# Appendix C – Customer Needs and Preferences Survey

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Burlington hydro inc.

# 2026 Cost of Service Customer Engagement

By Decision Partners Canada Inc.
October 4, 2024

Table of Contents



# Executive Summary

**Customer Engagement Approach**

In February 2024, Decision Partners was engaged to support Burlington Hydro Inc.'s (Burlington Hydro's) Customer Engagement process in support of their 2026 Cost of Service Rate Application. The goal was to conduct customer engagement activities that would be used to help inform the content and priorities for their Distribution System Plan (DSP). Decision Partners applied its Mental Modeling Insight™ (MMI™) – strategic, evidence-based, science-informed processes, methods, and tools – to design and conduct a meaningful, respectful, and effective two-phase engagement process. MMI is specifically designed to elicit in-depth, reliable insight into people's mental models – their needs, values, interests, and priorities.

**Iterative Customer Engagement Supporting Burlington Hydro's Cost of Service Planning**

Throughout the 6-month, iterative Customer Engagement process, Burlington Hydro reached out to customers through multiple channels – email, social media posts, website banners and posts, and through customer bills. Customers were encouraged to participate in Foundational Interviews, the Customer Engagement Web Survey, and/or the Key Customer Webinar to provide input to inform the 2026-2030 Cost of Service Rate Application. Meaningful input was obtained from a broad and diverse cross section of Burlington Hydro's customer base of ~69,000 Residential and Commercial Customers. Customer input, priorities and preferences from the two-phased Customer Engagement process were provided to the Burlington Hydro Team to support the development of the DSP.

*Phase I – Foundational Customer Engagement*

In Phase I, Foundational Interviews were conducted with 36 Burlington Hydro customers, between March 9 and April 9, 2024. This initial phase was designed to elicit in-depth and meaningful insight into customers' needs, values, interests, and priorities. The open-ended, conversational nature of the interviews, with follow-up prompting, provided an opportunity for unanticipated topics to arise and encouraged more in-depth responses. The small number of interviews is typical for foundational mental models-based research and is often followed-up with confirmatory research with a larger sample as was done with the Web Survey in Phase II. The key objectives for the Foundational Interviews were to assess the alignment of Burlington Hydro's values and priorities in the company's initial planning with those of their customers and to provide a sound base for the Web Survey.

*Phase II – Broad Customer Engagement*

In Phase II, Decision Partners designed and conducted a Customer Engagement Web Survey, open to all Burlington Hydro customers, between August 13 to September 15, 2024. The purpose of the Web Survey was to confirm customers' needs, values, interests, and priorities – based on a much larger sample of Burlington Hydro's customers – as well as obtain feedback on updated business planning priorities, including the four categories of capital spending: System Access, System Renewal, System Service, and General Plant. The input from the Web Survey was then used by the Burlington Hydro Team to update and finalize the capital budget underpinning the Cost of Service Rate Application. A total of 3,484 customers (3,389 Residential Customers, 72 Small Commercial Customers, and 23 Larger Commercial and Industrial Customers) participated in the survey. A total of 2,577 customers (2,510 Residential, 50 Small Commercial, and 17 Larger Commercial & Industrial) answered all substantive survey questions (i.e., all questions before the questions on demographics).

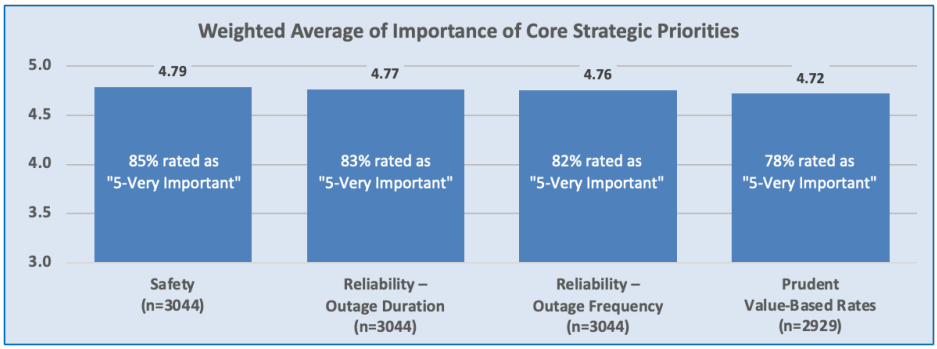
*Key Customer Webinar*

Decision Partners also supported the Burlington Hydro Team in designing and facilitating a Key Customer Webinar held on September 10, 2024. Burlington Hydro invited its approximately 800 larger commercial and industrial customers (GS>50) to participate in the Key Customer Webinar. The Webinar, which was attended by 8 participants, presented details of the business plan and offered an opportunity to comment on the draft plan and/or ask questions of the Burlington Hydro Team. In addition to attending the webinar, Key Customers were also encouraged to provide their feedback by completing the Web Survey.

### Top Line Results of Customer Engagement

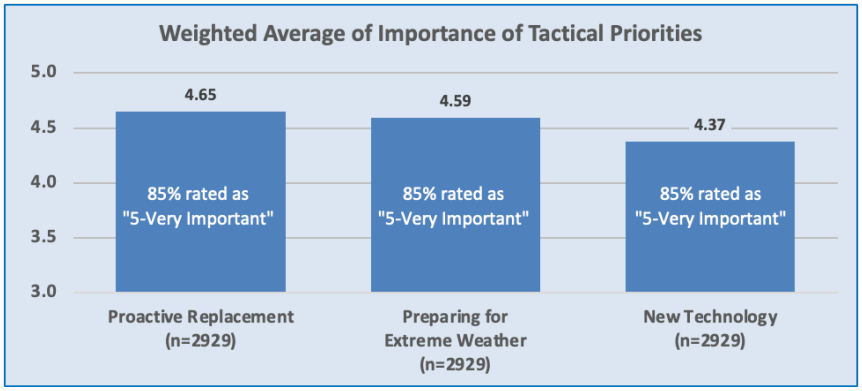
*Alignment with Core Priorities*

There is strong customer alignment with Burlington Hydro on the company's core strategic priorities – that electricity delivery be safe, reliable, and at prudent and value-based rates. All were rated as "5-Very Important" by a large majority of customers (as indicated within the bars in the chart below). Further, over 99% of those surveyed rated safety and reliability as "3-Somewhat Important" to "5-Very Important.

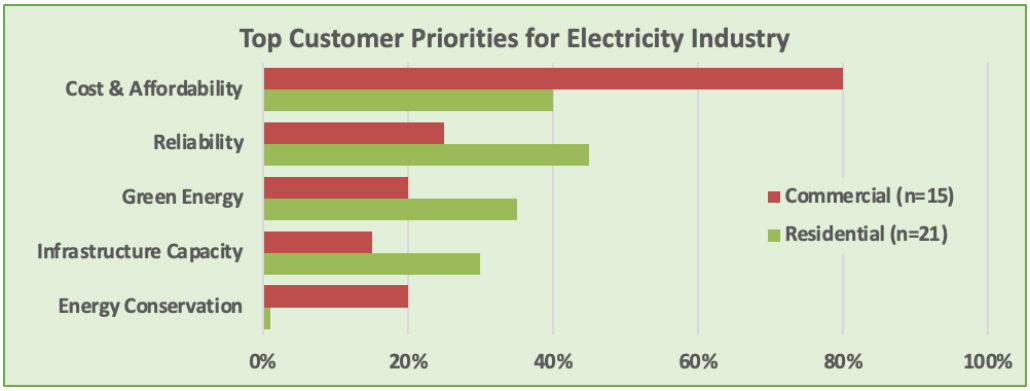



***Note:*** Weighted averages are based on a 1 to 5 Rating Scale for Importance or Appropriateness: "5-Very Important/Appropriate", "4", "3-Somewhat Important/Appropriate", "2", "1-Not Very Important/Appropriate". These 5-point scales were used throughout the Foundational Interviews and Web Survey.

Customers also showed strong alignment with Burlington Hydro on its tactical priorities of "proactively replacing deteriorated infrastructure", "upgrading the distribution system to respond to increasing extreme weather", and "investing in new and innovative technology". All were rated as "5-Very Important" by a large majority of customers (as indicated within the bars in the chart that follows).



The Web Survey results are consistent with the results of the Foundational Interviews which identified customers' top priorities for the electricity industry in general as cost, affordability, reliability, green energy, infrastructure capacity, and energy conservation.




***Note:*** *Due to the open-ended, less structured nature of the foundational interviews the results are not always directly comparable to the web survey. To better differentiate them, results of the foundational interviews are shown separately and with a green shaded background, while the results of the web survey are shown with a blue background.*

*Customer Outage Communication*

Results from the Web Survey and the Foundational interviews show that some customers may be unaware of the cause of outages and what is being done to restore power and some customers also indicated that they would like more information during outages. This suggests that they would value enhanced communication, perhaps through the use of automated or customer-oriented systems that provide more, and more timely information about outages, including causes, response times and actions that Burlington Hydro is taking to prevent future occurrences. The open-ended responses from the Foundational Interviews provided some more in-depth insight into customers' perceptions on this topic.

***Findings from Phase I Foundational Interviews***

***When asked about Burlington Hydro's response to outages, some Customers (30% Overall: 40% Residential, 20% Commercial) said the problem was 'just located and fixed' providing little insight as to what that entailed:***

» *"They send the crews out to go and work on the line and they tried to restore the power as quickly as possible." (Commercial Customer)*

***Several Customers noted the importance of communication during outages:***

» *"The knowledge piece is really important. When you don't know what's going on, you imagine scenarios that are more complex and more threatening." (Residential Customer)*

» *"Providing regular updates, reassuring the customers that you know [about the outage] and things are being worked on." (Residential Customer)*

» *"It's on a regular day and my power goes off for hours and I don't trust them because I don't know what's happening." (Residential Customer)*

In the Web Survey, customers were asked specifically about causes of outages. While customers are aware of general causes such as adverse weather, defective equipment, and human interaction (such

as car accidents), most customers – including over 50% of Residential Customers in the Web Survey – also reported having outages that they didn't know the cause of. Several customers provided optional comments when rating their customer experience, that further supports they value enhanced communication.

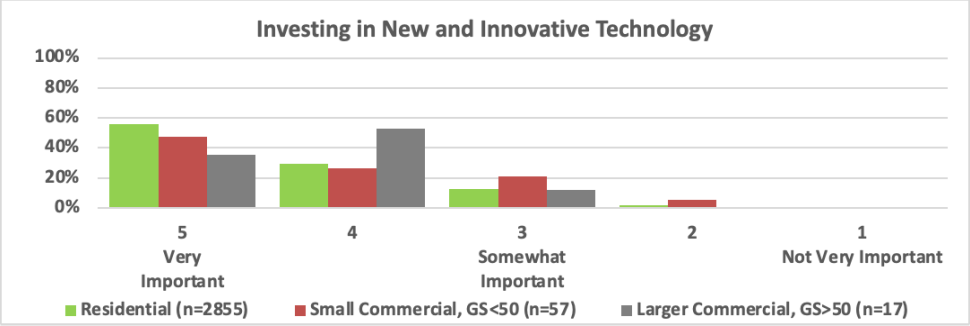
***Findings from Phase II Web Survey***

***Several customers offered optional comments in the Web Survey noting frustration with communications during outages:***

- *"When the power goes down where we live, which used to happen regularly but less so more recently, the most aggravating thing was when I phone your trouble line to find out what was going on and when power might be restored. I'd often be put on hold for 20 minutes or so and be forced to listen to crappy, repetitive [music]." (Residential Customer)*
- *"Power outages seem more frequent in my neighbourhood than I've had in other cities previously. I also find I'm not receiving accurate/timely communication about them." (Residential Customer)*
- *"Outage website is clumsy to use." (Residential Customer)*
- *"We seem to have had quite a few outages this year and sometimes the online services for outage maps etc., are not operating. We also get notifications from cogeco about power outages in our area. I wonder why BH can't take advantage of the same digital infrastructure? Should we be away it is extremely valuable to have a text alerting us that power is out. If cogeco can do it for you, I suppose there isn't an impetus but this seems backwards. I'm sure you'd agree it would be BH responsibility?" (Residential Customer)*
- *"Too many random outages in south Burlington. Twitter and outage maps very time delayed. Customer service not responsive." (Residential Customer)*
- *"Communication when there are outages are problematic to and from Burlington Hydro. No electronic notification to/from and resulting wait times when calling are unacceptable." (Residential Customer)*
- *"Outage maps aren't always accurate and the technology seems dated." (Residential Customer)*
- *"Communicating with Customers is an often difficult process. Some people think that too much information from Burlington Hydro is a bad thing, but personally I believe that more information is helpful. A good example is during power outages. Often times the only way to know what is happening is to phone the Emergency number, but that often overwhelms the system. An alert process could be an alternate solution, where Customers receive a text alert (which will require a signup and permissions process) when outages occur or are planned. This could also alert Customers that there bills are due, that there are planned outages pending, etc." (Residential Customer)*
- *"I have experienced a few outages in the last few years. I understand that this happens from time to time and it is not really an issue to me. What the major problem is when I go to your website or Twitter for info, there isn't an acknowledgement or update about the outage. Even worse, when I go to your outage map, it is down and will not load. Very frustrating as a customer who want's to know what is happening with their service." (Residential Customer)*

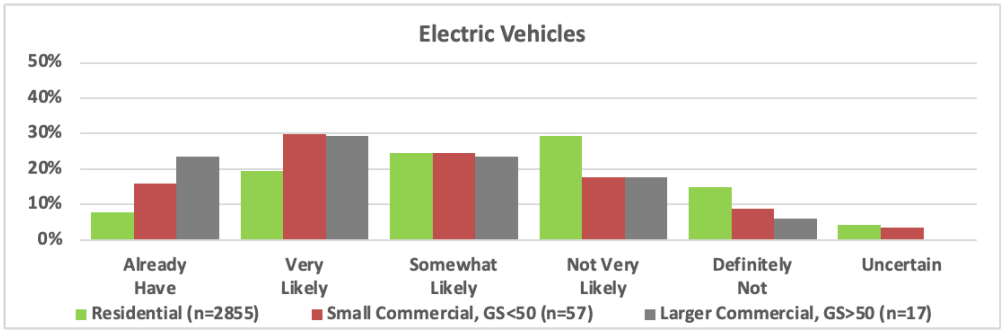
*Electrification and Grid Modernization*

The Web Survey results also show that nearly all customers understand and support the need for investments in new and innovative technology to support grid modernization with nearly all customers rating this as “5-Very Important” (55.6%) or “4” (29.6%).

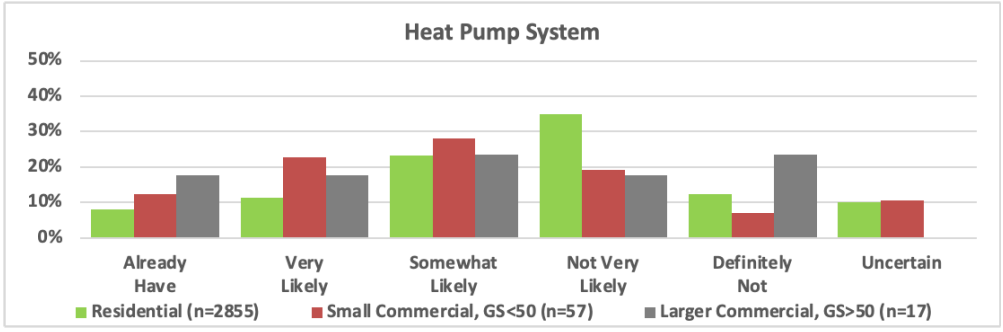



Customers were specifically asked about changing electricity needs and how likely they were to have electric vehicles, solar panels, battery storage, and heat pumps in the next 10 years. While customers’ responses varied for each, a significant number of customers indicated that they were likely to add each of these technologies. This suggests the potential for significant change in customers’ electricity needs that Burlington Hydro must plan and prepare for, particularly for Electric Vehicles and Heat Pump systems that would represent an increase in customer demand for electricity.

While only 8% of customers “Already had” an electric vehicle, an additional 44.3% indicated that they were “Very” (19.8%), or “Somewhat Likely” (24.5%) to have an EV in the next 10 years.

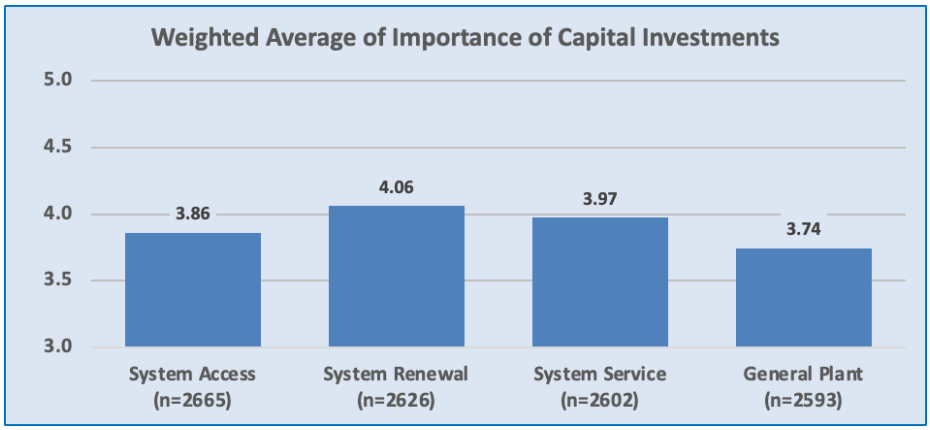



The results for Heat Pump Systems were similar. While 8.2% of customers indicated that they “Already had” a Heat Pump System, an additional 35.1% indicated that they were “Very” (11.6%), or “Somewhat Likely” (23.5%) to have a Heat Pump System in the next 10 years.

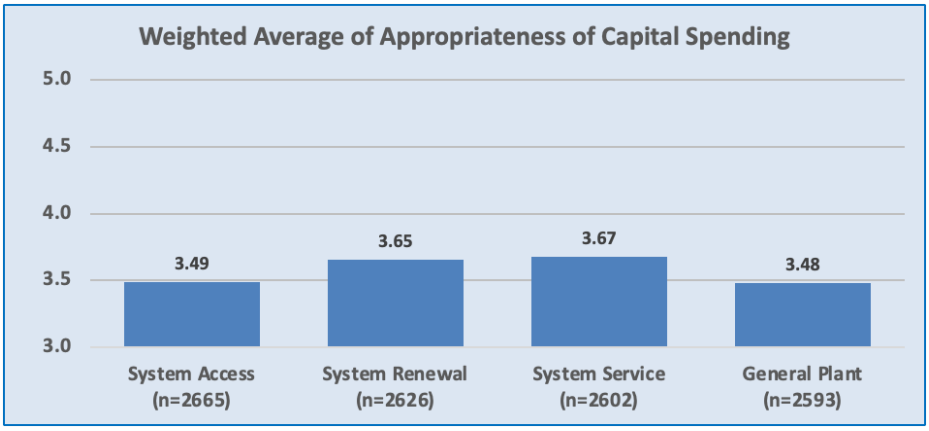


*Alignment on Capital Spending Priorities and Plans*

Customers were generally accepting of the rationale and appropriateness for planned spending in the four categories of capital spending as presented in the Web Survey, with nearly all rating each of these as Important and Appropriate. System Renewal was the highest rated category, and General Plant was the lowest rated (as indicated within the bars in the chart below).




***Note:*** *As noted above, the number of Respondents to the Phase II Web Survey varied by question as indicated in the charts.*



The tables below show a more detailed breakdown of customers' ratings of the Importance of Capital Investments and Appropriateness of the proposed Capital Spending in both the Phase I Foundational Interviews and the Phase II Web Survey. The tables compare those rating Importance and Appropriateness as "3-Somewhat", "4" or "5-Very", to those who rated it lower, "1-Not Very" or "2". The estimates of capital spending presented to customers in the Phase II Web Survey were updated, based on the results of the initial interviews and on-going technical assessment. Customers' sentiments were fairly consistent in both phases.

*Foundational Interviews*

| **Importance** of Investments: Interviews | % Rating as Important (5-Very / 4 / 3-Somewhat) | % Rating as Important (2 / 1-Not Very) | % Not Rating ("Can't Rate") |
|---|---|---|---|
| System Access (n=36) | **85%** (40% / 30% / 15%) | **10%** (5% / 5%) | 10% |
| System Renewal (n=36) | **90%** (55% / 30% / 5%) | **0%** (0% / 0%) | 10% |
| System Service (n=36) | **85%** (35% / 25% / 25%) | **5%** (0% / 5%) | 10% |
| General Plant (n=36) | **90%** (30% / 30% / 30%) | **10%** (5% / 5%) | 5% |

| **Appropriateness** of Spending: Interviews | % Rating as Appropriate (5-Very / 4 / 3-Somewhat) | % Rating as Appropriate (2 / 1-Not Very) | % Not Rating ("Can't Rate") |
|---|---|---|---|
| System Access (n=36) | **70%** (25% / 35% / 10%) | **10%** (10% / 0%) | 20% |
| System Renewal (n=36) | **75%** (45% / 15% / 15%) | **5%** (0% / 5%) | 20% |
| System Service (n=36) | **70%** (30% / 10% / 30%) | **10%** (5% / 5%) | 15% |
| General Plant (n=36) | **85%** (35% / 40% / 10%) | **5%** (5% / 0%) | 15% |

***Note:*** *Results of Phase I Foundational Interviews rounded to the nearest 5% to reflect the small sample size and qualitative nature of the foundational research. Due to rounding, the totals may not add to 100%.*

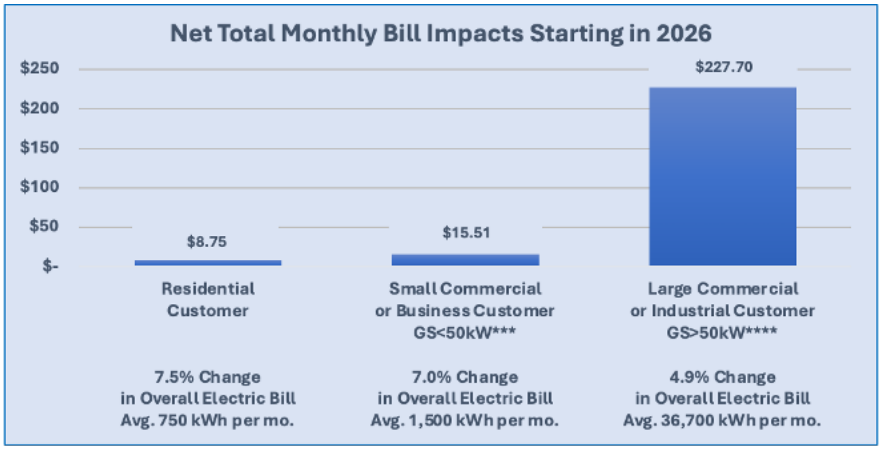
*Web Survey*

| **Importance** of Investments: Web Survey | % Rating as Important (5-Very / 4 / 3-Somewhat) | % Rating as Important (2 / 1-Not Very) | % Not Rating ("Can't Rate") |
|---|---|---|---|
| System Access (n=2665) | **91.1%** (36.0% / 32.1% / 23.0%) | **6.0%** (3.0% / 3.0%) | 3.0% |
| System Renewal (n=2626) | **93.8%** (43.8% / 31.1% / 18.9%) | **4.0%** (2.2% / 1.8%) | 2.3% |
| System Service (n=2602) | **92.3%** (40.1% / 32.1% / 20.1%) | **5.1%** (3.1% / 2.0%) | 2.7% |
| General Plant (n=2593) | **88.9%** (30.5% / 33.6% / 24.8%) | **8.8%** (4.7% / 4.1%) | 2.4% |

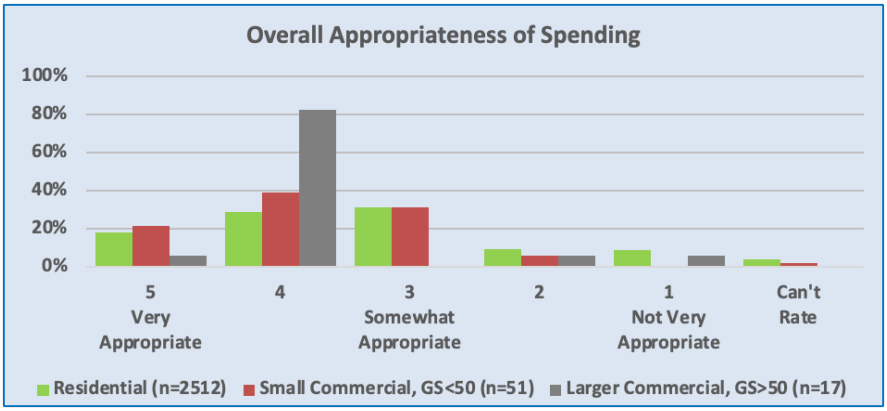
| **Appropriateness** of Spending: Web Survey | % Rating as Appropriate (5-Very / 4 / 3-Somewhat) | % Rating as Appropriate (2 / 1-Not Very) | % Not Rating ("Can't Rate") |
|---|---|---|---|
| System Access (n=2665) | **84.4%** (23.6% / 32.8% / 28.0%) | **10%** (5.7% / 4.3%) | 5.6% |
| System Renewal (n=2626) | **87.9%** (28.0% / 34.6% / 25.3%) | **6.9%** (4.0% / 2.9%) | 5.1% |
| System Service (n=2602) | **87.6%** (29.7% / 33.9% / 24.1%) | **7.1%** (4.2% / 3.0%) | 5.3% |
| General Plant (n=2593) | **84.0%** (22.6% / 33.7% / 27.7%) | **10.6%** (6.1% / 4.6%) | 5.3% |

*Understanding and Alignment on Impact of Capital Spending on Customer Bills*

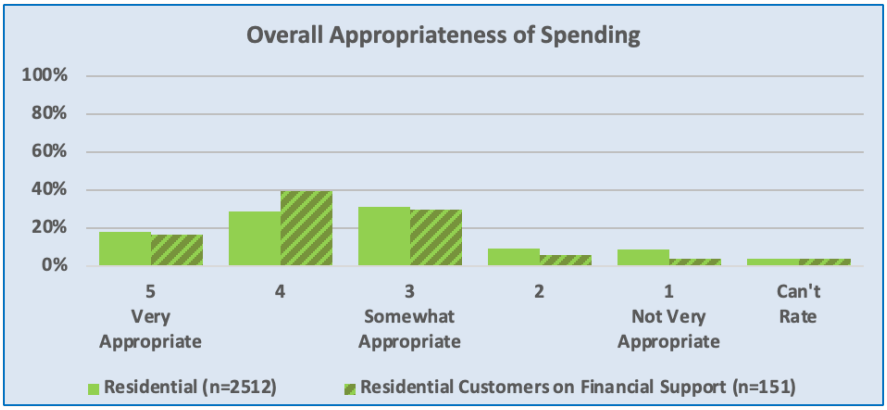
Web Survey respondents were shown this summary of impacts of the proposed spending on customer bills:




After being presented with the Overall Bill Impact, most customers (>70%) rated the Appropriateness of the planned spending as “5-Very Appropriate” (18.3%), “4” (29.5%), or “3-Somewhat Appropriate” (30.9%). Only a few (<20%) rated the Appropriateness as “2” (8.9%) or “1-Not Very Appropriate” (8.5%).

