comparing the Phase I and II results based on key demographic, general attitudes towards electricity, as well as individual customer experience.

In addition to segmenting customers based on their geographical location within Hydro Ottawa's service territory, it is important to be able to identify factors that may influence customer preferences and distinguish between what is within, and what is outside of Hydro Ottawa's influence or control.

Perceptions of LDCs often tend to move with general perceptions of the sector rather than in response to the local utility.

Throughout this report, environmental control questions are used to help distinguish whether opinions regarding Hydro Ottawa's plans are utility-driven preferences or externally driven.

Segmentation *"side bars"* have been used throughout this report to look beyond the topline numbers to analyze the results for key segments. The makeup of these side bars varies based on rate class.

1. **Regional Segmentation:** Using customer postal codes, Hydro Ottawa's service territory is divided and analyzed based five sub-regions.

2. **Customer quartiles:** The small business online survey sample was weighted proportionately by consumption quartiles and region in order to be representative of the broader Hydro Ottawa customer base.

3. **Business sector**: The small business sectors are grouped into four broad categories.

Sample Validation

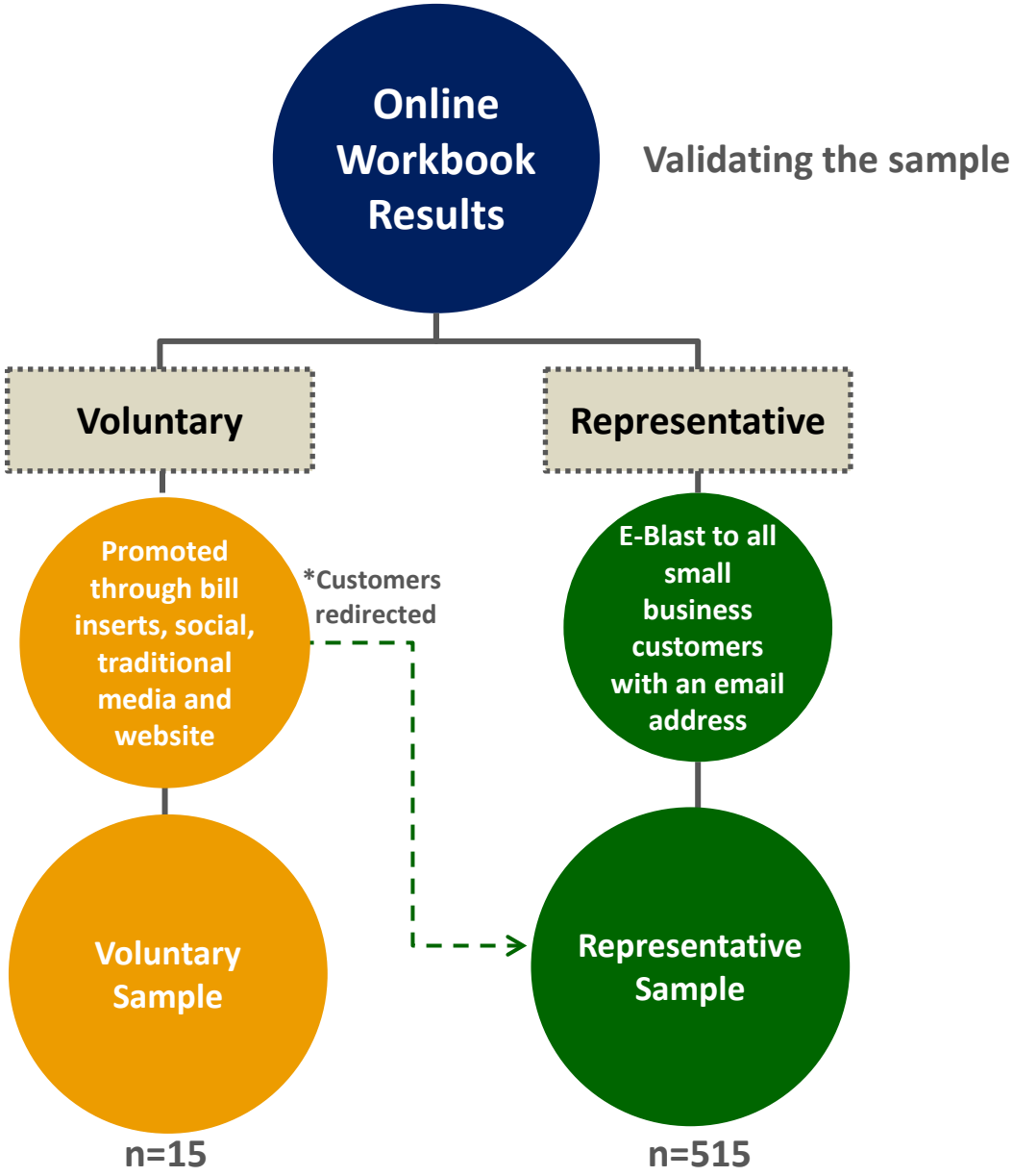
Overall Approach

Small Business

Hydro Ottawa's Small Business customer engagement workbook featured two streams – *representative* and *voluntary*.

The voluntary stream created an open process that allowed anyone who wants to be heard an opportunity to express themselves, including those who have not provided the utility with an email address.

The representative stream ensures a representative sample of customers are engaged, allowing for the generalizability of findings. *This is a report of those responses.*



* Respondents with a valid customer account number are included in the representative sample, regardless of the channel they entered through

Sample Validation

Email Sample Versus Broader Sample

Small Business

Comparing the overall population to the sample of that population with email addresses across known variables, we can see that no group is substantially underrepresented in the email sample.

Overall Coverage

Three quarters of each population is included in the email sample.

	Full Population	Email Sample	Coverage
Small Business	11,378 records	8,844 records	77.7%

Average Consumption

Small businesses with email addresses consume an average of 10.5% more energy than the full population.

	Full Population	Email Sample	Difference
Small Business	32,287 kWh	35,671 kWh	**+10.5%**

Sample Validation

Survey Design and Methodology

Small Business

Both the Small Business online survey and representative online workbook were weighted based on known variables, including rate zone and rate class. Furthermore, both surveys were weighted to be proportionate based on the actual distribution of Small Business customers throughout Hydro Ottawa's service territory.

Weighted and unweighted sample sizes are outlined below.

Small Business Representative Online Workbook

Region	Unweighted N					Weighted N				
	Consumption Quartiles					Consumption Quartiles				
	Low	Medium-Low	Medium-High	High	**Total**	Low	Medium-Low	Medium-High	High	**Total**
Gloucester	13%	15%	11%	13%	**13%**	14%	16%	16%	14%	**15%**
Goulbourn/ Casselman	8%	5%	13%	7%	**8%**	7%	7%	7%	6%	**6%**
Kanata	9%	6%	13%	8%	**9%**	4%	5%	7%	7%	**6%**
Nepean	16%	17%	13%	16%	**16%**	13%	17%	19%	18%	**17%**
Ottawa	55%	56%	51%	55%	**55%**	63%	56%	52%	55%	**57%**
Total	**131**	**155**	**144**	**85**	**515**	**129**	**129**	**129**	**129**	**515**

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

INNOVATIVE RESEARCH GROUP

Small Business Customers

Online Workbook Results



Representative Workbook

Survey Design & Methodology

Small Business

INNOVATIVE was engaged by Hydro Ottawa to gather input on preferences on program timing and balancing outcomes. Pages watermarked with 'workbook page' show the actual pages of the workbook that was sent and completed by customers. The only additions are the actual results.

Field Dates & Workbook Delivery

The **Small Business Online Workbook** was sent to all Hydro Ottawa small business customers who have provided the utility with an email address. Customers had an opportunity to complete the workbook between **September 16th and October 6th, 2024**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class.

In total, the small business workbook was sent to **8,844** customers by-way-of e-blast from INNOVATIVE.

Small Business Online Workbook Completes

A total of **515** (unweighted) Hydro Ottawa small business customers completed the online workbook through a unique URL.

Sample Weighting

The small business online workbook sample has been weighted proportionately by region and consumption quartiles in order to be representative of the broader Hydro Ottawa service territory.

The table below summarizes the weighted sample breakdown by rate zone and quartile.

Region	Consumption Quartiles				Total	Distribution
	Low	Medium-Low	Medium-High	High		
Gloucester	18	20	20	17	**76**	**15%**
Goulbourn/Casselman	8	9	9	7	**33**	**6%**
Kanata	5	7	9	9	**30**	**6%**
Nepean	16	21	24	24	**85**	**17%**
Ottawa	81	72	67	71	**291**	**57%**
Total	**129**	**129**	**129**	**129**	**515**	**100%**

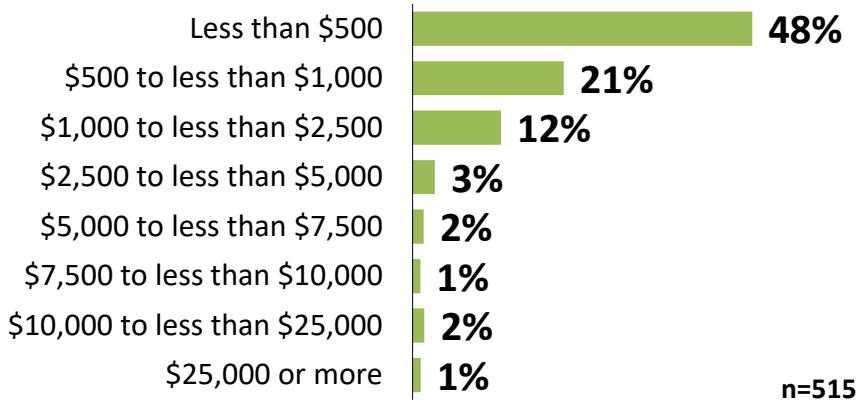
Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Representative Workbook

Demographic Breakdown

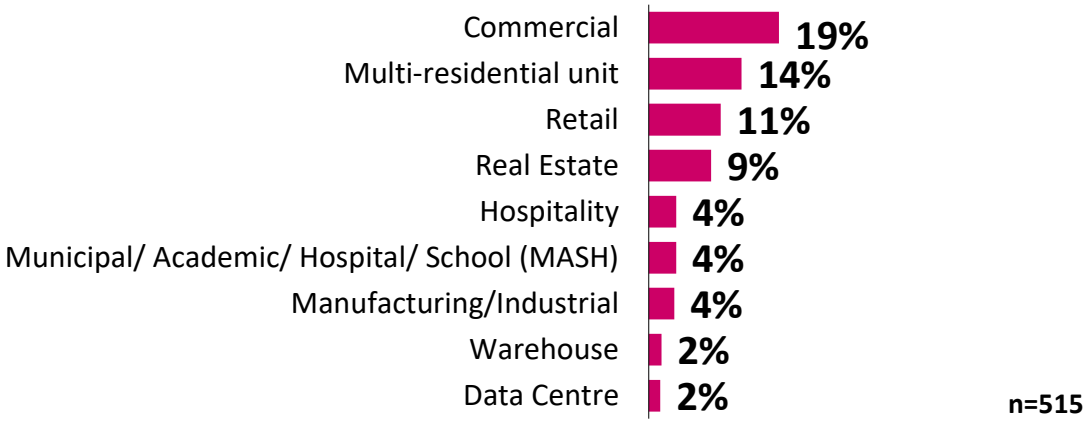
Small Business

Estimated Monthly Spend on Electricity



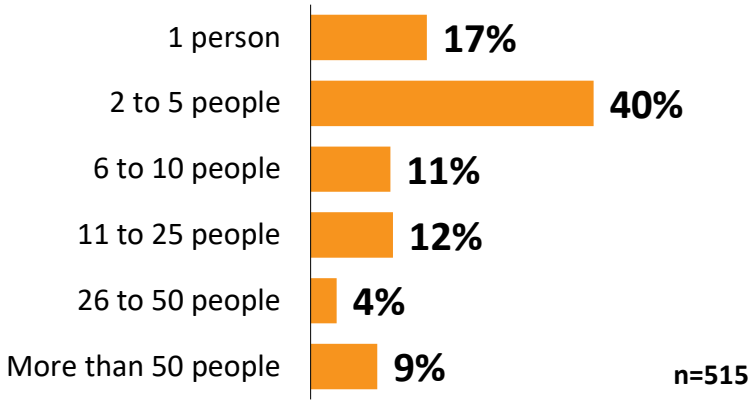
"Don't know" (10%) not shown.

Sector



"Other" (20%) not shown and Don't know"(11%) not shown.

Number of Employees at the Organization



"Don't know" (7%) not shown.

Representative Workbook

Environmental Controls

Small Business

The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities.	Phase 2 Workbook
Strongly agree	20%
Somewhat agree	34%
Somewhat disagree	20%
Strongly disagree	14%
Don't know/No opinion	12%
Agree (Strongly + Somewhat)	**54%**
Disagree (Strongly + Somewhat)	**34%**

n=515

Customers are well served by the electricity system in Ontario.	Phase 2 Workbook
Strongly agree	27%
Somewhat agree	49%
Somewhat disagree	12%
Strongly disagree	3%
Don't know/No opinion	9%
Agree (Strongly + Somewhat)	**76%**
Disagree (Strongly + Somewhat)	**15%**

n=515

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Customer Engagement Survey

Background Information

Small Business

Welcome to Hydro Ottawa Limited's (Hydro Ottawa) customer feedback survey

Hydro Ottawa wants your input to ensure a sustainable balance between the services you receive and the price you pay.



Land Acknowledgement: The Algonquin Anishinaabeg is the Indigenous Nation of what we know today as the National Capital Region (Ottawa/Gatineau). Hydro Ottawa Limited acknowledges the traditional and unceded territory of the Algonquin Anishinaabeg people whose territories we work from and live in. Ottawa is now home to many diverse First Nations peoples, Inuit, and Métis. Hydro Ottawa honours all First Nations, Inuit and Métis peoples and their valuable past and present contributions to this land.

The purpose of this survey is to get your feedback on the draft 2026-2030 investment plan. Your feedback will help Hydro Ottawa align this plan with customer needs and preferences.

1. Your electricity rates pay for this plan, so your views should be considered.
2. You don't need to be an electricity expert to participate. The survey will provide you with background information and walk you through service level options so that you can answer questions.
3. Hydro Ottawa and its research partner have designed this survey to include diagrams, charts, and images to help explain Hydro Ottawa's draft plan and what it means for you.
4. Depending on how much feedback you wish to provide, this survey should take approximately **20-30 minutes** to complete. If you need to pause and return later to finish the survey, your completed answers will be saved.
5. Some of the survey content may not display correctly on a mobile browser. It is strongly recommended that you complete this survey on a desktop or laptop computer.

Those who complete the survey will be invited to enter a draw to win one of four prizes of $500 on-bill credits!

All individual responses will be kept confidential.

Innovative Research Group (www.innovativeresearch.ca), an independent research company, has been hired by Hydro Ottawa to gather your feedback, while protecting your confidentiality. Your individual answers will not be shared with Hydro Ottawa in any identifiable way.

INNOVATIVE RESEARCH GROUP

WORKBOOK PAGE

Customer Engagement Survey

Background Information

Small Business

What is this customer engagement about?

The goal of this engagement is to share Hydro Ottawa's draft five-year investment plan for the future of its electrical grid and to collect your feedback. This will help Hydro Ottawa confirm the level of spending and investments in equipment and infrastructure, and the services they provide along with the rates you'll pay.

Every five years, Hydro Ottawa is required to submit a plan for its proposed rates and spending to the Ontario Energy Board (OEB) for approval.

- **In early 2024, thousands of Hydro Ottawa customers responded to an initial engagement** to support the preparation of Hydro Ottawa's draft investment plan.
- **Hydro Ottawa is now looking for your input on this draft plan** to ensure they understood what customer priorities are when deciding on future investments.
- **Early next year, Hydro Ottawa will present its proposed investment plan to the independent regulator**, the OEB. Your feedback is important to both Hydro Ottawa and the OEB and how it is incorporated into Hydro Ottawa's plans will be reviewed by the OEB.

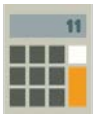
How will this customer engagement work?



1. The survey explains what Hydro Ottawa does and how much of your electricity bill goes to Hydro Ottawa.



2. The survey explains key considerations in Hydro Ottawa's planning process, how the draft investment plan benefits you and the impact on the 2026-2030 rates.



3. The survey asks for your input on 5 key choices that will affect the services you receive and the price you pay from 2026-2030.

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

Want to know more about Hydro Ottawa's customer engagement process?
Click here to learn more.

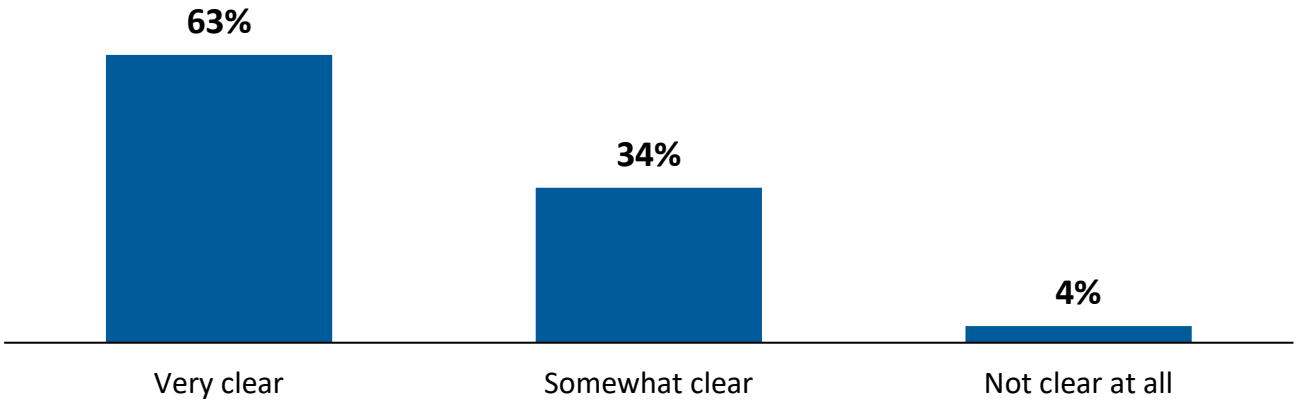
WORKBOOK PAGE

Representative Workbook

Clarity of Survey Purpose

Small Business

Q Do you feel that the purpose of Hydro Ottawa's customer engagement is clear?



n=515

	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Very clear	65%	70%	68%	55%	63%	65%	62%	59%	64%
Somewhat clear	30%	23%	32%	42%	34%	34%	32%	38%	31%
Not clear at all	4%	7%	-	3%	4%	1%	6%	3%	5%

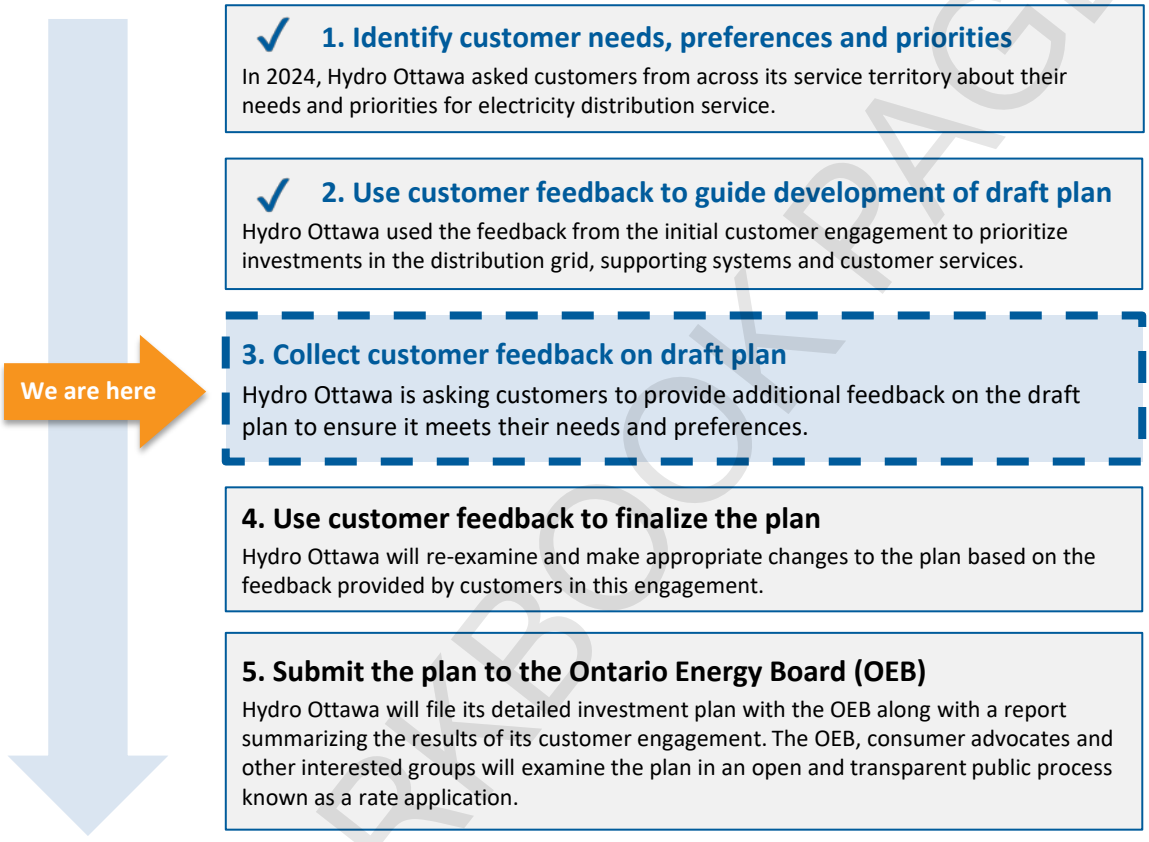
	Sector			
	MASH	MURB	Commercial	Industrial
Very clear	68%	62%	59%	67%
Somewhat clear	30%	38%	36%	33%
Not clear at all	2%	-	4%	-

Customer Engagement Survey

Background Information

Small Business

Hydro Ottawa has a five-step approach to customer feedback.



WORKBOOK PAGE

Customer Engagement Survey

Background Information: Electricity 101

Small Business

Hydro Ottawa's role in Ontario's electricity system

Ontario's electricity system is made up of three parts: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

About half of the electricity used in Ontario comes from nuclear power. The rest comes from a mix of hydroelectric, natural gas, wind and solar sources. Ontario Power Generation, a government-owned company, generates almost half of Ontario's electricity. The other half comes from other generators contracted by the grid operator.

Transmission

How electricity travels across Ontario

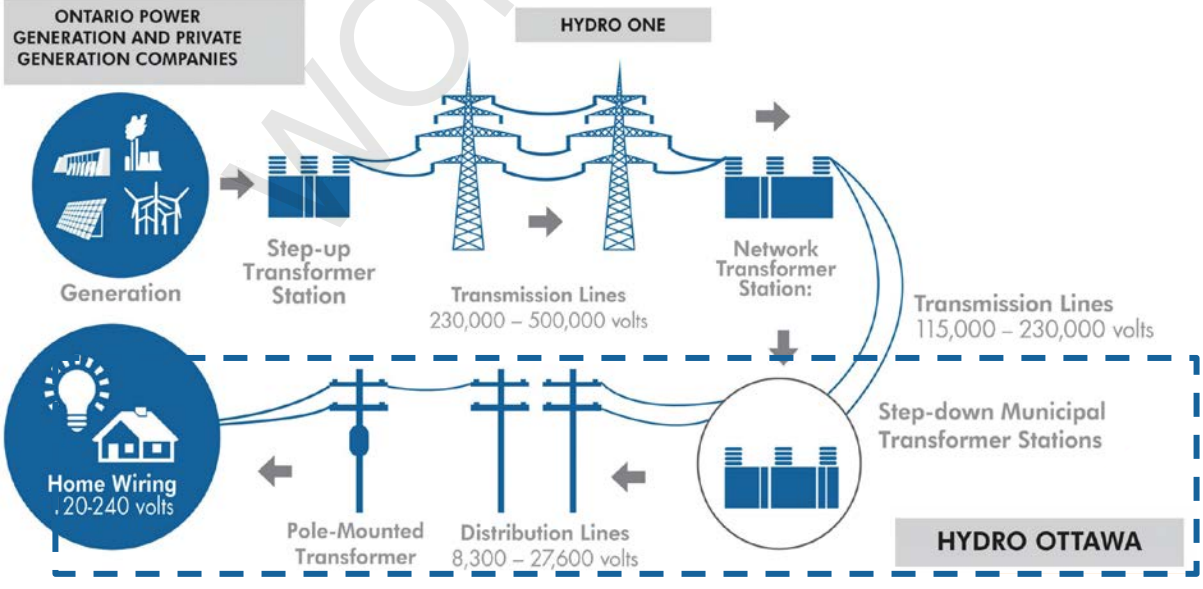
Once electricity is made, it is sent to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. Ontario has approximately 30,000 kilometers of transmission lines, mostly owned and operated by Hydro One.

Distribution

How electricity is delivered to you

Hydro Ottawa is responsible for the last step of the journey: distributing electricity to customers' homes and businesses.

- Hydro Ottawa does not transmit or generate electricity.
- Its local distribution system is connected to the transmission grid through its distribution stations and transformers, allowing high voltages to be decreased so it can be distributed and safely used in homes and businesses across Hydro Ottawa's service territory.
- Its distribution system consists of approximately 50,000 poles, 2,700 km of overhead power lines, 3,000 km of underground cable, and 45,000 transformers.



WORKBOOK PAGE

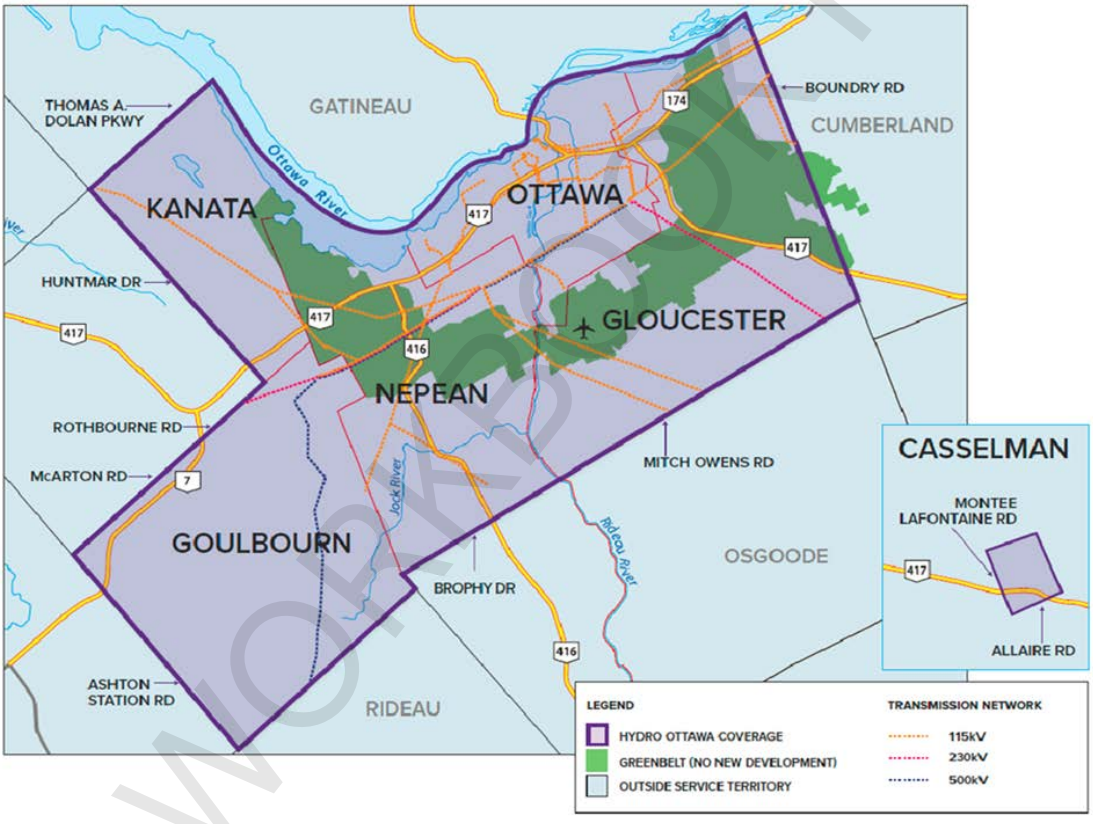
Customer Engagement Survey

Shaping Ottawa's energy future together

Small Business

Hydro Ottawa Fast Facts

- A private corporation wholly owned by its shareholder, the City of Ottawa
- Third largest municipally-owned electricity distributor in Ontario
- Serves approximately **364,000 homes** and businesses (more than one million consumers)
- Service territory of **1,116 square kilometers** that includes most of the City of Ottawa and the Village of Casselman
- Does **not** receive taxpayer money to fund its operations or its investments in the distribution system
- Entirely funded through the distribution rates its customers pay



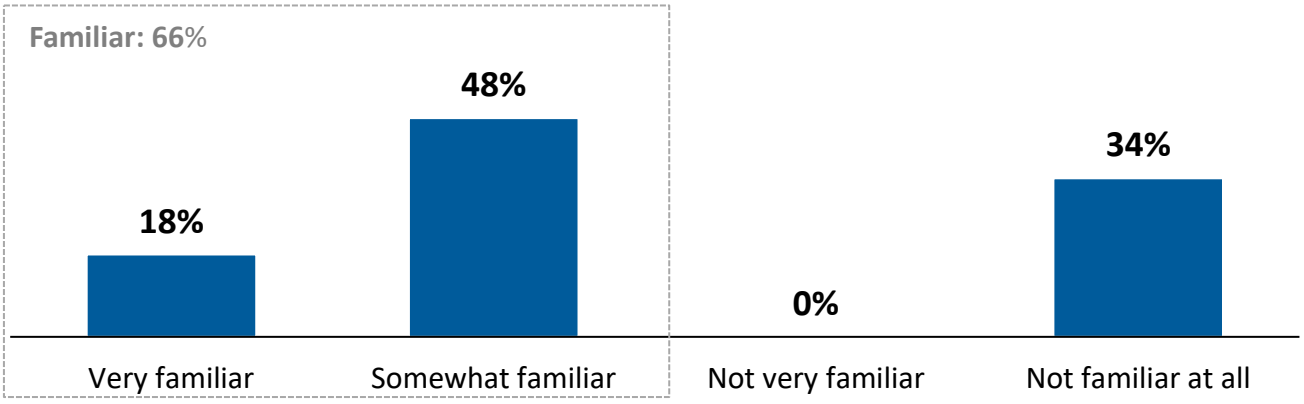
WORKBOOK PAGE

Representative Workbook

Familiarity with Ontario's Electricity System

Small Business

Q Before this engagement, how familiar were you with Hydro Ottawa, and the role it plays in Ontario's electricity system?



n=515

"Don't know" (0%) not shown.

	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Very familiar	21%	26%	19%	19%	21%	16%	21%	23%	23%
Somewhat familiar	47%	46%	49%	55%	43%	44%	47%	48%	45%
Not very familiar	24%	24%	22%	16%	24%	28%	22%	18%	22%
Not familiar at all	8%	3%	8%	10%	12%	11%	10%	9%	9%
Don't know	-	-	2%	-	1%	<1%	-	1%	-
Familiar (Very + Somewhat)	**68%**	**72%**	**68%**	**74%**	**64%**	**61%**	**68%**	**71%**	**68%**
Not familiar (Very + Somewhat)	**32%**	**28%**	**30%**	**26%**	**36%**	**39%**	**32%**	**27%**	**32%**

Representative Workbook

Familiarity with Ontario's Electricity System

Small Business

Q Before this engagement, how familiar were you with Hydro Ottawa, and the role it plays in Ontario's electricity system?

		Sector			
	Overall	**MASH**	**MURB**	**Commercial**	**Industrial**
Very familiar	**21%**	22%	18%	24%	24%
Somewhat familiar	**46%**	48%	52%	43%	49%
Not very familiar	**22%**	11%	26%	20%	18%
Not familiar at all	**10%**	19%	5%	13%	9%
Don't know	**<1%**	-	-	1%	-
Not familiar (Very + Somewhat)	**67%**	**69%**	**70%**	**67%**	**73%**
Not familiar (Very + Somewhat)	**33%**	**31%**	**30%**	**32%**	**27%**

Customer Engagement Survey

Planning for the Future: Rates 101

Small Business

How much of my electricity bill goes to Hydro Ottawa?

Every item on your bill is required by provincial regulation.

- Hydro Ottawa collects payment for the entire electricity system, but only keeps the distribution portion of the "**Delivery**" charge. The delivery charge pays for both Hydro Ottawa's **distribution system** and the **transmission system** (run by other utilities), as well as other charges such as line losses (power that is lost when electricity travels across the wires).
- **About 20% of a typical small business electricity bill goes to Hydro Ottawa** to pay for the local distribution grid. The **remaining 80%** of the bill goes to generation companies, transmission companies, the federal and provincial governments, and regulatory agencies.

Typical Small Business Bill

Sample Hydro Ottawa Monthly Bill
(based on consumption of 2,000 kWh as of Jan. 1, 2024)

Account Number:
0000000000

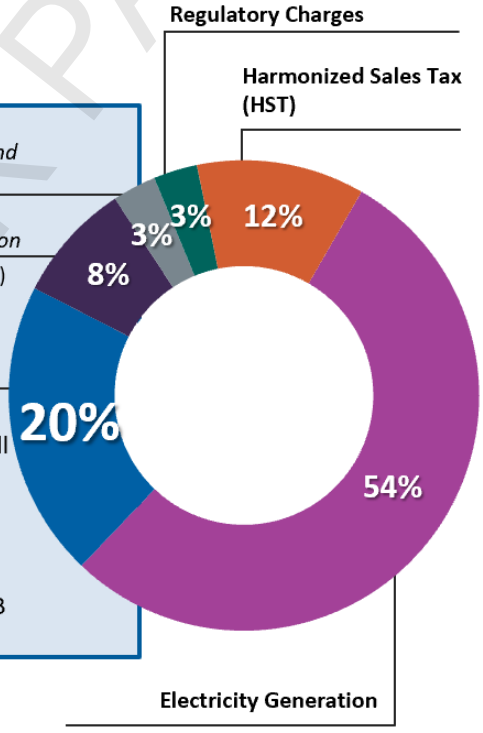
Meter Number:
00000000

Your Electricity Charges	
Electricity	
TOU – Off Peak @ 8.7 c/kWh	109.62
TOU - Mid-Peak @ 12.2 c/kWh	43.92
TOU – On Peak @ 18.2 c/kWh	69.16
Delivery	132.91
Regulatory Charges	12.45
Total Electricity Charges	$368.06
HST	47.85
Ontario Electricity Rebate	(71.04)
Total Amount	$344.87

Delivery: *Line loss and other charges*
$7.95

Delivery: *Transmission*
(varies based on usage)
$34.01

Delivery: *Distribution*
Hydro Ottawa's part of the total bill is **$84.55**. This charge is the same for all small business customers per OEB requirements.



Note: The sample bill above uses an average consumption level of 2,000kWh per month, however your usage may vary above or below this assumed level. These types of variations would mostly impact your electricity (On, Mid and Off-Peak) charges. Diagram excludes Ontario Electricity Rebate and may not total 100% due to rounding.

Who holds Hydro Ottawa accountable?

ONTARIO ENERGY BOARD

The **Ontario Energy Board (OEB)** is the public interest regulator responsible for setting electricity distribution rates and charges and for protecting customers in Ontario.

The OEB holds Hydro Ottawa accountable for:

- How it spends your money in current and future plans.
- Reporting on key outcomes (e.g. reliability) through an annual scorecard.
- Finding savings and efficiencies to help offset rising costs.

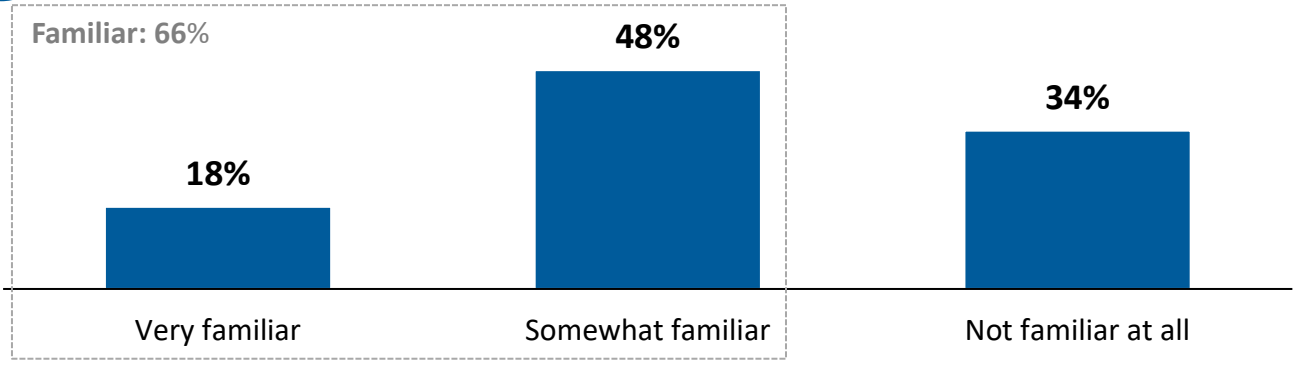
WORKBOOK PAGE

Representative Workbook

Familiarity with Bill Remittance to Hydro Ottawa

Small Business

Q Before this customer engagement, how familiar were you with the amount of your electricity bill that went to Hydro Ottawa?



n=515

	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Very familiar	25%	12%	12%	14%	18%	17%	18%	19%	19%
Somewhat familiar	45%	56%	58%	55%	44%	45%	49%	49%	48%
Not familiar at all	30%	32%	30%	31%	37%	38%	34%	33%	33%
Familiar (Very + Somewhat)	**70%**	**68%**	**70%**	**69%**	**63%**	**62%**	**66%**	**67%**	**67%**

	Sector			
	MASH	MURB	Commercial	Industrial
Very familiar	8%	13%	24%	28%
Not very familiar	63%	55%	43%	48%
Not familiar at all	30%	32%	33%	24%
Familiar (Very + Somewhat)	**70%**	**68%**	**67%**	**76%**

Customer Engagement Survey

Planning for the Future: Key Challenges

Small Business

Hydro Ottawa's Draft Plan

What is Hydro Ottawa's draft plan about?

Hydro Ottawa's draft plan involves significant investment in our infrastructure to support the energy transition. Key elements include boosting the capacity of substations, transformers, and both overhead and underground lines; expanding and enhancing connections with provincial transmission lines to handle larger electricity deliveries; and preparing to commission a new substation annually to meet the growing demand of a service territory with more customers.

Hydro Ottawa plans to deploy new technologies such as large-scale batteries for energy storage, replace aging assets that are at higher risk for failure, and bolster grid resilience to ensure reliable service amid more frequent severe weather events.

In preparing its plan, Hydro Ottawa's 2026-2030 draft plan must consider many existing and emerging challenges of delivering safe, reliable and clean electricity at a reasonable price.

To learn more about what Hydro Ottawa must consider in preparing its draft plan, click on the key challenges listed below:

Key challenges that Hydro Ottawa's 2026 - 2030 draft plan addresses:

- **Enabling the energy transition and reducing emissions**
- **Fixing and replacing aging assets**
- **Responding to rising costs**
- **Adapting to how customers use electricity**
- **Powering a growing and diverse community**
- **Responding and adapting to an increasing number of extreme weather events**
- **Responding to cyber security attacks/threats**
- **Addressing workforce challenges and employee safety**

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Customer Engagement Survey

Planning for the Future: Key Challenges

Small Business

Hydro Ottawa's Draft Plan

Key challenges that Hydro Ottawa's 2026 - 2030 draft plan addresses:

Enabling the energy transition and reducing emissions

- Hydro Ottawa has built a plan that aligns with the anticipated increased electrification of heating and transportation in our community (adoption of EVs, heat pumps, renewables and light rail transit).
- Based on current projections, Hydro Ottawa anticipates that by 2030, peak demand will increase due to heating needs and other forms of electrification. To accommodate this shift, Hydro Ottawa will need to construct one new substation per year through 2050.
- The City of Ottawa's Climate Change Master Plan aims for a 100% reduction in local greenhouse gas emissions by 2050. To meet this goal, Hydro Ottawa is expected to invest in reducing emissions from its vehicles and work centres and help businesses and households do the same.
- Hydro Ottawa continues to reduce emissions as part of its objective of being the first municipally-owned utility in Canada to achieve net-zero operations by 2030.

Fixing and replacing aging infrastructure

- Effective management of equipment is critical to the safe, reliable and efficient delivery of electricity to our customers.
- Like many distribution companies, much of Hydro Ottawa's grid was installed in the 1950s and 1960s and needs to be replaced or upgraded. Hydro Ottawa faces rising costs in purchasing equipment for the grid and doing construction work in your community.
- For example, nearly 25% of assets have surpassed their expected service life, raising safety, environmental, and reliability concerns.

Responding to rising costs

- Many customers are concerned about the rising cost of living.
- Hydro Ottawa provides information and resources to help customers conserve energy, be more efficient and find incentives that work for them.
- Like many businesses, Hydro Ottawa faces rising costs of purchasing essential equipment for the grid and supporting new construction in the community. The utility must find the right balance between the investment needs of the local grid and the financial needs of its customers.

Adapting to how customers use electricity

- Customers are relying more heavily on technology to manage their changing electricity needs through heat pumps, electric vehicles, solar panels, battery storage, and energy efficiency.
- Hydro Ottawa is upgrading and modernizing the grid so everyone can connect these new technologies safely and reliably.

Powering a growing and diverse community

- Hydro Ottawa serves a diverse mix of urban and rural areas, each with their own challenges and growth patterns.
- As Hydro Ottawa's service territory continues to grow, there is an increasing need to expand and enhance the capacity of its distribution system to power new small business/commercial buildings, densification, and major projects.

WORKBOOK PAGE

Customer Engagement Survey

Planning for the Future: Key Challenges

Small Business

Planning Considerations (continued)



Responding and adapting to an increasing number of extreme weather events

- Ottawa has become the weather-alert capital of Canada. Extreme weather events such as high heat, high winds, flooding and ice storms are increasingly straining and damaging the electricity grid.
- All utilities in Ontario, including Hydro Ottawa are expected to continue investing (above and beyond what is required to maintain and operate the system) in the resilience of our grid through a broad suite of measures such as hardening our assets; reconfiguring segments of our network; and enhancing our approach to tree trimming.



Responding to cyber security attacks/threats

- Cybercrime is on the rise across Canada. As the capital city of a G7 country which is a high-value target for malicious actors, Hydro Ottawa must enhance the resilience of its electrical grid against cyber security threats.
- Hydro Ottawa continues to invest in cybersecurity protections and controls for key assets and networks to prevent compromises that could compromise reliability and put customers at risk.



Addressing workforce challenges and employee safety

- There is a growing need for new skills and positions to adapt to changing energy sector needs and Hydro Ottawa will invest in new hires and upskilling of current employees.
- The safety of our employees and the public is at the forefront of our operations on a day-to-day basis.

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Customer Engagement Survey

Planning for the Future: Background

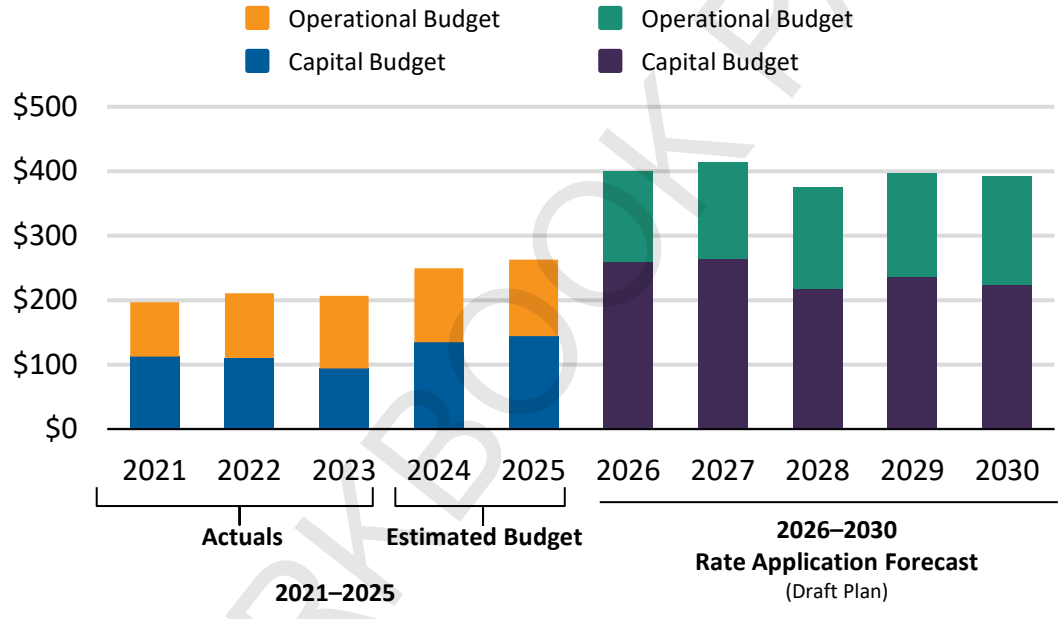
Small Business

How much does it cost to run the local grid?

Like most businesses, Hydro Ottawa manages both an operating budget and a capital budget.

- Hydro Ottawa's **operating budget** covers recurring expenses, such as the maintenance of assets and tools, customer services, as well as the cost of employees who ensure these activities are completed.
- Its **capital budget** includes the equipment that is part of the distribution system, such as the overhead and underground infrastructure, computers and information systems, vehicles and facilities. These items, once purchased, provide long term benefits for many.

Actual and Forecasted Budgets per year ($ millions)



The above investments will result in a funding requirement of **$1.8 billion** over the next five years, 2026-2030. The 2021-2025 OEB approved funding was for **$1.2 billion,** but did not account for recent weather events, inflation, and other unforeseen factors that have increased costs.

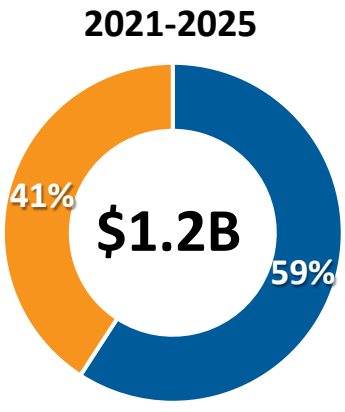
The final budget for 2026-2030 will be adjusted to reflect customer feedback collected through this engagement and any necessary adjustments prior to filing with the OEB. The OEB and other stakeholders will complete an extensive review before rates are set for 2026-2030.

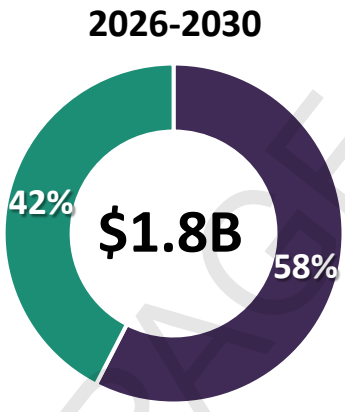
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Customer Engagement Survey

Planning for the Future: Background

Small Business





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How much will Hydro Ottawa's draft plan cost me?

At the end of the five-year plan (2030), the typical small business customer would see the distribution portion of their monthly electricity bill increase by **$47.11**: from an estimated rate (price) of **$85.93 in 2025** to a proposed rate (price) of **$133.04 by 2030.**

					Hydro Ottawa's Portion	
	Year	Avg. Monthly Bill*	Non-Distribution Component	Distribution Component (Hydro Ottawa's portion)	Annual Increase to Monthly Bill (%)	Annual Increase to Monthly Bill ($)
CURRENT	2024	$344.87	$260.32	$84.55	n/a	n/a
BUDGTED	2025	$344.03	$258.10	$85.93	2%	$1.38
Rate Period	2026	$362.71	$263.35	$99.36	16%	$13.43
	2027	$378.20	$268.13	$110.07	11%	$10.71
	2028	$392.20	$273.31	$118.89	8%	$8.82
	2029	$403.94	$278.67	$125.27	5%	$6.38
	2030	$417.18	$284.14	$133.04	6%	$7.77
	5-yr impact			$47.11	55%	$47.11

Note:

- *Average monthly bill includes taxes and the Ontario Electricity Rate.*
- *These estimated rate increases are preliminary and are subject to change based on customer feedback, regulatory approval and other factors. A typical small business (general service under 50kW) customer is assumed to use 2,000 kWh per month and enrolled under Time-of-use Regulated Price Plan.*
- *Bill projections assume a general inflation increase of 2.1% for other aspects of the electricity bill that are outside of Hydro Ottawa's control (commodity, transmission, government, regulatory fees).*

Customer Engagement Survey

Planning for the Future: Background

Small Business

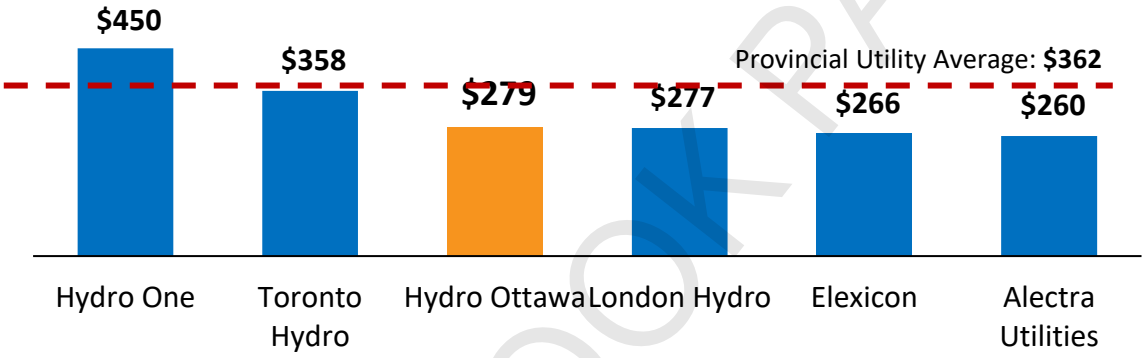
Finding Operating Efficiencies

Hydro Ottawa is continuing its focus on productivity and continuous improvement initiatives; which offset continuing costs and improves organizational effectiveness.

Hydro Ottawa's total operating costs are reported every year to the OEB and benchmarked against other distribution companies in Ontario. In publicly available data collected by the OEB, **Hydro Ottawa's total operating cost per customer averaged $279** over the last three years. This was, and historically has been, lower than the **average Ontario distribution company cost of $362 per customer** over the same period.

Six Largest Provincial Distributors: Operating Cost per Customer ($)

Source: 2021 – 2023 OEB Yearbook of Electricity Distributors (3-year average)



6 Largest Ontario Electricity Distributors

Want to know more about how Hydro Ottawa is finding ways to use customer dollars efficiently? Click here to learn more.



WORKBOOK PAGE

Customer Engagement Survey

Planning for the Future: Background

Small Business

Achieved over **$3.3 million** in annual savings on paper, printing and postage by successfully increasing online billing enrollment to **66% of customers**, also contributing to environmental sustainability goals.

Hydro Ottawa's has undergone several changes to improve productivity and efficiency. These changes include:

- Restructuring to align resources by lines of business, co-locating teams for better collaboration and communication.
- Introduction of new roles to improve project oversight, support supervisors, and attract quality candidates.
- Implementing seasonal construction shifts to increase productivity during longer daylight hours.
- These changes have resulted in a **8.8% decrease in the average cost per pole** installed, despite rising input costs.

Streamlined Move-in/Move-out processes through self-serve and automation, enabling a significant reduction in account setup fees for customers starting in 2026.

Cloud-based office productivity solutions were also implemented in 2021. This cloud productivity suite is focused on improving collaboration. The following were key business processes which were measured pre and post implementation

- **Conditions of Service:** Saw a **50% reduction in meeting and preparation time**. This document is a large initiative requiring multiple resources from across the organization. Reducing meeting time and preparation time for this type of activity delivers significant savings in resource time.
- **Field Reporting:** This was originally a paper-based process that used emails for back-and-forth communication between internal and external staff. With the use of a cloud-based system all staff can now collaborate in a single document, ensure all necessary information is gathered and easily track progress without sorting through emails. This has reduced paper in vehicles, ensured data is complete and increased time on value-added activities.

WORKBOOK PAGE

Customer Engagement Survey

Planning for the Future: Background

Small Business

The choices Hydro Ottawa makes in its operating budget are primarily driven by technical analysis and expert assessments of best practices.

As promised earlier, this survey does not ask questions that expect you to be an electricity expert.

The OEB runs an open and transparent review process where experts from the OEB and intervenor groups review and have the opportunity to question Hydro Ottawa's analyses and assessments. Anyone, including you are welcome to participate in the OEB process.

This survey leaves detailed discussion of Hydro Ottawa's operating budget to experts from the OEB and intervenors in the formal OEB review; the survey focuses on collecting your views on competing trade-offs for capital investments.

Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?

- □ Definitely the right approach
- □ Probably the right approach
- □ Probably not the right approach
- □ Definitely not the right approach
- □ Don't know

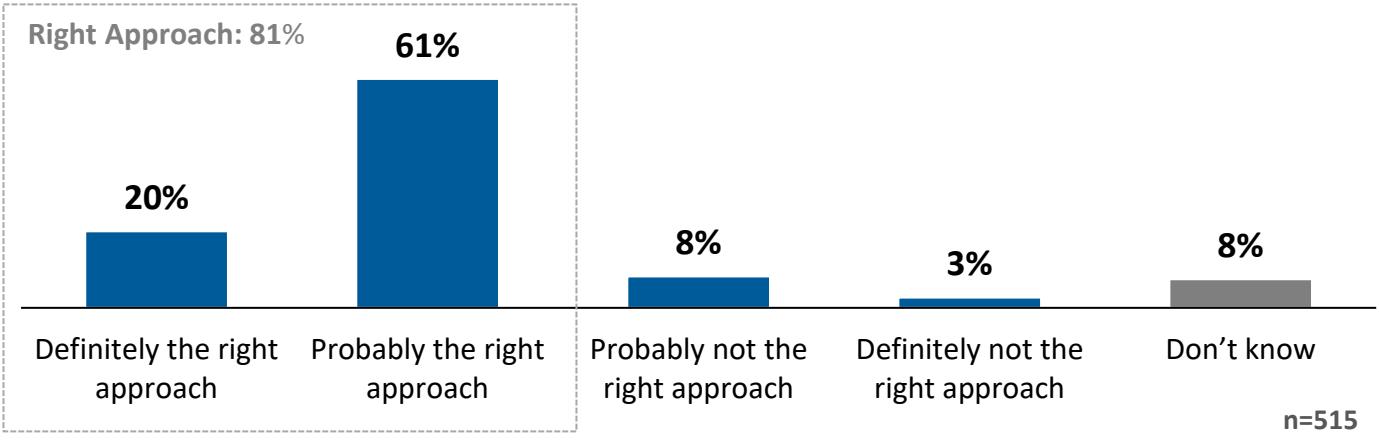
WORKBOOK PAGE

Representative Workbook

Meeting customer needs

Small Business

Q Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Definitely the right approach	29%	16%	18%	22%	19%	22%	16%	23%	20%
Probably the right approach	56%	68%	64%	63%	60%	57%	64%	58%	64%
Probably not the right approach	9%	5%	9%	9%	8%	12%	8%	9%	5%
Definitely not the right approach	1%	-	4%	2%	4%	2%	3%	1%	5%
Don't know	4%	11%	5%	5%	9%	6%	9%	10%	6%
Right Approach (Definitely + Probably)	**85%**	**83%**	**82%**	**84%**	**79%**	**80%**	**80%**	**81%**	**85%**

Representative Workbook

Meeting customer needs

Small Business

Q Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?

		Sector			
	Overall	**MASH**	**MURB**	**Commercial**	**Industrial**
Definitely the right approach	**20%**	39%	21%	20%	29%
Probably the right approach	**61%**	61%	60%	57%	57%
Probably not the right approach	**8%**	-	8%	10%	10%
Definitely not the right approach	**3%**	-	2%	3%	4%
Don't know	**8%**	-	8%	10%	-
Right Approach (Definitely + Probably)	**81%**	**100%**	**81%**	**77%**	**86%**

Representative Workbook

Meeting customer needs

Small Business

Q Are there things that you would change about how Hydro Ottawa brings customer needs and preferences into Hydro Ottawa's plan? If so, what would you change?

Response	%
Disapproval with rate increase	2.3%
More transparency in decision-making process	1.9%
More collaborative/extensive and regular customer engagement	1.6%
System improvement requests/underground grid	1.4%
Criticism of survey being biased	1.0%
General approval of current methods	0.8%
More information on incentives	0.8%
Focus on efficiency/cut costs	0.8%
Request for focus groups and townhalls	0.6%
Not qualified to respond/need experts	0.6%
Climate change concerns	0.4%
Equity concerns, protect low-income customers	0.4%
Criticism of survey being overly complicated	0.2%
Billing improvements/explanations/TOU changes	0.2%
More government assistance/reduce dividend to City of Ottawa	0.2%
How Hydro Ottawa will deal with increased future energy needs	0.2%
Other	1.0%
None/ Don't know	1.4%
No response	84.5%

n=515

Representative Workbook

Meeting customer needs

Small Business

Q Are there things that you would change about how Hydro Ottawa brings customer needs and preferences into Hydro Ottawa's plan? If so, what would you change?

Sample Verbatims
Disapproval with rate increase
"Customers are being over priced. Large cooperate company's with their bottom line being over 1 or 2 million should take more of the burden."
More transparency in decision making process
"I think you are the experts so long as the regulatory bodies are overseeing operations in a transparent manner then I don't see the issue."
More collaborative/extensive and regular customer engagement
"Possibly an open message board through hydro Ottawa customer login for all eligible clients."
System improvement requests/underground grid
"We need more efficient stable power, the green agenda is not for Canada, no power we freeze to death here, all investment scheduled for GREEN projects must be redirected to creating as much nuclear power as possible, anything else is a waste!"
Other
"Options for alternative heating systems and info on grants for old heritage sites."
"It would be helpful to use this data to build customer profiles based on type (single/multi-residential, ICI); location (urban/suburban / rural); and user profile (family/individual, time of use, identify current EV owners)"

Customer Engagement Survey

Planning process: 2026-2030 key investment areas

Small Business

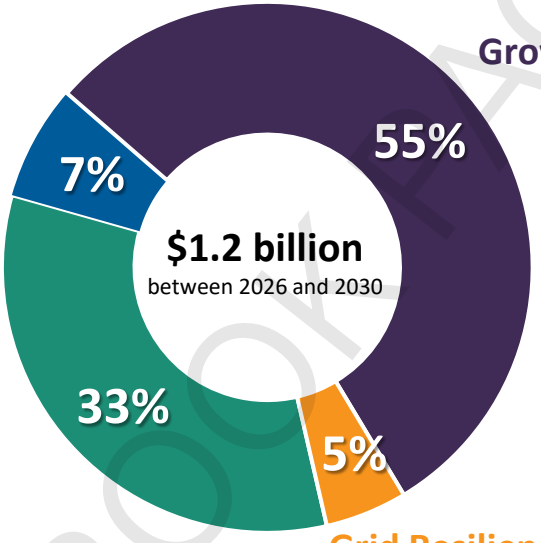
Hydro Ottawa draft capital investment plan

Hydro Ottawa's five-year 2026-2030 draft plan is made up of four capital investment categories, totalling an estimated $1.2 billion between 2026 and 2030.

The remainder of this feedback survey will focus on the discretionary **capital investment** within Hydro Ottawa's draft plan.

Grid Modernization

Focus on investments in response to decarbonization and changing customer expectations.



Growth & Electrification

Focus on investments in the capacity to power the growing community and serve customers' changing needs for electricity, including solutions such as new technologies and programs to get the most out of existing grid infrastructure.

Aging Infrastructure

Focus on investments to upkeep old equipment that is in poor condition and replace outdated equipment.

Grid Resilience

Focuses on investments in technology to get more use out of existing equipment. This section includes burying lines, hardening the grid, tree trimming, improving emergency planning and response.

WORKBOOK PAGE

Non-discretionary Capital Investments

All proposed capital investment in Hydro Ottawa's draft plan are regarded as necessary to provide customers with the services they require today and in the future. However, federal, provincial and municipal governments as well as regulators may set requirements and standards that Hydro Ottawa must satisfy. These non-discretionary expenditures can be broken down into four areas:

1. **Connecting customers:** This includes connecting customers to the grid when a new home or building is constructed or modified.
2. **Relocating equipment:** This includes moving equipment like overhead power lines and underground cables for road widening and other municipal infrastructure needs such as transit.
3. **Mandated services:** This includes installing and maintaining meters and distributing electricity from the grid.
4. **Compliance requirements:** This includes meeting and maintaining regulatory, technical, environmental, and safety standards.

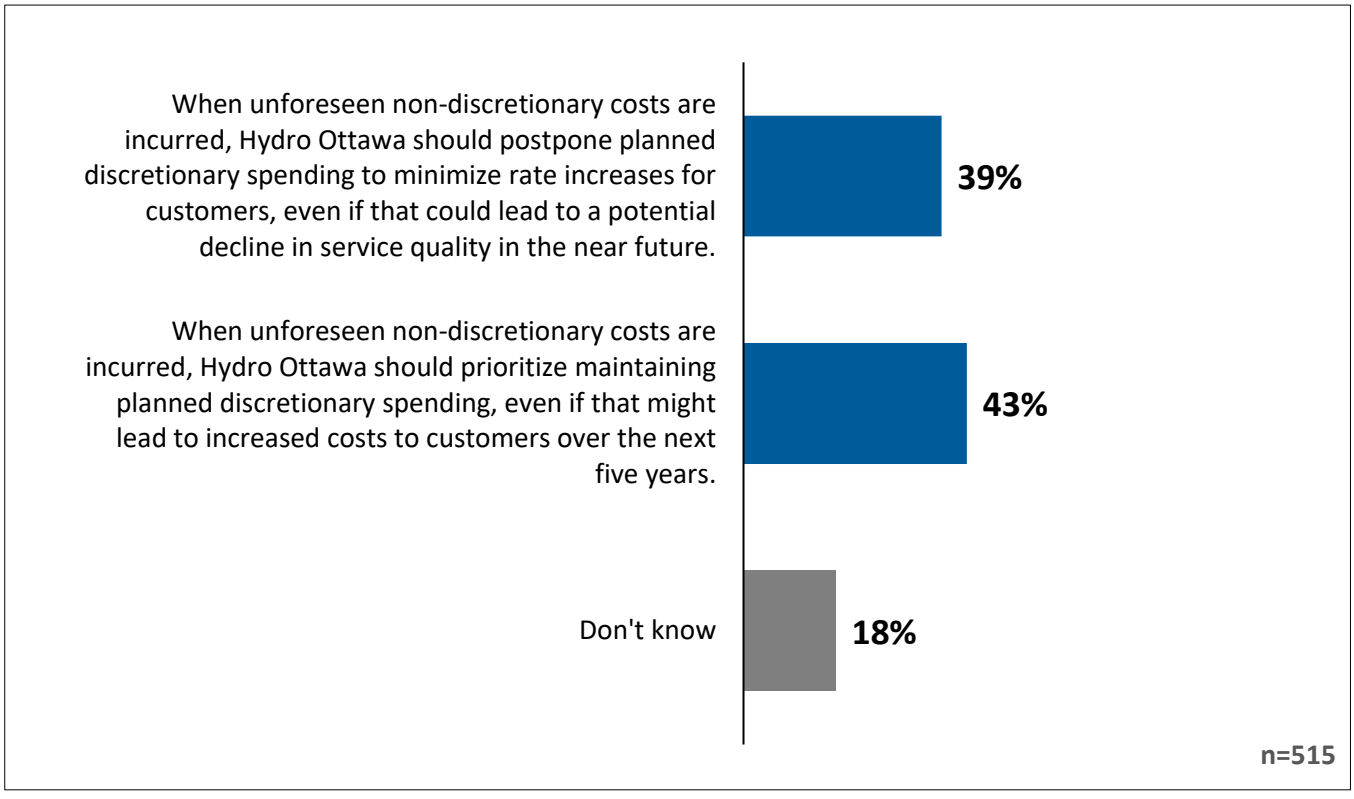
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Discretionary Spending

Small Business

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Which of the following statements best represents your point of view regarding Hydro Ottawa's approach to discretionary and non-discretionary spending?



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Discretionary Spending

Small Business

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Which of the following statements best represents your point of view regarding Hydro Ottawa's approach to discretionary and non-discretionary spending?

	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Postpone discretionary spending	40%	46%	31%	44%	37%	32%	38%	39%	46%
Maintain discretionary spending	38%	36%	60%	42%	45%	51%	43%	46%	34%
Don't know	22%	18%	9%	14%	19%	18%	19%	15%	20%

	Sector				
	Overall	MASH	MURB	Commercial	Industrial
Postpone discretionary spending	**39%**	32%	39%	43%	48%
Maintain discretionary spending	**43%**	62%	49%	37%	45%
Don't know	**18%**	6%	12%	20%	7%

Representative Workbook

Discretionary Spending

Small Business

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Additional Feedback

Response	%
Support for a 'somewhere in the middle' approach	1.6%
Preparedness - accounting for unexpected events	1.4%
Operational efficiencies - corporate/management salaries	1.2%
Criticism - responses require more nuance and information	1.2%
Survey is biased	1.0%
Environmental sustainability- solar energy, EVs	0.8%
Prioritize grid resilience/burying lines	0.8%
Survey complicated/difficult to understand/too long	0.6%
Approval - Need to address issues in the present	0.4%
Approval 'within reason'	0.4%
Disapproval - cost concerns	0.4%
Discretionary spending should be postponed/kept to a minimum	0.4%
More customer education/engagement required	0.4%
Prioritize updating aging infrastructure/maintaining reliability	0.2%
Developers/customers involved should contribute	0.2%
Service should not be affected	0.2%
Prioritize grid modernization	0.2%
Other	0.8%
None/ Don’t know	0.2%
No response	88.0%

n=515

Representative Workbook
Discretionary Spending

Small Business

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Additional Feedback

Sample Verbatims
Support for a 'somewhere in the middle' approach
"The answer is in the middle - not cancel ALL planned spending to make up for the loss but also realizing that hydro costs in ON are grossly overpriced compared to other provinces. Some things will need reduction."
Preparedness - accounting for unexpected events
"Non-discretionary costs are going to happen. Hydro Ottawa should set aside some of the funds to cover the cost of these non-discretionary costs, an "emergency" fund so to speak."
Operational efficiencies - corporate/management salaries
"Again, does Hydro Ottawa make a profit? If so they should also be responsible for incresed costs along with the end users."
Criticism - responses require more nuance and information
"Impossible to comment on since circumstances must be known before a comment can be made."
Other
"There should be a mechanism to increase and DECREASE temporary costs, not just INCREASE."
"I don't see how tree trimming and emergency planning are capital expenses; are they not operating? The other aspect of having a capital program is being able to deliver it as budgeted. Does Hydro Ottawa have the necessary resources available?"

Customer Engagement Survey

Planning process: 2026-2030 rate application

Small Business

Hydro Ottawa needs your feedback on its draft investment plan

The next sections are about 5 key choices that Hydro Ottawa would like your feedback on.

Each section provides some key background information. We encourage you to take the time to learn about your local electricity grid and where investments are made from distribution rates.

We know your time is valuable. While many people find this information interesting, if you would prefer to skip over the background information, you can jump right to the key choices.

How do I make choices?

Each discretionary investment choice has a summary of three options that Hydro Ottawa would like you to consider:

Accelerated Pace: A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

Hydro Ottawa's Draft Plan: An option currently in the draft plan that proposes measures and investments meant to ensure the safety and reliability of the grid.

Slower Pace: A minimum spending option that keeps prices lower and meets the basic performance requirements but may entail some trade-offs on key outcomes, such as reliability.

In each option, there is a table that enables you to select the draft plan, accelerate or slow down the pace of investment. While Hydro Ottawa's technical experts can tell us the maximum and minimum amounts we can practically spend, Hydro Ottawa also wants to know what customers like you have to say.

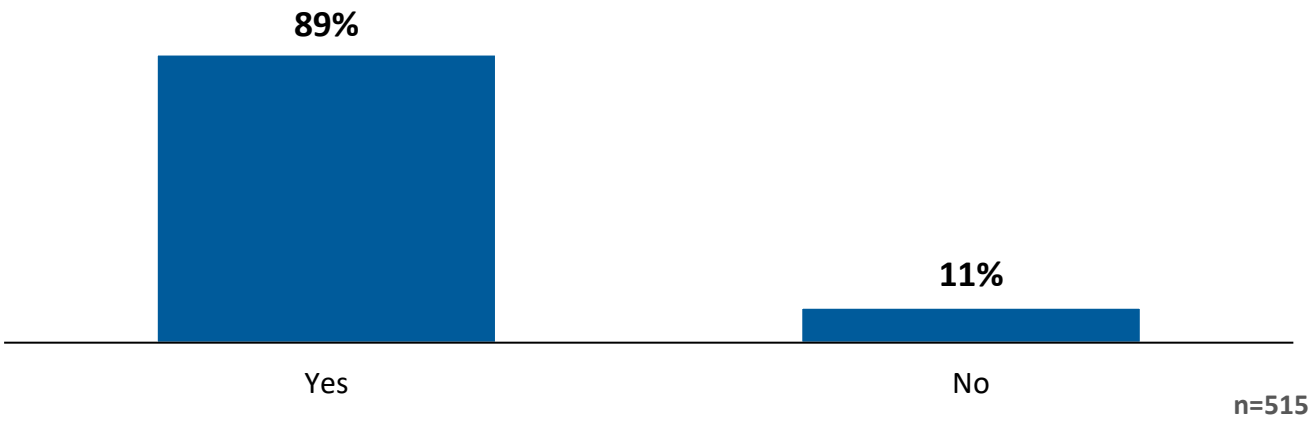
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Clarity of Process

Small Business

Q Is it clear that you can select the option that best reflects your personal view of the best balance between lower costs and faster improvements?



Region

	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa
Yes	92%	89%	91%	93%	87%
No	8%	11%	9%	7%	13%

Consumption Quartiles

	Low	Medium-Low	Medium-High	High
Yes	90%	89%	91%	87%
No	10%	11%	9%	13%

Sector

	MASH	MURB	Commercial	Industrial
Yes	90%	92%	88%	89%
No	10%	8%	12%	11%

Customer Engagement Survey

Planning Process: Aging Infrastructure

Small Business

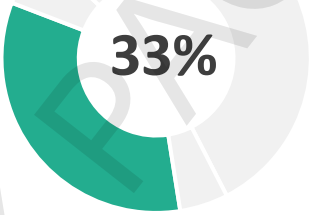
Aging Infrastructure

Taking care of our existing assets

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What is this section about?

This section focuses on investments to upkeep old equipment that is in poor condition and replace outdated equipment.



There are **two** questions in this section:

1) The pace of replacing end-of-life or deteriorating infrastructure; and

2) The pace of replacing older, obsolete meters.

This spending category makes up **33%** of the **draft investment plan**. In terms of bill impact, this category (and any associated operating costs) represents an estimated **$12.29** of the proposed $47.11 increase in distribution rates by 2030.



Customer Engagement Survey

Planning Process: Replacing Aging Infrastructure

Small Business

Making Choices (1 of 5): **Replacing Aging Infrastructure**

33%

Overview

Hydro Ottawa owns a significant number (approximately 165,000) of assets (i.e. infrastructure and equipment) across its stations including overhead and underground lines. Each of these systems contains distinct assets with varying risk profiles.

A substantial portion of these assets, around 25%, have reached the end of their expected service life, increasing the likelihood of failure. An additional 15% of assets will reach this critical point within the next decade.

Overall, approximately 6% of Hydro Ottawa's assets are currently classified as being in Poor or Very Poor condition. These assets pose a higher risk of failure. To proactively address this, Hydro Ottawa is focusing its asset investment and maintenance programs on minimizing the number of assets in poor condition.

Impact on customers

For the current investment plan, Hydro Ottawa needs to decide how many assets to replace between 2026-2030 and how many replacements can be pushed into the future.

- **Reliability considerations**: Failure of a station or distribution asset can interrupt service, causing unplanned outages for customers. The duration of these outages depends on the asset affected.
- **Resiliency considerations**: Proactive replacement of poor conditioned assets can enhance the grid's resilience to extreme weather events and other disruptions. Delaying these replacements may increase the system's vulnerability and the risk of prolonged outages.
- **Capacity considerations**: The community's expected growth (including electrification forecast) has surpassed the capacity limitations of Hydro Ottawa's existing stations. To accommodate the forecasted demand (including electrification forecast), regions will be transitioned from lower voltage systems to a higher voltage system as many of these lower voltage systems are already operating at or beyond their intended service life, further compounding the issue.
- **Cost considerations**: If Hydro Ottawa defers investments in aging assets, the short-term costs for customers are lower. However, pushing replacements into the future also means less cost certainty and likely steeper increases in the long run.

Hydro Ottawa's draft plan aims to sustain system reliability and minimize extended outages through a proactive asset replacement strategy. This approach prioritizes assets that support a large customer base and those critical for future grid modernization and electrification efforts.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Replacing Aging Infrastructure

Small Business

33%

Making Choices (1 of 5): **Replacing Aging Infrastructure**

By 2030, Hydro Ottawa's draft plan to replace and upgrade infrastructure in poor condition would cost the typical small business customer **$8.36** more per month on their monthly electricity bill.

Choice 1 of 5:

How much do you think Hydro Ottawa should invest in replacing infrastructure in poor condition?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$8.89 more per month by 2030*	Invest more than draft plan on replacing aging infrastructure	• By 2030, this investment initiative will significantly improve the reliability of Hydro Ottawa's electrical infrastructure and will focus on replacing the majority of poorly rated station, overhead, and underground assets to substantially reduce the risk of system failures. • Furthermore, it will enhance system resilience through the implementation of smart switches and evaluation of end-of-life overhead lines for potential undergrounding. • In addition, this initiative will address capacity constraints in certain areas by converting older, lower voltage systems to higher voltage systems.
Draft Plan ***Rate Impact*** *$8.36 more per month by 2030*	Focus on minimizing the number of assets in poor condition and reducing the risk of asset failure	• By 2030, this investment initiative will slightly improve the reliability of Hydro Ottawa's electrical infrastructure and will focus on replacing poorly rated station, overhead, and underground assets to substantially reduce system failures. • System monitoring and resilience will be enhanced through smart switches and evaluation of end-of-life overhead lines for potential undergrounding in high-impact locations. • In addition, this initiative will address capacity constraints in high-risk areas by converting older, lower voltage systems to a higher voltage system.
Slower Pace ***Rate Impact*** *$5.76 more per month by 2030*	Invest less than draft plan on replacing aging infrastructure	• By 2030, this investment initiative will partially address Hydro Ottawa's infrastructure in poor condition. • It will focus on replacing some poorly rated assets to reduce the risk of failure in areas with poor reliability. • By only addressing upgrades to infrastructure at the greatest risk of failure, overall system reliability will likely decrease. • In addition, this initiative will address capacity constraints in high-risk areas by converting older, lower voltage systems to a higher voltage system.