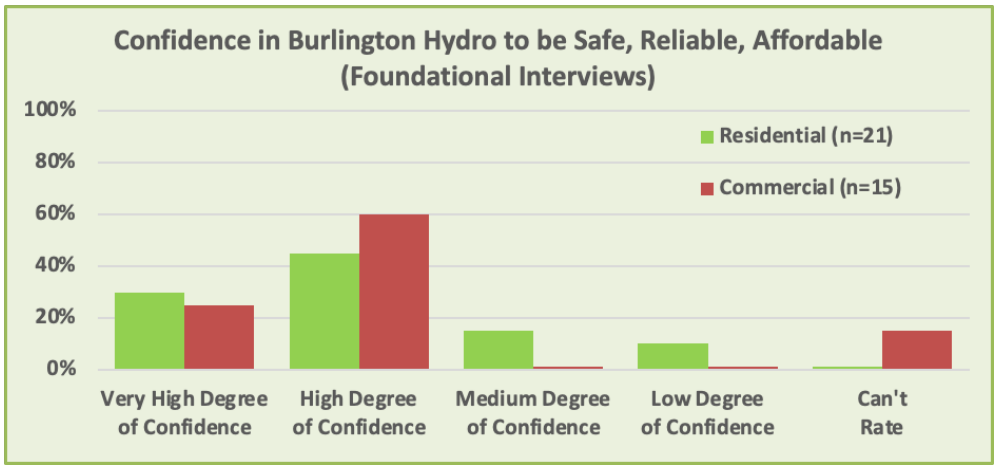


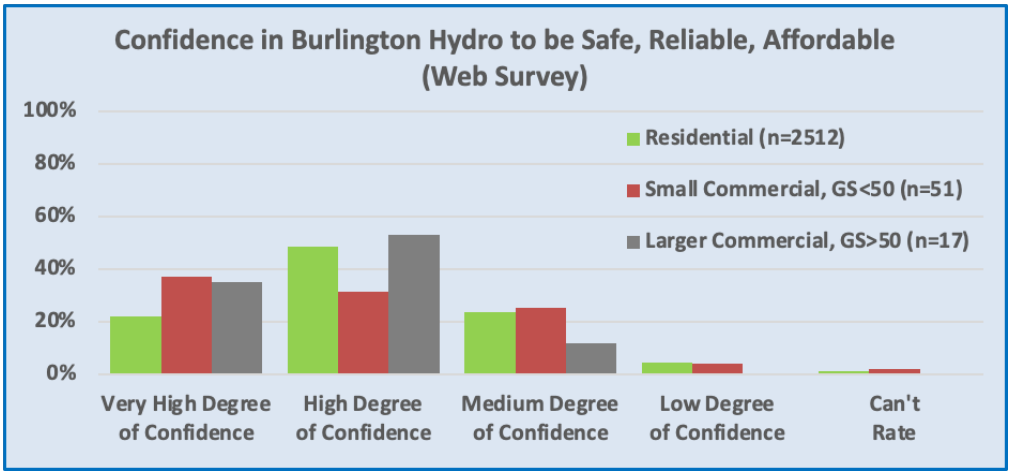

Comparing the subset of Residential customers who indicated that they participate in a financial support program (n=151) to Residents overall (n=2512) did not appear to indicate any meaningful difference in customer perceptions of the overall appropriateness of proposed spending.



*Confidence in Burlington Hydro*

Most customers in both the Foundational Interviews and Web Survey expressed a high degree of confidence in Burlington Hydro to "**continue to provide safe, reliable and affordable electricity**."



**Key Takeaways for Business Planning**

The results of the Customer Engagement – both the Foundational Interviews and the confirmatory Customer Web Survey – support the following:

- Customers are in alignment with Burlington Hydro's strategic priorites for safe, reliable electricity delivery.
- Customers are aware of the challenges of maintaining the distribution system in the face of more frequent extreme weather events and changes to the way people use electricity.
- Customers nevertheless are not always aware of the cause of outages and what is being done to respond to them and expressed a need for better communications and communications systems.
- A significant number of customers indicated that their personal electricity usage will change with the adoption of Electric Vehicles and Heat Pump Systems in the next 10 years.
- Customers indicated strong support for Burlington Hydro's draft spending and capital investment plan, while also expressing concerns about the high price of electricity (and resulting electricity bills) and stressing the importance of controlling costs.
- Customers were most supportive of efforts for System Renewal and System Service investments – maintaining the existing system and modernizing it to adapt to coming changes.
- Customers expressed a high degree of confidence in Burlington Hydro's ability to provide safe, reliable, and affordable electricity.

# Section 1: Overview of Burlington Hydro Customer Engagement

In February 2024, Decision Partners was engaged to design and conduct Burlington Hydro's Customer Engagement process in support of the company's 2026 Cost of Service Rate Application. The goal was to conduct customer engagement activities that would be used to help inform the content and priorities of Burlington Hydro's Distribution System Plan (DSP).

Decision Partners applied its Mental Modeling Insight™ (MMI™) – strategic, evidence-based, science-informed processes, methods, and tools – to design and conduct a meaningful, respectful, and effective two-phase engagement process to achieve Burlington Hydro's objectives. MMI is specifically designed to elicit in-depth, reliable insight into people's mental models – their needs, values, interests, and priorities. MMI is based on the foundational mental modeling research approach developed by a team at Carnegie Mellon University led by Dr. Baruch Fischhoff, Decision Partners' Chief Scientist. Decades of research demonstrate that people's judgments about complex issues are guided by "mental models" – the tacit webs of belief people draw upon to interpret and make inferences about issues that come to their attention. More information on Decision Partners and Mental Modeling Insight can be found in Appendix C.

The Customer Engagement Process consisted of two phases.

*Phase I – Foundational Customer Engagement*

In Phase I, Foundational Interviews were conducted with 36 Burlington Hydro customers, between March 9 and April 9, 2024. As foundational research, the purpose was to discover customers' needs, values, interests, and priorities related to Burlington Hydro's service and the company's preliminary business planning. This was accomplished by using a semi-structured conversational interview protocol with open-ended questions and neutral follow-up prompting. This approach provided an opportunity for unanticipated topics to arise and encouraged more in-depth responses. The small number of interviews is typical for foundational mental models-based research and has been found to be sufficient to identify the broad range of beliefs held by a population, which can then be quantified through confirmatory research with a larger sample as was done with the Web Survey in Phase II.

The key objectives for this phase of the customer engagement effort were to determine the degree to which Burlington Hydro's values and priorities were aligned with those of their customers and to provide a sound basis for design and implementation of meaningful engagement with the company's broader customer base in Phase II.

*Phase II – Broad Customer Engagement*

In Phase II, Decision Partners designed and conducted a Web Survey, open to all Burlington Hydro Customers between August 13 to September 15, 2024. The purpose of the Web Survey was to confirm customers' needs, values, interests, and priorities – based on a much larger sample of Burlington Hydro's Customers – as well as obtain feedback on updated business planning priorities, including the four categories of capital spending: System Access, System Renewal, System Service, and General Plant. The input from the web survey was then used by the Burlington Hydro Team to finalize their DSP.

A key objective for this phase of the customer engagement was ensuring that <u>all</u> Burlington Hydro customers were offered an opportunity to provide input on the business planning, if they chose to do so. Invitations to participate in the survey were sent from the Burlington Hydro Team via email, posted

to social media, posted to the Burlington Hydro website, and included in customer billing. Residential Customers were incentivized to participate by offering entry into a draw for one of two $500 gift cards. Small Commercial Customers were incentivized to participate by entry into a draw for a $500 donation to the Burlington Food Bank in their company name.

The Web Survey was conducted between August 13 and September 15, 2024. A total of 3,484 customers (3,389 Residential Customers, 72 Small Commercial Customers, and 23 Larger Commercial and Industrial Customers) participated in the survey. A total of 2,577 customers (2,510 Residential Customers, 50 Small Commercial Customers, and 17 Larger Commercial & Industrial Customers) answered all substantive survey questions (i.e., all questions before the demographics questions).

*Key Customer Webinar*

Decision Partners also supported the Burlington Hydro Team in designing and facilitating a Key Customer Webinar held on September 10, 2024. Burlington Hydro invited its approximately 800 Larger Commercial and Industrial Customers (GS>50) to participate in the Key Customer Webinar held on September 10, 2024. The Webinar, which was attended by 8 participants, presented details of the business plan and offered an opportunity to comment on the draft plan and/or ask questions of, the Burlington Hydro Team. In addition to attending the webinar, Key Customers were also encouraged to provide feedback by completing the Web Survey.

## Section 2: Phase I – Foundational Customer Engagement

Phase I Foundational Interviews were conducted between March 9 and April 9, 2024, with 36 Burlington Hydro Residential and Commercial Customers. Given that these were conducted early in Burlington Hydro's business planning process, preliminary capital spending forecasts were used. The results provided Burlington Hydro with preliminary indicators of interviewees' preferences and priorities. The results of the Foundational Interviews informed both Burlington Hydro's planning and the design of the Web Survey in Phase II. The survey results provided more meaningful and quantitative evidence of customer priorities and preferences as they were based on updated capital investments and conducted with a larger sample of Burlington Hydro's customer base.

*Foundational Research Interviewees*

Interviewees comprised of a cross section of Burlington Hydro's customer classes: 21 Residential Customers and 15 Commercial Customers (GS<50 and GS>50). Residential and Commercial customer interviewees were selected randomly from lists of customers. Residential Customer lists were grouped by various factors such as geography (e.g., located in urban/suburban and rural areas; located in areas with newer and older distribution system infrastructure); and customer characteristics (e.g., participation in FIT and microFIT programs, having Electric Vehicles, and participating in Low Income programs). Commercial Customer Lists were grouped by General Service classification and by urban/suburban and rural geography. Sampling targets were used to produce a diverse group of customers in the foundational interviews from across Burlington Hydro's service territory. Residential Customer demographics were collected as part of the interview to assess the level of diversity in terms of age, gender, children in the home, and length of time as a Burlington Hydro customer.

*Foundational Interview Topics*

The interviews were designed and conducted in a confidential and conversational manner that provided customers the opportunity to provide candid, in-depth input. Interviews averaged 40 minutes in length, which is considered typical for foundational interviews. To provide interviewees a common frame of reference, the interview started with a general description of the Ontario electricity industry and Burlington Hydro's role.

Broadly, the conversational interviews covered the following topics:

- The Ontario electricity industry, Burlington Hydro's role and the rates it charges for distribution.
- Burlington Hydro's considerations for business planning, including its Mission and Strategic Objectives and potential changes to customer needs.
- Key Elements of Burlington Hydro's Business Planning, including preliminary estimates of capital spending.
- Burlington Hydro's customer engagement and communications.

*Foundational Research Highlights*

Key findings of the Foundational Interviews are presented in the Executive Summary above where they are paired with results from the Web Survey.

## Section 3: Phase II – Broader Customer Engagement

Building on the results of Phase I, the Phase II Customer Engagement Web Survey was conducted between August 13 and September 15, 2024. To ensure that all Burlington Hydro customers were offered an opportunity to provide input in the Web Survey and to encourage participation from a broad and diverse cross section of Burlington Hydro's customer base, Burlington Hydro reached out through multiple channels, including:

- Email invitations (and three follow-up reminders) to over 27,000 customers who had previously provided their email addresses
- A banner notification on the Burlington Hydro Website advertising the survey and providing the link
- Five social media posts to X, Facebook, and Instagram
- Announcements included with all customer bills (electronic and paper). Announcements included bill onserts for all customers and bill inserts included in paper bills, which were sent to ~41,000 customers without an email address associated with their customer account

*See Appendix A for Customer engagement invitations and announcements*.

Residential Customers were incentivized to participate by offering entry into a draw for one of two $500 gift cards. Small Commercial Customers were incentivized to participate by entry into a draw for a $500 donation to the Burlington Food Bank in their company name.

Larger Commercial and Industrial Customers (GS>50) were encouraged to participate through more direct outreach, including an email (and reminder) to 231 key account contacts with a request to respond to the survey, and an invitation to a Key Customer Webinar held on September 10, 2024. The Webinar, which was attended by 8 participants, presented details of the business plan offered an opportunity to comment or ask questions of the Burlington Hydro Team, and encouraged participants to provide feedback through the Web Survey.

A total of 3,484 customers (3,389 Residential Customers, 72 Small Commercial Customers, and 23 Larger Commercial & Industrial Customers) participated in the Web Survey. The number of Respondents decreased as the survey progressed (as is expected for a web survey). The number of Respondents for each question is noted as "n=#" in the presentation of results. A total of 2,577 customers (2,510 Residential Customers, 50 Small Commercial Customers, and 17 Larger Commercial & Industrial Customers) answered all substantive survey questions (i.e., all questions before the demographics questions).

Survey responses were confidential, with only aggregate results reported. Respondents were given opportunities at several points in the Survey to provide open ended comments.

The demographic information at the end of the Survey indicates that it reached a broad range of Customers of varying gender, age, tenure as a Burlington Hydro Customer, and method of home heating. About one third of the customers reported having children under 18 living at home, and over 150 respondents reported participation in a low-income program. Demographic questions were primarily answered by residential customers, though a few commercial customers also provided some demographic responses.

| Survey Respondent Demographics (n=2556) | |
|---|---|
| Gender | Female (970); Male (1472); Prefer not to answer (112); Other (3) |
| Age | <20 (1); 20s (58); 30s (302); 40s (429); 50s (486); 60 and above (1152); Prefer not to answer (128) |
| Length of Time as Burlington Hydro Customer | Less than 2 years (181); 2-5 years (376); 6 to 10 years (333); 11 to 15 years (341); More than 15 years (1325) |
| Children Under 18 in Home | No (1709); Yes (713); Prefer not to answer (134) |
| Approximate Monthly Burlington Hydro Bill | Less than $50 (88); $50-$99 (658); $100-$199 (1203); $200-$999 (573); $1,000-$1,999 (15); $2,000 or more (19) |
| Participation in Bill Payment Assistance Programs | Ontario Electricity Support Program-OESP (81); Low-Income Energy Assistance Program-LEAP (44); Both OESP and LEAP (26); Neither (2144); Prefer not to answer (147) |
| Home Heating Method | Electric Heating as primary/only source of heat (414); Electric Heating as secondary source of heat (150); Natural Gas (2055); Oil (16); Wood (38); Other (148) |

The Web Survey followed the same general outline as the Phase I Foundational Interviews and included updated estimates for capital spending as well as forecasted Operating Expenses.

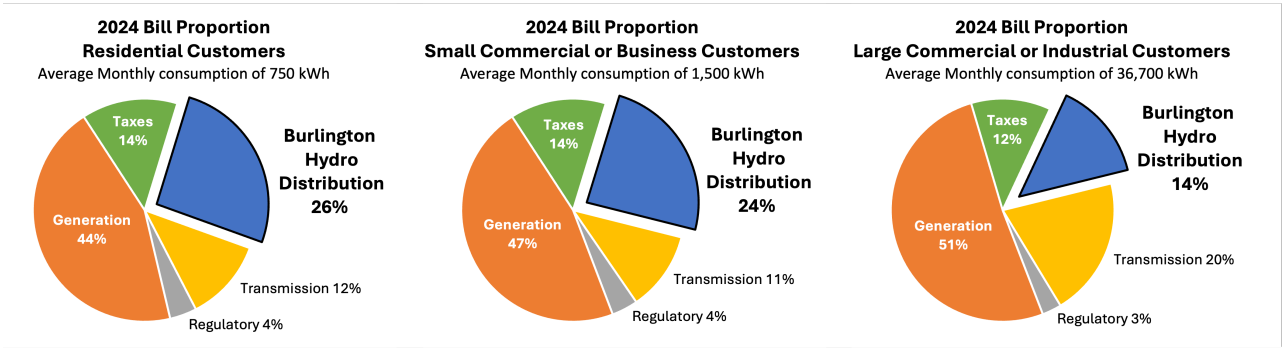
*See Appendix B for the Customer Web Survey*.

**Customer Engagement Web Survey Results Summary**

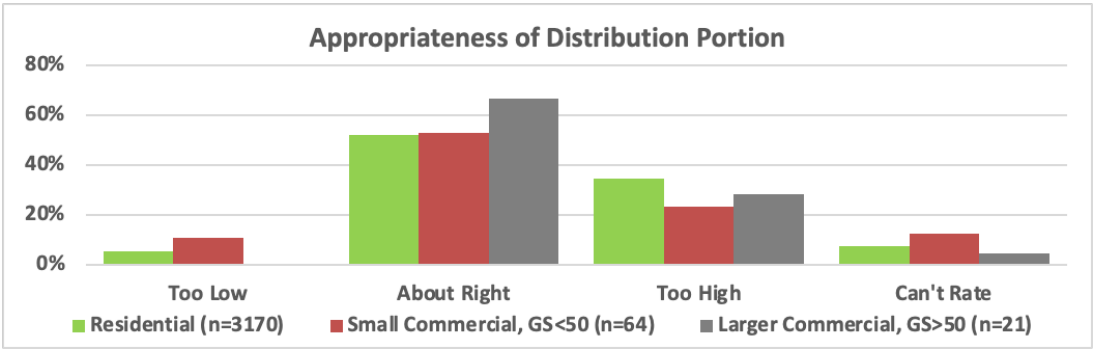
**Ontario Electricity Industry and Burlington Hydro's Role**

In the first part of the survey Customers were provided background on the Ontario electricity industry, Burlington Hydro's role, and the rates it charges for electricity distribution. Note: Text presented to Customers is highlighted in italic.

> *Burlington Hydro bills for all three of these parts of the system, but we only keep the part of your payment that covers distribution, delivering electric power to customers like you. For some customers, Burlington Hydro also bills for water, but the information presented here and* ***the rest of the survey is only about the electricity part of the bill****. As shown in the charts below…*
>
> - ***For a typical Residential Customer*** *consuming about 750 kWh per month, Burlington Hydro's portion of the total electricity bill is about* ***$34 per month****, which amounts to* ***approximately 26% of the total electricity portion of the bill****.*
> - ***For a typical Small Commercial or Business Customer*** *(GS<50 kW) consuming about 1,500 kWh per month, Burlington Hydro's portion of the total electricity bill is about* ***$63 per month****, which amounts to* ***approximately 24% of the total electricity bill****.*
> - ***For a typical Large Commercial or Industrial Customer*** *(GS>50 kW) consuming about 36,700 kWh per month, Burlington Hydro's portion of the total electricity bill is about* ***$1,131 per month****, which amounts to* ***approximately 14% of the total electricity bill****.*




When asked whether the distribution charge is an appropriate portion of their bill to pay for Burlington Hydro to distribute electricity to them, in terms of the value they get for the money they pay, Most Customers thought it was "About Right" (52.2%), while some thought that it was "Too High" (34.4%).

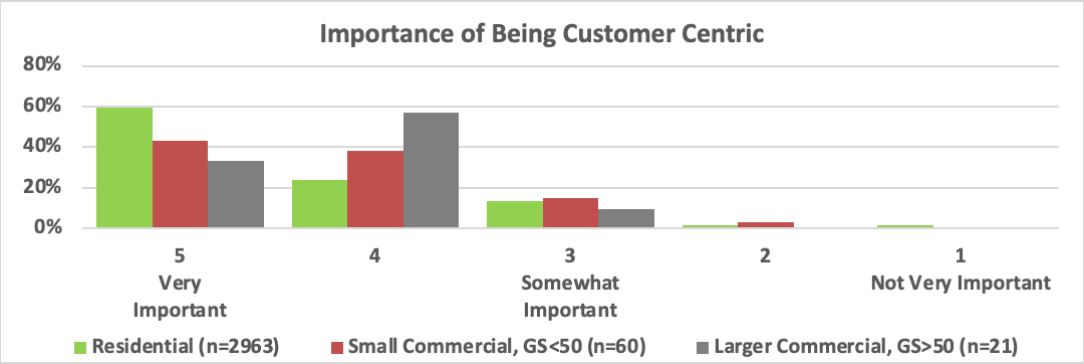


**Burlington Hydro's Considerations for Business Planning**

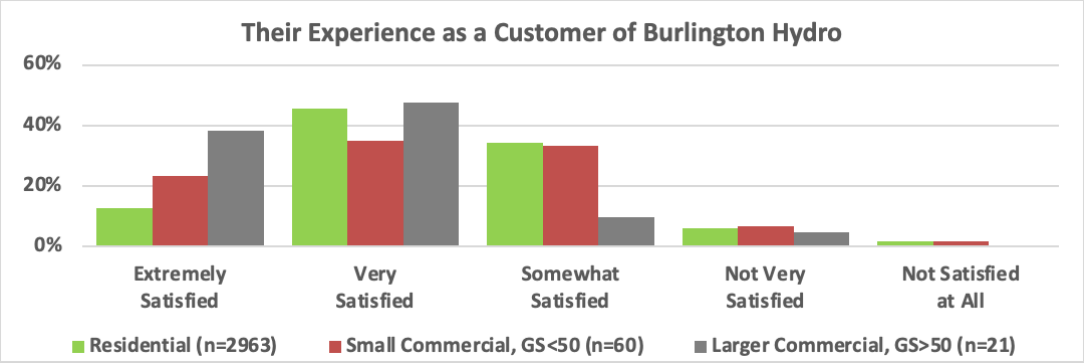
Customers were then presented with the principles and strategic objectives that underpin Burlington Hydro's business planning.

*Customer Experience*

After presenting Burlington Hydro's Strategic Objective for Customer Service: ***"Provide exceptional internal and external customer service across the organization"***, customers were asked to rate the importance of Burlington Hydro being "Customer Centric", with nearly all rating it as "5-Very Important" (58.8%) or "4" (24.6%), though Residential Customers more frequently rated it as "Very Important".



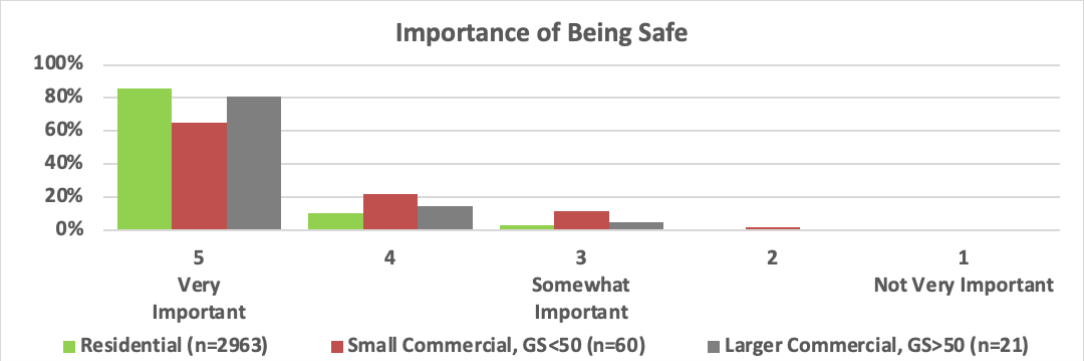

Customers were then asked to rate their satisfaction with their experience as a Burlington Hydro Customer, with nearly all rating it as "Extremely Satisfied" (13.1%), "Very Satisfied" (45.3%), or "Somewhat Satisfied" (34.0%), though Larger Commercial Customers more frequently rated it as "Extremely Satisfied".