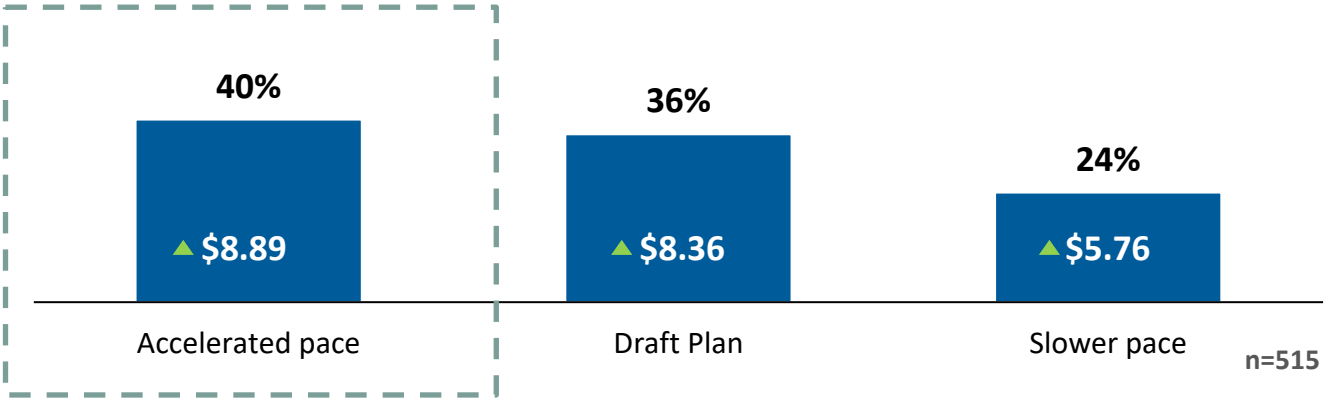
WORKBOOK PAGE

Representative Workbook

Planning Process: Replacing Aging Infrastructure

Small Business

Q Which of the following investment plans would you most be comfortable with?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Accelerated pace	40%	31%	46%	43%	39%	46%	35%	39%	39%
Draft plan	49%	45%	38%	36%	32%	33%	42%	34%	37%
Slower pace	11%	24%	16%	21%	29%	21%	23%	28%	24%

	Sector			
	MASH	MURB	Commercial	Industrial
Accelerated pace	47%	44%	37%	40%
Draft plan	30%	35%	33%	43%
Slower pace	22%	21%	30%	17%

Representative Workbook

Planning Process: Replacing Aging Infrastructure

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft replacement of infrastructure in poor condition?

Response	%
General approval	3.9%
Equipment replacement/renewal	2.9%
System improvements (i.e. underground grid)	1.9%
Prioritization of reliable infrastructure/modernization	1.4%
General disapproval - costs	1.0%
Government/bureaucratic criticism	0.8%
Cost of living concerns/affordability	0.4%
Climate change concerns	0.4%
Operational efficiencies- corporate/management salaries	0.2%
Support for a 'somewhere in between' approach	0.2%
Conflicted (uncertain in response)	0.2%
Electric Vehicle concerns	0.2%
Other	0.8%
None/ Don't know	1.4%
No response	84.5%

n=515

Representative Workbook

Planning Process: Replacing Aging Infrastructure

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft replacement of infrastructure in poor condition?

Sample Verbatims
General approval
"I believe the upfront cost of replacing old infrastructure at an accelerated pace outweighs potential elevated costs and inflation in the future."
Equipment replacement/renewal
"Not dealing with replacement in a timely fashion will make it harder to respond to electrification requirements in the future. Important to highlight the life expectancy of new assets. Replacing aging infrastructure is important to preventing fires and worse. Though I would spend more on upgrading items rather than replacing."
System improvements (i.e. underground grid)
"I like the idea of undergrounding existing overhead lines. In theory this should improve reliability in severe weather."
Prioritization of reliable infrastructure/modernization
"In some older neighbourhoods where power outages have often exceeded several days, the physical losses (food etc.) and inconvenience to customers is expensive and frustrating."
Other
"The difference between the options is not much so it seems strange that a $3 difference makes such a difference unless there are hidden costs. something is not right here."

Customer Engagement Survey

Planning Process: Metering Renewal

Small Business

Making Choices (2 of 5): **Metering Renewal**

33%

Overview

Hydro Ottawa owns approximately **367,000 meters**, with **61% operating beyond their service life.** The planned meter replacement initiative includes upgrading existing meters and the data management platform. This initiative also presents an opportunity to deploy grid-edge devices that support Hydro Ottawa's grid modernization goals (i.e. smart meters, solar panels).



Impact on customers

For the current investment plan, Hydro Ottawa needs to decide how many meters to replace between 2026-2030, and how many replacements can be pushed further into the future, to mitigate in-field failures of the existing aging meters.

Without replacing aging meters, Hydro Ottawa faces the risk of relying on estimates for billing. Moreover, the absence of more reliable data impedes grid modernization initiatives and limits Hydro Ottawa’s ability to optimize operations and deliver innovative customer solutions.

- **Reliability impacts:** Without higher resolution data, the ability to further improve upon Hydro Ottawa's restoration timing is reduced.
- **Capacity impacts**: Without more granular data at the supply point, the ability to understand usage patterns and peak times to support future energy needs is limited.
- **Cost considerations:** If Hydro Ottawa defers investments in metering, the short-term costs for customers are lower. However, pushing replacements into the future also means less cost certainty and likely steeper increases in the long run.

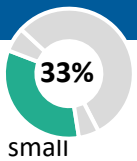
Hydro Ottawa's draft plan aims to sustain system reliability and minimize extended outages through a proactive asset replacement strategy. This approach prioritizes assets that support a large customer base and those critical for future grid modernization and electrification efforts, while maintaining regulatory billing requirements.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Metering Renewal

Small Business



Making Choices (2 of 5): **Metering renewal**

By 2030, Hydro Ottawa's draft plan to install new smart meter would cost the typical small business customer **$3.93** more per month on their monthly electricity bill.

Choice 2 of 5:

How much do you think Hydro Ottawa should invest in metering renewal by 2030?		
Option	What is included	Expected Outcome
Accelerated Pace  ***Rate Impact*** *$7.01 more per month by 2030*	Replacement of all Hydro Ottawa meters (approximately 367,500 meters replaced in 5 years)	• The achievement of a fully upgraded smart meter system will help to foster customer engagement programs and enhanced grid visibility.
Draft Plan  ***Rate Impact*** *$3.93 more per month by 2030*	Replacement of a subset of Hydro Ottawa meters (approximately 161,000 meters replaced in 5 years)	• To minimize ratepayer impact, upgraded smart meter system implementations will extend beyond 2030.
Slower Pace  ***Rate Impact*** *$2.81 more per month by 2030*	Replacement of fewer than 161,000 Hydro Ottawa meters.	• The initiative will only include reactionary replacement of end-of-life meters posing risks to information and operational technology that could potentially hinder customer engagement and grid visibility efforts.

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Confirm selection above to continue.

Confirm

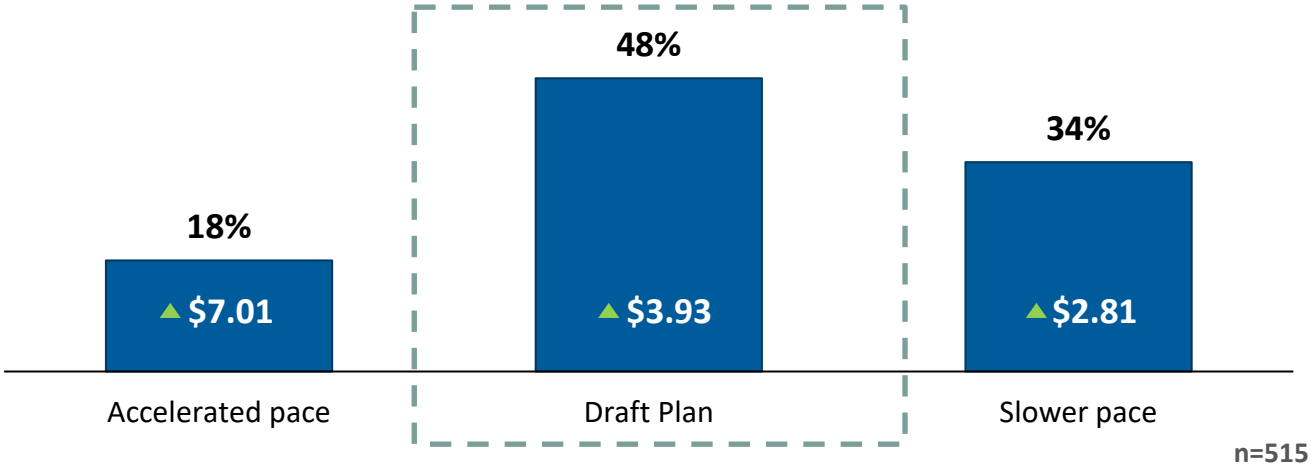
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Planning Process: Metering Renewal

Small Business

Q Which of the following investment plans would you most be comfortable with?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Accelerated pace	16%	24%	9%	24%	17%	20%	19%	21%	14%
Draft plan	64%	43%	68%	43%	43%	46%	48%	46%	51%
Slower pace	20%	33%	23%	33%	39%	34%	33%	33%	36%

	Sector			
	MASH	MURB	Commercial	Industrial
Accelerated pace	16%	13%	19%	17%
Draft plan	65%	48%	42%	64%
Slower pace	19%	39%	39%	19%

Representative Workbook

Planning Process: Metering Renewal

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft metering renewal plan?

Response	%
Equipment replacement/renewal	2.3%
General approval	2.1%
General disapproval - costs	0.8%
Do not charge customers- take from profits	0.4%
System improvements (ie underground grid)	0.4%
Prioritization of reliable infrastructure/modernization	0.2%
Cost of living concerns/affordability	0.2%
Operational efficiencies- corporate/management salaries	0.2%
Government/bureaucratic criticism	0.2%
Higher consumers should pay higher costs	0.2%
Electric Vehicle concerns	0.2%
Other	0.6%
None/ Don't know	0.6%
No response	91.7%

n=515

Representative Workbook

Planning Process: Metering Renewal

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft metering renewal plan?

Sample Verbatims
Equipment replacement/renewal
"Customers need to be made aware that old meters tend to understate the actual usage, and that new meters will be more accurate and the result will be more revenue to Ottawa Hydro for the same usage."
General approval
"I might support an accelerated pace at a less cost of $7.01, which is a lot more than the draft plan. Also, as a property manager, I would recommend contacting people or the building office in advance of the change so that those who experience a temporary shut down are not taken off guard."
General disapproval - costs
"I don't have enough information to know the benefits of upgrading the meters to correctly give an opinion. At moment I don't see the justification for an accelerated pace."
Other
"You are not clear how customer engagement and grid visibility provides any tangible benefits to the rate payers. As long as the meter is working, you can generate revenue. It is not clear to me, how smart meters provide enhanced service to the ratepayer; Hydro Ottawa reaps the benefit of more real time data, not the customer."

Customer Engagement Survey

Planning Process: Grid Modernization

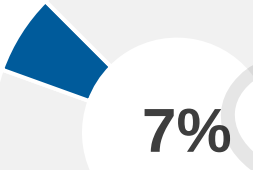
Small Business

Grid Modernization

Investing in new assets and technology

What is this section about?

Focus on investments in response to decarbonization and changing customer expectations.



This spending category makes up **7%** of the **draft investment plan.** In terms of bill impact, this category (and any associated operating costs) represents an estimated **$3.06** of the proposed $47.11 increase is distribution rates by 2030.

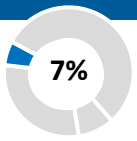
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Customer Engagement Survey

Planning Process: Grid Modernization

Small Business

Making Choices (3 of 5): **Grid Modernization**



Overview

Hydro Ottawa's grid modernization strategy is a comprehensive plan to address evolving challenges in the utility sector. Developed in response to aging infrastructure, decarbonization, and changing customer expectations, the strategy aims to enhance grid reliability, flexibility, resilience, and customer engagement while promoting sustainability.

Hydro Ottawa's grid modernization plan has five key objectives:

- **Enhanced Reliability**: Improving the grid's reliability through advanced monitoring, proactive failure detection, fast fault detection, automated power quality control, automated system restoration, and reduced outage times.
- **Adaptive Grid Flexibility**: Enabling the grid to adapt to the changing energy demand and incorporate different energy generation sources.
- **Fortified Resilience & Robust Security**: Improving the grid's ability to withstand service disruptions due to system faults or climate events and safeguarding the grid's assets against cyber threats.
- **Strengthened Customer Engagement & Empowerment**: Engaging and empowering customers through real-time data, efficient billing, and tools to manage their energy use.
- **Sustainable Decarbonization & Renewable Integration**: Enabling carbon emissions reduction by optimizing planning and operations to support the integration of renewable energy sources into the grid and promote sustainability.

Impact on customers

Hydro Ottawa needs to determine what level of investment should be made in grid modernization, specifically through investments in software upkeep required to operate the grid, replacement and upgrade of protection and control relay equipment, addition of smart devices that provide remote visibility into Hydro Ottawa's grid, and expansion of Hydro Ottawa's communication infrastructure.

- **Reliability considerations**: If grid modernization is not pursued, Hydro Ottawa's ability to improve reliability will decrease, as grid modernization facilitates the necessary tools to increase and continually improve upon grid uptime.
- **Cost considerations**: If Hydro Ottawa defers investments in grid modernization, the short-term costs for customers are lower; however, as technology and electrification become more prevalent, Hydro Ottawa's ability to rapidly respond to outages, as well as Hydro Ottawa's ability to integrate distributed energy resources (e.g. solar panels and battery storage) in a market that is steering towards the prosumer (i.e. customers that both produce and consume electricity and can send their stored or generated electricity back to the grid) would be limited.

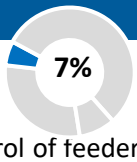
In its draft plan, Hydro Ottawa is proposing a balanced approach to grid modernization, ensuring reliability, flexibility, security, customer empowerment and integration of distributed energy resources.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Grid Modernization

Small Business



Making Choices (3 of 5): **Grid Modernization**

By 2030, Hydro Ottawa's draft plan to invest in real-time visibility and remote control of feeders. This would cost the typical small business customer **$3.06** more per month on their monthly electricity bill.

Choice 3 of 5:

Which of the following investment plans would you most be comfortable with?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$3.61 more per month by 2030*	Invest more in functionality, optical transport network, wireless solutions, and grid visibility.	• Significant investment in visibility and remote control of feeders, self-healing grid pilots, and centralized wireless management to enhance efficiency, reduce outages, and improve cybersecurity.
Draft Plan ***Rate Impact*** *$3.06 more per month by 2030*	Invest in core functionality, optical transport network, wireless solutions and grid visibility.	• Targeted investments in real-time visibility and remote control of feeders to improve situational awareness and reduce outage duration. • Continued upkeep of the Advanced Distribution Management System (ADMS) that allows Hydro Ottawa to identify problems with the grid and re-route electricity to isolate faults and restore power.
Slower Pace ***Rate Impact*** *$2.51 more per month by 2030*	Invest less in functionality, optical transport network, wireless solutions, and grid visibility.	• Limited investments in real-time visibility and remote control of feeders. • The reduced spend will limit the expansion of the optical transport network for critical network diversity. This would not allow for a reduction to outage duration.

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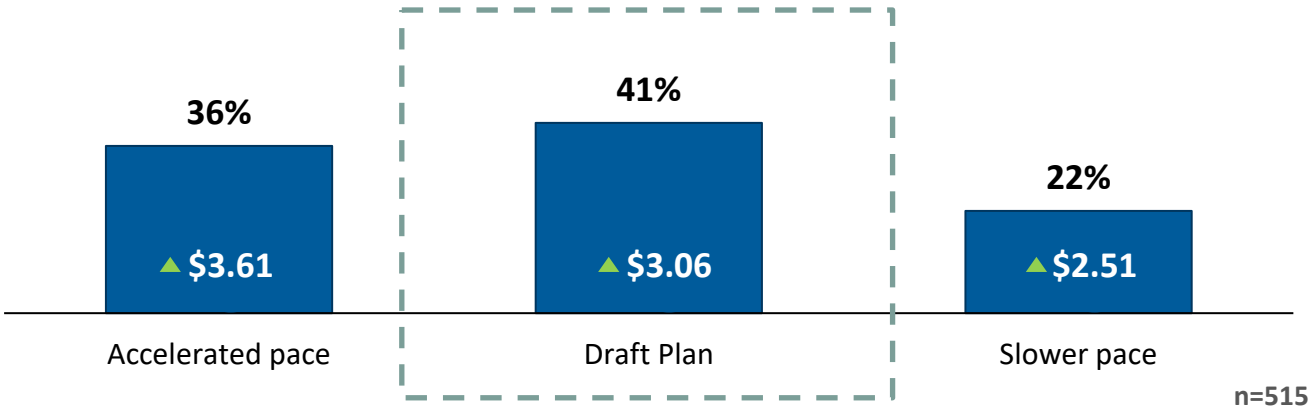
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Planning Process: Grid Modernization

Small Business

Q Which of the following investment plans would you most be comfortable with?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Accelerated pace	35%	44%	32%	38%	36%	40%	33%	44%	29%
Draft plan	48%	28%	42%	45%	40%	38%	40%	37%	50%
Slower pace	17%	28%	26%	17%	24%	22%	26%	19%	21%

	Sector			
	MASH	MURB	Commercial	Industrial
Accelerated pace	32%	36%	35%	30%
Draft plan	49%	40%	38%	53%
Slower pace	19%	23%	27%	17%

Representative Workbook

Planning Process: Grid Modernization

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft grid modernization plan?

Response	%
Prioritization of reliable infrastructure/modernization	1.9%
General approval	1.7%
System improvements (i.e. underground grid)	1.0%
Operational efficiencies- corporate/management salaries	0.6%
Climate change concerns	0.6%
General disapproval - costs	0.2%
Criticism of survey bias	0.2%
Government/bureaucratic criticism	0.2%
Other	0.8%
None/ Don't know	0.8%
No response	92.0%

n=515

Representative Workbook

Planning Process: Grid Modernization

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft grid modernization plan?

Sample Verbatims
Prioritization of reliable infrastructure/modernization
"It is very disappointing that only 7% is budgeted for grid modernization. The amount is so small that this is not even a choice with impact on the most recalcitrant rate-payer: only $1.10 separates the extremes here. Place higher priority on a more agile, responsive, two-way grid. Solar tech is getting both cheaper and more efficient. This budget poorly equips the utility to profit from to these facts by adequately planning for more customer feed-ins."
General approval
"The price difference is minimal so go with faster."
System improvements (i.e. underground grid)
"Business and residential Housing should be integrated as a energy supplier using battery storage and vehicle power storage."
Other
"Focus on nuclear power only , when planning transmission, infrastructure and grid improvement."
"Otherwise we will not keep up. We absolutely should be considering the smaller nuclear power hubs, like France, but that would be a gov't decision, I assume, not a single company."

Customer Engagement Survey

Planning Process: Growth and Electrification

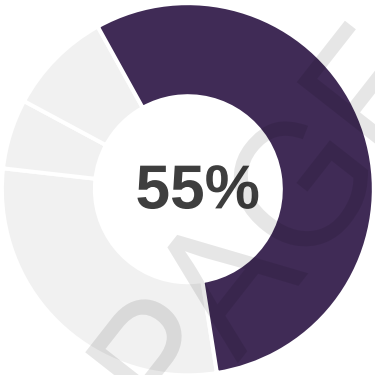
Small Business

Growth and Electrification

Investing in the grid to meet growing demand for electricity

What is this section about?

This section focuses on investments in capacity to power the growing community and serve customers' growing and changing needs for electricity.



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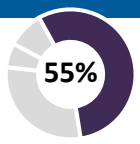
This spending category makes up **55%** of the **draft investment plan**. In terms of bill impact, this category (and any associated operating costs) represents an estimated **$9.58** of the proposed $47.11 increase is distribution rates by 2030.



Customer Engagement Survey

Planning Process: Growth and Electrification

Small Business



Making Choices (4 of 5): **Preparing for Electrification**

Overview

Hydro Ottawa is proactively preparing for the future by strategically planning infrastructure investments to support the anticipated growth in electricity demand. Electrification, the transition from fossil fuels to electricity, is driving significant changes in energy consumption patterns, creating both opportunities and challenges for the electricity distribution system.

The surge in electrification is fueling an unprecedented increase in demand, stemming from new customer connections and a rising demand from existing customers who are adopting technologies like electric vehicles, heat pumps, and switching to electricity for commercial purposes.

To ensure a reliable and resilient system that can meet the evolving needs of the community, Hydro Ottawa is employing a multifaceted approach to address the challenges of this growth:

- **Expanding Infrastructure:** New substations, increased operating voltages, and new lines will be added to enhance the capacity and flexibility of the distribution system.
- **Embracing Innovation:** This will include battery energy storage systems which will be integrated to better manage peak demand and support the increasing reliance on renewable energy sources.
- **Empowering Customers**: Innovative customer programs will be developed. These programs promote efficient electricity usage and encourage participation in demand-side management initiatives. These solutions go beyond traditional infrastructure by offering customer incentives in targeted areas of growth to provide additional electricity capacity, reduce peak demand, improve grid flexibility, and reduce costs for customers. They can also be implemented and scaled up or down faster than building traditional infrastructure.

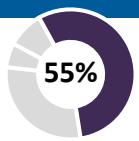
These measures will not only ensure that Hydro Ottawa's distribution system can accommodate the growing demand but will also contribute to a cleaner and more sustainable energy future for the community it serves.

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Customer Engagement Survey

Planning Process: Growth and Electrification

Small Business

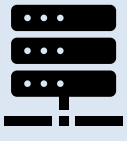


Impact on customers

Failure to invest in necessary infrastructure upgrades will have a cascading effect, hindering Hydro Ottawa's ability to meet the demands of a rapidly changing energy landscape.

- **Reliability and Outages:** An overloaded and outdated system will buckle under the pressure of increased demand, leading to frequent and widespread power outages, disrupting daily life, businesses, and essential services.
- **Economic Impacts:** Constraints on new connections and unreliable power will stifle economic growth and development, discouraging businesses and industries from investing in the region, ultimately affecting job creation and prosperity.
- **Environmental Consequences**: An inability to support electrification efforts will hinder the transition away from fossil fuels, resulting in increased greenhouse gas emissions and missed opportunities to embrace renewable energy sources.
- **Customer Dissatisfaction**: Frequent outages, limited access to new energy technologies and incentive programs, and potentially higher electricity costs will lead to frustration and a negative perception of Hydro Ottawa's service.

What's driving the energy transition? Public policy; technology; economic factors; and evolving expectations from customers. All these factors are happening against the backdrop of the need to address climate change and prepare to adapt to its effects.



How much more electricity is required? A Chat GPT search on Google consumes 10 times more energy than a traditional search. Today, some of the largest data centres have the same power footprint as running 7 million laptops.



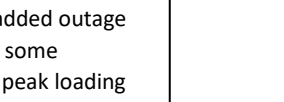
How much electricity does it take to charge an Electric Vehicle (EV)? Did you know that when an EV is charging it can use as much electricity as two average homes? If everyone in a neighbourhood came home from work or school and started charging their EVs at the same time, the electricity demand could overload the grid.

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Customer Engagement Survey

Planning Process: Growth and Electrification

Small Business



Making Choices (4 of 5): **Preparing for Electrification**

By 2030, Hydro Ottawa's draft plan to invest in system capacity to prepare for electrification would cost the typical small business customer **$9.58** more per month on their monthly electricity bill.

Choice 4 of 5:

Which of the following investment plans would you most be comfortable with?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$14.37 more per month by 2030*	• Increased annual capacity investment to meet future electrification load growth by 2035.	• System capacity is **increased** to meet all growth related to electrification needs by 2035, eliminating reliability risk during system peak days.
Draft Plan ***Rate Impact*** *$9.58 more per month by 2030*	• Slow capacity investments to only critical needs by 2030 with some investments deferred to the next rate period	• System capacity will **maintain** pace with growth in the community, or slightly lagging. Limited impact timing and ability to connect customers. Includes non-wire solutions to support station peaks in high growth regions. • Will result in modest increased reliability risk in specific growth areas - risk of added outage duration or inability to restore some customers, if failures occur on peak loading days.
Slower Pace ***Rate Impact*** *$4.59 more per month by 2030*	• Slow capacity investments to only meet critical needs.	• System capacity will be **slightly lagging** to meet electrification needs by 2035. There might be some impact on the ability to connect customers in certain regions. • Will result in larger increased reliability risk in specific growth areas - risk of added outage duration or inability to restore some customers, if failures occur on peak loading days.

WORKBOOK PAGE

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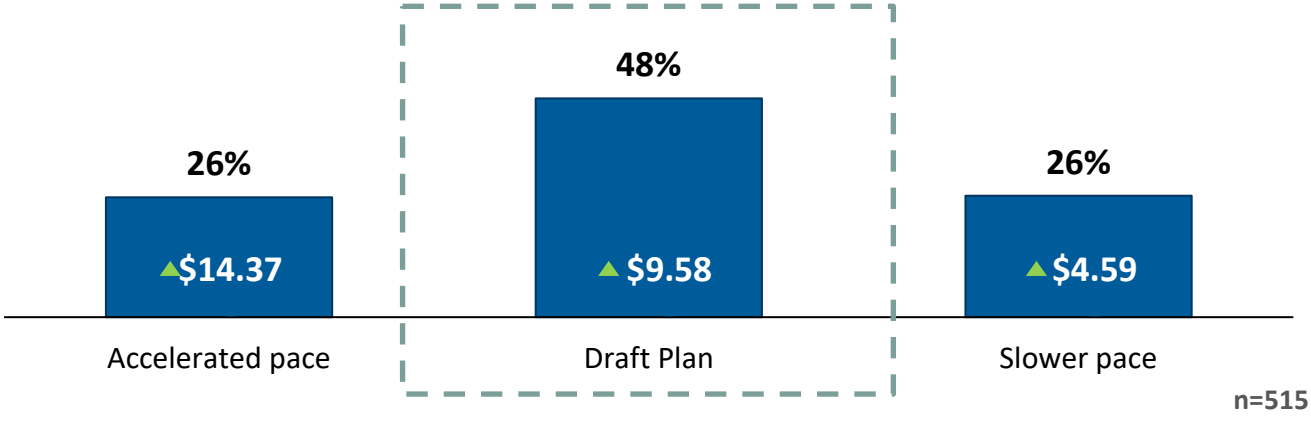
Confirm

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Planning Process: Growth and Electrification

Small Business

Q Which of the following investment plans would you most be comfortable with?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Accelerated pace	21%	22%	30%	26%	27%	25%	28%	26%	25%
Draft plan	57%	63%	36%	50%	44%	48%	48%	50%	45%
Slower pace	22%	14%	34%	23%	29%	27%	24%	24%	30%

	Sector			
	MASH	MURB	Commercial	Industrial
Accelerated pace	30%	21%	25%	25%
Draft plan	54%	44%	44%	48%
Slower pace	15%	36%	31%	27%

Representative Workbook

Planning Process: Growth and Electrification

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft electrification plan?

Response	%
Electric Vehicle concerns	2.5%
Climate change concerns	1.7%
General approval	1.2%
General disapproval - costs	0.8%
System improvements (i.e. underground grid)	0.8%
Prioritization of reliable infrastructure/modernization	0.6%
Operational efficiencies- corporate/management salaries	0.6%
Government/bureaucratic criticism	0.6%
Higher consumers should pay higher costs	0.4%
Consumer education	0.2%
Other	0.8%
None/ Don't know	0.8%
No response	89.1%

n=515

Representative Workbook

Planning Process: Growth and Electrification

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft electrification plan?

Sample Verbatims
Electric Vehicle concerns
"EV sales have slowed. I would say monitor the increase demand and move between the first two options when needed."
Climate change concerns
"Climate Change is here. So we are long past the point of needing to prepare. Increasing demand for electricity (heat pumps, plug-in vehicles etc.) Major increase in population. Hydro Ottawa has a major gap to fill."
General approval
"Again, I think we need to live with the fact that prices will go up in order to keep the infrastructure on par with necessary needs."
Other
"Allow private enterprise to participate in the electrification plan. Business and residential can alleviate some of these issues."

Customer Engagement Survey

Planning Process: Grid Resilience

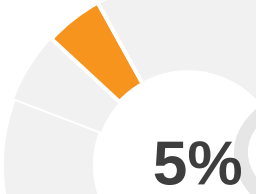
Small Business

Grid Resilience

Investments to make the grid more resilient against external factors

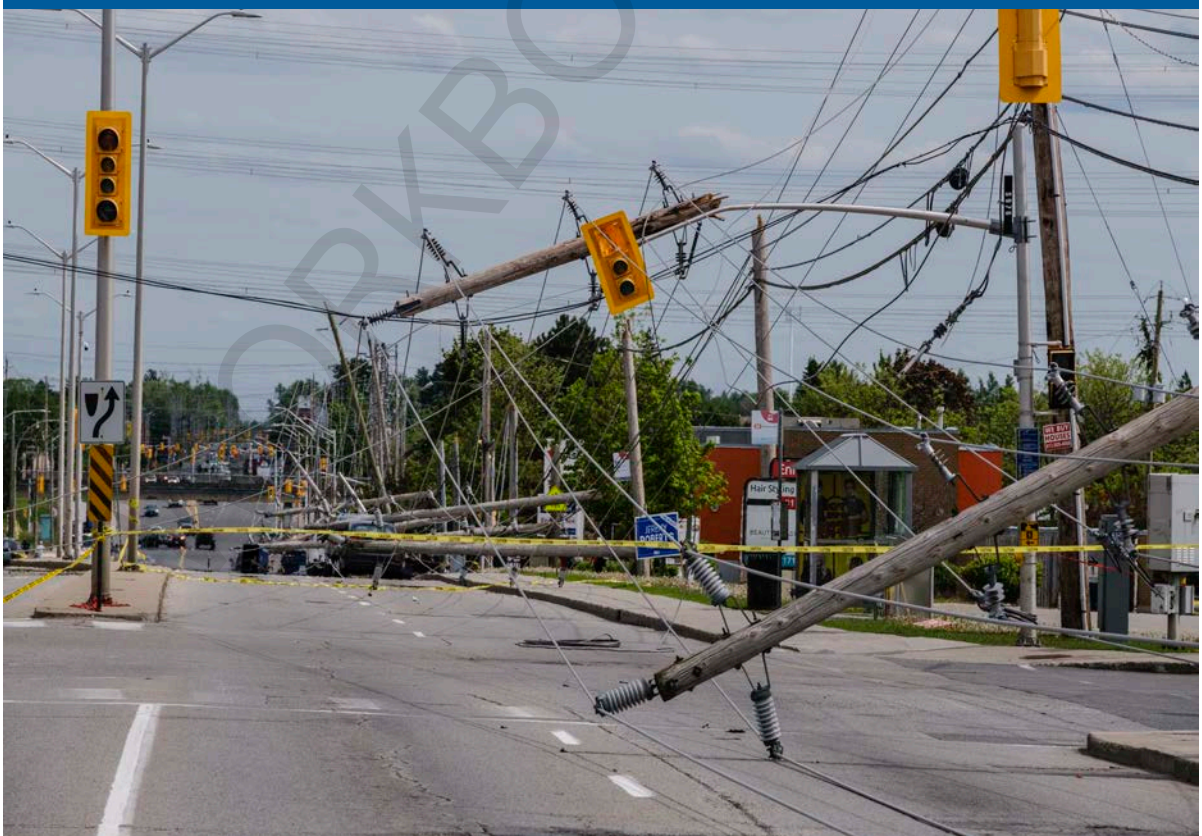
What is this section about?

This section focuses on investments in technology to get more use out of existing equipment. This section includes burying lines, hardening the grid, tree trimming, improving emergency planning and response.



WORKBOOK PAGE

This spending category makes up **5%** of the **draft investment plan.** In terms of bill impact, this category (and any associated operating costs) represents an estimated **$2.50** of the proposed $47.11 increase is distribution rates by 2030.



Customer Engagement Survey

Planning Process: Grid Resilience

Small Business

Making Choices (5 of 5): **Grid Resilience**

5%

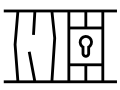
Overview

Distribution system resilience refers to the ability of Hydro Ottawa's distribution network to withstand, adapt to, and recover from disruptions. These disruptions can stem from various sources, including severe weather events, natural disasters, equipment failures, cyberattacks, or unexpected surges in demand.

Resilience goes beyond simply preventing outages; it encompasses the ability to:



1. **Anticipate and mitigate risks**: Proactively identify and address vulnerabilities in the system to reduce the likelihood and impact of disruptions.



2. **Withstand disruptions**: Maintain critical functions and minimize the extent of outages during an event.
3. **Recover quickly**: Restore power and normal operations as rapidly as possible after a disruption.



4. **Adapt and learn**: Improve the system based on lessons learned from past events to enhance future resilience.

In recent years, Hydro Ottawa has experienced a series of severe weather events that have impacted its distribution system, notably the devastating Derecho storm of 2022. The Ottawa region has seen an increase in the frequency of severe weather events, including tornados, lightning storms, ice storms and heavy snowfalls. These frequent and intense weather events have posed ongoing challenges for Hydro Ottawa in maintaining a reliable power supply, highlighting the need for continued investment in grid resilience to withstand the growing impact of climate change.

Impact on customers

Hydro Ottawa needs to determine what level of investment should be made in burying lines, hardening its infrastructure, proactively removing or trimming trees and improving emergency planning and response between 2026 and 2030. If Hydro Ottawa does not invest sufficiently in grid resilience in the face of increasing severe weather events, the consequences could be severe:

- **More frequent and longer outages**: Existing infrastructure may not be able to withstand the increased stress from intensified storms, leading to more widespread and prolonged power outages.
- **Increased costs for repairs and restoration**: Each storm that causes damage to the grid requires significant resources for repairs and restoration, placing a financial burden on the utility and potentially leading to higher rates for customers.
- **Economic disruption**: Power outages can disrupt businesses, schools, and other essential services, impacting productivity and economic activity in the region.
- **Public safety concerns**: Power outages can create safety risks, particularly for vulnerable populations who rely on electricity for medical devices or other critical needs.
- **Damage to public confidence**: Frequent outages can erode public trust in Hydro Ottawa and its ability to provide reliable service.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Grid Resilience

Small Business

5%

Making Choices (5 of 5): **Grid Resilience**

By 2030, Hydro Ottawa's draft plan to bury lines, harden infrastructure, proactively remove or trim trees and improve emergency planning and response between 2026 and 2030. This would cost the typical small business customer **$2.50** more per month on their monthly electricity bill.

Choice 5 of 5:

How much do you think Hydro Ottawa should invest in Grid Resilience?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$2.77 more per month by 2030*	• Increased undergrounding. • Increased vegetation management. • Additional feeder connectivity/ties above and beyond recommended program.	• Same as draft plan, however, to a greater extent • Fewer customers impacted by severe storms • Quicker restoration efforts • Greater flexibility in response to outages • Quicker recovery and system stabilization post-storms
Draft Plan ***Rate Impact*** *$2.50 more per month by 2030*	• Some proactive undergrounding of overhead lines	• Less customers impacted by severe storms. • Quicker restoration efforts. • Greater flexibility in response to outages. • Quicker recovery and system stabilization post storms.
Slower Pace ***Rate Impact*** *$2.07 more per month by 2030*	• No proactive undergrounding of overhead lines. • Vegetation management in line with 2021-2025. • Limited feeder ties to base planning requirements.	• No significant change to the present state of impacts of major storms, or to restoration efforts and system recovery. • Risk of increased reactive spending, as the system is not preemptively "hardened". • Increased spending on emergency and storm response.

WORKBOOK PAGE

Confirm selection above to continue.

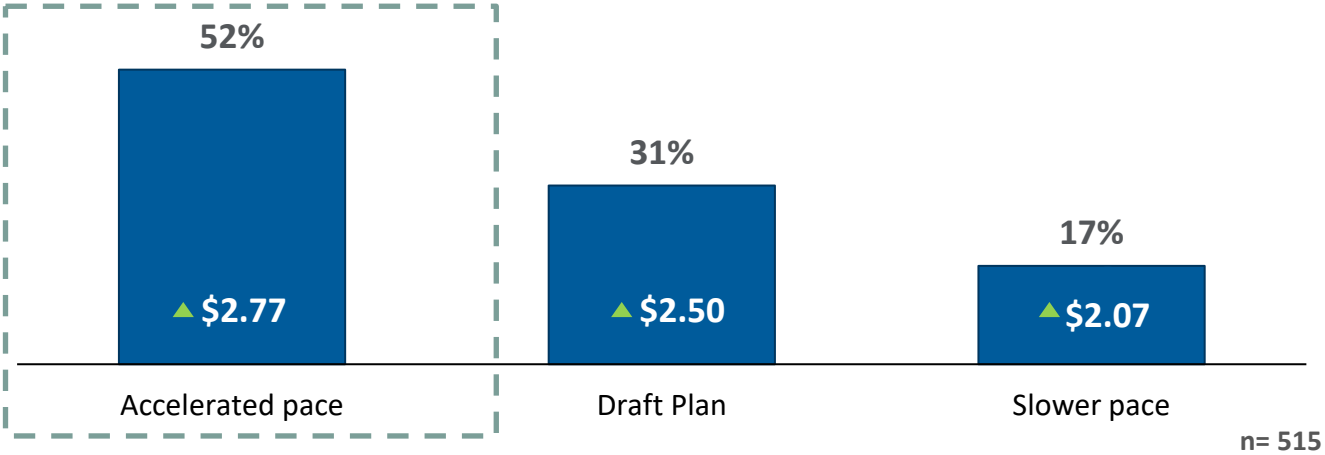
Confirm

Representative Workbook

Planning Process: Grid Resilience

Small Business

Q Which of the following investment plans would you most be comfortable with?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Accelerated pace	55%	51%	50%	51%	51%	51%	48%	51%	56%
Draft plan	32%	31%	33%	33%	30%	30%	33%	37%	25%
Slower pace	12%	18%	17%	16%	19%	19%	19%	12%	19%

	Sector			
	MASH	MURB	Commercial	Industrial
Accelerated pace	53%	53%	48%	52%
Draft plan	38%	26%	32%	36%
Slower pace	9%	21%	20%	12%

Representative Workbook

Planning Process: Grid Resilience

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft grid resilience plan?

Response	%
Prioritization of reliable infrastructure/modernization	2.1%
System improvements (i.e. underground grid)	1.6%
General approval	1.4%
Climate change concerns	1.0%
General disapproval - costs	0.4%
Government/bureaucratic criticism	0.4%
Higher consumers should pay higher costs	0.4%
Equipment replacement/renewal	0.2%
Cost of living concerns/affordability	0.2%
Operational efficiencies- corporate/management salaries	0.2%
Other	0.4%
None/ Don't know	0.4%
No response	91.5%

n=515

Representative Workbook

Planning Process: Grid Resilience

Small Business

Q Do you have additional feedback on Hydro Ottawa's draft grid resilience plan?

Sample Verbatims
Prioritization of reliable infrastructure/modernization
"Grid resilience is greatly necessary. 60 years has shown me that much of our power outage issues are due to poor maintenance of green space around electrical grid."
System improvements (i.e. underground grid)
"Undergrounding of power lines when there is no concurrent street/sewer reconstruction is not financially responsible."
General approval
"I think Hydro Ottawa does an excellent job in this area so I respect their knowledge and support their assessment and plan."
Climate change concerns
"Our environment crisis is real and so are these storms - planning for more is also essential at this point."

n=4,000

Customer Engagement Survey

Dynamic bill calculator

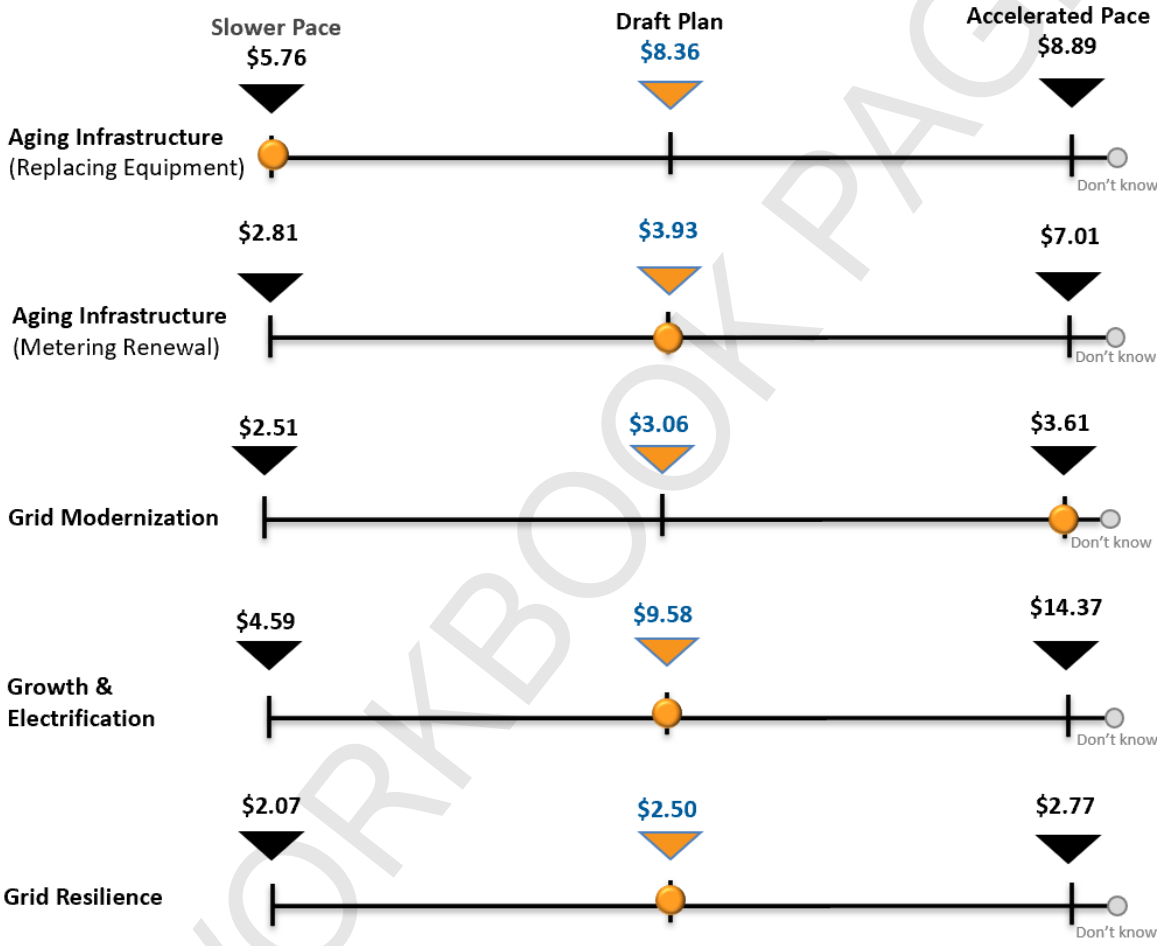
Small Business

Key Choices Calculator: Dollars and Cents

Throughout this survey, you have been asked about **5 key choices** that could impact your rates. Below is a summary of your answers to the questions that could impact your rates.

At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You will have the opportunity to continue adjusting your answers until you feel you've reached the best balance for you.



The total impact of your choices would result in an estimated distribution charge of $XX.XX ($123.35 to $142.26) by 2030.

For the typical business customer, this translates to an increase over 2025's monthly distribution rates by **xx% (44% to 66%)** or **$XX.XX ($37.42 to $56.33)**

Click the submit button after you have finalized your choices above. Submit

WORKBOOK PAGE

Representative Workbook

Planning Process: Key Investment Areas Overview

Small Business

After reviewing the workbook and selecting their answers, respondents were given the opportunity to adjust their choices and observe the impact of those choices on a typical small business customers overall bill, displayed as both a percentage and dollar increase over a 5-year period.

While the workbook pages for the initial option selection did not include a 'Don't know' option, this choice was available on the calculator page. The results are as follows:

Small Business

5 Key Choices	Accelerated	Draft Plan	Slower	Don't know
Replacing Aging Infrastructure	39%	34%	20%	7%
Metering Renewal	18%	47%	28%	7%
Grid Modernization	34%	41%	17%	7%
Growth & Electrification	25%	46%	22%	6%
Grid Resilience	48%	31%	13%	8%

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Small Business

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

					Hydro Ottawa's Portion	
	Year	Avg. Monthly Bill*	Non-Distribution Component	Distribution Component (Hydro Ottawa's portion)	Annual Increase to Monthly Bill (%)	Annual Increase to Monthly Bill ($)
CURRENT	2024	$344.87	$260.32	$84.55	n/a	n/a
BUDGETED	2025	$344.03	$258.10	$85.93	2%	$1.38
Rate Period	2026	$362.71	$263.35	$99.36	16%	$13.43
	2027	$378.20	$268.13	$110.07	11%	$10.71
	2028	$392.20	$273.31	$118.89	8%	$8.82
	2029	$403.94	$278.67	$125.27	5%	$6.38
	2030	$417.18	$284.14	$133.04	6%	$7.77
	5-yr impact			$47.11	55%	$47.11

Note:

- *Average monthly bill includes taxes and the Ontario Electricity Rate.*
- *These estimated rate increases are preliminary and are subject to change based on customer feedback, regulatory approval and other factors. A typical small business (general service under 50kW) customer is assumed to use 2,000 kWh per month and enrolled under Time-of-use Regulated Price Plan.*
- *Bill projections assume a general inflation increase of 2.1% for other aspects of the electricity bill that are outside of Hydro Ottawa's control (commodity, transmission, government, regulatory fees).*

Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $47.11 increase in the distribution portion of the typical small business customer's monthly electricity bill by 2030, which of the following best represents your point of view?

- ☐ I think Hydro Ottawa should accelerate spending beyond its proposed draft plan to deliver better system outcomes
- ☐ I support the proposed bill increase when it comes to preparing Hydro Ottawa's grid for the future
- ☐ I don't like the proposed bill increase, but I think it's necessary to maintain the grid to a reasonable standard and prepare for the future
- ☐ I oppose the bill increase and think Hydro Ottawa needs to scale back its plan
- ☐ I don't know

Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

(Response Optional)

WORKBOOK PAGE

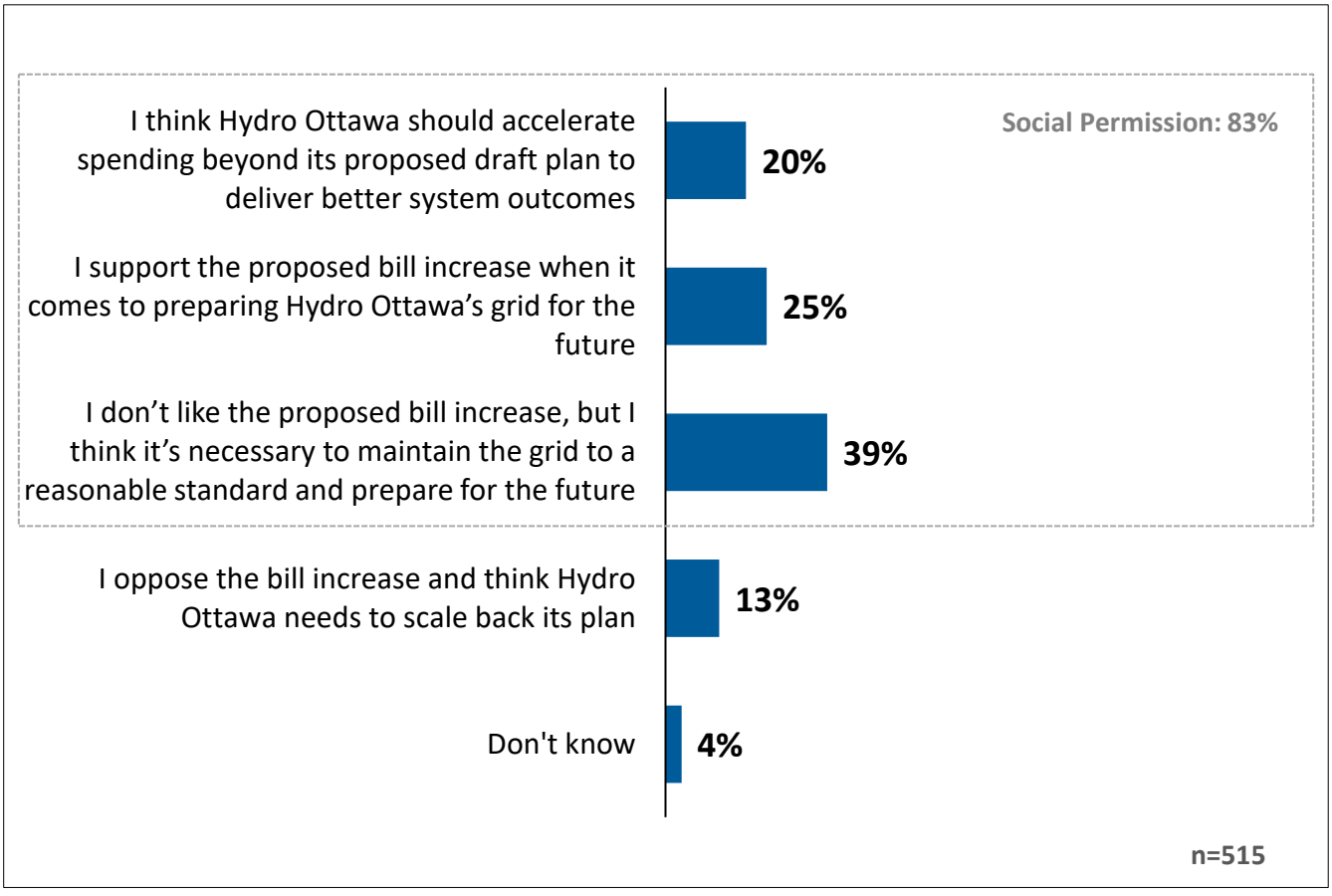
Representative Workbook

Social Permission

Small Business

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $47.11 increase in the distribution portion of the typical small business customer's monthly electricity bill by 2030, which of the following best represents your point of view?



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Social Permission

Small Business

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $47.11 increase in the distribution portion of the typical small business customer's monthly electricity bill by 2030, which of the following best represents your point of view?

Region

	Overall	Gloucester	Goulbourn/Cassleman	Kanata	Nepean	Ottawa
Accelerate spending	20%	23%	13%	24%	22%	18%
Support proposed bill	25%	29%	40%	25%	22%	22%
Necessary to maintain grid	39%	37%	31%	35%	36%	42%
Oppose the bill increase	13%	6%	16%	16%	15%	14%
Don't know	4%	5%	-	-	6%	4%
Social Permission	**83%**	**89%**	**84%**	**84%**	**79%**	**83%**

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerate spending	20%	22%	16%	21%	20%
Support proposed bill	25%	23%	24%	28%	24%
Necessary to maintain grid	39%	39%	47%	31%	39%
Oppose the bill increase	13%	15%	11%	15%	11%
Don't know	4%	2%	2%	6%	6%
Social Permission	**83%**	**83%**	**87%**	**79%**	**83%**

Representative Workbook

Social Permission

Small Business

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $17.76 increase in the distribution portion of the typical small business customer's monthly electricity bill by 2030, which of the following best represents your point of view?

		Sector			
	Overall	**MASH**	**MURB**	**Commercial**	**Industrial**
Accelerate spending	**20%**	18%	16%	19%	19%
Support proposed bill	**25%**	34%	23%	22%	15%
Necessary to maintain grid	**39%**	28%	51%	36%	56%
Oppose the bill increase	**13%**	20%	9%	18%	11%
Don't know	**4%**	-	1%	5%	-
Social Permission	**83%**	**80%**	**90%**	**77%**	**89%**

Representative Workbook

Social Permission

Small Business

Q Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

Response	%
Lower salaries, cut wasteful spending, find efficiencies	1.9%
Support for the increase (general)	1.2%
General positive comment (not targeted to increase)	1.0%
Companies/government should fund the investment cost	1.0%
Focus on improving infrastructure/increased reliability	1.0%
Criticism of survey bias	0.6%
Increases should be tailored to income level/usage	0.6%
Gradually increase to align with inflation/match with inflation	0.6%
Concern about climate change- prioritize solar/wind, EVs	0.4%
General negative comment (not targeted to increase)	0.4%
Accelerate plan/support measures that go beyond those proposed	0.4%
Support for increase if rates decrease once goals are reached	0.4%
Support for in-home solutions/local generation	0.4%
Concern that costs will be higher than stated	0.4%
Oppose increase- unaffordable/unrealistic	0.2%
Need more information/transparency	0.2%
Other	0.6%
None/ Don't know	0.8%
No response	88.2%
No response	88.0%

n=515

Representative Workbook
Social Permission

Small Business

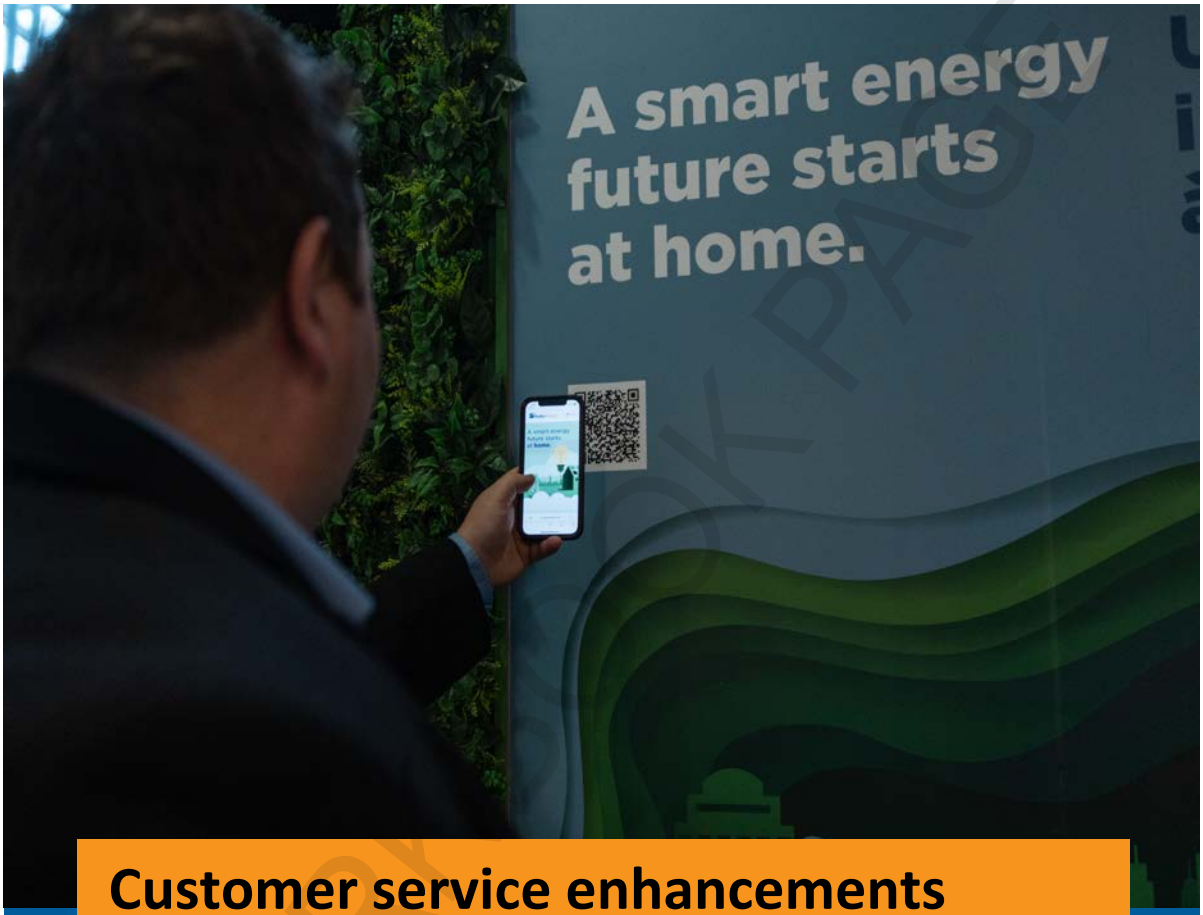
Q Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

Sample Verbatims
Lower salaries, cut wasteful spending, find efficiencies
"You need to work on the costs in this bill that come before it reaches Hydro Ottawa. The salaries paid to executives are out of control and need reigning in. If they don't achieve objectives set, no bonuses."
Support for the increase (general)
"These changes seem necessary. People need to pay the extra now to ensure their electricity needs ongoing in the future."
General positive comment
"I appreciate all of this information. It really helps me to understand what is involved with all of the energy services we are so fortunate to have and how the costs for these services is calculated and spent."
Companies/Government should fund the investment cost
"I think the federal and provincial governments should be responsible for some of the bill increase, given that they have benefited from oil and gas extraction industries. It is not right that the cost of climate crisis be borne almost exclusively by individuals who did not reap the profits or benefits from the oil and gas industries."
Other
"Inevitably we will have to go with the majority...."

Customer Engagement Survey

Planning process: 2026-2030 rate application

Small Business



Customer service enhancements

Planning for the future

WORKBOOK PAGE

INNOVATIVE RESEARCH GROUP

Customer Engagement Survey

Planning process: 2026-2030 rate application

Small Business

Supporting our customers

Hydro Ottawa is dedicated to enhancing the overall customer experience. This means investing in digital technologies and other solutions to provide greater personalization, choice, convenience, and control over customers' energy services. Examples include enhancements to customer care and billing systems, customer relationship management (CRM), and digital customer engagement platforms.

Impact on customers

- Enhanced reliability, expanded functionality, and scalability lead to increased customer satisfaction.
- Advanced energy insights enable more touchpoints, programs, and offers, empowering customers to make informed decisions.
- Advanced self-serve options for customers to support and facilitate their energy transition and provide convenience and operational efficiency.
- Strengthened customer relationships and trust through reliable communication during major events.

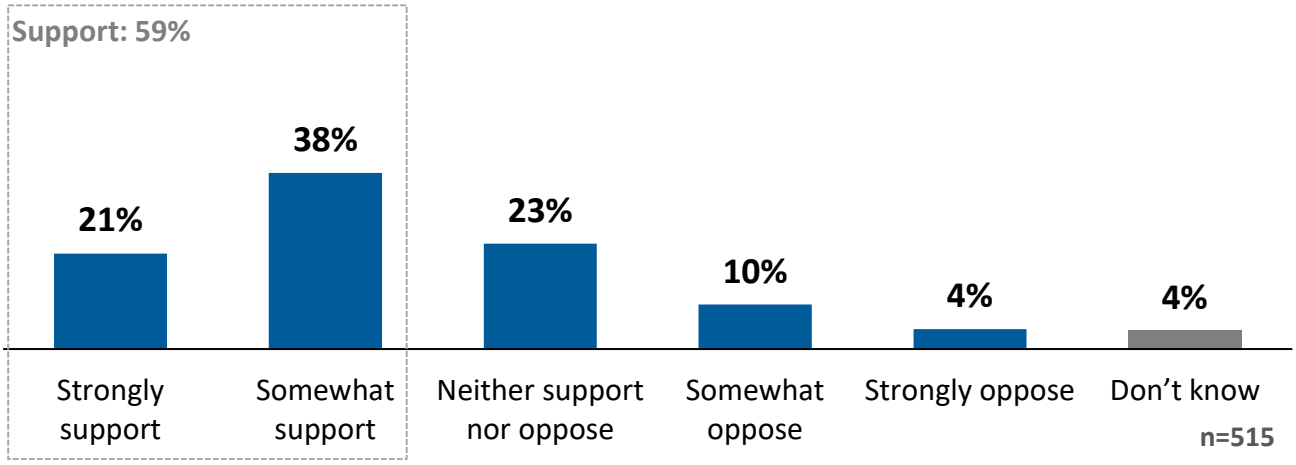
WORKBOOK PAGE

Representative Workbook

Customer programs and services

Small Business

Q In the context of Hydro Ottawa's 2026-2030 rate application, do you support or oppose investments in enhanced customer programs and services?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Strongly support	16%	23%	22%	22%	21%	21%	20%	19%	23%
Somewhat support	50%	46%	36%	35%	36%	32%	42%	39%	40%
Neither support nor oppose	20%	19%	29%	22%	24%	28%	23%	20%	21%
Somewhat oppose	3%	9%	5%	13%	11%	14%	9%	9%	6%
Strongly oppose	3%	1%	8%	4%	5%	4%	4%	5%	5%
Don't know	8%	1%	-	4%	4%	2%	2%	7%	5%
Support: Strongly + Somewhat	**66%**	**69%**	**58%**	**57%**	**57%**	**53%**	**62%**	**58%**	**63%**
Oppose: Strongly + Somewhat	**6%**	**10%**	**13%**	**17%**	**16%**	**18%**	**14%**	**14%**	**11%**

Representative Workbook

Customer programs and services

Small Business

Q In the context of Hydro Ottawa's 2026-2030 rate application, do you support or oppose investments in enhanced customer programs and services?

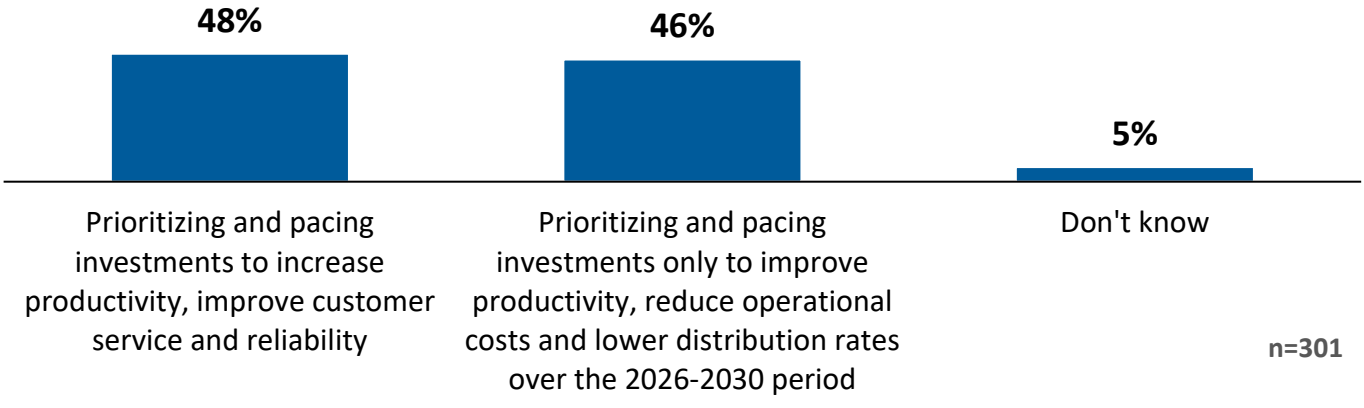
		Sector			
	Overall	**MASH**	**MURB**	**Commercial**	**Industrial**
Strongly support	**21%**	21%	20%	22%	22%
Somewhat support	**38%**	67%	25%	36%	49%
Neither support nor oppose	**23%**	12%	37%	20%	19%
Somewhat oppose	**10%**	-	13%	12%	3%
Strongly oppose	**4%**	-	5%	6%	4%
Don't know	**4%**	-	-	3%	3%
Support: Strongly + Somewhat	**59%**	**88%**	**45%**	**59%**	**71%**
Oppose: Strongly + Somewhat	**14%**	**-**	**18%**	**18%**	**7%**

Representative Workbook

Customer programs and services

Small Business

Q Which of the following options do you prefer?



n=301

Region

	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa
Prioritizing investments to enhance productivity and service	48%	64%	54%	39%	49%
Prioritizing and pacing investments only to improve productivity, reduce operational costs and lower distribution rates	44%	25%	43%	56%	47%
Don’t know	8%	11%	3%	5%	4%

Note: Only asked those who ‘Support’

Representative Workbook

Customer programs and services

Small Business

Q Which of the following options do you prefer?

		Consumption Quartiles			
	Overall	Low	Medium-Low	Medium-High	High
Prioritizing and pacing investments to increase productivity, improve customer service and reliability	**48%**	48%	51%	54%	54%
Prioritizing and pacing investments only to improve productivity, reduce operational costs and lower distribution rates over the 2026-2030 period	**46%**	46%	44%	40%	41%
Don't know	**5%**	6%	5%	6%	5%

		Sector			
	Overall	MASH	MURB	Commercial	Industrial
Prioritizing and pacing investments to increase productivity, improve customer service and reliability	**48%**	46%	51%	55%	49%
Prioritizing and pacing investments only to improve productivity, reduce operational costs and lower distribution rates over the 2026-2030 period	**46%**	48%	44%	40%	44%
Don't know	**5%**	6%	5%	5%	7%

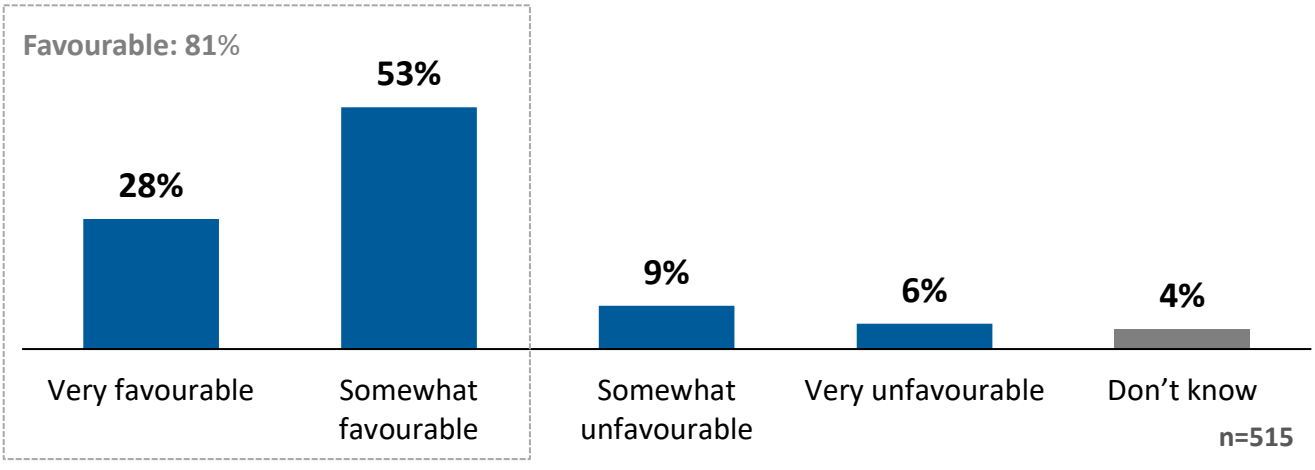
Note: Only asked those who 'Support'

Representative Workbook

Workbook Impression

Small Business

Q Overall, what is your impression of the survey you just completed?



	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Very favourable	34%	22%	40%	20%	29%	32%	31%	20%	30%
Somewhat favourable	48%	62%	51%	54%	52%	50%	53%	59%	48%
Somewhat unfavourable	10%	16%	4%	10%	9%	9%	10%	11%	8%
Very unfavourable	4%	-	2%	7%	6%	5%	3%	8%	6%
Don't know	3%	-	4%	10%	4%	4%	3%	2%	7%
Favourable: Strongly + Somewhat	**82%**	**84%**	**91%**	**74%**	**81%**	**82%**	**84%**	**79%**	**78%**
Unfavourable: Strongly + Somewhat	**15%**	**16%**	**5%**	**17%**	**15%**	**14%**	**13%**	**19%**	**15%**

Representative Workbook

Workbook Impression

Small Business

Q Overall, what is your impression of the survey you just completed?

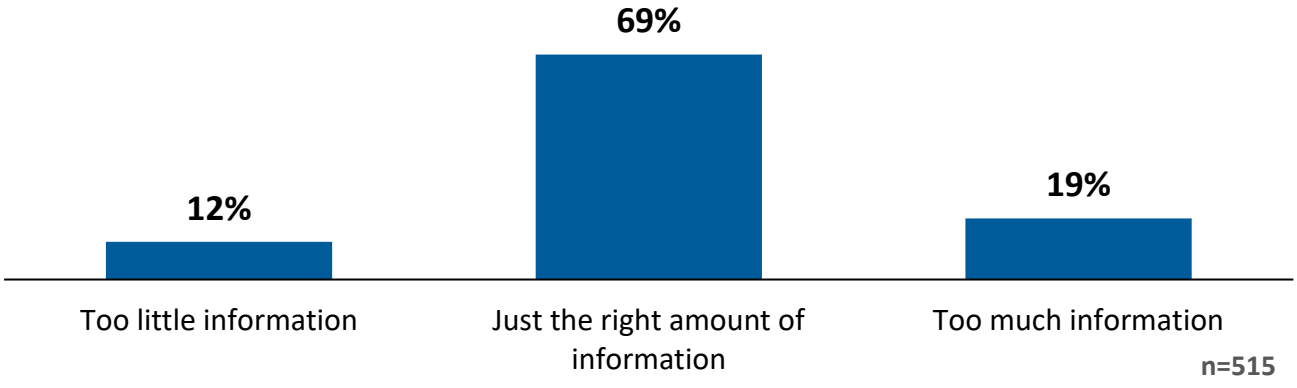
		Sector			
	Overall	**MASH**	**MURB**	**Commercial**	**Industrial**
Very favourable	**28%**	16%	32%	34%	26%
Somewhat favourable	**53%**	73%	50%	47%	54%
Somewhat unfavourable	**9%**	10%	4%	10%	14%
Very unfavourable	**6%**	-	7%	6%	7%
Don’t know	**4%**	-	6%	3%	-
Favourable (Very + Somewhat)	**81%**	**90%**	**83%**	**81%**	**80%**
Unfavourable (Very + Somewhat)	**62%**	**10%**	**11%**	**16%**	**20%**

Representative Workbook

Workbook Impression

Small Business

Q In this survey, do you feel that Hydro Ottawa provided too much information, not enough, or just the right amount?



n=515

	Region					Consumption Quartiles			
	Gloucester	Goulbourn /Casselman	Kanata	Nepean	Ottawa	Low	Mid-Low	Mid-High	High
Too little information	20%	13%	13%	10%	10%	10%	12%	13%	12%
Just the right amount of information	63%	78%	73%	72%	69%	70%	70%	70%	68%
Too much information	17%	9%	15%	18%	21%	21%	19%	17%	20%

	Sector			
	MASH	MURB	Commercial	Industrial
Too little information	16%	5%	13%	18%
Just the right amount of information	78%	75%	68%	71%
Too much information	6%	20%	19%	11%

Representative Workbook

Workbook Impression

Small Business

Q Was there any content missing that you would have liked to have seen included in this survey?

Response	%
Cost concerns	2.5%
Request for solar/clean energy options regarding climate change	1.9%
Criticism of an information overload/did not understand	1.6%
Support for survey/general positive comment	1.0%
Criticism of biased survey	0.8%
Request for alternative presentation of info (ie: video, infographic)	0.6%
Corporate salaries/spending	0.6%
Initiatives/Rebates/incentives	0.4%
Comments on system upgrades/disposal practices	0.2%
Concerns over extreme weather patterns (disaster mitigation and related costs)	0.2%
Questions regarding the role of government	0.2%
What public can do to help lower costs/consumption	0.2%
Comparison with other regions	0.2%
Need more information/not properly informed	0.2%
Infrastructure	0.2%
Buying or Owing an EV/Electric Vehicles	0.2%
Negative-General	0.2%
Other	1.7%
None/ Don’t know	2.1%
No response	85.0%

n=515

Representative Workbook

Workbook Impression

Small Business

Q Was there any content missing that you would have liked to have seen included in this survey?

Sample Verbatims
Cost concerns
"For the small business customers, there should be an option for the "delivery" charge to be a percentage of their electrical usage OR LESS to avoid overburdening very small companies with debilitating cost increases."
Request for solar/clean energy options regarding climate change
"We need to encourage homeowners to generate solar power."
Criticism of an information overload/did not understand
"I don't believe I could consume more information at this time. I think, that I spent an hour or more to get to this point and I'm at the end of my ability to continue."
Support for survey/general positive comment
"Thank you for providing a platform for customers to share their thoughts."
Other
"Will you preserve your heritage buildings for eg at Bronson and Glebe, Carling at Westgate?"
"I have provided all feedback."

Representative Workbook

Workbook Impression

Small Business

Q Is there anything that you would still like answered?

Response	%
Cost complaints	1.0%
Solar panels/clean energy transition	0.6%
General Positive Comment	0.6%
Criticism of biased survey	0.4%
Role of government	0.4%
Performance and reliability in the coming years	0.4%
Disaster/system failure management	0.2%
Share information post survey	0.2%
Executive Salaries/management costs	0.2%
General Negative Comment	0.2%
Other	0.2%
None/ Don’t know	2.5%
No response	93.2%

n=515

Representative Workbook

Workbook Impression

Small Business

Q Is there anything that you would still like answered?

Sample Verbatims
Cost complaints
"Why is Ottawa's cost higher than any other Ontario system?"
Solar panels/clean energy transition
"Scrap any green agenda issues, concentrate on nuclear, and efficiency!!!!!"
General positive comment
"No, but I really appreciate how huge of an undertaking these projects are. Thank you!"

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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APPENDIX 11

Phase II Customer Engagement
2026 Rate Application

GS>50kW Trade-off Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Hydro Ottawa Limited.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2026 – 2030 Rate Application

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Introduction

Regional and Environmental Control Segmentation

GS>50kW

Hydro Ottawa's 2026-2030 Rate Application Customer Engagement

Innovative Research Group Inc. (INNOVATIVE) was engaged by Hydro Ottawa to assist in meeting Hydro Ottawa's customer engagement commitments under the Renewed Regulatory Framework for Electricity Distributors.

This report covers the second phase of engagement which focused on customer preferences on program timing and balancing outcomes. To obtain this feedback from customers, an online "workbook" was deployed to all customers with an email address, as well as promoted through a generic link on Hydro Ottawa's website, social media platforms, and through bill inserts and print media.

For residential customers, responses were weighted by region and usage to ensure the responses were representative of the broader customer base. INNOVATIVE is confident that the online trade-off survey results contained within this report are representative of Hydro Ottawa's actual customer base. This determination was reached by comparing the Phase I and II results based on key demographic, general attitudes towards electricity, as well as individual customer experience.

In addition to segmenting customers based on their geographical location within Hydro Ottawa's service territory, it is important to be able to identify factors that may influence customer preferences and distinguish between what is within, and what is outside of Hydro Ottawa's influence or control.

Perceptions of LDCs often tend to move with general perceptions of the sector rather than in response to the local utility.

Throughout this report, environmental control questions are used to help distinguish whether opinions regarding Hydro Ottawa's plans are utility-driven preferences or externally driven.

Segmentation *"side bars"* have been used throughout this report to look beyond the topline numbers to analyze the results for key segments. The makeup of these side bars varies based on rate class.

1. **Organization sector**: The organization sectors are grouped into four broad categories.

2. **Organization size**: The organization size are grouped into three categories.

Sample Validation

Email Sample Versus Broader Sample

GS>50kW

Comparing the overall population to the sample of that population with email addresses across known variables, we can see that no group is substantially underrepresented in the email sample.

Overall Coverage

Full population is included in the email sample.

	Full Population	Email Sample	Coverage
GS>50kW	1,047 records	1,047 records	100%

The GS>50kW online survey sample was weighted to 44 proportionately by business type to be representative of Hydro Ottawa's broader GS>50kW customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by business type.

GS>50kW Representative Online Workbook

Sector	Unweighted n (Weighted n)
Multi-Unit Residential Building(s) (MURB)	**3 (7)**
Municipal / Academic / Schools / Hospitals (MASH)	**14 (10)**
Commercial	**20 (19)**
Industrial	**7 (7)**
Total	**44 (44)**

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

INNOVATIVE RESEARCH GROUP

GS>50kW Customers

Online Workbook Results



Representative Workbook

Survey Design & Methodology

GS>50kW

INNOVATIVE was engaged by Hydro Ottawa to gather input on preferences on program timing and balancing outcomes. Pages watermarked with 'workbook page' show the actual pages of the workbook that was sent and completed by customers. The only additions are the actual results.

Field Dates & Workbook Delivery

The **GS>50kW Online Workbook** was sent to all Hydro Ottawa GS>50kW customers who have provided the utility with an email address. Customers had an opportunity to complete the workbook between **September 16th and October 6th, 2024**.

Each customer received a unique URL that could be linked back to their annual consumption, region and rate class. In total, the GS>50kW workbook was sent to **1,047** customers by-way-of e-blast from INNOVATIVE.

GS>50kW Online Workbook Completes

A total of **44** Hydro Ottawa GS>50kW customers completed the online workbook through a unique URL. Given the limited sample size among GS>50kW customers, results should be treated as directional.

Sample Weighting

The GS>50kW online workbook sample has been weighted proportionately by business type in order to be representative of Hydro Ottawa's broader GS>50kW customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by business type.