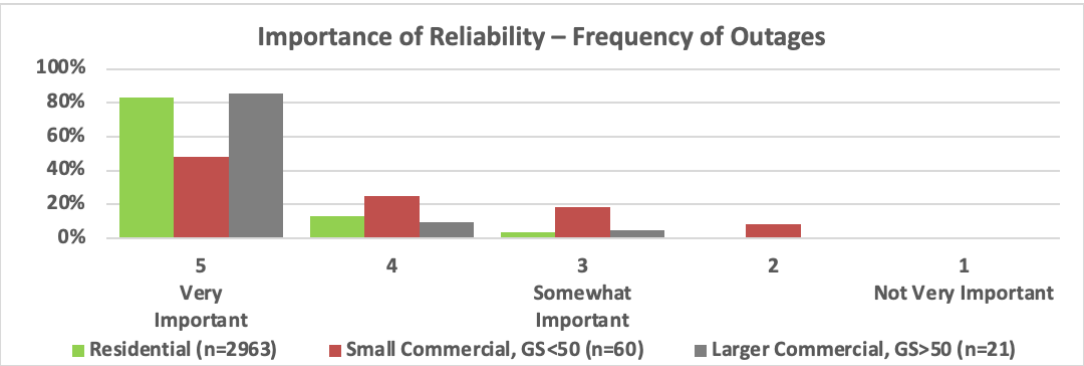
*Safety and Reliability*

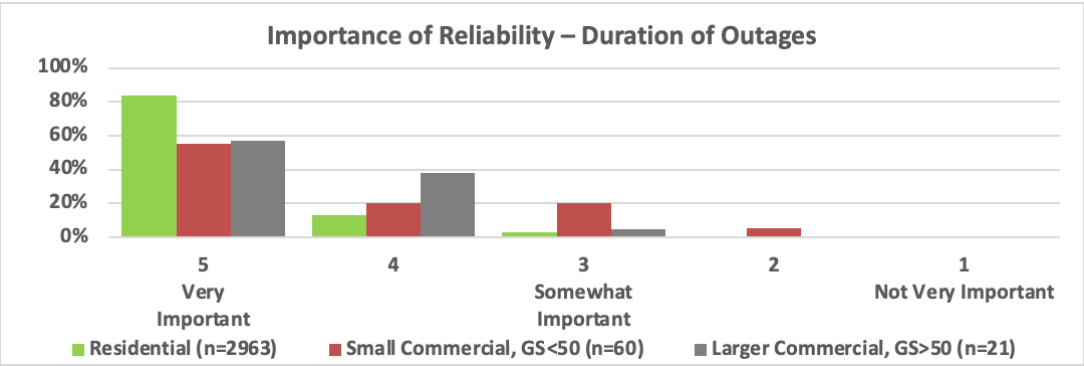
Customers were then presented Burlington Hydro's Strategic Objective for safety and reliability: ***"To ensure safe, resilient and reliable electricity distribution to customers"*** and then asked to rate each element individually.

When asked to rate the importance of electricity delivery being ***"safe for customers, the public, and Burlington Hydro's employees"***, nearly all customers rated it as "5-Very Important" (85.1%).

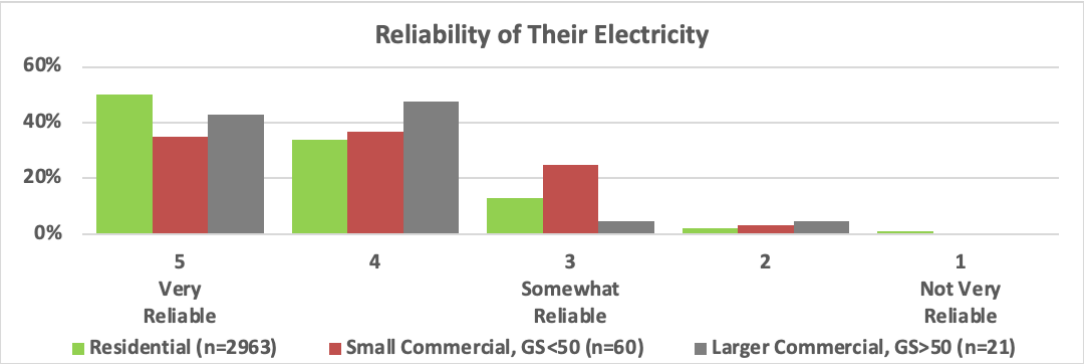



Customers were then asked to rate the importance of electricity delivery being reliable, both in term of number and duration of outages. Nearly all rated **"Reliable in terms of limited number of outages"** as "5-Very Important" (82.3%), and similarly, nearly all rated **"Reliable in terms of limited duration of outages"** as "5-Very Important" (82.7%).

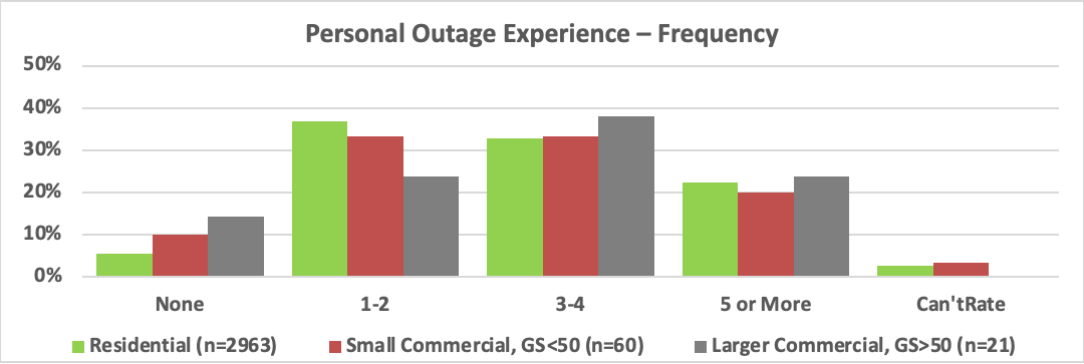


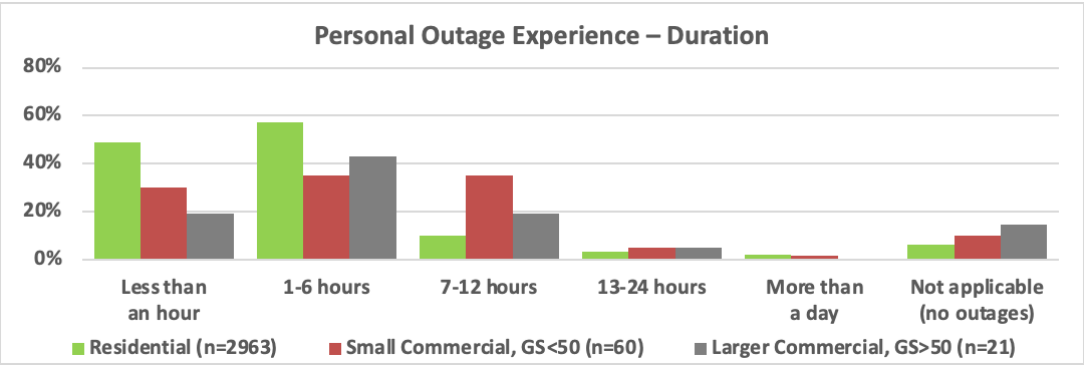



When customers were asked to assess the reliability of their electricity over the past five years, nearly all rated it as “5-Very Reliable” (49.7%) or “4” (34.0%).




Customers were then asked to think specifically about the reliability of their electricity over the past 2 years and indicate their personal experience with frequency and duration of outages. Customers indicated a wide range of experiences in frequency of outages from “None” (5.6%), “1-2” (36.8%), “3-4” (32.8%) to “5 or More” (22.3%). They most frequently reported outage durations of “Less than an hour” (48.3%) or “1-6 hours” (56.8%). Residential Customers more frequently noted shorter duration outages compared to Commercial Customers.



When asked to identify the causes of outages, the most frequently mentioned causes varied by customer type:

**Residential Customers:**

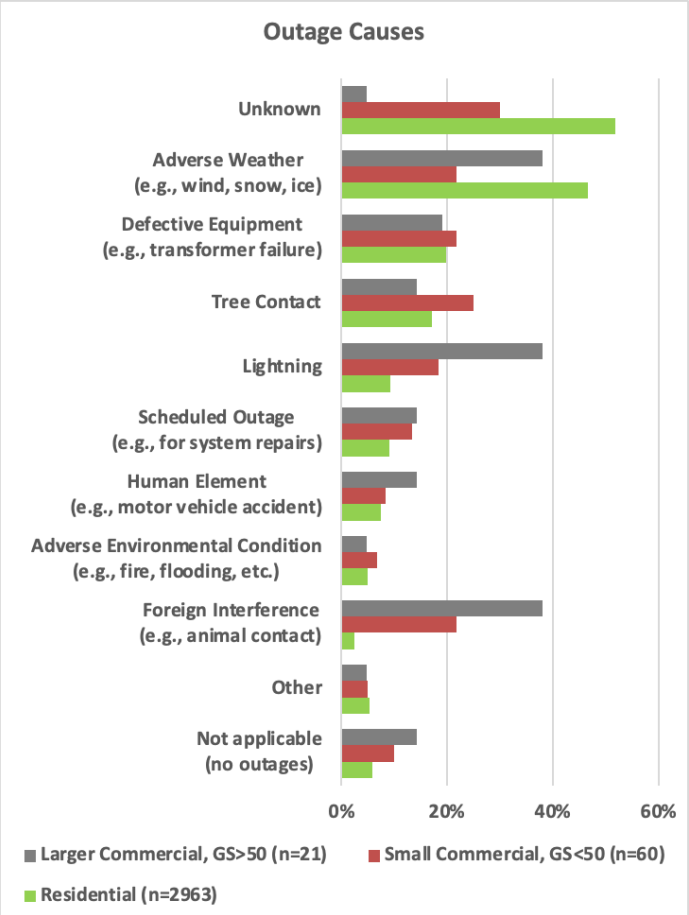
- "Unknown" (51.9%) and
- "Adverse Weather" (46.5%);

**Small Commercial:**

- "Unknown" (30%) and
- "Tree Contact" (25%)

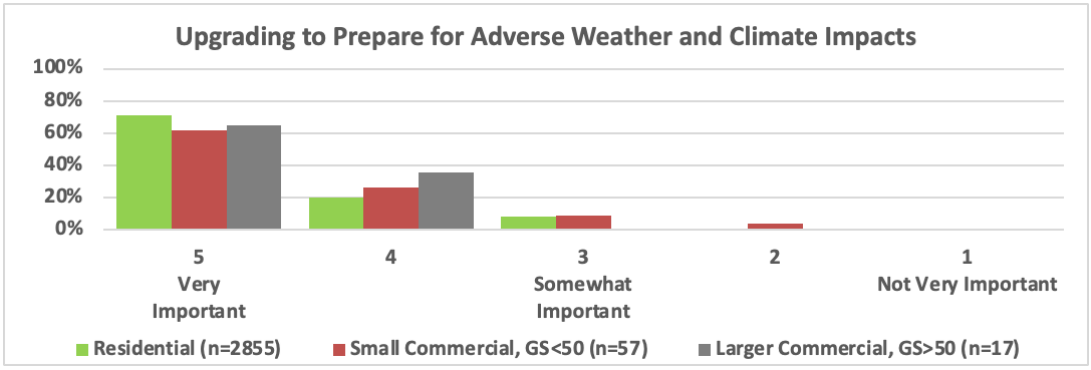
**Large Commercial:**

- "Lightning" (38.1%),
- "Foreign Interference" (38.1%), and
- "Adverse Weather" (38.1%)

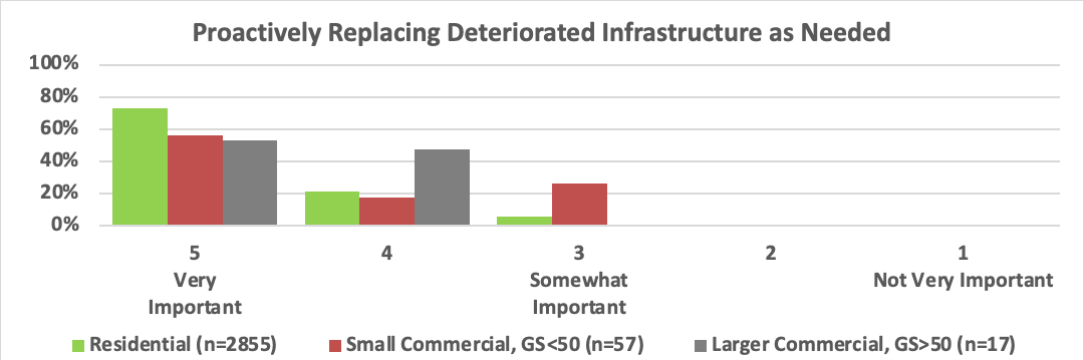



*Changes to the Electricity Industry*

Customers were next asked to think about preparing for changes that can affect the electricity industry and to rate the importance of **"upgrading the distribution system to respond to increasing extreme weather events and climate impacts"** as an aspect of maintaining reliability. Most rated it as "5-Very Important" (70.8%).



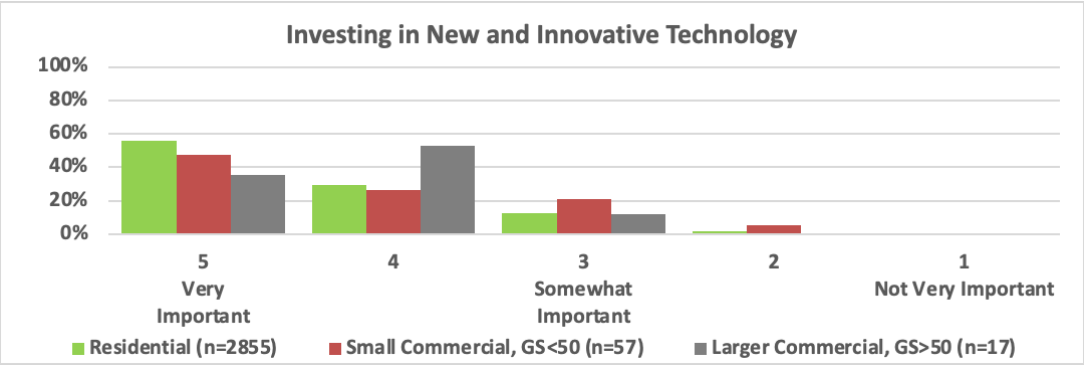
Next, customers were asked to rate the importance of Burlington Hydro **"investing in proactively replacing deteriorated infrastructure as needed, based on its condition and likelihood to fail"**. Nearly all (>90%) rated it as "5-Very Important" (72.2%) or "4" (21.2%).




Another Strategic Objective presented to customers relates to Technology:

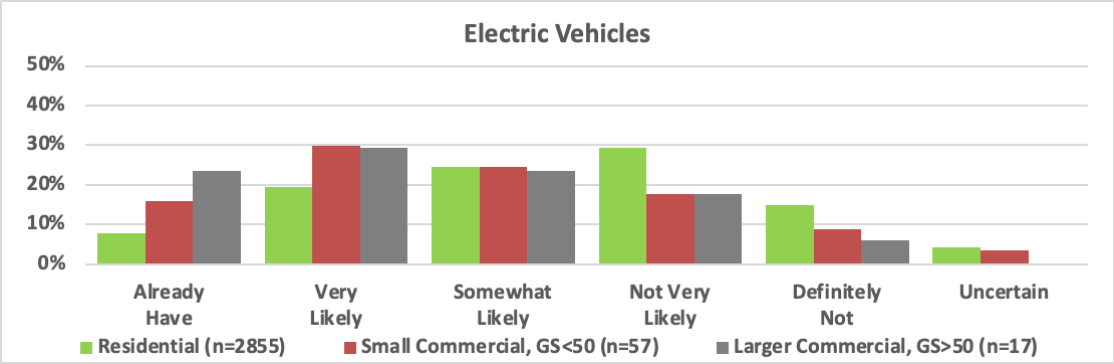
> ***Continuous investment in technology that helps reduce electricity distribution costs, provides consumer choice and creates business value****. A big part of this is modernizing the grid to make it more reliable, efficient, and secure. This would enable increased adoption of electric vehicles and solar panels; support monitoring and automation to reduce the number and duration of outages; and improve security to address cyber attacks and safeguard customer data.*

Nearly all customers rated the importance of adopting new and innovative technology that would support grid modernization as "5-Very Important" (55.6%) or "4" (29.6%), though Large Commercial most frequently rated it as "4".

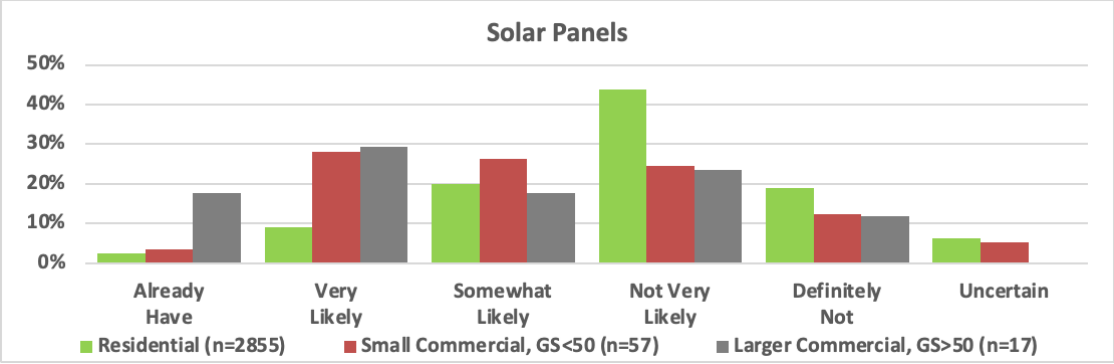



To better understand customer's changing electricity needs, customers were asked to indicate whether they already have, or how likely they were to have electric vehicles, solar panels, battery storage, and heat pumps in the next 10 years. While customers' responses varied for each, a significant number (as shown below) indicated that they were likely to add each of these technologies. This suggests the potential for a significant change in customers' electricity needs that Burlington Hydro must plan and prepare for. This is particularly true for Electric Vehicles and Heat Pump systems that represent an increase in customer demand for electricity.

While only 8% of customers indicated that they "Already had" an electric vehicle, an additional 44.3% indicated that they were "Very Likely" (19.8%), or "Somewhat Likely" (24.5%) to have an EV in the next 10 years. Commercial Customers (small and large) more frequently indicated that they "Already Have" or were "Very Likely" or "Somewhat Likely" to have EVs in the next 10 years.



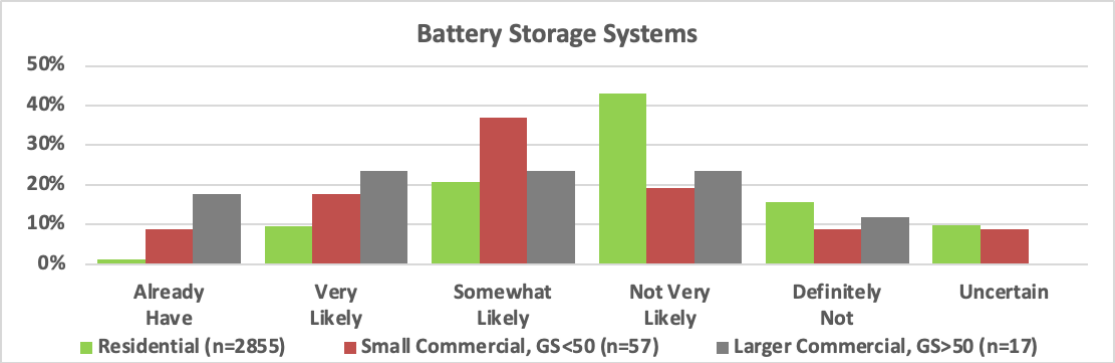

While only 2.5% of customers indicated that they "Already Have" solar panels, an additional 29.5% indicated that they were "Very Likely" (9.5%), or "Somewhat Likely" (20.0%) to have Solar Panels in the next 10 years. Commercial customers (small and large) more frequently indicated that they already have or were likely to have solar panels in the next 10 years.




Customers were provided with the following definition for Battery Storage Systems:

> *Battery Storage Systems enable energy to be stored when electricity rates are low, and then used when power is needed the most (e.g., when an outage occurs or when rates are high).*

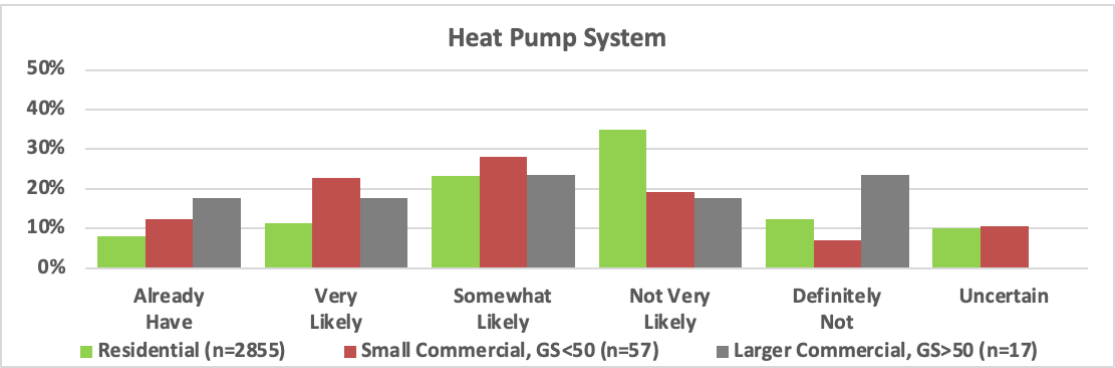
Customers' ratings of Battery Storage Systems were similar to those for Solar Panels with only 1.3% of customers indicated that they "Already Have" Battery Storage systems, but an additional 31.0% indicated that they were "Very Likely" (9.9%), or "Somewhat Likely" (21.1%) to have a Battery Storage system in the next 10 years. Commercial Customers (small and large) more frequently indicated that they already have or were likely to have Solar Panels in the next 10 years.




Customers were provided the following definition for Heat Pump Systems:

> *Heat pumps are a form of HVAC system that can provide both heating and cooling for your home. During the winter, heat pumps absorb warmth from the outdoor air and transfer it into your home. In the summer, this process reverses, removing heat from your home and cooling your indoor environment*.

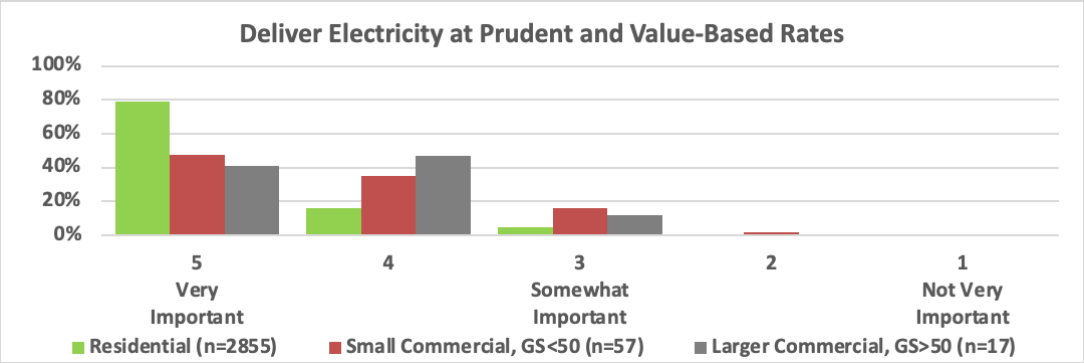
Customers' ratings of Heat Pump Systems were similar to those for Electric Vehicles. While 8.2% of customers indicated that they "Already had" a Heat Pump System, an additional 35.1% indicated that they were "Very Likely" (11.6%), or "Somewhat Likely" (23.5%) to have a Heat Pump System in the next 10 years. Again, Commercial Customers (small and large) more frequently indicated already having or likely to have Heat Pump Systems in the next 10 years.




*Value-Based Electricity Rates*

The last Strategic Objective presented to customers relates to Efficiency: ***Find continued efficiencies and cost savings that deliver value to customers and shareholders.***

Customers were then asked to rate the importance of Burlington Hydro **"delivering electricity at prudent and value-based distribution rates"**. Nearly all rated it as "5-Very Important" (78.0%) or "4" (16.8%). Commercial Customers more frequently rated it less important compared to Residential Customers.




**Burlington Hydro's Proposed Business Plans**

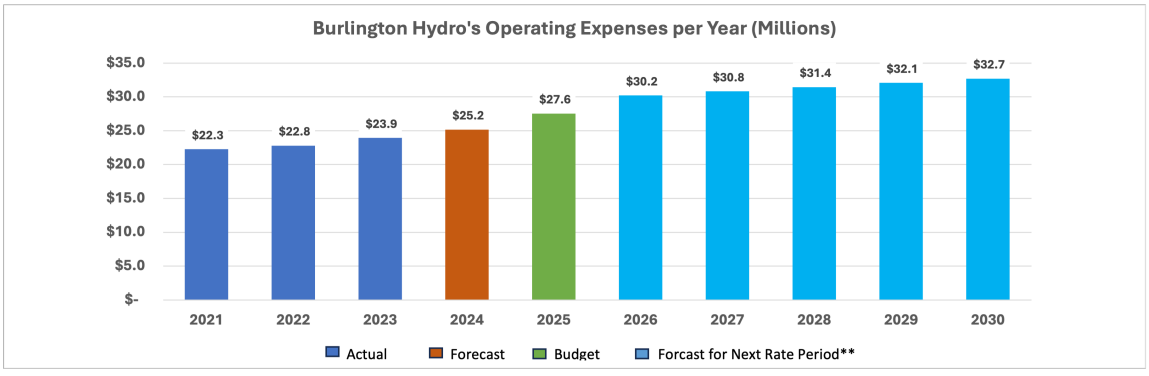
Customers were provided a detailed description of Burlington Hydro's Business Planning process and benchmarking results. This can be seen in the Web Survey in Appendix B. Customers were then presented with details of Burlington Hydro's Operating Expense Spending and Capital Investments.