Sector	Unweighted n (Weighted n)
Multi-Unit Residential Building(s) (MURB)	**3 (7)**
Municipal / Academic / Schools / Hospitals (MASH)	**14 (10)**
Commercial	**20 (19)**
Industrial	**7 (7)**
Total	**44 (44)**

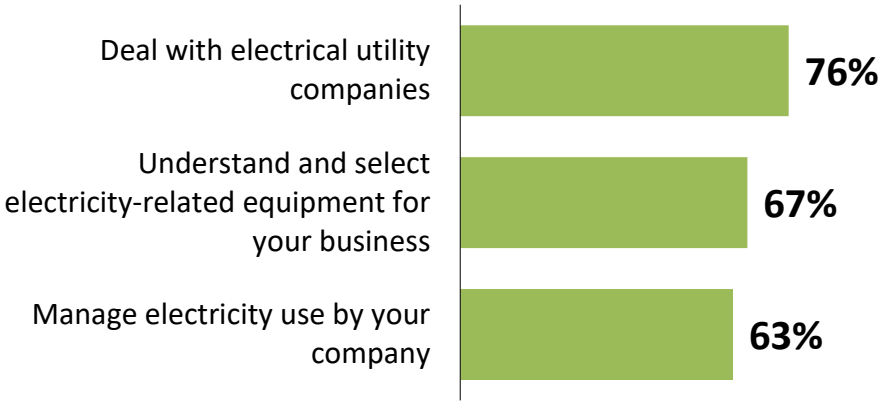
Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Representative Workbook

Demographic Breakdown

GS>50kW

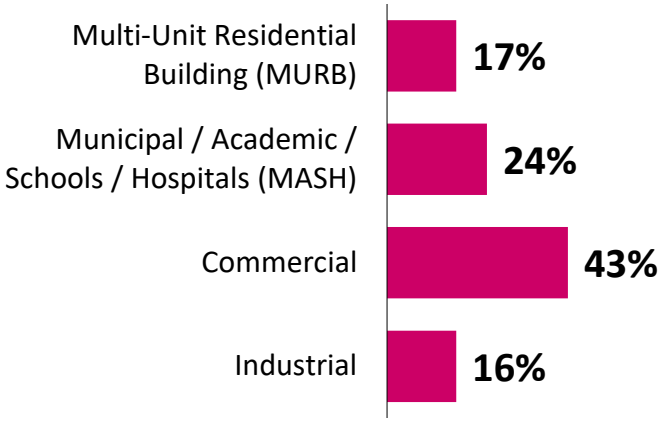
Managing/Overseeing Organization's Electrical or Hydro Bill



n=44

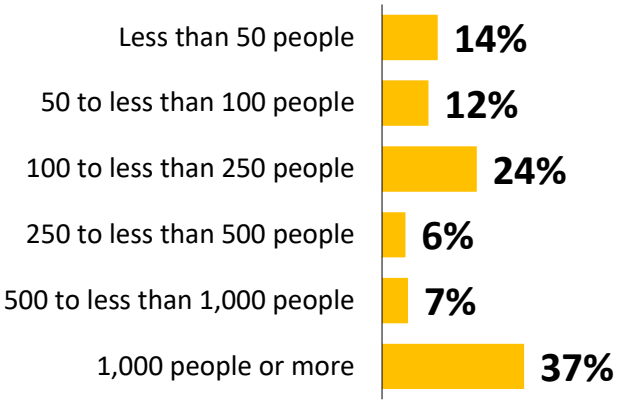
Multiple mention; "Don't know" (17%) not shown.

Sector



n=44

Number of Employees at the Organization (Hydro Ottawa's Service Territory)



n=44

Representative Workbook

Environmental Controls

GS>50kW

The cost of my organization's electricity bill has a major impact on the bottom line and results in some important spending priorities and investments being put off.	Phase 2 Workbook
Strongly agree	38%
Somewhat agree	46%
Somewhat disagree	8%
Strongly disagree	6%
Don't know/No opinion	2%
Agree (Strongly + Somewhat)	**84%**
Disagree (Strongly + Somewhat)	**14%**

n=44

Customers are well served by the electricity system in Ontario.	Phase 2 Workbook
Strongly agree	25%
Somewhat agree	59%
Somewhat disagree	12%
Strongly disagree	4%
Don't know/No opinion	-
Agree (Strongly + Somewhat)	**84%**
Disagree (Strongly + Somewhat)	**16%**

n=44

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Customer Engagement Survey

Background Information

GS>50kW

Welcome to Hydro Ottawa Limited's (Hydro Ottawa) customer feedback survey

Hydro Ottawa wants your input to ensure a sustainable balance between the services you receive and the price you pay.



Land Acknowledgement: The Algonquin Anishinaabeg is the Indigenous Nation of what we know today as the National Capital Region (Ottawa/Gatineau). Hydro Ottawa Limited acknowledges the traditional and unceded territory of the Algonquin Anishinaabeg people whose territories we work from and live in. Ottawa is now home to many diverse First Nations peoples, Inuit, and Métis. Hydro Ottawa honours all First Nations, Inuit and Métis peoples and their valuable past and present contributions to this land.

The purpose of this survey is to get your feedback on the draft 2026-2030 investment plan. Your feedback will help Hydro Ottawa align this plan with customer needs and preferences.

1. Your electricity rates pay for this plan, so your views should be considered.
2. You don't need to be an electricity expert to participate. The survey will provide you with background information and walk you through service level options so that you can answer questions.
3. Hydro Ottawa and its research partner have designed this survey to include diagrams, charts, and images to help explain Hydro Ottawa's draft plan and what it means for you.
4. Depending on how much feedback you wish to provide, this survey should take approximately **20-30 minutes** to complete. If you need to pause and return later to finish the survey, your completed answers will be saved.
5. Some of the survey content may not display correctly on a mobile browser. It is strongly recommended that you complete this survey on a desktop or laptop computer.

Those who complete the survey will be invited to enter a draw to win one of four prizes of $500 on-bill credits!

All individual responses will be kept confidential.

Innovative Research Group (www.innovativeresearch.ca), an independent research company, has been hired by Hydro Ottawa to gather your feedback, while protecting your confidentiality. Your individual answers will not be shared with Hydro Ottawa in any identifiable way.

INNOVATIVE RESEARCH GROUP

NORKBOOK

Customer Engagement Survey

Background Information

GS>50kW

What is this customer engagement about?

The goal of this engagement is to share Hydro Ottawa's draft five-year investment plan for the future of its electrical grid and to collect your feedback. This will help Hydro Ottawa confirm the level of spending and investments in equipment and infrastructure, and the services they provide along with the rates you'll pay.

Every five years, Hydro Ottawa is required to submit a plan for its proposed rates and spending to the Ontario Energy Board (OEB) for approval.

- **In early 2024, thousands of Hydro Ottawa customers responded to an initial engagement** to support the preparation of Hydro Ottawa's draft investment plan.
- **Hydro Ottawa is now looking for your input on this draft plan** to ensure they understood what customer priorities are when deciding on future investments.
- **Early next year, Hydro Ottawa will present its proposed investment plan to the independent regulator**, the OEB. Your feedback is important to both Hydro Ottawa and the OEB and how it is incorporated into Hydro Ottawa's plans will be reviewed by the OEB.

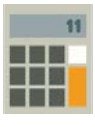
How will this customer engagement work?



1. The survey explains what Hydro Ottawa does and how much of your electricity bill goes to Hydro Ottawa.



2. The survey explains key considerations in Hydro Ottawa's planning process, how the draft investment plan benefits you and the impact on the 2026-2030 rates.



3. The survey asks for your input on 5 key choices that will affect the services you receive and the price you pay from 2026-2030.

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

Want to know more about Hydro Ottawa's customer engagement process?
Click here to learn more.

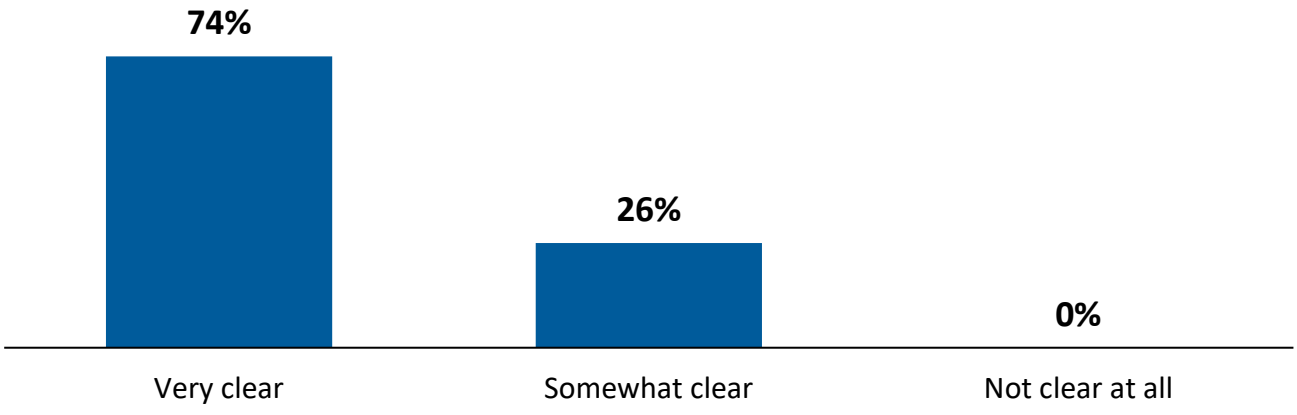
WORKBOOK PAGE

Representative Workbook

Clarity of Survey Purpose

GS>50kW

Q Do you feel that the purpose of Hydro Ottawa's customer engagement is clear?



n=44

	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Very clear	100%	71%	60%	86%	75%	72%	74%
Somewhat clear	-	29%	40%	14%	25%	28%	26%
Not clear at all	-	-	-	-	-	-	-

Customer Engagement Survey

Background Information

GS>50kW

Hydro Ottawa has a five-step approach to customer feedback.

We are here

✓ **1. Identify customer needs, preferences and priorities**

In 2024, Hydro Ottawa asked customers from across its service territory about their needs and priorities for electricity distribution service.

✓ **2. Use customer feedback to guide development of draft plan**

Hydro Ottawa used the feedback from the initial customer engagement to prioritize investments in the distribution grid, supporting systems and customer services.

3. Collect customer feedback on draft plan

Hydro Ottawa is asking customers to provide additional feedback on the draft plan to ensure it meets their needs and preferences.

4. Use customer feedback to finalize the plan

Hydro Ottawa will re-examine and make appropriate changes to the plan based on the feedback provided by customers in this engagement.

5. Submit the plan to the Ontario Energy Board (OEB)

Hydro Ottawa will file its detailed investment plan with the OEB along with a report summarizing the results of its customer engagement. The OEB, consumer advocates and other interested groups will examine the plan in an open and transparent public process known as a rate application.

WORKBOOK PAGE

Customer Engagement Survey

Background Information: Electricity 101

GS>50kW

Hydro Ottawa's role in Ontario's electricity system

Ontario's electricity system is made up of three parts: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

About half of the electricity used in Ontario comes from nuclear power. The rest comes from a mix of hydroelectric, natural gas, wind and solar sources. Ontario Power Generation, a government-owned company, generates almost half of Ontario's electricity. The other half comes from other generators contracted by the grid operator.

Transmission

How electricity travels across Ontario

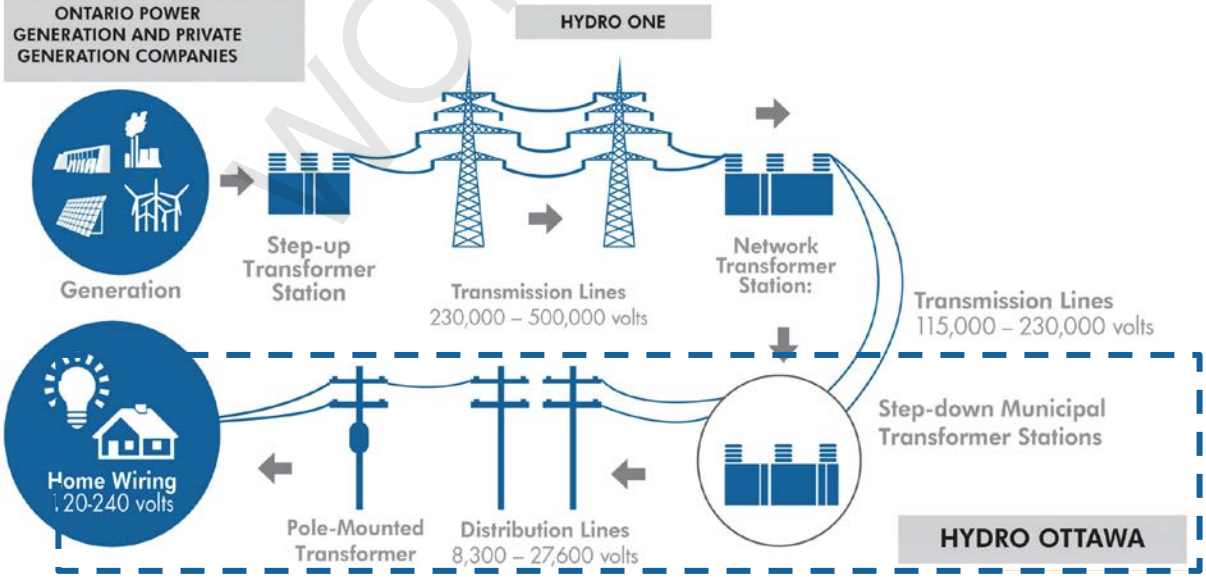
Once electricity is made, it is sent to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. Ontario has approximately 30,000 kilometers of transmission lines, mostly owned and operated by Hydro One.

Distribution

How electricity is delivered to you

Hydro Ottawa is responsible for the last step of the journey: distributing electricity to customers' homes and businesses.

- Hydro Ottawa does not transmit or generate electricity.
- Its local distribution system is connected to the transmission grid through its distribution stations and transformers, allowing high voltages to be decreased so it can be distributed and safely used in homes and businesses across Hydro Ottawa's service territory.
- Its distribution system consists of approximately 50,000 poles, 2,700 km of overhead power lines, 3,000 km of underground cable, and 45,000 transformers.



WORKBOOK PAGE

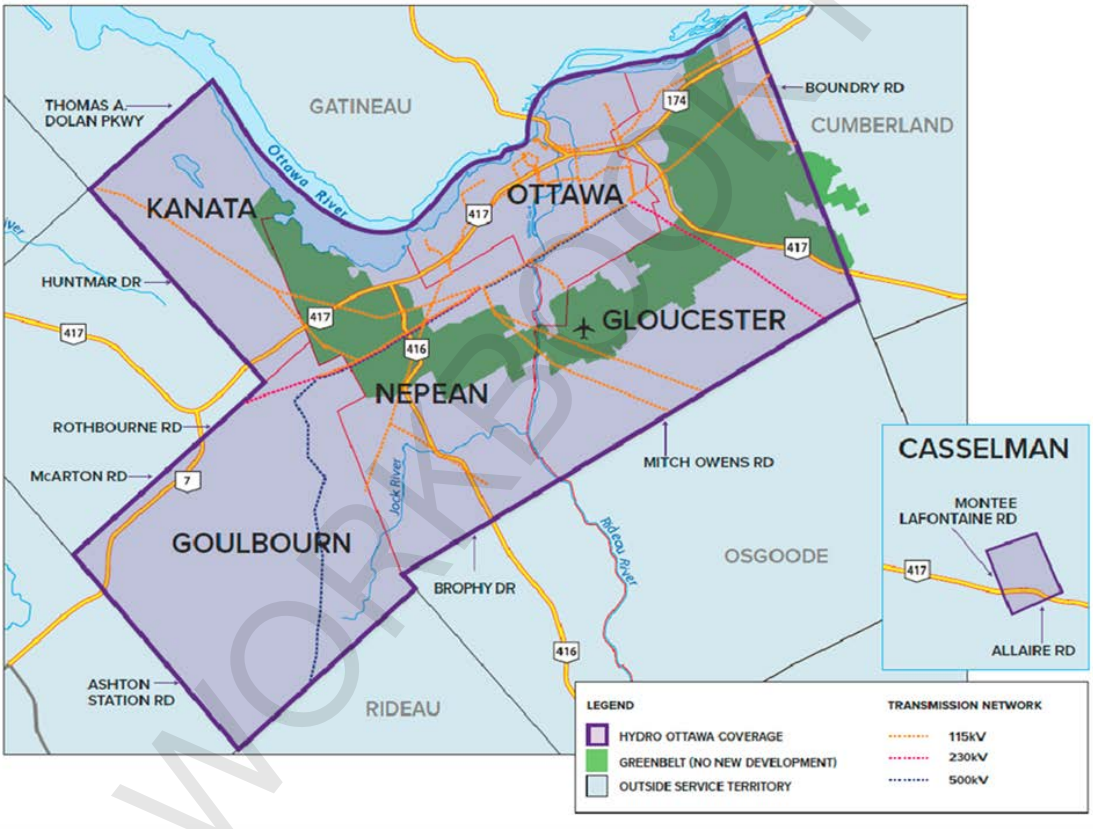
Hydro Ottawa's Customer Survey

Shaping Ottawa's Energy Future Together

GS>50kW

Hydro Ottawa Fast Facts

- A private corporation wholly owned by its shareholder, the City of Ottawa
- Third largest municipally-owned electricity distributor in Ontario
- Serves approximately **364,000 homes** and businesses (more than one million consumers)
- Service territory of **1,116 square kilometers** that includes most of the City of Ottawa and the Village of Casselman
- Does **not** receive taxpayer money to fund its operations or its investments in the distribution system
- Entirely funded through the distribution rates its customers pay



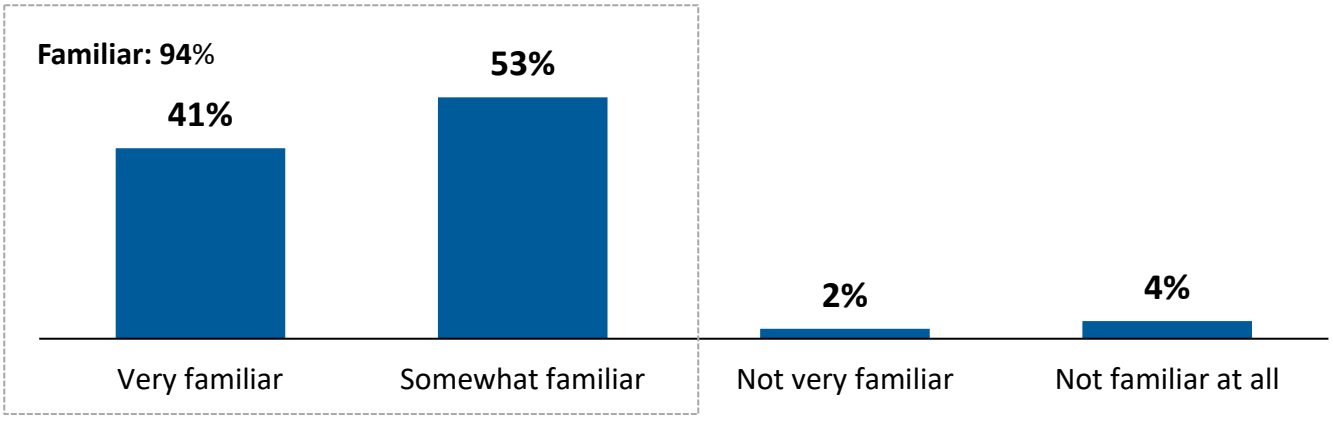
WORKBOOK PAGE

Representative Workbook

Familiarity with Ontario's electricity system

GS>50kW

Q Before this engagement, how familiar were you with Hydro Ottawa, and the role it plays in Ontario's electricity system?



n=44

	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Very familiar	67%	43%	25%	57%	38%	47%	39%
Somewhat familiar	33%	50%	65%	43%	62%	46%	52%
Not very familiar	-	-	5%	-	-	-	5%
Not familiar at all	-	7%	5%	-	-	7%	4%
Familiar (Very + Somewhat)	**100%**	**93%**	**90%**	**100%**	**100%**	**93%**	**91%**
Not familiar (Very + Somewhat)	**-**	**7%**	**10%**	**-**	**-**	**7%**	**9%**

Customer Engagement Survey

Planning for the future: Rates 101

GS>50kW

How much of my electricity bill goes to Hydro Ottawa?

Every item on your bill is required by provincial regulation.

- Hydro Ottawa collects payment for the entire electricity system, but only keeps the distribution portion of the "**Delivery**" charge. The delivery charge pays for both Hydro Ottawa's **distribution system** and the **transmission system** (run by other utilities), as well as other charges such as line losses (power that is lost when electricity travels across the wires).
- **About 10% of a typical Commercial & Industrial (general service over 50kW) electricity bill goes to Hydro Ottawa** to pay for the local distribution grid. The **remaining 80%** of the bill goes to generation companies, transmission companies, the federal and provincial governments, and regulatory agencies.

Typical GS>50kW Bill

Sample Hydro Ottawa Monthly Bill
(based on 250 kW monthly demand as of Jan. 1, 2024)

Account Number:
0000000000

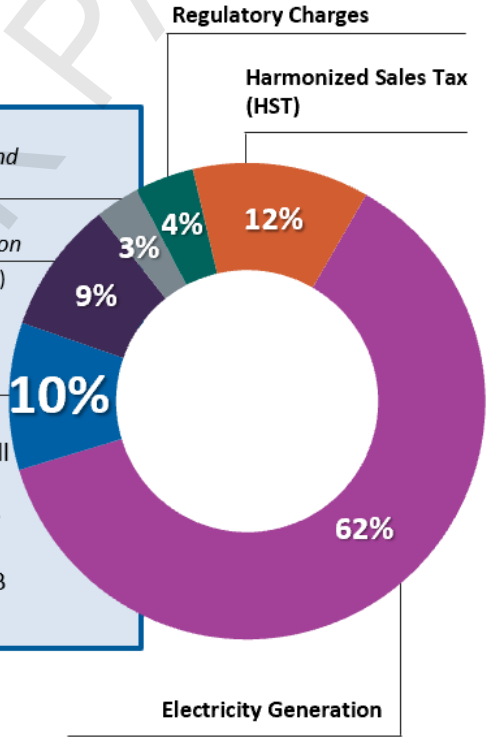
Meter Number:
00000000

Your Electricity Charges	
Electricity	
IESO Wholesale Electricity	11,395.30
Delivery	4,024.39
Regulatory Charges	779.45
Total Electricity Charges	$16,199.14
HST	$2,105.89
Total Amount	$18,305.03

Delivery: *Line loss and other charges*
$601.43

Delivery: *Transmission*
(varies based on usage)
$1,679.51

Delivery: *Distribution*
Hydro Ottawa's part of the total bill is **$1,743.45**. This charge is the same for GS>50 kW customers per OEB requirements.



Note: The sample bill above uses an average consumption level of 127,750 kWh per month and a demand of 250 kW, however your usage may vary above or below this assumed level. Chart may not total 100% due to rounding.

Who holds Hydro Ottawa accountable?

ONTARIO ENERGY BOARD

The **Ontario Energy Board (OEB)** is the public interest regulator responsible for setting electricity distribution rates and charges and for protecting customers in Ontario.

The OEB holds Hydro Ottawa accountable for:

- How it spends your money in current and future plans.
- Reporting on key outcomes (e.g. reliability) through an annual scorecard.
- Finding savings and efficiencies to help offset rising costs.

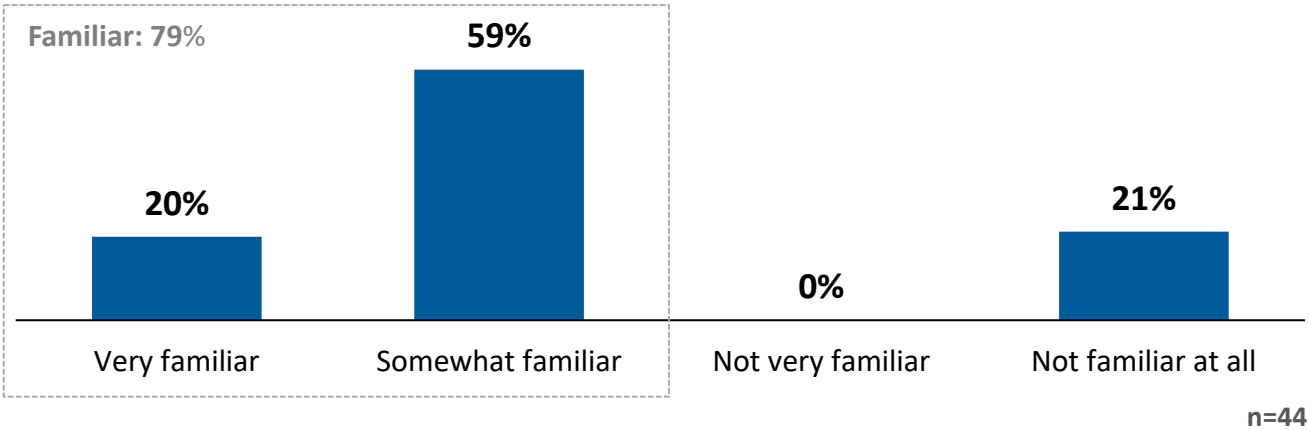
WORKBOOK PAGE

Representative Workbook

Familiarity with Bill Remittance to Hydro Ottawa

GS>50kW

Q Before this customer engagement, how familiar were you with the amount of your electricity bill that went to Hydro Ottawa?



n=44

	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Very familiar	-	7%	20%	57%	17%	15%	24%
Somewhat familiar	67%	64%	60%	43%	66%	54%	59%
Not very familiar	-	-	-	-	-	-	-
Not familiar at all	33%	29%	20%	-	16%	31%	17%
Familiar (Very + Somewhat)	**67%**	**71%**	**80%**	**100%**	**84%**	**69%**	**83%**

Customer Engagement Survey

Planning for the future: Key challenges

GS>50kW

Hydro Ottawa's Draft Plan

What is Hydro Ottawa's draft plan about?

Hydro Ottawa's draft plan involves significant investment in our infrastructure to support the energy transition. Key elements include boosting the capacity of substations, transformers, and both overhead and underground lines; expanding and enhancing connections with provincial transmission lines to handle larger electricity deliveries; and preparing to commission a new substation annually to meet the growing demand of a service territory with more customers.

Hydro Ottawa plans to deploy new technologies such as large-scale batteries for energy storage, replace aging assets that are at higher risk for failure, and bolster grid resilience to ensure reliable service amid more frequent severe weather events.

In preparing its plan, Hydro Ottawa's 2026-2030 draft plan must consider many existing and emerging challenges of delivering safe, reliable and clean electricity at a reasonable price.

To learn more about what Hydro Ottawa must consider in preparing its draft plan, click on the key challenges listed below:

Key challenges that Hydro Ottawa's 2026 - 2030 draft plan addresses:

- **Enabling the energy transition and reducing emissions**
- **Fixing and replacing aging assets**
- **Responding to rising costs**
- **Adapting to how customers use electricity**
- **Powering a growing and diverse community**
- **Responding and adapting to an increasing number of extreme weather events**
- **Responding to cyber security attacks/threats**
- **Addressing workforce challenges and employee safety**

WORKBOOK PAGE

Customer Engagement Survey

Planning for the future: Key challenges

GS>50kW

Hydro Ottawa's Draft Plan

Key challenges that Hydro Ottawa's 2026 - 2030 draft plan addresses:

Enabling the energy transition and reducing emissions

- Hydro Ottawa has built a plan that aligns with the anticipated increased electrification of heating and transportation in our community (adoption of EVs, heat pumps, renewables and light rail transit).
- Based on current projections, Hydro Ottawa anticipates that by 2030, peak demand will increase due to heating needs and other forms of electrification. To accommodate this shift, Hydro Ottawa will need to construct one new substation per year through 2050.
- The City of Ottawa's Climate Change Master Plan aims for a 100% reduction in local greenhouse gas emissions by 2050. To meet this goal, Hydro Ottawa is expected to invest in reducing emissions from its vehicles and work centres and help businesses and households do the same.
- Hydro Ottawa continues to reduce emissions as part of its objective of being the first municipally-owned utility in Canada to achieve net-zero operations by 2030.

Fixing and replacing aging infrastructure

- Effective management of equipment is critical to the safe, reliable and efficient delivery of electricity to our customers.
- Like many distribution companies, much of Hydro Ottawa's grid was installed in the 1950s and 1960s and needs to be replaced or upgraded. Hydro Ottawa faces rising costs in purchasing equipment for the grid and doing construction work in your community.
- For example, nearly 25% of assets have surpassed their expected service life, raising safety, environmental, and reliability concerns.

Responding to rising costs

- Many customers are concerned about the rising cost of living.
- Hydro Ottawa provides information and resources to help customers conserve energy, be more efficient and find incentives that work for them.
- Like many businesses, Hydro Ottawa faces rising costs of purchasing essential equipment for the grid and supporting new construction in the community. The utility must find the right balance between the investment needs of the local grid and the financial needs of its customers.

Adapting to how customers use electricity

- Customers are relying more heavily on technology to manage their changing electricity needs through heat pumps, electric vehicles, solar panels, battery storage, and energy efficiency.
- Hydro Ottawa is upgrading and modernizing the grid so everyone can connect these new technologies safely and reliably.

Powering a growing and diverse community

- Hydro Ottawa serves a diverse mix of urban and rural areas, each with their own challenges and growth patterns.
- As Hydro Ottawa's service territory continues to grow, there is an increasing need to expand and enhance the capacity of its distribution system to power new GS>50kW /commercial buildings, densification, and major projects.

WORKBOOK PAGE

Customer Engagement Survey

Planning for the future: Key challenges

GS>50kW

Planning Considerations (continued)



Responding and adapting to an increasing number of extreme weather events

- Ottawa has become the weather-alert capital of Canada. Extreme weather events such as high heat, high winds, flooding and ice storms are increasingly straining and damaging the electricity grid.
- All utilities in Ontario, including Hydro Ottawa are expected to continue investing (above and beyond what is required to maintain and operate the system) in the resilience of our grid through a broad suite of measures such as hardening our assets; reconfiguring segments of our network; and enhancing our approach to tree trimming.



Responding to cyber security attacks/threats

- Cybercrime is on the rise across Canada. As the capital city of a G7 country which is a high-value target for malicious actors, Hydro Ottawa must enhance the resilience of its electrical grid against cyber security threats.
- Hydro Ottawa continues to invest in cybersecurity protections and controls for key assets and networks to prevent compromises that could compromise reliability and put customers at risk.



Addressing workforce challenges and employee safety

- There is a growing need for new skills and positions to adapt to changing energy sector needs and Hydro Ottawa will invest in new hires and upskilling of current employees.
- The safety of our employees and the public is at the forefront of our operations on a day-to-day basis.

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Customer Engagement Survey

Planning for the future: Background

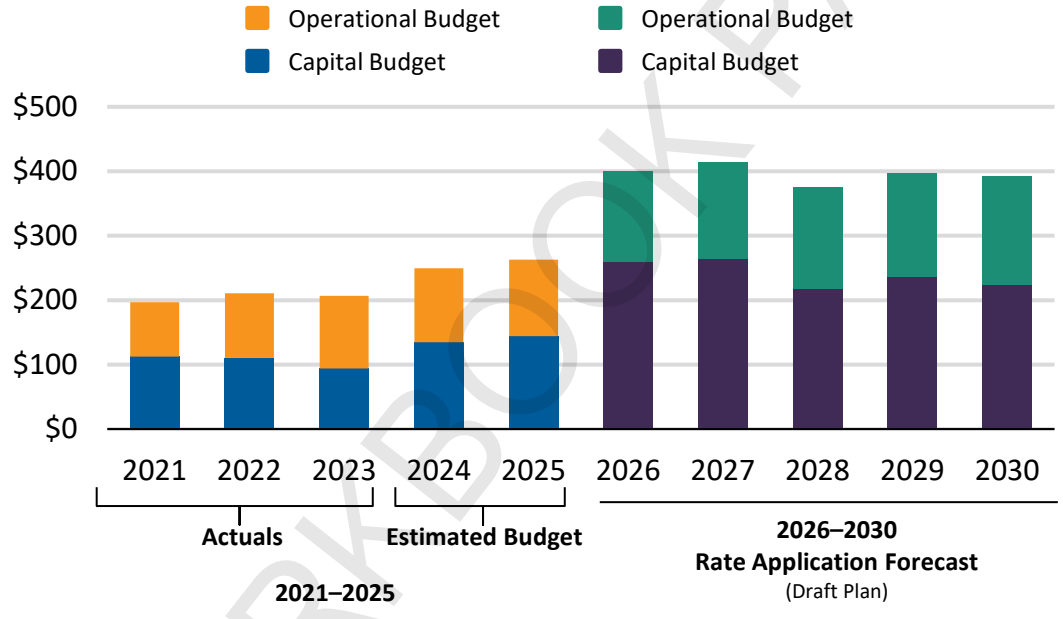
GS>50kW

How much does it cost to run the local grid?

Like most businesses, Hydro Ottawa manages both an operating budget and a capital budget.

- Hydro Ottawa's **operating budget** covers recurring expenses, such as the maintenance of assets and tools, customer services, as well as the cost of employees who ensure these activities are completed.
- Its **capital budget** includes the equipment that is part of the distribution system, such as the overhead and underground infrastructure, computers and information systems, vehicles and facilities. These items, once purchased, provide long term benefits for many.

Actual and Forecasted Budgets per year ($ millions)



The above investments will result in a funding requirement of **$1.8 billion** over the next five years, 2026-2030. The 2021-2025 OEB approved funding was for **$1.2 billion,** but did not account for recent weather events, inflation, and other unforeseen factors that have increased costs.

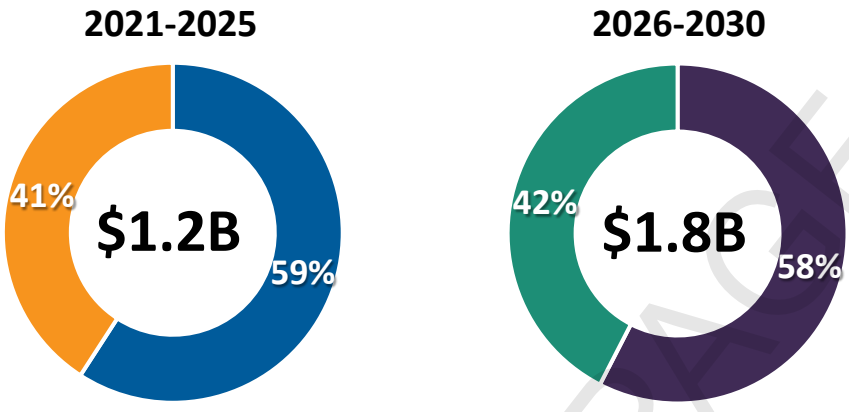
The final budget for 2026-2030 will be adjusted to reflect customer feedback collected through this engagement and any necessary adjustments prior to filing with the OEB. The OEB and other stakeholders will complete an extensive review before rates are set for 2026-2030.

WORKBOOK PAGE

Customer Engagement Survey

Planning for the future: Background

GS>50kW



WORKBOOK PAGE

How much will Hydro Ottawa's draft plan cost me?

At the end of the five-year plan (2030), the typical Commercial & Industrial (GS>50kW kW) customer would see the distribution portion of their monthly electricity bill increase by **$1,219.15**: from an estimated rate (price) of **$1,776.90 in 2025** to a proposed rate (price) of **$2,996.05 by 2030.**

					Hydro Ottawa's Portion	
	Year	Avg. Monthly Bill	Non-Distribution Component	Distribution Component (Hydro Ottawa's portion)	Annual Increase to Monthly Bill (%)	Annual Increase to Monthly Bill ($)
CURRENT	*2024*	$18,305.03	$16,561.58	$1,743.45	n/a	n/a
BUDGTED	*2025*	$18,907.50	$17,130.60	$1,776.90	2%	$33.45
Rate Period	**2026**	$19,037.29	$16,914.14	$2,123.15	19%	$346.25
	2027	$19,728.71	$17,297.73	$2,430.98	14%	$307.83
	2028	$20,335.85	$17,685.67	$2,650.18	9%	$219.20
	2029	$20,865.49	$18,065.54	$2,799.95	6%	$149.77
	2030	$21,448.48	$18,452.43	$2,996.05	7%	$196.10
	5-yr impact			**$1,219.15**	**69%**	**$1,219.15**

Note:

- *These estimated rate increases are preliminary and are subject to change based on customer feedback, regulatory approval and other factors.*
- *The estimates throughout this survey are for illustrative purposes only and may not reflect the actual size of your organization's monthly electricity bill. For this exercise, the estimates are based on a customer with average monthly demand of 250 kW and consumption of 127,750 kWh.*
- *Bill projections assume a general inflation increase of 2.1% for other aspects of the electricity [illegible] outside of Hydro Ottawa's control (commodity, transmission, government, regulatory fees).*

Customer Engagement Survey

Planning for the future: Background

GS>50kW

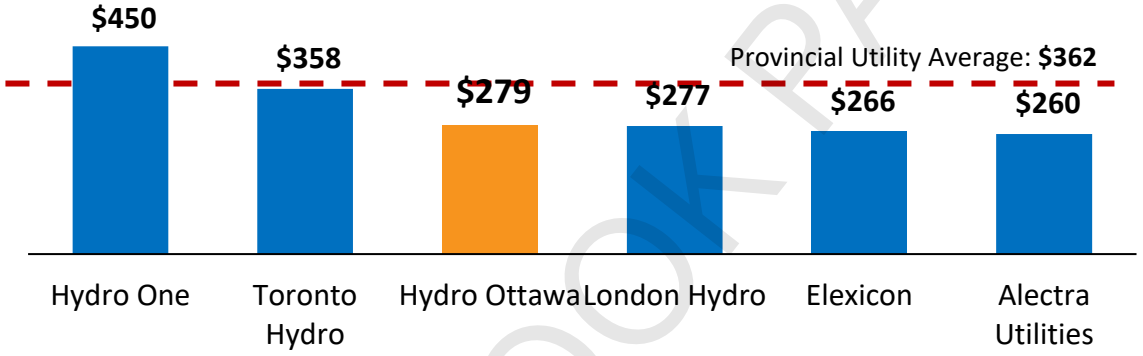
Finding Operating Efficiencies

Hydro Ottawa is continuing its focus on productivity and continuous improvement initiatives; which offset continuing costs and improves organizational effectiveness.

Hydro Ottawa's total operating costs are reported every year to the OEB and benchmarked against other distribution companies in Ontario. In publicly available data collected by the OEB, **Hydro Ottawa's total operating cost per customer averaged $279** over the last three years. This was, and historically has been, lower than the **average Ontario distribution company cost of $362 per customer** over the same period.

Six Largest Provincial Distributors: Operating Cost per Customer ($)

Source: 2021 – 2023 OEB Yearbook of Electricity Distributors (3-year average)



6 Largest Ontario Electricity Distributors

Want to know more about how Hydro Ottawa is finding ways to use customer dollars efficiently? Click here to learn more.



WORKBOOK PAGE

Customer Engagement Survey

Planning for the future: Background

GS>50kW

Achieved over **$3.3 million** in annual savings on paper, printing and postage by successfully increasing online billing enrollment to **66% of customers**, also contributing to environmental sustainability goals.

Hydro Ottawa's has undergone several changes to improve productivity and efficiency. These changes include:

- Restructuring to align resources by lines of business, co-locating teams for better collaboration and communication.
- Introduction of new roles to improve project oversight, support supervisors, and attract quality candidates.
- Implementing seasonal construction shifts to increase productivity during longer daylight hours.
- These changes have resulted in a **8.8% decrease in the average cost per pole** installed, despite rising input costs.

Streamlined Move-in/Move-out processes through self-serve and automation, enabling a significant reduction in account setup fees for customers starting in 2026.

Cloud-based office productivity solutions were also implemented in 2021. This cloud productivity suite is focused on improving collaboration. The following were key business processes which were measured pre and post implementation

- **Conditions of Service:** Saw a **50% reduction in meeting and preparation time**. This document is a large initiative requiring multiple resources from across the organization. Reducing meeting time and preparation time for this type of activity delivers significant savings in resource time.
- **Field Reporting :** This was originally a paper-based process that used emails for back-and-forth communication between internal and external staff. With the use of a cloud-based system all staff can now collaborate in a single document, ensure all necessary information is gathered and easily track progress without sorting through emails. This has reduced paper in vehicles, ensured data is complete and increased time on value-added activities.

WORKBOOK PAGE

Customer Engagement Survey

Planning for the Future: Budget overview

GS>50kW

The choices Hydro Ottawa makes in its operating budget are primarily driven by technical analysis and expert assessments of best practices.

As promised earlier, this survey does not ask questions that expect you to be an electricity expert.

The OEB runs an open and transparent review process where experts from the OEB and intervenor groups review and have the opportunity to question Hydro Ottawa's analyses and assessments. Anyone, including you are welcome to participate in the OEB process.

This survey leaves detailed discussion of Hydro Ottawa's operating budget to experts from the OEB and intervenors in the formal OEB review; the survey focuses on collecting your views on competing trade-offs for capital investments.

Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?

- □ Definitely the right approach
- □ Probably the right approach
- □ Probably not the right approach
- □ Definitely not the right approach
- □ Don't know

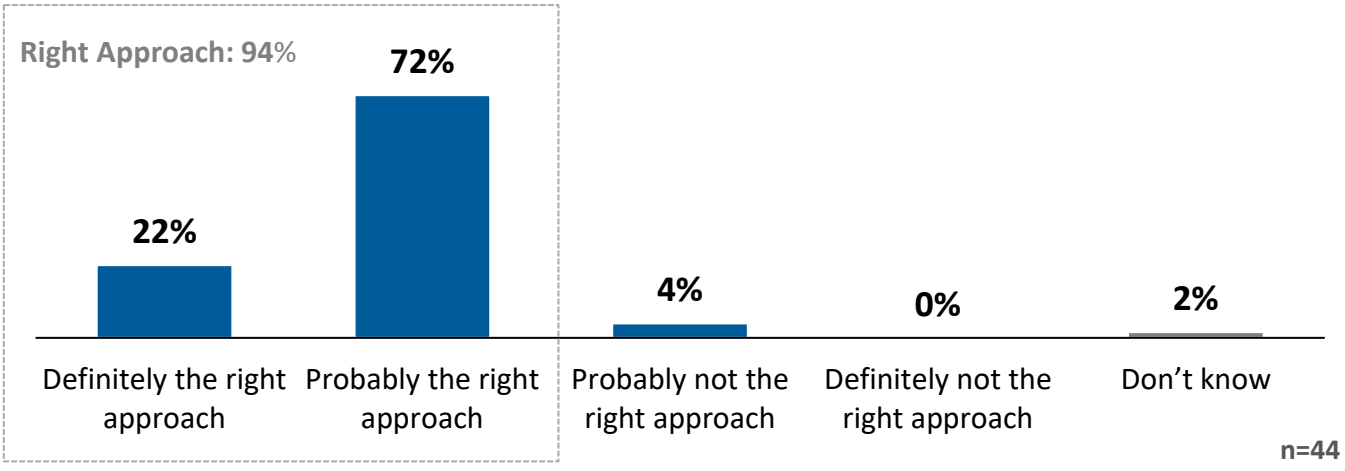
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Meeting customer needs

GS>50kW

Q Does this customer engagement process seem like the right approach to bring customer needs and preferences into Hydro Ottawa's plan?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Definitely the right approach	-	36%	25%	14%	-	25%	32%
Probably the right approach	100%	57%	65%	86%	100%	68%	59%
Probably not the right approach	-	-	10%	-	-	7%	5%
Definitely not the right approach	-	-	-	-	-	-	-
Don't know	-	7%	-	-	-	-	4%
Right Approach (Definitely + Probably)	**100%**	**93%**	**90%**	**100%**	**100%**	**93%**	**91%**

Representative Workbook

Meeting customer needs

GS>50kW

Q Are there things that you would change about how Hydro Ottawa brings customer needs and preferences into Hydro Ottawa's plan? If so, what would you change?

Sample Verbatims
Build closer partnership to improve energy efficiency
"A closer partnership with our utility provider to find ways to reduce our energy consumption and improve energy efficiency to counter $/kWh increase for the upcoming years."
Prioritize the network; address issues and upgrade aging infrastructure
"The network takes priority. Storms happen. Poles break. Postponing future infrastructure modernization or upgrades is not the correct approach on an aging system. Fix the problem and upgrade the system as planned."
Simplify solar guidelines to help offset rising energy costs
"I would like to see a simplification of the solar generation guidelines to allow customers and businesses to use solar energy to offset the rising costs of power but also to allow them to make a contribution to reducing our carbon footprint Example: Our business has a 130KW solar array on the roof which is capped at 100KW. Our operations consume all of the solar power generated internally and it could easily consume all the array could generate if we were allowed to."
More engagement
"I have seen a transformation over the last few years where Hydro Ottawa is truly leaning on the feedback from its customers - more engagement."
Collaboration with generators and transmission organizations
"This should be done together with the generators and transmission organizations. Trying to only look at one parts costs without understanding what's happening with the other parts is a waste of time."

Customer Engagement Survey

Planning Process: 2026-2030 key investment areas

GS>50kW

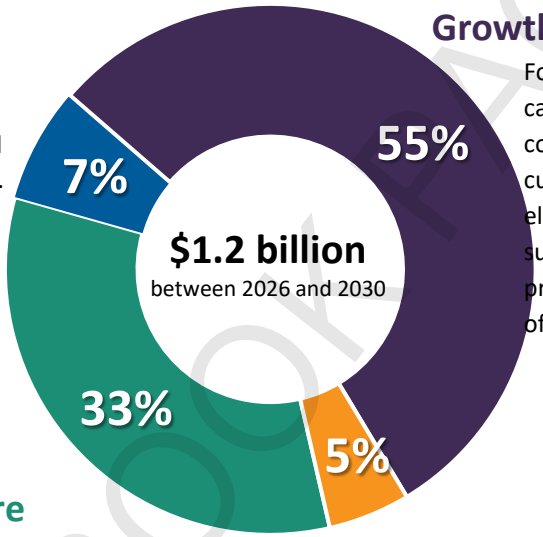
Hydro Ottawa draft capital investment plan

Hydro Ottawa's five-year 2026-2030 draft plan is made up of four capital investment categories, totalling an estimated $1.2 billion between 2026 and 2030.

The remainder of this feedback survey will focus on the discretionary **capital investment** within Hydro Ottawa's draft plan.

Grid Modernization

Focus on investments in response to decarbonization and changing customer expectations.



Growth & Electrification

Focus on investments in the capacity to power the growing community and serve customers' changing needs for electricity, including solutions such as new technologies and programs to get the most out of existing grid infrastructure.

Aging Infrastructure

Focus on investments to upkeep old equipment that is in poor condition and replace outdated equipment.

Grid Resilience

Focuses on investments in technology to get more use out of existing equipment. This section includes burying lines, hardening the grid, tree trimming, improving emergency planning and response.

Non-discretionary Capital Investments

All proposed capital investment in Hydro Ottawa's draft plan are regarded as necessary to provide customers with the services they require today and in the future. However, federal, provincial and municipal governments as well as regulators may set requirements and standards that Hydro Ottawa must satisfy. These non-discretionary expenditures can be broken down into four areas:

1. **Connecting customers:** This includes connecting customers to the grid when a new home or building is constructed or modified.
2. **Relocating equipment:** This includes moving equipment like overhead power lines and underground cables for road widening and other municipal infrastructure needs such as transit.
3. **Mandated services:** This includes installing and maintaining meters and distributing electricity from the grid.
4. **Compliance requirements:** This includes meeting and maintaining regulatory, technical, environmental, and safety standards.

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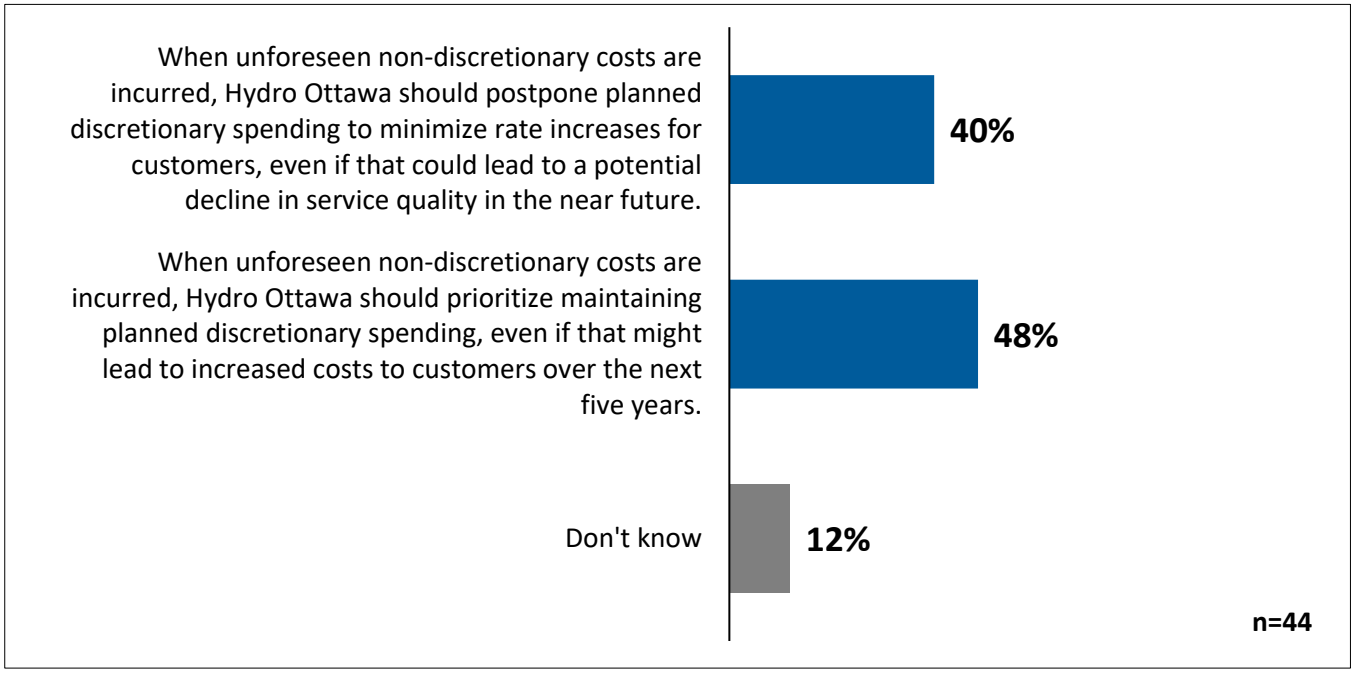
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Discretionary Spending

GS>50kW

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Which of the following statements best represents your point of view regarding Hydro Ottawa's approach to discretionary and non-discretionary spending?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Postpone discretionary spending	33%	43%	45%	29%	-	67%	45%
Maintain discretionary spending	67%	36%	45%	57%	92%	20%	42%
Don't know	-	21%	10%	14%	8%	13%	13%

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Discretionary Spending

GS>50kW

As government and regulatory demands change and unexpected weather events damage the grid, Hydro Ottawa may need to implement unplanned, non-discretionary expenditures. It has a decision to make about how to accommodate unexpected non-discretionary spending which could impact other planned priorities.

Q Additional Feedback

Sample Verbatims
Prioritize replacing end-of-life equipment over aggressive meter renewal
"While meter renewal is important, the funds available might be better suited to replacing the end-of-life equipment as a priority. Draft plan seems aggressive for metering so I would recommend a slightly slower approach but not as complete slow down indicated by option three."
Increase grid resilience spending to cover unforeseen costs
"5% on grid resilience spending is too little for what is coming will lead to postponing planned discretionary spending to cover unforeseen non-discretionary costs. Increase non-discretionary allocating funds."
Prioritize upgrades for critical services
"Again, upgrades should prioritize elements of the network which support clients critical services"
Clear, safe and planned approach
"Clear, safe and planned approach is best."

Customer Engagement Survey

Planning Process: 2026-2030 rate application

GS>50kW

Hydro Ottawa needs your feedback on its draft investment plan

The next sections are about 5 key choices that Hydro Ottawa would like your feedback on.

Each section provides some key background information. We encourage you to take the time to learn about your local electricity grid and where investments are made from distribution rates.

We know your time is valuable. While many people find this information interesting, if you would prefer to skip over the background information, you can jump right to the key choices.

How do I make choices?

Each discretionary investment choice has a summary of three options that Hydro Ottawa would like you to consider:

Accelerated Pace: A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

Hydro Ottawa's Draft Plan: An option currently in the draft plan that proposes measures and investments meant to ensure the safety and reliability of the grid.

Slower Pace: A minimum spending option that keeps prices lower and meets the basic performance requirements but may entail some trade-offs on key outcomes, such as reliability.

In each option, there is a table that enables you to select the draft plan, accelerate or slow down the pace of investment. While Hydro Ottawa's technical experts can tell us the maximum and minimum amounts we can practically spend, Hydro Ottawa also wants to know what customers like you have to say.

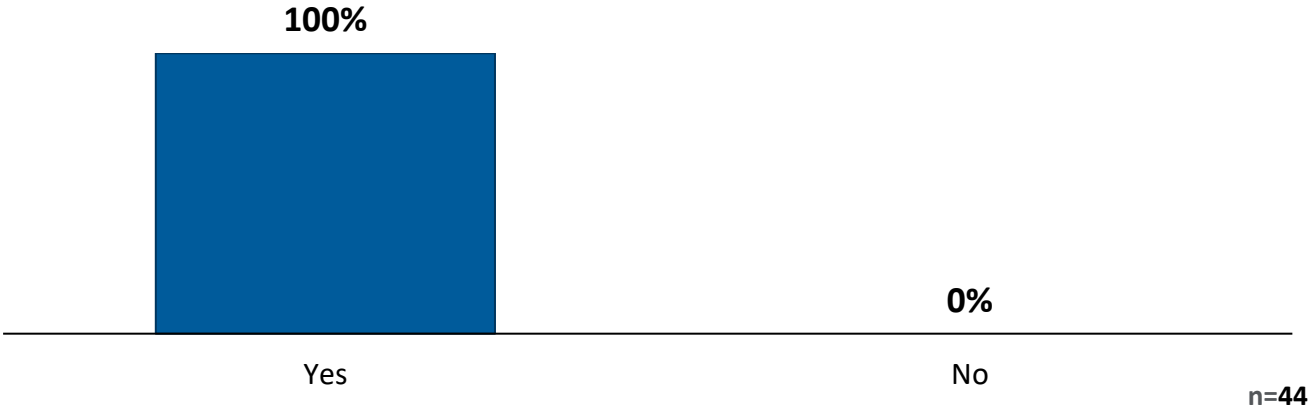
WORKBOOK PAGE

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Clarity of Process

GS>50kW

Q Is it clear that you can select the option that best reflects your personal view of the best balance between lower costs and faster improvements?



Sector

	MASH	MURB	Commercial	Industrial
Yes	100%	100%	100%	100%
No	-	-	-	-

Organization Size

	<100 people	100 –499 people	>499 people
Yes	100%	100%	100%
No	-	-	-

Customer Engagement Survey

Planning Process: Aging Infrastructure

GS>50kW

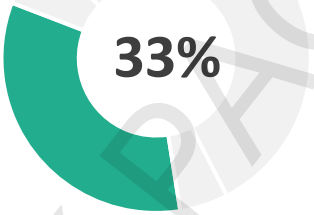
Aging Infrastructure

Taking care of our existing assets

NOT BOOK PAGE

What is this section about?

This section focuses on investments to upkeep old equipment that is in poor condition and replace outdated equipment.



There are **two** questions in this section:

1) The pace of replacing end-of-life or deteriorating infrastructure; and

2) The pace of replacing older, obsolete meters.

This spending category makes up **33%** of the **draft investment plan**. In terms of bill impact, this category (and any associated operating costs) represents an estimated **$282.06** of the proposed $1,219.15 increase in distribution rates by 2030.

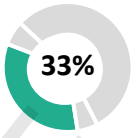


Customer Engagement Survey

Planning Process: Replacing Aging Infrastructure

GS>50k
W

Making Choices (1 of 5): **Replacing Aging Infrastructure**



Overview

Hydro Ottawa owns a significant number (approximately 165,000) of assets (i.e. infrastructure and equipment) across its stations including overhead and underground lines. Each of these systems contains distinct assets with varying risk profiles.

A substantial portion of these assets, around 25%, have reached the end of their expected service life, increasing the likelihood of failure. An additional 15% of assets will reach this critical point within the next decade.

Overall, approximately 6% of Hydro Ottawa's assets are currently classified as being in Poor or Very Poor condition. These assets pose a higher risk of failure. To proactively address this, Hydro Ottawa is focusing its asset investment and maintenance programs on minimizing the number of assets in poor condition.

Impact on customers

For the current investment plan, Hydro Ottawa needs to decide how many assets to replace between 2026-2030 and how many replacements can be pushed into the future.

- **Reliability considerations**: Failure of a station or distribution asset can interrupt service, causing unplanned outages for customers. The duration of these outages depends on the asset affected.
- **Resiliency considerations**: Proactive replacement of poor conditioned assets can enhance the grid's resilience to extreme weather events and other disruptions. Delaying these replacements may increase the system's vulnerability and the risk of prolonged outages.
- **Capacity considerations**: The community's expected growth (including electrification forecast) has surpassed the capacity limitations of Hydro Ottawa's existing stations. To accommodate the forecasted demand (including electrification forecast), regions will be transitioned from lower voltage systems to a higher voltage system as many of these lower voltage systems are already operating at or beyond their intended service life, further compounding the issue.
- **Cost considerations**: If Hydro Ottawa defers investments in aging assets, the short-term costs for customers are lower. However, pushing replacements into the future also means less cost certainty and likely steeper increases in the long run.

Hydro Ottawa's draft plan aims to sustain system reliability and minimize extended outages through a proactive asset replacement strategy. This approach prioritizes assets that support a large customer base and those critical for future grid modernization and electrification efforts.

WORKBOOK PAGES

Customer Engagement Survey

Planning Process: Replacing Aging Infrastructure

GS>50k W

33%

Making Choices (1 of 5): **Replacing Aging Infrastructure**

By 2030, Hydro Ottawa's draft plan to replace and upgrade infrastructure in poor condition would cost the typical GS>50kW customer **$241.27** more per month on their monthly electricity bill.

Choice 1 of 5:

How much do you think Hydro Ottawa should invest in replacing infrastructure in poor condition?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$275.49 more per month by 2030*	Invest more than draft plan on replacing aging infrastructure	• By 2030, this investment initiative will significantly improve the reliability of Hydro Ottawa's electrical infrastructure and will focus on replacing the majority of poorly rated station, overhead, and underground assets to substantially reduce the risk of system failures. • Furthermore, it will enhance system resilience through the implementation of smart switches and evaluation of end-of-life overhead lines for potential undergrounding. • In addition, this initiative will address capacity constraints in certain areas by converting older, lower voltage systems to higher voltage systems.
Draft Plan ***Rate Impact*** *$241.27 more per month by 2030*	Focus on minimizing the number of assets in poor condition and reducing the risk of asset failure	• By 2030, this investment initiative will slightly improve the reliability of Hydro Ottawa's electrical infrastructure and will focus on replacing poorly rated station, overhead, and underground assets to substantially reduce system failures. • System monitoring and resilience will be enhanced through smart switches and evaluation of end-of-life overhead lines for potential undergrounding in high-impact locations. • In addition, this initiative will address capacity constraints in high-risk areas by converting older, lower voltage systems to a higher voltage system.
Slower Pace ***Rate Impact*** *$164.49 more per month by 2030*	Invest less than draft plan on replacing aging infrastructure	• By 2030, this investment initiative will partially address Hydro Ottawa's infrastructure in poor condition. • It will focus on replacing some poorly rated assets to reduce the risk of failure in areas with poor reliability. • By only addressing upgrades to infrastructure at the greatest risk of failure, overall system reliability will likely decrease. • In addition, this initiative will address capacity constraints in high-risk areas by converting older, lower voltage systems to a higher voltage system.

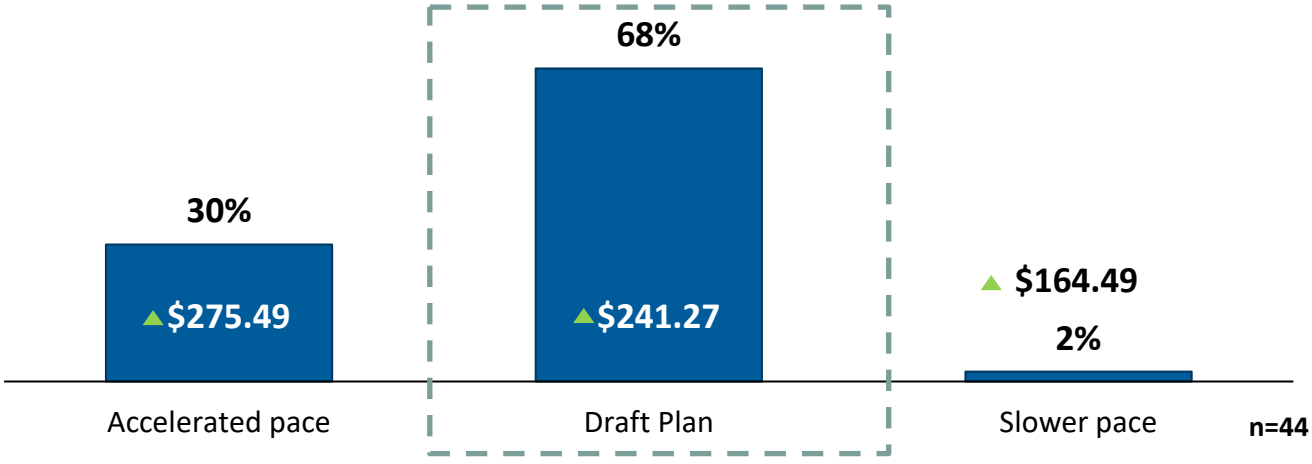
WORKBOOK PAGE

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Planning Process: Replacing Aging Infrastructure

GS>50kW

Q How much do you think Hydro Ottawa should invest in replacing infrastructure in poor condition?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Accelerated pace	33%	29%	35%	14%	8%	38%	37%
Draft plan	67%	71%	60%	86%	92%	62%	58%
Slower pace	-	-	5%	-	-	-	5%

Representative Workbook

Planning Process: Replacing Aging Infrastructure

GS>50kW

Q Do you have additional feedback on Hydro Ottawa's draft replacement of infrastructure in poor condition?

Sample Verbatims
Support for grid electrification
"Grid electrification is a hugely important part of my commercial organization's goals. We fully support accelerated spend to these ends."
Support for draft plan
"Draft plans are made based on educated decisions. Best to employ the well thought out plans!"
Frustration over rising costs
"Still more increases? Going to have to limit electricity use, or move into tent"

Customer Engagement Survey

Planning Process: Metering Renewal

GS>50kW

Making Choices (2 of 5): **Metering Renewal**

33%

Overview

Hydro Ottawa owns approximately **367,000 meters**, with **61% operating beyond their service life.** The planned meter replacement initiative includes upgrading existing meters and the data management platform. This initiative also presents an opportunity to deploy grid-edge devices that support Hydro Ottawa's grid modernization goals (i.e. smart meters, solar panels).



Impact on customers

For the current investment plan, Hydro Ottawa needs to decide how many meters to replace between 2026-2030, and how many replacements can be pushed further into the future, to mitigate in-field failures of the existing aging meters.

Without replacing aging meters, Hydro Ottawa faces the risk of relying on estimates for billing. Moreover, the absence of more reliable data impedes grid modernization initiatives and limits Hydro Ottawa’s ability to optimize operations and deliver innovative customer solutions.

- **Reliability impacts:** Without higher resolution data, the ability to further improve upon Hydro Ottawa's restoration timing is reduced.
- **Capacity impacts**: Without more granular data at the supply point, the ability to understand usage patterns and peak times to support future energy needs is limited.
- **Cost considerations:** If Hydro Ottawa defers investments in metering, the short-term costs for customers are lower. However, pushing replacements into the future also means less cost certainty and likely steeper increases in the long run.

Hydro Ottawa's draft plan aims to sustain system reliability and minimize extended outages through a proactive asset replacement strategy. This approach prioritizes assets that support a large customer base and those critical for future grid modernization and electrification efforts, while maintaining regulatory billing requirements.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Metering Renewal

GS>50kW

33%

Making Choices (2 of 5): **Metering renewal**

By 2030, Hydro Ottawa's draft plan to install new smart meter would cost the typical GS>50kW customer **$40.79** more per month on their monthly electricity bill.

Choice 2 of 5:

How much do you think Hydro Ottawa should invest in metering renewal by 2030?		
Option	**What is included**	**Expected Outcome**
Accelerated Pace ***Rate Impact*** *$73.86 more per month by 2030*	Replacement of all Hydro Ottawa meters (approximately 367,500 meters replaced in 5 years)	• The achievement of a fully upgraded smart meter system will help to foster customer engagement programs and enhanced grid visibility.
Draft Plan ***Rate Impact*** *$40.79 more per month by 2030*	Replacement of a subset of Hydro Ottawa meters (approximately 161,000 meters replaced in 5 years)	• To minimize ratepayer impact, upgraded smart meter system implementations will extend beyond 2030.
Slower Pace ***Rate Impact*** *$30.23 more per month by 2030*	Replacement of fewer than 161,000 Hydro Ottawa meters.	• The initiative will only include reactionary replacement of end-of-life meters posing risks to information and operational technology that could potentially hinder customer engagement and grid visibility efforts.

WORKBOOK PAGE

Confirm selection above to continue.

Confirm

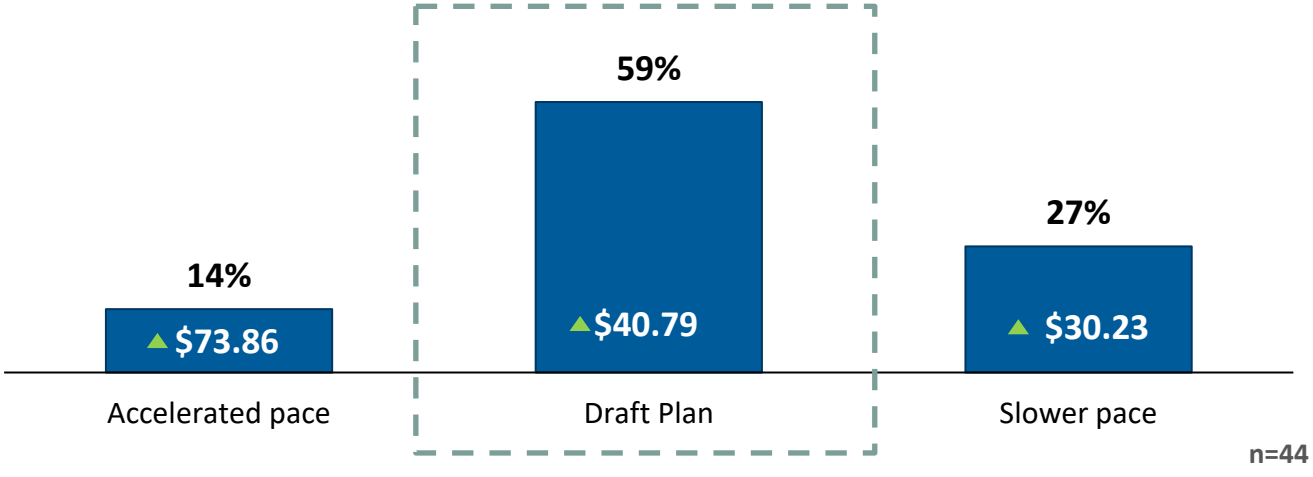
INNOVATIVE RESEARCH GROUP

Representative Workbook

Planning Process: Metering Renewal

GS>50kW

Q How much do you think Hydro Ottawa should invest in metering renewal by 2030?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Accelerated pace	-	21%	20%	-	8%	6%	23%
Draft plan	100%	29%	55%	71%	75%	75%	38%
Slower pace	-	50%	25%	29%	17%	20%	39%

Representative Workbook

Planning Process: Metering Renewal

GS>50kW

Q Do you have additional feedback on Hydro Ottawa's draft metering renewal plan?

Sample Verbatims
Concerns over equipment lifespan and cost management
"What is the service life of this equipment? It's hard to comment if I don't know. Why is important that so many be changed in the next 5 years if 61% are already past service life they clearly can last longer then projected? How did we fiscally mismanage this to the point where 61% are beyond their service life? Often, I recommend coming off of smart rates to Hydro customers for cost savings so why is it so important to continue the expansion?"
Expansion necessary but must align with actual demand
"Hard to hold back on the reigns when the city is seeing tremendous expansion in all directions. However, EV is driving some of these large demands. It remains to be seen if EV can continue to meet expectations. System expansion needs to happen, but a very cautious approach is required to make sure it is done to suit the real demand as it happens."
Government incentives for infrastructure upgrades
"If the Governments would remove the taxes on the utility, it could be put towards a more aggressive rebuilding of the infrastructure as needed for the City."
Accurate meter readings are essential
"Meters need to be fully functional to pinpoint usage and allow for implementation or not of other measures."

Customer Engagement Survey

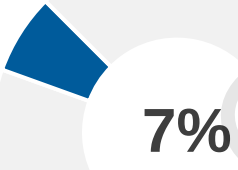
Planning Process: Grid Modernization

Grid Modernization

Investing in new assets and technology

What is this section about?

Focus on investments in response to decarbonization and changing customer expectations.



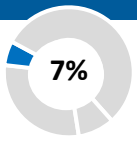
This spending category makes up **7%** of the **draft investment plan.** In terms of bill impact, this category (and any associated operating costs) represents an estimated **$81.68** of the proposed $1,219.15 increase is distribution rates by 2030.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Grid Modernization

GS>50k
W



Making Choices (3 of 5): **Grid Modernization**

Overview

Hydro Ottawa's grid modernization strategy is a comprehensive plan to address evolving challenges in the utility sector. Developed in response to aging infrastructure, decarbonization, and changing customer expectations, the strategy aims to enhance grid reliability, flexibility, resilience, and customer engagement while promoting sustainability.

Hydro Ottawa's grid modernization plan has five key objectives:

- **Enhanced Reliability**: Improving the grid's reliability through advanced monitoring, proactive failure detection, fast fault detection, automated power quality control, automated system restoration, and reduced outage times.
- **Adaptive Grid Flexibility**: Enabling the grid to adapt to the changing energy demand and incorporate different energy generation sources.
- **Fortified Resilience & Robust Security**: Improving the grid's ability to withstand service disruptions due to system faults or climate events and safeguarding the grid's assets against cyber threats.
- **Strengthened Customer Engagement & Empowerment**: Engaging and empowering customers through real-time data, efficient billing, and tools to manage their energy use.
- **Sustainable Decarbonization & Renewable Integration**: Enabling carbon emissions reduction by optimizing planning and operations to support the integration of renewable energy sources into the grid and promote sustainability.

Impact on customers

Hydro Ottawa needs to determine what level of investment should be made in grid modernization, specifically through investments in software upkeep required to operate the grid, replacement and upgrade of protection and control relay equipment, addition of smart devices that provide remote visibility into Hydro Ottawa's grid, and expansion of Hydro Ottawa's communication infrastructure.

- **Reliability considerations**: If grid modernization is not pursued, Hydro Ottawa's ability to improve reliability will decrease, as grid modernization facilitates the necessary tools to increase and continually improve upon grid uptime.
- **Cost considerations**: If Hydro Ottawa defers investments in grid modernization, the short-term costs for customers are lower; however, as technology and electrification become more prevalent, Hydro Ottawa's ability to rapidly respond to outages, as well as Hydro Ottawa's ability to integrate distributed energy resources (e.g. solar panels and battery storage) in a market that is steering towards the prosumer (i.e. customers that both produce and consume electricity and can send their stored or generated electricity back to the grid) would be limited.

In its draft plan, Hydro Ottawa is proposing a balanced approach to grid modernization, ensuring reliability, flexibility, security, customer empowerment and integration of distributed energy resources.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Grid Modernization

GS>50kW

7%

Making Choices (3 of 5): **Grid Modernization**

By 2030, Hydro Ottawa's draft plan to invest in real-time visibility and remote control of feeders. This would cost the typical GS>50kW kW customer **$81.68** more per month on their monthly electricity bill.

Choice 3 of 5:

Which of the following investment plans would you most be comfortable with?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$96.39 more per month by 2030*	Invest more in functionality, optical transport network, wireless solutions, and grid visibility.	• Significant investment in visibility and remote control of feeders, self-healing grid pilots, and centralized wireless management to enhance efficiency, reduce outages, and improve cybersecurity.
Draft Plan ***Rate Impact*** *$81.68 more per month by 2030*	Invest in core functionality, optical transport network, wireless solutions and grid visibility.	• Targeted investments in real-time visibility and remote control of feeders to improve situational awareness and reduce outage duration. • Continued upkeep of the Advanced Distribution Management System (ADMS) that allows Hydro Ottawa to identify problems with the grid and re-route electricity to isolate faults and restore power.
Slower Pace ***Rate Impact*** *$66.98more per month by 2030*	Invest less in functionality, optical transport network, wireless solutions, and grid visibility.	• Limited investments in real-time visibility and remote control of feeders. • The reduced spend will limit the expansion of the optical transport network for critical network diversity. This would not allow for a reduction to outage duration.

WORKBOOK PAGE

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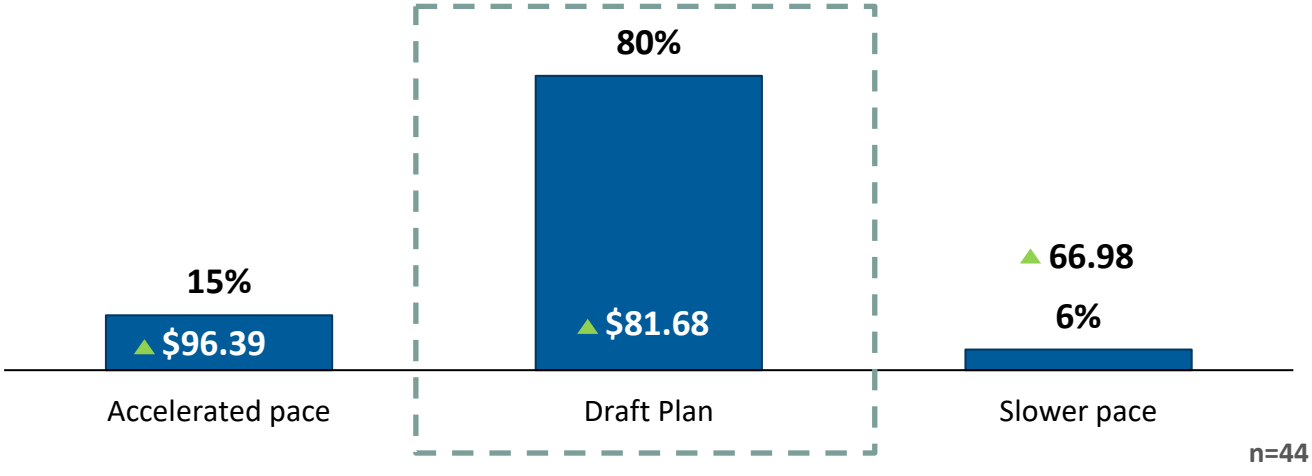
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Representative Workbook

Planning Process: Grid Modernization

GS>50kW

Q Which of the following investment plans would you most be comfortable with?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Accelerated pace	-	7%	25%	14%	8%	13%	20%
Draft plan	100%	79%	70%	86%	92%	75%	76%
Slower pace	-	14%	5%	-	-	13%	4%

Representative Workbook

Planning Process: Grid Modernization

GS>50kW

Q Do you have additional feedback on Hydro Ottawa's draft grid modernization plan?

Sample Verbatims
Concerns about grid expansion
"What happens if you build an over-supply of electricity like what Australia is now facing? How do you know how much extra capacity to build?"
Support for grid modernization
"Grid resilience is very important based on the weather events recently that will only intensify over time. Hydro infrastructure should be in ground as quickly as possible. While this is a large expense, the return on investment will prove to outweigh the cost."
Government incentives
"What is Hydro Ottawa doing to lobby government to help alleviate the proposed rise in costs."

Customer Engagement Survey

Planning Process: Growth and Electrification

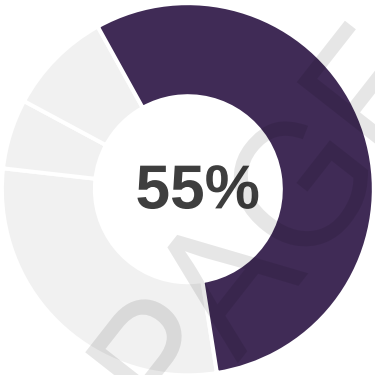
GS>50kW

Growth and Electrification

Investing in the grid to meet growing demand for electricity

What is this section about?

This section focuses on investments in capacity to power the growing community and serve customers' growing and changing needs for electricity.



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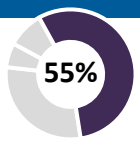
This spending category makes up **55%** of the **draft investment plan**. In terms of bill impact, this category (and any associated operating costs) represents an estimated **$273.22** of the proposed $1,219.15 increase is distribution rates by 2030.



Customer Engagement Survey

Planning Process: Growth and Electrification

GS>50kW



Making Choices (4 of 5): **Preparing for Electrification**

Overview

Hydro Ottawa is proactively preparing for the future by strategically planning infrastructure investments to support the anticipated growth in electricity demand. Electrification, the transition from fossil fuels to electricity, is driving significant changes in energy consumption patterns, creating both opportunities and challenges for the electricity distribution system.

The surge in electrification is fueling an unprecedented increase in demand, stemming from new customer connections and a rising demand from existing customers who are adopting technologies like electric vehicles, heat pumps, and switching to electricity for commercial purposes.

To ensure a reliable and resilient system that can meet the evolving needs of the community, Hydro Ottawa is employing a multifaceted approach to address the challenges of this growth:

- **Expanding Infrastructure:** New substations, increased operating voltages, and new lines will be added to enhance the capacity and flexibility of the distribution system.
- **Embracing Innovation:** This will include battery energy storage systems which will be integrated to better manage peak demand and support the increasing reliance on renewable energy sources.
- **Empowering Customers**: Innovative customer programs will be developed. These programs promote efficient electricity usage and encourage participation in demand-side management initiatives. These solutions go beyond traditional infrastructure by offering customer incentives in targeted areas of growth to provide additional electricity capacity, reduce peak demand, improve grid flexibility, and reduce costs for customers. They can also be implemented and scaled up or down faster than building traditional infrastructure.

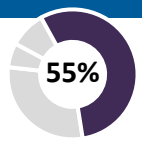
These measures will not only ensure that Hydro Ottawa's distribution system can accommodate the growing demand but will also contribute to a cleaner and more sustainable energy future for the community it serves.

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Customer Engagement Survey

Planning Process: Growth and Electrification

GS>50kW

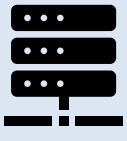


Impact on customers

Failure to invest in necessary infrastructure upgrades will have a cascading effect, hindering Hydro Ottawa's ability to meet the demands of a rapidly changing energy landscape.

- **Reliability and Outages:** An overloaded and outdated system will buckle under the pressure of increased demand, leading to frequent and widespread power outages, disrupting daily life, businesses, and essential services.
- **Economic Impacts:** Constraints on new connections and unreliable power will stifle economic growth and development, discouraging businesses and industries from investing in the region, ultimately affecting job creation and prosperity.
- **Environmental Consequences**: An inability to support electrification efforts will hinder the transition away from fossil fuels, resulting in increased greenhouse gas emissions and missed opportunities to embrace renewable energy sources.
- **Customer Dissatisfaction**: Frequent outages, limited access to new energy technologies and incentive programs, and potentially higher electricity costs will lead to frustration and a negative perception of Hydro Ottawa's service.

What's driving the energy transition? Public policy; technology; economic factors; and evolving expectations from customers. All these factors are happening against the backdrop of the need to address climate change and prepare to adapt to its effects.



How much more electricity is required? A Chat GPT search on Google consumes 10 times more energy than a traditional search. Today, some of the largest data centres have the same power footprint as running 7 million laptops.



How much electricity does it take to charge an Electric Vehicle (EV)? Did you know that when an EV is charging it can use as much electricity as two average homes? If everyone in a neighbourhood came home from work or school and started charging their EVs at the same time, the electricity demand could overload the grid.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Growth and Electrification

GS>50kW

Making Choices (4 of 5): **Preparing for Electrification**

By 2030, Hydro Ottawa's draft plan to invest in system capacity to prepare for electrification would cost the typical GS>50kW kW customer **$273.22** more per month on their monthly electricity bill.

Choice 4 of 5:

Which of the following investment plans would you most be comfortable with?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$412.06 more per month by 2030*	• Increased annual capacity investment to meet future electrification load growth by 2035.	• System capacity is **increased** to meet all growth related to electrification needs by 2035, eliminating reliability risk during system peak days.
Draft Plan ***Rate Impact*** *$273.22 more per month by 2030*	• Slow capacity investments to only critical needs by 2030 with some investments deferred to the next rate period	• System capacity will **maintain** pace with growth in the community, or slightly lagging. Limited impact timing and ability to connect customers. Includes non-wire solutions to support station peaks in high growth regions. • Will result in modest increased reliability risk in specific growth areas - risk of added outage duration or inability to restore some customers, if failures occur on peak loading days.
Slower Pace ***Rate Impact*** *$134.12 more per month by 2030*	• Slow capacity investments to only meet critical needs.	• System capacity will be **slightly lagging** to meet electrification needs by 2035. There might be some impact on the ability to connect customers in certain regions. • Will result in larger increased reliability risk in specific growth areas - risk of added outage duration or inability to restore some customers, if failures occur on peak loading days.

WORKBOOK PAGE

Confirm selection above to continue.

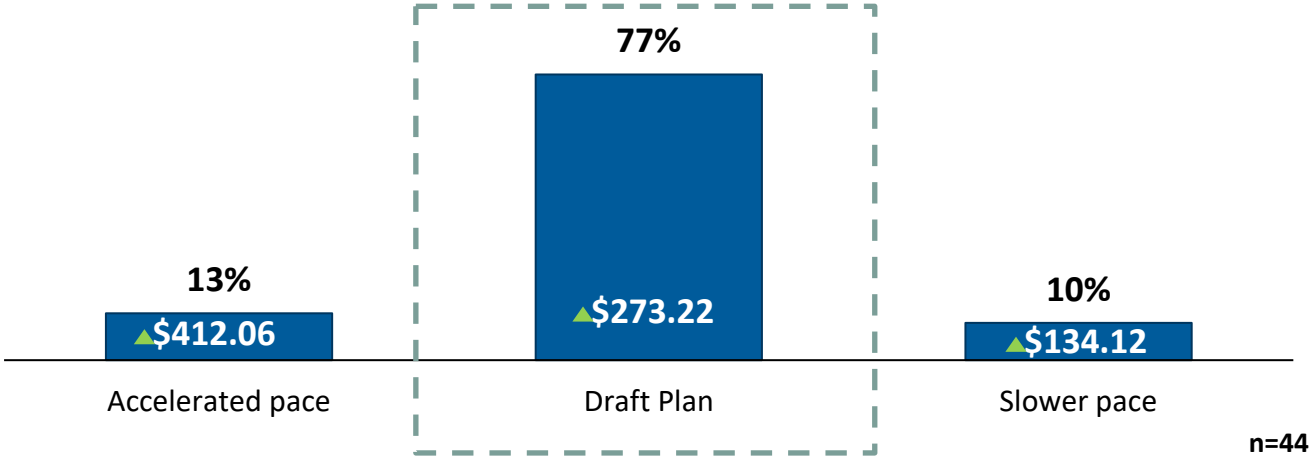
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Representative Workbook

Planning Process: Growth and Electrification

GS>50kW

Q Which of the following investment plans would you most be comfortable with?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Accelerated pace	-	7%	20%	14%	8%	13%	15%
Draft plan	100%	79%	70%	71%	83%	75%	76%
Slower pace	-	14%	10%	14%	9%	13%	9%

Representative Workbook

Planning Process: Growth and Electrification

GS>50kW

Q Do you have additional feedback on Hydro Ottawa's draft electrification plan?

Sample Verbatims
Support self-sustaining power solutions for customers
"Make it easier and assist customers to move to a more self sustain approach to power, Solar wing or water."
Seek a compromise between accelerated and drafted plans
"Though I would love accelerate plan, the moderate plan is what seems reasonable increase wise in the next few years. Can it not be somewhere between the two?"
Positive comment – educational survey
"Recommend putting the survey on the website for future reference. Some parts were very educational."
Additional costs for shortcomings in initial design
"Charge us more money to fix things that should have been built better in the first place"

Customer Engagement Survey

Planning Process: Grid Resilience

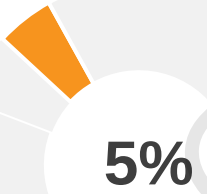
GS>50kW

Grid Resilience

Investments to make the grid more resilient against external factors

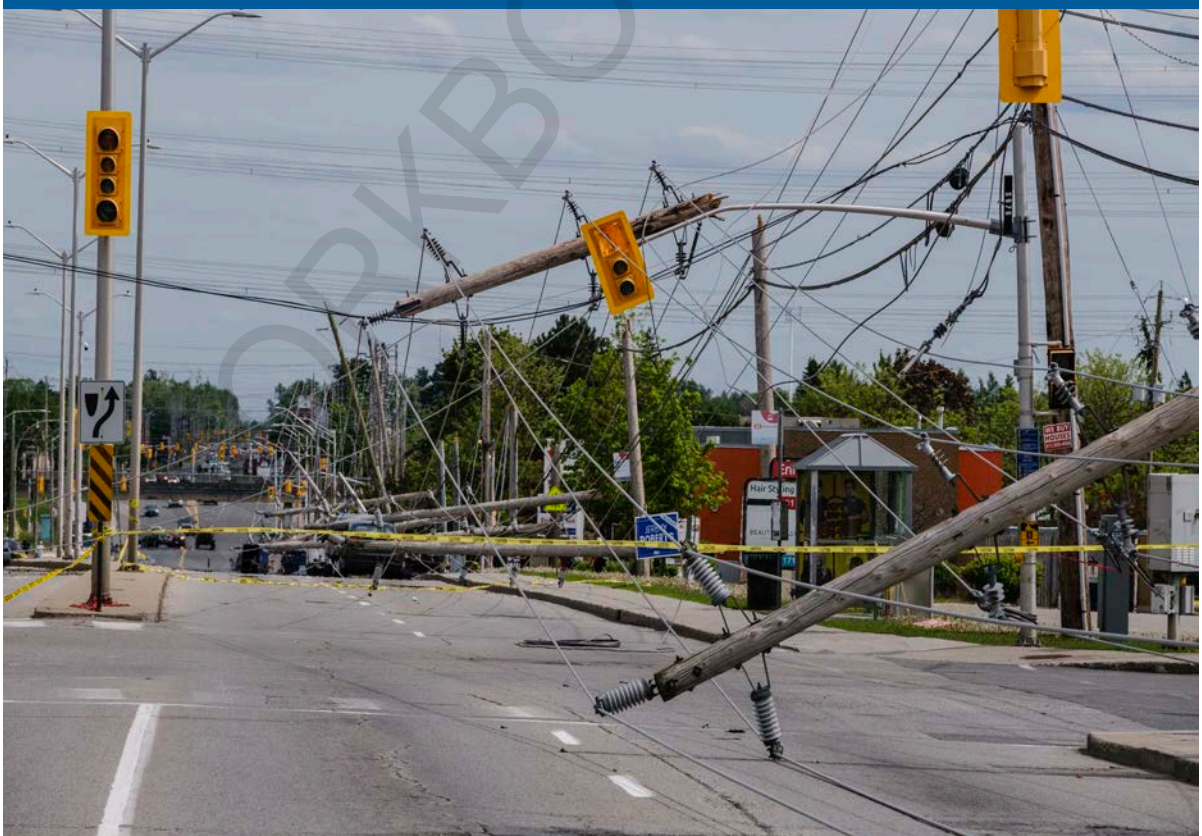
What is this section about?

This section focuses on investments in technology to get more use out of existing equipment. This section includes burying lines, hardening the grid, tree trimming, improving emergency planning and response.



WORKBOOK PAGE

This spending category makes up **5%** of the **draft investment plan.** In terms of bill impact, this category (and any associated operating costs) represents an estimated **$71.29** of the proposed $1,219.15 increase is distribution rates by 2030.



Customer Engagement Survey

Planning Process: Grid Resilience

GS>50kW

Making Choices (5 of 5): **Grid Resilience**

5%

Overview

Distribution system resilience refers to the ability of Hydro Ottawa's distribution network to withstand, adapt to, and recover from disruptions. These disruptions can stem from various sources, including severe weather events, natural disasters, equipment failures, cyberattacks, or unexpected surges in demand.

Resilience goes beyond simply preventing outages; it encompasses the ability to:



1. **Anticipate and mitigate risks**: Proactively identify and address vulnerabilities in the system to reduce the likelihood and impact of disruptions.



2. **Withstand disruptions**: Maintain critical functions and minimize the extent of outages during an event.
3. **Recover quickly**: Restore power and normal operations as rapidly as possible after a disruption.



4. **Adapt and learn**: Improve the system based on lessons learned from past events to enhance future resilience.

In recent years, Hydro Ottawa has experienced a series of severe weather events that have impacted its distribution system, notably the devastating Derecho storm of 2022. The Ottawa region has seen an increase in the frequency of severe weather events, including tornados, lightning storms, ice storms and heavy snowfalls. These frequent and intense weather events have posed ongoing challenges for Hydro Ottawa in maintaining a reliable power supply, highlighting the need for continued investment in grid resilience to withstand the growing impact of climate change.

Impact on customers

Hydro Ottawa needs to determine what level of investment should be made in burying lines, hardening its infrastructure, proactively removing or trimming trees and improving emergency planning and response between 2026 and 2030. If Hydro Ottawa does not invest sufficiently in grid resilience in the face of increasing severe weather events, the consequences could be severe:

- **More frequent and longer outages**: Existing infrastructure may not be able to withstand the increased stress from intensified storms, leading to more widespread and prolonged power outages.
- **Increased costs for repairs and restoration**: Each storm that causes damage to the grid requires significant resources for repairs and restoration, placing a financial burden on the utility and potentially leading to higher rates for customers.
- **Economic disruption**: Power outages can disrupt businesses, schools, and other essential services, impacting productivity and economic activity in the region.
- **Public safety concerns**: Power outages can create safety risks, particularly for vulnerable populations who rely on electricity for medical devices or other critical needs.
- **Damage to public confidence**: Frequent outages can erode public trust in Hydro Ottawa and its ability to provide reliable service.

WORKBOOK PAGE

Customer Engagement Survey

Planning Process: Grid Resilience

GS>50kW

5%

Making Choices (5 of 5): **Grid Resilience**

By 2030, Hydro Ottawa's draft plan to bury lines, harden infrastructure, proactively remove or trim trees and improve emergency planning and response between 2026 and 2030. This would cost the typical GS>50kW customer **$71.29** more per month on their monthly electricity bill.

Choice 5 of 5:

How much do you think Hydro Ottawa should invest in Grid Resilience?

Option	What is included	Expected Outcome
Accelerated Pace ***Rate Impact*** *$79.85 more per month by 2030*	• Increased undergrounding. • Increased vegetation management. • Additional feeder connectivity/ties above and beyond recommended program.	• Same as draft plan, however, to a greater extent • Fewer customers impacted by severe storms • Quicker restoration efforts • Greater flexibility in response to outages • Quicker recovery and system stabilization post-storms
Draft Plan ***Rate Impact*** *$71.29 more per month by 2030*	• Some proactive undergrounding of overhead lines	• Less customers impacted by severe storms. • Quicker restoration efforts. • Greater flexibility in response to outages. • Quicker recovery and system stabilization post storms.
Slower Pace ***Rate Impact*** *$57.83 more per month by 2030*	• No proactive undergrounding of overhead lines. • Vegetation management in line with 2021-2025. • Limited feeder ties to base planning requirements.	• No significant change to the present state of impacts of major storms, or to restoration efforts and system recovery. • Risk of increased reactive spending, as the system is not preemptively "hardened". • Increased spending on emergency and storm response.

Confirm selection above to continue.

Confirm

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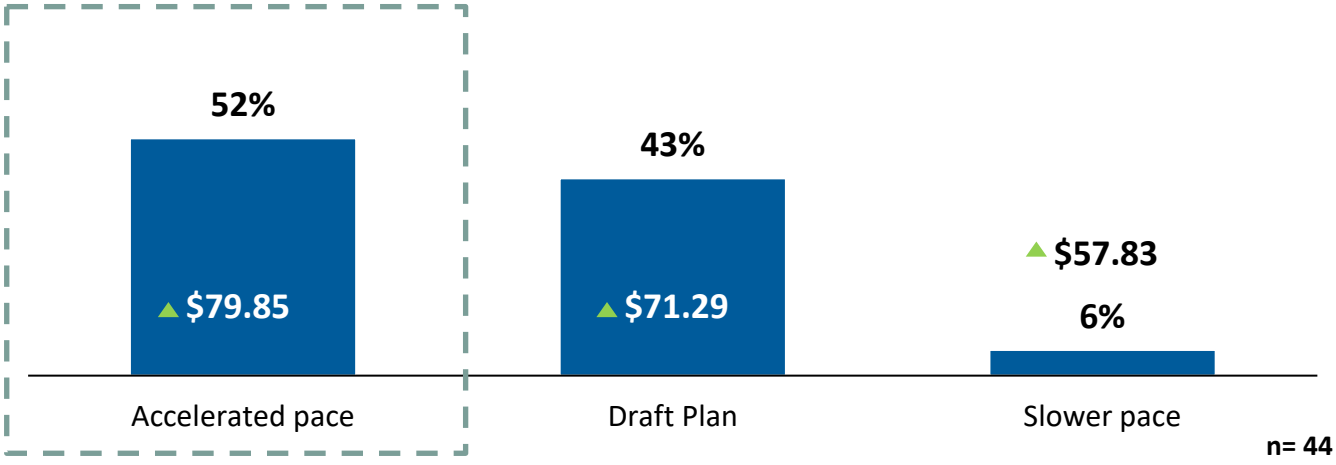
INNOVATIVE RESEARCH GROUP

Representative Workbook

Planning Process: Grid Resilience

GS>50kW

Q How much do you think Hydro Ottawa should invest in Grid Resilience?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Accelerated pace	67%	50%	50%	43%	46%	39%	64%
Draft plan	33%	36%	45%	57%	54%	49%	32%
Slower pace	-	14%	5%	-	-	13%	4%

Representative Workbook

Planning Process: Grid Resilience

GS>50kW

Q Do you have additional feedback on Hydro Ottawa's draft grid resilience plan?

Sample Verbatims
Positive comment
"After repairs of 2022 derecho I find the system is far more stable"

Representative Workbook

Dynamic bill calculator

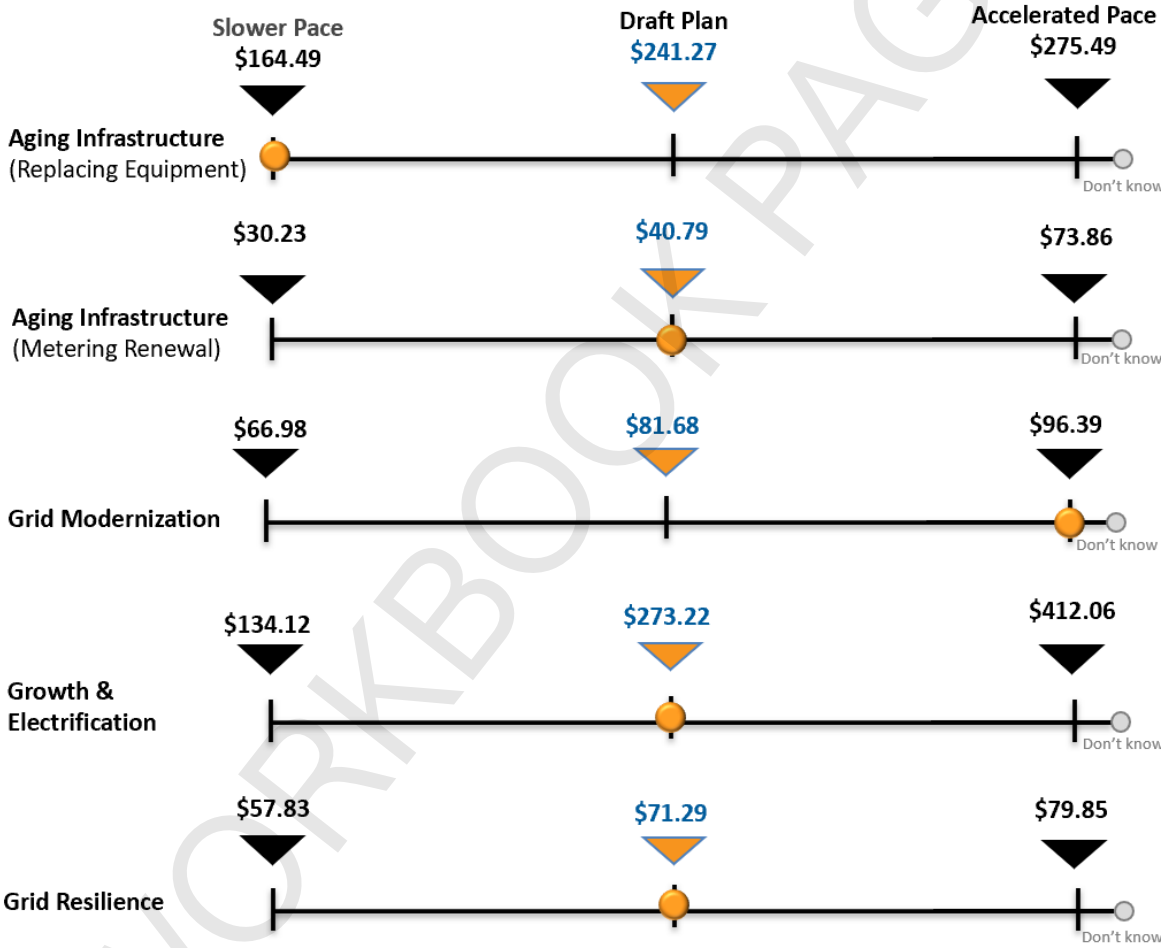
GS>50kW

Key Choices Calculator: Dollars and Cents

Throughout this survey, you have been asked about **5 key choices** that could impact your rates. Below is a summary of your answers to the questions that could impact your rates.

At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You will have the opportunity to continue adjusting your answers until you feel you've reached the best balance for you.



The total impact of your choices would result in an estimated distribution charge of $XXXX.XX ($2,741.46 to $3,201.81) by 2030.

This translates to an increase over 2025 monthly distribution rates for the typical GS>50kW customer by **xx% (54% to 80%)** or **$XX.XX ($964.56 to $1,448.55)**

Click the submit button after you have finalized your choices above. Submit

WORKBOOK PAGE

Representative Workbook

Planning Process: Key Investment Areas Overview

GS>50kW

After reviewing the workbook and selecting their answers, respondents were given the opportunity to adjust their choices and observe the impact of those choices on a typical business customers overall bill, displayed as both a percentage and dollar increase over a 5-year period.

While the workbook pages for the initial option selection did not include a 'Don't know' option, this choice was available on the calculator page. The results are as follows:

GS>50kW

5 Key Choices	Accelerated	Draft Plan	Slower	Don't know
Replacing Aging Infrastructure	25%	70%	2%	2%
Metering Renewal	16%	59%	23%	2%
Grid Modernization	15%	77%	6%	2%
Growth & Electrification	13%	75%	10%	2%
Grid Resilience	52%	41%	6%	2%

Representative Workbook

Social Permission

GS>50kW

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

	Year	Avg. Monthly Bill	Non-Distribution Component	Distribution Component (Hydro Ottawa's portion)	Hydro Ottawa's Portion: Annual Increase to Monthly Bill (%)	Hydro Ottawa's Portion: Annual Increase to Monthly Bill ($)
CURRENT	*2024*	$18,305.03	$16,561.58	$1,743.45	n/a	n/a
BUDGETED	*2025*	$18,907.50	$17,130.60	$1,776.90	2%	$33.45
Rate Period	**2026**	$19,037.29	$16,914.14	$2,123.15	19%	$346.25
	2027	$19,728.71	$17,297.73	$2,430.98	14%	$307.83
	2028	$20,335.85	$17,685.67	$2,650.18	9%	$219.20
	2029	$20,865.49	$18,065.54	$2,799.95	6%	$149.77
	2030	$21,448.48	$18,452.43	$2,996.05	7%	$196.10
	5-yr impact			**$1,219.15**	**69%**	**$1,219.15**

Note:

- *These estimated rate increases are preliminary and are subject to change based on customer feedback, regulatory approval and other factors.*
- *The estimates throughout this survey are for illustrative purposes only and may not reflect the actual size of your organization's monthly electricity bill. For this exercise, the estimates are based on a customer with average monthly demand of 250 kW and consumption of 127,750 kWh.*
- *Bill projections assume a general inflation increase of 2.1% for other aspects of the electricity bill that are outside of Hydro Ottawa's control (commodity, transmission, government, regulatory fees).*

Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $1,219.15 increase in the distribution portion of the typical GS>50kW customer's monthly electricity bill by 2030, which of the following best represents your point of view?

- ☐ I think Hydro Ottawa should accelerate spending beyond its proposed draft plan to deliver better system outcomes
- ☐ I support the proposed bill increase when it comes to preparing Hydro Ottawa's grid for the future
- ☐ I don't like the proposed bill increase, but I think it's necessary to maintain the grid to a reasonable standard and prepare for the future
- ☐ I oppose the bill increase and think Hydro Ottawa needs to scale back its plan
- ☐ I don't know

Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

(Response Optional)

WORKBOOK PAGE

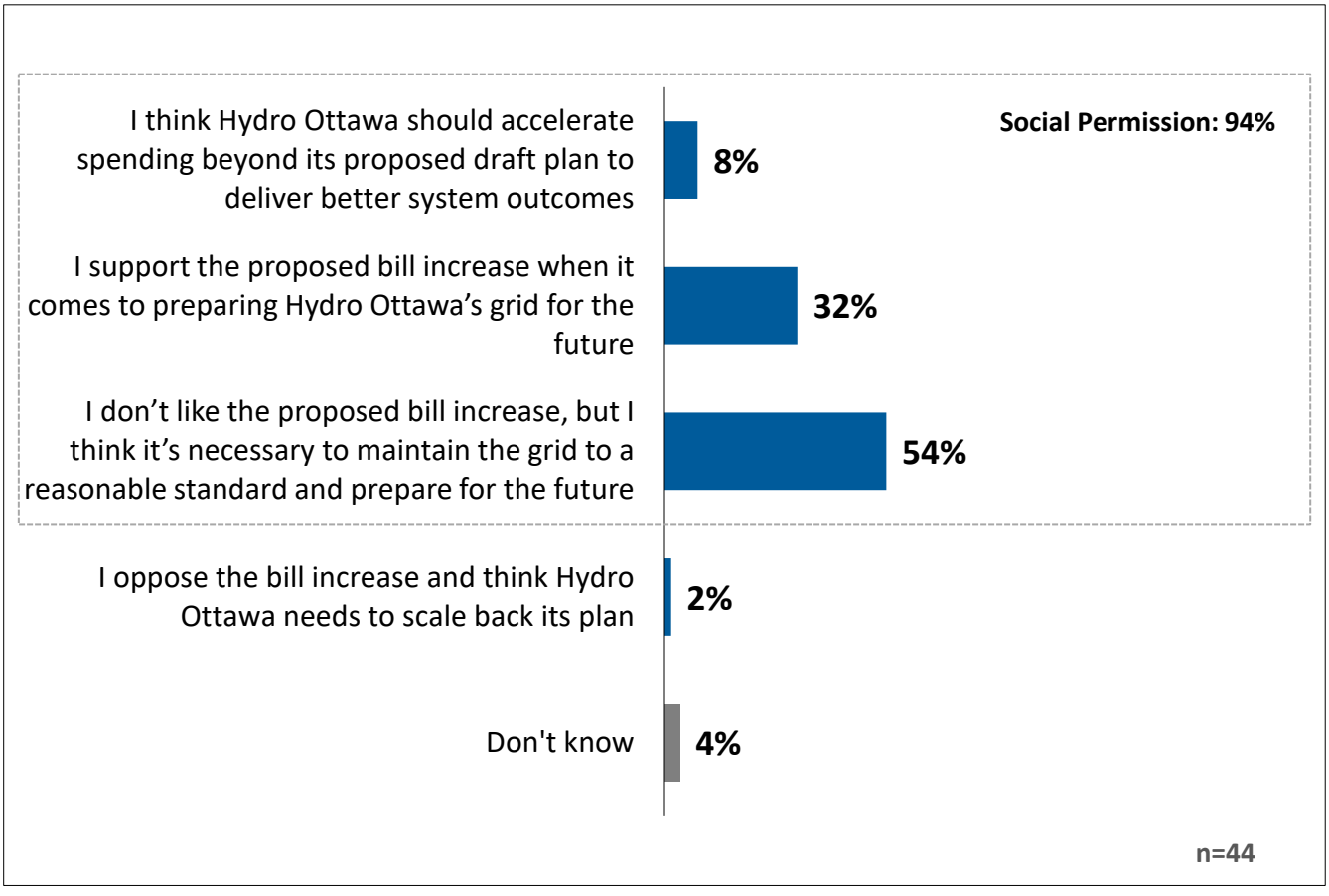
Representative Workbook

Social Permission

GS>50kW

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $1,219.15 increase in the distribution portion of the typical GS>50kW customer's monthly electricity bill by 2030, which of the following best represents your point of view?



Representative Workbook

Social Permission

GS>50kW

Hydro Ottawa has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Hydro Ottawa would like to know how you feel about the total rate impact of its current draft plan.

Q Considering what you have learned about Hydro Ottawa's 2026–2030 draft plan and that this may result in a $1,219.15 increase in the distribution portion of the typical GS>50kW customer's monthly electricity bill by 2030, which of the following best represents your point of view?

	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Accelerate spending	-	7%	15%	-	8%	-	14%
Support proposed bill	33%	29%	30%	43%	8%	52%	33%
Necessary to maintain grid	67%	50%	50%	57%	75%	42%	49%
Oppose the bill increase	-	7%	-	-	-	-	4%
Don't know	-	7%	5%	-	8%	6%	-
Social Permission	**100%**	**86%**	**95%**	**100%**	**92%**	**94%**	**96%**

Representative Workbook

Social Permission

GS>50kW

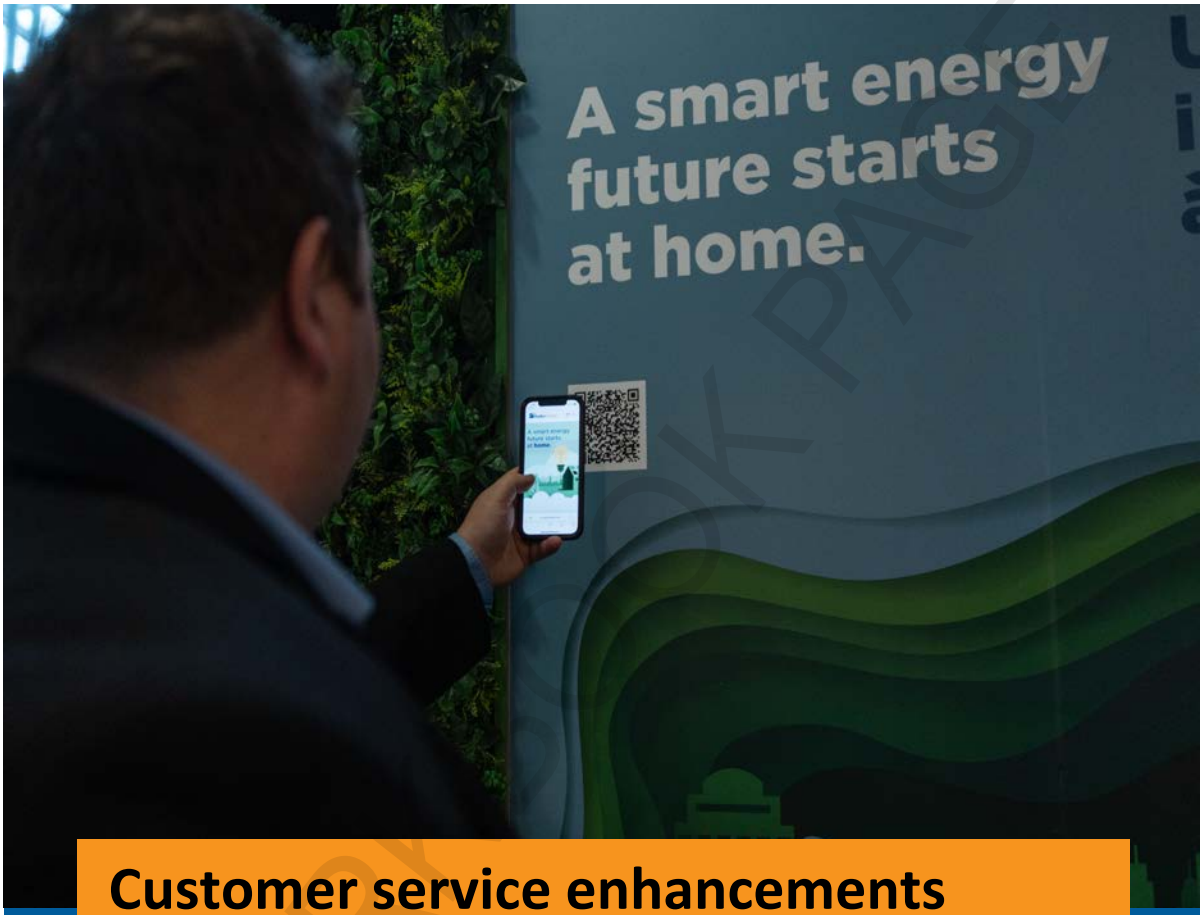
Q Do you have any final comments regarding Hydro Ottawa's draft plan for 2026–2030 and the proposed rate increase?

Sample Verbatims
Support for accelerated pace
"Grid resilience and electrification are hugely important to my organization's goals. We support additional upfront spending to pursue these goals ahead of schedule and over-delivered."
Support customers in adopting solar and wind technologies
"Hydro Ottawa needs to encourage and assist customers in deploying technology to help them become more self-sustaining of their energy requirements with solar, wind generation systems for residential and businesses"
Increase threatens healthcare funding and may drive customers to alternatives
"The proposed increase will cripple healthcare funding, should the Province not be lobbied to offset these. This would also drive certain customers to look for alternatives to the status quo, as it relates to energy procurement."
Hire contractors for efficiency
"While the plan is showing a HUGE increased cost to the consumer, it does reflect the fact that the aging infrastructure needs immediate attention. What drives us consumers a bit crazy is the manpower seen daily standing around on different sites with what appears to be an abundance of manpower for the tasks at hand. Some thought should be given to subbing out more of the work as contractors can manage much of the utility needs and seemingly have the ability to use less manpower and equipment to do so."

Representative Workbook

Planning process: 2026-2030 Rate Application

GS>50kW



Customer service enhancements

Planning for the future

WORKBOOK PAGE

INNOVATIVE RESEARCH GROUP

Customer Engagement Survey

Planning process: 2026-2030 rate application

GS>50kW

Supporting our customers

Hydro Ottawa is dedicated to enhancing the overall customer experience. This means investing in digital technologies and other solutions to provide greater personalization, choice, convenience, and control over customers' energy services. Examples include enhancements to customer care and billing systems, customer relationship management (CRM), and digital customer engagement platforms.

Impact on customers

- Enhanced reliability, expanded functionality, and scalability lead to increased customer satisfaction.
- Advanced energy insights enable more touchpoints, programs, and offers, empowering customers to make informed decisions.
- Advanced self-serve options for customers to support and facilitate their energy transition and provide convenience and operational efficiency.
- Strengthened customer relationships and trust through reliable communication during major events.

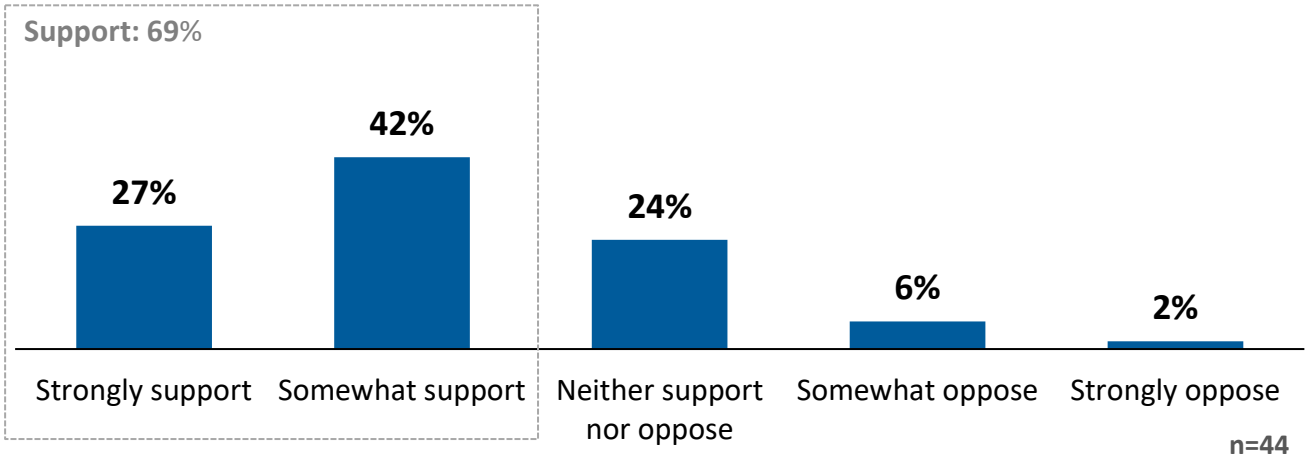
WORKBOOK PAGE

Representative Workbook

Customer programs and services

GS>50kW

Q In the context of Hydro Ottawa's 2026-2030 rate application, do you support or oppose investments in enhanced customer programs and services?



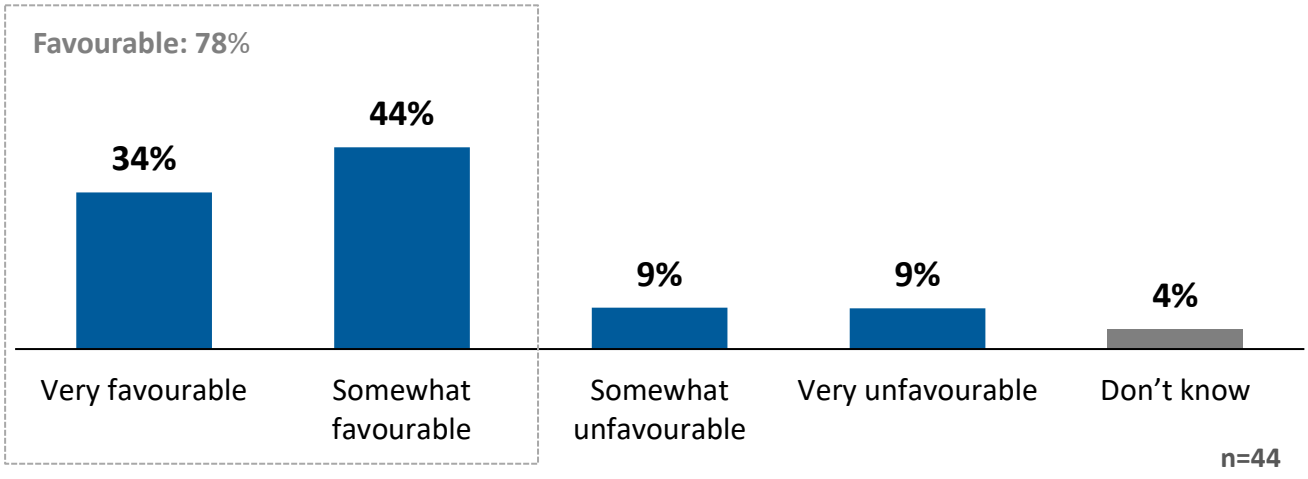
	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Strongly support	-	29%	30%	43%	16%	15%	42%
Somewhat support	67%	36%	35%	43%	66%	47%	23%
Neither support nor oppose	33%	21%	25%	14%	17%	31%	23%
Somewhat oppose	-	7%	10%	-	-	7%	9%
Strongly oppose	-	7%	-	-	-	-	4%
Support: Strongly + Somewhat	**67%**	**64%**	**65%**	**86%**	**83%**	**62%**	**64%**
Oppose: Strongly + Somewhat	**-**	**14%**	**10%**	**-**	**-**	**7%**	**13%**

Representative Workbook

Workbook Impression

GS>50kW

Q Overall, what is your impression of the survey you just completed?



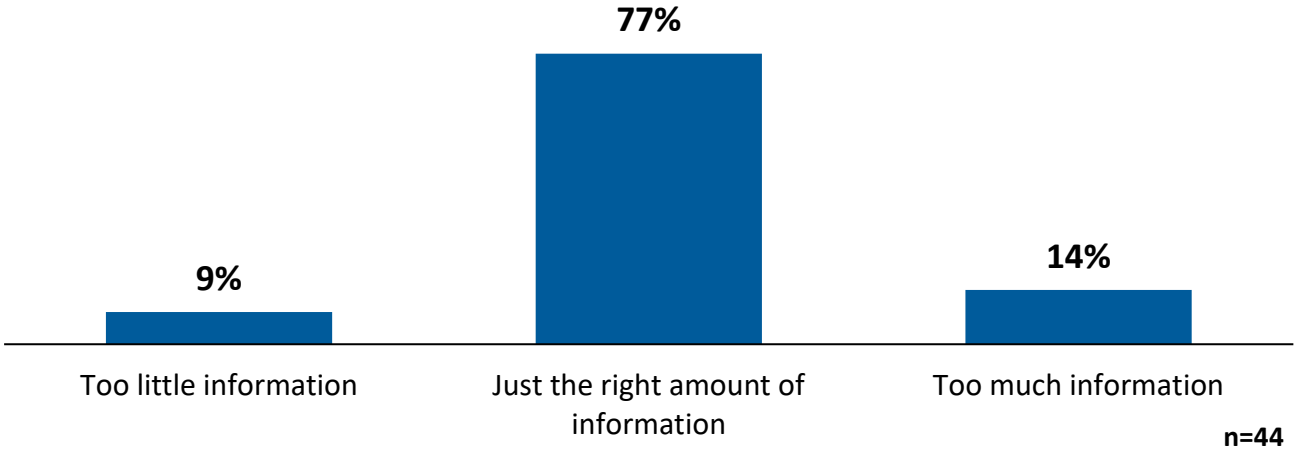
	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Very favourable	33%	36%	30%	43%	29%	20%	47%
Somewhat favourable	67%	36%	40%	43%	54%	60%	26%
Somewhat unfavourable	-	29%	5%	-	8%	6%	12%
Very unfavourable	-	-	15%	14%	9%	7%	10%
Don't know	-	-	10%	-	-	7%	5%
Favourable (Very + Somewhat)	**100%**	**71%**	**70%**	**86%**	**83%**	**80%**	**73%**
Unfavourable (Very + Somewhat)	**-**	**29%**	**20%**	**14%**	**17%**	**13%**	**22%**

Representative Workbook

Workbook Impression

GS>50kW

Q In this survey, do you feel that Hydro Ottawa provided too much information, not enough, or just the right amount?



	Sector				Organization Size		
	MURB	MASH	Commercial	Industrial	<100 people	100 –499 people	>499 people
Too little information	-	7%	5%	29%	-	15%	9%
Just the right amount of information	100%	79%	75%	57%	83%	65%	82%
Too much information	-	14%	20%	14%	17%	20%	9%

Representative Workbook

Workbook Impression

GS>50kW

Q Was there any content missing that you would have liked to have seen included in this survey?

Sample Verbatims
Provide more information on bill
"How the other parts of my bill will also be changing and how these changes shown add up as I couldn't match the numbers provided."
Provide information on reducing electrical load
"What programs are available to commercial customers to assist in the deployment of other technologies to help reduce their electrical load"

Representative Workbook

Workbook Impression

GS>50kW

Q Is there anything that you would still like answered?

Sample Verbatims
Provide information on reducing electrical load
"Yes, how are you going to use some of this budget to allow customers to reduce the load on the grid and become a little more self sustaining as we move the future."
Negative feedback on survey
"I did not like this survey - it felt like you were trying to make me part of your plan for large increases. If you need to make large increases due to previous poor planning, just let us know what the increase is in a letter!"

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Hydro Ottawa. The conclusions drawn and opinions expressed are those of the authors.

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AUDITED FINANCIAL STATEMENTS AND RECONCILIATION

Appended to this Schedule is the most recent copy of Hydro Ottawa's audited financial statements (2023) at the time of filing this Application, which includes the most recent two historical years:

- Attachment 1-5-1(A) - 2023 Audited Financial Statements[1]

1. INTRODUCTION

Section 2.1.8 of the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications*, dated December 9, 2024 requires distributors to submit a "detailed reconciliation of the financial results shown in the audited financial statements with the regulatory financial results filed in the application, including a reconciliation of the fixed assets in order to, as one example, separate non-distribution businesses."

The following pages in this Schedule provide such reconciliation for the years 2022 and 2023.

2. 2022 RECONCILIATION

Table 1 below provides a reconciliation of Hydro Ottawa's 2022 Audited Statement of Income to information for the 2022 Historical Year that is provided in this Application.

[1] This attachment includes 2022 comparatives.

Table 1 – 2022 Statement of Income ($'000s)[2,3]

Statement of Income	Audited 2022	IFRS 14 Adjustment	Unregulated Business	2022 Regulated Balances
REVENUE AND OTHER INCOME				
Power Recovery Revenue	$ 863,545	$ (10,710)	-	$ 852,835
Distribution Revenue	$ 209,841	$ 148	-	$ 209,989
Conservation & Demand Management Income	$ 4,164	-	$ 84	$ 4,248
Other Revenue	$ 26,261	-	$ (152)	$ 26,109
TOTAL REVENUE AND OTHER INCOME	**$ 1,103,811**	**$ (10,562)**	**$ (68)**	**$ 1,093,181**
EXPENSES				
Purchased Power	$ 886,898	$ (34,063)	-	$ 852,835
Operating Costs	$ 118,541	$ (233)	$ 64	$ 118,372
Amortization/Depreciation	$ 61,361	-	$ 451	$ 61,812
Financing Costs	$ 27,193	-	-	$ 27,193
PILS	$ 12,379	$ (11,533)	-	$ 846
TOTAL EXPENSES	**$ 1,106,372**	**$ (45,829)**	**$ 515**	**$ 1,061,058**
Net Movements in Regulatory Balances, Net of Tax	$ 35,267	$ (35,267)	-	-
NET INCOME	**$ 32,706**	**-**	**$ (584)**	**$ 32,122**

Table 2 below provides a reconciliation of Capital Assets as reported in the 2022 Audited Financial Statements to information for the 2022 Historical Year that is provided in this Application.

[2] IFRS 14 Adjustment requires a one-line separate presentation of the net movement within Hydro Ottawa's regulatory deferral accounts related to income (i.e. the debit and credit balances, net of taxes) within its statement of income.
[3] In accordance with OEB policies, all revenue and expenses associated with conservation and demand management (CDM) have been excluded from the costs and revenues in this Application. In addition, revenues and expenses related to other non-utility operations, such as rental of properties not in rate base and solar energy facilities (FIT and MicroFIT), have also been excluded.

Table 2 – 2022 Capital Assets ($'000s)[4]

	Audited 2022	Unregulated Business	2022 Regulated Balances
Property, plant and equipment	$ 1,451,159	$ (86)	$ 1,451,073
Intangible assets	$ 110,308	-	$ 110,308
Investment properties	$ 1,039	$ (1,039)	-
Deferred revenue	$ (256,836)	-	$ (256,836)
TOTAL	**$ 1,305,670**	**$ (1,125)**	**$ 1,304,545**

3. 2023 RECONCILIATION

Table 3 below provides a reconciliation of Hydro Ottawa's 2023 Audited Statement of Income to information for the 2023 Historical Year that is provided in this Application.

[4] The regulated balances include disallowed distribution assets.

Table 3 – 2023 Statement of Income ($'000s)[5,6]

Statement of Income	Audited 2023	IFRS 14 Adjustment	Unregulated Business	2023 Regulated Balances
REVENUE AND OTHER INCOME				
Power Recovery Revenue	$ 861,905	$ (15,913)	-	$ 845,992
Distribution Revenue	$ 224,770	$ (4,367)	-	$ 220,403
Conservation & Demand Management Income	$ 4,336	-	$ 4	$ 4,340
Other Revenue	$ 26,933	-	$ (508)	$ 26,425
TOTAL REVENUE AND OTHER INCOME	**$ 1,117,944**	**$ (20,280)**	**$ (504)**	**$ 1,097,160**
EXPENSES				
Purchased Power	$ 878,410	$ (32,418)	-	$ 845,992
Operating Costs	$ 128,873	$ (1,220)	$ (101)	$ 127,552
Amortization/Depreciation	$ 64,087	-	$ 467	$ 64,554
Financing Costs	$ 31,314	-	-	$ 31,314
PILS	$ 8,317	$ (8,497)	-	$ (180)
TOTAL EXPENSES	**$ 1,111,001**	**$ (42,135)**	**$ 367**	**$ 1,069,233**
Net Movements in Regulatory Balances, Net of Tax	$ 21,855	$ (21,855)	-	-
NET INCOME	**$ 28,798**	**-**	**$ (871)**	**$ 27,927**

[5] IFRS 14 Adjustment requires a one-line separate presentation of the net movement within Hydro Ottawa's regulatory deferral accounts related to income (i.e. the debit and credit balances, net of taxes) within its statement of income.
[6] In accordance with OEB policies, all revenue and expenses associated with conservation and demand management (CDM) have been excluded from the costs and revenues in this Application. In addition, revenues and expenses related to other non-utility operations, such as rental of properties not in rate base and solar energy facilities (FIT and MicroFIT), have also been excluded.

Table 4 below provides a reconciliation of Capital Assets as reported in the 2023 Audited Financial Statements to information for the 2023 Historical Year that is provided in this Application.

Table 4 – 2023 Capital Assets ($'000s)[7]

	Audited 2023	Unregulated Business	2023 Regulated Balances
Property, plant and equipment	$ 1,542,581	$ (502)	$ 1,542,079
Intangible assets	$ 105,451		$ 105,451
Investment properties	$ 479	$ (479)	-
Deferred revenue	$ (290,133)		$ (290,133)
TOTAL	**$ 1,358,378**	**$ (981)**	**$ 1,357,397**

[7] The regulated balances include disallowed distribution assets.

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Hydro Ottawa Limited

Financial Statements

December 31, 2023

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Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 36

Report of Management

Management is responsible for the integrity of the financial data reported by Hydro Ottawa Limited ['the Company']. Fulfilling this responsibility requires the preparation and presentation of financial statements and other data using management's best judgment, estimates and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Management maintains appropriate systems of internal control and corporate-wide policies and procedures, which provide reasonable assurance that the Company's assets are safeguarded and that financial records are relevant and reliable.

The Board of Directors of the Company, with the advice of the Audit Committee of Hydro Ottawa Holding Inc., ensures that management fulfills its responsibility for financial reporting and internal control. At regular meetings, the Audit Committee, including the Chair of the Board of Directors of the Company, reviews internal controls and financial reporting matters with management for Hydro Ottawa Holding Inc. and its subsidiaries. The Chair of the Board of Directors of the Company, as well as the Chief Executive Officer and the Chief Financial Officer, advise the Board of Directors of the Company of any matters of concern raised by the Audit Committee in reviewing the financial affairs of the Company.

On behalf of Management,

DocuSigned by:
Bryce Conrad
8EDB4595749C4E3...

Bryce Conrad
President and Chief Executive Officer

DocuSigned by:
Geoff Simpson
43DC885CF33E43F...

Geoff Simpson
Chief Financial Officer

KPMG LLP
150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hydro Ottawa Limited

Opinion

We have audited the financial statements of Hydro Ottawa Limited (the "Entity"), which comprise:

- the balance sheet as at December 31, 2023
- the statement of income for the year then ended
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

April 23, 2024

Hydro Ottawa Limited

Statement of Income
Year ended December 31, 2023
[in thousands of Canadian dollars]

	2023 $	2022 $
Revenue and other income		
Power recovery revenue [Note 16]	**861,905**	863,545
Distribution revenue [Note 16]	**224,770**	209,841
Government grant income	**4,336**	4,164
Other revenue [Note 16]	**26,933**	26,261
	1,117,944	1,103,811
Expenses		
Purchased power	**878,410**	886,898
Operating costs [Note 17]	**128,873**	118,541
Depreciation [Note 6]	**55,441**	52,845
Amortization [Note 7]	**8,646**	8,516
	1,071,370	1,066,800
Income before the undernoted items	**46,574**	37,011
Financing costs [Note 18]	**31,314**	27,193
Income before income taxes	**15,260**	9,818
Income tax expense [Note 19]	**8,317**	12,379
Net income (loss)	**6,943**	(2,561)
Net movements in regulatory balances, net of tax [Note 5]	**21,855**	35,267
Net income after net movements in regulatory balances	**28,798**	32,706

The accompanying notes are an integral part of these financial statements

Hydro Ottawa Limited

Statement of Comprehensive Income
Year ended December 31, 2023
[in thousands of Canadian dollars]

	2023 $	2022 $
Net income after net movements in regulatory balances	**28,798**	32,706
Other comprehensive income		
Items that will not be subsequently reclassified to net income		
Actuarial (loss) gain on post-employments benefits, net of tax	**(201)**	1,498
Net movement in regulatory balances related to other comprehensive income, net of tax	**201**	(1,498)
Total comprehensive income	**28,798**	32,706

Hydro Ottawa Limited

Balance Sheet
As at December 31, 2023
[in thousands of Canadian dollars]

	2023	2022
	$	$
Assets		
Current assets		
Accounts receivable [Note 4]	**186,352**	169,470
Income taxes receivable	**1,139**	2,345
Prepaid expenses	**6,172**	4,380
	193,663	176,195
Non-current assets		
Property, plant and equipment [Note 6]	**1,542,581**	1,451,159
Intangible assets [Note 7]	**105,451**	110,308
Investment properties, at cost	**479**	1,039
Total assets	**1,842,174**	1,738,701
Regulatory debit balances [Note 5]	**131,843**	116,513
Total assets and regulatory balances	**1,974,017**	1,855,214
Liabilities and shareholder's equity		
Current liabilities		
Working capital facility [Note 8]	**65,310**	62,412
Accounts payable and accrued liabilities [Note 9]	**187,484**	164,229
Deferred revenue [Note 10]	**8,399**	7,339
	261,193	233,980
Non-current liabilities		
Deferred revenue [Note 10]	**281,734**	249,497
Employee future benefits [Note 11(b)]	**11,875**	11,526
Customer deposits	**17,993**	19,448
Notes payable [Note 12]	**837,185**	807,185
Deferred income tax liability [Note 19]	**82,628**	74,167
Other liabilities	**337**	411
Total liabilities	**1,492,945**	1,396,214
Shareholder's equity		
Share capital [Note 14]	**167,081**	167,081
Retained earnings	**299,032**	270,234
Total liabilities and shareholder's equity	**1,959,058**	1,833,529
Regulatory credit balances [Note 5]	**14,959**	21,685
Total liabilities, shareholder's equity and regulatory balances	**1,974,017**	1,855,214

Contingent liabilities and commitments [Notes 21 and 22]

On behalf of the Board:

DocuSigned by: Bryce Conrad 8EDB4595749C4E3...

Director

DocuSigned by: Bernie Ashe 4370BDA251BC492...

Director

The accompanying notes are an integral part of these financial statements

Hydro Ottawa Limited

Statement of Changes in Equity
Year ended December 31, 2023
[in thousands of Canadian dollars]

	Share capital $	Accumulated other comprehensive income $	Retained earnings $	Total $
Balance at December 31, 2021	167,081	-	245,028	412,109
Net income after net movements in regulatory balances	-	-	32,706	32,706
Dividends [Note 14]	-	-	(7,500)	(7,500)
Balance at December 31, 2022	167,081	-	270,234	437,315
Net income after net movements in regulatory balances	-	-	28,798	28,798
Balance at December 31, 2023	**167,081**	**-**	**299,032**	**466,113**

The accompanying notes are an integral part of these financial statements

Hydro Ottawa Limited

Statement of Cash Flows
Year ended December 31, 2023
[in thousands of Canadian dollars]

	2023	2022
	$	$
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income after net movements in regulatory balances	**28,798**	32,706
Adjustments for:		
Depreciation	**55,441**	52,845
Amortization	**8,646**	8,516
(Gain) loss on disposal of capital assets [Notes 6 and 7]	**(469)**	1,239
Amortization of deferred revenue [Note 16]	**(7,955)**	(7,124)
Employee future benefits	**35**	(507)
Financing costs	**31,314**	27,193
Income tax expense	**8,317**	12,379
Income tax credits recoverable	**(269)**	(600)
Capital contributions from customers	**18,080**	18,174
Capital contributions from developers [Note 6]	**11,067**	9,356
Net change in non-cash working capital and other operating balances [Note 20]	**(2,129)**	(10,531)
Change in customer deposits	**6,460**	(2,845)
Financing costs paid	**(31,779)**	(27,718)
Income tax refunded	**1,663**	493
Income tax paid	**(1,117)**	(3,897)
Net movements in regulatory balances	**(21,855)**	(35,267)
	104,248	74,412
Investing		
Acquisition of property, plant and equipment	**(135,981)**	(138,227)
Acquisition of intangible assets	**(2,935)**	(8,612)
Proceeds from disposal of property, plant and equipment, net of disposition costs	**1,770**	1,113
	(137,146)	(145,726)
Financing		
Issuance of notes payable	**30,000**	30,000
Dividends paid [Note 14]	**-**	(7,500)
	30,000	22,500
Net change in working capital facility	**(2,898)**	(48,814)
Working capital facility, beginning of year	**(62,412)**	(13,598)
Working capital facility, end of year	**(65,310)**	(62,412)

The accompanying notes are an integral part of these financial statements

1. DESCRIPTION OF BUSINESS AND CORPORATE INFORMATION

Hydro Ottawa Limited [the 'Company'] was incorporated on October 3, 2000 pursuant to the *Business Corporations Act* (Ontario) as mandated by the Ontario government's *Electricity Act, 1998.* The Company is a wholly owned subsidiary of Hydro Ottawa Holding Inc., which in turn is wholly owned by the City of Ottawa. The Company is domiciled in Canada with the registered head office located at 2711 Hunt Club Road, Ottawa, Ontario, K1G 5Z9.

Hydro Ottawa Limited is a regulated electricity distribution company that owns and operates electricity infrastructure in the City of Ottawa and the Municipality of Casselman and is responsible for the safe, reliable delivery of electricity to homes and businesses in its licensed service area. In addition to billing for distribution services, Hydro Ottawa Limited invoices customers for amounts it is required to pay to other organizations in Ontario's electricity system for providing wholesale generation and transmission services.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared by management on a going-concern basis in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ['IFRS Accounting Standards'], and have been approved and authorized by the Company's Board of Directors for issue on April 23, 2024.

(b) Basis of measurement

The Company’s financial statements are prepared on a historical cost basis, except for the valuation of other employee future benefits as disclosed in Note 3(i)(ii).

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements.

Due to the inherent uncertainty involved in making such estimates, actual results could differ from estimates recorded in preparing these financial statements, including changes as a result of future decisions made by the Ontario Energy Board ['OEB'] or the Ontario provincial government. Management reviews its estimates and judgments on an ongoing basis using the most current information available. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the material accounting policies. Significant areas where estimates and judgments are made in the application of IFRS Accounting Standards are as follows:

i. Accounts receivable

Accounts receivable, which includes unbilled receivables, are reported based on the amounts expected to be recovered less a loss allowance for expected credit losses. Management utilizes historical loss experience and forward-looking information in conjunction with the aging and arrears status of accounts receivable at year-end in the determination of the allowance.

2. BASIS OF PRESENTATION [CONTINUED]

(d) Use of estimates and judgments [continued]

ii. Regulatory balances

The recognition and measurement of regulatory balances is subject to certain estimates, judgments and assumptions, including assumptions made in the interpretation of the OEB's regulations and decisions. The Company continues to assess the likelihood of recovery of all regulatory debit balances subject to recovery through a future rate filing. The absence of OEB approval is a consideration in this evaluation.

iii. Useful lives of depreciable assets

Depreciation and amortization expense are calculated based on estimates of the useful lives of property, plant and equipment, intangible assets and investment properties. Management estimates the useful lives of the various types of assets using assumptions and estimates of life characteristics of similar assets based on a long history of industry experience.

iv. Impairments of non-financial assets

Non-financial assets are reviewed by management for impairment using the future cash flows method. By their nature, estimates of future cash flows, including estimates of future capital expenditures, revenue, operating expenses, discount rates and market pricing are subject to measurement uncertainty.

v. Employee future benefits

The measurement of employee future benefits involves the use of numerous estimates and assumptions. Actuaries make assumptions for items such as discount rates, future salary increases and mortality rates in the determination of benefits expenses and accrued benefit obligations.

vi. Capital contributions

The timing of the satisfaction of performance obligations for capital contributions from customers is subject to certain estimates of future electricity usage.

3. MATERIAL ACCOUNTING POLICIES

On January 1, 2023, the Company adopted amendments within IAS 1 *Presentation of Financial Statements* related to the *Disclosure of Accounting Policies*. The changes required an entity to disclose material rather than significant accounting policies and provided guidance identifying material accounting policies relevant to users of the financial statements. Accordingly, management reviewed its accounting policies and updated the accounting policy information within this note to align with these amendments.

(a) Regulation

The Company is regulated by the OEB under the authority of the *Ontario Energy Board Act, 1998*. The OEB is charged with the responsibilities of approving or setting rates for the transmission and distribution of electricity, and ensuring that distribution companies fulfill obligations to connect and service customers.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(a) Regulation [continued]

For fiscal year ended December 31, 2023, the Company continued to operate under a custom incentive rate-setting application ['Custom IR'] prescribed by the OEB. The Custom IR is one of the rate setting options contained in the *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* policy.

Annual IR applications are required to set rates and charges for the 2022-2025 rate years. On August 17, 2023, the Company filed its Custom IR year 4 update application seeking approval to change its base distribution rates effective January 1, 2024. Rates are adjusted using a formulaic approach following the first year base rates. The 2024 rates are based on an update to the Company's custom price escalation factor, working capital allowance, and the Company's annual incremental capital stretch factor for capital-related revenue requirement. The Company's 2024 rates were approved by the OEB on December 14, 2023.

Once rates are approved, they are not adjusted as a result of actual costs being different from those that were estimated, other than for certain prescribed costs that are eligible for deferral treatment and are either collected or refunded in future rates.

In January 2014, the International Accounting Standards Board ['IASB'] issued IFRS 14 – *Regulatory Deferral Accounts* ['IFRS 14'], which permits rate-regulated entities to use its existing rate-regulated activities practices if and only if, in its first IFRS financial statements, it recognized regulatory deferral account balances by electing to apply the requirements of IFRS 14.

The Company has determined that certain debit and credit balances arising from rate-regulated activities qualify for the application of regulatory accounting treatment in accordance with IFRS 14 and the accounting principles prescribed by the OEB in the *Accounting Procedures Handbook for Electricity Distributors*. Regulatory debit and credit balances primarily represent costs that have been deferred because it is probable that they will be recovered in future rates, revenues that are required to be returned or collected to/from customers or balances that arise from differences in amounts billed to customers for electricity services and the costs that the Company incurs to purchase these services.

Regulatory balances principally comprise the following:

- Regulatory asset/liability refund account ['RARA'/'RLRA'] consists of balances of regulatory assets or regulatory liabilities approved for disposition by the OEB through temporary additional rates referred to as rate riders.
- Settlement variances relate primarily to the charges the Company incurred for transmission services, commodity, wholesale market operations and global adjustment in comparison to those settled with customers during the year. The nature of the settlement variances is such that the balance can fluctuate between assets and liabilities over time, and they are reported at year-end dates in accordance with rules prescribed by the OEB.
- Lost Revenue Adjustment Mechanism ['LRAM'] account tracks and disposes of lost electricity distribution revenues that result from Conservation and Demand Management ['CDM'] programs.
- Earnings Sharing Mechanism ['ESM'] variance account captures 50% of any regulated earnings above Hydro Ottawa's approved return on equity for specific rate periods.
- Other Post-employment Benefits deferral account ['OPEB deferral account'] was authorized by the OEB in 2011 to record the adjustment to employee future benefits other than pension relating to the cumulative actuarial gains or losses. This account is adjusted annually to record any changes in the cumulative actuarial gains or losses. No interest charges are recorded on this account as instructed by the OEB.
- Other Post-employment Benefits cash versus accrual account ['OPEB cash vs accrual] tracks the interest on the differential of the Company's contributions to OPEB versus the accrued OPEB expense recorded in the statement of income.
- Gain/Loss on Asset Disposal variance account is the difference between actual amount of gain/loss from disposal of fixed assets and the forecasted gain/loss.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(a) Regulation [continued]

Other variances and deferred costs include the following:

- Connection Cost Recovery Agreement ['CCRA'] account allows the Company to record annual revenue requirements related to the difference between forecasted payments built into rates and actual payments made to Hydro One Networks Inc. ['HONI'] under connection and cost recovery agreements.
- Capital Variance Account ['CVA'] account (excluding the System Access capital variance sub-account relating to plant relocation requested by third parties and residential expansion) is an asymmetrical variance account. Accordingly, the CVA tracks on an annual basis [for years 2021-2025], the cumulative revenue requirement difference resulting from the underspending in the Company's three capital spending categories: System Renewal/System Service, System Access, and General Plant. The System Access capital variance sub-account records the cumulative revenue requirement difference due to both overspending or underspending and is referred to as a symmetrical variance account.
- Performance Outcomes Accountability Mechanism account to return up to $200 annually for each under-achieved target during the 2021-2025 custom incentive rate-setting period. The five targets impacted by this mechanism account are identified in the Company's settlement agreement.
- the OEB established a variance account for electricity distributors to record any material differences between OEB cost assessments currently built into rates, and cost assessments that will result from the application of the new cost assessment models.

The Company accrues interest on the regulatory balances as directed by the OEB.

The Company continues to assess the likelihood of recovery of all regulatory debit balances subject to recovery through a future rate filing. The absence of OEB approval is a consideration in this evaluation. If the requirement for a provision becomes more likely than not, the Company will recognize the provision in operating costs for the year.

(b) Revenue recognition

Depending on whether certain criteria are met the Company recognizes revenue from contracts with customers when it transfers control over a product or service to a customer either over time or at a point in time. For revenue from other sources, the Company recognizes revenue over time taking into consideration the facts and circumstances of the arrangement.

Revenue is measured at the consideration received or receivable, excluding sales taxes and other amounts collected on behalf of third parties in the following revenue arrangements.

i. Power recovery

Power recovery revenue represents the flow-through of the cost of power to the consumer as purchased by the Company and is recognized over time as electricity is delivered to the customer, as measured by meter readings or usage estimates. Power recovery revenue is regulated by the OEB and includes charges to customers for the electricity commodity, the transmission of electricity and the administration of the wholesale electricity system. The Company has determined that it acts as a principal in this revenue arrangement and therefore has presented it on a gross basis.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(b) Revenue recognition [continued]

ii. Distribution

The Company charges customers for the delivery of electricity, based on rates established by the OEB. The rates are intended to allow the Company to recover its prudently incurred costs and earn a fair return on invested capital. Distribution revenue is recognized over time as electricity is delivered to the customer, as measured by meter readings or usage estimates.

iii. Other

Other revenue comprises revenue earned under contracts for service work related to distribution operations, pole attachment and duct rentals, capital contributions received from customers amortized to revenue, and other account-related charges such as account set-up and late payment fees. Revenue earned under contracts for service work related to distribution operations is recognized over time as the corresponding costs are recognized proportionately with the degree of completion of the services under contract. Losses on such contracts are fully recognized when they become evident. In certain situations, capital contributions are required from customers to finance additions to property, plant and equipment when the estimated revenue resulting from the addition to property, plant and equipment is less than the cost of providing the service or where special equipment is needed to supply the customers' specific requirements. Since the contributions will provide current and future customers with ongoing access to the supply of electricity, these contributions are classified as deferred revenue and amortized into revenue on a straight-line basis over time [the period a customer will receive services], which is typically equivalent to the rate used for the depreciation of the related property, plant and equipment [service life of the related assets]. All other revenues are recognized over time as services are rendered, except for revenue from certain account-related charges, which is recognized at a point in time.

Capital contributions received from developers to construct or acquire property, plant and equipment for the purpose of connecting future customers to the Company's distribution network are considered out of scope of IFRS 15. Capital contributions received from developers are recognized as deferred revenue and amortized into revenue from other sources at an equivalent rate to that used for the depreciation of the related property, plant and equipment.

(c) Financing costs

Financing costs are calculated using the effective interest rate method and are recognized as an expense unless they are capitalized as part of the cost of a qualifying asset.

(d) Income taxes

The Company is considered to be a Municipal Electric Utility ['MEU'] and is required to make payments in lieu of corporate income taxes [PILS] as contained in the *Electricity Act, 1998*, as all of its share capital is indirectly owned by the City of Ottawa and not more than 10% of its income is derived from activities carried on outside the municipal boundaries of the City of Ottawa. The *Electricity Act, 1998* provides that a MEU that is exempt from tax under the *Income Tax Act* (Canada) ['ITA'] and the *Taxation Act,* Ontario ['TAO'] is required to make, for each taxation year, a PILs payment to the Ontario Electricity Financial Corporation in an amount equal to the tax that it would be liable to pay under the ITA and the TAO if it were not exempt from tax.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(d) Income taxes [continued]

The Company follows the liability method for recording income taxes. Under the liability method, current income taxes payable are recorded based on taxable income. Deferred income taxes arising from temporary differences in the accounting and tax basis of assets and liabilities are provided based on substantively enacted tax rates that will be in effect when the differences are expected to reverse.

The Company recognizes regulatory balances for the amounts of future income taxes expected to be refunded to or recovered from customers in future electricity rates as prescribed by the OEB.

(e) Financial instruments

Financial instruments are initially measured at the fair value of the consideration given or received plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

The Company's financial assets, upon initial recognition, are classified as amortized cost or fair value [whereby subsequent changes in fair value are recognized either through OCI [‘FVOCI’] or through profit and loss [‘FVTPL’] as unrealized market adjustments]. Financial assets are classified based on the Company’s business model for managing such assets and the contractual terms of the related cash flows.

The Company's financial liabilities, upon initial recognition, are classified as amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

The Company classifies and subsequently measures its financial instruments as follows:

- Cash and accounts receivable are financial assets classified and measured at amortized cost using the effective interest method, less any impairment if applicable.
- Working capital facility, accounts payable and accrued liabilities, customer deposits and notes payable are financial liabilities classified and measured at amortized cost using the effective interest rate method.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between willing parties. The Company’s own credit risk and the credit risk of the counterparty are taken into account in determining the fair value of financial assets and liabilities. Financial instruments are classified using a three-level hierarchy. The levels reflect the inputs used to measure the fair values of financial assets and financial liabilities, and are as follows:

- Level 1: inputs are unadjusted quoted prices of identical instruments in active markets;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the liabilities that are not based on observable market data [unobservable inputs].

All financial assets except for those classified as FVTPL or FVOCI are subject to review for impairment at least at each reporting date. Impairment losses, if material, are recognized in net income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

The Company recognizes loss allowances for expected credit losses ['ECL's] on financial assets measured at amortized cost. The Company measures loss allowances for electricity receivables, unbilled receivables relating to electricity and trade receivables via a simplified approach as permitted by IFRS 9, at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased, the Company performs a quantitative and qualitative analysis based on the Company’s historical experience and forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(e) Financial instruments [continued]

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

(f) Property, plant and equipment

Property, plant and equipment consist principally of electricity distribution infrastructure, buildings and fixtures, land, rolling stock, furniture and equipment, and assets under construction.

Emergency capital spare parts that are expected to be used for more than one year, are considered to be assets under construction and are depreciated only once they are put into service.

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Self-constructed asset costs comprise all directly attributable expenditures to bring the asset into operation including labour, materials, employee benefits, transportation, contracted services and borrowing costs. Where parts of an item in property, plant and equipment are significant and have different estimated economic useful lives, they are accounted for as separate items [major components] of property, plant and equipment. Certain assets may be acquired or constructed with financial assistance in the form of contributions from customers and developers. Assets that are acquired from customers and developers are measured at fair value. Contributions from customers and developers are treated as deferred revenue.

The cost of major inspections and maintenance is recognized in the carrying value of an asset provided that the Company will derive future economic benefits from the expenditure. The carrying amount of a replaced part is derecognized. The costs of day-to-day servicing, repairs, and maintenance are expensed as incurred.

Depreciation is recorded on a straight-line basis over the estimated service life of each component of property, plant and equipment.

Gains and losses on disposal of retired, sold or otherwise derecognized property, plant and equipment are recognized in income and are calculated as the difference between net proceeds from disposal and the carrying amount of the asset.

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated service lives for property, plant and equipment classes are as follows:

Land and buildings	
Land	Indefinite
Buildings and fixtures	10 to 75 years
Distribution assets	10 to 60 years
Equipment and other	
Furniture and equipment	5 to 40 years
Rolling stock	7 to 15 years

Assets under construction and land are not subject to depreciation. Borrowing costs are capitalized as a component of the cost of self-constructed property, plant and equipment assets that take a substantial period of time to get ready for their intended use. The capitalization rate is the Company’s weighted average cost of borrowing.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(g) Intangible assets

Intangible assets include land rights, capital contributions, computer software and assets under development.

Intangible assets with finite lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated service lives of the related assets.

Intangible assets are derecognized on disposal or when no further future economic benefits are expected from their use. Gains or losses on disposal of intangible assets are recognized in income and are calculated as the difference between net proceeds from disposal and the carrying amount of the asset.

The estimated useful lives and amortization methods are reviewed at each year-end with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated service lives for intangible assets with finite lives are as follows:

Land rights	50 years
Computer software	5 to 13 years
Capital contributions	45 years

Borrowing costs are capitalized as a component of cost of self-constructed intangible assets that take a substantial period of time to get ready for their intended use. The capitalization rate is the Company's weighted average cost of borrowing.

(h) Impairment of non-financial assets

At the end of each reporting period, or earlier if required, management uses its judgment to assess whether there is an indication that the carrying amount of a non-financial asset [or cash generating unit, 'CGU'] exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This assessment involves the consideration of whether any events or changes in circumstances could have affected the recoverability of the carrying amount of a non-financial asset or CGU. Management considers various indicators including, but not limited to, adverse changes in the industry or economic conditions, changes in the degree or method of use of an asset, a lower than expected economic performance of an asset or a significant change in market returns or interest rates. If any indication exists, the Company estimates the asset's recoverable amount, which is the higher of an asset or CGU's fair value less costs of disposal and its value in use. If the carrying value of a non-financial asset materially exceeds its recoverable amount, the difference is immediately recognized as an impairment loss in profit or loss.

Intangible assets not yet available for use are tested for impairment [within their respective CGUs] at least annually, and whenever there is an indication that the asset may be impaired.

When determining the recoverable amount, the Company determines its value-in-use by discounting estimated future cash flows to their present value using a discount rate that reflects changes in the time value of money and the risks specific to the asset or the CGU. The discount rate estimated and used by management represents the weighted average cost of capital determined for the CGU being tested.

At the end of a reporting period, if there is any indication that an impairment loss recognized in a prior period no longer exists or has decreased, the loss is reversed up to its recoverable amount. The carrying amount following the reversal must not be higher than the carrying amount that would have prevailed [net of amortization] had the original impairment not been recognized in prior periods.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(i) Employee future benefits

i. Pension plan

The Company provides pension benefits for its employees through the Ontario Municipal Employees Retirement System ['OMERS'] Fund [the 'Fund']. OMERS is a multi-employer pension plan that provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a defined benefit pension plan, which is financed by equal contributions from participating employers and employees and by the investment earnings of the Fund.