*Operating Expense Spending*

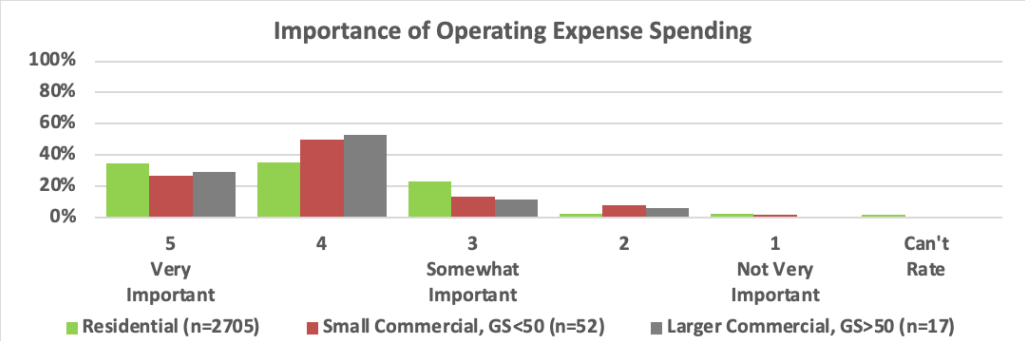
A detailed description of Operating Expense Spending was provided, noting the types of expenses as Operations and Maintenance, Billing, and Customer Service and Administration. In addition, key drivers of the proposed increase in Operating Expenses identified by Burlington Hydro were noted as: enhanced communications and customer service offerings; expansion and modernization of the distribution grid; extending IT capabilities to support modernization and mitigate the risk of increasing cyber security threats; and upward cost pressures on labour. See Appendix B for further detail.

The spending summary and potential bill impacts were then provided to customers:

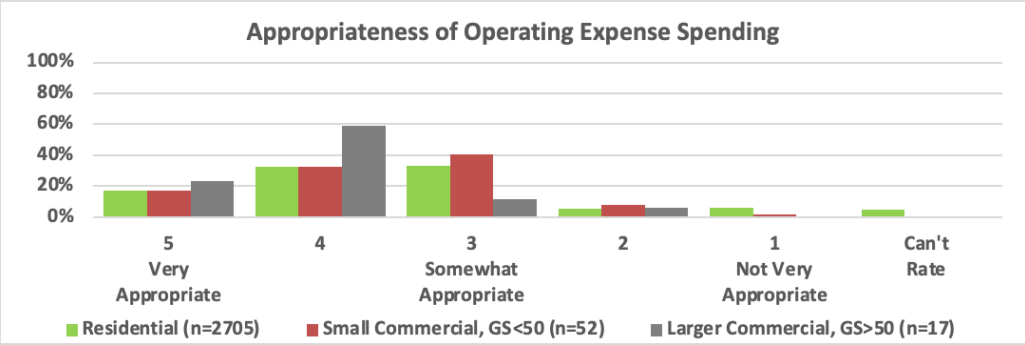
> *It is estimated that if Burlington Hydro continues with its draft plan, its operating expenses would increase by an average of 4.5% per year between 2024 and 2030.*
>
> - *This will add about $3.09 per month to a typical Residential Customer's bill in 2026, about $5.51 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $80.37 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).*



When asked to rate the Importance of Operating Expenses in delivering safe and reliable electricity, nearly all customers (>90%) rated it as "5-Very Important" (34.6%), "4" (35.7%), or "3-Somewhat Important" (22.9%).

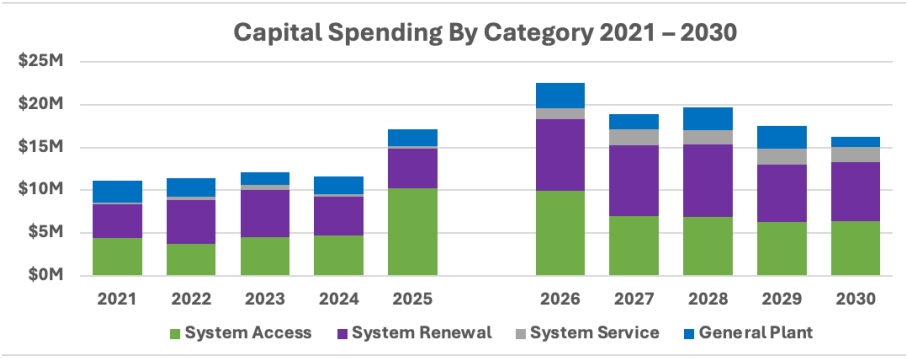



When asked to rate the Appropriateness of the proposed Operating Expenses, nearly all (>80%) rated it as "5-Very Appropriate" (17.2%), "4" (33.0%), or "3-Somewhat Appropriate" (33.4%).




*Capital Investments*

Customers were provided a detailed description of Burlington Hydro's Capital Expenditures, noting the four categories of capital spending: System Access; System Renewal; System Service; and General Plant. They were provided the following chart of previous and planned capital spending:



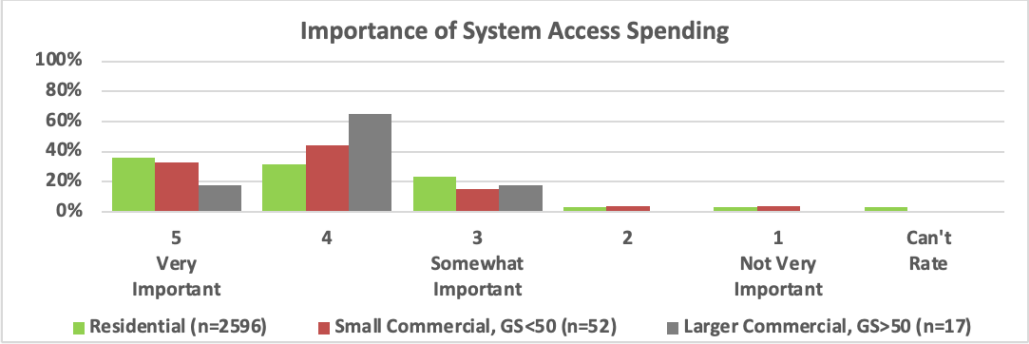

Customers were then presented more information about each capital spending category. See Appendix B for further detail.

*System Access*

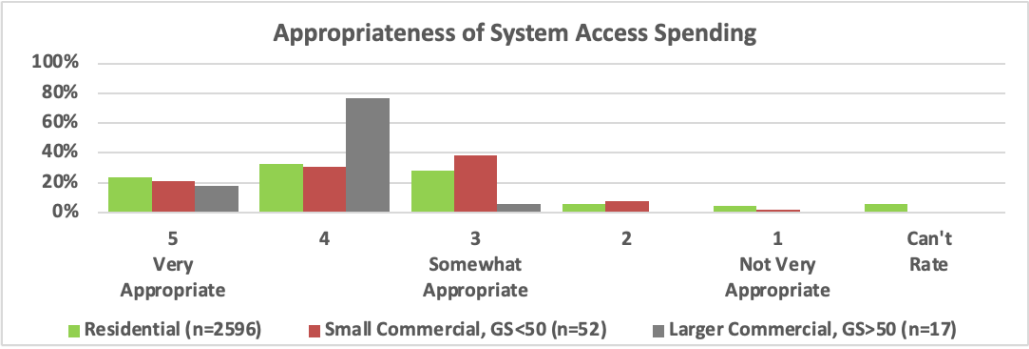
A detailed description of System Access spending was provided, noting that they are mandatory investments that all Ontario distributors are required to perform. Customers were provided examples of projects (see Appendix B for further detail) and the following summary of System Access investments:

- *Between 2021 to 2025, spending on System Access has been about $5.5 Million per year on average, accounting for about 43% of our total capital spending.*
- *In 2026, we are planning to spend $9.9 Million on System Access, but with lower spending in later years, we expect the average from 2026 to 2030 to be about $7.3 Million per year, accounting for about 38% of our total capital spending.*
- *This will add about $0.38 per month to a typical Residential Customer's bill, about $0.67 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $9.83 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).*

When asked to rate the Importance of System Access spending, nearly all customers (>90%) rated it as "5-Very Important" (36.0%), "4" (32.1%), or "3-Somewhat Important" (23.0%).




When asked to rate the Appropriateness of the proposed System Access spending, nearly all (>80%) rated it as "5-Very Appropriate" (23.6%), "4" (32.8%), or "3-Somewhat Appropriate" (28.0%). Most Larger Commercial Customers rated it a "4".

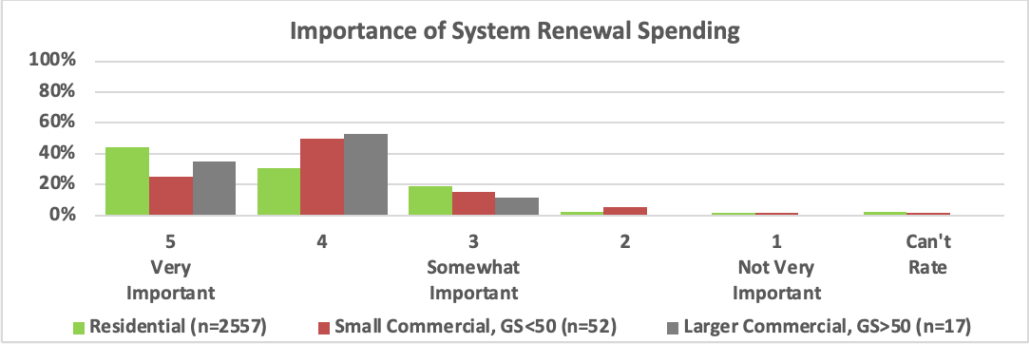


*System Renewal*

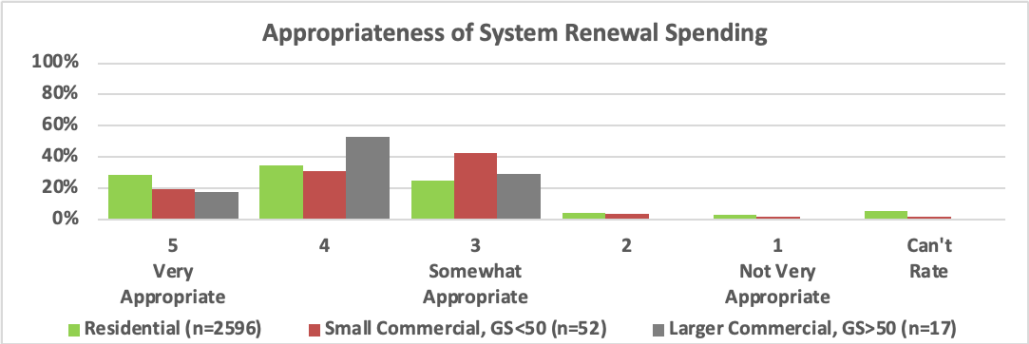
A detailed description of System Renewal spending was provided, noting that it includes spending to replace or refurbish deteriorated components of the distribution system so Burlington Hydro can continue to provide safe and reliable power. Customers were provided examples of projects (see Appendix B for further detail) and the following summary of System Renewal investments:

- *Between 2021 and 2025, spending on System Renewal has been about $4.8 Million per year on average, accounting for about 38% of our total capital spending.*
- *In 2026, we are planning to spend $8.3 Million on System Renewal, but with lower spending in later years, we expect the average from 2026 to 2030 to be about $7.8 Million per year, accounting for about 41% of our total capital spending.*
- ***This will add about $0.35 per month to a typical Residential Customer's bill**, about $0.63 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $9.13 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).*

When asked to rate the Importance of System Renewal spending, nearly all customers (>90%) rated it as "5-Very Important" (43.8%), "4" (31.1%), or "3-Somewhat Important" (18.9%).




When asked to rate the Appropriateness of the proposed System Renewal spending, nearly all (>80%) rated it as "5-Very Appropriate" (28.0%), "4" (34.6%), or "3-Somewhat Appropriate" (25.3%).

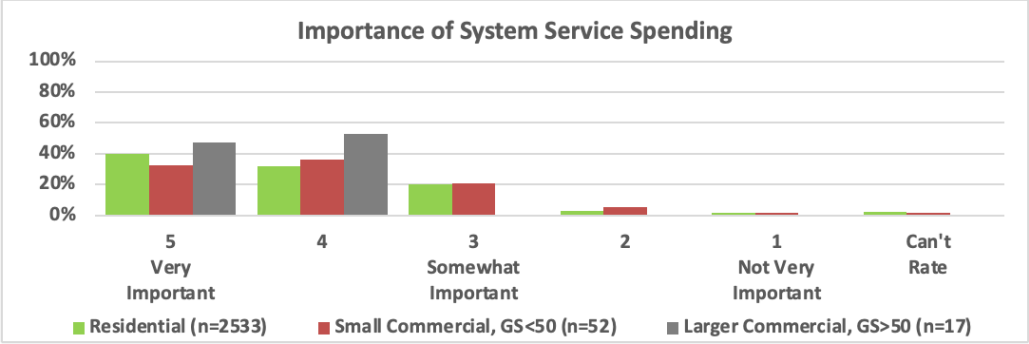


*System Service*

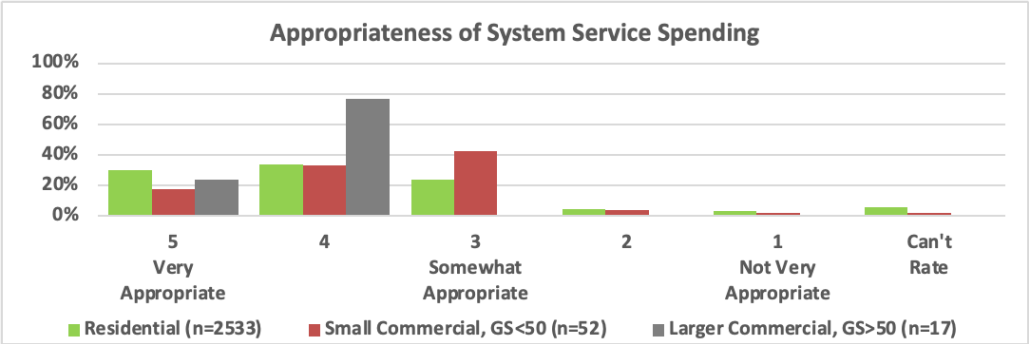
A detailed description of System Service spending was provided, noting that it *includes spending to modernize and automate the distribution system to ensure that it meets customers' changing needs and addresses anticipated future growth within Burlington.* Customers were provided examples of projects (see Appendix B for further detail) and the following summary of System Service investments:

- *Between 2021 to 2025, spending on System Service has been about $0.3 Million per year on average, accounting for about 3% of our total capital spending.*
- *In 2026, we are planning to spend $1.3 Million on System Service. We expect the average from 2026 to 2030 to be about $1.7 Million per year, accounting for about 9% of our total capital spending.*
- ***This will add about $0.06 per month to a typical Residential Customer's bill**, about $0.10 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $1.53 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).*

When asked to rate the Importance of System Service spending, nearly all customers (>90%) rated it as "5-Very Important" (40.1%), "4" (32.1%), or "3-Somewhat Important" (20.1%).




When asked to rate the Appropriateness of the proposed System Service spending, nearly all (>80%) rated it as "5-Very Appropriate" (29.7%), "4" (33.9%), or "3-Somewhat Appropriate" (24.1%).

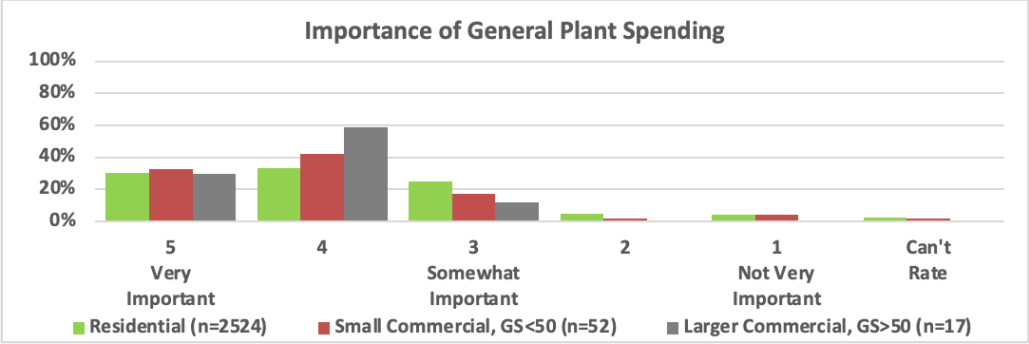


*General Plant*

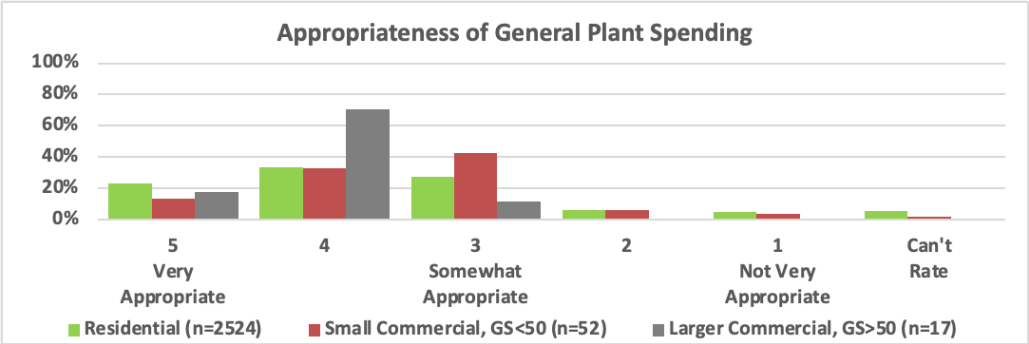
A detailed description of General Plant spending was provided, noting that it includes spending on buildings; tools and equipment; the truck fleet; and electronic devices and software used to support day-to-day operations of the system. Customers were provided examples of projects (see Appendix B for further detail) and the following summary of General Plant investments:

- *Between 2021 and 2025, spending on General Plant has been about $2.1 Million per year on average, accounting for about 16% of our total capital spending.*
- *In 2026, we are planning to spend $3.0 Million on General Plant, but with lower spending in later years, we expect the average from 2026 to 2030 to be about $2.3 Million per year, accounting for about 12% of our total capital spending.*
- ***This will add about $0.17 per month to a typical Residential Customer's bill**, about $0.31 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $4.52 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).*

When asked to rate the Importance of General Plant spending, nearly all customers (>80%) rated it as "5-Very Important" (30.5%), "4" (33.6%), or "3-Somewhat Important" (24.8%).

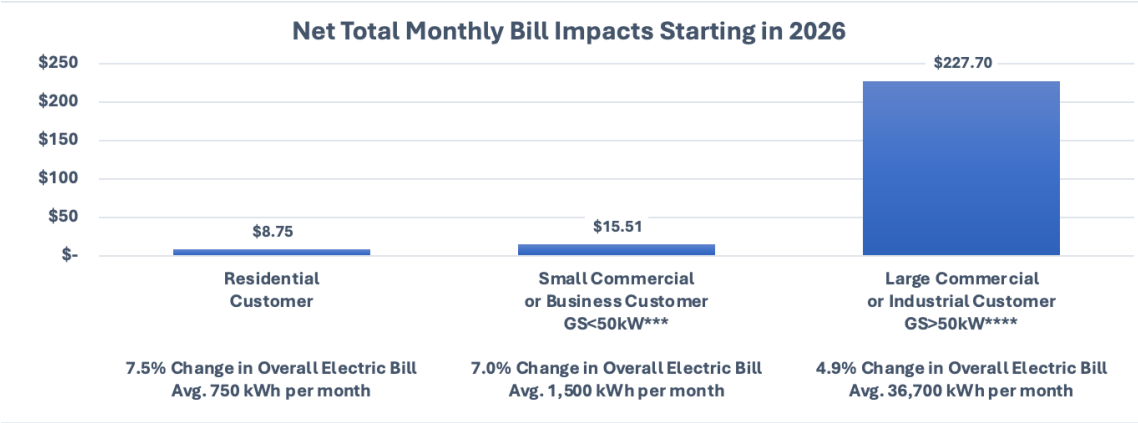



When asked to rate the Appropriateness of the proposed General Plant spending, nearly all (>80%) rated it as "5-Very Appropriate" (22.6%), "4" (33.7%), or "3-Somewhat Appropriate" (27.7%).

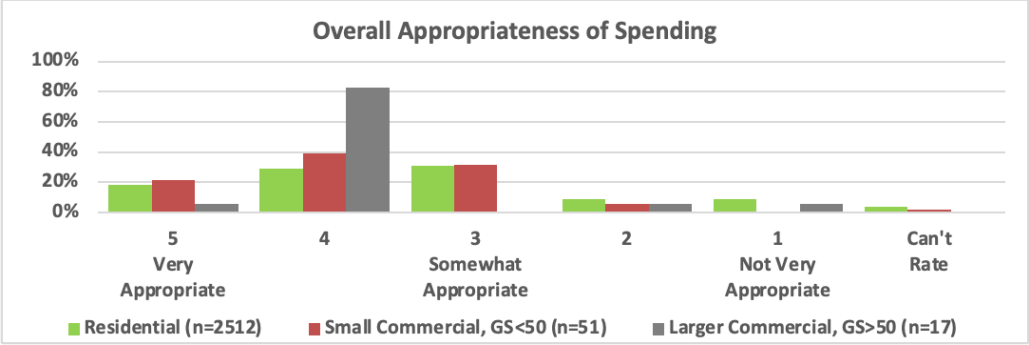


*Overall Bill Impact*

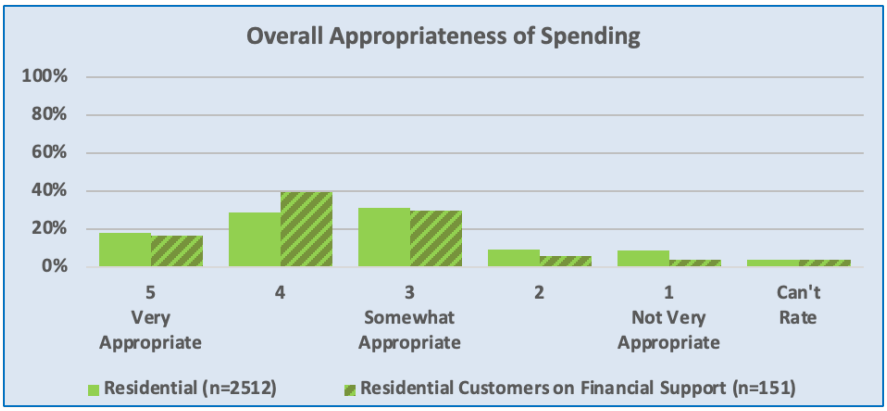
Customers where then presented with a general summary of the overall bill impacts based on the proposed planned spending (see Appendix B for further detail):




When asked to rate the Appropriateness of the proposed spending (after being presented with the Overall Bill Impact), most customers (>70%) rated it as "5-Very Appropriate" (18.3%), "4" (29.5%), or "3-Somewhat Appropriate" (30.9%).




Comparing the subset of Residential customers who indicated that they participate in a financial support program (n=151) to Residents overall (n=2512) did not appear to indicate any meaningful difference in customer perceptions of the overall appropriateness of proposed spending.

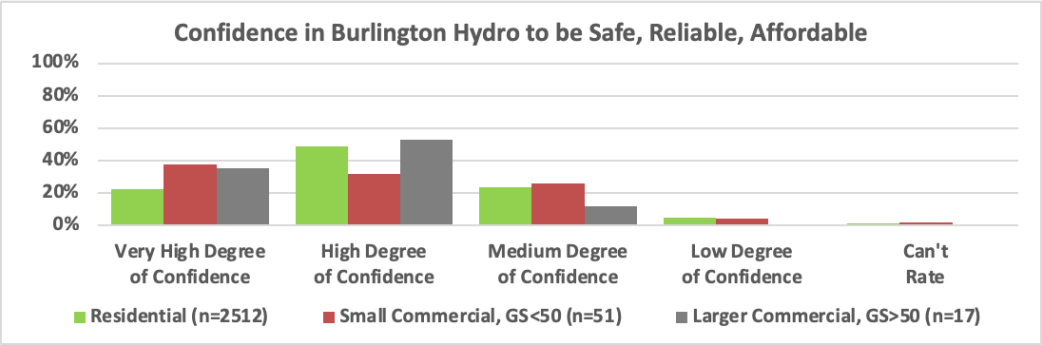


*Confidence in Burlington Hydro*

At the end of the section titled "The Bottom Line: How this Affects Your Electricity Bill, and prior to asking about customers' confidence in Burlington Hydro, the following statement was presented:

> ***Burlington Hydro is a progressive company committed to continuous improvement and performance excellence in the areas of safety, stewardship, community involvement and innovation. We maintain a strong asset base through responsible financial management, system renewal and innovation that ensures the safe, secure, and dependable supply of electricity to meet the needs of our customers and a growing community.***

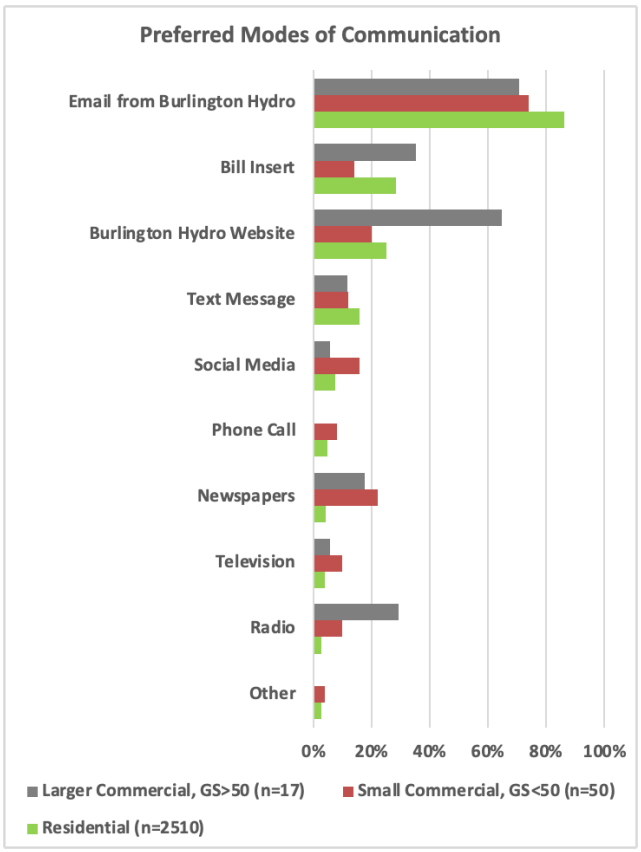
When asked to rate their level of confidence that Burlington Hydro will **"continue to provide safe, reliable and affordable electricity",** nearly all customers rated it as "Very High" (22.5%), "High" (48.2%) or "Medium Degree of Confidence" (23.6%).