Although the plan is a defined benefit plan, sufficient information is not available to the Company to account for it as such because it is not possible to attribute the fund assets and liabilities between the various employers who contribute to the Fund. As a result, the Company accounts for the plan as a defined contribution plan, and contributions payable as a result of employee service are expensed as incurred as part of operating costs. The Company shares in the actuarial risks of the other participating entities in the plan, and its future contributions may therefore be increased due to actuarial losses relating to the other participating entities. In addition, the Company's contributions could be increased if other entities withdraw from the plan.

ii. Other post-employment benefits

Employee future benefits other than pensions provided by the Company include life insurance and a collectively bargained retirement grant. These plans provide benefits to certain employees when they are no longer providing active service.

Employee future benefits expense is recognized in the period during which the employees render services.

Employee future benefits are recorded on an accrual basis. The accrued benefit obligation and current service costs are calculated using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Actuarial gains and losses resulting from experience different from that assumed or from changes in actuarial assumptions are recognized in OCI. However, for the Company, these amounts are reclassified to a regulatory debit balance as prescribed by the OEB.

iii. Employee benefits

The Company provides short-term employee benefits, such as: salaries, employment insurance, short-term compensated absences, health and dental care. These benefits are recognized as the related service is rendered and is measured on an undiscounted basis. Short-term employee benefits are recognized as an expense unless they qualify for capitalization as part of the cost of an item of materials and supplies, property, plant and equipment, intangible assets. A liability is recognized in respect of any unpaid short-term employee benefits for services rendered in the reporting period.

(j) Customer deposits

Customer deposits are cash collections from customers to guarantee the payment of energy bills and fulfillment of construction obligations. Customer deposits from customers to guarantee the payment of energy bills includes related interest amounts owed to the customers. Deposits estimated to be refundable to customers within the next fiscal year are classified as current liabilities and included in accounts payable and accrued liabilities.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(k) Provisions and contingencies

The Company recognizes provisions when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are remeasured at each balance sheet date.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential loss. Actual results could differ from these estimates.

A contingent asset is not recognized in the financial statements. However, a contingent asset is disclosed where an inflow of economic benefits is probable.

4. ACCOUNTS RECEIVABLE

	2023	2022
	$	$
Receivables from contracts with customers		
Electricity receivable	**71,600**	59,994
Unbilled receivables related to electricity	**86,259**	82,660
Independent Electricity System Operator ['IESO'] receivable	**14,065**	9,742
Other receivables	**7,261**	8,813
Amounts due from related party [Note 23]	**11,308**	12,268
Less: loss allowance [Note 15(c)]	**(4,141)**	(4,007)
	186,352	169,470

5. REGULATORY BALANCES

Information about the Company's regulatory balances is as follows:

	Remaining recovery/ reversal [years]	2022 $	Balances arising in the year $	Recovery/ reversal $	Other movements[1] $	**2023 $**
Regulatory debit balances						
RARA	1-5	687	7,378	949	(73)	**8,941**
Settlement variances	1-5	36,724	10,279	-	(10,877)	**36,126**
OPEB cash versus accrual	1-5	3,218	314	-	-	**3,532**
Loss on asset disposal	1-5	148	-	-	(148)	**-**
Regulatory asset for deferred income taxes	[2]	74,238	8,384	-	-	**82,622**
Other variances and deferred costs	1-5	1,498	(814)	-	(62)	**622**
		116,513	25,541	949	(11,160)	**131,843**
Regulatory credit balances						
RLRA	1-5	1,148	1,794	(1,592)	(73)	**1,277**
Settlement variances	1-5	17,033	(1,315)	-	(10,877)	**4,841**
ESM	1-5	1,467	74	-	-	**1,541**
Gain on asset disposal	1-5	-	1,241	-	(148)	**1,093**
LRAM	1-5	105	2,951	-	-	**3,056**
OPEB deferral account	1-5	30	33	-	-	**63**
Other variance and deferred costs	1-5	1,902	1,248	-	(62)	**3,088**
		21,685	6,026	(1,592)	(11,160)	**14,959**

5. REGULATORY BALANCES [CONTINUED]

	Remaining recovery/ reversal [years]	2021 $	Balances arising in the year $	Recovery/ reversal $	Other movements[1] $	2022 $
Regulatory debit balances						
RARA	1-5	1,691	4,170	(1,600)	(3,574)	687
Settlement variances	1-5	13,453	23,049	222	-	36,724
OPEB cash vs accrual	1-5	5,561	(2,343)	-	-	3,218
LRAM	1-5	967	-	-	(967)	-
Loss on asset disposal	1-5	-	484	-	(336)	148
Regulatory asset for deferred income taxes	[2]	61,860	12,378	-	-	74,238
Other variances and deferred costs	1-5	2,842	(471)	7	(880)	1,498
		86,374	37,267	(1,371)	(5,757)	116,513
Regulatory credit balances						
RLRA	1-5	9,588	(5,441)	575	(3,574)	1,148
Settlement variances	1-5	12,850	4,411	(228)	-	17,033
ESM	1-5	2,126	(659)	-	-	1,467
Gain on asset disposal	1-5	336	-	-	(336)	-
LRAM	1-5	-	1,072	-	(967)	105
OPEB deferral account	1-5	12	18	-	-	30
Other variances and deferred costs	1-5	403	1,485	894	(880)	1,902
		25,315	886	1,241	(5,757)	21,685

[1] Other movements represent reclassifications of balances
[2] The balance is being reversed through timing differences in the recognition of deferred income tax assets [Note 3(d)]

Details and descriptions pertaining to the regulatory debt and credit balances are disclosed in Note 3(a) of these financial statements.

6. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $	Distribution assets $	Equipment and other $	Assets under construction $	Total $
Cost					
Balance at December 31, 2021	155,892	1,368,057	54,792	73,300	1,652,041
Additions, net of transfers	1,848	136,033	7,152	2,719	147,752
Disposals	(1)	(3,300)	(1,074)	-	(4,375)
Balance at December 31,2022	157,739	1,500,790	60,870	76,019	1,795,418
Additions, net transfers	3,253	113,490	7,085	23,776	147,604
Disposals	(14)	(1,427)	(591)	-	(2,032)
Balance at December 31, 2023	**160,978**	**1,612,853**	**67,364**	**99,795**	**1,940,990**
Accumulated depreciation					
Balance at December 31, 2021	(15,933)	(250,752)	(26,789)	-	(293,474)
Depreciation	(3,475)	(43,952)	(5,381)	-	(52,808)
Disposals	-	1,159	864	-	2,023
Balance at December 31,2022	(19,408)	(293,545)	(31,306)	-	(344,259)
Depreciation	(3,567)	(46,002)	(5,835)	-	(55,404)
Disposals	-	726	528	-	1,254
Balance at December 31, 2023	**(22,975)**	**(338,821)**	**(36,613)**	**-**	**(398,409)**
Net book value					
At December 31, 2022	138,331	1,207,245	29,564	76,019	1,451,159
At December 31, 2023	**138,003**	**1,274,032**	**30,751**	**99,795**	**1,542,581**

During the year, the Company capitalized borrowing costs of $510 [2022 – $677] to property, plant and equipment. The average annual interest rate for 2023 was 3.4% [2022 – 2.9%].

The Company has entered into non-cash transactions that have been excluded from the statement of cash flows as detailed in Note 20. In addition, $12,105 [2022 – $7,587] of property, plant and equipment was contributed by developers, the directly related liability of which is included in deferred revenue.

During the year, the Company recognized a gain on disposal of property, plant and equipment of $469 [2022 – loss on disposal of $1,239].

7. INTANGIBLE ASSETS

	Land rights $	Computer software $	Capital contributions $	Assets under development $	Total $
Cost					
Balance at December 31, 2021	2,732	74,987	63,655	24,225	165,599
Additions, net of transfers	507	4,779	20,238	(20,769)	4,755
Balance at December 31, 2022	3,239	79,766	83,893	3,456	170,354
Additions, net of transfers	-	6,265	(4,756)	2,280	3,789
Balance at December 31, 2023	**3,239**	**86,031**	**79,137**	**5,736**	**174,143**
Accumulated amortization					
Balance at December 31, 2021	(477)	(47,116)	(3,937)	-	(51,530)
Amortization	(69)	(6,529)	(1,918)	-	(8,516)
Balance at December 31, 2022	(546)	(53,645)	(5,855)	-	(60,046)
Amortization	(78)	(6,622)	(1,946)	-	(8,646)
Balance at December 31, 2023	**(624)**	**(60,267)**	**(7,801)**	**-**	**(68,692)**
Net book value					
At December 31, 2022	2,693	26,121	78,038	3,456	110,308
At December 31, 2023	**2,615**	**25,764**	**71,336**	**5,736**	**105,451**

The Company is party to various Connection and Cost Recovery Agreements ['Capital contributions'] with Hydro One Networks Inc. ['HONI']. These agreements govern the construction by HONI of new or modified transformer stations for the purpose of serving the Company's customers, including anticipated electricity load growth. All terms and conditions of CCRAs follow the *Transmission System Code* [the 'Code'] issued by the OEB.

During the year, the Company capitalized borrowing costs of $184 [2022 – $172] to intangible assets. The average annual interest rate for 2023 was 3.4% [2022 – 2.9%].

The Company has entered into non-cash transactions that have been excluded from the statement of cash flows as detailed in Note 20.

8. WORKING CAPITAL FACILITY

The Company has access to a $90,000 [2022 – $90,000] revolving demand credit facility and a $500 [2022 – $500] commercial card facility available from Hydro Ottawa Holding Inc. As at December 31, 2023, the Company has drawn $10,310 [2022 – $13,412] in bank indebtedness and $55,000 [2022 – $49,000] in bankers' acceptances against this credit facility. The rate of interest is based on the rate applicable to Hydro Ottawa Holding Inc.'s outstanding bankers' acceptances drawn on that date. Otherwise, the rate of interest is based on the Bank of Canada's 'Bankers Acceptances 1 month' rate, plus a Banker's Acceptance Fee.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023 $	2022 $
Purchased power payable	**87,382**	70,404
Trade accounts payable and accrued liabilities	**35,271**	36,634
Customer deposits	**43,274**	35,359
Customer credit balances	**14,451**	13,137
Due to related parties [Note 23]	**7,106**	8,695
	187,484	164,229

In 2019, the Company conducted a true-up calculation in connection with one of its cost recovery agreements with HONI as described in Note 21. The Company determined that it was obligated to make up a shortfall and accordingly set-up a provision. At December 31, 2021, the Company maintained a provision of $3,400, which was included in accounts payable and accrued liabilities. In 2022, the Company received the final CCRA calculation from HONI, which required it to pay $2,509. The Company paid the $2,509 in 2022.

10. DEFERRED REVENUE

	2023 $	2022 $
Capital contributions from customers	**138,249**	123,998
Capital contributions from developers	**151,884**	132,838
	290,133	256,836
Less: current portion	**(8,399)**	(7,339)
	281,734	249,497

11. EMPLOYEE FUTURE BENEFITS

(a) Pension plans

The Company's participating employer contributions under OMERS for the year ended December 31, 2023 amounted to $5,340 [2022 – $5,721].

(b) Other employee future benefits

Employee future benefits are calculated using an annual compensation rate increase of 2.0% [2022 – 2.0%] and a discount rate of 4.7% [2022 – 5.1%] to calculate the liabilities. The valuations also include several other economic and demographic assumptions including mortality rates. The mortality assumption is based on the *Canadian Pensioners' Mortality* report published by the Canadian Institute of Actuaries in February 2014.

11. EMPLOYEE FUTURE BENEFITS [CONTINUED]

Information about the Company's employee future benefits other than pension plans is as follows:

	2023	2022
	$	$
Defined benefit obligation, beginning of year	**11,526**	14,376
Current service costs	**265**	407
Interest on defined benefit obligation	**613**	431
Remeasurement of the defined benefit obligation	**-**	(557)
Benefit payments	**(843)**	(788)
Actuarial loss (gain)	**314**	(2,343)
Defined benefit obligation, end of year	**11,875**	11,526

An actuarial extrapolation was performed as at December 31, 2023. As a result of this exercise, the Company increased the accumulated liability by $349 [December 31, 2022 – decreased by $2,850 based on an actuarial valuation].

Significant changes in actuarial assumptions related to discount rates, future health and dental costs, mortality rates and retirement age may affect the valuation of the defined benefit obligation.

12. NOTES PAYABLE

The Company currently has the following unsecured promissory notes to Hydro Ottawa Holding Inc.:

	2023	2022
	$	$
4.97% promissory note, due December 19, 2036	**50,000**	50,000
4.14% for the first five years [3.99% thereafter] promissory note, issued May 14, 2013 and due May 14, 2043	**107,185**	107,185
2.72% for the first five years [2.61% thereafter] promissory note, issued February 9, 2015 and due February 3, 2025	**138,667**	138,667
3.77% for the first five years [3.64% thereafter] promissory note, issued February 9, 2015 and due February 2, 2045	**121,333**	121,333
2.72% for the first five years [2.61% thereafter] promissory note, issued June 25, 2015 and due June 25, 2025	**15,999**	15,999
3.77% for the first five years [3.64% thereafter] promissory note, issued June 25, 2015 and due June 25, 2045	**14,001**	14,001
2.66% promissory note, due October 16, 2029	**87,500**	87,500
3.21% promissory note, due October 16, 2049	**162,500**	162,500
3.57% grid promissory note issued July 5, 2021 and due on demand	**80,000**	80,000
4.94% grid promissory note issued August 9, 2022 and due on demand	**30,000**	30,000
4.56% grid promissory note issued July 6, 2023 and due on demand	**30,000**	-
	837,185	807,185

12. NOTES PAYABLE [CONTINUED]

The grid promissory note facility bears fixed-rate interest based on the cost of long-term debt for Ontario's Regulated Utilities in accordance with the OEB`s cost of capital calculations. Hydro Ottawa Holding Inc. does not intend to recall any amounts due on demand in 2024.

The promissory notes and the grid promissory note facility are subordinated and postponed to the obligation of the Company to a third party for the payment in full of any secured indebtedness and any and all security interests granted to secure such obligations of the Company.

13. CAPITAL DISCLOSURES

The Company’s main objectives when managing capital are to:

- Ensure continued access to funding to maintain and improve the operations and infrastructure of the Company;
- Ensure compliance with covenants related to the credit facilities and senior unsecured debentures entered into by its parent company, Hydro Ottawa Holding Inc.; and
- Align Hydro Ottawa Limited's capital structure with the debt to equity structure recommended by the OEB.

The Company’s capital consists of the following:

	2023	2022
	$	$
Working capital facility	**65,310**	62,412
Notes payable	**837,185**	807,185
Total debt	**902,495**	869,597
Shareholder's equity	**466,113**	437,315
Total capital	**1,368,608**	1,306,912
Debt capitalization ratio	**65.94 %**	66.54 %

The Company is in compliance with all financial covenants and limitations associated with its credit facilities and its long-term debt.

The Company is deemed by the OEB to have a capital structure that is funded by 56% long-term debt, 4% short-term debt and 40% equity. The OEB uses this deemed structure only as a basis for setting distribution rates. As such, the Company's actual capital structure may differ from the OEB deemed structure.

The Company met its capital management objectives, which have not changed during the year.

14. SHARE CAPITAL

(a) Authorized

Unlimited number of voting first preferred shares, redeemable at one dollar per share
Unlimited number of non-voting second preferred shares, redeemable at ten dollars per share
Unlimited number of non-voting third preferred shares, redeemable at one hundred dollars per share
Unlimited number of voting fourth preferred shares [ten votes per share], redeemable at one hundred dollars per share
Unlimited number of voting Class A common shares
Unlimited number of non-voting Class B common shares
Unlimited number of non-voting Class C common shares, redeemable at the price at which such shares are issued

The above shares are without nominal or par value.

Holders of second preferred shares, fourth preferred shares and common shares are entitled to receive dividends as and when declared by the Board of Directors at their discretion.

(b) Issued

	2023	2022
	$	$
154,789,001 Class A common shares	**167,081**	167,081

Any invitation to the public to subscribe for shares of the Company is prohibited by shareholder resolution.

No dividends were declared by the Board of Directors in 2023. [2022 – April 14, 2022, the Board of Directors declared a $7,500 dividend to the sole shareholder, Hydro Ottawa Holding Inc., which was paid on April 21, 2022].

Subsequent to year-end, the Board of Directors declared a $11,500 dividend on April 23, 2024 on the common shares of the Company outstanding on December 31, 2023.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value disclosures

The carrying values of the Company's financial instruments, except for notes payable, approximates fair value because of the short maturity and nature of the instruments. The fair value measurement of the financial instrument for which the fair value has been disclosed is included in Level 2 of the fair value hierarchy [Note 3(e)].

The Company has estimated the fair value of the notes payable as at December 31, 2023 as amounting to $765,259 [2022 – $716,892]. The fair value has been determined based on discounting all future payments of interest and the principal repayment on January 1, 2024, at the estimated interest rate of 4.6% [2022 – 4.8%] that would be available to the Company on December 31, 2023.

(b) Market risk

The Company is exposed to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risks: interest rate risk, foreign exchange risk and commodity price risk.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

(b) Market risk [continued]

(i) Interest rate risk

The Company is exposed to interest rate risk on its borrowings. The Company mitigates exposure to interest rate risk by fixing interest rates on its notes payable with its parent company. Under Hydro Ottawa Holding Inc.'s credit facilities, any advances on its operating line would expose the Company to fluctuations in short term interest rates related to prime rate loans and bankers' acceptances as all short-term financing requirements are obtained through its parent company, which passes on its borrowing costs. The interest rate risk is deemed to be low due to the immaterial cost of its short-term borrowings. For the most part, the borrowing requirements are for a very short duration as the advances serve to bridge gaps between the cash outflow related to the monthly power bill and the inflows related to the settlements with customers and, as such, there is very limited exposure to interest rate risk.

A sensitivity analysis was conducted to examine the impact of a change in the prime rate on the Company’s advances from Hydro Ottawa Holding Inc. A variation of 1% [100 basis points], with all other variables held constant, would increase or decrease the annual interest expense by approximately $588.

The Company is also exposed to fluctuations in interest rates as its regulated rate of return is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

(ii) Foreign exchange risk

As at December 31, 2023, the Company has limited exposure to fluctuations in foreign currency exchange rates. The Company does purchase a small proportion of goods and services that are denominated in foreign currencies, predominately the US dollar. The impact of the fluctuation of foreign currencies on the gains or losses of accounts payable denoted in foreign currencies is not material.

(c) Credit risk

Credit risk is the risk that a counterparty will default on its obligations, causing a financial loss to the Company. Concentration of credit risk associated with accounts receivable is limited due to the large number of customers the Company services. The Company has approximately 364,000 customers, the majority of which are residential. As a result, the Company did not earn a significant amount of revenue and does not have a significant receivable from any individual customer.

The Company performs ongoing credit evaluations of its customers and requires collateral to support non-residential customer accounts receivable on specific accounts to mitigate significant losses in accordance with OEB legislation. As at December 31, 2023, the Company held security deposits related to power recovery and distribution sales in the amount of $14,336 [2022 – $14,533] with respect to these customers.

The Company monitors and limits its exposure to credit risk on a continuous basis.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. The expected loss rates for trade receivables are based on the payment profiles of sales over a period of twelve months before December 31, 2023 or December 31, 2022 respectively and the corresponding historical credit losses experienced within this period and other information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

(c) Credit risk [continued]

On that basis, the loss allowance as at December 31, 2023 and December 31, 2022 was determined as follows for trade and other receivables.

	Gross carrying amount	Weighted average loss rate	Loss allowance	Net carrying amount
	$		$	$
December 31, 2023				
Outstanding for 30 days or less	93,099	0.00 %	-	93,099
Outstanding for more than 30 days but not more than 120 days	5,764	19.67 %	1,134	4,630
Outstanding for more than 120 days	5,371	41.39 %	2,223	3,148
Unbilled receivables related to electricity	86,259	0.91 %	784	85,475
	190,493		**4,141**	**186,352**
December 31, 2022				
Outstanding for 30 days or less	78,833	0.00 %	-	78,833
Outstanding for more than 30 days but not more than 120 days	8,661	13.66 %	1,183	7,478
Outstanding for more than 120 days	3,323	64.67 %	2,149	1,174
Unbilled receivables related to electricity	82,660	0.82 %	675	81,985
	173,477		4,007	169,470

The following table reconciles the opening and closing loss allowance for trade and other receivables:

	2023	2022
	$	$
Loss allowance, beginning of year	**4,007**	3,139
Net remeasurement of loss allowance	**2,323**	2,431
Write-offs	**(2,344)**	(1,709)
Recoveries of amounts previously written-off	**155**	146
Loss allowance, end of year	**4,141**	4,007

Impairment losses on trade and other receivables are presented as net impairment losses within the statement of income. When a receivable is deemed to be uncollectible, it is written off and the expected loss allowance is adjusted accordingly. Subsequent recoveries of receivables previously provisioned or written off result in a reduction of impairment losses included in operating costs in the statement of income.

As at December 31, 2023, there were no significant concentrations of credit risk with respect to any class of financial assets or counterparties and the Company's maximum exposure to credit risk is equal to the carrying value of accounts receivable less customer deposits held.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

(d) Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they come due. The Company's parent, Hydro Ottawa Holding Inc., manages all the financing and investing activities for the Company. The Company has access to credit facilities with Hydro Ottawa Holding Inc. [Note 8]. These credit facilities are available to the Company to help meet its financial obligations as they come due.

Liquidity risks associated with financial commitments are as follow:

	2023		
	Due within one year $	Due between one and five years $	Due after five years $
Working capital facility	**65,310**	**-**	**-**
Accounts payable and accrued liabilities	**187,484**	**-**	**-**
Notes payable			
4.97% promissory note, due December 19, 2036	**-**	**-**	**50,000**
4.14% for the first five years [3.99% thereafter] promissory note, due May 14, 2043	**-**	**-**	**107,185**
2.72% for the first five years [2.61% thereafter] promissory note, due February 3, 2025	**-**	**138,667**	**-**
3.77% for the first five years [3.64% thereafter] promissory note, due February 2, 2045	**-**	**-**	**121,333**
2.72% for the first five years [2.61% thereafter] promissory note, due June 25, 2025	**-**	**15,999**	**-**
3.77% for the first five years [3.64% thereafter] promissory note, due June 25, 2045	**-**	**-**	**14,001**
2.66% promissory note, due October 16, 2029	**-**	**-**	**87,500**
3.21% promissory note, due October 16, 2049	**-**	**-**	**162,500**
3.57% grid promissory note issued July 5, 2021 and due on demand	**-**	**80,000**	**-**
4.94% grid promissory note issued August 9, 2022 and due on demand	**-**	**30,000**	**-**
4.56% grid promissory note issued July 6, 2023 and due on demand	**-**	**30,000**	**-**
Interest to be paid on notes payable	**28,979**	**77,461**	**270,989**
	281,773	**372,127**	**813,508**

16. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER SOURCES

The Company's revenue breakdown is as follows:

	2023	2022
	$	$
Revenue from contracts with customers		
Power recovery and distribution		
General service [1]	**604,514**	587,499
Residential service [2]	**420,648**	422,311
Large Users [3]	**61,513**	63,576
	1,086,675	1,073,386
Other		
Service work related to distribution operations	**5,921**	6,681
Pole attachment and duct rentals	**3,874**	3,689
Capital contributions from customers amortized to revenue	**3,829**	3,545
Account-related charges	**3,349**	3,304
Shared service agreements and miscellaneous	**4,933**	4,361
	21,906	21,580
	1,108,581	1,094,966
Revenue from other sources		
Other		
Investment property rentals	**901**	1,102
Capital contributions from developers amortized to revenue	**4,126**	3,579
	5,027	4,681
	1,113,608	1,099,647

[1] General service means a service supplied to premises other than those receiving residential service and large users and typically includes small businesses and bulk-metered multi-unit residential establishments. This service is provided to customers with a monthly peak demand of less than 5,000 kW averaged over a twelve-month period.
[2] Residential service means a service that is for domestic or household purposes, including single family or individually metered multifamily units and seasonal occupancy.
[3] Large users means a service provided to a customer with a monthly peak demand of 5,000 kW or greater averaged over a twelve-month period.

17. OPERATING COSTS

	2023 $	2022 $
Salaries, wages and benefits	**72,570**	77,625
Contracted services - distribution system maintenance	**21,032**	15,133
Contracted services - customer owned plant	**6,493**	6,016
Other electricity distribution costs	**13,242**	9,238
Other general and administrative expenses	**42,513**	37,922
(Gain) loss on disposals of property, plant and equipment	**(469)**	1,239
Capital recovery	**(26,508)**	(28,632)
	128,873	118,541

18. FINANCING COSTS

	2023 $	2022 $
Long-term interest	**28,278**	26,718
Short-term interest and fees	**3,730**	1,324
Less: capitalized borrowing costs	**(694)**	(849)
	31,314	27,193

19. INCOME TAXES

Income tax expense recognized in net income comprises the following:

	2023 $	2022 $
Current tax expense		
Current income tax (recovery) expense	**(257)**	754
Deferred tax expense		
Origination and reversal of temporary differences	**8,574**	11,625
Income tax expense recognized in net income	**8,317**	12,379

Income tax expense recognized in other comprehensive income comprises the following:

	2023 $	2022 $
Income tax effect of actuarial (loss) gain on defined benefit obligations	**(113)**	845

19. INCOME TAXES [CONTINUED]

The provision for income taxes differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rates. A reconciliation between the statutory and effective tax rates is provided as follows:

	2023	2022
	$	$
Federal and Ontario statutory income tax rate	**26.50 %**	26.50 %
Income before income taxes	**37,115**	45,085
Income taxes at statutory rate	**9,835**	11,948
Increase (decrease) in income taxes resulting from:		
Permanent differences	**65**	57
Provision to tax return adjustment	**(316)**	-
Current tax recovery from loss carryback	**(888)**	-
Other	**(379)**	374
	8,317	12,379
Effective income tax rate	**22.41 %**	27.46 %

The Company, as a rate-regulated enterprise, can recognize deferred income tax assets and liabilities and related regulatory balances for the amount of deferred income taxes expected to be refunded to, or recovered from, customers in future electricity rates.

Significant components of the Company's deferred income tax liability are as follows:

	2023	2022
	$	$
Property, plant and equipment and intangible assets	**(94,999)**	(81,803)
Employee future benefits	**4,281**	4,156
Other temporary differences	**8,090**	3,480
	(82,628)	(74,167)

Movements in the deferred income tax (liability) asset during the year were as follows:

	2023	2022
	$	$
Deferred tax, beginning of year	**(74,167)**	(61,697)
Recognized in net income	**(8,574)**	(11,625)
Recognized in OCI related to employee future benefits	**113**	(845)
Deferred tax, end of year	**(82,628)**	(74,167)

19. INCOME TAXES [CONTINUED]

The Company's regulatory deferral account debit balance for the amounts of deferred income taxes expected to be collected from customers in future electricity rates is $82,622 [2022 – $74,238].

20. CHANGES IN NON-CASH WORKING CAPITAL AND OTHER OPERATING BALANCES

	2023	2022
	$	$
Accounts receivable	**(16,882)**	(3,601)
Prepaid expenses	**(1,792)**	(1,278)
Accounts payable and accrued liabilities	**16,991**	(7,956)
Net change in accruals related to property, plant and equipment	**408**	(1,553)
Net change in accruals related to intangible assets	**(854)**	3,857
	(2,129)	(10,531)

21. CONTINGENT LIABILITIES

Purchasers of electricity in Ontario including the Company, through the Independent Electricity System Operator ['IESO'], are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if the Company fails to make a payment required by a default notice issued by the IESO. A prudential support obligation is calculated based upon a default protection amount and the distributor's trading limit less a reduction for the distributor's credit rating. As at December 31, 2023, the Company had drawn standby letters of credit in the amount of $10,000 [2022 – $10,000] against its credit facility to cover its prudential support obligation.

The Company participates with other electrical utilities in Ontario in an agreement to exchange reciprocal contracts of indemnity through the Municipal Electrical Association Reciprocal Insurance Exchange. The Company is liable for additional assessments to the extent premiums collected and reserves established are not sufficient to cover the cost of claims and costs incurred. If any additional assessments were required in the future, their cost would be charged to income in the year during which they occur.

The Company is party to connection and cost recovery agreements with HONI as described in Note 7. Each of the Company's CCRAs has a term of 25 years. To the extent that the cost of the project is not recoverable from future transformation connection revenues, the Company is obligated to pay a capital contribution equal to the difference between these revenues and the construction costs allocated to the Company. These agreements require periodic reviews whereby a comparison of actual to forecasted load is conducted, and a true-up calculation performed. When a true-up calculation shows the Company’s actual load for the past period and updated load forecast for the future period are lower than the initial load, the Company is obligated to make up this shortfall. When the Company's actual load and updated load forecast are higher than the initial load, the Company is entitled to a rebate. HONI is expected to perform true-up calculations in years 5 and 10 and in year 15 if the difference between the actual incremental load and initial load at the end of year 10 is greater than 20%.

Various lawsuits have been filed against the Company for incidents that arose in the ordinary course of business. In the opinion of management, the outcomes of the lawsuits, now pending, are neither determinable nor material. Should any loss result from the resolution of these claims, such losses would be claimed through the Company’s insurance carrier, with any unrecoverable amounts charged to income in the year of resolution.

22. COMMITMENTS

The Company has $119,368 in total open commitments for 2024 to 2030. This includes commitments relating to IT infrastructure management services, construction projects, and overhead and underground services.

23. RELATED PARTY TRANSACTIONS

Transactions with related parties occur in the normal course of business, and are transacted at the amount of consideration determined and agreed to by the related parties. Trade amounts due from and to related parties are non-interest bearing, result from normal operations and are due within one year.

(a) Transactions with ultimate shareholder and its subsidiaries

During the year, the Company earned revenue from the sale of electricity to the City of Ottawa and its subsidiaries, which is billed at prices and terms approved by the OEB, and earned other revenue totaling $294 [2022 – $364]. The Company also received $4,235 [2022 – $6,055] in contributions relating to the upgrade and/or expansion of the Company's existing electricity distribution infrastructure.

The Company incurred $3,399 [2022 – $3,298] in property taxes and $nil [2022 – $431] in conservation and demand management rebate costs, and purchased $994 [2022 – $1,269] in fuel, permits and other services during the year, which is included in operating costs. The Company also incurred $55 [2022 – $846] in building permit costs and development charges, which are included in property, plant and equipment.

At December 31, 2023, the Company's accounts receivable and customer deposits include $8,605 [2022 – $9,833] and $1,866 [2022 – $1,711], respectively, while the Company's accounts payable and accrued liabilities include $152 [2022 – $207] due to the City of Ottawa and its subsidiaries.

(b) Transactions with parent

During the year, the Company earned revenue of $1,335 [2022 – $1,386] relating to the provision of administrative and corporate services and interest charges.

The Company incurred $6,437 [2022 – $5,023] in operating costs related to the purchase of administrative and corporate support services that includes compensation for certain key management personnel, and $3,717 [2022 – $1,310] in short-term financing costs.

At December 31, 2023, the Company's accounts payable and accrued liabilities include $2,980 [2022 – $4,183] due in respect of the transactions described.

The Company incurred $28,278 [2022 – $26,718] in financing costs during the year on its notes payable to Hydro Ottawa Holding Inc. described in Note 12 of these financial statements.

(c) Transactions with other related parties

During the year, the Company earned revenue from the sale of electricity to other related parties, which is billed at prices and terms approved by the OEB, and earned other revenue of $4,062 [2022 – $3,489]. The Company also received $343 [2022 – $326] in contributions relating to the upgrade and/or expansion of the Company's existing electricity distribution infrastructure. During the year, the Company purchased power of $13,499 [2022 – $23,732], acquired property, plant and equipment of $2,200 [2022 – $437], and incurred $411 [2022 – $233] in operating costs.

In 2023, the Company sold investment property to a related party for cash proceeds of $523. No gain or loss was recognized on the transaction.

23. RELATED PARTY TRANSACTIONS [CONTINUED]

(c) Transactions with other related parties [continued]

At December 31, 2023, the Company's accounts receivable include $837 [2022 – $724] due in respect of the transactions above while accounts payable and accrued liabilities include $3,974 [2022 – $4,305] due to other related parties.

ANNUAL REPORTS AND MANAGEMENT DISCUSSION AND ANALYSIS

The ultimate parent company of Hydro Ottawa is Hydro Ottawa Holding Inc. Appended to this Schedule is the most recent copy of Hydro Ottawa Holding Inc.'s Annual Report and Management Discussion and Analysis:

- Attachment 1-5-2(A) - 2023 Hydro Ottawa Holding Inc. Annual Report

HydroOttawa Holding Inc.

Leading the way to a **smart energy future**

Annual Report 2023






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Hydro Ottawa Holding Inc. is a Sustainable Electricity Leader™ as recognized by Electricity Canada

Sustainable Electricity Leader

Who **we are**

Hydro Ottawa Holding Inc. (Hydro Ottawa) is a private company wholly owned by the City of Ottawa. We own and operate four primary subsidiary companies: Hydro Ottawa Limited (electricity distribution), Portage Power (renewable energy generation), Envari (energy solutions) and Hiboo Networks (telecommunications services).

We are a company with deep roots in the community, established through more than 100 years of providing an essential service to our nation's capital. Today, we are proud to continue our history of balancing growth with environmental stewardship and social responsibility, as we lead the way to a smart and sustainable energy future.

We are committed to being the partner of first choice for transformative energy projects in our community and to becoming the first municipally-owned utility in Canada to achieve net-zero operations.

Our mission

To create long-term value for our shareholder, benefitting our customers and the communities we serve

Our vision

Hydro Ottawa — a leading partner in a smart energy future

Our values

Teamwork, integrity, excellence, service

Land acknowledgement

Hydro Ottawa acknowledges the Indigenous peoples whose territories we work from and live in. We acknowledge the ancestral unceded territories of the First Nations peoples, Inuit, and Métis that call Turtle Island home. We recognize that this land is shared through historic treaties, developed through contemporary treaties, and is land that continues to be unceded territory.

Together, we're building a sustainable, resilient and vibrant future for our community

Powering forward by operating one of the greenest, safest, and most reliable electricity distribution systems in Ontario.

- 364,000 residential and commercial customers
- 1,116 km² service territory across Ottawa and Casselman
- 92 substations; 6,200 km+ of lines and cable

Powering forward by delivering the innovative energy solutions municipalities, businesses, and utilities need to cut emissions and future-proof their assets.

- Serving commercial, government and utility markets
- Three practice areas: Lighting, Electrical and Buildings
- One partner from project concept to completion

Hydro Ottawa

envari

HydroOttawa Holding Inc.

hiboo networks

PORTAGE POWER | ÉNERGIE



Powering forward as the region's first municipally-owned internet service provider for commercial clients, fast-tracking digital transformation.

- Ottawa-Gatineau's dedicated connectivity partner
- High-speed, 100 per cent fibre optic network
- Enterprise-grade internet, ethernet and wavelength services

Powering forward by harnessing renewables and innovative technologies as Ontario's largest municipally-owned producer of green power.

- 131 MW of capacity (enough to power 110,000 homes)
- Run-of-river hydro, solar and landfill gas-to-energy plants
- Operations in Ontario, Québec and New York

Message **from the Chair of the Board and President & Chief Executive Officer**

On behalf of the Board of Directors of Hydro Ottawa Holding Inc., our management and employees, we're pleased to provide this 2023 Annual Report to our shareholder, the City of Ottawa. This marks our third progress report under our 2021–2025 Strategic Direction.

In 2023, Hydro Ottawa once again demonstrated to our customers and community that we will deliver on our mission to provide safe, reliable electricity and to enable a smart energy future, no matter what challenges come our way. In a year featuring a wide range of operational and financial pressures, our team worked tirelessly to deliver the essential services that customers rely on, to adapt to change and uncertainty in our business environment, and to deploy the innovative energy solutions which will facilitate the transition to a more sustainable way of life.

Navigating a landscape of continuous challenges

On its own, 2023 presented an exceptional set of challenges for the company to manage. Foremost among these was a series of severe weather events as well as an 84-day labour strike by employees in our largest bargaining unit, representing over half of our total workforce. In addition, a turbine failed at one of our generating stations at Chaudière Falls. Interest rates also increased even higher. Individually and collectively, these developments placed tremendous strain on our operations.

But the events of 2023 shouldn't be viewed in isolation. They followed on the immediate heels of what was one of the toughest years in Hydro Ottawa's history in 2022, which featured the most devastating storm ever experienced in our community along with the most challenging economic constraints in recent memory. What's more, beyond the back-to-back difficulties of the past two years, the trend of the last decade has been the uncertainty created by the effects of climate change, economic and public health conditions, workforce demographics, and technological transformation, just to name a few of the biggest examples.

And yet, a common thread across these shifts in our environment is Hydro Ottawa's ability to pivot and push forward, always keeping the interests of our customers at the forefront. Our success in confronting the challenges of recent years was echoed in the effectiveness of our actions in 2023. When a freezing rain storm in April caused outages for nearly half of our customers and the summer hit us with tornadoes, hail and a record number of lightning strikes, we restored power efficiently and safely, with our recovery efforts incorporating lessons learned from the 2022 derecho. When the labour strike occurred, our robust contingency plan ensured continuity in essential activities and rapid responses to outages. When our hydroelectric plant experienced an unplanned unit shutdown, we quickly adjusted our operations, optimized water flows for the remaining Chaudière Falls facilities, and engaged with the turbine manufacturer and insurer to map out a timeline for repairing the unit and returning it to service.

In short, our response to the events of 2023 confirmed the strength and agility of our business posture, and our readiness to overcome any obstacle that we encounter.

An energy paradigm in transition — seizing the opportunity

While our business environment is not lacking in challenges, neither is there a shortage of opportunities. At present, the biggest opportunity in the global energy sector is the enormous scale of investment planned to shift away from fossil fuels and to increase the use of clean electricity. In 2023, we leveraged our position as a diversified energy provider to continue capitalizing on this opportunity and to advance numerous partnerships that are moving the needle on cutting-edge low-carbon energy solutions.

We were pleased to sign a memorandum of understanding with The Ottawa Hospital on the design and construction of an energy-efficient central utility plant, which will sustainably power the new Civic Campus and its transformative delivery of local healthcare. We also formalized our collaboration with the City on its flagship project to phase-out diesel buses in favour of a fully electrified fleet. In addition, we helped the Ottawa Airport make progress on its path towards net-zero operations.

Hydro Ottawa is focused on assisting homes, businesses and institutions with achieving their distinct decarbonization and electrification objectives. We are providing the expertise necessary to lower carbon footprints, reduce energy consumption and promote the use of local renewable resources — all of which supports the attainment of the City's Climate Change Master Plan and Energy Evolution goals.

Committed to our community

As a municipally-owned company, Hydro Ottawa knows that we are accountable to our community both as an investment and as a contributor to the public good.

With respect to our financial performance in 2023, we generated $24.1 million in net income, despite the risks and challenges with which we were confronted. This will result in a dividend payment of $20 million to our shareholder. Notably, combined net revenue from our distribution, generation, energy services and fibre optic businesses increased year-over-year (totalling $333 million), and we were able to invest $145.2 million into the renewal and expansion of our electric grid, power plants and other essential assets like technology systems.

In terms of community partnerships, we maintained our long-standing practice of helping our neighbours in need. Through a combination of employee giving and corporate donations, Hydro Ottawa contributed nearly $300,000 to local organizations seeking to build stronger and healthier communities and support vulnerable groups. In addition, we launched campaigns to raise public awareness around safety and emergency preparedness and response, and undertook initiatives to increase opportunities for youth (especially young women) to pursue a career in the electricity sector.

Finally, we know that our community was impacted by last year's labour disruption, especially with service delivery levels falling short of their usual standard. We sincerely appreciate the patience shown by residents and customers during the event, and in the months afterwards as we worked diligently through the backlog of service requests and appointments.

Leading the way forward

As we conclude our reflections on 2023, we would like to express our pride in Hydro Ottawa's commitment to service excellence, our gratitude for all of the support from customers and stakeholders, and our confidence in the company's business strategy, growth prospects and ability to maintain the community's trust.

After another year marked by overcoming adversity, we have emerged stronger, with our attention fixed on the opportunities ahead. Against the backdrop of a dynamic landscape, we will continue to invest in our people and in our infrastructure, and lead the way to a smart energy future.



Bernie Ashe
Chair, Board of Directors



Bryce Conrad
President and Chief Executive Officer



2023 **highlights**

Despite significant operational and financial challenges in 2023, Hydro Ottawa was able to advance our vision for a smart energy future and meet the needs of our customers and community for reliable, cost-effective and innovative services.

Delivering value for our shareholder

Hydro Ottawa embraces our twin responsibilities to serve as an essential service provider for our customers and to generate returns for our shareholder, the City of Ottawa. We remain committed to maximizing value over the short and long term, mindful that our earnings help support the funding of municipal programs and services that are vital to community wellbeing.

$333 M
in revenue (excluding power recovery)[1]

$24.1 M
in net income[2]

$145.2 M
in capital investment (distribution grid, generation plants, technology, equipment, facilities)

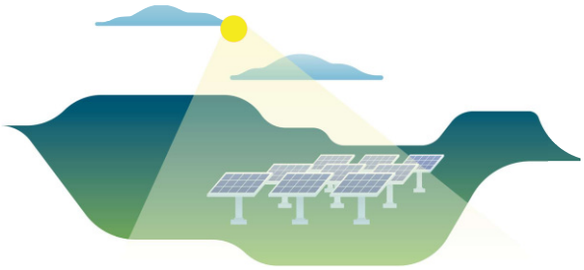
$2.6 B
in assets

566.7 GWh
of clean electricity production

Cumulative dividends [$ millions]



1 This non-GAAP financial measure reflects combined revenue from our distribution, renewable generation, energy services and fibre optic solutions businesses. It does not include the cost of power recovered from customers through provincially established rates.
2 This figure represents net income after net movements in regulatory balances.



Enabling sustainable energy solutions

A historic transformation is underway when it comes to how energy is produced and consumed. This shift is commonly referred to as the "energy transition," which the Ontario Energy Board (the province's independent regulator of electricity and natural gas) describes as "a global shift away from using fossil fuels to a more sustainable, renewable energy future that includes more innovation and customer choice."

Across our diversified lines of business, we are playing a leadership role in helping to unlock new opportunities for our customers and community to lower their carbon footprint and adopt more sustainable forms of energy. Several key milestones were achieved in 2023 which will further position Hydro Ottawa as a trusted provider of the innovative solutions necessary to reach a decarbonized future.



Photo courtesy of Dream Unlimited

Converting wastewater energy into low-carbon heat

In 2023, Ottawa City Council approved an innovative pilot project featuring our energy and utility services affiliate, Envari, and a local real estate developer, Theia.

Using cutting-edge technology, the project proposes to extract excess thermal energy from municipal wastewater to provide low-carbon heating for 600 residential units in the Lebreton Flats area of downtown Ottawa.

The project is expected to achieve an annual reduction of over 1,100 tonnes of carbon emissions, and represents an exciting opportunity for incorporating sustainability into the design and development of new housing.



Photo courtesy of The Ottawa Hospital

Powering world-class health care with clean energy

Hydro Ottawa has formally partnered with The Ottawa Hospital (TOH) on the planning and construction of an energy-efficient, low-carbon utility plant to power TOH's state-of-the-art new Civic Campus.

The plant will be almost 140,000 square feet in size and will provide the energy required for the new campus as well as emergency back-up capabilities.

Over time, the plant will become a cornerstone of a new district energy network planned by Hydro Ottawa, which will link institutions and campuses in the downtown core into a larger low-carbon ecosystem.



Supporting sustainable public transit

Following a successful pilot, Hydro Ottawa formalized our collaboration with OC Transpo on the City of Ottawa's flagship initiative to transition to a 100 per cent electric bus fleet.

We are playing a lead support role by installing the necessary charging infrastructure, deploying energy optimization systems and expanding capacity of the local grid. With Hydro Ottawa's help, the City is set to achieve significant reductions in operating costs and avoid upwards of 38,500 tonnes of greenhouse gas (GHG) emissions every year.

In parallel, we are working in support of the other major element of Ottawa's transit transformation — Light Rail. In 2023, we invested $10 million to enable Stage 2 of the Light Rail Transit program, through infrastructure re-location, system expansion and station energization.

Together with our municipal partners, we are bringing the future of sustainable transit into focus.

Strengthening grid resilience and outage restoration

From tornadoes to floods to the most devastating storm in our history, Hydro Ottawa has been put to the test over the past few years in terms of emergency preparedness and response.

More than ever, we are aware of the need to plan for the unexpected, adapt our infrastructure and operations to increasingly frequent and severe weather events, and continuously improve our response times and customer communications when outages inevitably occur.

Since the derecho storm in May 2022, we have done a lot of heavy lifting to boost the resilience of our grid and enhance our storm restoration efforts. Those improvements were on full display on several occasions in 2023, including in the aftermath of an ice storm and a summer season which featured tornadoes, a hail storm, and a record number of lightning strikes.

If recent history is any guide, we know that another major event is just around the corner. Hydro Ottawa is committed to ensuring our customers can continue to rely on us to successfully navigate whatever emergency comes our way.

Status update — post-2022 derecho lessons learned

Grid resilience	Operations & logistics	Customer communications
Infrastructure investments: completed numerous projects to renew, replace and harden our system, with more planned over the coming years	**Emergency response plans:** updated our plans and re-organized our operations structure to encompass more large-scale, long-duration events	**Online outage map:** redesigned our map with new functionality and real-time info on outage locations, number of customers affected and estimated time of restoration
Climate risk and vulnerability assessment: updated our adaptation and mitigation plans for climate-related risks and impacts on our system	**Business continuity management (BCM):** reviewed and updated our program structure and resourcing, and prepared a new BCM exercise framework	**Outage updates and reporting:** enabled email/text message customer alerts for unplanned outages, and enhanced options for outage reporting
Overhead to underground study: commissioned an outside study examining options to enhance grid resilience; a positive business case was found for burying targeted segments of our network	**Supply chain and logistics:** increased our threshold levels for emergency stockpiles of key equipment, and adopted new communications and supply protocols with key vendors	**Large-scale emergency communications playbook:** created a new plan for communicating with the public and customers during future emergency events
Back-up system office and data centre: completed a joint assessment with a third-party expert to evaluate options for potential re-location of back-up control and data centres	**Employee communications redundancy:** achieved redundancy in internet service providers; our review of radio system and satellite phones is nearing completion	**Customer call triage:** shifted our phone system for incoming customer calls to a cloud-based solution which can scale-up during emergencies and ensure customers do not receive a fast busy signal

Building up our community

For more than 100 years, Hydro Ottawa has been powering the homes and businesses of Canada's capital. Without question, providing reliable electricity is the cornerstone of our tradition of supporting the local community. But our commitment extends well beyond simply keeping the lights on. For us, it's about making the communities in which we operate better places to live, work and play.

In 2023, Hydro Ottawa stayed true to our long-standing pledge to be a company that "gives where it lives." Through our annual employee fundraising campaign and corporate matching, we raised over $142,000 for United Way Eastern Ontario. An additional $53,000 was raised for the Royal Ottawa Prompt Care Clinic. This was accompanied by $102,000 in sponsorships and donations through our Community Investment Program for local organizations supporting vulnerable groups and seeking to build stronger and healthier communities.

Our efforts to leave a lasting, positive legacy also include contributing to local economic development. We maintained our focus on supporting local jobs and supply chains by sourcing approximately $79.6 million worth of goods and services from businesses in the National Capital Region.

Hydro Ottawa is proud of all our employees who enhance the quality of life in their communities through volunteerism, whether that involves participating with their coworkers in events like the Kanata Santa Claus Parade or giving back on their own time as a local sports coach, mentor, Legion member, not-for-profit Board Director, or other type of volunteer.

We are a community company at heart, and we will always strive to foster greater prosperity and wellbeing for the residents and families who we are so fortunate to serve.

$142,000
raised for United Way through annual employee fundraising campaign

$53,000
raised for Royal Ottawa Prompt Care Clinic

$102,000
in community sponsorships and donations

$79.6 M
paid for goods and services from local suppliers*

* "Local suppliers" in this context means suppliers located within a 100 km radius of the National Capital Region.

Towards **a smart energy future**

Advancing our 8-point strategy

Our 2021–2025 Strategic Direction outlines a balanced plan for sustainable growth, enhanced operational efficiency, and improved performance across environmental, social and governance (ESG) indicators.

In 2023, we achieved significant progress in advancing the 8-point plan which underpins our business strategy and our journey towards a smart energy future.



1 Achieve net-zero operations by 2030



A pillar of our Strategic Direction is the ambitious goal to achieve net-zero operations by 2030, becoming the first municipally-owned utility in Canada to reach this milestone. This goal is the hallmark of Hydro Ottawa's growing commitment to excellence in sustainability and ESG performance.

In 2023, we continued the implementation of our net-zero action plan, which is focused on reducing our emissions to unavoidable levels across all aspects of our business.

Decarbonizing our operations

As part of our net-zero commitment, we are constantly seeking to enhance our sustainable business practices. This includes actions like modifying our equipment use by replacing gas-powered tools with battery-powered alternatives.

In 2023, we worked with an independent expert to better understand the indirect GHG emissions associated with our business activities (known as "Scope 3" emissions). With preliminary calculations of our Scope 3-related footprint in place, we will continue to refine our strategies for addressing this important piece of the net-zero puzzle.

Metric	2022
Scope 1 GHG emissions (metric tonnes)*	**2,505**
Scope 2 GHG emissions (metric tonnes)**	**5,692**

* Includes fleet emissions, natural gas consumption, and SF6 emissions.
** Includes electricity consumed and line losses.

Revving-up for electric mobility

We advanced the ongoing electrification of our corporate vehicle fleet through the procurement of additional hybrid and electric vehicles (EVs). To support the electric mobility of our crews and employees, we installed 24 Level 2 EV chargers at our facilities.

Building our first low-carbon substation

We were especially proud in 2023 to initiate the environmental assessment and public consultation process for our first-ever low-carbon substation. The proposed Piperville Municipal Transformer Station will support projected demand growth in the southeast part of our service territory and provide system redundancy in the event of severe weather. Hydro Ottawa is developing the project using low-carbon design and construction techniques, and is exploring the potential for on-site renewable generation and electricity storage.

94%
non-hazardous waste diversion rate

12%
fleet electrification



2 Become the partner of first choice for signature green energy and carbon reduction projects in our community



2023 was another landmark year for Hydro Ottawa's participation in major green energy and carbon reduction initiatives. We continued to develop partnerships around transformational energy projects, including collaborations with the City of Ottawa on adopting zero-emission buses and piloting wastewater-to-energy technology, and engagement with The Ottawa Hospital on the central utility plant for their new Civic Campus.

In addition, we lent our support and expertise to a variety of other projects with great potential for moving our community forward on decarbonization. Through this activity, we are strengthening our leadership in this space and we welcome the prospect of multiplying such opportunities in the future.

National Capital Region's first carbon-neutral community

Hydro Ottawa is a partner in a first-of-its-kind district energy system which provides zero-carbon heating and cooling for the Zibi community in downtown Ottawa and Gatineau. The system will be one of only a few in North America to meet 100 per cent of community heating needs without fossil fuels. In 2023, we completed the next phase of the thermal plant's construction and energized several mixed-use buildings.

Net-zero partnership with the Ottawa Airport

We are excited to collaborate with the Ottawa International Airport Authority in helping their decarbonization goals to take flight. This includes charting a course towards net-zero operations at airport facilities. Key highlights last year included installing EV charging infrastructure, upgrading electrical and lighting systems, and studying the potential for on-site renewable generation.

Helping customers make the fuel switch

More and more, Hydro Ottawa is being asked by customers to provide assistance with shifting energy use from fossil fuels to clean electricity. We have numerous multi-year projects on the go with businesses and institutions interested in upgrading their service configurations to support EV chargers, heat pumps, electric boilers or self-supply of renewable power.

In anticipation of increased electrification of heating and transportation in our community, Hydro Ottawa commissioned an expert study on the potential impacts to our grid. The study will be completed in 2024 and will help inform our planned capital investments for our next five-year distribution rate cycle.

envari

Envari customer stories

From converting streetlights to improving air quality at schools, Envari is helping customers optimize their energy use, reduce costs and go green. Click here to learn more.

3 Accelerate digital transformation to enable sustainable business practices



In today's highly digitalized world, Hydro Ottawa recognizes that enhancing customer value and maximizing our efficiency require first-class digital capabilities across the company. Over the last year, we expanded our digital toolkit through the adoption of innovative new solutions tailored to the needs of customers and employees alike.

Improved outage communications

One of the most significant developments of 2023 was the launch of our new online Outage Centre, fulfilling a key commitment of our post-2022 derecho action plan. The impacts of that event underscored the need to give customers a better set of tools for receiving and reporting outage-related information. The Outage Centre represents a step change in our communications capabilities, with a redesigned outage map boasting new features like address search functionality and outage summaries by neighbourhood. We also introduced email and text alerts for outages, to provide more detailed, timely, and accurate information and restoration times for customers.

Strengthening our cybersecurity

As an essential service provider and critical infrastructure operator in the capital city of a G7 country, Hydro Ottawa is vigilant in guarding our system, assets, employees and customer information against cyber threats. In 2023, we implemented enhanced protections and controls for mission-critical operations technology. Numerous additional initiatives are planned for 2024 and beyond, as we continue to strengthen and mature our cybersecurity program.

Productivity gains through next-generation technology

By adopting next-generation technology solutions, we are able to contain costs, automate our business processes, increase efficiency and foster a culture of innovation. Below are examples of how we expanded our digital toolkit in 2023:

Satellite imaging for tree trimming

- Increased precision in identifying hazards and assessing risks
- Cost optimization
- Reduction in tree-related outages

Predictive analytics for asset management

- Optimized investment decisions
- Better risk assessments
- Improved forecasting

Enterprise data warehouse

- Advanced solution for data management, analysis and reporting
- Insights enabling improved efficiency, safety and customer service offerings

4 Leverage and promote distributed energy resources



Distributed energy resources (DERs), such as solar panels, energy storage, EVs and demand response programs, are playing a lead role in the transformation taking place in the electricity sector. Hydro Ottawa continues to explore opportunities to leverage these technologies and maximize their value for customers and the grid.

Supporting customer adoption of EVs

Electric vehicles were a major area of focus for our work on DERs in 2023. We moved into the beta testing phase for our signature "EV Everywhere" project, which uses artificial intelligence to optimize EV charging by shifting it to more grid-friendly times of the day. As more EVs appear on our roads, this project is intended to help reduce costs for customers and limit the need for capital upgrades to the grid.

We also continued the important work of reducing barriers to EV use by making charging infrastructure more available. Through the combined activity of our electricity distribution and energy services businesses, we enabled the installation of more than 500 EV chargers across Ottawa, many of which are located in public places.

A trusted partner in electricity conservation

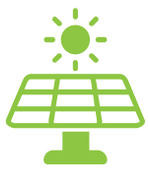
Helping customers use energy more efficiently and lower their costs remains a key priority for Hydro Ottawa. In 2023, we completed one of our largest projects to date under Ontario's conservation framework — a retrofit program in Kanata North that achieved a 2.5 megawatt (MW) reduction in peak demand in the local community. We also launched new conservation programs for businesses, including incentives for rooftop solar development.

A significant milestone was receiving conditional federal government approval for delivery of a Deep Retrofit Accelerator Program. With a budget of $10 million, and in collaboration with local partners, Hydro Ottawa will facilitate energy retrofits and decarbonization measures for our commercial, institutional and multi-unit residential customers. This program will help further solidify our role as a trusted advisor and partner for customers interested in achieving savings and reducing their energy and carbon footprints.



500+
EV charger installations enabled*

* These EV chargers were either installed by our energy services affiliate, Envari, or received funding through Hydro Ottawa Limited's delivery of Natural Resources Canada's Zero-Emission Vehicle Infrastructure Program funds.



40%
year-over-year increase

in the number of residential customers generating their own electricity using rooftop solar panels.

Hydro Ottawa makes it easy for customers to explore this option by providing support with connections and posting information on our website. Scan to learn more.

5 Continue to grow and diversify our revenue sources



A series of disruptions had an adverse impact on our financial performance in 2023. These included numerous severe weather events, such as a freezing rain storm in the spring that affected more than 170,000 customers and a record number of lightning strikes (over 6,000) during the month of July. Other challenges came in the form of a labour strike, interest rate hikes, and a generating turbine at the Chaudière Falls hydroelectric station experiencing a mechanical failure.

The increase in operating costs associated with these impacts resulted in a shortfall in net income, relative to the target set in our 2021–2025 Strategic Direction.

Nevertheless, Hydro Ottawa generated a profit of $24.1 million, owing to growth in our overall revenue ($333 million on a consolidated basis).

Despite the unique challenges encountered by Hydro Ottawa over the past couple of years, the company's overall financial position is conducive to sustained year-over-year earnings growth over the medium and long term. In addition, we continue to achieve important milestones in the diversification of our revenue sources and business activity, and will be restructuring the company in 2024 to enhance financial capacity in advance of a major infrastructure investment program on the horizon.

Electricity distribution

- Largest contributor to consolidated revenue
- Adverse financial and operational impacts in 2023 from severe weather events and labour strike

Energy solutions

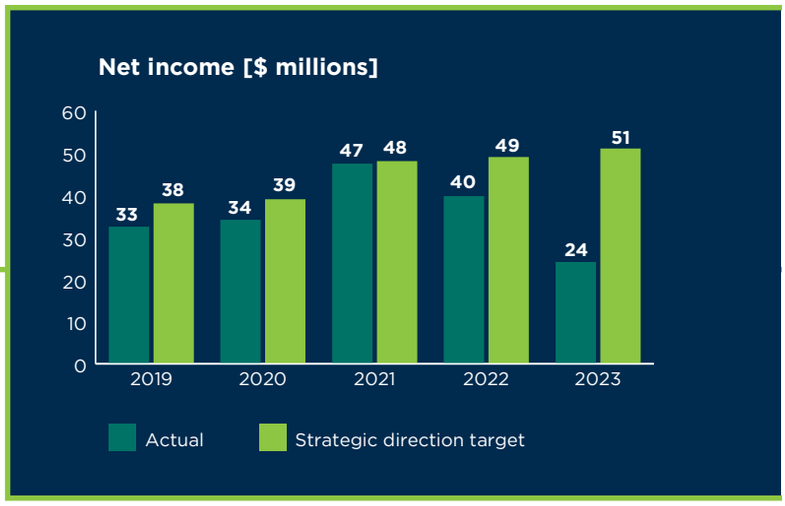
- Strongest revenue year on record
- Launched new consulting practice, Energy Advisor Plus
- Continued to expand business activity across Eastern Ontario
- Acquired dedicated warehouse space to support growth

Telecommunications

- Commenced commercial operations for Hiboo Networks, our new fibre optic solutions affiliate

Renewable generation

- Secured 20-year contract for Renewable Energy Certificates from the New York State Energy Research and Development Authority, funded through the State's Renewable Energy Standard program
- Mitigation measures implemented after historic 2017 and 2019 floods performed well during 2023 flooding
- Turbine at Chaudière Falls Generating Station No. 5 (one of four units) experienced mechanical failure; expected return to service in 2025



6 Grow our social license to operate



As a community company, Hydro Ottawa acknowledges our responsibility to establish and maintain high levels of credibility and trust with our customers and stakeholders, and to gain public acceptance for our business activities.

We know that support from the local community needs to be nurtured and renewed on an ongoing basis, and that building trust means operating transparently and going the extra mile in meeting our stakeholders' expectations.



Supporting customers in need

In the midst of numerous economic pressures, we know that many customers struggle with their energy bills. We are pleased to be able to assist customers with relief in the form of flexible payment plans and in our role as delivery agent for key provincial programs.

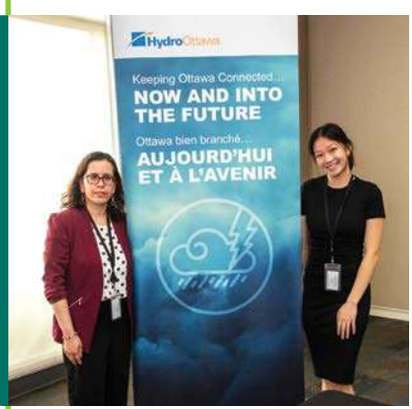
In 2023, we distributed $10.4 million in Ontario Electricity Support Program funding to over 32,500 households, as well as $157,000 in relief through the Low-Income Energy Assistance Program.

Raising community awareness

We know that customers rely on us for accurate, timely and reliable information, especially when it comes to getting the lights back on after an outage and ensuring the safety of our operations.

A major community engagement initiative in 2023 was our "Keeping Ottawa Connected" campaign, focused on informing community associations about how we prepare for emergencies, restore power following an emergency event and maintain safety through activities like tree trimming. The campaign was well-received and a second phase of engagement is planned for 2024.

We also conducted our regular campaigns around public safety, with a particular focus on minimizing safety hazards and risks during the winter season.





A partner in student success

Hydro Ottawa takes an active role in helping to shape young minds and demystify the world of electricity and the company's role in it.

In 2023, we continued our delivery of virtual and in-person programming to local elementary and secondary students regarding electricity safety, conservation, renewable energy and the prospect of a career in the sustainable energy economy.

We also collaborated with external partners in two exciting national-level projects: Electricity Human Resources Canada and Canadian Geographic, in the development of the Great Canadian Electricity Giant Floor Map, highlighting the electricity sector and the careers it offers (with two Hydro Ottawa employees showcasing their career experience); and Electricity Canada, in the creation of a standardized Grade 9/10 electricity education curriculum set to be delivered by school boards across the country.

7 Ensure organizational capacity, culture and leadership to deliver in a post-pandemic environment



To ensure that we can successfully navigate disruption and uncertainty, remain a top employer, and deliver the highest quality services to customers, Hydro Ottawa continues to foster a safe and healthy work environment, and build an engaged, prepared and diverse workforce.

Excellence in health and safety

In carrying out our day-to-day operations, the safety of our employees and the public is always at the forefront. In 2023, we retained best-in-class certifications for our Occupational Health, Safety and Environmental Management Systems to international standards. To maintain our strong safety performance, we provided an average of 18 hours of training on safe work practices for all employees and 51 hours for our trades employees.

51 hours

safe work practices training per trades employee



Hydro Ottawa employees celebrate International Women's Day

Building the workforce of tomorrow

Against the backdrop of a highly competitive labour market, we enhanced our talent management and employee development programs to ensure that we sustain a robust pipeline of highly skilled and knowledgeable employees. Key actions included hiring new apprentices, engineers and engineering interns, journeypersons and technology professionals; implementing targeted recruitment campaigns; adopting new approaches for personalizing the candidate and employee experience; and expanding online learning and training opportunities, including new virtual reality modules for trades employees.

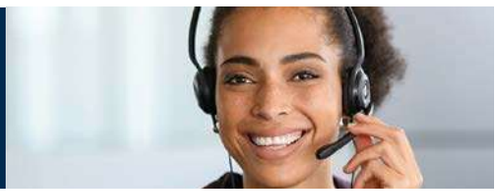
We also renewed three collective agreements with bargaining units across our electricity distribution and renewable generation businesses.

Making diversity, equity and inclusion our strength

A main focus of Hydro Ottawa's current diversity, equity and inclusion efforts is achieving gender equity goals by 2030 for mission-critical positions across our workforce. A major highlight in support of these commitments in 2023 was the establishment of a new partnership with Carleton University's Women in Engineering & IT program, focused on empowering women engineers and IT professionals with the knowledge, skills and network to excel in their future careers.

Other noteworthy collaborations included an initiative with the Canadian Centre for Diversity and Inclusion for a multi-phase Inclusive Leadership Program to equip our senior people leaders with new tools to cultivate a supportive and diverse work environment. In addition, we engaged Indigenous Works, a national Indigenous-led social enterprise, to help us create land acknowledgements for our work locations and public communications.

8 Continue to provide best-in-class customer service



The essence of Hydro Ottawa's business strategy is putting the customer at the centre of everything we do. In 2023, we continued to deliver exceptional customer service and implemented numerous initiatives to improve the customer experience.

Enhancing customer choice and convenience

"Easy and fast" remain the primary benchmarks by which customers evaluate our effectiveness in delivering value for money and in simplifying access to our services. We redesigned our online customer portal, MyAccount, as well as our mobile app in 2023, offering new features to improve the user experience and expand options for self-service. We continued to see increased customer registrations across all of our digital service platforms, including our live chat support which is the fastest growing channel for customer interaction.

We also implemented new provincial programs aimed at giving Ontario residents greater choice and convenience when it comes to their electricity usage. With the Green Button program, customers can view and share their energy usage data in a standard format in order to better understand their energy consumption and optimize their spending. In addition, the new Ultra-Low Overnight rate plan supports customers who charge their EV or consume a large portion of their energy overnight.

Maintaining a reliable, resilient grid

Despite multiple instances of severe weather (several of which occurred during the labour strike), our teams did an exemplary job of restoring power to customers and integrating important learnings from the 2022 derecho, such as expedited damage assessments and optimized deployment of external resources. Despite the inevitable impact of these weather events on system reliability, we were still able to achieve our second best result for outage frequency.

Certain projects were delayed or deferred due to the labour disruption. We were nevertheless able to execute on a significant portion of our distribution capital program and deliver much-needed investment to replace aging infrastructure. We likewise advanced our multi-year initiative to further elevate the intelligence and resilience of our network by automating outage restoration and modernizing our tools for grid operations.

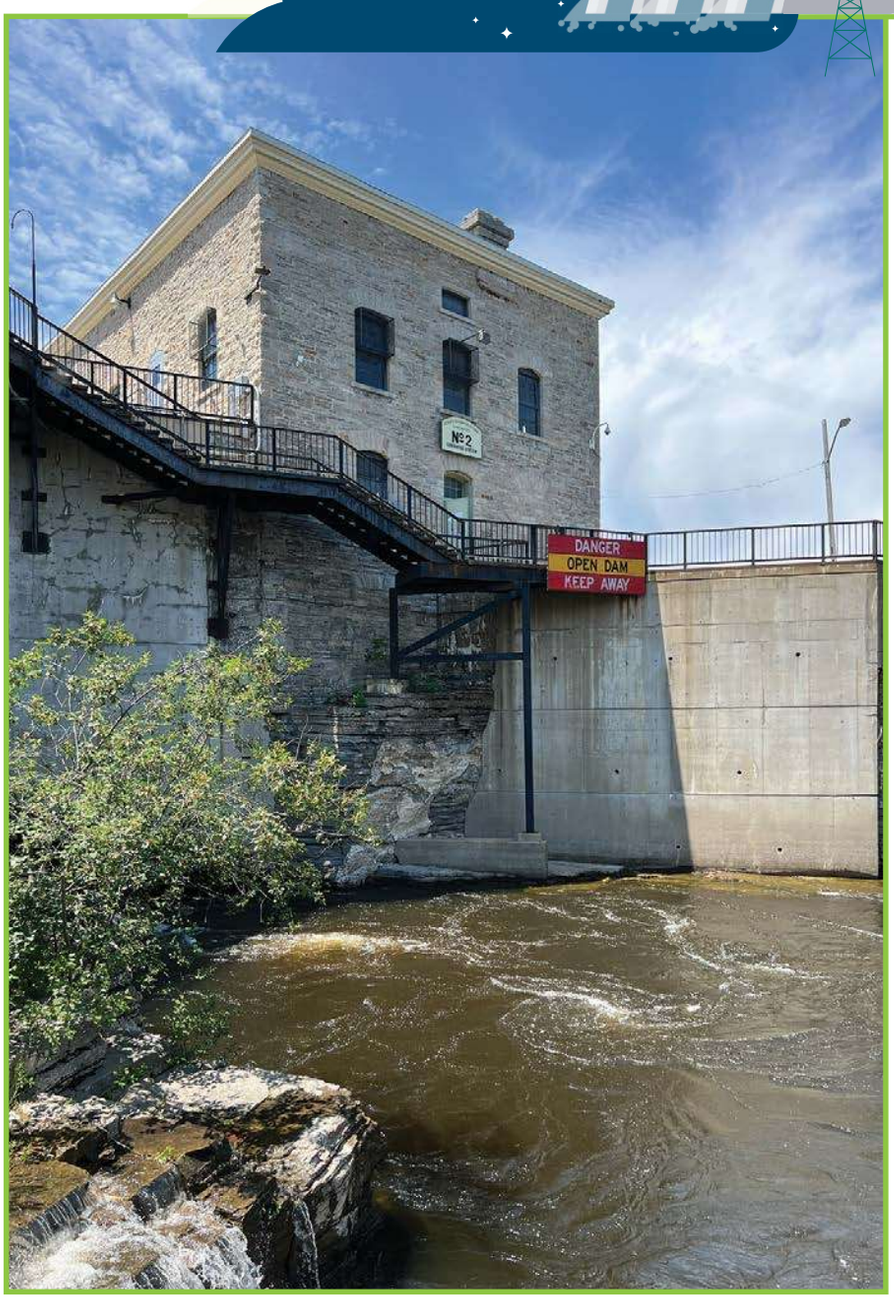
$56.9 M
invested to keep distribution system safe and reliable

5,500
new customers connected

65%
e-billing rate (highest in Ontario)

91%
customer satisfaction rating





First commissioned in 1891, Portage Power's Generating Station No. 2 is the oldest continuously operating hydroelectric plant in Canada



Management's **discussion and analysis**

Introduction

The Management's Discussion and Analysis ['MD&A'] reviews Hydro Ottawa Holding Inc.'s financial position and financial performance and should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2023. The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ['IFRS Accounting Standards'], and are expressed in thousands of Canadian dollars.

The MD&A contains forward-looking statements, including, but not limited to, statements as to future operating results and plans. These statements reflect management's expectations as of April 23, 2024, the date of approval of the consolidated financial statements. The impacts of risks and uncertainties may cause actual results, performances, or achievements to differ materially from those projected here.

Core businesses and strategy

Company profile

Hydro Ottawa Holding Inc. [‘Hydro Ottawa’, ‘the Company’ or ‘the Corporation’] is 100 per cent owned by the City of Ottawa. It is a private company, registered under Ontario’s *Business Corporations Act*, and overseen by an independent Board of Directors consisting of the President and Chief Executive Officer and 12 members appointed by City Council. The core businesses of the Corporation are electricity distribution, renewable energy generation, energy and utility services, and telecommunications services. Hydro Ottawa owns and operates four primary subsidiary companies.

Hydro Ottawa Limited, the first of these subsidiaries, is a regulated electricity local distribution company [‘LDC’] operating in the City of Ottawa and the Village of Casselman. As the third largest municipally-owned electrical utility in Ontario, Hydro Ottawa Limited maintains one of the safest, most reliable, and cost-effective electricity distribution systems in the province, serving approximately 364,000 residential and commercial customers across 1,116 square kilometres.

Energy Ottawa Inc. [‘Portage Power’], the second of these subsidiaries, operates under the brand Portage Power and is the largest Ontario-based, municipally-owned producer of green power. Portage Power owns and operates six run-of-the-river hydroelectric generation plants at Chaudière Falls near Ottawa’s core, along with the historic Ottawa River Ring Dam, and 12 other run-of-the-river facilities in Ontario and New York. It also holds interests in two landfill gas-to-energy joint ventures that produce clean, renewable energy from landfill gas at the Trail Road and Laflèche landfill sites in Ottawa and in Moose Creek, Ontario. It also has 16 solar installations across the City of Ottawa. In total, Portage Power has 131 megawatts of installed green generation capacity — enough to power 110,000 homes.

Envari Holding Inc. [‘Envari’], the third of these subsidiaries, provides energy solutions to municipalities, industrial and commercial clients, and various LDCs. Envari manages large energy transformation projects on behalf of its clients, offers a portfolio of energy-efficient and environmentally friendly products and services, and provides operations and maintenance capabilities to its customer base. Envari provides extensive energy services to the City of Ottawa while also serving a diverse and expanding client base across Eastern Ontario.

Hiboo Networks Inc. [‘Hiboo’], the fourth of these subsidiaries, offers secure, high-speed fibre optic network solutions and internet service to businesses in the Ottawa and Gatineau region, operating a secure, high-capacity, state-of-the-art network. As the first municipally-owned internet service provider in the region, Hiboo launched its services in the market in September 2023.

For a list of the significant operating subsidiaries and joint ventures included in Hydro Ottawa’s consolidated financial results, refer to Note 1 in the consolidated financial statements included in this report.



Our strategic direction

In 2021, Hydro Ottawa developed a new strategic plan ['2021–2025 Strategic Direction'], outlining the Company's business strategy and financial projections for the next five years. This strategy represents both a continuation and an expansion of the robust foundation that Hydro Ottawa has built in our integrated planning and performance management framework. It retains the core elements of this framework, while responding to significant shifts in our business environment and placing a new emphasis on how sustainability and Environmental, Social, and Governance ['ESG'] factors are integrated into all of our business practices.

Strategy

The essence of Hydro Ottawa's strategy is to put the customer at the centre of everything we do. We believe that a sharp focus on the value we provide to our customers will generate positive results in all areas of performance — our financial strength and business growth, our operational efficiency and effectiveness, and our contributions to the well-being of our community.

In addition, our 2021–2025 Strategic Direction strengthens our commitment to improving the sustainability of our business operations. For more than a decade, Hydro Ottawa has been on a journey of balancing growth with environmental protection and social responsibility. Our ESG performance has been inextricably linked to our ability to create long-term value and achieve our strategic objectives. This has served the company and our stakeholders very well, and forms the basis for anchoring our strategy in decisive action aimed at pursuing every opportunity — big or small — to enhance our sustainability profile.

With respect to the business, operating, and political environments in which we carry out our activity, they have all shifted significantly since the formulation of our prior strategic plan. Five key change drivers now define our strategic context: decarbonization; digitization; decentralization; diversification; and demographics. Collectively, and in varying measure, these drivers are shaping the landscape within which we will mitigate risk, seek out opportunity, and measure our performance.





Within this dynamic landscape, our strategy for the 2021–2025 period involves:

1. Achieving net-zero operations by 2030;
2. Becoming the partner of first choice for signature green energy and carbon reduction projects in our community;
3. Accelerating digital transformation to enable sustainable business practices;
4. Leveraging and promoting distributed energy resources;
5. Continuing to grow and diversify our revenue sources;
6. Growing our social license to operate;
7. Ensuring organizational capacity, culture, and leadership to deliver in a post-pandemic environment; and
8. Continuing to provide best-in-class customer service.

Our aim is to be the trusted energy advisor for our customers and our community. As the energy needs and options of our customers and our community evolve, and as signature projects and developments proceed, Hydro Ottawa will play a leading role in helping our city to transition to a smart energy future.

We will also continue to grow shareholder value, maintaining a focus on strategic business growth within our core areas of strength. Our growth agenda involves four basic components:

- **Electricity distribution:** expanding our grid to accommodate new customers and continuing to evaluate opportunities to increase our distribution service territory;
- **Renewable generation:** increasing the supply of clean energy for customers by making smart investments in renewable generation;
- **Energy solutions:** providing innovative and sustainable solutions to help consumers, businesses, public sector agencies, utilities and communities meet their energy objectives through energy management, conservation, design engineering, efficient streetlighting, electric vehicle infrastructure, energy generation, energy storage, and district energy opportunities, among others; and
- **Telecommunications services:** delivering high-speed fibre optic network solutions and internet service to businesses in our region.

Taken as a whole, we believe this strategy for the Company's future presents a balanced program for solid performance, adaptation to a changing business environment, and sustainable and profitable business growth.







Mission, vision and guiding principles

Our mission

To create long-term value for our shareholder, benefitting our customers and the communities we serve

Hydro Ottawa is both a community asset and an investment for our shareholder, the City of Ottawa. As a community asset, our purpose is to provide efficient and reliable services and a first-class customer experience, and to continue to be a strong strategic partner with the City, helping to deliver on its economic development and environmental agendas. As an investment, our purpose is to provide stable, reliable, and growing returns, and to increase shareholder value both in the short and long term.

Our vision

Hydro Ottawa — a leading partner in a smart energy future

Our guiding principles

Hydro Ottawa is committed to creating long-term value in a manner that will withstand the test of public scrutiny and inspire confidence and trust. To that end, we strive to achieve excellent operating and financial results while abiding by professional standards of conduct. We are guided not only by legal obligations, but also by best governance and business practices, and standards established by independent agencies. These expectations provide the foundation for our commitment to all of our stakeholders, and are reflected in our organizational values, our Code of Business Conduct, and our operating policies and procedures.