*Burlington Hydro's Customer Engagement and Communications*

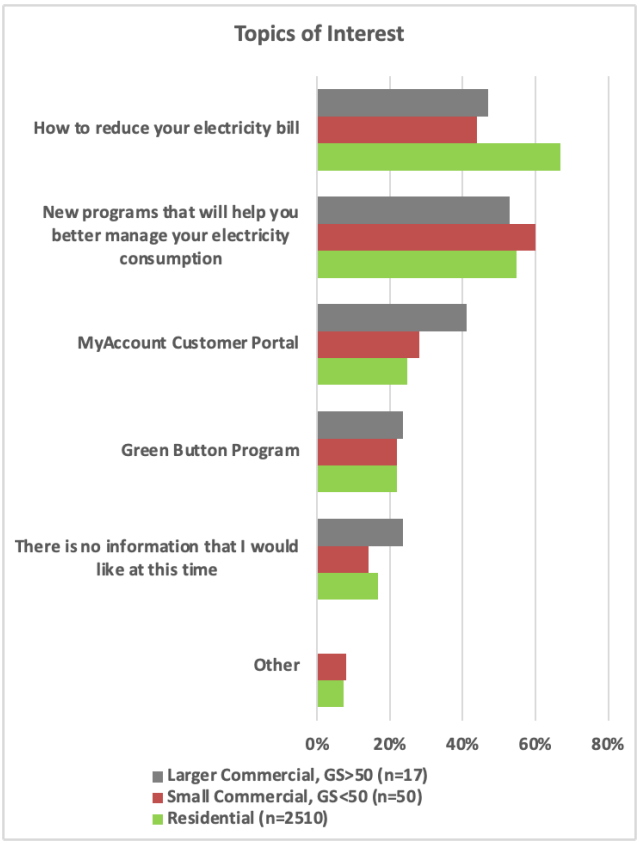
In the final part of the Web Survey, customers were asked about their communications needs and preferred means of communicating with them about business planning.

When asked the best way for Burlington Hydro to communicate with them going forward, the modes mentioned varied somewhat by customer type. The most frequently indicated mode by all customer types was email from Burlington Hydro.



When asked what kinds of topics they would be interested in learning more about, the most frequently mentioned topics varied by customer type.

- Residential Customers were most interested in learning more about how to reduce their electricity bill.
- Commercial Customers were most interested in learning more about programs that would help them better manage their electricity consumption.

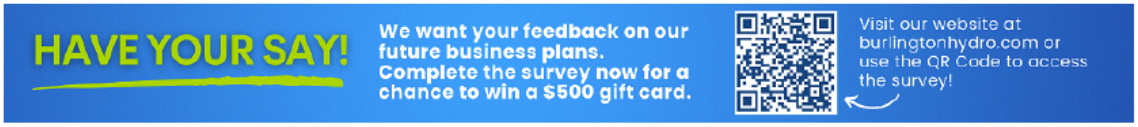


# Appendix A: Customer Web Survey Invitations

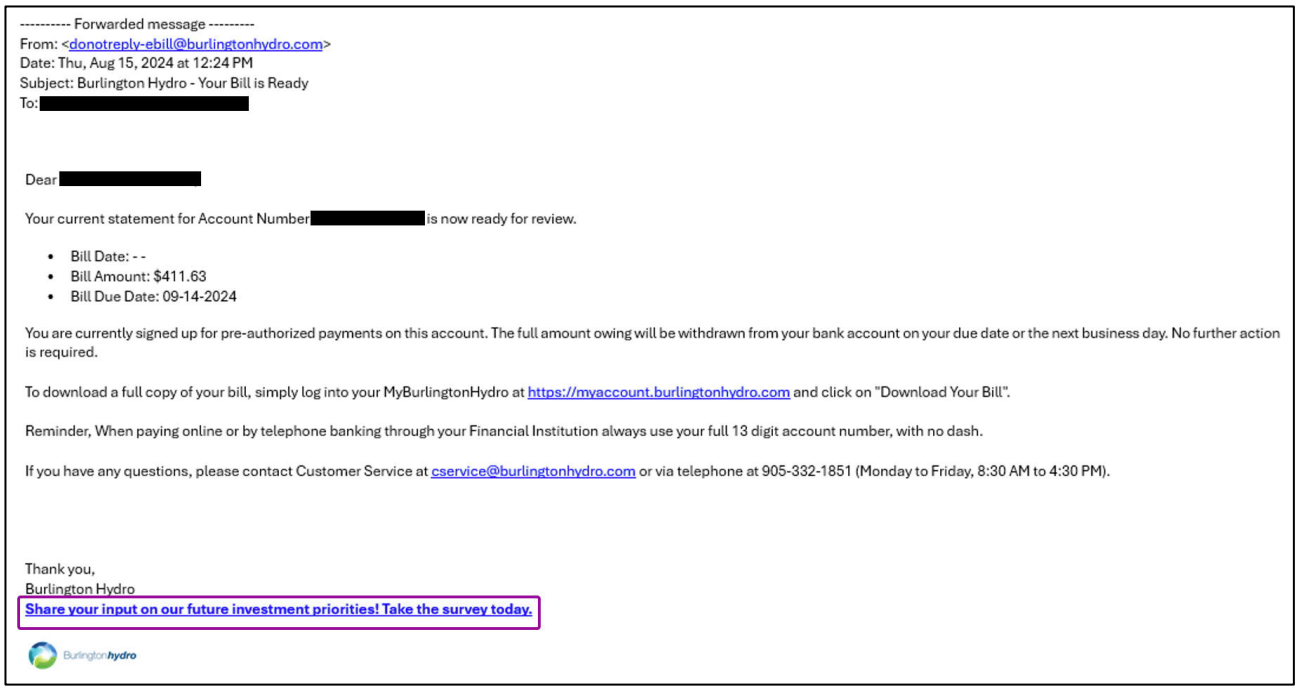

*Customer Web Survey Invitation – Email Blast*



*Customer Web Survey Invitation – Bill Insert*




*Customer Web Survey Invitation – Bill Onsert*



---------- Forwarded message ---------
From: <donotreply-ebill@burlingtonhydro.com>
Date: Thu, Aug 15, 2024 at 12:24 PM
Subject: Burlington Hydro - Your Bill is Ready
To: [redacted]

Dear [redacted]

Your current statement for Account Number [redacted] is now ready for review.

- Bill Date: - -
- Bill Amount: $411.63
- Bill Due Date: 09-14-2024

You are currently signed up for pre-authorized payments on this account. The full amount owing will be withdrawn from your bank account on your due date or the next business day. No further action is required.

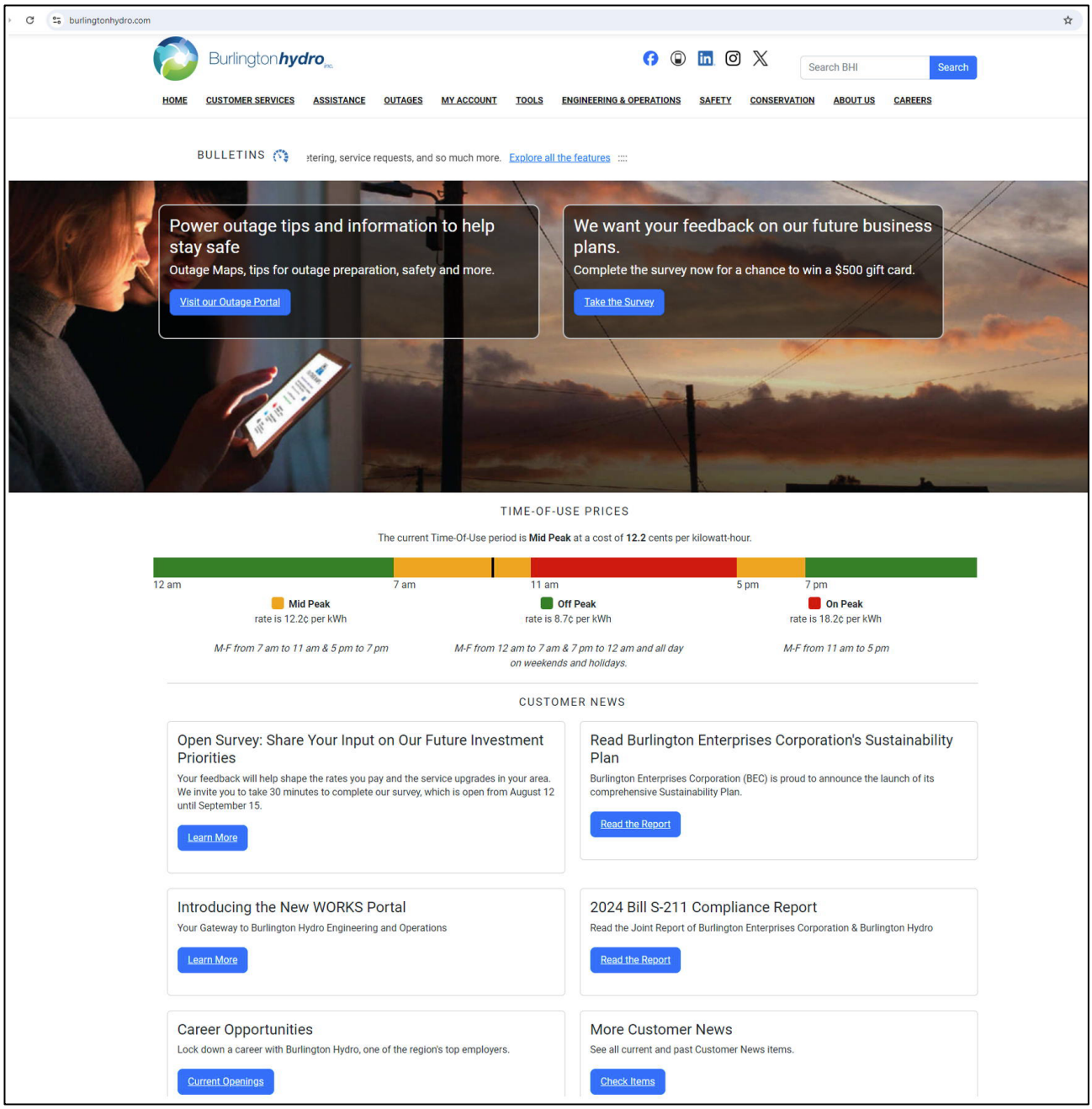
To download a full copy of your bill, simply log into your MyBurlingtonHydro at https://myaccount.burlingtonhydro.com and click on "Download Your Bill".

Reminder, When paying online or by telephone banking through your Financial Institution always use your full 13 digit account number, with no dash.

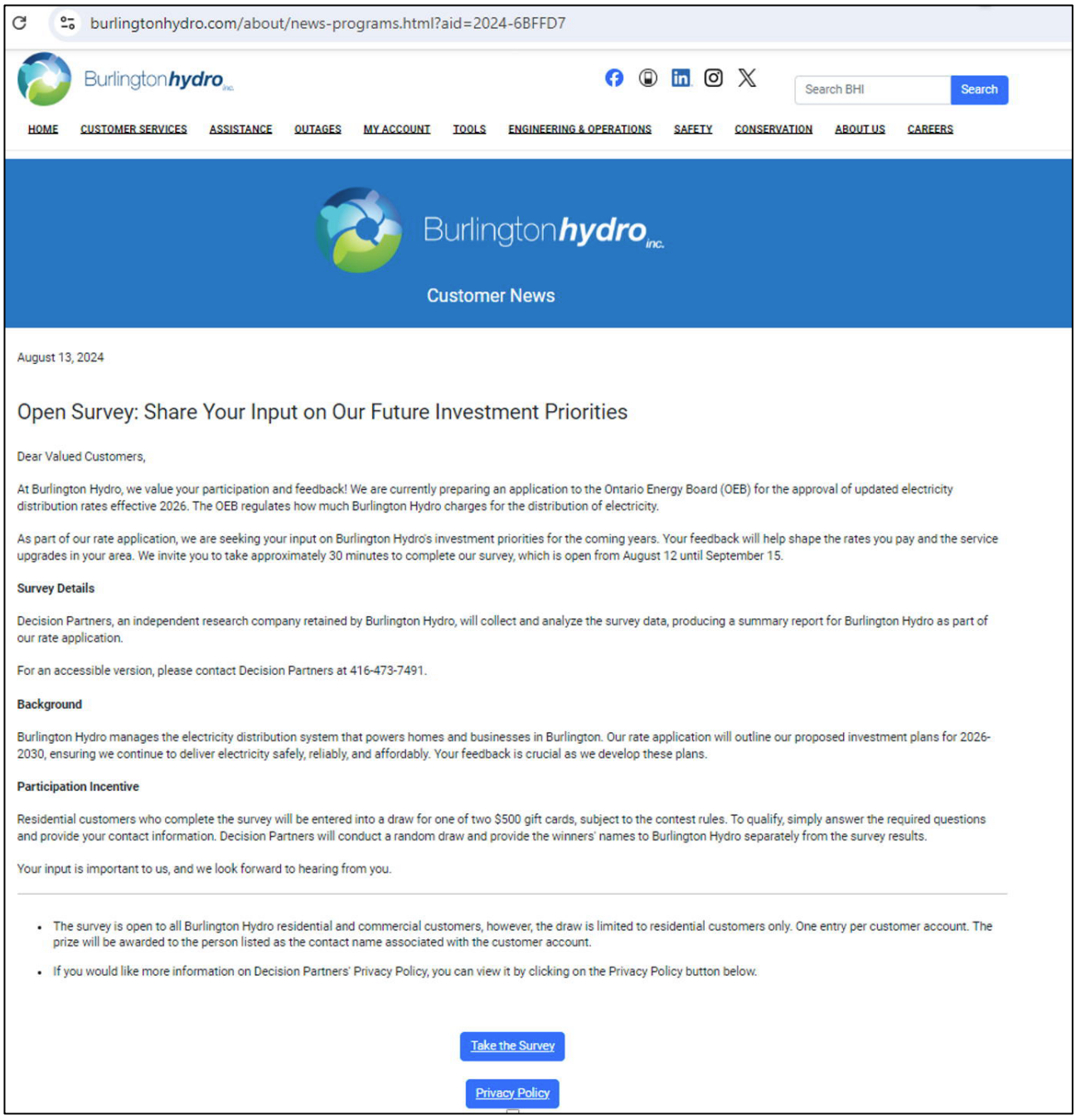
If you have any questions, please contact Customer Service at cservice@burlingtonhydro.com or via telephone at 905-332-1851 (Monday to Friday, 8:30 AM to 4:30 PM).

Thank you,
Burlington Hydro
**Share your input on our future investment priorities! Take the survey today.**

*Customer Web Survey Invitation – Emailed Bill*




*Customer Web Survey Invitation – Burlington Hydro Website Homepage*




*Customer Web Survey Invitation – Burlington Hydro Website News Posting*


*Customer Web Survey Invitation – Twitter Notification. Similar notifications were posted to Facebook and Instagram to reach as many customers as possible through multiple channels.*

Burlington hydro inc.

# HAVE YOUR SAY!

Join our webinar to share your feedback and help shape our future business plans.

Dear Valued Customer,

We want to hear from you. Our team at Burlington Hydro is preparing a cost-of-service rate application for the Ontario Energy Board (OEB) to approve updated electricity distribution rates for 2026. The OEB regulates the amount Burlington Hydro charges customers for the delivery of electricity, and your feedback is essential in shaping our investment priorities for the 2026-2031 period.

**Join us for a virtual meeting on Tuesday, September 10th, from 2:00 to 3:30 pm to share your insights and help shape our planning process. Please RSVP through Zoom by clicking the button below.**

The virtual meeting is open to Burlington Hydro's large commercial and industrial customers. Decision Partners, an independent consultant retained by Burlington Hydro, will facilitate the feedback sessions and collect your input, either openly or anonymously. If you're unable to participate in the webinar, the survey will be available on the website for you to complete until September 15.

On behalf of our team at Burlington Hydro, I'd like to thank you for taking the time to learn about our investment planning and providing your feedback during our virtual meeting. Your input is important to us. We look forward to seeing you September 10th.

Gerry Smallegange
President and CEO
Burlington Hydro Inc.

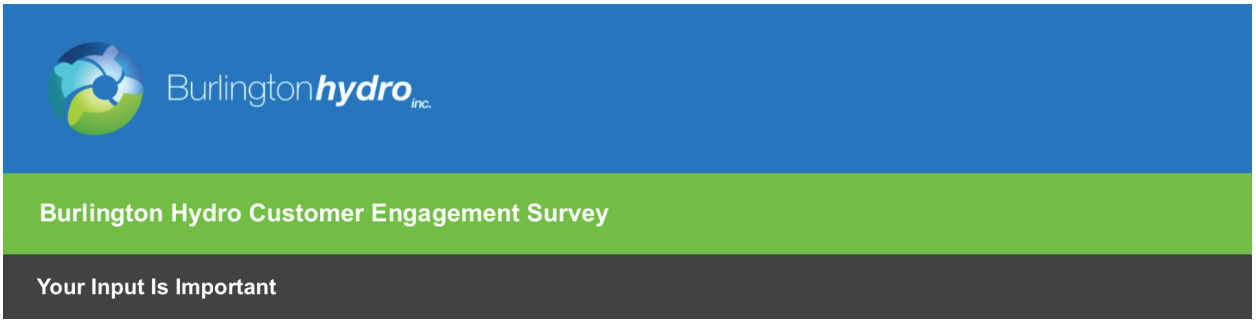
CLICK HERE TO RSVP TO THE WEBINAR

STAY CONNECTED WITH US

Sent from Burlington Hydro Inc. | 1340 Brant Street, Burlington, ON L7R 3Z7
cservice@burlingtonhydro.com | 905-332-1851

*Key Customer Webinar Invitation*

# Appendix B: Customer Engagement Web Survey




Dear Customer,

Our team at Burlington Hydro is currently working on preparing our Cost-of-Service Rate Application to the Ontario Energy Board (OEB) which regulates how much Burlington Hydro can charge customers for delivery of electricity. As part of our planning process, we'd like your thoughts on our investment priorities for the coming years, which in turn, will inform the rates that we will apply for. If approved, this application will form the basis for rates from 2026 through 2030.

Our survey covers four areas. We provide some context in each area, and then ask for your input:

1. Brief background on the Ontario electricity industry and Burlington Hydro's role.
2. Our business planning and how the industry may change in the future.
3. Our proposed business plan and the bottom line – how this spending affects your electricity bill and the service you receive.
4. Your thoughts on how we can best communicate with you in the future about these plans and some demographic questions.

The survey should take about 30 minutes.

**For our Residential Customers only**, eligible survey respondents** will be entered into a draw for one of two $500 gift cards, subject to the rules described in detail at the end of the survey. To be entered into the draw, you need to answer all the required questions (marked with a "✻") and provide your contact information (which will be separated from your survey response). Winners will be selected randomly from eligible survey respondents and will be notified by a member of our team at Burlington Hydro.

**For our Small Commercial Customers only (GS<50)**, eligible survey respondents** will be entered into a draw and $500 will be donated to the Burlington Feed Bank in the winner's name, subject to the rules described in detail at the end of the survey. To be entered into the draw, you need to answer all the required questions (marked with a "✻") and provide your contact information (which will be separated from your survey response). The winner will be selected randomly from eligible survey respondents and will be notified by a member of our team at Burlington Hydro.

**We want to assure you that your survey responses are confidential**. You will not be identified as the source of any feedback that you provide. Decision Partners, an independent research company retained by Burlington Hydro, will collect the data and produce a summary report which will be

submitted to the OEB as part of our Cost-of-Service Rate Application. The report will not identify anyone as the source of any feedback.*** Decision Partners will conduct the random draw and provide the winners' names to the Burlington Hydro Team separately from the survey report (see contest rules at the end of the survey). If you have any questions about the survey, you can contact Decision Partners at sthorne@decisionpartners.co or Burlington Hydro at regulatoryaffairs@burlingtonhydro.com.

On behalf of our team at Burlington Hydro, I'd like to thank you for taking the time to learn about our planning and providing your feedback through this survey. Your input is important to us. We look forward to hearing from you.

Gerry Smallegange
President and CEO
Burlington Hydro

**The survey is open to all Burlington Hydro Residential and Commercial Customers, however, **the separate draws are limited to Residential and Small Commercial Customers only**. One entry per customer account. The Residential Customer prize will be awarded to the person listed as the contact name associated with the customer account. The Small Commercial Customer donation will be awarded to the Burlington Food Bank in the name of the Small Commercial Customer company associated with the account.

***If you would like more information on Decision Partners' Privacy Policy, you can view it at: https://www.decisionpartners.co/Images/PrivacyPolicy.pdf.

## Background on Burlington Hydro

* 1. To start off, please tell us what kind of an electricity customer you are. (Select One)
    - *Residential Customer*
    - *Small Commercial or Business Customer (Described on your bill as "GS<50 kW". Low to moderate electricity usage. Example: office, retail, restaurant, small shop, non-commercial organization etc.)*
    - *Large Commercial or Industrial Customer (Described on bill as "GS>50 kW". High electricity usage. Example: Large retail or mall, industrial, manufacturing, etc.)*
    - *Not a Burlington Hydro Customer, just curious about the survey. (Your answers will not be included in the survey results and you are not eligible for the Draw)*

**Burlington Hydro Inc.** is a local distribution company responsible for distributing electricity to more than 69,500 Residential and Commercial Customers in the City of Burlington. We are a subsidiary of Burlington Enterprises Corporation, which is wholly owned by the City of Burlington. Burlington Hydro has been providing safe, reliable and affordable electricity service for over 75 years and delivers electricity into the community through a network of 1,600 kilometres of medium voltage distribution lines and 32 substations, supplying a total service area of 188 square kilometres.

Burlington Hydro is regulated by the OEB and part of the regulatory process requires us to submit a Cost-of-Service Rate Application to the OEB for approval of electricity distribution rates. The application contains our proposed five-year capital investment plan, which is the primary subject of this survey.

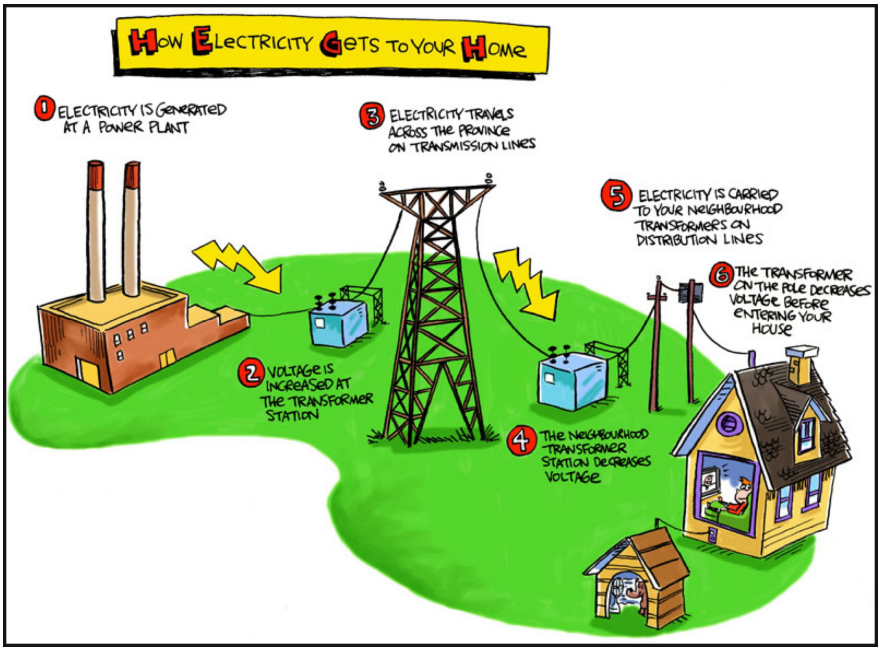
**Burlington Hydro Territory**


## Distribution as a Component of Your Electricity Bill

Here is a little background on the electricity industry. There are three main parts:

- ***Electricity Generation****: includes the power plants, wind turbines and solar energy that produce electricity.*
- ***Electricity Transmission****: sends the electricity over high voltage power lines from generators to electricity distribution companies. And*
- ***Electricity Distribution****: companies like Burlington Hydro, deliver power to customers like you. Burlington Hydro maintains the low voltage power lines, substations, and transformers in the City of Burlington.*

This graphic illustrates how electricity gets to your home.