These guiding principles have served Hydro Ottawa and our stakeholders well over the course of successive strategic planning cycles. They are increasingly relevant in light of rising public and private sector interest in ESG issues, and thus attest to Hydro Ottawa's leadership as a forward-thinking and purpose-driven corporation.

Our organizational values

At Hydro Ottawa we are committed to an organizational environment that fosters and demonstrates ethical business conduct at all levels and reflects our shared values of teamwork, integrity, excellence, and service. Every employee must lead by example in this endeavour.

Our commitments to our stakeholders

Hydro Ottawa takes into account the interests of all our stakeholders including employees, customers, suppliers, our shareholder, and the communities and environment in which we operate.

Employees

The quality of our workforce is our strength and we will strive to hire and retain the best-qualified people and maximize their opportunities for success. We are committed to maintaining a safe, secure, and healthy work environment enriched by diversity and characterized by open communication, trust, and fair treatment.

Customers

Our continued success depends on the quality of our customer interactions, and we are committed to delivering value across the entire customer experience. We are honest and fair in our relationships with our customers, and provide reliable, responsive, and innovative products and services in compliance with legislated rights and standards for access, safety, health, and environmental protection.

Suppliers and contractors

We are honest and fair in our relationships with our suppliers and contractors and purchase equipment, supplies, and services on the basis of merit, with a preference for local procurement. We pay suppliers and contractors in accordance with agreed terms, encourage them to adopt responsible business practices, and require them to adhere to our health, safety, and environment standards when working for Hydro Ottawa.

Community and the environment

We are committed to being a responsible corporate citizen and will contribute to making the communities in which we operate better places to live and do business. We are sensitive to the community's needs, and dedicated to protecting and preserving the environment where we operate.

Shareholder and other suppliers of finance

We are financially accountable to our shareholder and to the institutions that underwrite our operations, and communicate to them all matters material to our organization. We protect our shareholder's investment and manage risks effectively. We communicate to our shareholder all matters that are material to an understanding of our corporate governance.

Electricity industry overview

Within the broader electricity sector, different entities are responsible for generating electricity, transmitting it, and delivering it to customers' homes and businesses, as well as for directing grid and market operations, and overseeing and regulating the system as a whole. These entities are different in the two markets where Hydro Ottawa operates — Ontario and New York.

Electricity generation

Electricity is created at generating stations — nuclear, hydroelectric, gas, wind, biofuel, and solar — as well as at small-scale and primarily renewable distributed energy installations at or near end-use locations. Facilities such as nuclear and large hydroelectric stations operate continuously, while wind and solar operate intermittently. Others such as natural gas stations can start up or slow down as required to follow demand fluctuations. Hydro Ottawa, through its subsidiary, Portage Power, has a fleet of hydroelectric, landfill gas-to-energy, and solar generating stations, and is the largest Ontario-based municipally-owned producer of green power.

Electricity transmission

Electricity is transmitted from generating stations to large industrial customers and LDCs through a high-voltage network of transformer stations, transmission towers, and wires. In Ontario, the transmission network is primarily operated by Hydro One. In New York State, the transmission system is operated by a number of private and public entities such as National Grid and the New York Power Authority, which are collectively referred to as the New York Transmission Owners.

Electricity distribution

After transmission, electricity in Ontario is distributed at lower voltages to homes, businesses, hospitals, schools, factories, and farms by LDCs such as Hydro Ottawa Limited. LDCs deal directly with electricity customers, maintain their communities' local electricity grids, and assist customers with electricity conservation. LDCs are the primary billing and collecting agents for all electricity sector charges. In addition, LDCs in Ontario are required to enable the connection of generators to their distribution systems, pursuant to specific regulatory criteria and to facilitate the settlement process through which a generator is paid for its electricity production. This settlement process, through which the LDC remains whole, entails payment by the Ontario LDC to the generator for both the spot market rate and any difference between the spot market rate and the contracted power purchase agreement rate with the Independent Electricity System Operator ['IESO'].

While it is always an LDC that delivers electricity through its distribution lines to a home or business, electricity customers have the choice of buying their electricity generation from either their local LDC or an electricity retailer. Most Ontario customers choose to buy from their LDC. Hydro Ottawa Limited is only engaged in electricity distribution in the Ontario market.

System operators

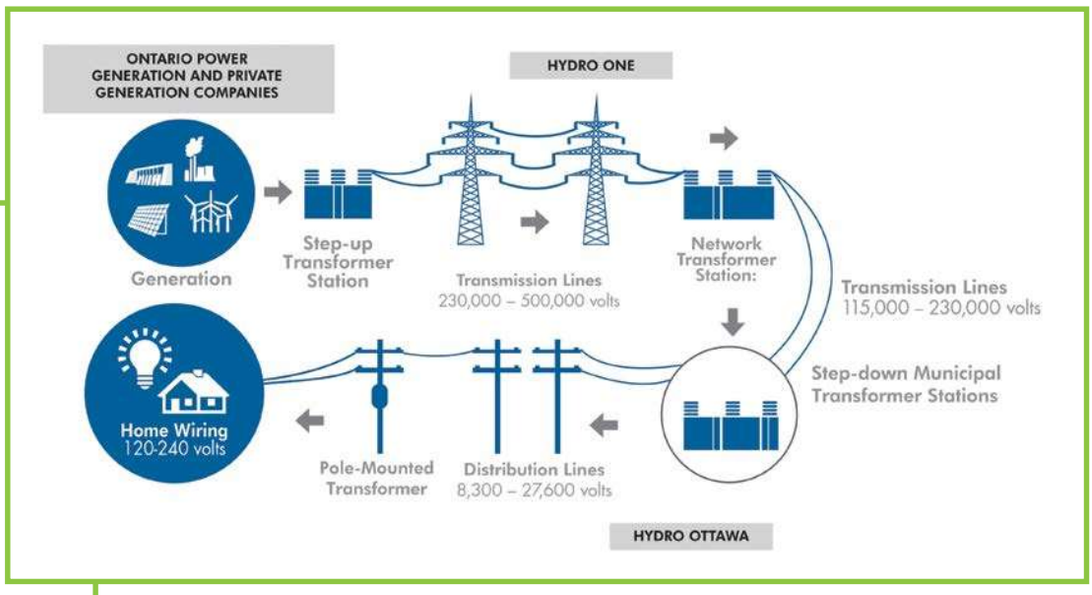
The IESO connects all participants in Ontario's power system — generators that produce electricity, transmitters that send it across the province, retailers that buy and sell it, industries that use it in large quantities, and LDCs that deliver it to homes and businesses. The IESO forecasts electricity demand throughout the province in continuously updated five-minute intervals and collects offers from generators to provide the required amount. Wholesale customers can therefore see prices fluctuate based on current supply and demand, and can respond accordingly. The IESO monitors the system, identifies what is required to maintain reliability in the future, and publishes its findings in regular reports. It also coordinates emergency preparedness for the province's electricity system.

The New York Independent System Operator ['NYISO'] is at the heart of New York's electricity system, monitoring the grid and power infrastructure, administering and monitoring the wholesale electricity markets, and planning for the state's energy future. The NYISO was created to provide fair and open access to the electrical grid. New York is divided into 11 electricity zones and, within each, the NYISO is responsible for scheduling generation and load, contracting for the services necessary to maintain grid reliability, and scheduling imports and exports. The NYISO is also responsible for publishing current demand or load in real time. Hydro Ottawa's New York State assets are located in the NYISO Zone E — Mohawk Valley.

Regulatory framework

In Ontario, the Ministry of Energy ['the Ministry'] sets the overall policy for the energy sector, guided by relevant laws and regulations. The Ministry oversees the IESO and the Ontario Energy Board ['OEB'], which regulate the energy sector as set out primarily in three statutes: the *Ontario Energy Board Act, 1998* ['*OEB Act*']; the *Electricity Act, 1998*; and the *Energy Consumer Protection Act, 2010*. The *OEB Act* establishes the authority of the OEB to approve and fix all rates for the transmission and distribution of electricity in Ontario, and to set standards of service, conduct, and reporting that must be adhered to as a condition of being licensed.

In the United States, electrical utilities and independent power producers are regulated at both the federal and state levels. Under the *Federal Power Act*, the Federal Energy Regulatory Commission ['FERC'], an independent agency within the Department of Energy, regulates the transmission and wholesale of electricity in interstate commerce. Unless otherwise exempt, any entity that owns or operates facilities used for the transmission or wholesale of electricity in interstate commerce is a public utility subject to FERC's jurisdiction. Regional system operators like NYISO are also under FERC oversight, as are privately-owned hydroelectric stations, whose operating licenses are issued by FERC.



Rates

Hydro Ottawa Limited recovers costs from customers through electricity distribution rates. These cover the costs to:

- design, build, and maintain overhead and underground distribution lines, poles, stations, and local transformers;
- operate the technology systems necessary for monitoring and controlling the distribution grid; and
- provide customer service and emergency response.

Costs and rates vary from one distributor to another, depending on factors such as the age and condition of assets, geographic terrain and distances served, population density and growth, and the ratio of residential to commercial and industrial consumers.

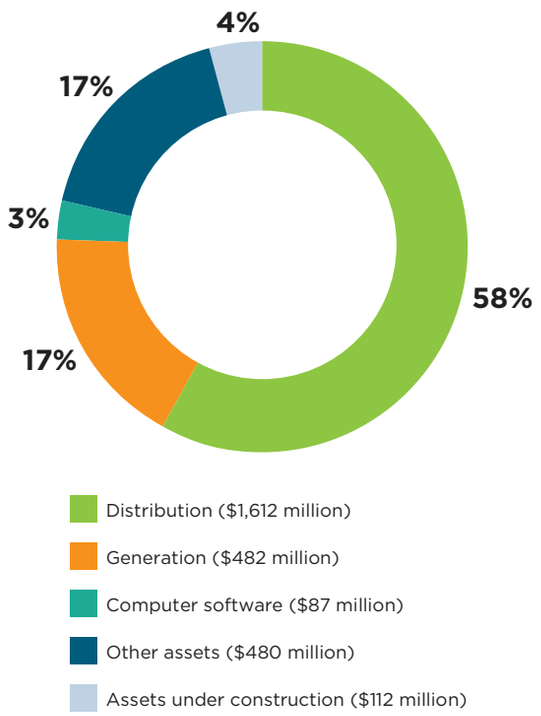
Hydro Ottawa Limited's distribution charge represents a portion of a customer's total electricity bill. Hydro Ottawa Limited bills and collects charges reflecting all electricity sector costs, extending beyond those associated with distribution, but keeps only the distribution portion.

The remainder is passed on, without mark-up, to the IESO, generators, the federal and provincial governments, and other corporate entities.

Hydro Ottawa Limited's distribution rates are set by the OEB, based on rate applications. For more information on the rate-setting framework and Hydro Ottawa Limited's rates, see Note 3(d) [Significant Accounting Policies—Regulation] to the consolidated financial statements included in this report.

Portage Power's hydroelectric, landfill gas-to-energy, and solar generation rates are set through facility-specific contracts. For those facilities delivering power to Ontario, Portage Power operates under agreements with the IESO, under which a "base contractual rate" is determined at the outset. An indexing factor is applied on an annual basis until the completion of the contract term. For hydroelectric stations located in upstate New York, Portage Power's power purchase agreements — all of which are with the Niagara Mohawk Power Corporation, a subsidiary of National Grid plc — are currently market-based. As a result, generation revenues from these stations fluctuate based on market price.

Gross tangible and intangible assets





Capability to deliver results

Hydro Ottawa's capability to achieve the objectives set out in its Strategic Direction is a function of its tangible and intangible assets, expertise, systems, and capital resources.

Assets

Hydro Ottawa's gross asset base is $2.8 billion, as a result of significant ongoing investments in distribution and generation infrastructure and technology systems. Like all utilities, Hydro Ottawa is affected by the reality of aging infrastructure, and continues to manage this through increased infrastructure investments and a detailed Distribution System Plan to target spending where it will have the most benefit. In 2023, the Corporation invested $56.9 million to maintain its distribution system and a further $53 million to expand the system to meet customer needs [see 'Investing Activities' below for more details]. In addition to these annual investments in distribution and generation infrastructure, Envari acquired a new warehouse to support its growth needs. The increase in warehouse space is tied to support of customer contracts across lighting, electrical and mechanical business lines. Examples include the City of Ottawa street lighting program, the Zero Emission Bus charging infrastructure project, suite metering and electric vehicle charging initiatives.

- **Electricity distribution assets** – For more than 100 years, Hydro Ottawa and its predecessor companies have delivered a reliable supply of electricity to homes and businesses.
  - Service Area – 1,116 square kilometres
  - Circuitry – 6,268 kilometres
  - Substations – 92
  - Transformers – 38,946
  - Poles – 49,027
- **Renewable generation assets** – Largest Ontario-based municipally-owned producer of green power with 131 megawatts of installed generation capacity, enough to power 110,000 homes.
  - Run-of-the-River Hydroelectric Generating Stations – 18
  - Landfill Gas-to-Energy Plants – 2
  - Solar Installations – 16
    [includes 2 behind-the-meter installations]



Envari's new warehouse

Workforce

A highly skilled, properly trained, and knowledgeable workforce — and a safe and healthy work environment — are essential to Hydro Ottawa's continued success. The Company's strategic objectives will only be achieved through the efforts of an effective and constantly learning organization, with the right skill sets to deliver on existing and new business lines.

Hydro Ottawa employed approximately 700 people at the end of 2023 across the enterprise, with Hydro Ottawa Limited accounting for 84 per cent of this workforce.

Like many other utilities, Hydro Ottawa continues to face challenging workforce demographics that require a concerted response. The Company has put in place a comprehensive and integrated talent management strategy. It is anticipating and meeting talent needs through workforce planning, talent attraction and acquisition, effective deployment of resources, and performance management and development. More specifically, this includes:

- **Training:** In-house apprenticeship and engineering internship programs continued to grow in 2023, with fourteen new apprentices hired — bringing the total to 34, or 23 per cent of the trades workforce. Two apprentices reached journeyperson status and three engineering interns received their P. Eng. designation in 2023.
- **Succession:** Succession planning and development programs ensure that there are qualified and diverse employees in the talent pipeline for key positions.
- **Knowledge management & transfer:** A proactive approach for key positions includes an older worker and retiree engagement plan to help seamlessly transition work from the veteran workforce to the next generation.

- **Diversity, equity & inclusion:** Hydro Ottawa's strategy fosters an inclusive culture that leverages diversity and enhances employee engagement and innovation. To support the goals of its third Diversity, Equity and Inclusion Plan, Hydro Ottawa made three gender diversity commitments in 2022 — to increase women in trades and technical roles to 30 per cent, in engineering roles to 50 per cent, and in leadership roles to 50 per cent, all by 2030. Hydro Ottawa is engaging with multiple partners to increase its gender diversity and continue to evolve its plan.
- **Educational partnerships:** These include, most notably, collaborations with Algonquin College to deliver the College's Powerline Technician programs in the Eastern Ontario region, and with Carleton University's Sustainable and Renewable Energy Engineering Department for the establishment of a smart grid laboratory. The latter fosters innovative research on electrical power systems and promotes the training of engineers in the smart grid environment.

Employee compensation programs continued to support a high-performance culture in 2023, and include market-driven and performance-based components to attract and retain key employees.

As Hydro Ottawa's business changes, so too does the profile of its workforce. It is increasingly diverse in age, skills, cultural and ethnic background, sexual orientation, gender identity, and in many other ways. The Company aims to create a thriving, respectful, and inclusive workplace for all.

A fundamental component of Hydro Ottawa's commitment to operating efficiently and effectively is the very high priority that is placed on protecting the health, wellness, and safety of employees and the community. Hydro Ottawa has established an integrated health, safety, and environment management system certified to international standards — ISO 45001:2018 standard for occupational health and safety management, and ISO 14001:2015 standard for environmental management.



Systems and processes

Hydro Ottawa has made significant investments in technology systems to enhance the Company's effectiveness. These include customer information and billing systems, advanced metering, and information and operational technologies such as geographic information systems, system control, outage management, and mobile workforce management systems. Technology decisions continue to be based on three basic criteria: enhancing service to customers; creating efficiencies that will increase competitiveness; and improving functionality to be more agile and resilient in the face of industry disruption.

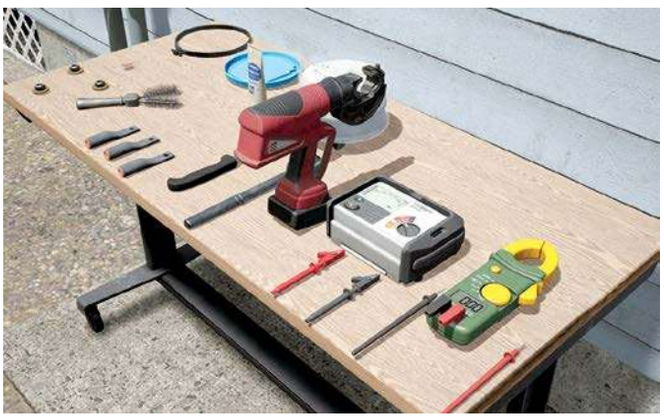
Hydro Ottawa continues to mature its cybersecurity program and takes the security of its critical infrastructure against cyber threats seriously. The Company collaborates proactively with government, regulators, and private sector partners across North America to manage this risk, and draws upon the expertise of such bodies as the Canadian Cyber Incident Response Centre, IESO, and OEB. The Company aspires to maintain industry-leading practices in its cyber program, including defense-in-depth security controls, regular penetration testing, anti-phishing training and campaigns for employees, third-party maturity assessments and managed security services, tabletop exercises for executive leadership, and formal plans for risk, vulnerability, threat, and incident management.

Hydro Ottawa is also focused on maximizing the efficiency and effectiveness of its operations by optimizing productivity at every opportunity.

In 2023, the Company undertook the following initiatives:

- Modernized outage communications through the introduction of outage alert notifications to customers via text message and email, along with a new online outage map with enhanced functionality;
- Redesigned the online customer portal and mobile app, offering new self-serve functions and features to improve the user experience;
- Implemented the Green Button data standard, allowing customers to access, download and share their energy usage data in order to gain better insights into consumption, resulting in energy savings and reduced costs;





Images from Hydro Ottawa's virtual reality employee training modules

- Integrated predictive analytics into management of electricity distribution assets, which is helping to optimize asset investment decisions through comprehensive assessments of risk and augmented long-term forecasting;
- Strengthened cybersecurity protections and controls for mission-critical operational technology;
- Expanded the functionality of the customer relationship management system to centralize work intake and enhance prioritization of field crews and supervisors; and
- Continued to unlock value from the internal data warehouse, with more segments of the business leveraging analytics to improve efficiency, safety, productivity, and customer service offerings.

Progress against plan

In our 2021–2025 Strategic Direction, the Company established an 8-point strategy for achieving our vision of sustainable growth and providing value to customers. The table below summarizes 2023 performance highlights.

Strategic objectives	2023 performance highlights
Achieve net zero operations by 2030	▸ Initiated environmental assessment and public consultation for our Piperville Municipal Transformer Station project, which is being developed using net zero design and construction techniques ▸ Procured additional hybrid and electric vehicles [EVs] for our work crews, bringing the total electrification percentage for our corporate fleet to 12 per cent ▸ Installed 24 Level 2 EV chargers at our administrative and operational facilities to support electric mobility for our crews and employees ▸ Performed preliminary calculations of Scope 3 emissions and updated our strategies for reducing Scope 1 and 2 corporate emissions ▸ Diverted 94 per cent of non-hazardous waste from landfill
Become the partner of first choice for signature green energy and carbon reduction projects in our community	▸ Finalized an agreement with the City of Ottawa for the installation of EV charging infrastructure and provision of energy services in support of the City's flagship project to replace its diesel-powered bus fleet with electric buses ▸ Formalized a partnership with The Ottawa Hospital for the planning and construction of an energy efficient central utility plant to sustainably power the hospital's new campus ▸ Secured City of Ottawa approval for a wastewater heat recovery pilot project, co-led by our energy services affiliate; the project will provide zero-carbon heating for a major residential development in downtown Ottawa ▸ Continued to reduce the energy consumption and environmental footprint of the Ottawa International Airport Authority's operations, as part of our collaboration on net zero and green energy opportunities ▸ Provided support and expertise for businesses and institutions requiring electrical service upgrades to help shift more of their energy use from fossil fuels to electricity
Accelerate digital transformation to enable sustainable business practices	▸ Introduced outage alert notifications to customers via text message and email, along with a new online outage map with enhanced functionality ▸ Strengthened cybersecurity protections and controls for mission-critical operational technology ▸ Achieved operational efficiencies through the adoption of next-generation technology solutions, including: › Satellite imaging for tree trimming › Predictive analytics for managing our electricity distribution assets › Virtual reality training for employees ▸ Completed key milestones in testing an artificial intelligence solution under development with BluWave-ai, a local clean tech innovator, which will optimize EV charging for customers
Leverage and promote distributed energy resources	▸ Secured conditional federal government approval for delivery of a $10 million Deep Retrofit Accelerator Program; in collaboration with local partners, Hydro Ottawa will facilitate energy retrofits and decarbonization measures for our commercial, institutional and multi-unit residential customers ▸ Launched new electricity conservation programs for businesses, including incentives for rooftop solar deployment ▸ Maintained our status as the leading installer of EV charging infrastructure in the National Capital Region through the installation of more than 500 charging stations across our community

Strategic objectives	2023 performance highlights
Continue to grow and diversify our revenue sources	▸ Achieved consolidated net income of $24.1 million; this is 53 per cent below our Strategic Direction target, primarily due to impacts from numerous severe weather events, a mechanical failure at our Chaudière Falls generating station, the labour strike in our electricity distribution business and interest rates ▸ Achieved several milestones in our strategic direction agenda for business growth and revenue diversification: › Earned a 20-year contract for Renewable Energy Certificates from a highly competitive procurement in New York › Established an advisory and consulting practice within our energy services business › Secured dedicated warehouse space for our energy services affiliate, with the aim of optimizing inventory management and supporting long-term growth › Commenced commercial operations for Hiboo Networks, our new telecommunications affiliate
Grow our social license to operate	▸ Responded to the needs of our community through targeted support: › Raised $142,000 for the united way and $53,000 for The Royal Ottawa Prompt Care Clinic through our annual employee charitable fundraising activities › Sponsored local organizations seeking to build stronger and healthier communities and support vulnerable groups through our Community Investment Program [$102,000 total] ▸ Conducted a community awareness campaign to educate customers on emergency preparedness and outage restoration ▸ Received five awards for performance excellence, including: › National Capital Region's Top Employers [15th year] › Canada's Greenest Employers [12th year] › Canada's Best Employers [Forbes] › Canadian Apprenticeship Forum Award for Top Employers
Ensure organizational capacity, culture and leadership to deliver in a post-pandemic environment	▸ Maintained safety as our top priority: › Provided an average of 18 hours of safe work practices training for all employees (51 hours for trades employees) › Retained best-in-class certifications for our Occupational Health, Safety, and Environment Management System to international standards ▸ Continued to renew our workforce through apprentice and journeyperson hiring, and through implementation of comprehensive talent management programs ▸ Established new external partnerships in support of our workforce development goals: › Carleton University's Women in Engineering and IT Program, as part of our corporate commitment to increasing gender equity in our trades, technical, engineering and leadership roles › Electricity Canada and Electricity Human Resources Canada, on the development of a national curriculum for Grade 9 and 10 students to enhance electricity literacy and encourage career opportunities in the sector ▸ Renewed three collective agreements with bargaining units across our electricity distribution and renewable generation businesses
Continue to provide best-in-class customer service	▸ Coordinated effective emergency response efforts following multiple severe weather events [spring flooding, April ice storm and summer tornadoes and thunderstorms] ▸ Maintained best-in-class reliability performance, including throughout Hydro Ottawa's labour strike ▸ Invested $56.9 million to keep our distribution system safe and reliable ▸ Achieved 91 per cent customer satisfaction rating ▸ Redesigned our online customer portal and mobile app, offering new features to improve the user experience ▸ Implemented provincial programs focused on customer choice and convenience: › Green Button data standard, allowing customers to view and share their energy usage data in order to better understand their consumption and optimize their spending › Ultra-Low Overnight rate plan, a new pricing option aimed at supporting customers who consume a major portion of their electricity or charge their EV overnight ▸ Maintained highest e-billing rate among Ontario electricity distributors [65 per cent of customers], saving $3 million per year

Capital resources

Liquidity and capital resources

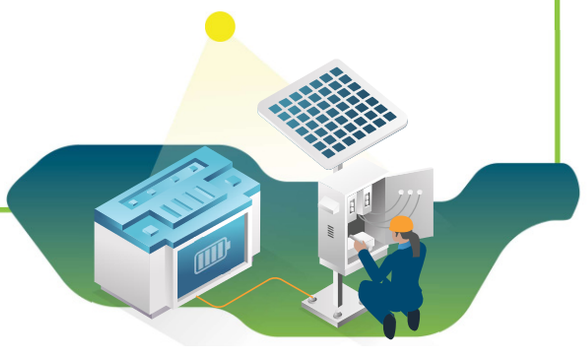
The Corporation's primary sources of liquidity and capital resources are operating activities, bank credit facilities, and proceeds from commercial paper and bond issuances as and when required. Liquidity and capital resource requirements are primarily for maintenance of the Hydro Ottawa Limited electricity distribution system, investments in unregulated ancillary businesses, cost of power, interest expense, and prudential requirements.

On June 30, 2023, the Corporation renewed, increased and extended its $500 million 3-year revolving credit facility to August 2026. The credit facility is used for general operating purposes, annual capital expenditures, and to provide adequate liquidity to withstand sudden and adverse changes in economic circumstances. Additionally, the credit facility is used to backstop the Corporation's $400 million commercial paper program to better optimize short-term borrowings.

Bond issuances in the utility sector continue to be a very attractive investment in the capital markets with strong demand across all bond tenures. This provides the Corporation access to market capacity to support its ongoing investment requirements. The Corporation's existing corporate bond profile is very strong, with a weighted average maturity of 13 years at an average weighted cost of 3.49 per cent. A $204-million, project-level, 40-year non-recourse amortizing bond, with $200.3 million outstanding, was issued in 2016 for the hydroelectric generation expansion at Chaudière Falls at a rate of 4.08 per cent. A $290.5 million, project-level, 40-year non-recourse amortizing green bond was issued in 2019 for the refurbishment of the two generating plants in Québec at a rate of 3.53 per cent. For additional details regarding the Corporation's sources of liquidity and capital resources, see Notes 11, 15, and 17 to the consolidated financial statements.

Credit ratings

On October 18, 2023, Dominion Bond Rating Service Inc. ['DBRS'] reaffirmed Hydro Ottawa's A [low] credit rating and changed the trend on the rating from Stable to Negative. The re-affirmed rating confirms the continued strength and stability of Hydro Ottawa's distribution operations. DBRS noted that Hydro Ottawa continues to have an excellent business risk profile due to its operation under a reasonable regulatory regime for electricity distribution; a large and diverse customer base; and high credit-quality power purchase agreements for the majority of its generation assets, which provide steady, predictable, and stable cash flows. DBRS's change in trend is largely attributed to growth from unregulated businesses outpacing growth from the regulated business, which has changed Hydro Ottawa's business risk profile.



Financial results

The selected consolidated financial results of the Corporation presented below should be viewed in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2023.

Consolidated statement of income [summary]

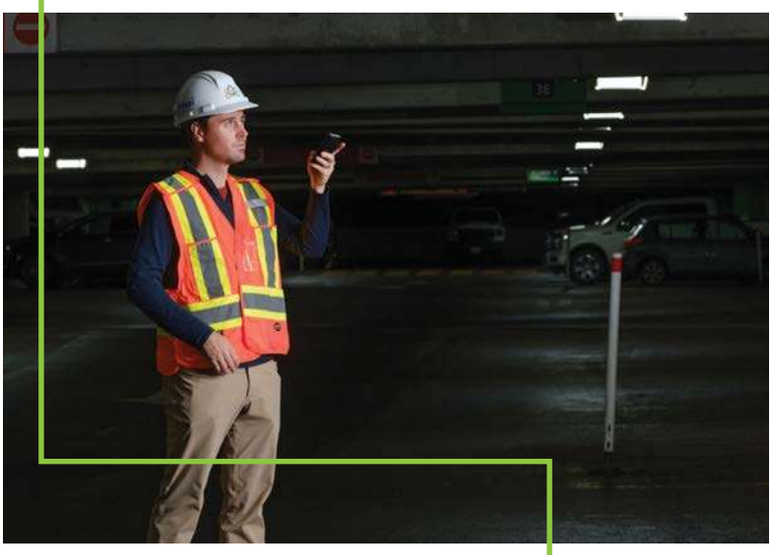
[in thousands of Canadian dollars]

	2023	**IFRS 14 impact**	**2023 (Pre-IFRS 14) (1)**	2022	IFRS 14 impact	2022 (Pre-IFRS 14) (1)	Change (Pre-IFRS 14) (1)
Revenue and other income							
Power recovery	**861,905**	**(15,913)**	**845,992**	863,545	(10,710)	852,835	(6,843)
Distribution	**224,770**	**(4,367)**	**220,403**	209,841	148	209,989	10,414
Generation	**48,073**	**–**	**48,073**	45,336	–	45,336	2,737
Commercial services	**36,477**	**–**	**36,477**	33,572	–	33,572	2,905
Government grant income	**4,336**	**–**	**4,336**	4,164	–	4,164	172
Business interruption proceeds	**4,482**	**–**	**4,482**	–	–	–	4,482
Other	**14,382**	**–**	**14,382**	13,191	–	13,191	1,191
	1,194,425	**(20,280)**	**1,174,145**	1,169,649	(10,562)	1,159,087	15,058
Expenses							
Purchased power	**864,882**	**(32,418)**	**832,464**	863,139	(34,063)	829,076	3,388
Operating costs	**182,273**	**(1,220)**	**181,053**	160,624	(233)	160,391	20,662
Depreciation and amortization	**79,604**	**–**	**79,604**	76,199	–	76,199	3,405
	1,126,759	**(33,638)**	**1,093,121**	1,099,962	(34,296)	1,065,666	27,455
Income before undernoted items	**67,666**	**13,358**	**81,024**	69,687	23,734	93,421	(12,397)
Financing costs, interest income and taxes	**64,671**	**(8,497)**	**56,174**	64,839	(11,533)	53,306	2,868
Share of loss (profit) from joint ventures	**746**	**–**	**746**	441	–	441	305
	65,417	**(8,497)**	**56,920**	65,280	(11,533)	53,747	3,173
Net income	**2,249**	**21,855**	**24,104**	4,407	35,267	39,674	(15,570)
Net movements in regulatory balances, net of tax	**21,855**	**(21,855)**	**–**	35,267	(35,267)	–	–
Net income after net movements in regulatory balances	**24,104**	**–**	**24,104**	39,674	–	39,674	(15,570)

(1) Non-GAAP financial measure

Non-GAAP financial measure

IFRS 14—Regulatory Deferral Accounts requires a one-line separate presentation of the net movement within the Corporation's regulatory deferral accounts related to income [i.e. the debit and credit balances, net of taxes] within its consolidated statement of income. This net movement of regulatory balances primarily arises when there is a timing difference between the cost of power purchased and the recovery thereof. This difference is recorded as a settlement variance, representing amounts to be recovered from or refunded to customers through future billing rates approved by the OEB. Consequently, the Corporation's purchased power and power recovery line items can be significantly impacted by these timing differences. For the purposes of the analysis and interpretation of financial variances presented, management has identified and excluded impacts resulting from the adoption of IFRS 14, and used pre-IFRS 14 results as the basis for its discussion unless otherwise noted. Management believes this more accurately represents the true financial performance of the Corporation, given its rate-regulated environment as prescribed by the OEB. Readers should be cautioned that the pre-IFRS 14 non-GAAP financial measure is not a standardized measure and might not be comparable to disclosures by other entities.



Net income

Net income decreased by $15.6 million in comparison to the previous year's results. This was largely due to a $20.7 million increase in operating costs stemming from several adverse events that took place in 2023. In early April, a freezing rain storm began causing power outages across Ottawa. More than 270,000 customers were impacted by a power outage at some point throughout the storm. The Spring also brought with it rising water levels along the Ottawa River which led to temporary generating station shutdowns. Mechanical problems also arose at two of Portage Power's four hydroelectric generating units at its Generating Station No. 5 ['GS5'] located on Chaudière Island, one of which remains out of service as it undergoes major repairs. The Corporation also faced a strike by its employees represented by the International Brotherhood of Electrical Workers Local 636 at Hydro Ottawa Limited ['IBEW 636'], which began on June 28, 2023. After the better part of three months, the IBEW membership and the Corporation ratified a new four year Collective Agreement for the period of April 1, 2023 to March 31, 2027. During this period, the City of Ottawa experienced a significant number of storms — July 2023 saw seven adverse weather events compared to zero over the same period in 2022. Many of the storms brought heavy rain, high winds and, in certain areas, hail. Moreover, the City saw tornadoes touch down in Barrhaven and in Findlay Creek. It was reported that the City of Ottawa saw 6,066 lightning strikes take place within a 50-km radius of the Ottawa airport in July 2023, more than 8.2 times the 736 lightning strikes that were observed in July 2022. Despite all of these challenges, the Corporation was still able to earn a profit of $24.1 million, owing to the growth in the Corporation's revenue in 2023.

The Corporation saw an increase in revenue of $15.1 million in comparison to the previous year. This increase was largely driven by the Corporation's regulated electricity distribution company, which saw an increase in distribution revenue of $10.4 million due to regulated increases in its electricity rates and an increase in customers, offset by a $6.8 million decrease in the cost of power recovered. Moreover, generation revenue, commercial services revenue and government grant income recorded $2.7 million, $2.9 million and $0.2 million increases, respectively. The CDM programs in government grant income are being wound down, as program delivery responsibility is being transferred to the IESO.

In addition to the rise in operating costs, Hydro Ottawa recorded an increase in financing costs of $10.9 million as a result of rising short-term interest rates, and an increase in depreciation and amortization of $3.4 million on account of its growing capital asset base.

Revenue and other income

Revenue and other income are earned from electricity distribution, renewable energy generation, energy management and utility services, as well as from CDM programs and sundry activities. In 2023, Hydro Ottawa's total revenue, including flow-through cost of power, amounted to approximately $1.2 billion, representing an increase of one per cent from the prior year.

The largest component of Hydro Ottawa's total revenue is the cost of power recovered from customers through provincially established rates. The cost of power is a flow-through amount, which poses limited risk to Hydro Ottawa's financial performance. However, variances arise between the cost of power purchased and the recovery thereof, due to timing differences in invoicing from the IESO for the former, and receipt of payment from customers for the latter. This difference is recorded as a settlement variance. Hydro Ottawa Limited's power recovery revenue decreased $6.8 million in 2023, mainly due to lower global adjustment portions of commodity charges.

Distribution revenue is recorded based on OEB-approved distribution rates, set at a level intended to recover the costs incurred by Hydro Ottawa Limited in delivering electricity to customers. The rates include revenue related to the collection of OEB-approved rate riders. 2023 marked the third year of rates approved under Hydro Ottawa Limited's 2021–2025 Custom Incentive rate application. Distribution revenue rose five per cent relative to 2022, due in large part to the regulated increases in Hydro Ottawa Limited's electricity rates and a rise in consumption.

In 2023, commercial services revenue, which includes Envari's energy and utility services business, produced a $2.9 million increase in revenue as economic activity continued to strengthen. The increase in its lighting, buildings and electrical practices represented 15 per cent growth from 2022. Business activity was supported, in particular, by forward movement on the electric vehicle charging infrastructure project for the City's Zero Emission Bus initiative.

During the year, Portage Power, the Corporation's renewable generation subsidiary, achieved a $2.7 million increase in revenue in comparison to the previous year despite seeing a drop in production. This is attributable to the unique circumstances of the facilities within Portage Power's fleet which operate under the terms of supply contracts with the IESO, but which are also directly connected to Hydro Ottawa's distribution system. In these instances, the applicable facilities receive settlement from Hydro Ottawa at the spot market rate, and the difference between the contracted power purchase agreement rates and the spot market rate from the IESO. In 2023, the average spot market rate was lower than the prior year, resulting in a lower settlement between Hydro Ottawa and Portage Power, resulting in a smaller elimination of intercompany revenues and purchased power, upon consolidation of the entities. On a stand-alone basis, Portage Power's decrease in revenue is mostly attributable to the GS5 Unit 1 mechanical failure and Unit 2 temporary outage, as well as the unfavourable spot market pricing obtained by its generating plants in upstate New York. The decrease in revenue was partly offset by business interruption insurance policy proceeds of $4.5 million [in connection with the GS5 Unit 1 mechanical failure], and the increase in production at its other stations at Chaudière Falls and in Eastern Ontario.

Expenses

Purchased power and operating costs

Purchased power represents the cost of electricity delivered to customers within Hydro Ottawa Limited's distribution service territory. These costs consist of commodity charges, wholesale market service charges, transmission charges, and the global adjustment. The cost of purchased power increased $3.4 million in 2023, mainly due to the global adjustment portion of the commodity cost. The global adjustment comprises the difference between the market rate and the contracted price for generation, and a portion of CDM programs. Operating costs in 2023 of $181.1 million were $20.7 million higher than the prior year. In 2023, the Corporation dealt with many severe weather events, unlike 2022, where it saw one major event, the derecho. The Corporation was further impacted by a 84-day strike by the IBEW 636, which resulted in additional contractor, security and legal costs. The strike-related costs were partly offset by savings in compensation. During the year, the

Corporation saw Envari's operating costs increase by $3.5 million from the prior year, which coincided with a $3.5 million increase in revenues. The formal launch in September 2023 of Hiboo Networks, the Corporation's telecommunications services subsidiary led to a further increase in costs of $1.6 million. What is more, the Corporation incurred a loss on the write-off of assets and costs associated with the disassembly, transportation, inspection and storage of the damaged GS5 hydroelectric generation unit of $4.3 million and $1 million, respectively. Lastly, the Corporation's operating costs were impacted by a $2.1 million decrease in costs being allocated to capital programs as a result of the lower than expected capital activity during the year caused by the strike and the nature of the storms.



Depreciation and amortization
Depreciation and amortization on Hydro Ottawa's property, plant, and equipment, and on its intangible assets increased in 2023 by $3.4 million, due to the ongoing investment in the Corporation's electricity distribution infrastructure, generation and general plant assets.

Share of [loss] profit from joint ventures
In 2023, the Corporation recorded a loss of $0.7 million from joint ventures, which is slightly more than the $0.4 million loss suffered in 2022. Share of [loss] profit from joint ventures represents the Corporation's share of net [loss] profit from the continuing operations of Moose Creek Energy LP [50.05 per cent] and PowerTrail Inc. [60 per cent], both landfill gas-to-energy joint ventures. In addition, the Corporation has a 50 per cent interest in Zibi Community Utility LP ['ZCU'], a zero-carbon district cooling and heating system for the Zibi development in downtown Ottawa-Gatineau. For more information regarding the Corporation's joint ventures, see Note 8 to the consolidated financial statements.

Financing costs [net of interest income] and taxes
Financing costs increased $10.9 million due to an increase in short-term borrowing rates resulting from the Bank of Canada's interest rate hikes. In 2023, the Bank of Canada average interest rate was 4.74 per cent, up from the 1.92 per cent average rate in 2022.

The Corporation's effective tax rate decreased from 34.57 per cent in 2022 to 30.37 per cent in 2023, as a result of permanent and temporary differences between the accounting treatment and tax basis of assets and liabilities that arose during the year. The $10.5 million decrease in income tax expense after the impact of IFRS 14 is largely the result of a decrease in pre-tax income and temporary differences. [There was a $7.4 million decrease in income tax expense pre-IFRS 14]. For more information regarding income taxes, see Note 22 to the consolidated financial statements.

Net movement in regulatory balances [net of tax]

In accordance with IFRS 14, the Corporation has separately presented the net movement in regulatory balances in the consolidated statements of income and comprehensive income. The changes in the regulatory debit and credit balances for the year, on the consolidated balance sheet, were an increase of $15.3 million [debit] and a decrease of $6.7 million [credit], respectively. This is equal to the net movement in regulatory balances, net of tax, on the consolidated statements of income and comprehensive income [an increase of $21.8 million and an increase of $0.2 million, respectively]. The impact of the IFRS 14 adjustments of $21.8 million is shown on the consolidated statement of income [summary]. As Hydro Ottawa Limited passes on the benefit of deferred income taxes through annual distribution rate adjustments approved by the OEB, it records a regulatory deferral account credit [or debit] balance for the amounts of deferred income taxes expected to be refunded to [or recovered from] customers in future rates.

Consolidated balance sheet [summary]

[in thousands of Canadian dollars]

	2023	2022	Change
Current assets	**230,042**	207,253	22,789
Non-current assets	**2,248,745**	2,160,238	88,507
Total assets	**2,478,787**	2,367,491	111,296
Regulatory account balances	**131,843**	116,513	15,330
Total assets and regulatory account balances	**2,610,630**	2,484,004	126,626
Current liabilities	**567,443**	480,211	87,232
Non-current liabilities	**1,498,559**	1,455,164	43,395
Total liabilities	**2,066,002**	1,935,375	130,627
Shareholder's equity	**529,669**	526,944	2,725
Total liabilities and shareholder's equity	**2,595,671**	2,462,319	133,352
Regulatory account balances	**14,959**	21,685	(6,726)
Total liabilities, shareholder's equity and regulatory account balances	**2,610,630**	2,484,004	126,626

Assets

Total assets increased by approximately $111.3 million in 2023. This increase is largely attributable to property, plant, and equipment, and to intangible assets, which in combination have increased by $86.5 million. This increase is a result of the continuing investments in electrical distribution and generation infrastructure, and the acquisition of general plant assets, which includes the Envari warehouse. In addition, the Corporation's current assets increased by $22.8 million, as accounts receivable and prepaids increased by $22 million and $4 million, respectively; however, cash and restricted cash, and income taxes receivable, both decreased by $1.6 million. The increase in accounts receivable is largely due to the impact of higher rates and an increase in customers, as well as the residual effect of the strike by the IBEW 636.

Liabilities

Total liabilities increased by $130.6 million in 2023. This is due, in part, to an increase in current liabilities, which comprises a $57.3 million increase in the Corporation's bank indebtedness and commercial paper, and a $26.3 million increase in accounts payable and accrued liabilities. The increase in bank indebtedness and commercial paper is mainly due to funding needs arising from the Corporation's operations. In addition, the Corporation's non-current liabilities increased by $43.4 million due to a $33.3 million increase in the non-current portion of deferred revenue due to capital contributions received in 2023, net of amortization, and an increase of $11.7 million in deferred income taxes.

Regulatory account balances

IFRS 14 defines a regulatory account balance as the balance of any expense or [income] account that would not be recognized as an asset or liability in accordance with other IFRS Accounting Standards,

but that qualifies for deferral because it is included, or is expected to be included, by the regulator in establishing the rate[s] that can be charged to customers. As at December 31, 2023, Hydro Ottawa Limited had recognized $131.8 million in regulatory account debit balances [assets] and $15 million in regulatory account credit balances [liabilities].

The $15.3 million increase in regulatory account debit balances is largely due to a $8.4 million increase in the regulatory asset for deferred income taxes and a $8.3 million increase in the Regulatory Asset Refund Account ['RARA'], offset by a $0.9 million decrease in other variances and deferred costs.

The $6.7 million decrease in regulatory account credit balances is largely due to a $12.2 million decrease in settlement variances, offset by a $3 million increase in the Lost Revenue Adjustment Mechanism ['LRAM'] account, which tracks and disposes of lost electricity distribution revenues that result from Conservation and Demand Management ['CDM'] programs, a $1.1 million increase in the Gain on Asset Disposal variance account, which accounts for the difference between actual amount of gain from disposal of fixed assets and the forecasted gain, and a $1.2 million increase in other variance and deferred costs.

Consolidated statement of cash flows [summary]

[in thousands of Canadian dollars]

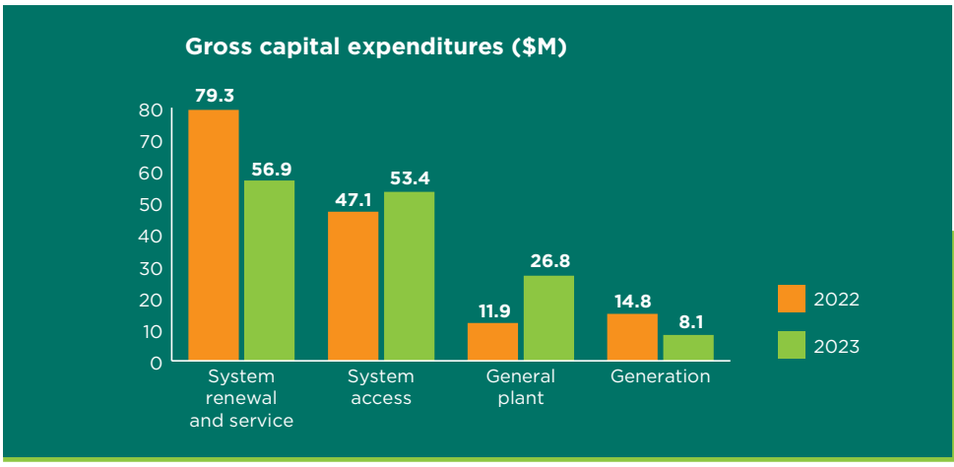
	2023	2022	Change
Bank indebtedness, beginning of year	**1,706**	(5,185)	6,891
Cash provided by Operating Activities	**120,268**	108,410	11,858
Cash used in Investing Activities	**(156,514)**	(164,814)	8,300
Cash provided by Financing Activities	**41,638**	63,295	(21,657)
Cash (bank indebtedness), end of year	**7,098**	1,706	5,392
Cash (bank indebtedness) consists of:			
Cash	**14,920**	13,978	942
Bank indebtedness	**(7,822)**	(12,272)	4,450
	7,098	1,706	5,392

Operating activities

Cash generated by operating activities increased by $11.9 million in 2023. The majority of this increase relates to a $13.4 million reduction in the outflow of cash as a result of the net movements in regulatory balances, a $9.3 million increase in cash inflow from customer deposits, and a $8.2 million inflow from the change in non-cash working capital items. The increases in operating activities are partially offset by a decrease in net income of $15.6 million and the timing of financing cost payments.

Investing activities

Cash used in investing activities decreased by $8.3 million in 2023. This decline was largely due to the decrease in the addition of intangibles [other contractual rights]. Hydro Ottawa Limited is party to various Connection and Cost Recovery Agreements with Hydro One Networks Inc. ['HONI']. These agreements govern the construction by HONI of new or modified transformer stations for the purpose of serving Hydro Ottawa Limited's customers, including anticipated electricity load growth. Furthermore, the Corporation saw a decrease in capital activities due to the suspension of work for the better part of three-months as a result of the strike. The decrease in investing activities was partially offset by the acquisition of the new Envari warehouse. Total investment in property, plant, and equipment and in intangible assets was $145.2 million in 2023. The chart below shows Hydro Ottawa's capital investments by category for both 2023 and 2022.



Capital investments in 2023 included the following: $56.9 million on system renewal and service to replace aging infrastructure and to modify the existing distribution system; $53.4 million on system access projects, including third-party-driven growth projects such as new residential or commercial installations, and municipal improvement projects; $26.8 million on general plant, including information technology infrastructure, fleet, and the acquisition of a new warehouse by Envari; and $8.1 million on generating plants.

Financing activities

Financing activities include dividends paid to the shareholder, the City of Ottawa, as well as proceeds from the issuance of long-term debt and commercial paper.

In 2023, dividends were paid to the Shareholder, the City of Ottawa, in accordance with the approved dividend policy. The 2023 payment totaled $20 million based on 2022 results, and the 2022 payment totaled $23.7 million based on 2021 results. Subsequent to year-end, the Board of Directors declared a $20 million dividend based on 2023 results.

Accounting matters

Material accounting estimates and judgments

On January 1, 2023, the Corporation adopted amendments within IAS 1 Presentation of Financial Statements related to the Disclosure of Accounting Policies. The changes required an entity to disclose material rather than significant accounting policies and provided guidance identifying material accounting policies relevant to users of the financial statements. Accordingly, management reviewed its accounting policies and updated the accounting policy information to align with these amendments.

The preparation of consolidated financial statements, in conformity with IFRS Accounting Standards, requires management to make estimates, judgments, and assumptions that affect the reported amounts of consolidated revenues, expenses, assets, and liabilities, and requires disclosure of commitments and contingencies as of the date of the consolidated financial statements.

These estimates and judgments are based on historical experience, current conditions, and various other assumptions believed to be reasonable under the circumstances. Because they involve varying degrees of uncertainty, the amounts currently reported in the consolidated financial statements could prove to be inaccurate in the future.

Significant areas where estimates and judgments are made in the application of IFRS Accounting Standards are as follows [as discussed in Note 2(d) to the consolidated financial statements]:

- Accounts receivable
- Regulatory balances
- Useful lives of depreciable assets
- Impairment of non-financial assets
- Employee future benefits
- Capital contributions
- Deferred Income taxes

Risks and uncertainties

Hydro Ottawa has adopted a systematic approach to the management of risks and uncertainties, which is integrated into business processes and the quarterly reporting of organizational performance. Capabilities and processes have been built organization-wide for the effective identification of, and timely responses to, events likely to impede the achievement of corporate objectives.

The Corporation's Enterprise Risk Management ['ERM'] framework, established by the Board of Directors in 2006 and renewed annually, consolidates quarterly risk reporting to the President and Chief Executive Officer, and to the Board. Reporting highlights potential risk factors that may have an impact upon Hydro Ottawa's near-term and long-term business objectives and Strategic Direction. The ERM program supports and complements the Corporation's strategic planning and annual business planning cycles, through updated environmental scans and periodic review of planning assumptions.

Hydro Ottawa monitors sources and factors of risk that are structural to the industry and to the Corporation's lines of business. These include, but are not restricted to, the following: the weather; the policy and regulatory environment; the state of the economy and macro-economic trends; the state of financial markets and of investment in the utilities space; government policies relating to the production and procurement of renewable and clean energy, as well as carbon emissions and conservation; the pace and nature of changes in technology, including the convergence of information technology and operational technology; cybersecurity; labour force demographics, with a particular emphasis on the renewal of human resources in the trades; the state of the market for talent and skills; the course and consequences of climate change; hazards, including extreme weather events, which could significantly affect the socio-economic and physical environment; and the impact of fiscal policies on the Corporation's customers. In combination, these sources of risk shape the evolution of the industry, which could in turn present new and emerging risks that the Corporation needs to manage effectively.



The description of risks below is not intended to be comprehensive and does not include all possible risks. The actual impact of any risk event may vary substantially from what is anticipated or described below. The sources and factors of risk analyzed below are interrelated to a great extent. They may quite possibly converge as a cause or consequence of one another. Thus, the cumulative impact of multiple risk events occurring within a relatively short time frame must be considered. In 2023, for example, Hydro Ottawa Limited's business results were significantly affected by the concurrence of two tornadoes, over 9,000 lightning strikes and a significant number of summer storms, most of which occurred during an 84-day strike by a substantial segment of its workforce.

Policy and regulatory environment

Uncertainty regarding long-term policy direction for the electricity sector in Ontario

The Ontario provincial government may pass legislation or issue regulations at any time that could directly affect the Corporation's electricity distribution and electricity generation businesses. For example, the government may direct the OEB to more aggressively scrutinize LDCs' pursuit of cost efficiencies, or take other measures to mitigate rises in electricity distribution rates, or require the IESO to achieve savings by amending supply contracts with electricity generation companies.

The government's policy posture and regulations on climate change response, including incentives for investment in more sustainable infrastructure and energy solutions, could have an impact on the Corporation's energy and infrastructure business. Although there are several clear indications that grid transformation and energy transition are priorities for the provincial government, there is still considerable uncertainty around the policy and regulatory stance with regard to the role it envisages for LDCs and electricity generation companies in anticipating and meeting the requirements of a distributed energy resource ['DER'] environment.

The climate of uncertainty may affect future investment and success in renewable energy generation, emerging grid technologies, refurbishment of energy infrastructure, and energy management services — all key pillars of growth identified by the Corporation in its 2021–2025 Strategic Direction.

Custom incentive rate application for 2021–2025

Hydro Ottawa's electricity distribution business has obtained approval from the OEB for its distribution rate plan for 2021–2025. While the Corporation expects to be able to carry out its planned programs, provide safe and reliable electricity to its customers, and earn the allowed rate of return, there can be no assurance that the LDC's results over a multi-year period will be consistent with projections included in the approved revenue requirements framework. Business performance may be affected if, for example, actual loads and energy consumption vary substantially from forecast, or unanticipated capital expenditure needs to be incurred, or actual costs of operations, maintenance, administration, capital, and financing materially exceed initial projections. As reflected in Hydro Ottawa's direct experience in both 2022 and 2023, the convergence of multiple hazards may also adversely affect business performance.

Economy and financial markets

The state of the local, national and global economy could have a significant impact on the Corporation's business performance through factors such as interest rates, inflation, supply chain stability, and availability of market capital to fund growth. The economic climate could also have an effect on the financial strength and performance of some of Hydro Ottawa's key business partners.

Access to capital

The Corporation is reliant on funds generated from its operations and funds secured from the capital markets to enable ongoing operations, capital expenditures, acquisitions and growth in the business. Disruptions in the capital markets could increase the Corporation's cost of capital and adversely affect its ability to fund its liquidity needs and future growth.

As Hydro Ottawa's debt matures from time to time, its ability to finance and refinance indebtedness would be largely dependent on general economic conditions and overall state of the capital markets, continued operating performance of its assets, its credit ratings, the regulatory and policy environment, the level of future interest rates, and the attractiveness of its debt instruments to capital market participants. If external

sources of capital become limited or unavailable, the Corporation's ability to fund operations and execute capital expenditures and strategic investments, in accordance with its 2021–2025 Strategic Direction, may as a result be adversely affected.

Interest rates and credit ratings

The Corporation has variable rate interest exposure on its short-term borrowings and Commercial Paper program, which represent approximately 24 per cent of aggregate debt as at December 31, 2023. In 2023, the Bank of Canada initiated a mid-year pause after tightening its key benchmark interest rate 75 basis points (475 basis points within the past 18-month period), resulting in a significant increase in the cost of short-term borrowings. The Corporation's interest rate costs will also be impacted as it refinances maturing long-term debt at higher rates.

Hydro Ottawa continues to maintain an A [low] credit rating; however, the Corporation's growth in unregulated businesses continues to outpace the growth in the regulated business. As a result, the rating agency has changed the company's outlook from Stable to Negative. The consequences of a downgrade may have an adverse effect on the Corporation's financial position, its ability to raise capital in the future and the company's cost of borrowings.

Inflation and supply chain disruption

The combined effects of inflation and challenges in the supply chain may continue to affect the Corporation's ability to achieve or maintain expected business results, including those outlined in its 2021-2025 Strategic Direction.

Hydro Ottawa's Strategic Direction and financial projections for the 2021-2025 cycle are based on best estimates of costs to perform work and to run operations in a sustainable manner. Persistent inflation may result in substantial variance between actual results and current assumptions.

Inflation may also exacerbate the impact of the disruption of the global supply chain. Inconsistencies in the availability or cost of a range of original equipment and spares could affect the operational efficiency of the Corporation's businesses, diminish the ability to respond to outages and customer needs, erode the capacity to manage major capital projects within budgeted costs and timelines, and undermine profitability overall. The potential paucity of affordable contractors to perform the range of specialized services procured by the Corporation may also have an adverse impact upon vital support functions and back-office operations.

Exchange rate fluctuations

The Corporation's functional currency is the Canadian dollar. A significant depreciation of the value of the U.S. dollar relative to the Canadian dollar may adversely affect the value of the Corporation's U.S.-based assets and related revenues. Conversely, a significant depreciation of the Canadian dollar relative to the U.S. dollar may affect the Corporation's capacity to finance additional growth in the U.S. market.

Electricity industry

Aging assets

Hydro Ottawa Limited has developed a long-term Distribution System Plan which takes into account the impact of climate change — in particular, changes in the frequency, severity, and pattern of occurrence of extreme weather events. While the Plan enables a high degree of resilience and responsiveness within the Corporation, there is a considerable risk of not being able to sustain the distribution business' historically high standards of reliability and operability. The fact that a substantial part of its distribution assets [29 per cent] have already exceeded or will reach the end of their expected useful life over the next decade may aggravate this risk.

As a result of a series of rapid-onset extreme weather events since 2018, including most notably the derecho storm of 2022 and numerous events in 2023, Hydro Ottawa Limited has needed to absorb the risks and costs of complex and financially onerous restoration of the distribution system. The occurrence of more such extreme weather events is highly likely, though the damage they may cause and the potential financial impact that may result are difficult to estimate.

Market prices for electricity

Market prices for electricity fluctuate due to a number of factors: the amount of excess generating capacity relative to load in the market; the structure of the market; weather conditions that impact electrical load; growth in demand for electricity; absolute and relative prices for energy; changes in government policy; and developments in conservation and demand management.

Major project execution

The successful and timely completion of major projects is critical to the Corporation's long-term Strategic Direction. There are inherent risk factors in such projects: construction delays; cost overruns; equipment performance not in accordance with expectations; delays in permissions and clearances from all levels of government and their agencies; and technical issues in connecting to the grid.

Equipment failure

The Corporation has established programs to monitor asset condition and performance, with a view to managing the risk of equipment failures.

Nonetheless, Hydro Ottawa Limited's distribution assets face considerable risks of failure, stemming partly from their age and partly from severe weather conditions and natural disasters. Equipment failure risks, including the failure of assets under warranty, and the degradation of critical part components, are intrinsic to the generation of hydro-electric power, as experienced by Portage Power during 2023. Risks arising from equipment failure could be exacerbated by poor vendor support and performance, as well as by the precarious nature of global supply chains in recent years.

Losses from lost revenue and repair costs may be substantial, even after taking into account any insurance coverage.

Hydrology

Hydro-electric generation assets account for 91 per cent of Portage Power's portfolio. The operation of those facilities depends upon the availability of water. Water flows could be affected by short-term variability in weather as well as longer term changes in precipitation patterns and amounts, water temperatures and ambient air temperatures.

Technology infrastructure and platforms

Hydro Ottawa's results, resilience, and business performance depend upon complex information systems, covering frontline operations [e.g. geographic information system, outage management system, supervisory control and data acquisition system] as well as back-office processes [e.g. customer information and billing systems, enterprise resource planning system]. The failure of one or more of these key systems, or a failure of the Corporation to either plan effectively for future technology needs or to transition effectively to new technology systems, could adversely impact business operations and financial results.

Complexity and connectedness

Hydro Ottawa Limited's key systems draw upon data and signals from several hundred thousand smart devices [chiefly smart meters], as well as the related systems and web interfaces. The processing of data in many cases entails a number of automated interfaces, as well as multiple internal and external dependencies, including Ontario's Smart Metering Entity. Risks arising from the reliability and performance of any single component of this integrated network, or of the system as a whole, could lead to a disruption of key business processes.

On a smaller scale, the Corporation's infrastructure and energy management business as well as its newly-established telecommunication business face similar exposures, as they draw upon data and information from a number of devices and systems, including some that are owned by third parties.

There is growing convergence of core operational systems with enterprise information systems, along with increasing automation, and extensive use of common technology in facilitating such integration and connectivity. The complexity of this technology infrastructure, together with its interconnected nature, has the potential to heighten existing risks as well as to create new ones.

The functioning of the Corporation's technology and communications infrastructure depends to a great degree on the expertise, reliability, and resilience of third parties. There can be no assurance that the performance of these third parties will be consistent with the standards the Corporation expects.

Cybersecurity

The Corporation's reliance on information systems and expanded data transmission and exchange networks, in conjunction with the growing extent of systems and data integration within the electricity sector, increases its exposure to information security threats, including cybersecurity risks. Hydro Ottawa's information systems and information assets could be put at risk by a security breach, data corruption, or system failure at a shared resource or common service provider. Cybersecurity risks could also be aggravated by the increased prevalence of working from home.

Human capital

Labour relations

A substantial segment of Hydro Ottawa's workforce is represented by various unions. Unsuccessful negotiations with unions present the risk of a labour disruption or dispute. This risk manifested itself in 2023 in Hydro Ottawa Limited for an 84-day period during which other, unrelated risks also occurred, notably extreme weather events. Together, this convergence of events severely tested the resilience of the Corporation's business continuity program, and affected business performance in 2023.

The Corporation has now negotiated four-year collective agreements with all sections of its represented workforce. As a result, the risk of a major labour disruption or dispute is considerably lower for the next three years.

Talent attrition and retention

The Corporation expects the market for trades, technical, and professional staff to remain intensely competitive. In such conditions, Hydro Ottawa's capacity to match or exceed the compensation and benefits offered by its comparators cannot be guaranteed. The prolonged inability to attract, train and or retain a skilled or qualified workforce could have an adverse effect on the Corporation's service delivery and business results.

Labour force demographics

Across the electricity sector, retirements are outpacing new entrants to the workforce, which could have an adverse impact on the ability of the Corporation to build a sustainable workforce and achieve its business objectives. Hydro Ottawa's investments in apprenticeships, internships, diversity, knowledge management, succession planning, and retiree and older worker engagement programs are designed to manage risks relating to workforce demographics.

Pension plans

The Corporation provides a defined benefit pension plan for the majority of its employees through the Ontario Municipal Employees Retirement System ['OMERS']. As OMERS is a multi-employer, contributory, defined benefit pension plan, it is not practicable to determine the Corporation's portion of pension obligations or the fair value of plan assets. Future funding shortfalls and net losses at OMERS, if any, are subject to the OMERS Sponsors Corporation Funding Management Strategy, which outlines how benefits and contributions will be modified as the OMERS Primary Plan cycles through periods of funding deficit and surplus.

Hydro Ottawa also has a separate defined benefit pension plan and a separate defined contribution pension plan for a small number of employees in the generation portfolio, with appropriate financial and investment procedures and oversight, as required by law. Pension benefit obligations and related net pension costs can be affected by volatility in the global financial and capital markets. There is no assurance that pension plan assets will earn the assumed long-term rates of return. Market-driven changes impacting the performance of the pension plan assets may result in material variations in actual returns.

Hazards and business continuity

Parts of the Corporation's business operations entail exposure to a range of hazards and events arising from a number of potentially inter-related factors: environmental [e.g. extreme weather; floods and earthquakes]; industrial [e.g. toxic and hazardous substances]; public health [e.g. pandemic]; public safety [e.g. civil disorder, terrorism]; structural [building or dam failure]; cybersecurity; and infrastructural [e.g. communications or transport failures].

Hydro Ottawa's Business Continuity program is designed to build capacities to respond to these events while maintaining essential operations, and to restore the business to full-scale operations when it is safe to do so. The program has demonstrated its effectiveness and resilience through a series of natural disasters since 2018, as well as during the 84-day strike in 2023 by the represented workforce in Hydro Ottawa Limited.

As robust as the program is, there can be no assurance that it will be able to withstand future challenges, especially if these emergencies and exceptional events should occur more often and with greater severity. Apart from creating risks to organizational resilience, hazards may also exacerbate financial risks. For example, the power and utilities sector may be required to absorb a greater proportion of the resulting losses if the insurance industry continues to reduce its coverage and offerings for such events.



Outlook

Subject to the risks and uncertainties above, Hydro Ottawa anticipates strengthening its financial posture in 2024 and steadily improving its business performance during the remainder of the 2021–2025 Strategic Direction term.

The Corporation believes that the adverse impact on the Corporation's financial performance in both 2022 and 2023 arises largely from a unique convergence of factors and circumstances — natural hazards and interest rate increases in 2022, and a summer of sustained extreme weather events together with a long strike in 2023. Accordingly, a slower pace of growth is projected relative to the original Financial Outlook in the 2021–2025 Strategic Direction. Nevertheless, the Corporation's overall financial position and risk profile are conducive to sustained year-over-year earnings over the long term.

By the end of 2024, Hydro Ottawa Limited will be on the cusp of submitting its 2026–2030 rate cycle application to the OEB. The application will seek to enable the capital investments that are necessary to maintain system reliability and operational effectiveness, while also providing an appropriate rate of return. Embedded in the plan will be controls and incentives which focus on productivity and cost efficiency.

The Corporation's non-regulated businesses likewise remain on a positive trajectory. Portage Power is well-positioned for future growth and opportunities, including upcoming competitive energy supply procurements set to be administered by the IESO. Against a backdrop of heightened interest in decarbonization, the landscape is similarly favourable for Envari, the Corporation's energy and utility services arm. With a growing roster of commercial and institutional clients pursuing sustainability objectives, an expanding portfolio of expertise and services, and a widening footprint across Eastern Ontario, Envari is strengthening its credentials as a preferred partner for carbon reduction and energy transformation projects.

Hiboo Networks, the Corporation's new telecommunications affiliate, continues its focus on acquiring customers, expanding its network, digitizing its customer experience and building internal capacity, with a business plan oriented towards value creation and revenue growth over the long-term.



Consolidated **financial statements**

Hydro Ottawa Holding Inc.

Consolidated Financial Statements

December 31, 2023

Report of Management

Management is responsible for the integrity of the financial data reported by Hydro Ottawa Holding Inc. [the 'Corporation']. Fulfilling this responsibility requires the preparation and presentation of consolidated financial statements and other data using management's best judgment and estimates, as well as International Financial Reporting Standards as issued by the International Accounting Standards Board.

Management maintains appropriate systems of internal control and corporate-wide policies and procedures, which provide reasonable assurance that the Corporation's assets are safeguarded and that financial records are relevant and reliable.

The Board of Directors, through the Audit Committee, ensures that management fulfills its responsibility for financial reporting and internal control. The Audit Committee consists of outside directors and, at regular meetings, reviews audit, internal control and financial reporting matters with management and external auditors. The Audit Committee has reviewed the consolidated financial statements and submitted its report to the Board of Directors.

On behalf of Management,



Bryce Conrad
President and Chief Executive Officer



Geoff Simpson
Chief Financial Officer



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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hydro Ottawa Holding Inc.

Opinion

We have audited the consolidated financial statements of Hydro Ottawa Holding Inc. (the Entity), which comprise:

- the consolidated balance sheet as at December 31, 2023
- the consolidated statement of income for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at end of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information in Management's Discussion and Analysis.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management's Discussion and Analysis as at or prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

April 23, 2024

Hydro Ottawa Holding Inc.

Consolidated Statement of Income
Year ended December 31, 2023
[in thousands of Canadian dollars]

	2023 $	2022 $
Revenue and other income		
Power recovery revenue [Note 19]	**861,905**	863,545
Distribution revenue [Note 19]	**224,770**	209,841
Generation revenue [Note 19]	**48,073**	45,336
Commercial services revenue [Note 19]	**36,477**	33,572
Other revenue [Note 19]	**14,382**	13,191
Government grant income	**4,336**	4,164
Business interruption proceeds [Note 4]	**4,482**	**-**
	1,194,425	1,169,649
Expenses		
Purchased power	**864,882**	863,139
Operating costs [Note 20]	**182,273**	160,624
Depreciation [Note 6]	**69,116**	65,709
Amortization [Note 7]	**10,488**	10,490
	1,126,759	1,099,962
Income before the undernoted items	**67,666**	69,687
Financing costs [Note 21]	**55,900**	45,026
Interest income	**(1,741)**	(1,154)
Share of loss from joint ventures [Note 8(a)]	**746**	441
Income before income taxes	**12,761**	25,374
Income tax expense [Note 22]	**10,512**	20,967
Net income	**2,249**	4,407
Net movements in regulatory balances, net of tax [Note 5]	**21,855**	35,267
Net income after net movements in regulatory balances	**24,104**	39,674

The accompanying notes are an integral part of these consolidated financial statements.

Hydro Ottawa Holding Inc.

Consolidated Statement of Comprehensive Income
Year ended December 31, 2023
[in thousands of Canadian dollars]

	2023 $	2022 $
Net income after net movements in regulatory balances	**24,104**	39,674
Other comprehensive income		
Items that may be subsequently reclassified to net income		
Exchange differences on translation of foreign operations, net of tax	**(1,005)**	2,860
Items that will not be subsequently reclassified to net income		
Actuarial (loss) gain on post-employment benefits, net of tax	**(575)**	2,313
Net movement in regulatory balances related to other comprehensive income, net of tax	**201**	(1,498)
Total comprehensive income	**22,725**	43,349

The accompanying notes are an integral part of these consolidated financial statements.

Hydro Ottawa Holding Inc.

Consolidated Balance Sheet
As at December 31, 2023
[in thousands of Canadian dollars]

	2023	2022
	$	$
Assets		
Current assets		
Cash	**14,920**	13,978
Accounts receivable [Note 4]	**202,873**	180,874
Income taxes receivable	**1,220**	2,818
Prepaid expenses	**9,474**	5,472
Inventory	**1,555**	1,551
Restricted cash [Note 14(b)]	**-**	2,560
	230,042	207,253
Non-current assets		
Property, plant and equipment [Note 6]	**2,039,273**	1,946,822
Intangible assets [Note 7]	**152,497**	158,415
Investment properties, at cost	**4,524**	4,548
Investments in joint ventures [Note 8(a)]	**16,849**	18,486
Notes receivables from related parties [Note 9(a)]	**20,000**	17,625
Restricted cash [Note 14(b)]	**7,160**	7,610
Deferred income tax asset [Note 22]	**8,442**	6,732
Total assets	**2,478,787**	2,367,491
Regulatory debit balances [Note 5]	**131,843**	116,513
Total assets and regulatory balances	**2,610,630**	2,484,004
Liabilities and equity		
Current liabilities		
Bank indebtedness [Note 10]	**7,822**	12,272
Commercial paper [Note 10]	**338,105**	276,390
Accounts payable and accrued liabilities [Note 11]	**207,998**	181,735
Income taxes payable	**118**	-
Deferred revenue [Note 12]	**9,604**	7,458
Current portion of long-term debt [Notes 14 and 24]	**3,796**	2,356
	567,443	480,211
Non-current liabilities		
Deferred revenue [Note 12]	**271,715**	238,443
Employee future benefits [Note 13]	**13,657**	12,642
Customer deposits	**18,026**	19,481
Long-term debt [Notes 14 and 24]	**1,074,563**	1,075,648
Deferred income tax liability [Note 22]	**118,607**	106,872
Other liabilities [Note 15]	**1,991**	2,078
Total liabilities	**2,066,002**	1,935,375
Equity		
Share capital [Note 17]	**228,453**	228,453
Accumulated other comprehensive income	**3,615**	4,994
Retained earnings	**297,601**	293,497
Total liabilities and equity	**2,595,671**	2,462,319
Regulatory credit balances [Note 5]	**14,959**	21,685
Total liabilities, equity and regulatory balances	**2,610,630**	2,484,004

Contingent liabilities and commitments [Notes 25 and 26]

On behalf of the Board:

Director

Director

The accompanying notes are an integral part of these consolidated financial statements.

Hydro Ottawa Holding Inc.

Consolidated Statement of Changes in Equity
Year ended December 31, 2023
[in thousands of Canadian dollars]

	Share capital $	Accumulated other comprehensive income $	Retained earnings $	Total $
Balance at December 31, 2021	228,453	1,319	277,523	507,295
Net income after net movements in regulatory balances	-	-	39,674	39,674
Other comprehensive income	-	3,675	-	3,675
Dividends [Note 17(b)]	-	-	(23,700)	(23,700)
Balance at December 31, 2022	228,453	4,994	293,497	526,944
Net income after net movements in regulatory balances	-	-	24,104	24,104
Other comprehensive income	-	(1,379)	-	(1,379)
Dividends [Note 17(b)]	-	-	(20,000)	(20,000)
Balance at December 31, 2023	**228,453**	**3,615**	**297,601**	**529,669**

The accompanying notes are an integral part of these consolidated financial statements.

Hydro Ottawa Holding Inc.

Consolidated Statement of Cash Flows
Year ended December 31, 2023
[in thousands of Canadian dollars]

	2023	2022
	$	$
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income after net movements in regulatory balances	**24,104**	39,674
Adjustments for:		
Depreciation and amortization	**79,604**	76,199
Loss on disposal of non-financial assets [Note 6]	**4,047**	1,408
Amortization of debt-issuance costs	**336**	330
Share of losses from joint ventures	**746**	441
Amortization of deferred revenue [Note 19]	**(7,819)**	(6,880)
Financing costs, net of interest income and debt-issuance costs	**53,823**	43,542
Income tax expense	**10,512**	20,967
Other	**(173)**	(540)
Changes in non-cash working capital and other operating balances [Note 23]	**(7,878)**	(16,118)
Income tax refunds received	**2,162**	1,936
Income taxes paid	**(1,210)**	(3,947)
Financing costs paid, net of interest income received	**(53,723)**	(37,671)
Capital contributions from customers	**20,065**	17,826
Capital contributions from developers [Note 6]	**11,067**	9,356
Change in customer deposits	**6,460**	(2,846)
Net movements in regulatory balances	**(21,855)**	(35,267)
	120,268	108,410
Investing		
Acquisition of property, plant and equipment [Note 6]	**(154,964)**	(156,646)
Acquisition of intangible assets	**(3,629)**	(8,573)
Proceeds from disposal of property, plant and equipment	**1,247**	1,113
Capital contributions to joint venture [Note 14(c)]	**(356)**	(283)
Dividends from joint venture	**540**	600
Issuance of note receivable to related party	**(2,375)**	(1,884)
Financing costs paid	**(694)**	(849)
Restricted cash held in-trust	**3,010**	610
Repayment of note receivable from joint ventures	**-**	214
Government grant received [Note 14(c)]	**356**	283
Distributions from joint venture	**351**	601
	(156,514)	(164,814)
Financing		
Proceeds from the issuance of commercial paper, net of repayments [Note 10]	**61,715**	86,390
Proceeds from issuance of long-term debt, net of repayments [Note 14]	**19**	712
Dividends paid [Note 17(b)]	**(20,000)**	(23,700)
Repayments of lease liabilities	**(96)**	(107)
	41,638	63,295
Net change in cash, net of bank indebtedness	**5,392**	6,891
Cash, net of bank indebtedness, beginning of year	**1,706**	(5,185)
Cash, net of bank indebtedness, end of year	**7,098**	1,706

The accompanying notes are an integral part of these consolidated financial statements.

Hydro Ottawa Holding Inc.

Notes to the Consolidated Financial Statements
Year ended December 31, 2023
[in thousands of Canadian dollars]

1. DESCRIPTION OF BUSINESS AND CORPORATE INFORMATION

Hydro Ottawa Holding Inc. [the 'Corporation'] is a holding company incorporated on October 3, 2000 whose sole shareholder is the City of Ottawa. The Corporation's primary operations, as carried out by its subsidiaries and joint ventures below, are the distribution of electricity within the City of Ottawa, the generation of renewable energy, and the provision of distribution and energy related commercial services. The Corporation is domiciled in Canada with its registered head office located at 2711 Hunt Club Road, Ottawa, Ontario, K1G 5Z9.

Significant operating subsidiaries, each of which is wholly-owned by the Corporation as at December 31, 2023, are as follows:

Subsidiary	Principal activity
Hydro Ottawa Limited ['Hydro Ottawa']	An electricity distribution company regulated by the Ontario Energy Board ['OEB'] that owns and operates electrical infrastructure in the City of Ottawa and the Village of Casselman. In addition to distribution services, Hydro Ottawa Limited invoices customers for amounts it is required to pay to other organizations in Ontario's electricity system for providing wholesale generation and transmission services.
Energy Ottawa Inc. ['Energy Ottawa']	Operating under the Portage Power brand, Energy Ottawa owns and operates 18 hydroelectric generating stations totalling 118 MW located in Ontario and Québec [at Chaudière Falls] and New York state. Significant subsidiaries of Energy Ottawa include Chaudiere Hydro L.P. ['CHLP'], Hull Energy L.P. ['Hull Energy LP'], EONY Generation Limited ['EONY'], Chaudiere Hydro North L.P. ['CHLP North'], EO Generation LP ['EO Gen'] and Chaudiere Financial L.P. ['CFLP'].
Envari Holding Inc. ['Envari']	Envari provides turnkey management, analysis and infrastructure services to large energy consuming organizations and non-destructive cable testing services to utility companies. Significant subsidiaries of Envari include Envari Energy Solutions Inc. and Energy Ottawa Cable Testing Services Inc. ['Cable Q'].
Telecom Ottawa Holding Inc. ['TOHI']	TOHI owns 100% of Hiboo Networks Inc. ['Hiboo'] (formerly 13310361 Canada Inc.). Hiboo provides secure, high-speed fibre optic network solutions and internet service to businesses in the Ottawa and Gatineau area.