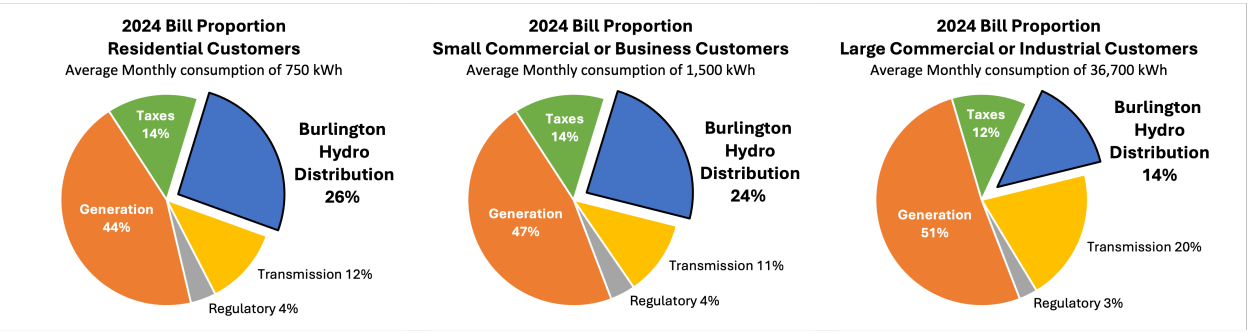



Burlington Hydro bills for all three of these parts of the system, but we only keep the part of your payment that covers distribution, delivering electric power to customers like you. For some customers, Burlington Hydro also bills for water, but the information presented here, and **the rest of the survey, is only about the electricity part of the bill**. As shown in the charts below...

**For a typical Residential Customer** consuming about 750 kWh per month, Burlington Hydro's portion of the total electricity bill is about **$34 per month**, which amounts to **approximately 26% of the total electricity portion of the bill**.

**For a typical Small Commercial or Business Customer** (GS<50 kW) consuming about 1,500 kWh per month, Burlington Hydro's portion of the total electricity bill is about **$63 per month**, which amounts to **approximately 24% of the total electricity bill**.

**For a typical Large Commercial or Industrial Customer** (GS>50 kW) consuming about 36,700 kWh per month, Burlington Hydro's portion of the total electricity bill is about **$1,131 per month**, which amounts to **approximately 14% of the total electricity bill**.




* 2. In terms of the value you get for the money you pay for Burlington Hydro to distribute electricity to you, do you think it sounds:

- Too Low
- About Right
- Too High
- Can't Rate

## Considerations for Business Planning – Being Customer Centric

On the next couple of pages, we're asking about some of the principles and strategic objectives that underpin Burlington Hydro's business planning to achieve our Mission Statement: **"To provide reliable, efficient, and safe energy solutions to the community."**

The first is our strategic objective for customer service: "To provide exceptional internal and external customer service across the organization."

* 3. How important is it to you (your business) that Burlington Hydro is Customer Centric?
  - 5-Very Important
  - 4
  - 3-Somewhat Important
  - 2
  - 1-Not Very Important

* 4. Overall, how would you rate your experience as a customer of Burlington Hydro?
  - Extremely Satisfied
  - Very Satisfied
  - Somewhat Satisfied
  - Not Very Satisfied
  - Not Satisfied at All

(optional) Comments:

The next strategic objective is for safety and reliability: "To ensure safe, resilient and reliable electricity distribution to customers."

* 5. How Important is it to you that electricity delivery be …
- Safe for customers, the public and Burlington Hydro's employees?
- Reliable in terms of limited number of outages?
- Reliable in terms of limited duration of outages?
  - 5-Very Important
  - 4
  - 3-Somewhat Important
  - 2
  - 1-Not Very Important
  - Can't Rate

* 6. Over the past 5 years (or for as long as you have been a customer if less than 5 years), how reliable would you say your electricity has been?
  - 5-Very Reliable
  - 4
  - 3-Somewhat Reliable

- 2
- 1-Not Very Reliable

* 7. Thinking about your electricity reliability **over the past 2 years**, about how many power outages have you experienced?
  - None
  - 1-2
  - 3-4
  - 5 or more
  - Can't Rate

* 8. How long did the outages last? (check all that apply)
  - Less than an hour
  - 1-6 hours
  - 7-12 hours
  - 13-24 hours
  - More than a day
  - Not applicable (no outages)

* 9. What caused the outages? (check all that apply)
  - Adverse Weather (e.g., wind, snow, ice)
  - Lightning
  - Tree Contact
  - Defective Equipment (e.g., transformer failure)
  - Foreign Interference (e.g., animal contact)
  - Human Element (e.g., motor vehicle accident)
  - Scheduled Outage (e.g., for system repairs)
  - Adverse Environmental Condition (e.g., fire, flooding, etc.)
  - Unknown
  - Other (please specify below)
  - Not applicable

## Considerations for Business Planning – Preparing for Change

Another critical element of planning is preparing for changes that affect the industry. In the next few questions, we're asking about some of those changes and our efforts to maintain reliability.

* 10. One aspect of maintaining reliability is "**Upgrading the distribution system to respond to increasing extreme weather events and climate impacts**." How important is it to you that Burlington Hydro is preparing now to handle future extreme weather events and climate impacts to minimize outages?
  - 5-Very Important
  - 4
  - 3-Somewhat Important
  - 2
  - 1-Not Very Important

* 11. How important is it to you that Burlington Hydro invests in proactively replacing deteriorated infrastructure as needed, based on its condition and likelihood to fail?

- 5-Very Important
- 4
- 3-Somewhat Important
- 2
- 1-Not Very Important

The next Objective relates to Technology: “Continuous investment in technology that helps reduce electricity distribution costs, provides consumer choice and creates business value.” A big part of this is modernizing the grid to make it more reliable, efficient, and secure. This would enable increased adoption of electric vehicles and solar panels; support monitoring and automation to reduce the number and duration of outages; and improve security to address cyber attacks and safeguard Customer data.

* 12. How important is it to you that Burlington Hydro invests in new and innovative technology such as those that would support grid modernization?

- 5-Very Important
- 4
- 3-Somewhat Important
- 2
- 1-Not Very Important

* 13. In the next 10 years, how likely are you to have ...
- An electric vehicle?
- Solar panels?
- A battery storage system? **
- A heat pump system? ***

- Already Have
- Very Likely
- Somewhat Likely
- Not Very Likely
- Definitely Not
- Uncertain

** Battery storage systems enable energy to be stored when electricity rates are low, and then used when power is needed the most (e.g., when an outage occurs or when rates are high).

*** Heat pumps are a form of HVAC system that can provide both heating and cooling for your home. During the winter, heat pumps absorb warmth from the outdoor air and transfer it into your home. In the summer, this process reverses, removing heat from your home and cooling your indoor environment.

The last Strategic Objective that we'd like to ask you about relates to efficiency:
“Find continued efficiencies and cost savings that deliver value to customers and shareholders.”

* 14. How important is it to you that Burlington Hydro “**Delivers electricity at prudent and value-based distribution rates**,” in other words that your electricity delivery be efficient and at an appropriate cost?

- 5-Very Important
- 4
- 3-Somewhat Important
- 2
- 1-Not Very Important

15. (optional) Are there any other significant factors that you think could change how you use electricity in the next ten years that Burlington Hydro should be considering? (describe below)

## Our Business Planning

**Burlington Hydro's business planning** is based on a detailed assessment by our engineering and technical experts, who closely monitor the performance of the distribution system and its components, develop solutions to deliver positive customer outcomes, and recommend investments that inform our plans. Our planning also takes into consideration our legal, regulatory, and information technology (IT) requirements as well as customer feedback collected through ongoing dialogue and specific engagements such as this survey.

The draft 2026-2030 business plan that we are going to describe to you and ask for your feedback on, focuses on delivering Burlington Hydro's strategic objectives while preparing for changes to the way customers use electricity, and addressing aging components of our system, continued growth in the community, and the impact of climate change.

Below are some of the specific objectives that drive our proposed 2026–2030 business plan:

- *Deliver electricity safely and reliably by renewing deteriorated components of the system most at risk of failure*
- *Mitigate the impacts of the increased occurrence of extreme weather events*
- *Respond to and prepare for increased demand and customer growth in specific areas of our service territory*
- *Continue to automate and find efficiencies by modernizing our operations through technology*

Burlington Hydro's draft business plan has two main components which are funded by our distribution charges:

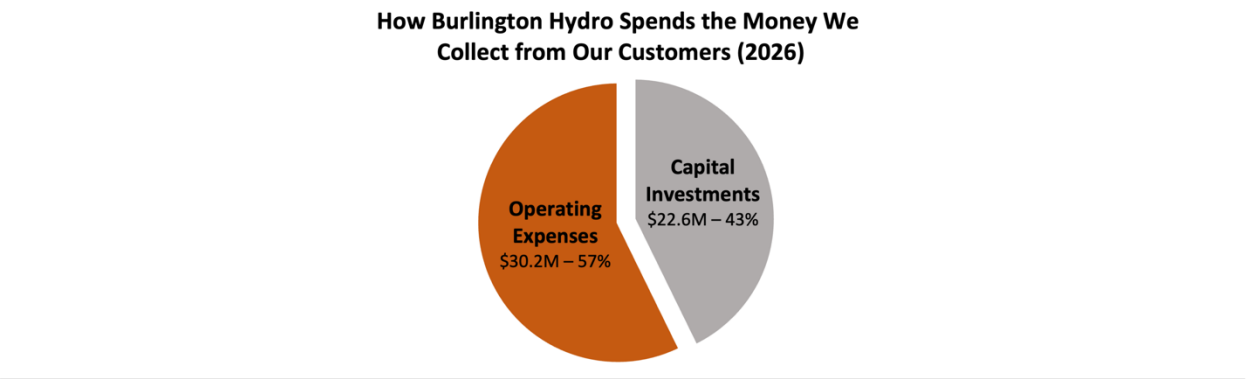
1. *Operating Expenses, and*
2. *Capital Investments*

Burlington Hydro's **operating expenses** related to recurring spending for core business functions related to operations and maintenance, billing and customer service, and administration.

Our **capital investments** relate to money spent to construct physical components of the system like poles, transformers, and cable for example, which have a typical useful life of up to 45 years, or meters that have a typical useful life of up to 15 years.

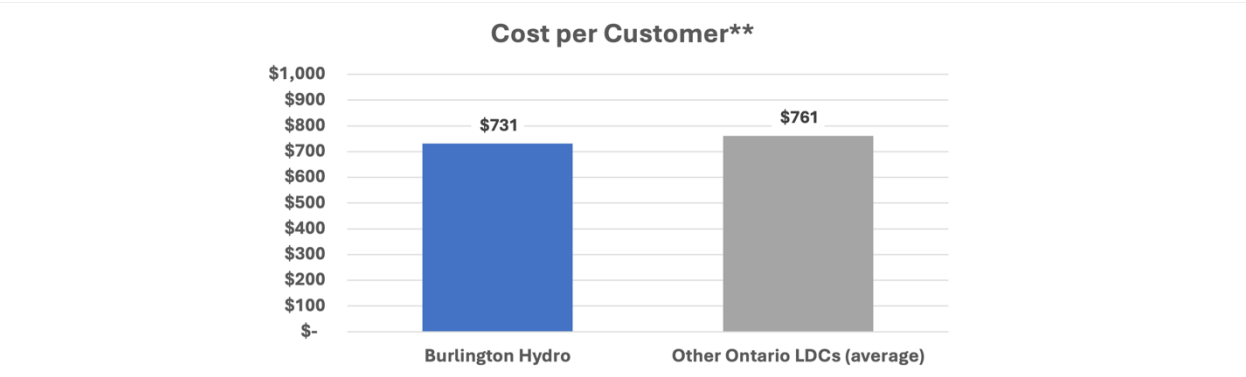
As we mentioned above, only a fraction of what we bill is kept by Burlington Hydro to pay for our electricity distribution services (26% for Residential Customers, 24% for Small Commercial or Business Customers, and 14% for Large Commercial or Industrial Customers). The rest goes to pay for generation, transmission, and other costs not associated with Burlington Hydro's distribution system.

As shown in the chart below, in our projected plans for 2026, about 57% of Burlington Hydro's annual budget will be spent on operating expenses and 43% will be spent on capital investments.




*How does Burlington Hydro Compare to its Peers?*

According to the latest publicly available data from the Ontario Energy Board (OEB), compared to the other electricity distributors in Ontario, Burlington Hydro's total cost per customer (operating expenses and capital investments) is lower than the Ontario average.




**Based on OEB data for 2022.
In addition to benchmarking, Burlington Hydro is required under Provincial regulation to find internal cost savings, whether through new technologies, or operational efficiencies.

- Burlington Hydro is a founding member of the GridSmartCity Co-operative, an organization that brings together 15 Ontario LDCs to collaborate and share knowledge, skills and expertise – with some of the goals being increased efficiency and cost savings through economies of scale.
- Cost saving benefits include negotiated group rates for employee benefit renewals, and group savings on the procurement of wood poles, cables, wires, and transformers.

In addition, the OEB runs an open and transparent review process where experts from the OEB and intervenor groups review and challenge every dollar that Burlington Hydro proposes to spend.

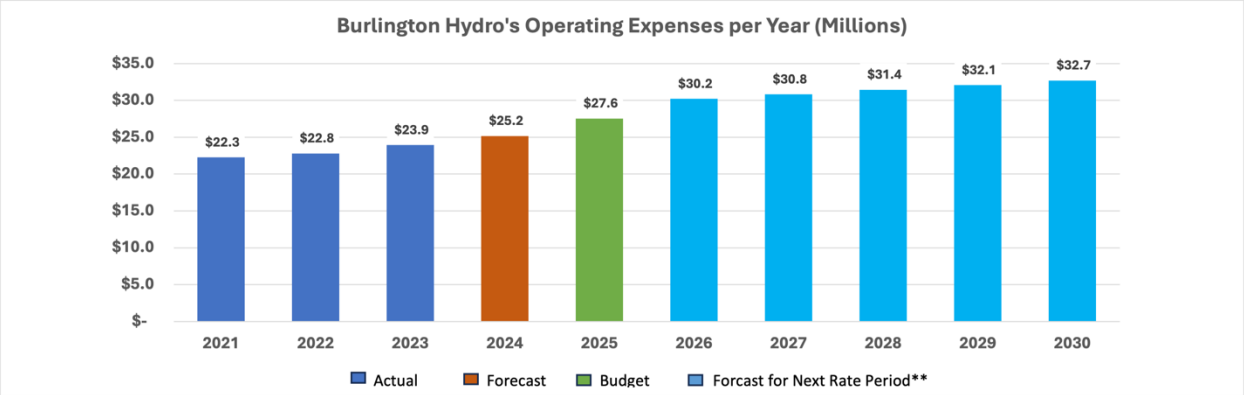
### Spending on Operating Expenses

Although the main focus of this survey is on Burlington Hydro's capital investments, operating expenses are a significant portion of the budget as mentioned above and are made up of the following:

- Operations and Maintenance includes spending to inspect, operate, repair, and maintain Burlington Hydro's distribution system, and the cost to operate and maintain its fleet of trucks, system control room and facilities.
- Billing and Customer Service includes spending to read meters, send out customer bills and provide customer services such as handling customer inquiries and processing move-in/move-out requests
- Administration includes wages and materials for staff that support the functional ability of the organization, including safety, engineering, warehousing, accounting, regulatory affairs, human resources, and communications. In addition, this category also includes the costs to operate and maintain the general plant buildings, and IT systems/software licenses and support services.

It is estimated that if Burlington Hydro continues with its draft plan, its operating expenses would increase by an average of 4.5% per year between 2024 and 2030. Key drivers of this increase include:

- Enhanced communications with customers through a new outage management system, customer-facing outage map and customer portal
- Enhanced customer service offerings to provide consumers with more options to keep costs down, save money, and manage their energy bills (e.g., pricing optionality, Green Button)
- Expansion and modernization of the distribution grid to:
    - enable customer choice
    - accommodate load growth, and
    - mitigate the impacts of climate change
- Expansion and upskilling of our labour force to accommodate growth and electrification
- Extending IT capabilities to support modernization and mitigate the risk of increasing cyber security threats
- Upward cost pressures on labour which are increasing the costs for services such as tree trimming and utility locate services;




** These estimates are preliminary, and are subject to change as the business plan is finalized.

*16. Given this brief description, how important do you think Operating Expenses are in delivering safe and reliable electricity to you?

- 5-Very Important
- 4
- 3-Somewhat Important
- 2
- 1-Not Very Important
- Can't Rate

* 17. How appropriate do you think the proposed level of Operating Expenses is?

- 5-Very Appropriate
- 4
- 3-Somewhat Appropriate
- 2
- 1-Not Very Appropriate
- Can't Rate

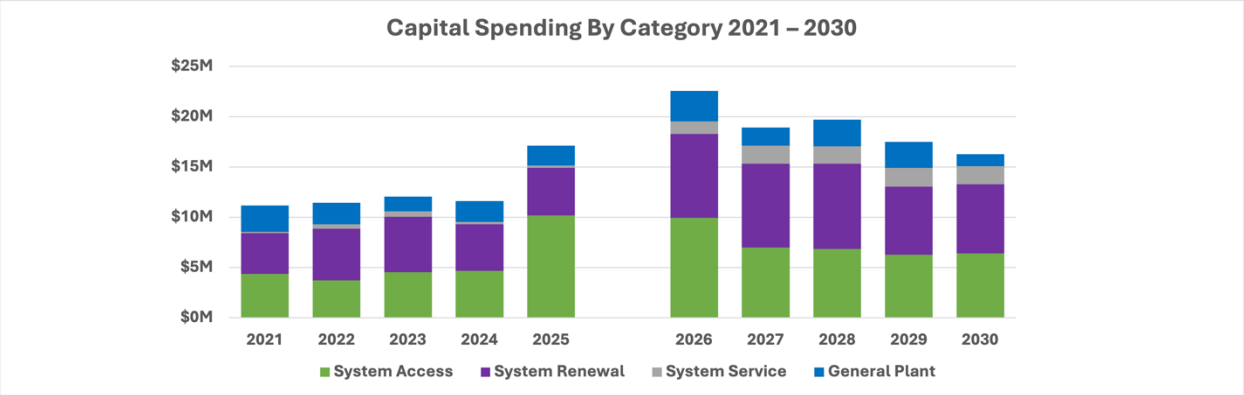
(optional) Comments

## Our Capital Planning to Meet Customer Needs and Expectations

**Capital investments** include spending to construct physical components of the system like poles, transformers, and cable, including for existing infrastructure and purchasing new components. By sharing our draft capital plan in this survey, we hope to make clear the customer outcomes we are investing towards and how we are thinking about delivering these outcomes. Your thoughts on our initial plans will help our Leadership Team set priorities as we finalize the capital plan, a key part of the rate application being filed with the OEB.
The OEB categorizes capital spending into four categories:

- *System Access*
- *System Renewal*
- *System Service*
- *General Plant*

Over the 2021 to 2025 period, capital spending averages about $13 million per year. While the level of spending varies from year to year (as shown in the chart below), the average capital spending from 2026 to 2030 will be about $19 million annually. Global factors such as higher material costs due to commodity price increases have put upward pressure on Burlington Hydro's capital budget. Additional factors contributing to the increase over the previous 5-year period are explained in each of the sections below.




In the next sections, we are going to describe, in more detail, our plan for spending in each of the capital categories and how the spending is intended to deliver positive outcomes to our customers. We will ask for your feedback on our planning so that we can further refine it to ensure that it reflects your priorities.

## 1. System Access Capital Spending

The first type of capital spending is called **System Access**. **These are mandatory investments** that all Ontario distributors are required to perform **to connect customers to the distribution system** or **to relocate poles and transformers** to accommodate projects like road widening. An increase in the expected number of customer connections and road widening projects is driving higher System Access spending from 2026-2030.

Example System Access projects in the 2026-2030 period include:

1. Dundas Road Widening: requires relocation of 310 poles, including road crossings.
2. Burloak Grade Separation: conversion of 900m of overhead line to underground to accommodate rail corridor expansion and electrification.
3. System Expansions: customer driven expansion projects requiring new feeders along major roadways to accommodate population growth and consequently electricity demand around Major Transit Station Areas (Appleby GO, Burlington GO, and Aldershot GO)

System Access investment summary:

- Between 2021 to 2025, spending on System Access has been about $5.5 Million per year on average, accounting for about 43% of our total capital spending.

- In 2026, we are planning to spend $9.9 Million on System Access. Over the next 5 years from 2026 to 2030 we are expecting to spend about $7.3 Million per year on average, accounting for about 38% of our total capital spending.
- This will add about $0.38 per month to a typical Residential Customers' bill, about $0.67 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $9.83 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).

* 18. Given this brief description, how important do you think System Access investments are to connect people to the system?

- 5-Very Important
- 4
- 3-Somewhat Important
- 2
- 1-Not Very Important
- Can't Rate

* 19. How appropriate do you think the proposed level of investment in System Access spending is?

- 5-Very Appropriate
- 4
- 3-Somewhat Appropriate
- 2
- 1-Not Very Appropriate
- Can't Rate

(Optional) Comments

## 2. System Renewal Capital Spending

The second type of capital spending is System Renewal. System Renewal includes spending to replace or refurbish deteriorated components of the distribution system so Burlington Hydro can continue to provide safe and reliable power, including through improved hardening against extreme weather events. Burlington Hydro assesses the risk of component failure based an assessment of their condition, which informs our System Renewal investment levels. An increase in the number of components at risk of failure is driving higher System Renewal spending from 2026-2030. System Renewal investments support Burlington Hydro extracting the most value from each piece of equipment, while maintaining a robust system.

Example System Renewal projects in the 2026-2030 period include:

1. **Underground Cable rehabilitation**: replacement of 3-5 km of underground primary cable and rejuvenation of 8-10 km of underground primary cable annually (on average) to reduce the risk of outages due to cable failure.
2. **Wood pole replacement program**: replacing/rehabilitating 100-150 poles per year (on average) to mitigate the risk of outages from pole line failures and prevent any potential damage or safety hazard to the public and property.

3. **Sub-Station rehabilitation program**: proactively replacing 1 Station Power Transformer every 2 years and 1 Station Primary Switchgear annually, both of which are critical assets in maintaining reliability of supply to our customers.

System Renewal investment summary:

- Between 2021 and 2025, spending on System Renewal has been about $4.8 Million per year on average, accounting for about 38% of our total capital spending.
- In 2026, we are planning to spend $8.3 Million on System Renewal. Over the next 5 years from 2026 to 2030 we are expecting to spend about $7.8 Million per year on average, accounting for about 41% of our total capital spending.
- **This will add about $0.35 per month to a typical Residential Customers' bill**, about $0.63 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $9.13 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).

* 20. Given this brief description, how important do you think System Renewal investments are?
    - 5-Very Important
    - 4
    - 3-Somewhat Important
    - 2
    - 1-Not Very Important
    - Can't Rate

* 21. How appropriate do you think the proposed level of investment in System Renewal spending is?
    - 5-Very Appropriate
    - 4
    - 3-Somewhat Appropriate
    - 2
    - 1-Not Very Appropriate
    - Can't Rate

    (Optional) Comments

### 3. System Service Capital Spending

The third kind of capital spending is System Service. System Service includes spending to modernize and automate the distribution system to ensure that it meets customers' changing needs and addresses anticipated future growth within Burlington. Burlington Hydro's modernization plans include investing in "intelligent" switches capable of remote operation to help manage outage response and restore power more quickly. **This spending supports fewer outages and shorter outage duration – strengthening the system's resilience. It also supports future proofing of the grid as technology and society advances**.

Example System Service projects in the 2026-2030 period include:

1. **Intelligent Switches**: adding more automated switches and Faulted Circuit Indicators (FCIs) to provide control room operators with greater visibility of the distribution system to help quickly isolate faulted lines and restore power.

2. **Voltage Conversion Program**: converting older 4.16kV and 13.8kV networks to 27.6kV to add more capacity into the system and reduce system losses.

System Service investment summary:

- Between 2021 to 2025, spending on System Service has been about $0.3 Million per year on average, accounting for about 3% of our total capital spending.
- In 2026, we are planning to spend $1.3 Million on System Service. Over the next 5 years from 2026 to 2030 we are expecting to spend about $1.7 Million per year on average, accounting for about 9% of our total capital spending.
- **This will add about $0.06 per month to a typical Residential Customers' bill**, about $0.10 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $1.53 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).

* 22. Given this brief description, how important do you think System Service investments are?
  - 5-Very Important
  - 4
  - 3-Somewhat Important
  - 2
  - 1-Not Very Important
  - Can't Rate

* 23. How appropriate do you think the proposed level of investment in System Service spending is?
  - 5-Very Appropriate
  - 4
  - 3-Somewhat Appropriate
  - 2
  - 1-Not Very Appropriate
  - Can't Rate

(Optional) Comments

## 4. General Plant Capital Spending

The fourth and final type of capital spending is General Plant investments. General Plant investments include spending on buildings; tools and equipment; truck fleet; and electronic devices and software used to support day-to-day operations of the system. Increased spending in this category is primarily driven by higher fleet costs, growing cyber security requirements and needed building repairs. General Plant investments enable us to manage our truck fleet and head office building, and invest in business applications systems, and other digital modernization that support more efficient operations.

Example General Plant projects in the 2026-2030 period include:

1. Replacing large bucket trucks at the end of their service life to ensure timely response to trouble calls and efficient execution of our capital projects.
2. Replacing the roof and parking lot of our head office building to ensure safety and business continuity.

3. New Enterprise Resource Planning (ERP) system that will optimize performance and efficiencies of finance, engineering, supply chain, and other departments.

General Plant investment summary:

- Between 2021 and 2025, spending on General Plant has been about $2.1 Million per year on average, accounting for about 16% of our total capital spending.
- In 2026, we are planning to spend $3.0 Million on General Plant. Over the next 5 years from 2026 to 2030 we are expecting to spend about $2.3 Million per year on average, accounting for about 12% of our total capital spending.
- **This will add about $0.17 per month to a typical Residential Customers' bill**, about $0.31 per month to a typical Small Commercial or Business Customer's bill (GS<50kW), and about $4.52 per month to a typical Large Commercial or Industrial Customer's bill (GS>50kW).

* 24. Given this brief description, how important do you think General Plant investments are?
  - ○ 5-Very Important
  - ○ 4
  - ○ 3-Somewhat Important
  - ○ 2
  - ○ 1-Not Very Important
  - ○ Can't Rate

* 25. How appropriate do you think the proposed level of investment in General Plant spending is?
  - ○ 5-Very Appropriate
  - ○ 4
  - ○ 3-Somewhat Appropriate
  - ○ 2
  - ○ 1-Not Very Appropriate
  - ○ Can't Rate

  (Optional) Comments

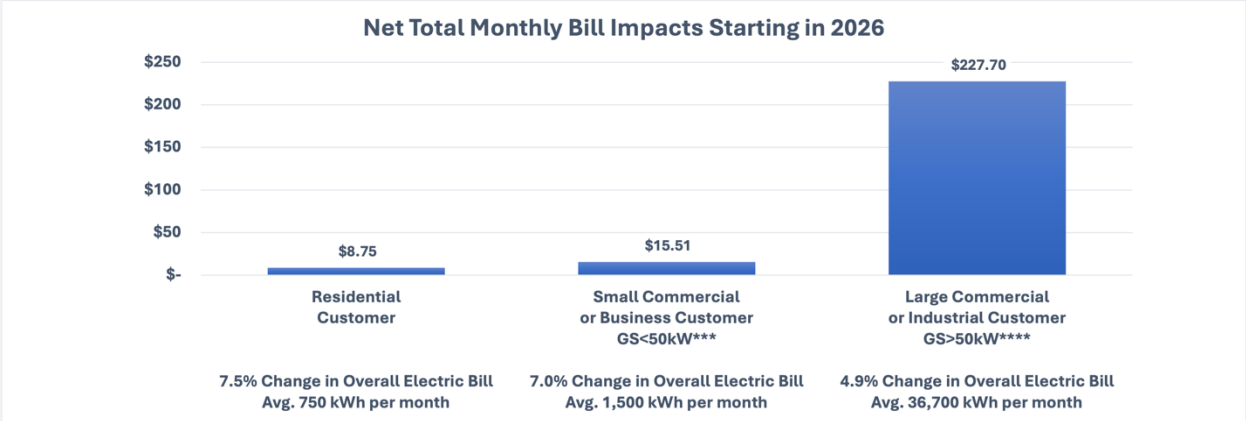
## The Bottom Line: How this Affects Your Electricity Bill

The average monthly bill impact from Burlington Hydro's proposed business plan (operating expenses and capital investments) is summarized below:

- Starting in 2026 a typical Residential Customer would see an increase in the distribution portion of their bill of $8.75 per month. This translates to an increase of about 7.5% on their total electricity bill.
- Starting in 2026 a typical Small Commercial or Business Customer (GS<50kW) would see an increase in the distribution portion of their bill of $15.51 per month. This translates to an increase of about 7.0% on their total electricity bill.
- Starting in 2026 a typical Large Commercial or Industrial Customer (GS>50kW) would see an increase in the distribution portion of their bill of $227.70 per month. This translates to an increase of about 4.9% on their total electricity bill.

Once we rebase our distribution rates in 2026, the subsequent annual rate changes for the years 2027 to 2030 will be limited to less than inflation.

The Total Bill impacts are shown below:




* 26. Given everything that was presented, how appropriate do you think the proposed level of spending is?

- 5-Very Appropriate
- 4
- 3-Somewhat Appropriate
- 2
- 1-Not Very Appropriate
- Can't Rate

(Optional) Comments

Burlington Hydro is a progressive company committed to continuous improvement and performance excellence in the areas of safety, stewardship, community involvement and innovation. We maintain a strong asset base through responsible financial management, system renewal and innovation that ensures the safe, secure, and dependable supply of electricity to meet the needs of our customers and a growing community.

* 27. Thinking about everything that has been presented, how confident are you that Burlington Hydro will continue to provide safe, reliable and affordable electricity?

- Very High Degree of Confidence
- High Degree of Confidence
- Medium Degree of Confidence
- Low Degree of Confidence
- Can't Rate

(optional) Comments:

## Burlington Hydro Customer Communications

We have just a couple of questions about how you would like Burlington Hydro to communicate with you.

* 28. What is the best way for Burlington Hydro to communicate with you as we go forward? (Check all that apply)

- Bill Insert
- Burlington Hydro Website
- Email from Burlington Hydro
- Text Message
- Newspapers
- Radio
- Social Media
- Television
- Phone Call
- Other (please specify)

* 29. What kinds of topics would you be interested in learning more about? (Check all that apply)

- How to reduce your electricity bill
- New programs that will help you better manage your electricity consumption
- MyAccount Customer Portal
- Green Button
- There is no information that I would like at this time
- Other (please specify)

## Survey Closing

To finish the survey and before we move on to entering your name into the draw we have just a few general questions.

* 30. What is your gender?

- Female
- Male
- Prefer not to answer
- Other (please specify)

* 31. What is your approximate age?

- Under 20
- 20s
- 30s
- 40s
- 50s
- 60 and above
- Prefer not to answer

* 32. Approximately how long have you been a customer of Burlington Hydro (at your current or previous residences / place of business)?

- Less than 2 years
- 2-5 years
- 6-10 years
- 11-15 years

- More than 15 years

* 33. Do you have children under 18 living at home?
  - Yes
  - No
  - Prefer not to answer
  - Not Applicable (responding for business account)

* 34. What is the approximate amount of your monthly Burlington Hydro Bill (excluding water)?
  - Less than $50 per month
  - $50-$99 per month
  - $100-$199 per month
  - $200-$999 per month
  - $1,000-$1,999 per month
  - $2,000 or more per month

* 35. Do you participate in any of the following programs for customers who need assistance with their bill payments?
  - Ontario Electricity Support Program (OESP)
  - Low-income Energy Assistance Program (LEAP)
  - Both OESP and LEAP
  - Neither
  - Prefer not to answer
  - Not Applicable (responding for business account)

* 36. How do you heat your home? (select all that apply)
  - Electric Heating as primary/only source of heat
  - Electric Heating as secondary source of heat
  - Natural Gas
  - Oil
  - Wood
  - Other (please specify)

* 37. Please provide your postal code

**Thank You and Entry into Promotional Draw**

Thank you for taking the time to share your thoughts with us on our business planning. With your input, we're committed to putting the best possible plan forward to the Ontario Energy Board. The results of this research will help Burlington Hydro finalize its planning and how we communicate with you in the future. Highlights from this research will be included in our Cost-of-Service Rate Application, which will become available as a public document upon completion. If you have questions about the research, contact Kim Howlett <khowlett@decisionpartners.co>.

If you wish to be included in the promotional draw for one of two $500 gift cards, please provide your name and contact information below. Only those Burlington Hydro Customers who complete the

survey in full and correctly answer the skill-testing question are eligible for entry into the draw. Only one entry per customer service account is permitted. See full entry rules below.

If you do not want to be included in the promotional draw you can just leave the entry data blank when sending in your survey.

The draw information is separate from the survey responses and research. Burlington Hydro will only receive the winners' contact information separated from their survey responses.

# Appendix C: Decision Partners and Mental Modeling Insight

**Decision Partners Canada Inc.** understands influences on people's judgment, decision making and behaviour. We're a recognized leader in applied behavioural decision research, strategy, engagement, and communications services. Our methods draw from current understanding in cognitive psychology, decision science, risk perception, risk management and risk communication.

Our extensive cross-sectoral experience enables us to help leaders successfully manage change and transform their organizations in complex business, stakeholder, and governance environments. For more than three decades, we've been helping client partners in public, private, and not-for-profit organizations address a broad range of challenges on projects that have significant social, technical, environmental, political/regulatory, economic, and health/public health impacts. We've worked on a range of projects related to: climate change and sustainability; energy and water systems; traditional and green – nature-based – infrastructure; health, public health and occupational health and safety; and organizational transformation and resilience.

Decision Partners' Mental Modeling Insight™ (MMI™) is a proven, science-informed, and evidence-based management process for developing policies, strategies, interventions, and communications that deliver measurable outcomes. MMI provides client partners with the insight they need to understand and positively influence people's judgment, decision making and behaviour. It is based on foundational work at Carnegie Mellon University led by Dr. Baruch Fischhoff, Howard Heinz University Professor, Department of Engineering & Public Policy and Institute for Politics and Strategy. Dr. Fischhoff is also Decision Partners' Chief Scientist.

A person's "mental model" can be thought of as a complex web of deeply – and often subconsciously – held beliefs that affect how an individual defines a situation, reacts to information, forms judgments and makes decisions. These sets of beliefs may be complete and correct, or they may have gaps or misunderstandings that are consequential to decision making and action. People's mental models vary in important and often unpredictable ways.

*Benefits of this Approach*

One-on-one conversational mental models interviews, typically conducted over the phone, are respectful and designed to elicit the full thinking of interviewees on the topic at hand. This enables an in-depth discovery and characterization of what interviewees believe and why they believe it – that is, what influences their judgment and decision-making about topics at hand.

*Sample Size*

According to Dr. Fischhoff, one of the fundamental questions determining the design of such research projects involves finding an appropriate trade-off between data quality (depth of insight) and data quantity (statistical representativeness). If the primary objective of the research is to explore an issue, to discover and understand in depth the spectrum of beliefs that are "out there" and only a reasonable level of precision is needed regarding the prevalence of such beliefs in the target population to advance to appropriate next steps (e.g., additional research, policy or planning options), then qualitative research with a small sample size is reasonable and often preferred. If, however, the primary research objective is to estimate the prevalence with which specific beliefs are held by a target population, then conducting a statistical power analysis to estimate the appropriate sample size needed to provide the required precision may be the most suitable option. This typically requires a larger sample and is likely best achieved through structured surveys.

Key to our success has been assuring that stakeholders are appropriately, and respectfully engaged on the decisions that affect them. Several case studies of our previous client work are detailed in our book, Mental Modeling Approach: Risk Management Application Case Studies.

Decision Partners Canada Inc. is headquartered in Mississauga, Ontario, Canada. Sarah Thorne is President and CEO. Decision Partners was formed in 1990, and we continue to operate in the marketplace under that name.

For more information, please see our website: www.decisionpartners.co

# Appendix D – Certification of Evidence

# CERTIFICATION OF THE EVIDENCE

## EB-2025-0051

I, Sally Blackwell, Executive VP and Chief Financial Officer of Burlington Hydro Inc. ("BHI"), hereby make the following certifications regarding the evidence filed in BHI's 2026 Cost of Service Application:

1. I certify, that to the best of my knowledge, the evidence filed, including the models and appendices, is accurate, consistent and complete; and complies with the Board's *Filing Requirements for Electricity Distribution Rate Applications, 2025 Edition for 2026 Rate Applications – Chapter 2 Cost of Service*, dated December 9, 2024.

2. I certify, that to the best of my knowledge, BHI has robust processes and internal controls in place for the preparation, review, verification and oversight of account balances being disposed of.

3. I certify, that to the best of my knowledge, the evidence filed in support of this Application does not include any personal information unless it is filed in accordance with Rule 9A of the OEB's Rules of Practice and Procedure (and the Practice Direction on Confidential Filings, as applicable).

Executive Vice President and Chief Financial Officer
Burlington Hydro Inc.

# Appendix E – Board of Directors Certification

March 31, 2025

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

**RE: Electricity Distribution License ED-2003-0004**
**2026 Cost of Service Application for Electricity Distribution Rates (EB-2025-0051)**
**Board of Directors Certification**

To Whom It May Concern,

On behalf of the Board of Directors of Burlington Hydro Inc., I certify that the Board is aware of and approves the submission of the Cost of Service Rate Application for Electricity Distribution Rates (EB-2025-0051) to the Ontario Energy Board.

Sincerely,

DocuSigned by:
Susan Kilburn
3E5592D1A98B458...

Susan Kilburn
Chair of the Board of Directors
Burlington Hydro Inc.

1340 Brant Street, Burlington, ON · L7R 3Z7 burlingtonhydro.com 905-332-1851

# Appendix F – BHI OEB Scorecard

# Scorecard - Burlington Hydro Inc.

8/16/2024

| Performance Outcomes | Performance Categories | Measures | | 2019 | 2020 | 2021 | 2022 | 2023 | Trend | Target: Industry | Target: Distributor |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Customer Focus<br>Services are provided in a manner that responds to identified customer preferences. | Service Quality | New Residential/Small Business Services Connected on Time | | 100.00% | 100.00% | 100.00% | 99.52% | 100.00% | ↓ | 90.00% | |
| | | Scheduled Appointments Met On Time | | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | → | 90.00% | |
| | | Telephone Calls Answered On Time | | 81.43% | 62.15% | 48.88% | 68.26% | 77.39% | ↓ | 65.00% | |
| | Customer Satisfaction | First Contact Resolution | | 82.4% | 90.9% | 69% | 68.8% | 80% | | | |
| | | Billing Accuracy | | 99.97% | 99.97% | 99.97% | 99.97% | 99.98% | → | 98.00% | |
| | | Customer Satisfaction Survey Results | | 96% | 94% | 96% | 91% | 90% | | | |
| Operational Effectiveness<br>Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives. | Safety | Level of Public Awareness | | 83.00% | 83.00% | 82.00% | 82.00% | 85.00% | | | |
| | | Level of Compliance with Ontario Regulation 22/04 [1] | | C | C | C | C | C | → | | C |
| | | Serious Electrical Incident Index | Number of General Public Incidents | 0 | 0 | 1 | 0 | 0 | → | | 0 |
| | | | Rate per 10, 100, 1000 km of line | 0.000 | 0.000 | 0.661 | 0.000 | 0.000 | → | | 0.093 |
| | System Reliability | Average Number of Hours that Power to a Customer is Interrupted [2] | | 1.05 | 1.00 | 1.26 | 1.41 | 1.97 | ↑ | | 1.19 |
| | | Average Number of Times that Power to a Customer is Interrupted [2] | | 0.75 | 0.70 | 0.87 | 0.90 | 1.52 | ↑ | | 0.75 |
| | Asset Management | Distribution System Plan Implementation Progress | | n/a | n/a | 83% | 99% | 112% | | | |
| | Cost Control | Efficiency Assessment | | 2 | 2 | 2 | 2 | 2 | | | |
| | | Total Cost per Customer [3] | | $661 | $655 | $683 | $731 | $854 | | | |
| | | Total Cost per Km of Line [3] | | $29,293 | $29,692 | $30,949 | $33,103 | $38,968 | | | |
| Public Policy Responsiveness<br>Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board). | Connection of Renewable Generation | New Micro-embedded Generation Facilities Connected On Time | | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | → | 90.00% | |
| Financial Performance<br>Financial viability is maintained; and savings from operational effectiveness are sustainable. | Financial Ratios | Liquidity: Current Ratio (Current Assets/Current Liabilities) | | 2.07 | 1.91 | 2.01 | 1.64 | 1.45 | | | |
| | | Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio | | 0.75 | 0.73 | 0.75 | 0.70 | 0.68 | | | |
| | | Profitability: Regulatory Return on Equity | Deemed (included in rates) | 9.36% | 9.36% | 8.34% | 8.34% | 8.34% | | | |
| | | | Achieved | 7.16% | 1.33% | 6.06% | 7.39% | 8.11% | | | |

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor 's reported information.

**Legend:**

**5-year trend**
↑ up ↓ down → flat

**Current year**
target met target not met

# 2023 Scorecard Management Discussion and Analysis ("2023 Scorecard MD&A")

The link below provides a document titled "Scorecard - Performance Measure Descriptions" that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard's measures in the 2023 Scorecard MD&A:

**http://www.ontarioenergyboard.ca/OEB/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf**

## Scorecard MD&A - General Overview

Burlington Hydro serves approximately 69,000 residential and commercial customers in the City of Burlington. It delivers electricity through a distribution network of over 1,500 kilometers with 32 Municipal Stations and 44 Station transformers. Burlington Hydro's strategic focus is on achieving excellence and continuous improvement across all aspects of its business including:

- Employee and community safety – Burlington Hydro has a Safety Department staffed with a full-time Director and Specialist;
- Operational efficiency and reliability – Burlington Hydro has a digitized Control Room that is staffed 24x7 and increasingly uses automated systems to manage power flows; and
- Responsive customer service – Burlington Hydro delivers superior products to customers in safe and efficient manner, consistently exceeding the provincial average for overall customer satisfaction.

Burlington Hydro exceeded all performance targets in 2023, with the exception of System Average Interruption Duration Index ("SAIDI"), and System Average Interruption Frequency Index ("SAIFI"). Burlington Hydro has a culture of continuous improvement that ensures it delivers value through the services it provides to customers and the contributions it makes to the community. In addition, Burlington Hydro is committed to maintaining a strong asset base through responsible financial management, system renewal and innovation in order to meet the diverse and changing energy needs of the customers it serves.

## Service Quality

- **New Residential/Small Business Services Connected on Time**

The Ontario Energy Board's Distribution System Code (DSC) requires electricity distributors to connect a new service for customers (those utilizing connections under 750 volts) within five business days, 90% of the time. In 2023, Burlington Hydro connected 100% of 801 eligible low voltage residential and small business customers to its system within the five-day timeline mandated by the OEB. This is well above the OEB-mandated threshold of 90%. Burlington Hydro field staff manage the day-to-day activities of its field crews to ensure that this service quality measure and customers' needs are met.

- **Scheduled Appointments Met On Time**

Burlington Hydro Engineering Staff strive to meet customers' meeting requests and comply with industry standards. The OEB's DSC requires that for appointments during regular business hours, the electricity distributor must offer a window of time that is no longer than four hours and must arrive within that window 90% of the time. In 2023, Burlington Hydro met 100% of its scheduled appointments on time and exceeded this industry target. BHI uses an electronic calendar to schedule appointments, which is readily accessible by engineering and construction staff. The calendar supports tracking of appointments and ongoing monitoring of schedules (e.g., specific sites and customers); and facilitates meeting this service quality measure.

- **Telephone Calls Answered On Time**

The OEB's DSC requires that during regular call centre hours, call centre staff must answer online calls within 30 seconds of receiving the call, 65% of the time. In 2023, Burlington Hydro Customer Service representatives received 39,193 calls from its customers – more than 158 calls per working day. A customer service representative answered 77.39% of these calls in 30 seconds or less, above the industry target and better than 2021 and 2022 performance levels. Burlington Hydro will continue to train its staff as new programs and initiatives are rolled out, or as changes to those programs are announced, in order to ensure customer enquiries are addressed in an accurate and timely fashion. BHI will also continue to provide up-to-date information and FAQs regarding customer initiatives on its website.

Burlington Hydro maintains contact with its customers in many ways. In 2023 Burlington Hydro had 554,181 visitors to its website (www.burlingtonhydro.com):

- 41% by computer
- 56% by mobile device
- 3% by tablet

## Customer Satisfaction

- **First Contact Resolution**

Burlington Hydro aims to address its customers' needs as quickly as possible and strives to resolve customers' concerns and issues the first time the customer contacts Burlington Hydro. The OEB requires electricity distributors to report on its success at meeting customers' needs the first time the electricity distributor is contacted. This metric is known as First Contact Resolution. For Burlington Hydro, First Contact Resolution is measured by inbound call sampling, performed on a monthly basis. Of the customers sampled throughout 2023, 80.0% indicated that their issue was resolved on the first call to Burlington Hydro. This is above the industry target of 65% and better than 2021 and 2022 performance levels. The majority of Burlington Hydro's Customer Service calls are categorized as action and information requests. Action and information request calls are initiated and completed by Customer Service representatives while they are on the phone with the customer, eliminating the need for customer call backs. Burlington Hydro also uses a number of online electronic request forms that customers are able to complete themselves; these forms contribute to a high rate of First Contact Resolution.

- **Billing Accuracy**

The OEB prescribes a measurement of billing accuracy which must be used by all electricity distributors. The measure has been defined as the number of accurate bills issued expressed as a percentage of total bills issued. In 2023, Burlington Hydro issued 832,655 bills, of which 832,492 or 99.98% were accurate. This significantly exceeds the prescribed OEB target of 98%. Burlington Hydro's continuous attention to detail and rigorous business management processes have contributed to a billing accuracy measure of 99.97% or higher over the last five years. The utility continues to monitor its billing accuracy results to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

Burlington Hydro's yearly customer satisfaction survey provides feedback that is critical to assessing its performance and services. It allows Burlington Hydro to keep abreast of customer expectations while making adjustments and improvements that align with customer needs. It also helps to ensure customer services are keeping pace with an evolving energy environment. The survey lets Burlington Hydro know how it is performing and identifies where there is room for improvement. The Customer Satisfaction Survey is conducted by UtilityPULSE, a division of Simul Corporation. UtilityPULSE conducts surveys on behalf of numerous Ontario LDCs. In its 2023 survey, Burlington Hydro scored:

- 90% for overall customer satisfaction;
- 86% of customers agree that Burlington Hydro provides consistent, reliable energy;
- 83% of customers agree that Burlington Hydro quickly handles outages and restores power;
- 82% of customers agree that Burlington Hydro deals professionally with customers' problems;
- 78% of customers agree that Burlington Hydro is customer-focused and treats customers as if they're valued; and
- 83% of customers agree that Burlington Hydro is a trusted and trustworthy company.

## Safety

- **Public Safety**
  The Public Safety metric is generated for the OEB by the Electrical Safety Authority (ESA) and includes three components: (i) Public Awareness of Electrical Safety, (ii) Compliance with Ontario Regulation 22/04, and (iii) the Serious Electrical Incident Index.

- **Component A – Public Awareness of Electrical Safety**
  Burlington Hydro conducts a public awareness survey among a representative sample of its territory population. The survey measures awareness levels of key electrical safety concepts related to distribution assets and is based on a standard survey methodology developed by the ESA. Burlington Hydro's Public Safety Awareness score for 2023 was 85.0%. The initiatives that contribute to this level of awareness include:
  - Responding, as requested, to public inquiries either received through hs@burlingtonhydro.com, Burlington Hydro's Health and Safety email box, or sent directly to the Safety Department. Inquiries include topics such as safety concerns regarding Burlington Hydro's system (downed wires after being struck by a dump truck, a leaning pole), tree trimming requests or downed branch concerns, and concerns regarding the condition of pad mounted transformers.
  - Delivered the Elementary School Electrical Safety Program to over 4,517 elementary school children in Burlington Hydro's service area for the 24th year, using age-appropriate presentations.
  - In partnership with several Provincial LDCs and agencies, developed public safety messaging videos to help address the public knowledge gaps as identified during the public awareness survey. These short videos are on Burlington Hydro's safety portal posted through social media.
  - Ongoing safety messaging on social media platforms including Instagram, Twitter, Facebook and YouTube.
  - Burlington Hydro publishes an activity book featuring Lucky the Safety Squirrel. It is used to help supplement the school safety program.

- **Component B – Compliance with Ontario Regulation 22/04**
  Ontario Regulation 22/04 - Electrical Distribution Safety establishes objective based electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction before they are put into service. Burlington Hydro continues to maintain compliance with Ontario Regulation 22/04 and was successful in the 2023 ESA audit with no deficiencies identified.

- **Component C – Serious Electrical Incident Index**
  The OEB requires electricity distributors to report on any serious electrical incidents involving its equipment and the general public. A "serious electrical incident" is defined as:
  (a) any electrical contact that caused death or critical injury to a person;

(b) any inadvertent contact with any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person; or
(c) any fire or explosion in any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person, except a fire or explosion caused by lightning strike.

Burlington Hydro reported no serious electrical incidents in its 2023 Public Safety Scorecard.

## System Reliability

When customers see crews in the field it is because Burlington Hydro is taking steps and implementing the many programs geared towards maintaining and improving reliability, and minimizing outages including:

- Ongoing maintenance (e.g., insulator washing that prevents flash overs that cause outages, switch maintenance);
- Ongoing capital investments to install new electrical infrastructure and replace end-of-life infrastructure;
- Regular inspections of the system to identify worn or defective equipment (e.g., infra-red inspection; pole inspections; monitoring transformer 'health' by, among other things, performing dissolved gas analysis for Station transformers; following up on notices and guidance from manufacturers);
- Promptly addressing issues in the field (e.g., loose guy wires, holes around transformers); and
- Tree trimming to minimize contact with the distribution system.

When outages do occur, Burlington Hydro's Outage Portal and Outage Map provide its customers with vital tips on staying safe, relevant information on how power restoration is progressing and being prioritized, and other important 'need to know' information. Burlington Hydro's Control Room and field staff work around the clock to support the portal and outage map by identifying the root cause of an outage and establishing a plan that prioritizes service restoration to the greatest number of customers in the least amount of time. Ultimately, this service restoration plan is reflected in the Estimated Time of Restoration on the Outage Portal. The Outage Portal provides customer information on being prepared for an emergency, in addition to guidance on how to stay safe.

Whether it is direct contact with customer service representatives, website and mobile access to information, or getting critical updates via social media, Burlington Hydro actively listens to customers and ensures prompt communications whenever there is a power interruption.

- **Average Number of Hours that Power to a Customer is Interrupted**

An important feature of a reliable distribution system is recovering from power outages as quickly as possible. Electricity distributors must track the average length of time, in hours, that its customers experienced a power outage over the past year. This measure is known as the System Average Interruption Duration Index ("SAIDI"). In 2023, Burlington Hydro's customers experienced an average of 1.97 hours of

power interruption. This average is above Burlington Hydro's target of 1.19 hours of power interruption per customer per year. The increase in this metric is driven by an increase in the number of extreme weather events as compared to previous years. Although these types of events are outside of Burlington Hydro's control, it takes steps to proactively address these types of outages through its ongoing vegetation management program.