Joint ventures the Corporation is a party of as at December 31, 2023, are as follows:

Joint venture	Principal activity
PowerTrail Inc. ['PowerTrail'] [60% owned]	Owns and operates a 6 MW landfill gas-to-energy plant at the Trail Road landfill site in Ottawa, Ontario.
Moose Creek Energy LP ['Moose Creek LP'] [50.05% owned]	Owns and operates a 4 MW landfill gas-to-energy plant at the Laflèche landfill site in Moose Creek, Ontario.
Zibi Community Utility LP ['ZCU'] [50% owned]	Owns and operates a thermal utility for the Zibi development in downtown Ottawa and Gatineau.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared by management on a going-concern basis in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ['IFRS Accounting Standards'], and have been approved and authorized by the Corporation's Board of Directors for issue on April 23, 2024.

(b) Basis of measurement

The Corporation's consolidated financial statements are prepared on a historical cost basis, except for employee future benefits as disclosed in Note 3(n).

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

(d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements.

Due to the inherent uncertainty involved in making estimates, actual results could differ from estimates recorded in preparing these consolidated financial statements, including changes as a result of future decisions made by regulators and governments. Management reviews its estimates and judgments on an ongoing basis using the most current information available. These consolidated financial statements have, in management's opinion, been properly prepared using careful judgment and reasonable limits of materiality within the framework of the material accounting policies. Significant areas where estimates and judgments are made in the application of IFRS Accounting Standards are as follows:

(i) Accounts receivable

Accounts receivable, which include unbilled receivables, are reported based on the amounts expected to be recovered less a loss allowance for expected credit losses. Management utilizes historical loss experience and forward-looking information in conjunction with the aging and arrears status of accounts receivable at year-end in the determination of the allowance.

(ii) Regulatory balances

The recognition and measurement of regulatory balances is subject to certain estimates, judgments and assumptions, including assumptions made in the interpretation of the OEB's regulations and decisions. The Corporation continues to assess the likelihood of recovery of all regulatory debit balances subject to recovery through a future rate filing. The absence of OEB approval is a consideration in this evaluation.

(iii) Useful lives of depreciable assets

Depreciation and amortization expense are calculated based on estimates of the useful lives of property, plant and equipment, intangible assets and investment properties. Management estimates the useful lives of the various types of assets using assumptions and estimates of life characteristics of similar assets based on a long history of electricity distribution and generation industry experience.

2. BASIS OF PRESENTATION [continued]

(d) Use of estimates and judgments [continued]

(iv) Impairment of non-financial assets

Non-financial assets are reviewed by management for impairment using the future cash flows method as outlined in Note 3(m). By their nature, estimates of future cash flows, including estimates of future capital expenditures, revenue, operating expenses, discount rates, generation production, inflation, terminal capitalization rates and forecasted market pricing [including ancillary, capacity and other market incentives] are subject to measurement uncertainty. Management factors in current economic conditions, past experience and obtains third party consultations to support its estimates when necessary.

(v) Employee future benefits

The measurement of employee future benefits involves the use of numerous estimates and assumptions. Actuaries make assumptions for items such as discount rates, future salary increases and mortality rates in the determination of benefits expenses and defined benefit obligations.

(vi) Capital contributions

The timing of the satisfaction of performance obligations for capital contributions from customers is subject to certain estimates of future electricity usage.

(vii) Deferred income taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Corporation and its subsidiaries operate are subject to change. Deferred income tax assets are assessed by management at the end of each reporting period to determine the likelihood that they will be realized from future taxable income, taking into account potential tax planning opportunities. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized.

(viii) Indicator of asset impairment

At the end of each reporting period, or earlier if required, management uses its judgment to assess whether there is an indication that the carrying amount of a non-financial asset [or cash-generating unit, 'CGU'] exceeds its recoverable amount. This assessment involves the consideration of whether any events or changes in circumstances could have affected the recoverability of the carrying amount of a non-financial asset or CGU. Management considers various indicators including, but not limited to, adverse changes in the industry or economic conditions; changes in the degree or method of use of an asset; a lower-than-expected economic performance of an asset or a significant change in market or interest rates.

Based on management's judgment, an indicator of impairment [under IAS 36 – *Impairment of Assets* ['IAS 36']] existed within EONY at December 31, 2023 pertaining to the volatility in energy market prices in New York State and the increase in market interest rates. Assumptions with respect to these cash flows are sensitive to the various inputs into the value-in-use calculation, and thus are subject to measurement uncertainty [Note 2(d)(iv)] and details regarding management's 2023 value-in-use analysis are presented in Note 7 of these consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

On January 1, 2023, the Corporation adopted amendments within IAS 1 *Presentation of Financial Statements* related to the *Disclosure of Accounting Policies*. The changes required an entity to disclose material rather than significant accounting policies and provided guidance identifying material accounting policies relevant to users of the financial statements. Accordingly, management reviewed its accounting policies and updated the accounting policy information within this note to align with these amendments.

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries including those described in Note 1. Subsidiaries are entities controlled by the Corporation. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns by directing and controlling the activities of the entity. Subsidiaries are fully consolidated from the date on which the Corporation obtains control, and continue to be consolidated until the date that control ceases to exist. Intercompany balances and transactions have been eliminated in these consolidated financial statements The financial statements of the subsidiaries are prepared for the same reporting period as the Corporation using consistent accounting policies.

(b) Joint ventures

All joint arrangements are either classified as joint ventures or joint operations in accordance with IFRS 11 – *Joint Arrangements* ['IFRS 11'] the Corporation is party to three joint ventures as described in Note 1 of these consolidated financial statements whereby control is shared with third parties via a contractual agreement. Joint ventures are accounted for using the equity method. Under this method, the Corporation's interests in joint ventures are initially recorded at cost, and subsequently adjusted to recognize the Corporation's share of post-acquisition profits or losses, movements in other comprehensive income ['OCI'] and dividends or distributions received, as applicable.

(c) Foreign currency translation

Transactions denominated in foreign currencies are translated at exchange rates in effect at the transaction date. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the end of the reporting period. Non-monetary assets and liabilities carried at historical cost are not re-translated; they remain at the exchange rate in effect at the date of the original transaction. Non-monetary assets and liabilities carried at fair value are translated at the exchange rate in effect at the date the fair value was measured. Any resulting exchange gains or losses are included in net income for the year.

The assets and liabilities of EONY are translated into Canadian dollars at the exchange rate in effect at the end of the reporting period. Revenue and expenses are translated into Canadian dollars at the average exchange rate in effect during the reporting period. Any resulting exchange gains and losses arising from the translation are included in OCI for the year.

(d) Regulation – Hydro Ottawa

Hydro Ottawa is regulated by the OEB under the authority of the *Ontario Energy Board Act, 1998*. The OEB is charged with the responsibilities of approving or setting rates for the transmission and distribution of electricity, and ensuring that distribution companies fulfill obligations to connect and service customers.

For fiscal year ended December 31, 2023, Hydro Ottawa continued to operate under a custom incentive rate-setting application ['Custom IR'] prescribed by the OEB. The Custom IR is one of the rate setting options contained in the *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* policy.

Annual IR applications are required to set rates and charges for the 2022-2025 rate years. On August 17, 2023, Hydro Ottawa filed its Custom IR year 4 update application seeking approval to change its base distribution rates effective January 1, 2024. Rates are adjusted using a formulaic approach following the first year base rates. The 2024 rates are based on an update to Hydro Ottawa's custom price escalation factor, working capital allowance, and Hydro Ottawa's annual incremental capital stretch factor for capital-related revenue requirement. Hydro Ottawa's 2024 rates were approved by the OEB on December 14, 2023.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(d) Regulation – Hydro Ottawa [continued]

Once rates are approved, they are not adjusted as a result of actual costs being different from those that were estimated, other than for certain prescribed costs that are eligible for deferral treatment and are either collected or refunded in future rates.

In January 2014, the International Accounting Standards Board ['IASB'] issued IFRS 14 – *Regulatory Deferral Accounts* ['IFRS 14'], which permits rate-regulated entities to use its existing rate-regulated activities practices if and only if, in its first IFRS financial statements, it recognized regulatory deferral account balances by electing to apply the requirements of IFRS 14.

Hydro Ottawa has determined that certain debit and credit balances arising from rate-regulated activities qualify for the application of regulatory accounting treatment in accordance with IFRS 14 and the accounting principles prescribed by the OEB in the Accounting Procedures Handbook for Electricity Distributors. Regulatory debit and credit balances primarily represent costs that have been deferred because it is probable that they will be recovered in future rates, revenues that are required to be returned or collected to/from customers or balances that arise from differences in amounts billed to customers for electricity services and the costs that Hydro Ottawa incurs to purchase these services.

Regulatory balances principally comprise of the following:

- Regulatory asset/liability refund account ['RARA'/'RLRA'] consists of balances of regulatory assets or regulatory liabilities approved for disposition by the OEB through temporary additional rates referred to as rate riders.
- Settlement variances relate primarily to the charges Hydro Ottawa incurred for transmission services, commodity, wholesale market operations and global adjustment in comparison to those settled with customers during the year. The nature of the settlement variances is such that the balance can fluctuate between assets and liabilities over time, and they are reported at year-end dates in accordance with rules prescribed by the OEB.
- Lost Revenue Adjustment Mechanism ['LRAM'] account tracks and disposes of lost electricity distribution revenues that result from Conservation and Demand Management ['CDM'] programs.
- Earnings Sharing Mechanism ['ESM'] variance account captures 50% of any regulated earnings above Hydro Ottawa's approved return on equity for specific rate periods.
- Other Post-employment Benefits deferral account ['OPEB deferral account'] was authorized by the OEB in 2011 to record the adjustment to employee future benefits other than pension relating to the cumulative actuarial gains or losses. This account is adjusted annually to record any changes in the cumulative actuarial gains or losses. No interest charges are recorded on this account as instructed by the OEB.
- Other Post-employment Benefits cash versus accrual account ['OPEB cash vs accrual'] tracks the interest on the differential of Hydro Ottawa's contributions to OPEB versus the accrued OPEB expense recorded in Hydro Ottawa's statement of income.
- Gain/Loss on Asset Disposal variance account is the difference between actual amount of gain or loss from disposal of fixed assets and the forecasted gain or loss.

Other variances and deferred costs include the following:

- The Connection Cost Recovery Agreement ['CCRA'] account allows Hydro Ottawa to record annual revenue requirements related to the difference between forecasted payments built into rates and actual payments made to Hydro One Networks Inc. ['HONI'] under the CCRA's.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(d) Regulation – Hydro Ottawa [continued]

- Capital Variance Account ['CVA'] account (excluding the System Access capital variance sub-account relating to plant relocation requested by third parties and residential expansion) is an asymmetrical variance account. Accordingly, the CVA tracks on an annual basis [for years 2021-2025], the cumulative revenue requirement difference resulting from the underspending in the Corporation's three capital spending categories: System Renewal/System Service, System Access, and General Plant. The System Access capital variance sub-account records the cumulative revenue requirement difference due to both overspending or underspending and is referred to as a symmetrical variance account.
- A Performance Outcomes Accountability Mechanism account to return up to $200 annually for each under-achieved target during the 2021-2025 custom incentive rate-setting period. The five targets impacted by this mechanism account are identified in Hydro Ottawa's settlement agreement.
- The OEB established a variance account for electricity distributors to record any material differences between OEB cost assessments currently built into rates, and cost assessments that will result from the application of the new cost assessment models.

Hydro Ottawa accrues interest on the regulatory balances as directed by the OEB.

Hydro Ottawa continues to assess the likelihood of recovery of all regulatory debit balances subject to recovery through a future rate filing. The absence of OEB approval is a consideration in this evaluation. If the requirement for a provision becomes more likely than not, Hydro Ottawa will recognize the provision in operating costs for the year.

(e) Revenue recognition

Depending on whether certain criteria are met, the Corporation recognizes revenue from contracts with customers when it transfers control over a product or service to a customer either over time or at a point in time. For revenue from other sources, the Corporation recognizes revenue over time taking into consideration the facts and circumstances of the arrangement.

Revenue is measured at the consideration received or receivable, excluding any discounts, rebates and sales taxes and other amounts collected on behalf of third parties in the following revenue arrangements.

(i) Power recovery

Power recovery revenue represents the flow-through of the cost of power to the consumer as purchased by the Corporation and is recognized over time as electricity is delivered to the customer, as measured by meter readings or usage estimates. Power recovery revenue is regulated by the OEB and includes charges to customers for the electricity commodity, the transmission of electricity and the administration of the wholesale electricity system. The Corporation has determined that it acts as a principal in this revenue arrangement and therefore has presented it on a gross basis.

(ii) Distribution

The Corporation charges customers for the delivery of electricity, based on rates established by the OEB. The rates are intended to allow the Corporation to recover its prudently-incurred costs and earn a fair return on invested capital. Distribution revenue is recognized over time as electricity is delivered to the customer, as measured by meter readings or usage estimates.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(e) Revenue recognition [continued]

(iii) Generation

Generation revenue is recognized over time upon the delivery of generated electricity to the customer, as measured by meter readings in accordance with the applicable contractual arrangement.

(iv) Commercial services

Commercial services revenue comprise revenue earned under contracts for service work related to distribution operations, turnkey energy management and analysis projects, the provision of streetlight installation and maintenance services, pole attachment and duct rental services and non-destructive cable testing.

Certain commercial services [distribution projects, turnkey energy management projects and streetlight installation services] are accounted for using the percentage-of-completion method, whereby revenue and the corresponding costs are recognized over time proportionately with the degree of completion of the services under contract and the Corporation has an enforceable right to payment for performance completed to date. Losses on such contracts are fully recognized when they become evident and probable. Other commercial services revenues are recognized over time as services are rendered, or on a straight-line basis over the period of the contract if the services performed consist of an indeterminate number of acts over a specified period of time.

(v) Other

Other revenue consists primarily of investment property rentals, capital contributions received from customers amortized to revenue, and other account-related charges such as account set-up and late payment fees.

In certain situations, capital contributions are required from customers to finance additions to property, plant and equipment when the estimated revenue resulting from the addition to property, plant and equipment is less than the cost of providing the service or where special equipment is needed to supply the customers' specific requirements. Since the contributions will provide current and future customers with ongoing access to the supply of electricity, these contributions are classified as deferred revenue and amortized into revenue on a straight-line basis over time [the period a customer will receive services], which is typically equivalent to the rate used for the depreciation of the related property, plant and equipment [service life of the related assets].

Capital contributions received from developers to construct or acquire property, plant and equipment for the purpose of connecting future customers to the Corporation's distribution network are considered out of scope of IFRS 15 – *Revenue from Contracts with Customers* ['IFRS 15']. Capital contributions received from developers are recognized as deferred revenue and amortized into revenue from other sources at an equivalent rate to that used for the depreciation of the related property, plant and equipment.

(f) Interest income and financing costs

Interest income is recognized as it accrues under the effective interest method and comprises interest earned on cash and notes receivable from related parties.

Financing costs are calculated using the effective interest rate method and are recognized as an expense unless they are capitalized as part of the cost of a qualifying asset.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(g) Income taxes

The Corporation, Hydro Ottawa, Energy Ottawa and Envari are each considered to be a Municipal Electric Utility ['MEU'] and are required to make payments in lieu of corporate income taxes ['PILS'] as contained in the *Electricity Act, 1998*, as all of their share capital is indirectly owned by the City of Ottawa and not more than 10% of its income is derived from activities carried on outside the municipal boundaries of the City of Ottawa. The *Electricity Act, 1998* provides that a MEU that is exempt from tax under the *Income Tax Act* (Canada) ['ITA'] and the *Taxation Act,* Ontario ['TAO'] is required to make, for each taxation year, a PILs payment to the Ontario Electricity Financial Corporation in an amount equal to the tax that it would be liable to pay under the ITA and the TAO if it were not exempt from tax.

The Corporation, Hydro Ottawa, Energy Ottawa, and Envari follow the liability method for recording income taxes. Under the liability method, current income taxes payable is recorded based on taxable income. Deferred income taxes arising from temporary differences in the accounting and tax basis of assets and liabilities are provided based on substantively enacted tax rates that will be in effect when the differences are expected to reverse.

The Corporation evaluates the realizability of its deferred income tax assets at the end of each reporting period. To the extent that it is not probable that taxable profit will be available against which the unused tax losses can be utilized, the deferred income tax asset is not recognized.

Hydro Ottawa recognizes regulatory balances for the amounts of future income taxes expected to be refunded to or recovered from customers in future electricity rates as prescribed by the OEB.

EONY is subject to the income tax regime in the United States [the 'Internal Revenue Service']. PowerTrail is taxable under the ITA and TAO as less than 90% of each company's capital is owned by the City of Ottawa through Energy Ottawa and the Corporation. Corporate income taxes are accounted for using the liability method as described above.

Moose Creek LP, CHLP, EO Gen, CHLP North, Hull Energy LP, CFLP and ZCU are not taxable entities for federal and provincial income tax purposes. Tax on the net income (loss) is borne by the individual partners through the allocation of taxable income.

(h) Restricted cash

Cash that is restricted as to withdrawal or use under the terms of certain contractual agreements is classified as restricted cash.

(i) Bank indebtedness

Bank indebtedness includes short-term advances and/or bankers' acceptances drawn on the Corporation's credit facility with a maturity date of three months or less, and outstanding cheques. Cash and bank indebtedness are offset and the net amount is presented on the consolidated balance sheet when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(j) Financial instruments

Financial instruments are initially measured at the fair value of the consideration given or received plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

The Corporation's financial assets, upon initial recognition, are classified as amortized cost or fair value [whereby subsequent changes in fair value are recognized either through OCI ['FVOCI'] or through profit and loss ['FVTPL'] as unrealized market adjustments]. Financial assets are classified based on the Corporation’s business model for managing such assets and the contractual terms of the related cash flows.

The Corporation's financial liabilities, upon initial recognition, are classified as amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(j) Financial instruments [continued]

The Corporation classifies and subsequently measures its financial instruments as follows:

– Cash, restricted cash, accounts receivable and notes receivables from related parties are financial assets classified and measured at amortized cost using the effective interest method, less any impairment if applicable.

– Bank indebtedness, commercial paper, accounts payable and accrued liabilities, customer deposits and long-term debt are financial liabilities classified and measured at amortized cost using the effective interest rate method.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between willing parties. The Corporation's own credit risk and the credit risk of the counterparty are taken into account in determining the fair value of financial assets and liabilities. Financial instruments are classified using a three level hierarchy. The levels reflect the inputs used to measure the fair values of financial assets and financial liabilities, and are as follows:

– Level 1: inputs are unadjusted quoted prices of identical instruments in active markets;

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3: inputs for the liabilities that are not based on observable market data [unobservable inputs].

All financial assets except for those classified as FVTPL or FVOCI are subject to review for impairment at least at each reporting date. Impairment losses, if material, are recognized in net income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

The Corporation recognizes loss allowances for expected credit losses ['ECLs'] on financial assets measured at amortized cost. The Corporation measures loss allowances for electricity receivables, unbilled receivables and trade receivables via a simplified approach as permitted by IFRS 9 - *Financial Instruments* ['IFRS 9'], at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased, the Corporation performs a quantitative and qualitative analysis based on the Corporation’s historical experience and forward-looking information. The Corporation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Corporation considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full, without recourse by the Corporation to actions such as realizing security.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

(k) Property, plant and equipment

Property, plant and equipment consist principally of land, buildings and fixtures, electricity distribution and infrastructure, furniture and equipment, rolling stock, generating equipment, reservoirs, dams and waterways, civil structures and assets under construction. Right-of-use assets under IFRS 16 – *Leases* ['IFRS 16'] are classified within property, plant and equipment in these consolidated financial statements.

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Self-constructed asset costs comprise all directly attributable expenditures to bring the asset into operation including labour, materials, employee benefits, transportation, contracted services and borrowing costs. Where parts of an item in property, plant and equipment are significant and have different estimated economic useful lives, they are accounted for as separate items [major components] of property, plant and equipment. Certain assets may be acquired or constructed with financial assistance in the form of contributions from customers and developers. Assets that are acquired from customers and developers are measured at fair value. Contributions from customers and developers are treated as deferred revenue.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(k) Property, plant and equipment [continued]

The cost of major inspections and maintenance is recognized in the carrying value of an asset provided that the Corporation will derive future economic benefits from the expenditure. The carrying amount of a replaced part is derecognized. The costs of day-to-day servicing, repairs, and maintenance are expensed as incurred.

Depreciation is recorded on a straight-line basis over the estimated service life of each component of property, plant and equipment. Emergency capital spare parts that are expected to be used for more than one year are considered to be assets under construction and are depreciated only once they are put into service.

Gains and losses on disposal of retired, sold or otherwise derecognized property, plant and equipment are recognized in income and are calculated as the difference between net proceeds from disposal and the carrying amount of the asset. Compensation from third parties for property, plant and equipment lost, impaired or given up is measured at fair value and recognized when the compensation becomes receivable.

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated service lives for property, plant and equipment classes are as follows:

Land, buildings and structures	
Land	Indefinite
Buildings and fixtures	10 to 100 years
Civil structures	100 years
Electricity distribution infrastructure	10 to 60 years
Generation and other	
Generating equipment	10 to 50 years
Dark fibre	20 to 25 years
Reservoirs, dams and waterways	100 to 125 years
Furniture and equipment	5 to 40 years
Rolling stock	7 to 15 years

Assets under construction and land are not subject to depreciation.

Borrowing costs are capitalized as a component of the cost of self-constructed property, plant and equipment assets that take a substantial period of time to get ready for their intended use. The capitalization rate is the Corporation's weighted average cost of borrowing.

(l) Intangible assets

Intangible assets include land and water rights, computer software, capital contributions, power purchase agreements, deferred contract costs and assets under development. Water rights represent the inherent value of the right to draw water from government-owned rivers and lakes for purposes of generating electricity.

Intangible assets with finite lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortized on a straight-line basis over the estimated service lives of the related assets while those with indefinite lives are not amortized.

Intangible assets are derecognized on disposal or when no further future economic benefits are expected from their use. Gains or losses on disposal of intangible assets are recognized in income and are calculated as the difference between net proceeds from disposal and the carrying amount of the asset.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(l) Intangible assets [continued]

The estimated useful lives and amortization methods are reviewed at each year-end with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated service lives for intangible assets with finite lives are as follows:

Land rights	50 years
Water rights with a definite useful life	7 to 100 years
Computer software	5 to 15 years
Other contractual rights	
Capital contribution agreements	45 years
Power purchase agreements ['PPA']	15 years
Deferred contract costs	14 years

(m) Impairment of non-financial assets

At the end of each reporting period, or earlier if required, the Corporation assesses whether there is an indication that a non-financial asset [or 'CGU'] may be impaired. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If any indication exists, the Corporation estimates the asset's recoverable amount, which is the higher of an asset or CGU's fair value less costs of disposal and its value-in-use. If the carrying value of a non-financial asset materially exceeds its recoverable amount, the difference is immediately recognized as an impairment loss in the consolidated statement of income.

Intangible assets with indefinite useful lives [i.e. certain water rights] and assets under development are tested for impairment [within their respective CGUs] at least annually, and whenever there is an indication that the asset may be impaired.

When determining the recoverable amount, the Corporation determines its value-in-use by discounting estimated future cash flows to their present value using a discount rate that reflects changes in the time value of money and the risks specific to the asset of the CGU. The discount rate estimated and used by management represents the weighted average cost of capital determined for the CGU being tested. Terminal values are included in the determination of management's value-in-use calculations and are based on an earnings multiple approach via a terminal capitalization rate.

At the end of a reporting period, the Corporation assesses whether there is any indication that an impairment loss recognized in a prior period no longer exists or has decreased. If any such indication exists, the loss is reversed up to its recoverable amount where there has been a change in estimated service potential. The carrying amount following the reversal must not be higher than the carrying amount that would have prevailed [net of amortization] had the original impairment not been recognized in prior periods.

Compensation for impairment of non-financial assets, such as insurance recoveries, is included in determining profit or loss when it becomes receivable and is not offset against the cost of restoring, purchasing or constructing replacement assets.

(n) Employee future benefits

(i) Pension plans

The Corporation provides pension benefits for its employees through the Ontario Municipal Employees Retirement System ['OMERS'] Fund [the 'Fund']. OMERS is a multi-employer pension plan that provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a defined benefit pension plan, which is financed by equal contributions from participating employers and employees and by the investment earnings of the Fund.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(n) Employee future benefits [continued]

(i) Pension plans [continued]

Although the plan is a defined benefit plan, sufficient information is not available to the Corporation to account for it as such because it is not possible to attribute the fund assets and liabilities between the various employers who contribute to the Fund. As a result, the Corporation accounts for the plan as a defined contribution plan, and contributions payable as a result of employee service are expensed as incurred as part of operating costs. The Corporation shares in the actuarial risks of the other participating entities in the plan, and its future contributions may therefore be increased due to actuarial losses relating to the other participating entities. In addition, the Corporation's contributions could be increased if other entities withdraw from the plan.

CHLP is the sponsoring employer of the Pension Plan for Employees of Chaudiere Hydro L.P. and Participating Employers ['Chaudiere Hydro Pension Plan'] which provides pension benefits for certain of the Corporation's employees and is accounted for as follows:

- Chaudiere Hydro Pension Plan assets are held by an insurance corporation and are measured at fair value, which are determined as follows: bond, equity and other investment funds are valued using the unit values supplied by the fund manager, which reflects the fund's proportionate share of underlying net assets at fair values determined using closing quotations from Canadian investment dealers, and short-term investments are valued at cost, including accrued interest, which due to their short-term maturity approximates fair value.

- Defined benefit obligations of the Chaudiere Hydro Pension Plan are determined based on the expected future benefit payments discounted using market interest rates on high-quality debt instruments that match the timing and amount of expected benefit payments.

- The cost of pension earned by employees is actuarially determined using the projected benefit method prorated on services, and management's best estimate of salary escalation, retirement ages and life expectancy.

- The defined benefit expense is presented in employee benefits in net income on the consolidated statement of income and includes, as applicable, the estimated cost of employee benefits for the current year service, interest cost, interest income on Chaudiere Hydro Pension Plan's assets, plan amendments, curtailments, other administration costs of the pension plans and any gain or loss on settlement. Current service cost, interest income on Chaudiere Hydro Pension Plan's assets and interest costs are computed by applying the discount rate used to measure the plan obligation at the beginning of the annual period.

- Remeasurements arising on Chaudiere Hydro Pension Plan's assets and defined benefit obligation are presented in OCI on the consolidated statement of comprehensive income and arise from actuarial gains and losses on defined benefit obligations, the difference between the actual return [net of costs of managing Chaudiere Hydro Pension Plan's assets] and interest income on plan assets, if applicable. Chaudiere Hydro Pension Plan's significant assumptions are assessed and revised, as appropriate.

- Past service costs are included in the cost of the Chaudiere Hydro Pension Plan for the year when they arise.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(n) Employee future benefits [continued]

(i) Pension plans [continued]

The fair value of the Chaudiere Hydro Pension Plan assets is offset against the defined benefit obligation. The net amount is recognized as a retirement benefit asset or retirement benefit liability.

(ii) Other post-employment benefits

Other post-employment benefits provided by the Corporation include life insurance, a collectively bargained retirement grant and other benefits. These plans provide benefits to certain employees when they are no longer providing active service.

Employee future benefits expense is recognized in the period during which the employees render services.

Employee future benefits are recorded on an accrual basis. The defined benefit obligation and current service costs are calculated using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Actuarial gains and losses resulting from experience different from that assumed or from changes in actuarial assumptions are recognized in OCI. However, for Hydro Ottawa, these amounts are reclassified to a regulatory debit balance as prescribed by the OEB.

(o) Customer deposits

Customer deposits are cash collections from non-residential customers to guarantee the payment of future energy bills and fulfillment of construction obligations. Deposits from customers to guarantee the payment of energy bills includes related interest amounts owed to the customers. Deposits estimated to be refundable to customers within the next fiscal year are classified as current liabilities and included in accounts payable and accrued liabilities.

(p) Provisions and contingencies

The Corporation recognizes provisions when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential loss. Actual results could differ from these estimates.

A contingent asset is not recognized in the consolidated financial statements. However, a contingent asset is disclosed where an inflow of economic benefits is probable.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(q) Deferred revenue

In certain situations, assistance in the form of contributions is required from customers and developers to finance additions to property, plant and equipment. This occurs when the estimated revenue resulting from the addition to property, plant and equipment is less than the cost of providing the service or where special equipment is needed to supply the customers' specific requirements. Since the contributions will provide customers with ongoing access to the supply of electricity, these contributions are classified as deferred revenue, and recognized in revenue in accordance with Note 3(e)(v). In addition, loan arrangement fees received by the Corporation are treated as deferred revenue and amortized into revenue over the term of the associated loan.

(r) Debt-issuance costs

Debt-issuance costs that are external, direct and incremental arising from its debenture and bond offerings are netted against the proceeds of the debt and amortized over the life of the related instrument using the effective interest method.

4. ACCOUNTS RECEIVABLE

	2023	2022
	$	$
Receivables from contracts with customers		
Electricity receivable	**71,600**	59,994
Unbilled receivables related to electricity	**86,259**	82,660
IESO receivable	**14,065**	9,742
Trade and other receivables	**11,541**	14,352
Amounts due from related parties [Note 27]	**18,929**	17,911
Less: loss allowance [Note 18(c)]	**(4,179)**	(4,030)
	198,215	180,629
Receivables from other sources		
Business interruption proceeds	**2,653**	**-**
Sales tax receivable	**233**	245
Investment tax credit receivable	**1,772**	**-**
	202,873	180,874

On March 19, 2023, the Unit 1 turbine-generator [of 4 Units] of CHLP experienced a mechanical failure while in operation, resulting in significant damage, requiring replacement of the turbine-generator [the 'Unit 1 Event']. The Corporation initiated a claim under its insurance policy for the generating facility providing business interruption compensation in circumstances such as the Unit 1 Event. Business interruption proceeds are available following a 30 day grace period from the date of notice and for a total coverage maximum of $48,800. In 2023, the Corporation recognized $4,482 in business interruption proceeds under its insurance policy for lost generation revenues. At December 31, 2023, the Corporation has received $1,829 in cash proceeds from its insurance provider pertaining to these lost revenues, and has accrued business interruption proceeds of $2,653.

5. REGULATORY BALANCES

Information about the Corporation's regulatory balances is as follows:

	Remaining recovery/ reversal [years]	2022 $	Balances arising in the year $	Recovery/ reversal $	Other movements[1] $	**2023 $**
Regulatory debit balances						
RARA	1 - 5	687	7,378	949	(73)	**8,941**
Settlement variances	1 - 5	36,724	10,279	-	(10,877)	**36,126**
OPEB cash vs accrual	1 - 5	3,218	314	-	-	**3,532**
Loss on asset disposal	1 - 5	148	-	-	(148)	**-**
Regulatory asset for deferred income taxes	[2]	74,238	8,384	-	-	**82,622**
Other variances and deferred costs	1 - 5	1,498	(814)	-	(62)	**622**
		116,513	25,541	949	(11,160)	**131,843**
Regulatory credit balances						
RLRA	1 - 5	1,148	1,794	(1,592)	(73)	**1,277**
Settlement variances	1 - 5	17,033	(1,315)	-	(10,877)	**4,841**
ESM	1 - 5	1,467	74	-	-	**1,541**
Gain on asset disposal	1 - 5	-	1,241	-	(148)	**1,093**
LRAM	1 - 5	105	2,951	-	-	**3,056**
OPEB deferral account	1 - 5	30	33	-	-	**63**
Other variances and deferred costs	1 - 5	1,902	1,248	-	(62)	**3,088**
		21,685	6,026	(1,592)	(11,160)	**14,959**

5. REGULATORY BALANCES [CONTINUED]

	Remaining recovery/ reversal [years]	2021 $	Balances arising in the year $	Recovery/ reversal $	Other movements[1] $	2022 $
Regulatory debit balances						
RARA	1 - 5	1,691	4,170	(1,600)	(3,574)	687
Settlement variances	1 - 5	13,453	23,049	222	-	36,724
OPEB cash vs accrual	1 - 5	5,561	(2,343)	-	-	3,218
LRAM	1 - 5	967	-	-	(967)	-
Loss on asset disposal	1 - 5	-	484	-	(336)	148
Regulatory asset for deferred income taxes	[2]	61,860	12,378	-	-	74,238
Other variances and deferred costs	1 - 5	2,842	(471)	7	(880)	1,498
		86,374	37,267	(1,371)	(5,757)	116,513
Regulatory credit balances						
RLRA	1 - 5	9,588	(5,441)	575	(3,574)	1,148
Settlement variances	1 - 5	12,850	4,411	(228)	-	17,033
ESM	1 - 5	2,126	(659)	-	-	1,467
Gain on asset disposal	1 - 5	336	-	-	(336)	-
LRAM	1 - 5	-	1,072	-	(967)	105
OPEB deferral account	1 - 5	12	18	-	-	30
Other variances and deferred costs	1 - 5	403	1,485	894	(880)	1,902
		25,315	886	1,241	(5,757)	21,685

[1] Other movements represent reclassifications of balances
[2] The balance is being reversed through timing differences in the recognition of deferred income tax assets [Note 3(g)]

Details and descriptions pertaining to the above regulatory debit and credit accounts are disclosed in Note 3(d) of these consolidated financial statements.

6. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and structures $	Distribution $	Generation and other $	Assets under construction $	Total $
Cost					
Balance as at December 31, 2021	312,447	1,368,056	454,434	77,533	2,212,470
Additions, net of transfers	3,554	136,033	18,405	3,658	161,650
Disposals	(1)	(3,300)	(1,267)	(27)	(4,595)
Exchange differences	1,328	-	2,865	14	4,207
Balance as at December 31, 2022	317,328	1,500,789	474,437	81,178	2,373,732
Additions, net of transfers	14,969	113,490	15,034	24,341	167,834
Disposals	(14)	(1,427)	(5,907)	-	(7,348)
Exchange differences	(475)	-	(1,103)	(3)	(1,581)
Balance as at December 31, 2023	**331,808**	**1,612,852**	**482,461**	**105,516**	**2,532,637**
Accumulated depreciation					
Balance as at December 31, 2021	(30,892)	(250,749)	(80,347)	-	(361,988)
Depreciation	(6,113)	(43,952)	(15,576)	-	(65,641)
Disposals	-	1,159	915	-	2,074
Exchange differences	(399)	-	(956)	-	(1,355)
Balance as at December 31, 2022	(37,404)	(293,542)	(95,964)	-	(426,910)
Depreciation	(6,422)	(46,002)	(16,622)	-	(69,046)
Disposals	-	726	1,328	-	2,054
Exchange differences	130	-	408	-	538
Balance as at December 31, 2023	**(43,696)**	**(338,818)**	**(110,850)**	**-**	**(493,364)**
Net book value					
As at December 31, 2022	279,924	1,207,247	378,473	81,178	1,946,822
As at December 31, 2023	**288,112**	**1,274,034**	**371,611**	**105,516**	**2,039,273**

The Corporation's property, plant and equipment disposals include $4,330 of turbine-generator components that were identified for replacement as a result of the Unit 1 Event described in Note 4.

As at December 31, 2023, land, buildings and structures and generation and other includes $4,413 [2022 – $4,578] of ROU assets with remaining lease terms ranging between 10 and 20 years, comprising of a cost of $5,468 [2022 – $5,362] and accumulated depreciation of $1,055 [2022 – $784].

On September 30, 2022, the Corporation's subsidiary, Energy Ottawa executed an Asset Purchase Agreement, with Canadian Hydro Developers Inc., that closed on December 2, 2022 [the 'Acquisition Date'], for the asset purchase of two run of the river hydroelectric facilities [Galetta hydro facility – 1.60MW and Appleton hydro facility – 1.35MW], for cash consideration of $6,200.

6. PROPERTY, PLANT AND EQUIPMENT [CONTINUED]

During the year, the Corporation capitalized borrowing costs of $510 [2022 – $677] to property, plant and equipment. The average annual interest rate for 2023 was 3.4% [2022 – 2.9%].

The Corporation has entered into non-cash transactions that have been excluded from the consolidated statement of cash flows as detailed in Note 23. In addition, $12,105 [2022 – $7,587] of property, plant and equipment was contributed by developers, the directly related liability of which is included in deferred revenue.

7. INTANGIBLE ASSETS

	Land rights and water rights $	Computer software $	Other contractual rights $	Assets under development $	Total $
Cost					
Balance as at December 31, 2021	61,040	75,704	75,704	19,901	232,349
Additions, net of transfers	507	4,779	15,441	(15,477)	5,250
Exchange differences	1,673	25	-	45	1,743
Balance as at December 31, 2022	63,220	80,508	91,145	4,469	239,342
Additions, net of transfers	-	7,308	(4,756)	2,248	4,800
Exchange differences	(614)	(9)	-	(25)	(648)
Balance as at December 31, 2023	**62,606**	**87,807**	**86,389**	**6,692**	**243,494**
Accumulated amortization					
Balance as at December 31, 2021	(16,364)	(47,771)	(5,263)	-	(69,398)
Amortization	(1,792)	(6,570)	(2,128)	-	(10,490)
Exchange differences	(1,013)	(25)	(1)	-	(1,039)
Balance as at December 31, 2022	(19,169)	(54,366)	(7,392)	-	(80,927)
Amortization	(1,601)	(6,732)	(2,155)	-	(10,488)
Exchange differences	409	9	-	-	418
Balance as at December 31, 2023	**(20,361)**	**(61,089)**	**(9,547)**	**-**	**(90,997)**
Net book value					
As at December 31, 2022	44,051	26,142	83,753	4,469	158,415
As at December 31, 2023	**42,245**	**26,718**	**76,842**	**6,692**	**152,497**

7. INTANGIBLE ASSETS [CONTINUED]

Other contractual rights includes connection and cost recovery agreements ['capital contribution agreements'] that govern the construction by HONI of new or modified transformer stations for the purpose of serving Hydro Ottawa's customers, including anticipated electricity load growth. Each of Hydro Ottawa's capital contribution agreements has a term of 25 years. All terms and conditions of CCRAs follow the *Transmission System Code* [the 'Code'] issued by the OEB.

During the year, the Corporation capitalized borrowing costs of $184 [2022 – $172] to intangible assets. The average annual interest rate for 2023 was 3.4% [2022 – 2.9%].

A significant portion of the Corporation's water rights with indefinite lives [72% or $16,941] stems from a historical 1889 lease agreement with Public Services and Procurement Canada. This contract provides rights to waters on the Ottawa River at Chaudière Falls for two of the Corporation's CGUs – the CHLP CGU [water rights carrying value of $9,575] and the CHLP North CGU [water rights carrying value of $7,366] – and renews every 21 years into perpetuity. The Corporation also retains water rights with indefinite lives [28% or $6,459 translated US-to-CAD] at two of its EONY generating stations which stem from historical agreements with the U.S. Federal Energy Regulatory Commission ['FERC']. These FERC licenses have an indefinite life as the Corporation is granted a legal exemption from re-qualifying for these licenses due to the size of the stations.

The Corporation's annual impairment tests with respect to the CHLP and CHLP North CGUs were based on value-in-use ['VIU'] calculations. Management's VIU calculations – subject to certain estimates as described in Note 2(d)(iv) – are based on discounted future cash inflows to be earned under each CGUs' 40-year HESOP contract, while the cash outflows are based on management's industry experience and third party input; taking into account the estimated cost to complete the refurbishment projects. The key assumption in each VIU calculation was a weighted average cost of capital ['WACC'] of 4.4% [2022 – 4.2%].

The Corporation's impairment test at December 31, 2023 performed in light of the circumstances disclosed in Note 2(d)(viii) was based on a VIU calculation. Management's VIU calculation involved third-party forecasts of New York energy prices and supplementary revenue. Other key assumptions in the VIU calculation were a discount rate via a weighted average cost of capital ['WACC'] of 7.6% [2022 – 7.1%], a US inflation rate of 2.4% [2022 – 2.5%], and a terminal capitalization rate of 8.4% [2022 – 8.3%]. Historical production and future capital and maintenance plans were also important assumptions in the VIU analysis. After conducting its impairment test, management concluded that the value-in-use recoverable amount exceeded the carrying value of the aforementioned generating assets.

Management has identified that a reasonable possible change in one key assumption could cause the carrying value to exceed the recoverable amount. The following table shows the amount by which one assumption would need to change individually for the carrying amount to exceed the estimated recoverable amount.

	Increase (decrease)	Revised rate
Assumption		
Discount rate [WACC]	1.5%	7.8%
20-year forecasted market pricing: Mohawk Valley Zone E	(0.6%)	-

8. INVESTMENTS IN JOINT VENTURES

(a) Investment in joint ventures summary

	2023 $	2022 $
Moose Creek LP [50.05%]		
Investment in joint venture, beginning of year	**5,831**	6,192
Share of (loss) profit	**(6)**	240
Distributions declared and paid	**(351)**	(601)
Investment in joint venture, end of year	**5,474**	5,831
PowerTrail [60%]		
Investment in joint venture, beginning of year	**4,163**	4,668
Share of profit, net of tax	**241**	95
Dividends received	**(540)**	(600)
Investment in joint venture, end of year	**3,864**	4,163
Zibi Community Utility LP [50%]		
Investment in joint venture, beginning of year	**8,492**	9,268
Share of loss	**(967)**	(783)
Other adjusting items related to loss	**(14)**	7
Investment in joint venture, end of year	**7,511**	8,492
Total investments in joint ventures	**16,849**	18,486

(b) Balance sheet and statement of income summary

	2023 $	2022 $
Moose Creek LP		
Current assets	**949**	813
Non-current assets	**11,063**	11,583
Total assets	**12,012**	12,396
Current liabilities	**832**	504
Total liabilities	**832**	504
Revenue	**3,532**	3,473
Net (loss) income	**(12)**	478

8. INVESTMENTS IN JOINT VENTURES [CONTINUED]

(b) Balance sheet and statement of income summary [continued]

	2023 $	2022 $
PowerTrail		
Current assets	**1,111**	710
Non-current assets	**8,712**	9,423
Total assets	**9,823**	10,133
Current liabilities	**1,020**	634
Non-current liabilities	**2,052**	2,249
Total liabilities	**3,072**	2,883
Revenue	**3,865**	3,391
Net income	**401**	159
Zibi Community Utility LP		
Current assets	**3,889**	3,450
Non-current assets	**36,446**	35,638
Total assets	**40,335**	39,088
Current liabilities	**1,045**	1,475
Non-current liabilities	**24,032**	20,394
Total liabilities	**25,077**	21,869
Revenue	**1,514**	1,295
Net loss	**(1,933)**	(1,566)

(c) Credit facility

PowerTrail has an operating revolving line of credit totaling $1,000 for general business purposes and bears an annual interest at the prime rate. At December 31, 2023, PowerTrail had no amount outstanding on this line of credit. PowerTrail also has a credit facility of $200 [2022 – $200] to provide standby letters of credit to the IESO. At December 31, 2023, PowerTrail had drawn an amount of $133 [December 31, 2022 – $133] in standby letters of credit against this facility. Both of the above facilities contain customary covenants and events of default, including a covenant to maintain a tangible net worth of $1,000 [2022 – $1,000]. At December 31, 2023, PowerTrail is in compliance with these customary covenants [December 31, 2022 – in compliance].

Moose Creek LP maintains an operating revolving line of credit of $1,000 for general business purposes that bears annual interest at the prime rate. At December 31, 2023, Moose Creek LP had no outstanding balances drawn against its operating revolving line of credit [December 31, 2022 – $nil]. The facility contains customary covenants and events of default. At December 31, 2023, Moose Creek LP is in compliance with these customary covenants [December 31, 2022 – in compliance].

8. INVESTMENTS IN JOINT VENTURES [CONTINUED]

(c) Credit facility [continued]

ZCU maintains an operating revolving line of credit of $1,000 for general business purposes that bears annual interest at the prime rate plus 1.25% or the banker's acceptance rate plus 2.75%. At December 31, 2023, ZCU had no outstanding balances drawn against its operating revolving line of credit [December 31, 2022 – $nil]. The facility contains customary covenants and events of default. At December 31, 2023, ZCU is in compliance with these customary covenants [December 31, 2022 – in compliance]. The facility is secured by a second ranking general security agreement and guaranteed by the Corporation up to its ownership share of the ZCU joint venture.

9. NOTES RECEIVABLE FROM RELATED PARTIES

(a) Zibi Community Utility LP

On January 22, 2021, the Corporation entered into a mirror loan agreement with ZCU to flow through funds received from Federation of Canadian Municipalities ['FCM'] to its joint venture to fund an ongoing green district energy construction project undertaken by ZCU. The agreement mirrors the terms of the FCM loan and grant agreement discussed in Note 14, which allows ZCU to borrow the lesser of $20,000 and 69.6% of eligible project expenditures, repayable over a term of 20 years and receive a non repayable grant based on the total eligible project expenditures incurred.

The loan, bearing interest of 4.66% [December 31, 2022 – 4.48%], was issued to ZCU on February 18, 2021 and as at December 31, 2023 has an outstanding balance of $20,000 [December 31, 2022 – $17,625]. Interest payments are due semi-annually on the principal amount outstanding, with principal payments beginning on December 16, 2026 and ending on February 18, 2041.

In addition, the mirror agreement also includes a loan arrangement fee payable by ZCU to the Corporation at a rate of 1.1% per annum on the initial principal amount of the loan. As at December 31, 2023, the Corporation has received $900 [December 31, 2022 – $900] in loan arrangement fees and is included in deferred revenue and amortized over the term of the loan.

(b) Moose Creek LP

As at December 31, 2022, the note receivable from Moose Creek LP was fully received.

(c) City of Ottawa

The Corporation is party to two agreements with the City of Ottawa regarding the provision of streetlight services. Over a span of an estimated six years from the contract signing date in February 2016, the Corporation is engaged to convert legacy street lights to LED ['S/L conversion contract'] and to provide maintenance services to all legacy and converted LED street lights ['S/L maintenance contract'].

While quarterly payments due under the S/L maintenance contract are under standard 30-day terms, amounts with respect to the S/L conversion contract are facilitated through an interest-bearing long-term open note at a fixed rate of 3%. Amounts billed to the City of Ottawa under the S/L conversion contract are added to the note receivable as progress towards ultimate completion occurs. As stipulated in the S/L conversion contract, the City of Ottawa is to make quarterly payments to the Corporation based on a combination of electricity savings, maintenance savings and capital expenditure savings the City of Ottawa has realized as result of the more efficient LED streetlights installed to date, until the note is repaid in full.

The outstanding note receivable was repaid in full in 2022 by the City of Ottawa and as at December 31, 2023, the outstanding balance was $nil [December 31, 2022 – $nil]. While the Corporation continues to provide streetlight conversion services to the City of Ottawa, new contracts are entered into under standard payment terms of 30-days.

10. SHORT-TERM BORROWINGS

During the year, the Corporation renewed its credit facility in an amount of $500,000 and US$200 at December 31, 2023 [December 31, 2022 – $441,000 and US$200]. The facility is structured into three types of credit availability and consists of a $500,000 [2022 – $440,000] revolving operating line maturing on August 1, 2026 and commercial card facilities of $1,000 and US$200 [2022 – $1,000 and US$200]. The revolving operating lines are committed and unsecured and can be drawn for prime rate loans, bankers' acceptances, letter of credit and other bank guarantee issuances and to backstop the Corporation's Commercial Paper Program as discussed below. Generally, the need to use these forms of credit is based on Hydro Ottawa Holding Inc.'s consolidated cash position and therefore any drawings outstanding may not necessarily coincide with the amount of outstanding amounts on the working capital facility presented on the Corporation's consolidated balance sheet. This credit facility contains customary covenants and events of default including a covenant that requires the debt to capitalization ratio to be at or below 75% on a consolidated basis.

The Corporation has a Commercial Paper Program permitting the issuance of up to $400,000 of unsecured short-term promissory notes to be issued in various maturities of no more than one year. Proceeds from the issuance of commercial paper are used to fund general corporate purposes. The Commercial Paper Program is backstopped by the Corporation's credit facility and reduces the credit facility capacity, at any given time, by the total amount of commercial paper issued and outstanding. Borrowings under the Commercial Paper Program bear interest based on the prevailing market conditions at the time of issuance and had a weighted average interest rate of 5.09% during the 2023 year [2022 – 2.40%]. As at December 31, 2023, the Corporation had $338,105 in commercial paper outstanding consisting of three tranches: $138,980, $99,775, and $99,350 maturing on January 2, 2024, January 17, 2024, and February 16, 2024, respectively [December 31, 2022 – $276,390, three tranches: $126,954, $74,853, and $74,583 maturing on January 4, 2023, January 18, 2023, and February 16, 2023, respectively].

At December 31, 2023, the Corporation had drawn $7,400 in direct advances against the revolving operating line of credit [2022 – $10,600] and $nil in bankers' acceptances against the $500,000 revolving operating line [2022 – $nil and $440,000].

At December 31, 2023, the Corporation has drawn $10,134 [2022 – $10,134] against its facilities in standby letters of credit. Drawings include a $10,000 [2022 – $10,000] letter of credit to cover its prudential support obligation as described in Note 25; and a letter of credit to Her Majesty the Queen on behalf of ZCU of $134 [2022 – $134].

On October 14, 2021, CFLP signed a new 3 year $14,526 working capital facility to fund working capital needs and/or letter of credit bond indenture requirements of CFLP, CHLP North and Hull Energy LP. The borrowers may draw from the facility by way of prime rate loans, banker acceptances or letter of credit issuances. During 2023, pursuant to the terms of the CFLP Trust Indenture, standby letters of credit were issued for the Debt Service Reserve Account ['DSRA'] as described in Note 14 in the amount of $5,120 [December 31, 2022 – $5,120], the Major Maintenance Reserve Accounts ['MMRA'] for CHLP North and Hull Energy LP in the amount of $311 and $1,716 respectively [December 31, 2022 – $520 and $1,040]. As at December 31, 2023, direct borrowings of $nil were outstanding and the facility had $7,379 available for general business purposes [December 31, 2022 – $nil and $7,846].

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023 $	2022 $
Purchased power payable	**87,382**	70,404
Trade accounts payable and accrued liabilities	**49,259**	49,256
Customer deposits	**43,470**	35,433
Customer credit balances	**14,451**	13,137
Accrued interest on long-term debt	**13,230**	13,246
Due to related parties [Note 27]	**206**	259
	207,998	181,735

In 2019, the Corporation conducted a true-up calculation in connection with one of its cost recovery agreements with HONI as described in Note 25. The Corporation determined that it was obligated to make up a shortfall and accordingly set-up a provision. As at December 31, 2021, the Corporation maintained a provision of $3,400, which was included in accounts payable and accrued liabilities. In 2022, the Corporation received the final CCRA calculation from HONI, which required it to pay $2,509. The Corporation paid the $2,509 in 2022.

12. DEFERRED REVENUE

	2023 $	2022 $
Capital contributions from customers	**128,645**	112,116
Capital contributions from developers	**151,884**	132,838
Loan arrangement fee received [Note 9(a)]	**900**	900
Loan arrangement fee recognized to income [Note 9(a)]	**(129)**	(73)
Other deferred revenue	**19**	120
	281,319	245,901
Less: current portion	**9,604**	7,458
	271,715	238,443

13. EMPLOYEE FUTURE BENEFITS

(a) Pension plans

The Corporation contributes to two defined benefit plans covering substantially all of its employees.

The Corporation's participating employer contributions under OMERS for the year ended December 31, 2023 amounted to $6,652 [2022 – $6,801]. The Corporation also provides retirement benefits to certain employees through the Chaudiere Hydro Pension Plan.

13. EMPLOYEE FUTURE BENEFITS [CONTINUED]

(a) Pension plans [continued]

Information about the Chaudiere Hydro Pension Plan is as follows:

(i) Defined benefit obligation

	2023 $	2022 $
Balance, beginning of year	**5,621**	8,168
Current service cost	**59**	109
Interest cost	**278**	242
Benefits paid	**(318)**	(951)
Employee contributions	**87**	68
Actuarial loss (gain)	**644**	(2,015)
Balance, end of year	**6,371**	5,621

(ii) Plan assets

	2023 $	2022 $
Fair value, beginning of year	**5,421**	7,562
Interest credit	**288**	227
Employer contributions	**214**	248
Benefits paid	**(318)**	(951)
Non-investment expenses	**(80)**	(80)
Employee contributions	**87**	68
Actuarial gain (loss)	**196**	(1,653)
Fair value, end of year	**5,808**	5,421

(iii) Funded status

	2023 $	2022 $
Net defined benefit liability, beginning of year	**(260)**	(606)
Change in net defined benefit liability	**(303)**	406
Funding deficit	**(563)**	(200)
Impacts on minimum funding requirements	**60**	(60)
Net defined benefit liability, end of year	**(503)**	(260)

13. EMPLOYEE FUTURE BENEFITS [CONTINUED]

(a) Pension plans [continued]

The assets of the Chaudiere Hydro Pension Plan are held and managed by an independent custodian and accounted for separately in the Corporation's pension plan. The asset allocation structure is subject to diversification requirements and constraints which reduce risk by limiting exposure to individual equity investments, credit rating categories and foreign currency exposures. Based on the fair value of assets held as at December 31, 2023, the Chaudiere Hydro Pension Plan's assets were comprised of 72.9% [2022 – nil%] fixed income Canadian bonds, 24.6% [2022 – nil%] Canadian and international equities and 2.5% [2022 – 100%] in cash. The Chaudiere Hydro Pension Plan's investments are primarily held and managed in pooled funds, and thus do not have a quoted market price in an active market.

Employee future benefits under the Chaudiere Hydro Pension Plan are calculated using an annual compensation rate of 2.0% [2022 – 2.0%], an inflation rate of 2.0% [2022 – 2.0%] and a discount rate of 4.7% [2022 – 5.1%]. The valuations also include several other economic and demographic assumptions including mortality rates, which are based on the Canadian Pensioners' Mortality report published by the Canadian Institute of Actuaries in February 2014. An actuarial extrapolation was performed at December 31, 2023 and December 31, 2022. The last actuarial valuation was performed at January 1, 2023.

Significant actuarial assumptions for defined benefit obligation measurement purposes are discount rate and salary scale. The following sensitivities are based on reasonable changes of the assumptions, in isolation of one another, occurring at the end of the reporting period. A 1.0% decrease in discount rate would increase the defined benefit obligation by $420 or 12.5% [2022 – $683 or 12.1%], while a 1.0% increase in salary scale would increase the defined benefit obligation by $38 or 1.1% [2022 – $165 or 2.9%].

(b) Other post-employment benefits

The Corporation provides life, health and dental benefits to certain employees. Employee future benefits are calculated using an annual compensation rate increase of 2.0% [2022 – 2.0%] and a discount rate of 4.7% [2022 – 5.0%]. Cost trends for health are estimated to increase [at a declining rate from 6.0% to 5.0%] and dental benefits are estimated to increase by 5.0% per annum. The valuations also include several other economic and demographic assumptions including mortality rates, which are based on the Canadian Pensioners' Mortality report published by the Canadian Institute of Actuaries in February 2014.

Information about the Corporation's other post-employment benefits is as follows:

	2023	2022
	$	$
Defined benefit obligation, beginning of year	**12,382**	15,625
Current service costs	**507**	798
Interest on defined benefit obligation	**671**	480
Past service cost	**6**	**-**
Remeasurement of the defined benefit obligation	**-**	(557)
Benefits paid	**(893)**	(814)
Actuarial loss (gain)	**481**	(3,150)
Defined benefit obligation, end of year	**13,154**	12,382

An actuarial extrapolation was performed as at December 31, 2023. As a result of this exercise, the Corporation increased the accumulated liability by $772 [December 31, 2022 – decreased by $3,243 based on an actuarial valuation].

Significant changes in actuarial assumptions related to discount rates, future health and dental costs, mortality rates and retirement age may affect the valuation of the defined benefit obligation.

14. LONG-TERM DEBT

	2023 $	2022 $
Senior unsecured debentures		
Series 2006-1, 4.97%, due December 19, 2036	**50,000**	50,000
Series 2013-1, 3.99%, due May 14, 2043	**150,000**	150,000
Series 2015-1, 2.61%, due February 3, 2025	**200,000**	200,000
Series 2015-2, 3.64%, due February 2, 2045	**175,000**	175,000
Senior secured amortizing bonds		
Series 2016-1, 4.08%, due March 31, 2057	**200,274**	202,630
Series 2019-1, 3.53%, due December 31, 2059	**290,514**	290,514
Note payable		
4.26% loan, due February 18, 2041	**20,000**	17,625
	1,085,788	1,085,769
Less: current portion	**(3,796)**	(2,356)
Less: unamortized debt-issuance costs	**(7,429)**	(7,765)
	1,074,563	1,075,648

(a) Senior unsecured debentures

Interest payments on each of the above debentures are payable semi-annually in arrears in equal installments. Each debenture contains customary covenants and events of default, including a covenant to ensure that the aggregate principal amount of the consolidated funded obligations does not exceed 75% of the total consolidated capitalization. Interest payments on these debentures will be $20,067 in 2024, $17,453 in 2025, and $14,839 in 2026 and 2027.

(b) Senior secured amortizing bonds

The Series 2019-1 senior secured amortizing green bonds [the '2019-1 bonds'] totalling $290,514 were issued on behalf of Hull Energy LP and CHLP North [refurbishment 'project owners'] in 2019. The Series 2019-1 bonds carry an interest rate of 3.53% and mature on December 31, 2059. Equal semi-annual interest-only payments are due and payable on June 30 and December 31 each year until and including June 30, 2024. Thereafter, semi-annual blended repayments of principal and interest will be due and payable on June 30 and December 31 each year commencing on December 31, 2024 until and including the maturity date. In addition, a balloon payment of $43,577 [15% of the principal] will be due and payable on the maturity date. The 2019-1 bonds are secured by the total refurbishment project assets, where the project assets of Hull Energy LP and CHLP North represent 76.8% and 23.2% of the security, respectively.

The Corporation's senior secured amortizing bonds [the '2016-1 bonds'] carry an interest rate of 4.08% and mature on March 31, 2057. Equal semi-annual interest-only payments were due and payable on March 31 and September 30 each year until and including March 31, 2022. Thereafter, semi-annual blended payments of principal and interest will be due and payable on March 31 and September 30 in each year commencing on September 30, 2022 until and including the maturity date. In addition, a balloon payment of $30,570 [15% of the principal] will be due and payable on the maturity date. The 2016-1 bonds are secured by a first-charge interest on the assets of CHLP.

14. LONG-TERM DEBT [CONTINUED]

(b) Senior secured amortizing bonds [continued]

In accordance with the Trust Indenture, CFLP was required to maintain in a DSRA [classified as restricted cash on the consolidated balance sheet], an amount equal to the next six months of interest and principal, funded in accordance with Chaudiere North LP's Pro Rata Portion of the DSRA. During 2022, the DSRA has been fully funded with a standby letter of credit as described in Note 10.

As required by the applicable Trust Indenture, CHLP is to maintain in a DSRA an amount equal to the next six months of interest and principal and payments due under the bonds; during the year CHLP maintained a deposit of $5,330 [December 31, 2022 – $5,330] in the DSRA [classified as restricted cash on the consolidated balance sheet] to replace a standby letter of credit as described in Note 10. CHLP also maintained, in a Major Maintenance Reserve Account ['MMRA'], an amount that covers a portion of the projected major maintenance expenditures in the coming three years [2023 – $1,830 and 2022 – $2,280] which is also classified as restricted cash on the consolidated balance sheet.

During the year, CHLP North withdrew $2,560 in the Over Production Sharing Reserve Account ['OPSRA'; classified as restricted cash on the consolidated balance sheet] pursuant to the terms of the Trust Indenture and the applicable Power Purchase Agreement.

The Corporation is required to maintain a minimum debt-coverage service ratio ['DCSR'] for both CFLP and CHLP. Both CFLP and CHLP's DCSR's divides the sum of the respective entities net operating and investing cash flows [as defined by their respective Trust Indentures] by the applicable interest and principal repayments due within the next calendar year. The Corporation was in compliance with all financial covenants associated with the 2019-1 and 2016-1 bonds at December 31, 2023 and 2022, as applicable.

(c) Note payable

On January 22, 2021, the Corporation entered into a loan and grant agreement with the FCM to fund an ongoing green district energy construction project undertaken by its 50% owned-and-controlled joint venture, ZCU. The FCM loan and grant agreement allows the Corporation to borrow the lesser of $20,000 and 69.6% of eligible project expenditures, repayable over a term of 20 years, in addition to a non-repayable grant based on the total eligible project expenditures incurred.

The loan, bearing interest of 4.26% [December 31, 2022, 4.08%], was issued from FCM to the Corporation on February 18, 2021 and has an outstanding balance of $20,000 as at December 31, 2023 [December 31, 2022 – $17,625]. Interest payments are payable semi-annually on the principal amount outstanding, with principal payments beginning on December 16, 2026 and ending on February 18, 2041. Interest payments on the loan will be $810 in 2024, $850 in 2025, $850 in 2026, $828 in 2027, and $772 in 2028. In addition, the Corporation received grant funds of $356 [2022 – $283] from FCM.

The Corporation has a mirror loan agreement with ZCU to flow through the above loan and grant funds received from FCM to its joint venture as discussed in Note 9(a).

15. OTHER LIABILITIES

	2023	2022
	$	$
Lease liabilities	**1,654**	1,667
Other	**337**	411
	1,991	2,078

15. OTHER LIABILITIES [CONTINUED]

The Corporation's lease liabilities are calculated under the assumption that all applicable renewal periods at the Corporation's option will be exercised, and thus have lease terms ranging between 2033 and 2043.

16. CAPITAL DISCLOSURES

The Corporation's main objectives when managing capital are to:

– Ensure continued access to funding to maintain and improve the operations and infrastructure of the Corporation;

– Ensure compliance with covenants related to the credit facilities and its long-term debt; and

– Align the capital structure of the Corporation's regulated subsidiary, Hydro Ottawa, with the debt to equity structure recommended by the OEB.

The Corporation's capital consists of the following:

	2023 $	2022 $
Commercial paper	**338,105**	276,390
Long-term debt	**1,078,359**	1,078,004
Total debt	**1,416,464**	1,354,394
Equity	**529,669**	526,944
Total capital	**1,946,133**	1,881,338

A subsidiary of the Corporation, Hydro Ottawa is deemed by the OEB to have a capital structure that is funded by 56% long-term debt, 4% short-term debt and 40% equity. The OEB uses this deemed structure only as a basis for setting distribution rates. As such, the Corporation's actual capital structure may differ from the OEB deemed structure.

As at December 31, 2023, the Corporation's debt to capitalization ratio, the calculation of which takes into account outstanding letters of credit, was 72.9% [2022 – 72.5%]. The Corporation's debt to capitalization ratio excluding non-recourse debt is 64.0% [2022 – 62.5%]. The Corporation is in compliance with all financial covenants and limitations associated with its credit facilities and its long-term debt.

The Corporation met its capital management objectives, which have not changed during the year.

17. SHARE CAPITAL

(a) Authorized

Unlimited number of voting first preferred shares, redeemable at one dollar per share
Unlimited number of non-voting second preferred shares, redeemable at ten dollars per share
Unlimited number of non-voting third preferred shares, redeemable at one hundred dollars per share
Unlimited number of voting fourth preferred shares [ten votes per share], redeemable at one hundred dollars per share
Unlimited number of voting Class A common shares
Unlimited number of non-voting Class B common shares
Unlimited number of non-voting Class C common shares, redeemable at the price at which such shares are issued

The above shares are without nominal or par value.

Holders of second preferred shares, fourth preferred shares and common shares are entitled to receive dividends as and when declared by the Board of Directors at their discretion.

(b) Issued

	2023	2022
	$	$
214,901,003 Class A common shares	**228,453**	228,453

Any invitation to the public to subscribe for shares of the Corporation is prohibited by shareholder resolution.

A shareholder's resolution directs the Corporation to target dividends at the greater of 60% of its subsidiary, Hydro Ottawa's net income or $20,000, provided that the Corporation is in compliance with the *Business Corporations Act (Ontario)* and relevant OEB Guidelines; is not in breach of any covenants on its senior unsecured debentures or credit facility obligations; and the payment thereof does not negatively impact the Corporation's credit rating.

On April 20, 2023, the Board of Directors declared a $20,000 dividend to the City of Ottawa, which was paid in increments of $5,000, $5,000, $5,000, and $5,000 on April 27, 2023, July 4, 2023, October 3, 2023 and December 1, 2023, respectively [April 14, 2022 the Board of Directors declared a $23,700 dividend to the City of Ottawa, which was paid in increments of $8,700, $5,000, $5,000, and $5,000 on April 21, 2022, July 4, 2022, October 3, 2022 and December 1, 2022, respectively].

Subsequent to year-end, the Board of Directors declared a $20,000 dividend on April 23, 2024 on the common shares of the Corporation outstanding on December 31, 2023.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value disclosures

The carrying value of the Corporation's financial instruments, except for the instruments described below, approximate fair value because of the short maturity and nature of the instruments. The fair value measurement of the financial instrument for which the fair value has been disclosed is included in Level 2 of the fair value hierarchy [Note 3(j)].

The Corporation has estimated the fair value of the note receivable from its joint venture, ZCU, as at December 31, 2023 as amounting to $18,041 [2022 – $16,850]. The fair value has been determined based on discounting all estimated future repayments of principal and interest required to fully repay the loans at the estimated interest rate of 6.0% [2022 – 5.0%] that would be available to ZCU on December 31, 2023.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

(a) Fair value disclosures [continued]

The Corporation has estimated the fair value of the senior unsecured debentures and note payable as at December 31, 2023 as amounting to $555,125 [2022 – $523,894]. The fair value has been determined based on discounting all future repayments of principal and interest between February 3, 2025 and February 2, 2045 at the estimated interest rate of 4.6% for the senior unsecured debentures and 5.6% for the note payable [2022 – 5.0% for the senior unsecured debentures and note payable] that would be available to the Corporation on December 31, 2023.

The Corporation has estimated the fair value of its senior secured amortizing bonds as at December 31, 2023 as amounting to $406,503 [2022 – $392,761]. The fair value has been determined based on discounting all estimated future repayments of principal and interest required to fully repay the bonds at the estimated interest rate of 5.1% [2022 – 5.4%] that would be available to the Corporation at December 31, 2023.

(b) Market risk

The Corporation is exposed to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risks: interest rate risk, foreign exchange risk and commodity price risk. As the Corporation has not entered into significant hedging transactions or derivative contracts, there is no exposure to commodity price risk.

(i) Interest rate risk

The Corporation is exposed to interest rate risk on its borrowings. Under the Corporation’s credit facility, advances on its credit lines expose it to fluctuations in short-term interest rates related to prime rate loans and bankers' acceptances. In addition, the fees payable on bankers' acceptances via the operating and capital lines are based on a margin determined by reference to the Corporation's credit rating. The Corporation is also exposed to fluctuations in short term interest rates in connection with outstanding issuances under its Commercial Paper Program. Given the fact that the borrowing requirements on the credit lines are typically for a short duration [i.e., to bridge gaps between the cash outflows related to the Corporation's monthly power bill and the inflows related to settlements with customers, or the cash outflows related to significant capital acquisitions and the inflows related to the issuance of additional long-term fixed-interest-rate debt], and the Corporation incorporates a mix of fixed and floating rate instruments, there is limited exposure to interest rate risk.

The Corporation is also exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A sensitivity analysis was conducted to examine the impact of a change in the prime rate on the Corporation’s outstanding drawings on its credit facility. A variation of 1% [100 basis points], with all other variables held constant, would increase or decrease the annual interest expense by approximately $3,455.

(ii) Foreign exchange risk

The Corporation’s earnings from, and net investment in, its foreign operating subsidiary, EONY, are exposed to fluctuations in the U.S. dollar to Canadian dollar exchange rate. Also, the Corporation purchases a small proportion of goods and services that are denominated in foreign currencies, predominately the U.S. dollar. The Corporation monitors its exposure to foreign currency fluctuations on a regular basis, and has not used derivative instruments to hedge against these exposures to date. On an annual basis, it is estimated that a 5% increase [or decrease] in the U.S. dollar relative to the Canadian dollar exchange rate of CDN $1 equals U.S $0.76 as at December 31, 2023 would increase [or decrease] the equity of the Corporation by approximately $2,846.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

(c) Credit risk

Credit risk is the risk that a counterparty will default on its obligations, causing a financial loss to the Corporation. Concentration of credit risk associated with electricity-related accounts receivable is limited due to the large number of customers the Corporation services. The Corporation has approximately 364,000 customers served by Hydro Ottawa, the majority of which are residential. As a result, the Corporation did not earn a significant amount of electricity-related revenue and does not have a significant electricity-related receivable from any individual customer. The Corporation is exposed to a concentration of credit risk in generation-related accounts receivable due to the small number of entities the Corporation services. The Corporation relies on its power purchase agreements with the IESO and the Niagara Mohawk Power Corporation to support its Canadian and U.S. generation operations.

The Corporation performs ongoing credit evaluations of its customers serviced by Hydro Ottawa and requires collateral to support non-residential customer accounts receivable on specific accounts to mitigate significant losses in accordance with OEB legislation. As at December 31, 2023, the Corporation held security deposits related to power recovery and distribution revenue in the amount of $14,336 [2022 – $14,533] with respect to these customers. The Corporation's other subsidiaries limit credit risk by dealing with customers that are considered to be of high credit quality. These customers include government agencies, utilities, municipalities, universities, school boards, hospitals, and customers with investment grade credit ratings.

The Corporation monitors and limits its exposure to credit risk on a continuous basis.

The Corporation applies the *IFRS 9 – Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. The expected loss rates for trade receivables are based on the payment profiles of sales over a period of twelve months before December 31, 2023 or December 31, 2022 respectively and the corresponding historical credit losses experienced within this period and other information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at December 31, 2023 and December 31, 2022 was determined as follows for trade and other receivables.

	Gross carrying amount $	Weighted average loss rate	Loss allowance $	Net carrying amount $
December 31, 2023				
Outstanding for 30 days or less	**106,894**	0.00 %	-	106,894
Outstanding for more than 30 days but no more than 120 days	**8,407**	13.94 %	1,172	7,235
Outstanding for more than 120 days	**5,492**	40.48 %	2,223	3,269
Unbilled receivables relating to electricity	**86,259**	0.91 %	784	85,475
	207,052		4,179	202,873
December 31, 2022				
Outstanding for 30 days or less	**87,014**	0.00 %	-	87,014
Outstanding for more than 30 days but no more than 120 days	**9,501**	12.69 %	1,206	8,295
Outstanding for more than 120 days	**3,441**	62.45 %	2,149	1,292
Unbilled receivables relating to electricity	**84,948**	0.79 %	675	84,273
	184,904		4,030	180,874

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

(c) Credit risk [continued]

The following table reconciles the opening and closing loss allowance for trade and other receivables:

	2023	2022
	$	$
Balance, beginning of year	**4,030**	3,139
Net remeasurement of loss allowance	**2,338**	2,454
Write-offs	**(2,344)**	(1,709)
Recoveries of amounts previously written-off	**155**	146
Balance, end of year	**4,179**	4,030

Impairment losses on trade and other receivables are presented as net impairment losses within the consolidated statement of income. When a receivable is deemed to be uncollectible, it is written off and the expected loss allowance is adjusted accordingly. Subsequent recoveries of receivables previously provisioned or written off result in a reduction of impairment losses included in operating costs in the consolidated statement of income.

As at December 31, 2023, the Corporation's maximum exposure to credit risk is equal to the carrying value of accounts receivable less customer deposits held.

(d) Liquidity risk

Liquidity risk is the risk that the Corporation will not meet its financial obligations as they come due. The Corporation regularly monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and capital investment requirements. The Corporation achieves this objective by ensuring that sufficient facilities, as described in Note 10, are maintained to meet obligations as they come due while minimizing standby fees and interest.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

(d) Liquidity risk [continued]

Liquidity risks associated with financial commitments are as follows:

	2023		
	Due within one year $	Due between one and five years $	Due after five years $
Bank indebtedness	**7,822**	**-**	**-**
Commercial paper [1]	**338,105**	**-**	**-**
Accounts payable and accrued liabilities	**207,998**	**-**	**-**
Senior unsecured debentures			
Series 2006-1, 4.97%, due December 19, 2036	**-**	**-**	**50,000**
Series 2013-1, 3.99%, due May 14, 2043	**-**	**-**	**150,000**
Series 2015-1, 2.61%, due February 3, 2025	**-**	**200,000**	**-**
Series 2015-2, 3.64%, due on February 2, 2045	**-**	**-**	**175,000**
Senior secured amortizing bonds			
Series 2016-1, 4.08%, due March 31, 2057	**2,449**	**11,165**	**186,660**
Series 2019-1, 3.53%, due December 31, 2059	**1,347**	**11,066**	**278,101**
Loan			
4.26% loan, due February 18, 2041	**-**	**3,333**	**16,667**
Interest to be paid on long-term debt	**39,265**	**137,008**	**561,181**
	596,986	**362,572**	**1,417,609**

[1] The notes under the Commercial Paper Program were issued at a discount and repaid at their principal amount.

19. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER SOURCES

The Corporation's revenue breakdown is as follows:

	2023	2022
	$	$
Revenue from contracts with customers		
Power recovery and distribution		
Residential service [1]	**420,648**	422,311
General service [2]	**604,514**	587,499
Large users [3]	**61,513**	63,576
	1,086,675	1,073,386
Generation	**48,073**	45,336
Commercial services		
Lighting	**11,199**	9,862
Buildings	**6,044**	7,366
Electrical	**10,025**	6,491
Service work related to distribution operations	**5,335**	6,164
Pole attachment and duct rental	**3,874**	3,689
	36,477	33,572
Other		
Account-related charges and miscellaneous	**5,101**	4,636
Capital contributions from customers amortized to revenue	**3,693**	3,301
	8,794	7,937
	1,180,019	1,160,231
Revenue from other sources		
Other		
Investment property rentals	**1,462**	1,675
Capital contributions from developers amortized to revenue	**4,126**	3,579
	5,588	5,254
	1,185,607	1,165,485

[1] Residential service means a service that is for domestic or household purposes, including single family or individually metered multifamily units and seasonal occupancy.

[2] General service means a service supplied to premises other than those receiving residential service and large users and typically includes small businesses and bulk-metered multi-unit residential establishments. This service is provided to customers with a monthly peak demand of less than 5,000 kW averaged over a twelve-month period.

[3] Large users means a service provided to a customer with a monthly peak demand of 5,000 kW or greater averaged over a twelve-month period.

20. OPERATING COSTS

	2023 $	2022 $
Salaries, wages and benefits	**90,056**	92,660
Contracted services - distribution system maintenance	**21,032**	15,133
Contracted services - customer owned plant	**6,493**	6,015
Contracted services - other	**26,236**	19,159
General and administrative	**49,982**	44,702
Other electricity distribution costs	**13,242**	9,238
Inventory expensed as cost of goods sold and other	**1,740**	2,349
Capital recovery	**(26,508)**	(28,632)
	182,273	160,624

21. FINANCING COSTS

	2023 $	2022 $
Interest on long-term debt	**39,590**	39,635
Short-term interest and fees relating to credit facility	**16,895**	6,154
Interest on lease liabilities	**109**	86
Less: capitalized borrowing costs	**(694)**	(849)
	55,900	45,026

22. INCOME TAXES

Income tax expense recognized in net income comprises the following:

	2023 $	2022 $
Current tax (recovery) expense		
Current income tax (recovery) expense	**(54)**	1,467
Deferred income tax expense		
Origination and reversal of temporary differences	**10,566**	19,500
Income tax expense recognized in net income	**10,512**	20,967

22. INCOME TAXES [CONTINUED]

Income tax (recovery) expense recognized in OCI comprises the following:

	2023	2022
	$	$
Income tax effect on exchange differences on translation of foreign subsidiary	**(363)**	1,032
Other	**(239)**	1,137
Income tax (recovery) expense recognized in other comprehensive income	**(602)**	2,169

The provision for income taxes differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rates. A reconciliation between the statutory and effective tax rates is provided as follows:

	2023	2022
	$	$
Federal and Ontario statutory income tax rate	**26.50 %**	26.50 %
Income attributable to equity shareholder before income taxes	**34,616**	60,641
Income taxes at statutory rate	**9,173**	16,070
Increase (decrease) in income taxes resulting from:		
Permanent differences	**2,341**	2,374
Tax rate differential on net capital loss carryforwards and other	**73**	1,900
Impact on foreign exchange translation on subsidiary	**9**	25
Foreign tax rate differential	**8**	2
Provision to return adjustment	**(533)**	(212)
Change in unrecognized tax benefit	**969**	514
Tax impact on joint venture	**2**	(89)
Current tax recovery from loss carryback	**(888)**	-
Other	**(642)**	383
	10,512	20,967
Effective income tax rate	**30.37 %**	34.57 %

22. INCOME TAXES [CONTINUED]

The Corporation's subsidiary Hydro Ottawa, as a rate-regulated enterprise, is required to recognize deferred income tax assets and liabilities and related regulatory deferral account credit and debit balances for the amount of deferred income taxes expected to be refunded to, or recovered from, customers in future electricity rates.

Significant components of the Corporation's net deferred income tax asset are as follows:

	2023	2022
	$	$
Property, plant and equipment and intangible assets	**757**	2,900
Employee future benefits	**245**	139
Non-capital loss carryforwards	**7,523**	4,281
Other temporary differences	**(83)**	(588)
	8,442	6,732

Significant components of the Corporation's net deferred income tax liability are as follows:

	2023	2022
	$	$
Property, plant and equipment and intangible assets	**(128,361)**	(114,647)
Tax recognized in OCI	**(1,372)**	(1,885)
Non-capital loss carryforwards	**42**	29
Net capital loss carryforwards	**-**	1,961
Employee future benefits	**4,179**	4,142
Other	**6,905**	3,528
	(118,607)	(106,872)

Movements in the net deferred income tax asset balances during the year were as follows:

	2023	2022
	$	$
Deferred income tax asset, beginning of year	**6,732**	6,923
Impact of foreign exchange rate change on opening deferred income tax asset	**(61)**	239
Recognized in net income	**1,732**	(354)
Recognized in OCI	**39**	(76)
Deferred income tax asset, end of year	**8,442**	6,732

22. INCOME TAXES [CONTINUED]

Movements in the net deferred income tax liability balances during the year were as follows:

	2023	2022
	$	$
Deferred income tax liability, beginning of year	**(106,872)**	(85,633)
Recognized in net income	**(12,298)**	(19,145)
Recognized in OCI	**563**	(2,094)
Deferred income tax liability, end of year	**(118,607)**	(106,872)

The Corporation's regulatory deferral account debit balance for the amounts of deferred income taxes expected to be collected from customers in future electricity rates is $82,622 [2022 – $74,239].

As at December 31, 2023, the Corporation had Canadian capital losses of $1,415 [2022 – $1,415] and Canadian non-capital losses of $6,937 [2022 – $3,373] for which the tax benefit has not been recognized in these consolidated financial statements.

As at December 31, 2023, the Corporation had Canadian non-capital losses of $17,790 [2022 – $10,023] for tax purposes for which the tax benefit has been recognized in these consolidated financial statements. As at December 31, 2023, the Corporation had Canadian capital losses of $nil [2022 – $7,816].

As at December 31, 2023, the Corporation has U.S. federal losses carried forward of $11,388 [December 31, 2022 – $6,763] and New York losses carried forward of $8,939 [December 31, 2022 – $4,509] that can be carried forward indefinitely. These losses are considered more likely than not to be realized, resulting in a recognized deferred income tax asset of $2,850 at December 31, 2023 [December 31, 2022 – $1,652].

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized. Net deferred income tax assets of $2,839 [2022 – $2,389] have been recognized in EONY as there is sufficient positive evidence to demonstrate that it is probable that a net deferred income tax asset will be realized. Factors considered include: historic and expected future taxable income and the nature, amount and expected timing of reversal of taxable temporary differences.

A deferred income tax liability for all taxable temporary differences associated with investments in subsidiaries and investments in joint ventures has not been recognized as the Corporation is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

23. CHANGES IN NON-CASH WORKING CAPITAL AND OTHER OPERATING BALANCES

	2023 **$**	2022 $
Accounts receivable	**(21,734)**	(8,154)
Prepaid expenses	**(4,004)**	(1,486)
Note receivable from parent	**-**	19
Accounts payable and accrued liabilities	**26,720**	(16,420)
Inventory	**(4)**	(344)
Customer deposits in accounts receivable	**(7,915)**	3,194
Net change in accruals related to property, plant and equipment	**(941)**	7,073
	(7,878)	(16,118)

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2023 **$**	2022 $
Long-term debt, beginning of year	**1,075,648**	1,075,790
Proceeds from issuance of long-term debt	**2,375**	1,884
Current portion of long-term debt	**(3,796)**	(2,356)
Amortization of debt-issuance costs expensed	**336**	330
Long-term debt, end of year	**1,074,563**	1,075,648

25. CONTINGENT LIABILITIES

Purchasers of electricity from the IESO are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if the Corporation fails to make a payment required by a default notice issued by the IESO. A prudential support obligation is calculated based upon a default protection amount and the distributor's trading limit less a reduction for the distributor's credit rating. As at December 31, 2023, the Corporation had drawn standby letters of credit in the amount of $10,000 [2022 – $10,000] against its credit facility to cover its prudential support obligation.

The Corporation participates with other electrical utilities in Ontario in an agreement to exchange reciprocal contracts of indemnity through the Municipal Electrical Association Reciprocal Insurance Exchange. The Corporation is liable for additional assessments to the extent premiums collected and reserves established are not sufficient to cover the cost of claims and costs incurred. If any additional assessments were required in the future, their cost would be charged to income in the year during which they occur.

25. CONTINGENT LIABILITIES [CONTINUED]

The Corporation is party to connection and cost recovery agreements with HONI as described in Note 7 of these consolidated financial statements. Each of the Corporation's CCRAs has a term of 25 years. To the extent that the cost of a project is not recoverable from future transformation connection revenues, the Corporation is obligated to pay a capital contribution equal to the difference between these revenues and the construction costs allocated to the Corporation. These agreements require periodic reviews whereby a comparison of actual to forecasted load is conducted, and a true-up calculation performed. When a true-up calculation shows the Corporation's actual load for the past period and updated load forecast for the future period are lower than the initial load, the Corporation is obligated to make up this shortfall. When the Corporation's actual load and updated load forecast are higher than the initial load, the Corporation is entitled to a rebate. HONI is expected to perform true-up calculations in years 5 and 10 and in year 15 if the difference between the actual incremental load and initial load at the end of year 10 is greater than 20%.

The Corporation is contingently liable for its contractor's obligations relating to the performance and completion of a project. As a result, the Corporation has provided its customer, the City of Ottawa, with surety performance bonds in connection with a project to design, procure and install charging and electrical infrastructure at one of its OC Transpo facilities. Surety bonds do not transfer risk, but instead provide a financial guarantee to the customer that the Corporation and its subcontractors will fulfill their obligations under the original contract. As at December 31, 2023, management does not foresee any possible issues relating to the performance and completion of the contract.

Various lawsuits have been filed against the Corporation for incidents that arose in the ordinary course of business. In the opinion of management, the outcomes of the lawsuits, now pending, are neither determinable nor material. Should any loss result from the resolution of these claims, such losses would be claimed through the Corporation's insurance carrier, with any unrecoverable amounts charged to income in the year of resolution.

26. COMMITMENTS

As at December 31, 2023, the Corporation has $167,673 in total open commitments spanning between 2024 and 2030. These include commitments relating to a call centre services agreement, distribution-related construction projects, overhead and underground services and other services relating to the Corporation's operations.

The Corporation maintains leases with various entities for the rights to certain lands, waterways, buildings and other generating assets at its generating stations in Ontario, Québec and New York. These leases are in place through various dates, ranging between September 30, 2022 and December 13, 2116. Certain leases have annual payments which have a fixed and contingent portion, the latter of which is based on either annual gross revenues or power generation levels and are not factored in the calculation of the Corporation's lease liability or effective lease term. The Corporation's anticipated future minimum lease payments will be: 2024 to 2028 – $746 and $38,023 thereafter.

27. RELATED PARTY TRANSACTIONS

Transactions with related parties occur in the normal course of business, and are transacted at the amount of consideration determined and agreed to by the related parties. Trade amounts due from and to related parties are non-interest bearing, result from normal operations and are due within one year.

(a) Transactions and balances outstanding with parent

During the year, the Corporation earned power recovery and distribution revenue from the City of Ottawa and its other subsidiaries, which was billed at prices and terms approved by the OEB. In addition, the Corporation earned commercial services revenue from the City of Ottawa and its other subsidiaries totaling $294 [2022 – $364] via its regulated subsidiary, Hydro Ottawa, and $18,922 [2022 – $18,336] via Envari. During the year, the Corporation also received $4,235 [2022 – $6,055] in contributions relating to the upgrade and/or expansion of the Corporation's existing electricity distribution infrastructure; earned $nil [2022 – $19] in interest revenue with respect to the note receivable from the City of Ottawa; incurred $32 [2022 – $33] in lease interest expense and made $52 [2022 – $52] in lease liability repayments with respect to a long-term lease outstanding with the City of Ottawa at December 31, 2023.

The Corporation incurred $4,393 [2022 – $4,998] of operating costs to the City of Ottawa. The Corporation also incurred $55 [2022 – $846] in building permit costs and development charges, which are included in property, plant and equipment.

As at December 31, 2023, the Corporation's accounts receivable and customer deposits include $16,725 [2022 – $15,857] and $1,866 [2022 – $1,711], respectively, while the Corporation's accounts payable and accrued liabilities include $206 [2022 – $259] due to the City of Ottawa and its subsidiaries in respect of the transactions described above. In addition, the Corporation's note receivable from the City of Ottawa is disclosed in Note 9 of these consolidated financial statements and the Corporation's long-term lease liability to the City of Ottawa included in Note 15 at December 31, 2023 is $748 [2022 – $776].

(b) Transactions and balances outstanding with joint ventures

(i) Moose Creek LP

During the year, the Corporation earned interest income in the amount of $nil [2022 – $2] on its settled note receivable from the Moose Creek LP joint venture as disclosed in Note 9, as well as $44 [2022 – $43] in other revenue for the provision of administrative services. As at December 31, 2023, the Corporation's accounts receivable include $nil [2022 – $4] due in respect of the transactions described for balances paid on behalf of Moose Creek LP.

(ii) PowerTrail

During the year, the Corporation earned other revenue of $44 [2022 – $43] for the provision of administrative services. As at December 31, 2023, the Corporation's accounts receivable include $nil [2022 – $36] due in respect of the transactions described.

(iii) ZCU

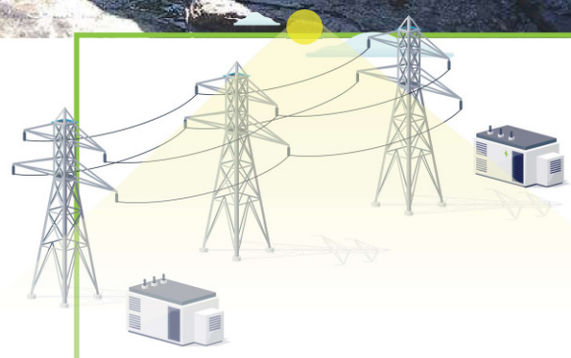
During the year, the Corporation earned interest income in the amount of $804 [2022 – $758] on its note receivable from ZCU disclosed in Note 9 of these consolidated financial statements. At December 31, 2023, accounts receivable includes $338 due from ZCU with respect to the transactions described [2022 – $303 with respect to amounts paid on the joint venture's behalf].

27. RELATED PARTY TRANSACTIONS [CONTINUED]

(c) Compensation of key management personnel

	2023	2022
	$	$
Salaries, director fees and other short-term benefits	**1,975**	1,906
Employee future benefits	**512**	551
Other long-term benefits	**33**	33
	2,520	2,490







Governance **and executive compensation**

Corporate governance

In keeping with its commitment to robust Environmental, Social and Governance (ESG) performance, Hydro Ottawa continues to establish and maintain leading governance practices for a company of its size and mandate. Because governance standards and best practices are always evolving, the company seeks to continuously improve its governance practices.

Hydro Ottawa Holding Inc. is a private, for-profit company, incorporated under the *Business Corporations Act* (Ontario). At the same time, the company is wholly owned by the City of Ottawa and fulfills a public mandate, and is therefore mindful of its responsibility to be accountable both to its shareholder and the public.

While Hydro Ottawa is not a reporting issuer under the *Securities Act* and is therefore not subject to governance standards that apply to publicly-traded companies, the company is guided by these standards and seeks to meet or exceed them. In addition, Hydro Ottawa regularly compares its governance practices to those of private and public sector organizations, and to standards set by agencies such as the Canadian Securities Administrators and the Ontario Securities Commission.

Governance structure

Accountability for the effective oversight of the Corporation (Hydro Ottawa Holding Inc.) and its subsidiaries rests with a 13-member Board of Directors, which provides direction to the Corporation on behalf of the shareholder, the City of Ottawa.

The Board provides leadership within a framework of effective controls that enables risks to be assessed and managed, and is responsible for supervising the management of the business and affairs of the Corporation and its subsidiaries. In carrying out its oversight function, the Board of Directors is guided by a Shareholder Declaration issued by Ottawa City Council and revised from time to time. The Corporation's Code of Business Conduct, its Director Conflict of Interest and Conduct Guidelines, and a Related Party Transaction Disclosure Policy and Process also govern the actions of the Board.

In 2006, a separate Board of Directors was established to oversee the operations of Hydro Ottawa Limited, in accordance with the Affiliate Relationships Code for Electricity Distributors and Transmitters issued by the Ontario Energy Board. The powers and functions of that Board are set out in a Shareholder Declaration issued by the Hydro Ottawa Holding Inc. Board of Directors. On a day-to-day basis, the Corporation is led by an Executive Management Team, comprising the Corporation's President and Chief Executive Officer, the Chief Financial Officer, and the senior executives of the subsidiaries and critical functional areas. This team oversees the alignment of business practices and strategies with the goals of the Corporation, and drives performance by managing risks and opportunities. The Executive Management Team is accountable to the Corporation's Board of Directors through the President and Chief Executive Officer.

Appointments to the Boards of Directors

As noted above, the governance structure for the Corporation and its subsidiaries includes two boards of directors — the Hydro Ottawa Holding Inc. Board and the Hydro Ottawa Limited Board.

In accordance with the terms of the Shareholder Declaration, the City of Ottawa appoints all directors to the boards except the President and Chief Executive Officer, and the one member of management on the Hydro Ottawa Limited Board. In doing so, the City considers candidates recommended by the Nominating Committee of the Board of Hydro Ottawa Holding Inc., but is not obliged to select these candidates. The Nominating Committee is assisted by outside consultants in its search for candidates for appointment to the Boards.

As set out in the Shareholder Declaration, all candidates for appointment to the Boards must meet certain requirements, including demonstrated integrity and high ethical standards, relevant career experience and expertise, and an understanding of the role of Hydro Ottawa both as a service to local ratepayers and an asset of taxpayers.

In addition, the nomination and selection process is designed to maintain a Board that includes the following overarching competencies among one or more directors: strong business background, including

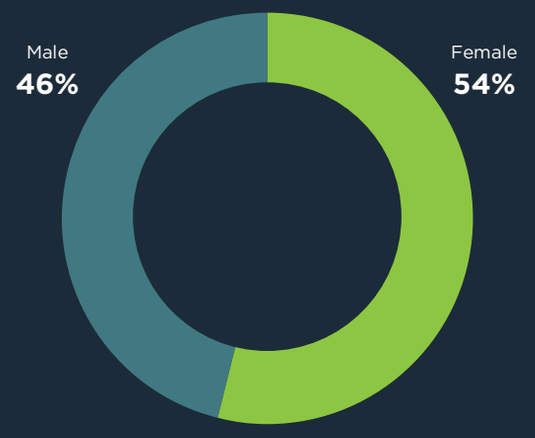
Gender diversity leadership at the board level

Hydro Ottawa is committed to building an organization — from leadership at the top to employees on the front-line — that reflects the diversity of the communities we serve.

We take great pride in the high levels of gender diversity maintained on our Board of Directors over many years. Our competitive advantage is sharpened when decision-making is enhanced by a broad spectrum of competencies, skills and backgrounds on our Board.

More than half of our Board Directors were women in 2023, which significantly exceeded the national average (as compared to publicly-traded companies). This places Hydro Ottawa in the top-tier of companies who are benefitting from more women with a seat at the boardroom table.

Board of Directors gender representation



competitive business experience and strategic planning; a strong financial background, including financial accreditation and public or private market financing experience; industry sector experience in the areas of business of the subsidiary companies; engineering experience; board experience; and merger and acquisition experience.

In step with its strong ESG culture, the Corporation seeks to establish representation on the Board that reflects the diverse population which Hydro Ottawa serves. A high level of gender diversity has been maintained on the Board over the years, with female representation consistently exceeding the national average by a significant margin (as compared to publicly-traded companies).

Key governance processes and controls

Hydro Ottawa has established a number of leading governance processes and controls to assist the Board and executive management in carrying out their oversight functions.

Risk management: An extensive, corporate-wide risk management system has been established to track indicative and predictive measures of risk. Risk assessments are included with regular reporting to the Board on all areas of the Corporation's operations.

Internal audit: Hydro Ottawa conducts a rigorous internal audit program to verify controls and maximize business efficiency and effectiveness. A number of business processes and functions are audited annually based on an audit plan approved by the Board. The use of experienced auditors both internal and external to the Corporation ensures rigour and objectivity.

Business continuity plans: Plans are in place to ensure the continuance of critical operations in the event of a major emergency such as an imminent threat, natural disaster, pandemic or significant outage, and to return the Corporation to normal operations as quickly as possible after such an event. They include detailed strategies for the re-assignment of resources to critical processes, and redundant supply arrangements with critical external suppliers.

Committees

The following committees were created to help the Boards of Directors carry out their duties. The committees meet regularly and provide feedback on their discussions to their respective Boards.

Audit: The Audit Committee reviews financial statements, accounting practices and policies, auditing processes and the results of internal and external audits and related matters. It also oversees financial risk management and assesses internal controls.

Governance and Management Resources: The Governance and Management Resources Committee reviews the Corporation's governance structures and practices to ensure that the Board of Directors can fulfill its mandate. It reviews management resources and compensation practices to ensure systems are in place to attract, retain, and motivate qualified management employees. It also reviews and assesses the performance of the President and Chief Executive Officer, oversees the Board Assessment process, and monitors compliance with codes of conduct.

Investment Review: The Investment Review Committee is responsible for assisting management and the Board of Directors in the review and pursuit of business development, acquisition, and investment opportunities. In carrying out these functions, the Committee focuses on the consistency of opportunities with strategic plans and investment guidelines, the maximization of shareholder value, and the management of risk.*

Nominating: The Nominating Committee, with the assistance of outside consultants, identifies and evaluates potential candidates for appointment as directors. The Nominating Committee makes recommendations to the shareholder (represented by Ottawa City Council) for the appointment of directors.

Strategic Initiatives Oversight: The strategic Initiatives Oversight Committee is responsible for assisting the Board of Directors in guiding management and providing support and focus for large-scale capital project efforts, as identified by the Board from time to time.

* The Investment Review Committee was merged with the Strategic Initiatives Oversight Committee in April 2024.

Statement of executive compensation

The Governance and Management Resources Committee of the Hydro Ottawa Holding Inc. Board of Directors is responsible for developing and recommending the approval of the compensation framework for the Corporation and each of its subsidiaries.

In developing the compensation framework, the Governance and Management Resources Committee is guided by two principles: the need to provide a total compensation package that will attract and retain qualified and experienced executives, and linking compensation to performance.

Executive compensation is reviewed by the Governance and Management Resources Committee and approved by the Board of Directors. In making its recommendations to the Board, the Committee examines the responsibilities and performance of individual executives, and considers the recommendations of the President and Chief Executive Officer.

In an effort to attract and retain qualified and experienced executives, the Corporation aims to offer a total compensation package that is competitive with other organizations of a similar size and scope. Executive compensation is reviewed on an annual basis and compared to market data, with the assistance of independent consultants, on an ad hoc basis to ensure competitiveness. In line with best practices for the sector, as identified by the Ontario Minister of Energy's Agency Review Panel in 2007, Hydro Ottawa applies a 50/50 weighting of market data from public and private comparators. The industry component of the market comparator group has a strong sector affiliation (e.g. Transportation and Utilities sector), and is assessed by revenue levels to ensure comparability.

Total cash compensation for Executives consists of two components: base salary and an at-risk performance incentive. (The President and Chief Executive Officer receives a base salary only.)

The at-risk performance incentive component is paid on an annual basis, and is expressed as a percentage of base salary. It is designed to retain and motivate executives, to reward them for their performance during the preceding year, and to ensure alignment with shareholder objectives. Payments are based on the achievement of corporate and division objectives, both financial and non-financial, which are established each year by the Board of Directors. Non-financial targets are designed to achieve continuous improvement in relation to a number of strategic objectives including, but not limited to, customer service, operational and organizational efficiency and effectiveness, and service reliability.

Executives participate in a benefits program, which includes extended health care, dental care, basic and optional life insurance, and short-term and long-term disability insurance. Executives also participate in the OMERS pension plan. This plan is a multi-employer, contributory, defined benefit pension plan established by the Province for employees of municipalities, local boards, and school boards in Ontario. Pension benefits are determined by a formula based on the highest consecutive five-year average of contributory earnings and years of service. Pension benefits are subject to Shared Risk Indexing, meaning any indexation to increases in the Consumer Price Index is conditional upon the OMERS Sponsors Corporation Board's annual assessment of the overall financial health of the plan. Both participating employers and participating employees are required to make equal contributions to the plan based on the participating employees' contributory earnings. Earnings for pension purposes are capped by the plan.

Compensation of officers and board members

Officers

Name and principal position[1]	Year	Base salary ($)	At risk performance incentive ($)[2]	Other compensation ($)[3]
Bryce Conrad President and Chief Executive Officer	2023	412,865	N/A	92,328
	2022	412,478	N/A	69,596
	2021	402,796	N/A	100,951
Geoff Simpson Chief Financial Officer	2023	232,489	75,932	13,791
	2022	225,776	77,387	10,551
	2021	220,043	73,630	10,698
Guillaume Paradis Chief Electricity Distribution Officer	2023	192,444	65,098	16,829
	2022	186,887	64,058	19,382
	2021	182,008	57,559	21,789
Gregory Clarke Chief Electricity Generation Officer	2023	208,089	67,963	20,622
	2022	202,081	68,081	10,451
	2021	197,337	66,305	10,432
Adnan Khokhar Chief Energy and Infrastructure Services Officer	2023	209,544	72,715	15,330
	2022	203,493	68,557	10,336
	2021	198,716	68,259	10,320

1 Officers whose earnings are reported are those who occupied the position at December 31, 2023.
2 Amounts shown in this column reflect the at-risk performance incentive for the executive in respect of the achievement of the performance objectives for the previous financial year, paid in the reporting year. These amounts have been rounded to the nearest dollar.
3 Amounts in this column include Board-approved discretionary payments such as payments of earned and unused vacation credits, car allowance, computer allowance, one-time lump sum payments and employer's share of basic life insurance premiums. These amounts have been rounded to the nearest dollar.

Board members

The remuneration of the members of the Boards of Directors of Hydro Ottawa Holding Inc. and Hydro Ottawa Limited is determined by the City of Ottawa and the Hydro Ottawa Holding Inc. Board, respectively. In addition to reimbursement for reasonable out-of-pocket expenses incurred while performing their duties, directors receive an annual stipend and meeting fees for service:

- The Board Chair receives an annual stipend of $40,000;
- All other Board members receive an annual stipend of $7,000;
- The Board Chair receives $600 for each board or committee meeting chaired or attended;
- Committee Chairs receive $800 for each committee meeting chaired; and
- All other Board members receive $600 for each board or committee meeting attended.

Only one annual stipend is paid where an individual is a director of both the Hydro Ottawa Holding Inc. and Hydro Ottawa Limited Boards of Directors. Members of the Council of the City of Ottawa, as well as the President and Chief Executive Officer, and the one member of management on the Hydro Ottawa Limited Board receive no remuneration in their capacity as directors of the boards.

Board and committee meeting attendance

The following tables illustrate the attendance of members at meetings of the Boards of Directors and their committees in 2023.

Hydro Ottawa Holding Inc.

Director	Board meetings	Committee meetings
Bernie Ashe (Chair)[1]	7/7	7/8
Jim Durrell (Past Chair)[2]	5/5	8/8
Bryce Conrad (President and CEO)	7/7	11/11
Yaprak Baltacioglu[2]	5/5	1/3
Kim Butler	7/7	6/6
Catherine Clark	6/7	3/3
Cathy Curry	6/7	3/4
Matt Davies	7/7	8/9
Laura Dudas	7/7	3/4
Cyril Leeder[2]	5/5	4/4
Paul McCarney	5/7	3/3
Madeleine Meilleur[3]	2/2	1/1
Lynn Norton[3]	2/2	1/2
Cyrus Reporter	5/7	4/5
Rumina Velshi[3]	1/2	2/2

Hydro Ottawa Limited

Director	Board meetings	Committee meetings
Bernie Ashe (Chair)[1]	1/1	N/A
Jim Durrell (Past Chair)[2]	3/3	N/A
Bryce Conrad (President and CEO)	4/4	N/A
Guillaume Paradis	4/4	N/A

1 Bernie Ashe's term as Chair of the Board took effect on October 26, 2023.
2 Denotes outgoing Board member whose term ended on October 25, 2023.
3 Denotes incoming Board member whose term took effect on October 26, 2023.

Note:

Jim Durrell was appointed to the Hydro Ottawa Holding Inc. and the Hydro Ottawa Limited Boards of Directors effective July 1, 2012. He served as Chair of both Boards from July 1, 2013 until the end of his term on October 25, 2023.

Yaprak Baltacioglu was appointed to the Hydro Ottawa Holding Inc. Board of Directors effective July 1, 2018. She served as Chair of the Governance & Management Resources Committee and a member of the Strategic Initiatives Oversight Committee until the end of her term on October 25, 2023.

Cyril Leeder was appointed to the Hydro Ottawa Holding Inc. Board of Directors effective July 1, 2017. He served as Chair of the Audit Committee and member of the Strategic Initiatives Oversight Committee until the end of his term on October 25, 2023.

We wish to convey our sincere appreciation to Jim Durrell, Yaprak Baltacioglu and Cyril Leeder for their dedicated service.

Members of the Boards of Directors

HYDRO OTTAWA HOLDING INC.


Bernie Ashe (Chair)


Bryce Conrad


Kim Butler


Catherine Clark


Cathy Curry


Matt Davies


Laura Dudas


Jacqueline Gauthier


Paul McCarney


Madeleine Meilleur


Lynn Norton


Cyrus Reporter


Rumina Velshi

HYDRO OTTAWA LIMITED


Bernie Ashe (Chair)


Bryce Conrad


Guillaume Paradis

This list comprises the members of the Boards of Directors as of December 31, 2023.



Canadian Apprenticeship Forum
Top Employer Award

Chartwell

Best Practices Awards, Silver —
Outage Communications Category

2023 INNOVATIVE HR TEAMS
HRD

HRD Canada Innovative Human
Resources Team Award

IES

IES Ottawa Best Green Lighting
and Design Award

OEA
Ontario Energy Association

Company of the Year Award

Ottawa Fire Chief's Award



Forbes 2023
CANADA'S BEST EMPLOYERS
POWERED BY STATISTA

2023
CANADA'S GREENEST EMPLOYERS

NATIONAL CAPITAL REGION'S TOP EMPLOYERS
LES MEILLEURS EMPLOYEURS DE LA RÉGION DE LA CAPITALE
2023

Hydro Ottawa Holding Inc.

Hydro Ottawa wishes to thank all of the employees whose photos appear in this Annual Report.

La version française du présent rapport annuel est affichée sur le site https://hydroottawaholding.com/RapportAnnuel2023

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RATING AGENCY REPORTS

In accordance with section 2.1.8 of the OEB's Chapter 2 Filing Requirements,[1] attached to this Schedule is the following rating agency report for Hydro Ottawa's parent company, Hydro Ottawa Capital Corporation:

- Attachment 1-5-3(A) - Rating Report for Hydro Ottawa Capital Corporation issued by Morningstar DBRS; October 17, 2024

[1] Ontario Energy Board, *Chapter 2 Filing Requirements for Electricity Distributor Rate Applications - 2025 Edition for 2026 Rate Applications* (December 9, 2024), page 15.

MORNINGSTAR | DBRS

Rating Report
Hydro Ottawa Capital Corporation

Morningstar DBRS
October 17, 2024

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Credit Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Hydro Ottawa Capital Corporation	Issuer Rating	A (low)	New Rating	Stable
Hydro Ottawa Capital Corporation	Senior Unsecured Debt	A (low)	New Rating	Stable

Credit Ratings Drivers

Positive Credit Rating Drivers	Negative Credit Rating Drivers
We are unlikely to take a positive credit rating action in the medium term given the stability of the current business risk profile and the elevated capital budget. A positive rating action could occur if the Company's credit metrics strengthen to the "A" rating range.	A negative rating action may occur should the Company's key credit metrics weaken to a level no longer supportive of the current rating (i.e., cash flow-to-debt below 10.0%) for a sustained period.

Credit Rating Update

We assigned an Issuer Rating and a Senior Unsecured Debt rating of A (low) with Stable trends to Hydro Ottawa Capital Corporation (HOCC or the Company). Concurrently, we assigned a rating of R-1 (low) with a Stable trend to HOCC's Commercial Paper program. HOCC was formed as a result of Hydro Ottawa Holding Inc.'s (HOHI) reorganization, effective on October 1, 2024. HOCC's ratings are based on HOCC's low-risk regulated electricity distribution business in Ontario, which provides a predictable source of earnings and cash flows.

Key Credit Rating Considerations

We note as part of the reorganization, (1) HOHI transferred its interests in the regulated business, Hydro Ottawa Limited (HOL), and modest nonregulated ancillary businesses to HOCC; (2) HOCC assumed HOHI's obligations under the senior unsecured debentures, releasing HOHI from these obligations; (3) the operation of HOL remained unchanged as the reorganization does not involve the transfer of any rate order or license; and (4) the remaining nonregulated operations, including Energy Ottawa Inc.'s power generation business will be transferred to another new subsidiary of HOHI, Hydro Ottawa Energy Services Inc., which is expected to close on January 2, 2025.

HOCC's business risk assessment is largely based on HOL, which accounts for the majority of HOCC's earnings. HOL is the regulated electricity distributor for Ottawa and operates under a reasonable regulatory environment overseen by the Ontario Energy Board (OEB). The regulated nature of HOL's operations will provide HOCC with predictable and steady cash flows, benefiting HOCC's credit metrics. HOL is operating under a Custom Incentive Rate-setting (IR) regime for a five-year period from 2021—25 and is expected to file its 2026 —30 Custom IR application in early 2025.

HOCC's other business segments are unregulated, including Envari Holding Inc. (Envari), an energy services business, and Hiboo Networks Inc. (Hiboo), a business-to-business telecommunications optical fibre business. We are of the view that HOCC's unregulated operations, although riskier compared with its regulated operations, represent a small portion of HOCC's earnings and do not materially affect HOCC's overall credit quality.

We note that there is no external debt at HOCC's subsidiaries, including HOL, and there is no intention of issuing debt at the subsidiary level. As such, there is no structural subordination in our rating consideration.

Earnings Outlook

On a pro forma basis, HOCC's earnings in 2023 were weaker than previous years, reflecting higher operating costs caused by severe weather events, inflationary pressure, elevated short-term interest rates, and a labor strike between June and September. We expect earnings to improve in 2024, reflecting higher approved rates, easing of inflationary pressure, and lower borrowing costs. The Company's earnings are expected to improve after rebasing in 2026, supported by growth in the rate base from the significant capital expenditures (capex) program during the current cycle.

Financial Outlook

On a pro forma basis, HOCC's credit metrics have been under pressure in recent years due to higher borrowing costs and significant capex in excess of cash flow generation. Capex is projected to stay elevated at approximately $140 million annually, net of customer contributions, for 2024 and 2025. This capex will primarily be directed towards HOL to improve system reliability and address increasing demographic demands. Given HOCC does not have access to public equity markets, the expected substantial free cash flow deficits will likely be debt-funded. We expect the Company's cash flow-to-debt will average approximately 10% in the medium term, reflecting higher earnings offset by higher leverage.

Financial Information

	For the year ended December 31
($ millions where applicable)	2023 Pro Forma
Total debt in capital structure (%)	66.1
Cash flow/Total debt (%)	10.2
EBIT gross interest coverage (times)	1.62

Issuer Description

HOCC is a holding company with the following subsidiaries: Hydro Ottawa Limited (HOL), the regulated electricity distributor, and Envari and Hiboo, which provide nonregulated services. The Company delivers electricity to more than 364,000 homes and businesses in the City of Ottawa (the City) and the Village of Casselman.

Business Risk Assessment

1. Stability from regulated business

The Company benefits from stable earnings and cash flows generated by its regulated electricity distribution business, HOL. HOL currently operates under a five-year Custom Incentive Rate-setting Mechanism (IR) with reasonable inflation, productivity, and stretch factors. The OEB prescribes that HOL has a deemed equity of 40%, which is consistent with the other LDCs in Ontario.

2. Strong franchise

HOL is the third largest municipally owned LDCs in Ontario, serving the densely populated areas within the City and the Village of Casselman. The majority of Hydro Ottawa's electricity sales are to residential customers, the federal government, and the municipalities, universities, schools, and hospitals (MUSH) sector. We note that the government and MUSH sectors have relatively stable year-over-year demand because they are less sensitive to economic cycles.

3. Operational risk

Operational risks are those risks normally inherent in the operation of distribution facilities. The Company's facilities are subject to the risk of equipment failure from asset deterioration related to use or age, latent defects, and adverse weather events, among other things. These risks could lead to longer-than-forecast equipment downtimes for maintenance and repair, disruptions of power generation, and customer service interruptions. We note that adverse weather events in 2022 and 2023 have resulted in longer interval of customer service interruptions.

Financial Risk Assessment

1. Balance sheet pressure from large capex program

HOL is in the middle of major capex programs to enhance the reliability of the system and meet growing demographic demands. We expect this will result in the Company continuing to generate deficits in free cash flow which will be financed by debt over the medium term. As such, the Company key credit metrics have been pressured and are expected to be weaker for the current rating category.

2. No access to equity markets

HOCC's ownership structure (100% owned by the City) limits its ability to directly access equity markets. As a result, the Company finances any cash flow deficits largely through its revolving credit facilities and debt issuances.

Environmental, Social and Governance Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis: Y/N		Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental	**Overall:**	**N**	**N**
Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	**N**	**N**
Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	**N**	**N**
Resource and Energy Management	Does the scarcity of sourcing key resources hinder the production or operations of the issuer, resulting in lower productivity and therefore revenues?	**N**	**N**
Land Impact and Biodiversity	Is there a financial risk to the issuer due to the loss of biodiversity and/or the mitigation of such loss, including land conversion and rehabilitation?	**N**	**N**
Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	**N**	**N**
	In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially by physical and/or transition risks under key IPCC climate scenarios?	**N**	**N**
	Climate and Weather Risks	**N**	**N**
Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	**N**	**N**
Social	**Overall:**	**N**	**N**
Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	**N**	**N**
	Do changes in consumer behaviour or secular social trends pose a financial or regulatory risk to the issuer?	**N**	**N**
	Social Impact of Products and Services	**N**	**N**
Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	**N**	**N**
	Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?	**N**	**N**
	Human Capital and Human Rights	**N**	**N**
Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	**N**	**N**
Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	**N**	**N**
Occupational Health and Safety	Would the failure to address workplace hazards have a negative financial impact on the issuer?	**N**	**N**
Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	**N**	**N**
Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	**N**	**N**
Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	**N**	**N**
Governance	**Overall:**	**N**	**N**
Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	**N**	**N**
	Are there any political risks that could affect the issuer's financial position or its reputation?	**N**	**N**
	Bribery, Corruption, and Political Risks	**N**	**N**
Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	**N**	**N**
Corporate / Transaction Governance	Does the issuer's corporate structure allow for appropriate board and audit independence?	**N**	**N**
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	**N**	**N**
	Does the board and/or management lack a formal framework to assess climate related financial risks to the issuer?	**N**	**N**
	Corporate / Transaction Governance	**N**	**N**
Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	**N**	**N**
	Consolidated ESG Criteria Output:	**N**	**N**

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

There were no environmental factors that had a relevant or significant effect on the credit analysis. HOCC's core business is regulated electricity distribution, requiring adherence to environmental standards and regulations. The Company has made a commitment to transition to net-zero operations by 2030. There has been no material environmental incidents in the past for HOHI. We note regulated utilities may be exposed to severe weather events. We expect any costs associated with these events to be recovered through rates.

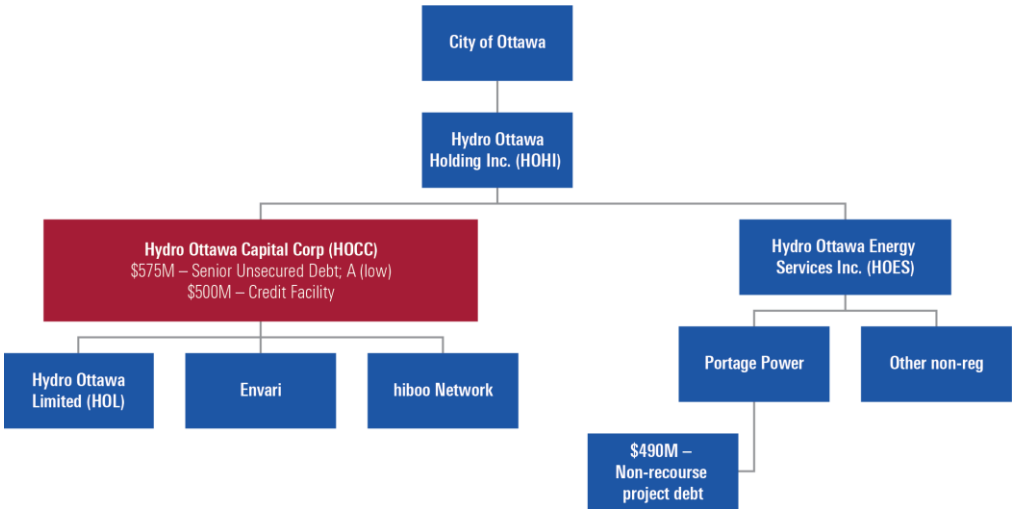
Social

There were no social factors that had a relevant or significant effect on the credit analysis. HOCC provides essential electricity distribution services. HOCC's primary social responsibility is safe and reliable delivery of cost-effective electricity to its customers. The Company has maintained consistent customer satisfaction scores in the past years, with one of the safest, most reliable and cost-effective electricity distribution systems in the province. We note that regulated utilities tend to attract significant public interest, making them susceptible to political interference, particularly when issues related to affordability arise. There has been no material negative political interference in the past for the Company.

Governance

There were no governance factor or consideration with a significant or relevant impact on the credit rating. While HOHI and its subsidiaries, including HOCC, are owned by the City of Ottawa, it has an independent Board of Directors consisting of 12 members appointed by City Council. In carrying out its oversight function, the board oversees of the Company's climate-related objectives. The Company adheres to high standards of integrity, transparency, and disclosure by regularly assessing emerging best practices (such as enhanced ESG reporting).

Appendix A: Simplified Organizational Chart



- Hydro Ottawa Capital Corporation was created through the reorganization of Hydro Ottawa Holding Inc. on October 1, 2024. As a result of the reorganization, HOHI's existing indenture amounting to $575 million is assigned to the Company. The Company also obtained a new credit facility of $500 million, which replaces the previous facility extended to HOHI.
- All outstanding notes and credit facility at the HOL level are in the form of intercompany debt owed to the Company.
- We view the relationship between the Company and the City as strong.
    - While the City has acknowledged its commitment to retaining and supporting the Company in a situation of extraordinary financial distress, we continue to view Hydro Ottawa on a stand-alone basis, separate from the City, and has not included any potential support from the City in its assessment of the Company's ratings.

Appendix B: Regulatory Update

- In July 2024, the OEB approved HOHI's reorganization proposal on the basis that the operation of HOL will remain unchanged since the reorganization does not involve the transfer of any rate order or license.
- HOL is regulated under Custom IR, which is a hybrid of cost of service and the incentive rate-setting method, for a five-year period from 2021 to 2025. We consider the inflation, productivity, and stretch factors as reasonable.
- HOL is allowed to fully recover its purchased power costs (except doubtful accounts on power cost, which are manageable) in a timely fashion, eliminating its exposure to power price risk.
- HOL is currently in year 4 of its 2021–25 Custom IR rate filing, which was approved in its revised form in November 2020 with rates finalized on January 7, 2021. In December 2023, the OEB approved HOL's application for 2024 rates with a return on equity (ROE) of 9.21% (8.34% for 2021 to 2023).
- HOL's next Custom IR application will be filed in early 2025 for rates effective 2026 to 2030.

Assessment of Regulatory Framework		
Criteria	**Score**	**Analysis**
1. Deemed Equity	Excellent Good **Satisfactory** Below Average Poor	The OEB prescribes that HOL has a deemed equity of 40%, which is consistent with other electricity distribution companies in Ontario.
2. Allowed ROE	Excellent **Good** Satisfactory Below Average Poor	HOL has an allowed ROE of 8.34% from 2021-23, 9.21% for 2024—25. The difference in ROE between HOL and other distribution companies is mainly due to the timing of regulatory filing and interest rate environment prevalent at that time.
3. Energy Cost Recovery	**Excellent** Good Satisfactory Below Average Poor	There is no power price risk for HOL as it is not responsible for purchasing power from generation facilities or the wholesale market. Power costs are passed onto rate payers at rates set by the OEB, and HOL collects payments from its customers on a monthly basis.
4. Capital and Operating Cost Recovery	Excellent **Good** Satisfactory Below Average Poor	Capital costs will be added to the rate base after completion, on an annual basis. We note that a Capital Variance Account has been established to track underspending or delays in three capex categories and will be returned to customers at the end of the period. Overspending on the capex plan will not be charged to rate payers and is at HOL's risk.
5. COS Versus Incentive Rate Mechanism	Excellent Good **Satisfactory** Below Average Poor	HOL is regulated under the Custom IR, which is a hybrid of Cost of Service (COS) and Incentive Rate Setting Method (IRM), for a five-year period. Productivity and stretch factors are reasonable.
6. Political Interference	Excellent Good Satisfactory **Below Average** Poor	The government of Ontario plays a significant role in the electricity sector in Ontario, given that the majority of the utilities are government-owned (HOL is owned by the City of Ottawa). Futher, stakeholders such as the IESO are also government-owned. As a result, the government has direct and indirect influence on Ontario's electricity industry.
7. Stranded Cost Recovery	Excellent **Good** Satisfactory Below Average Poor	Minimal stranded costs exist in the Ontario market. We note that the recovery of costs is also subject to regulatory lag. Although stranded costs have been fully recovered in the past years, assets could potentially be written down if the OEB does not approve recovery of the costs.
8. Rate Freeze	Excellent **Good** Satisfactory Below Average Poor	Distribution rates were frozen for a short time in the early 2000s. There have been no subsequent province-wide rate freezes.

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PROSPECTUS FOR PLANNED AND RECENT SHARE ISSUES

Hydro Ottawa's sole shareholder is Hydro Ottawa Capital Corporation. The Hydro Ottawa Capital Corporation is 100% owned by Hydro Ottawa Holding Inc., which is 100% owned by the City of Ottawa. There are no plans for additional share issuances to the City of Ottawa or otherwise.

ACCOUNTING ORDERS

1. INTRODUCTION

Hydro Ottawa confirms that it maintains compliance with the Uniform System of Accounts (USofA), as set out in the OEB's Accounting Procedures Handbook (APH) and with utility-specific and generic regulated accounting orders. Hydro Ottawa has made some USofA reclassification adjustments to better reflect the regulatory accounting of certain transactions. Therefore, the amounts previously reported under Reporting and Record Keeping Requirements for years 2021-2023 may have changed. Please refer to Schedule 1-5-1 - Audited Financial Statements and Reconciliation for the updated USofA summary.

2. EXISTING UTILITY SPECIFIC ACCOUNTING ORDERS

The following sections list Hydro Ottawa's open, utility-specific accounting orders from the OEB's Decisions and Orders. These are organized chronologically by distribution rate application, from oldest to most recent.

2.1. 2012 DISTRIBUTION RATE APPLICATION (EB-2011-0054)

- Sub-Account 1508 - Other Regulatory Assets - Other Post-Employment Benefits (OPEB) Deferral Account, to record cumulative actuarial gains or losses in Hydro Ottawa's post-retirement benefits.

2.2. 2016-2020 CUSTOM INCENTIVE RATE APPLICATION (EB-2015-0004)

- Sub-Account 1508 - Other Regulatory Assets - Gains and Losses on Disposal of Fixed Assets Variance Account, to record the difference between the forecast and actual loss on the disposal of fixed assets, related to retirement of assets or damage to plant.
- Sub-Account 1508 - Other Regulatory Assets - Earnings Sharing Mechanism (ESM) Variance Account, to record amounts related to any earnings above Hydro Ottawa's

approved Return on Equity (ROE) to be shared on a 50/50 basis between Hydro Ottawa and its ratepayers with no dead band.

- Sub-Account 1508 - Other Regulatory Assets - Connection Cost Recovery Agreement (CCRA) Payments Differential Variance Account, to record the revenue requirement difference between what Hydro Ottawa has included in base rates and what actual CCRA payments were made to Hydro One.
- Sub-Account 1508 - Other Regulatory Assets - Revenue Requirement Differential Variance Account related to Capital Additions, to record the revenue requirement impact of underspending on Hydro Ottawa's capital plan by specific categories.
- Sub-Account 1508 - Other Regulatory Assets - Efficiency Adjustment Mechanism (EAM) Deferral Account, to record the proxy stretch factor related to any declines in Hydro Ottawa's efficiency ranking during the Custom IR term for 2016-2020, compared to the year 2014 starting efficiency ranking point. This sub-account is final in 2020 and replaced starting in 2021 with the Performance Outcomes Accountability Mechanism (POAM) Deferral Account.[1]
- Sub-Account 1508 - Other Regulatory Assets - Wireless Attachment Revenues Deferral Account, to record revenues earned, if any, from wireless attachments from 2016-2020.[2]

2.3. 2021-2025 CUSTOM INCENTIVE RATE APPLICATION (EB-2019-0261)

- Sub-Account 1508 - Connection Cost Recovery Agreement (CCRA) Payments Differential Variance Account, to recover the difference between the forecasted new (known and unknown) and true-up CCRA payments made to Hydro One. The Account is symmetrical and effective January 1, 2021 replaces the existing Sub-Account 1508 - Other Regulatory Assets - Connection Cost Recovery Agreement (CCRA) Payments Deferral Account.
- Sub-Account 1508 - Other Regulatory Assets - Performance Outcomes Accountability Mechanism (POAM) Deferral Account, to link the execution of certain aspects of Hydro

[1] Ontario Energy Board, *Decision and Order*, EB-2015-0004 (December 22, 2015).
[2] Ontario Energy Board, *Decision and Rate Order on Pole Attachment Charge*, EB-2015-0004 (February 25, 2016).

Ottawa's 2021-2025 Distribution System Plan (DSP) to the recovery of amounts included in the agreed-upon revenue requirement. There are five performance metrics linked to specific outcomes identified in the DSP, each of which will have an annual target.

- Sub-Account 1508 - Capital Additions Revenue Requirement (excluding sub-set of System Access) Differential Variance Account. Effective January 1, 2021 this account replaces the existing Sub-Account 1508 - Other Regulatory Assets - Revenue Requirement Differential Variance Account related to Capital Additions. The modified account is to record the revenue requirement impact of underspending on Hydro Ottawa's capital plan by specific categories excluding the sub-set of System Access.
- Sub-Account 1508 - Other Regulatory Assets - Subset of System Access Capital Additions (net of contributions) Revenue Requirement Differential Variance Account, to record the revenue requirement impact of overspending or underspending in the utility's capital plan during 2021-2025 for a subset of the System Access category. This subset will consist of third party-driven plant relocation and residential expansion capital additions. Effective January 1, 2021, this account has been separated from the existing Revenue Requirement Differential Variance Account related to Capital Additions described above.
- Sub-Account 1508 - Earnings Sharing Mechanism (ESM) Variance Account, as part of the 2016-2020 Approved Settlement Agreement,[3] the ESM was calculated on an individual yearly basis. As per Hydro Ottawa's 2021-2025 Approved Settlement Agreement,[4] the account has been modified such that starting in 2021 the ESM will function as a cumulative account, with the balance (if any) being cleared and credited on a final basis to customers at the end of the five-year rate term. Other components of the previous ESM will remain the same.[5]

[3] Hydro Ottawa Limited, *2016-2020 Custom Incentive Rate-Setting Approved Settlement Proposal,* EB-2015-0004 (December 7, 2015).
[4] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020), pages 34-35.
[5] Ontario Energy Board, *Decision and Rate Order*, EB-2019-0261 (January 7, 2021).

2.4. 2022 DISTRIBUTION YEAR 2 UPDATE RATE APPLICATION (EB-2021-0035)

- Sub-Account 1508 - Other Regulatory Assets - To use the Pole Attachment Revenue Variance Account to record any differences in pole attachment revenue in 2022 between the provincial wide rate and the pole attachment rate included in 2022's revenue requirement based upon agreed adjustments per Approved Settlement Agreement.

3. EXISTING GENERIC ACCOUNTING ORDERS

The following sections list generic accounting orders that are available industry wide.

- Energy Retailer Service Charges, to establish the following new variance accounts[6]:
  - Sub-Account 1508 - Other Regulatory Assets - Retailer Service Charges Incremental Revenue; and
  - Sub-Account 1508 - Other Regulatory Assets - Retailer Service Charges Incremental Revenue Carrying Charges.
- Sub-Account 1509 - Impacts Arising from the COVID-19 Emergency, to record the costs associated with the Emergency under five sub-accounts.
  - As part of the 2021-2025 Approved Settlement Agreement,[7] the Parties have agreed to restricted use of these accounts. For more details, please see Schedule 9-1-3 - Group 2 Accounts.
- Sub-Account 1508 - Other Regulatory Assets - OPEB Differential - Variance Tracking Account related to Pension and OPEB.[8]
- Sub-Account 1508 - Other Regulatory Assets - Designated Broadband Project Impacts, to record the variance between locate costs resulting from Bill 93 and the approved cost included in base rates.[9]

[6] Ontario Energy Board, *Decision and Order in the matter of Energy Retailer Service Charges effective May 1, 2019*, EB-2015-0304 (February 14, 2019).
[7] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2019-0261 (September 18, 2020)
[8] Ontario Energy Board, *Report of the Ontario Energy Board: Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs*, EB-2015-0040 (Sept 14, 2017), Section B - Variance Tracking Account.
[9] Ontario Energy Board, Letter RE: *Getting Ontario Connected Act Variance Account*, EB-2023-0143 (October 31, 2023).

- Sub-Account 1508 - Other Regulatory Assets - Green Button Initiative Deferral Account, to record the incremental costs directly attributable to the implementation of the Green Button initiative.[10]
- Sub-Account 1508 - Other Regulatory Assets - Ultra-Low Overnight Regulated Price Plan Option, to record the impacts arising from Implementing the Ultra-Low Overnight Regulated Price Plan Option.[11]
- Sub-Account 1508 - Other Regulatory Assets - Cloud Computing Implementation Costs, to record the incremental cloud computing implementation costs incurred when utilities first transition from on-premise solutions to cloud computing.[12]
- Sub-Account 1508 - Other Regulatory Assets - Low-Income Energy Assistance Program Financial Assistance (LEAP EFA), to record incremental LEAP EFA contributions made on and after March 1, 2024 that are beyond the amounts embedded in distribution rates. [13]

For additional information on the accounts described herein, please refer to Schedule - 9-1-3 - Group 2 Accounts.

[10] Ontario Energy Board, Letter RE: *Accounting Order (003-2021) for the Establishment of a Deferral Account to Record Impacts Arising from Implementing the Green Button Initiative,* EB-2021-0183 (November 1, 2021).
[11] Ontario Energy Board, Letter Re: *Accounting Order (001-2023) for the Establishment of a Deferral Account to Record Impacts Arising From Implementing the Ultra-Low Overnight (ULO) Regulated Price Plan Option,* EB-2022-0160 (March 2, 2023).
[12] Ontario Energy Board, Letter RE: *Accounting Order (003-2023) for the Establishment of a Deferral Account to Record Incremental Cloud Computing Arrangement Implementation Costs*, (November 2, 2023).
[13] Ontario Energy Board, Letter RE: *Changes to the Low-Income Energy Assistance Program Emergency Financial Assistance and Accounting Orders*, EB-2023-0135 (February 12, 2024).

ACCOUNTING STANDARDS USED

Hydro Ottawa adopted International Financial Reporting Standards (IFRS) for financial reporting purposes on January 1, 2015. The audited financial statements provided in Schedule 1-5-1 - Audited Financial Statements have been prepared in accordance with IFRS.

ACCOUNTING TREATMENT FOR UTILITY-OWNED GENERATION

Hydro Ottawa confirms that the accounting for utility-owned generation, other than behind-the-meter generation, has been segregated from its rate-regulated activities.

Hydro Ottawa's administrative office and operations facilities include behind-the-meter solar installations. This investment reduces Hydro Ottawa's environmental footprint and electricity costs. The solar arrays are included in Hydro Ottawa's rate-regulated activities.

ACCOUNTING TREATMENT OF NON-UTILITY BUSINESS

Hydro Ottawa confirms that the accounting treatment used by the utility segregates the business activities of its non-utility business from its rate-regulated business.

CHANGES TO ACCOUNTING POLICIES USED IN PREVIOUS APPLICATIONS

Since the filing of Hydro Ottawa's last rebasing Application submitted in 2020,[1] the utility has adopted the following:

On January 1, 2023, Hydro Ottawa adopted amendments within the International Accounting Standards (IAS) 1 – *Presentation of Financial Statements* related to the *Disclosure of Accounting Policies*. The changes required an entity to disclose material rather than significant accounting policies and provided guidance identifying material accounting policies relevant to users of the financial statements. Accordingly, Hydro Ottawa reviewed its accounting policies and updated the accounting policy information within its Material Accounting Policies note in its Notes to the Financial Statements to align with these amendments.

[1] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Distribution Rate Application*, EB-2019-0261 (February 10, 2020).

CORPORATE STRUCTURE AND GOVERNANCE

1. INTRODUCTION

Pursuant to section 2.1.3. of the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications*, dated December 9, 2024, Hydro Ottawa herein provides information regarding the corporate and utility organizational structure, and corporate governance practices.

2. CORPORATE AND UTILITY ORGANIZATIONAL STRUCTURE

Hydro Ottawa Holding Inc. was created as a result of the *Electricity Act, 1998*, which required all electric utilities to operate as business corporations. Under this structure, Hydro Ottawa Holding Inc. is a for-profit company that continues to be wholly owned by the City of Ottawa, and is governed by an independent board of directors appointed by its shareholder. Hydro Ottawa Holding Inc. wholly-owns and operates two subsidiary holding companies: Hydro Ottawa Capital Corporation and Hydro Ottawa Energy Services Inc.. Hydro Ottawa Capital Corporation wholly-owns and operates Hydro Ottawa Limited[1] (referred to as “Hydro Ottawa” and/or “the utility” in all other evidence in this Application), which is a regulated distribution utility operating in the City of Ottawa and the Village of Casselman.

2.1. CURRENT GOVERNANCE STRUCTURE

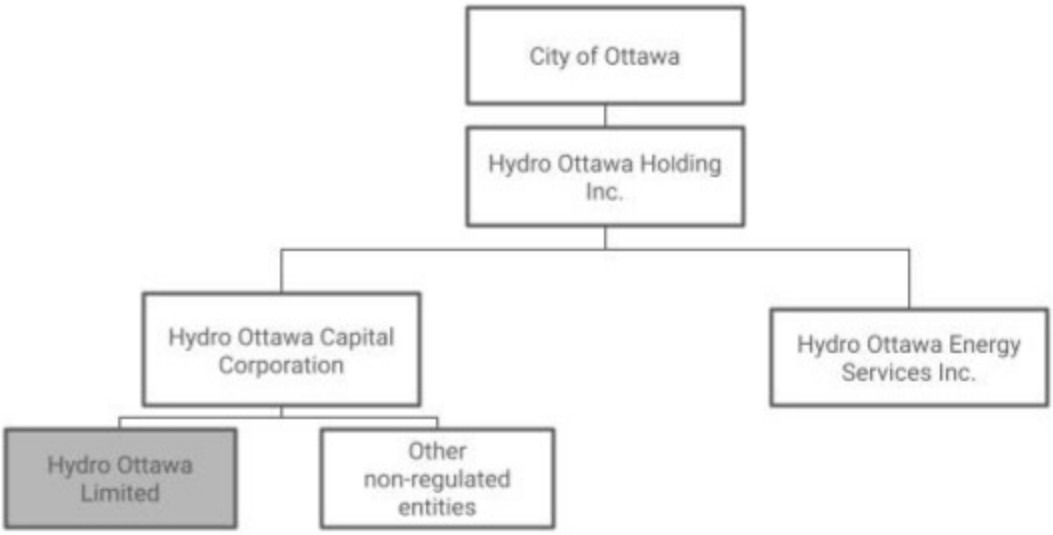
Accountability for the effective oversight of Hydro Ottawa Holding Inc. and its subsidiaries rests with a twelve member Hydro Ottawa Holding Inc. Board of Directors, which provides direction to the Hydro Ottawa Holding Inc. on behalf of the shareholder, the City of Ottawa. The Hydro Ottawa Holding Inc. Board provides leadership within a framework of effective controls that enables risks to be assessed and managed, and is responsible for supervising the management of the business and affairs of the Hydro Ottawa Holding Inc. and its wholly-owned subsidiaries.

[1] Ontario Energy Board, *Decision and Order RE: Hydro Ottawa Holding Inc., Hydro Ottawa Capital Corporation, and Hydro Ottawa Limited, Application for approval for Hydro Ottawa Capital Corporation to acquire 100% of the shares in the issued and outstanding capital of Hydro Ottawa Limited from Hydro Ottawa Holding Inc.*, EB-2024-0164.

In carrying out its oversight function, the Hydro Ottawa Holding Inc. Board of Directors is guided by a Shareholder Declaration issued by Ottawa City Council as revised from time to time. The Hydro Ottawa Holding Inc. Code of Business Conduct, its Director Conflict of Interest and Conduct Guidelines, and a Related Party Transaction Disclosure Policy and Process also govern the actions of the Hydro Ottawa Holding Inc. Board of Directors.

In 2006, a separate subsidiary Board of Directors was established to oversee the operations of the utility, in accordance with the OEB's *Affiliate Relationships Code for Electricity Distributors and Transmitters* (ARC). The powers and functions of the utility Board of Directors are set out in a Shareholder Declaration issued by its shareholder, Hydro Ottawa Capital Corporation. The chart below depicts the relationship between the various corporate entities.

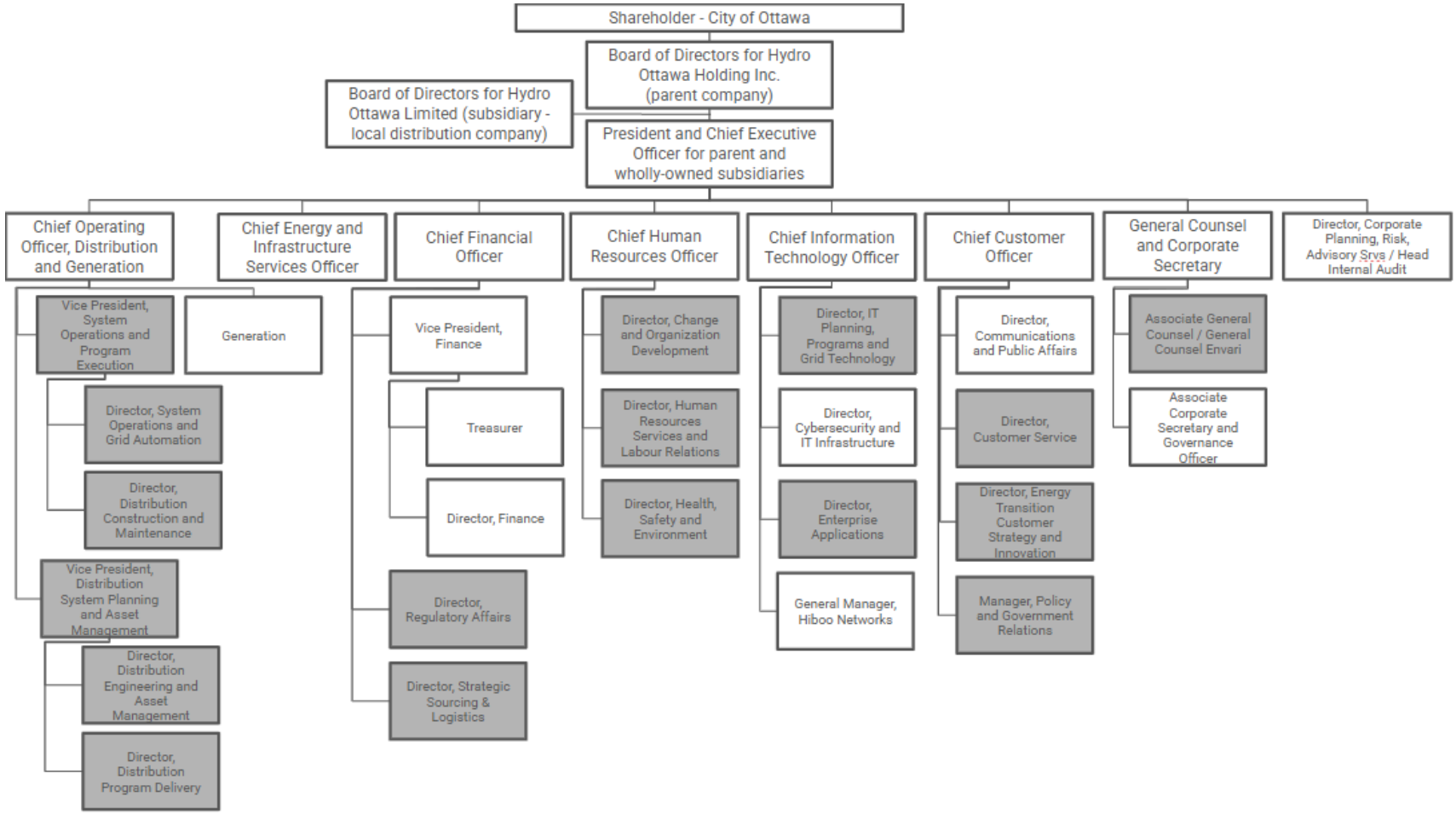
Figure 1 – Corporate Entities Relationship Chart



2.2. EXECUTIVE MANAGEMENT TEAM AND REPORTING RELATIONSHIP BETWEEN UTILITY MANAGEMENT AND PARENT COMPANY OFFICIALS

On a day-to-day basis, Hydro Ottawa Holding Inc. is led by an Executive Management Team, comprised of the President and Chief Executive Officer, the Chief Financial Officer, and the senior executives of the subsidiaries and critical functional areas. This team oversees the alignment of business practices and strategies with the goals of Hydro Ottawa Holding Inc., and drives performance by managing risks and opportunities. The Executive Management Team is accountable to Hydro Ottawa Holding Inc.'s Board of Directors through the President and Chief Executive Officer. The chart shown below in Figure 2 depicts the relationship between utility management (shaded boxes) and Hydro Ottawa Holding Inc. officials.

Figure 2 – Utility Management and Hydro Ottawa Holding Inc. Relationship



3. CORPORATE GOVERNANCE PRACTICES

3.1. BOARD OF DIRECTORS

The composition of the Hydro Ottawa Holding Inc. Board includes 12 members, nine of whom are independent of management and the sole shareholder, the City of Ottawa.

The composition of the utility Board includes three members. The Hydro Ottawa Limited Board Chair, who is also the Chair of the Hydro Ottawa Holding Inc. Board, is independent from any affiliate as required by the provisions of subsection 2.1.2 of the ARC.

The number and proportion of independent directors on the utility Board is set out in Section 2 of its charter, which requires that one third of the utility Board shall, at all times, be independent of any affiliate.

To facilitate the exercise of independent judgement by the Hydro Ottawa Holding Inc. and the utility Boards in carrying out their respective responsibilities:

- the Hydro Ottawa Holding Inc. Board is comprised of a majority of independent directors;
- the utility Board has met its Charter requirements to have one third of its Board independent of any affiliate; and
- a number of internal policies and processes are in place to address related party transactions.

The above-mentioned policies and processes include an agenda item at each meeting of the boards and committees that requires board members to make declarations of interest and to disclose any transactions in which they could have an interest, but also to disclose any entities in which they have come to have a financial interest that could be involved in transactions with the Hydro Ottawa Holding Inc. or its wholly-owned subsidiaries.

In addition, an annual disclosure to the Governance and Management Resources Committee (GMRC) is made of related party transactions involving directors of the Hydro Ottawa Holding Inc. and its wholly-owned subsidiaries. An annual disclosure to the shareholder is also made, through the City Manager, of related party transactions involving directors of Hydro Ottawa Holding Inc. and its wholly-owned subsidiaries, including certification of compliance with the restrictions contained in the Hydro Ottawa Holding Inc. Shareholder Declaration and the utility Shareholder Declaration relating to restrictions on payments to directors, their family members, and entities in which directors have a substantive ownership interest.

The Audit Committee is comprised of a majority of independent directors, the internal auditor attends every meeting of the Audit Committee and the external auditor attends the Audit Committee meetings as required. The Audit Committee has a closed session with the external auditor and one with the internal auditor at every meeting they attend.

The Hydro Ottawa Holding Inc. Board conducts a periodic self-evaluation to assess the performance and effectiveness of the Hydro Ottawa Holding Inc. Board, its committees, and board and committee chairs. All information supplied by Hydro Ottawa Holding Inc. Board members is kept confidential and is not accessible by members of management of the Hydro Ottawa Holding Inc. All results of the assessment process are reported to the Hydro Ottawa Holding Inc. Board on a confidential basis without attribution.

3.2. BOARD MANDATE

As part of its commitment to implementing good governance practices consistent with a corporation of its size and mandate, Hydro Ottawa Holding Inc. (including its wholly-owned subsidiaries) is committed to regularly assessing its practices to ensure that this goal continues to be met.

With respect to board mandates, the GMRC of the Hydro Ottawa Holding Inc. Board has been assigned the responsibility to maintain charters for both Hydro Ottawa Holding Inc. and the

utility boards and committees, and annually reviews roles, responsibilities, and terms of reference to ensure that they are consistent with good governance practices for a corporation of Hydro Ottawa Holding Inc.'s size and mandate.

The written mandate of the utility Board of Directors is set out in its Charter.

3.3. ORIENTATION AND CONTINUING EDUCATION

As part of its commitment to implementing good governance practices consistent with a corporation of its size and nature of business activities, Hydro Ottawa Holding Inc. (including its wholly-owned subsidiaries) is committed to ensuring that members of the board of directors receive both an initial orientation and on-going education that will assist them in undertaking their roles as directors of Hydro Ottawa Holding Inc. and its subsidiaries.

To this end, the Hydro Ottawa Holding Inc. Board has put in place a Director Orientation and Continuing Education Policy and Process, and has assigned responsibility to the GMRC for ensuring that appropriate and relevant practices are in place for director orientation and continuing education. Hydro Ottawa Holding Inc. encourages directors to participate in external professional development education programs to assist in the execution of their roles as directors, and also funds the participation of one director per year for a recognized director education program providing director certification.

In addition, the Hydro Ottawa Holding Inc. has been a corporate "board" member with the Institute of Corporate Directors (ICD) since 2017 in order to provide all board members with access to continuing education opportunities. Hydro Ottawa Holding Inc.'s ICD board membership extends to all Hydro Ottawa Holding Inc. Board members and offers a number of resources aimed at optimising board performance.

3.4. ETHICAL BUSINESS CONDUCT

Hydro Ottawa Holding Inc.'s Code of Business Conduct, its Director Conflict of Interest and Conduct Guidelines, and a Related Party Transaction Disclosure Policy and Process govern the actions of both the Hydro Ottawa Holding Inc. and utility Boards. Moreover, the charters of the Hydro Ottawa Holding Inc. Board, the GMRC, and the utility Board each include specific provisions in relation to the Code of Conduct and Compliance.

In accordance with their charter requirements, the GMRC, the Hydro Ottawa Holding Inc. Board and the utility Board, annually receive a report confirming that directors, members of management, and those in key financial positions have signed an attestation acknowledging acceptance of Hydro Ottawa Holding Inc.'s Code of Business Conduct.

Additionally, the Hydro Ottawa Holding Inc. has established a Business Conduct Hotline, a third party service that allows employees and board members to anonymously report any concerns they might have related to perceived improper activities in the workplace and/or non-compliance with the Code of Business Conduct, or even suggestions for improvement. The Audit Committee of the Hydro Ottawa Holding Inc. Board receives annual Business Conduct Hotline updates and more frequent reports if a serious complaint is received.

3.5. NOMINATION OF DIRECTORS

In accordance with the requirements of the Shareholder Declaration for the Hydro Ottawa Holding Inc. Board, the City of Ottawa, the sole shareholder, appoints all directors to the board of Hydro Ottawa Holding Inc., except for the President and Chief Executive Officer. In doing so, the City considers candidates recommended by the Nominating Committee, but is not obliged to select these candidates. The Nominating Committee is assisted by outside consultants in its search for candidates for appointment to the Hydro Ottawa Holding Inc. Board.

As set out in Hydro Ottawa Holding Inc.'s Shareholder Declaration, all candidates for appointment to the board must meet certain requirements, including demonstrated integrity and

high ethical standards, relevant career experience and expertise, and an understanding of Hydro Ottawa Holding Inc. both as a service to local ratepayers and an asset of taxpayers.

In addition, the nomination and selection process is designed to maintain the following overarching competencies among one or more directors: strong business background, including competitive business experience and strategic planning; strong financial background, including financial accreditation and public or private market financing experience; industry sector experience in the areas of business of the subsidiary companies; board experience; engineering experience; and merger and acquisition experience. The GMRC also utilizes a skills and competencies matrix to ensure that the directors have a diverse mix of competencies and skills necessary to enable the Hydro Ottawa Holding Inc. Board of Directors to properly discharge their responsibilities.

When recruiting new board members, the Institute on Governance assists with the process of identifying and evaluating potential candidates. The process used by the Institute on Governance to source qualified candidates for the Nominating Committee's consideration was designed to target recruitment priorities identified by the GMRC after reviewing the skills matrix.

The Institute on Governance assesses applications against the selection criteria set out in the Hydro Ottawa Holding Inc. Shareholder Declaration as well as the recruitment priorities identified by the GMRC. Thereafter, it provides the Nominating Committee with a report including a candidate listing, biographies, and a summary competency assessment for each potential candidate.

As per usual practice, the Nominating Committee then meets to discuss the candidate listing provided by the Institute on Governance, giving consideration to the recruitment priorities identified through the skills matrix review conducted earlier in the year. Following its deliberation, the Nominating Committee resolves to recommend candidates for appointments to the Hydro Ottawa Holding Inc. Board to the shareholder, and the recommended candidate

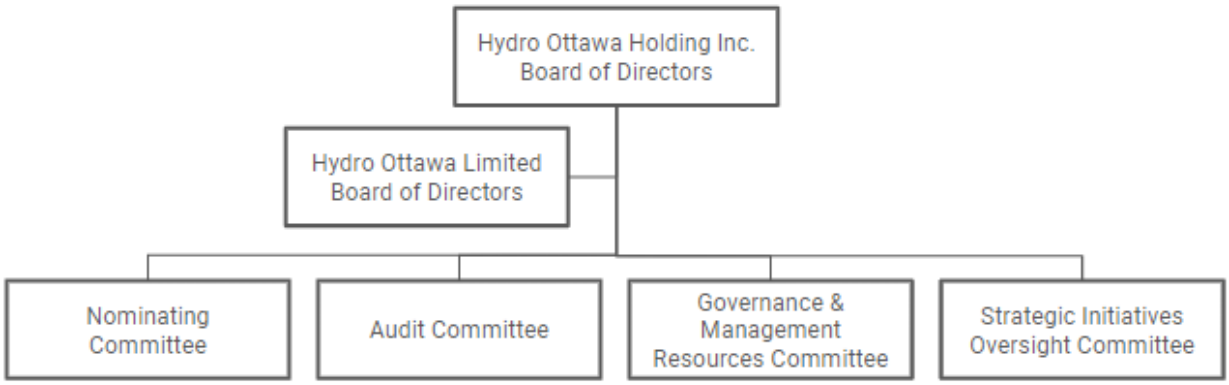
names are included as part of Hydro Ottawa Holding Inc.'s report to City Council for its Annual General Meeting (AGM) held annually.

In 2024, no new recruitment was undertaken. The Nominating Committee met to consider the recruitment priorities identified by the GMRC as part of its annual review of the Hydro Ottawa Holding Inc. Board Competency Profile.[2] Following its deliberation, the Nominating Committee resolved to recommend to the shareholder the reappointment of three outgoing board members.[3] The recommended candidates' names were included as part of Hydro Ottawa Holding Inc.'s report to City Council for its AGM held on June 25, 2024.

3.6. BOARD COMMITTEES

The following four committees, as shown in Figure 3 and detailed below, have been created to assist the Hydro Ottawa Holding Inc. and utility Boards in carrying out their respective duties:

Figure 3 – Board Committees



[2] On June 13, 2024, the Hydro Ottawa Holding Inc. Board approved a new skills matrix replacing the previous Hydro Ottawa Holding Inc. Board Competency Profile.
[3] One member who served a single term was reappointed for a second 3-year term, and the other two members, both serving their second terms, were extended for one- and 3-year terms, respectively.

- **Nominating:** The Nominating Committee, with the assistance of outside consultants, (i) identifies and evaluates potential candidates for appointment as board directors; and (ii) makes recommendations to the shareholder (represented by Ottawa City Council).

- **Audit:** The Audit Committee reviews financial statements, accounting practices and policies, auditing processes, and the results of internal and external audits and related matters. It also oversees financial risk management and assesses internal controls. The Audit Committee is comprised of a majority of independent directors. Financial expertise is one of the overarching competencies for all board directors, and all Audit Committee directors are financially literate. In addition, the internal auditors attend every Audit Committee meeting and the external auditors attend at the Committee and/or management's request. A closed session with the external auditors occurs at every meeting they attend.

- **Governance and Management Resources:** The GMRC reviews governance structures and practices to ensure that the Hydro Ottawa Holding Inc. Board of Directors can fulfil its mandate. It reviews management resources and compensation practices to ensure systems are in place to attract, retain, and motivate qualified management employees. It also reviews and assesses the performance of the President and Chief Executive Officer, oversees the board assessment process, and monitors compliance with the Code of Business Conduct.

- **Strategic Initiatives Oversight:** The Strategic Initiatives Oversight Committee is responsible for assisting management and the Hydro Ottawa Holding Inc. Board of Directors in the review and pursuit of business development, acquisition, and investment opportunities as well as guiding management and providing support and focus for large-scale capital project efforts. In carrying out these functions, the SIOC focuses on the consistency of opportunities with strategic plans and investment guidelines, the maximisation of stakeholder value, and the management of risk.