- **Average Number of Times that Power to a Customer is Interrupted**

Another important feature of a reliable distribution system is reducing the frequency of power outages. Electricity distributors must track the number of times its customers experienced a power outage over the past year. This measure is known as the System Average Interruption Frequency Index ("SAIFI"). In 2023, Burlington Hydro's customers experienced an average of 1.52 interruptions, which was above Burlington Hydro's target of 0.75 interruptions per customer per year, driven by an increase in the number of extreme weather events as compared to previous years.

## Asset Management

- **Distribution System Plan Implementation Progress**

Consistent with industry best practices, Burlington Hydro conscientiously invests in its distribution system to ensure the safe and reliable delivery of electricity; and upgrades or replaces equipment to be able to serve customers on a continuous basis. Burlington Hydro's Distribution System Plan ("DSP") identifies the forecasted capital expenditures over a five-year period required to meet these goals. The "Distribution System Plan Implementation Progress" measure is intended to assess Burlington Hydro's effectiveness at planning and implementing its DSP, and is measured as actual annual capital expenditures as a percentage of planned annual capital expenditures. In 2023, Burlington Hydro's actual capital expenditures were 12% higher than its planned capital expenditures.

## Cost Control

- **Efficiency Assessment**

Electricity distributors must manage their costs successfully in order to ensure customers are receiving appropriate value for the cost of service. The total costs for Ontario electricity distributors are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. Electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs.

Burlington Hydro was assigned to Group 2 for 2023, where a Group 2 distributor is defined as having actual costs 10% to 25% ***below*** predicted costs. In other words, Burlington Hydro's costs are below the average cost range for distributors in the Province of Ontario and it is considered a "more efficient" utility.

- **Total Cost per Customer**

Total cost per customer is calculated by Pacific Economics Group LLC as the sum of Burlington Hydro's capital and operating costs divided by the total number of customers that Burlington Hydro serves. Total cost per customer for 2023 was $854/customer, which is lower than the provincial average of $857 and represents a 17% increase over the 2022 cost of $731/customer.

Burlington Hydro's total Cost per Customer has increased on average by 6.6% per annum over the period 2019 through 2023. Similar to most distributors in the province, Burlington Hydro has experienced increases in its total costs required to deliver quality and reliable services to customers. Growth in wage and benefits costs for employees, growth in contractor costs, as well as investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to increased operating and capital costs. The higher capital costs are also attributable to a number of externally driven, non-discretionary projects where BHI had to relocate its electrical distribution assets, which were partially funded by the 3rd parties initiating the projects. Burlington Hydro will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer rate impacts. Burlington Hydro will continue to implement productivity and improvement initiatives to help offset some of the costs associated with system improvement and enhancements.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that Burlington Hydro operates to serve its customers. Burlington Hydro's 2023 cost is $38,968 per kilometer of line, which is higher than the provincial average of $28,719, and represents an 18% increase over 2022.

## Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving a customer's application. Burlington Hydro received one application for Renewable Generation Facilities > 10 kW in 2023 and the CIA was completed within 60 days.

- **New Micro-embedded Generation Facilities Connected On Time**

The OEB requires electricity distributors to connect new micro-embedded generation facilities (Net Metering projects of less or equal than 10 kW) 90% of the time within the prescribed time frame of five business days. In 2023, Burlington Hydro connected all 28 new micro-embedded generation facilities within the prescribed time frame of five business days. Burlington Hydro engages a consulting firm to assume overall responsibility for processing its connections.

## Financial Ratios

Financial Ratios are used to determine various aspects of a company's operating and financial performance.

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

The Current Ratio measures whether the company has sufficient resources to meet its short term debts/obligations (due within the next 12 months). A current ratio of one or greater means a company can settle its short term debts with existing assets. Burlington Hydro's current ratio for 2023 was 1.45, a decrease of 0.19 from 2022.

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

The Total Debt to Equity Ratio measures the extent to which the assets of a company are financed by borrowing money. A debt-to-equity ratio of 1.00 means that half of the assets of a business are financed by debts and half by shareholders' equity. The OEB uses a deemed capital structure of 60% debt and 40% equity when establishing rates for electricity distributors. This deemed capital mix is equal to a debt equity ratio of 1.5 (=60/40). Burlington Hydro's total debt to equity ratio in 2023 was 0.68.

Burlington Hydro's conservative approach to managing its capital structure has served both it and its customers well in the past. Maintaining a lower debt to equity ratio enables Burlington Hydro to fulfill government directives and policy initiatives, and support the financial consequences of contingencies (e.g., extreme weather) without impairing its ability to meet its financial obligations.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

Burlington Hydro's current distribution rates were approved by the OEB in a Settlement Agreement (EB-2020-0007) and include an expected (deemed) regulatory return on equity of 8.34%. The OEB allows electricity distributors to earn within +/- 3% of the deemed return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

- **Profitability: Regulatory Return on Equity – Achieved**

Burlington Hydro's regulatory return on equity achieved in 2023 was 8.11%, within the 5.34% - 11.34% range allowed by the OEB. The 2023 return on equity was lower than the deemed return on equity of 8.34% primarily due to lower distribution revenue and higher operations and maintenance expenditures than anticipated.

# Note to Readers of 2023 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard and could be markedly different in the future.

# Appendix G – Audited Financial Statements

Financial Statements of

# BURLINGTON HYDRO INC.

And Independent Auditor's Report thereon
Year ended December 31, 2024

**KPMG LLP**
Commerce Place
21 King Street West, Suite 700
Hamilton, ON  L8P 4W7
Canada
Telephone 905 523 8200
Fax 905 523 2222

# INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Burlington Hydro Inc.

## *Opinion*

We have audited the financial statements of Burlington Hydro Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- 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, 2024, and its financial performance and its cash flows for the year then ended in accordance with 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.

### *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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
March 27, 2025

# BURLINGTON HYDRO INC.

Statement of Financial Position
Year ended December 31, 2024, with comparative information for 2023
(in thousands)

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash | | $ 3,279 | $ 5,249 |
| Securities held as customer deposits | 4 | 2,262 | 2,648 |
| Accounts receivable | 5 | 26,499 | 27,809 |
| Unbilled revenue | | 21,243 | 19,560 |
| Income taxes receivable | 11 | 228 | 627 |
| Material and supplies | 6 | 5,992 | 5,486 |
| Prepaid expenses | | 708 | 827 |
| **Total current assets** | | 60,211 | 62,206 |
| **Non-current assets** | | | |
| Right-of-use assets | 9 | 188 | 226 |
| Property, plant and equipment | 7 | 212,064 | 195,303 |
| Intangible assets | 8 | 9,967 | 9,988 |
| Total non-current assets | | 222,219 | 205,517 |
| **Total assets** | | 282,430 | 267,723 |
| Regulatory debit balances | 12 | 35,106 | 26,753 |
| **Total assets and regulatory balances** | | $ 317,536 | $ 294,476 |

# BURLINGTON HYDRO INC.

Statement of Financial Position
Year ended December 31, 2024, with comparative information for 2023
(in thousands)

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Accounts payable, accrued and other liabilities | 13 | $ 37,733 | $ 37,145 |
| Current portion of lease liabilities | 10 | 33 | 35 |
| Current portion of long-term debt | 14 | 2,124 | 2,046 |
| Customer deposits | 4 | 2,262 | 2,648 |
| Work order deposits | | 14,528 | 12,387 |
| Deferred revenue | | — | 1,336 |
| Total current liabilities | | 56,680 | 55,597 |
| **Non-current liabilities** | | | |
| Deferred revenue | 15 | 69,594 | 60,405 |
| Deferred tax liabilities | 11 | 8,902 | 7,789 |
| Long-term lease liabilities | 10 | 40 | 42 |
| Long-term debt | 14 | 59,993 | 62,117 |
| Liability for employee future benefits | 16 | 4,123 | 3,591 |
| Total non-current liabilities | | 142,652 | 133,944 |
| **Total liabilities** | | 199,332 | 189,541 |
| **Equity** | | | |
| **Share capital** | 17 | 45,139 | 45,139 |
| Paid-up capital | | 876 | 876 |
| Retained earnings | | 52,805 | 48,218 |
| Accumulated other comprehensive Income | | 14 | 453 |
| **Total equity** | | 98,834 | 94,686 |
| **Total liabilities and equity** | | 298,166 | 284,227 |
| Regulatory credit balances | 12 | 19,370 | 10,249 |
| **Total liabilities, equity and regulatory balances** | | $ 317,536 | $ 294,476 |

See accompanying notes to the financial statements.

On behalf of the Board:

_____ Director _____ Director

# BURLINGTON HYDRO INC.

Statement of Comprehensive Income
Year ended December 31, 2024, with comparative information for 2023
(in thousands)

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Revenue** | | | |
| Distribution revenue | | $ 37,270 | $ 35,470 |
| Other operating revenue | | 4,498 | 4,771 |
| | | 41,768 | 40,241 |
| Sale of electricity | | 209,295 | 187,703 |
| Total revenue | 18 | 251,063 | 227,944 |
| **Operating expenses** | | | |
| Operations and maintenance | | 11,355 | 11,852 |
| Billing and customer service | | 3,113 | 2,922 |
| General administration | | 10,560 | 9,245 |
| Depreciation and amortization | | 8,713 | 8,129 |
| | 19 | 33,741 | 32,148 |
| Cost of power purchased | | 206,406 | 190,083 |
| Total expenses | | 240,147 | 222,231 |
| **Income from operating activities** | | 10,916 | 5,713 |
| Net finance costs | 20 | (1,670) | (1,704) |
| **Income before income taxes** | | 9,246 | 4,009 |
| Income taxes | 11 | | |
| Current | | 545 | (12) |
| Deferred | | 1,271 | 1,653 |
| | | 1,816 | 1,641 |
| **Net income** | | 7,430 | 2,368 |
| **Net movement in regulatory balances, net of tax** | | | |
| Net movement in regulatory balances | 12 | (2,244) | 2,771 |
| Income tax on net movement in regulatory balances | | 1,476 | (1,123) |
| | | (768) | 1,648 |
| Net income and net movement in regulatory balances | | 6,662 | 4,016 |
| Other comprehensive (loss) | | | |
| Remeasurements of liability for future benefits, net of tax | | (439) | (145) |
| **Total comprehensive income** | | $ 6,223 | $ 3,871 |

See accompanying notes to the financial statements.

# BURLINGTON HYDRO INC.

Statement of Changes in Equity
Year ended December 31, 2024, with comparative information for 2023
(in thousands)

| | Share Capital | Contributed Surplus | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|
| Balance at January 1, 2023 | $ 45,139 | $ 876 | $ 47,228 | $ 598 | $ 93,841 |
| Net income and net movement in regulatory balances | — | — | 4,016 | — | 4,016 |
| Other comprehensive income | — | — | — | (145) | (145) |
| Dividends | — | — | (3,026) | — | (3,026) |
| Balance at December 31, 2023 | $ 45,139 | $ 876 | $ 48,218 | $ 453 | $ 94,686 |
| Balance at January 1, 2024 | $ 45,139 | $ 876 | $ 48,218 | $ 453 | $ 94,686 |
| Net income and net movement in regulatory balances | — | — | 6,662 | — | 6,662 |
| Other comprehensive income | — | — | — | (439) | (439) |
| Dividends | — | — | (2,075) | — | (2,075) |
| Balance at December 31, 2024 | $ 45,139 | $ 876 | $ 52,805 | $ 14 | $ 98,834 |

See accompanying notes to the financial statements.

# BURLINGTON HYDRO INC.

Statement of Cash Flows
Year ended December 31, 2024, with comparative information for 2023
(in thousands)

| | 2024 | 2023 |
|---|---|---|
| **Operating activities** | | |
| Net income and net movement in regulatory balances | $ 6,662 | $ 4,016 |
| Adjustments for: | | |
| Depreciation and amortization | 8,713 | 8,129 |
| Amortization of deferred revenue | (1,529) | (1,196) |
| Employee future benefits | (66) | (20) |
| Loss on disposal / adjustment of property, plant and equipment | 174 | 73 |
| Net finance costs | 1,670 | 1,704 |
| Income tax expense | 1,816 | 1,641 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | 1,310 | (6,353) |
| Unbilled revenue | (1,683) | 21 |
| Materials and supplies | (506) | (386) |
| Prepaid expenses | 119 | (388) |
| Accounts payable, accrued and other liabilities | 588 | 9,921 |
| Work order deposits | 2,141 | 5,260 |
| Deferred revenue | (1,336) | — |
| | 18,073 | 22,422 |
| Changes in regulatory balances | 768 | (1,648) |
| Income tax paid | (146) | (606) |
| Interest paid | (2,148) | (2,135) |
| Interest received | 478 | 431 |
| **Net cash from operating activities** | 17,025 | 18,464 |
| **Investing activities** | | |
| Purchase of property, plant and equipment | (24,569) | (31,722) |
| Proceeds on disposal of property, plant and equipment | 49 | 10 |
| Purchase of intangible assets | (1,034) | (643) |
| Contributions received from customers | 10,719 | 20,342 |
| **Net cash used by investing activities** | (14,835) | (12,013) |
| **Financing activities** | | |
| Dividends paid | (2,075) | (3,026) |
| Repayment of long-term debt | (2,046) | (1,970) |
| Repayment of lease liabilities | (39) | (77) |
| **Net cash used in financing activities** | (4,160) | (5,073) |
| Change in cash | (1,970) | 1,378 |
| Cash, beginning of year | 5,249 | 3,871 |
| **Cash, end of year** | **$ 3,279** | **$ 5,249** |

See accompanying notes to the financial statements.

## 1. Reporting entity

Burlington Hydro Inc. is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the City of Burlington ("City"). The address of the Corporation's registered office is 1340 Brant Street, Burlington, Ontario, L7R 3Z7.

The Corporation delivers electricity and related energy services to residential and commercial customers in the City of Burlington. The Corporation is wholly owned by Burlington Enterprises Corporation ("BEC") and the ultimate parent company is the City.

The financial statements are for the Corporation as at and for the year ended December 31, 2024.

## 2. Basis of presentation

(a) Statement of compliance

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on March 27, 2025.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

(d) Rate regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

**2. Basis of presentation (continued)**

(d) Rate regulation (continued)

Rate setting

*Distribution revenue*

For distribution revenue, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder’s equity required to support the Corporation’s business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and intervenors, and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism ("IRM) application is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS rate application. The previous year’s rates are adjusted for OEB Inflation (equal to the weighted annual change in the Gross Domestic Product Implicit Price Index for Final Domestic Demand (70%) and the Industrial Aggregate for Average Weekly Earnings (30%)), net of a productivity factor and a “stretch factor” determined by the efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation filed an IRM application on August 17, 2023 for rates effective January 1, 2024. In 2024, the Corporation’s cohort ranking with the OEB remained in Group 2 which provides a stretch factor of 0.15%. This resulted in a net adjustment to rates on January 1, 2024 of 4.65% comprised of the OEB inflation for 2024 of 4.80%, less the Corporation’s productivity factor of 0.0% and the stretch factor of 0.15%.

**2. Basis of presentation (continued)**

(d) Rate regulation (continued)

*Electricity rates - Commodity*

The OEB sets electricity prices for certain low-volume consumers once each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity or pursuant to their contract with a retailer. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

(e) Use of estimates and judgments

(i) Assumptions and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

(ii) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following note:

(i) Note 3(b) – determination of the performance obligation for contributions from customers and the related amortization period

(ii) Note 3(i), 12 – recognition of regulatory balances

(iii) Note 3(k) – leases: whether an arrangement contains a lease

(iv) Note 3(k) – leases: lease term, underlying leased asset value

## 3. Material accounting policies

In February 2021, the IASB amended IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements, to require entities to disclose material accounting policies rather than significant accounting policies. Further amendments to IAS 1 were made to explain how an entity can identify a material accounting policy. The amendments did not have a material impact on the Corporation's financial statements. The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments

All financial assets and all financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment of the financial assets as described in note 3(f). The Corporation does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash consists of balances held with financial institutions.

(b) Revenue recognition

*Sale and distribution of electricity*

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

*Capital contributions*

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order to receive ongoing access to electricity.

**3. Material accounting policies (continued)**

(b) Revenue recognition (continued)

The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

*Other operating revenue*

Revenue earned from the provision of services is recognized as the service is rendered. Amounts received in advance are presented as deferred revenue.

Government grants and the related performance incentive payments under CDM ("Conservation and Demand Management") programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

(c) Materials and supplies

Materials and supplies, the majority of which are consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost established on the transition date less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

**3. Material accounting policies (continued)**

(d) Property, plant and equipment (continued)

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use.

The estimated useful lives are as follows:

| Asset | Years |
|---|---|
| Buildings | 10 - 50 |
| Sub-station buildings | 50 |
| Sub-station equipment | 20 - 40 |
| Distribution lines – overhead | 20 - 60 |
| Distribution lines – underground | 30 - 60 |
| Distribution – transformers | 40 |
| Distribution – meters | 15 - 45 |
| Rolling stock | 8-20 |
| Tools and equipment | 10-15 |
| Office equipment | 10 |
| Computer equipment | 5 |

(e) Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost established on the transition date, less accumulated amortization. All intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2014, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

**3. Material accounting policies (continued)**

(e) Intangible assets (continued)

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

| Asset | Years |
|---|---|
| Computer software | 5-10 |
| Land rights | 35 - 70 |
| Transformer station rights | 60 |

(f) Impairment

(i) Financial assets measured at amortized cost

A loss provision for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss provision is measured at an amount equal to the lifetime expected credit losses for the asset. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the impairment requirements is no longer met.

(ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies, and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Customer deposits

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

**3. Material accounting policies (continued)**

(g) Customer deposits (continued)

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Regulatory balances

Regulatory debit balances represent costs incurred in excess of amounts billed to the customer. Regulatory credit balances represent amounts billed to the customer in excess of costs incurred by the Corporation.

Regulatory debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or Other Comprehensive Income ("OCI"). When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory debit balances is assessed annually based upon the likelihood that the OEB will approve rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized as a loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

(j) Employee future benefits

(i) Pension plan

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities.

**3. Material accounting policies (continued)**

(j) Post-employment benefits (continued)

(i) Pension plan (continued)

The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Re-measurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

(k) Leased assets

At inception of a contract, the Corporation assesses whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contained a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

**3. Material accounting policies (continued)**

(k) Leased assets (continued)

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less or for leases of low value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash balances.

Finance costs comprise interest expense on borrowings, lease liabilities and customer deposits and are recognized in profit or loss.

(m) Income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the *Electricity Act*, 1998, and related regulations. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**3. Material accounting policies (continued)**

(m) Income taxes (continued)

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

**4. Securities held as customers deposits**

The OEB requires companies to periodically review customers' deposits and where appropriate, refund such deposits. During this review, companies may also request a deposit from customers based on certain criteria.

The Corporation has a policy of funding customers' deposits and paying interest on these deposits at a rate determined quarterly. Securities held as customers' deposits represent the funds segregated to fund the customer deposit refunds. The rate of interest paid by the Corporation for 2024 was 4.95% (2023 - 4.83%).

**5. Accounts receivable**

| | 2024 | 2023 |
|---|---|---|
| Customer trade receivables | $ 22,378 | $ 19,879 |
| Receivables from the City | 497 | 2,763 |
| Receivables from other related parties | 33 | 25 |
| Other | 3,891 | 5,367 |
| | 26,799 | 28,034 |
| Less: provision for expected credit losses | 300 | 225 |
| | $ 26,499 | $ 27,809 |

**6. Materials and supplies**

The amount written down due to obsolescence in 2024 was $160 (2023 - $2).

## 7. Property, plant and equipment

| | January 1, 2024 | Additions/ Depreciation | Transfers/ Adjustment | Disposals/ Transfers | December 31, 2024 |
|---|---|---|---|---|---|
| ***Cost*** | | | | | |
| Land | $ 1,219 | $ — | $ — | $ — | $ 1,219 |
| Buildings | 7,564 | 327 | — | — | 7,891 |
| Sub-station buildings | 1,408 | 57 | — | — | 1,465 |
| Sub-station equipment | 8,211 | 1,410 | — | — | 9,621 |
| Distribution lines – overhead | 88,935 | 10,467 | (129) | (12) | 99,261 |
| Distribution lines – underground | 82,712 | 9,231 | — | — | 91,943 |
| Distribution – transformers | 32,905 | 1,834 | — | (198) | 34,541 |
| Distribution – meters | 16,168 | 1,308 | — | (195) | 17,281 |
| Rolling stock | 2,494 | 386 | — | (246) | 2,634 |
| Tools and equipment | 450 | 31 | — | — | 481 |
| Office equipment | 1,237 | 95 | — | — | 1,332 |
| Computer equipment | 1,275 | 254 | — | — | 1,529 |
| Construction-in-progress | 1,606 | (831) | — | — | 775 |
| | 246,184 | 24,569 | (129) | (651) | 269,973 |
| ***Accumulated Depreciation*** | | | | | |
| Buildings | 2,884 | 318 | — | — | 3,202 |
| Sub-station buildings | 634 | 58 | — | — | 692 |
| Sub-station equipment | 3,026 | 307 | — | — | 3,333 |
| Distribution lines – overhead | 14,207 | 2,331 | (50) | (4) | 16,484 |
| Distribution lines – underground | 11,551 | 1,988 | — | — | 13,539 |
| Distribution – transformers | 7,292 | 1,023 | — | (174) | 8,141 |
| Distribution – meters | 8,812 | 1,094 | — | (170) | 9,736 |
| Rolling stock | 549 | 257 | — | (222) | 584 |
| Tools and equipment | 323 | 25 | — | — | 348 |
| Office equipment | 726 | 100 | — | — | 826 |
| Computer equipment | 877 | 147 | — | — | 1,024 |
| | 50,881 | 7,648 | (50) | (570) | 57,909 |
| Carrying amount | $ 195,303 | $ 16,921 | $ (79) | $ (81) | $ 212,064 |

## 7. Property, plant and equipment (continued)

| | January 1, 2023 | Additions/ Depreciation | Transfers/ Adjustment | Disposals/ Transfers | December 31, 2023 |
|---|---|---|---|---|---|
| ***Cost*** | | | | | |
| Land | $ 1,219 | $ — | $ — | $ — | $ 1,219 |
| Buildings | 7,519 | 45 | — | — | 7,564 |
| Sub-station buildings | 1,401 | 7 | — | — | 1,408 |
| Sub-station equipment | 7,744 | 467 | — | — | 8,211 |
| Distribution lines – overhead | 73,766 | 15,172 | — | (3) | 88,935 |
| Distribution lines – underground | 70,813 | 11,899 | — | — | 82,712 |
| Distribution – transformers | 31,538 | 1,488 | — | (121) | 32,905 |
| Distribution – meters | 14,726 | 1,673 | — | (231) | 16,168 |
| Rolling stock | 2,149 | 417 | — | (72) | 2,494 |
| Tools and equipment | 425 | 25 | — | — | 450 |
| Office equipment | 1,197 | 40 | — | — | 1,237 |
| Computer equipment | 990 | 288 | — | (3) | 1,275 |
| Construction-in-progress | 1,405 | 201 | — | — | 1,606 |
| | 214,892 | 31,722 | — | (430) | 246,184 |
| ***Accumulated Depreciation*** | | | | | |
| Buildings | 2,572 | 312 | — | — | 2,884 |
| Sub-station buildings | 575 | 59 | — | — | 634 |
| Sub-station equipment | 2,739 | 287 | — | — | 3,026 |
| Distribution lines – overhead | 12,157 | 2,052 | — | (2) | 14,207 |
| Distribution lines – underground | 9,779 | 1,772 | — | — | 11,551 |
| Distribution – transformers | 6,387 | 983 | — | (78) | 7,292 |
| Distribution – meters | 7,873 | 1,140 | — | (201) | 8,812 |
| Rolling stock | 387 | 234 | — | (72) | 549 |
| Tools and equipment | 294 | 29 | — | — | 323 |
| Office equipment | 629 | 97 | — | — | 726 |
| Computer equipment | 743 | 135 | — | (1) | 877 |
| | 44,135 | 7,100 | — | (354) | 50,881 |
| Carrying amount | $ 170,757 | $ 24,622 | $ — | $ (76) | $ 195,303 |

No interest was capitalized to property, plant and equipment during the year.

Assets, excluding construction-in-progress, with a carrying amount of $211,289 (2023 - $193,697) are subject to a general security agreement.

## 8. Intangible assets

| | January 1, 2024 | Additions/ Depreciation | Disposals/ Transfers | December 31, 2024 |
|---|---|---|---|---|
| ***Cost*** | | | | |
| Land rights | $ 216 | $ — | $ — | $ 216 |
| Computer software | 10,806 | 1,034 | (537) | 11,303 |
| Transformer station right | 6,599 | — | — | 6,599 |
| | 17,621 | 1,034 | (537) | 18,118 |
| ***Accumulated Depreciation*** | | | | |
| Land rights | 32 | 5 | — | 37 |
| Computer software | 6,700 | 877 | (474) | 7,103 |
| Transformer station right | 901 | 110 | | 1,011 |
| | 7,633 | 992 | (474) | 8,151 |
| Carrying Amount | $ 9,988 | $ 42 | $ (63) | $ 9,967 |

| | January 1, 2023 | Additions/ Depreciation | Disposals/ Transfers | December 31, 2023 |
|---|---|---|---|---|
| ***Cost*** | | | | |
| Land rights | $ 216 | $ — | $ — | $ 216 |
| Computer software | 10,163 | 643 | — | 10,806 |
| Transformer station right | 6,599 | — | — | 6,599 |
| | 16,978 | 643 | — | 17,621 |
| ***Accumulated Depreciation*** | | | | |
| Land rights | 28 | 4 | — | 32 |
| Computer software | 5,897 | 803 | — | 6,700 |
| Transformer station right | 791 | 110 | — | 901 |
| | 6,716 | 917 | — | 7,633 |
| Carrying Amount | $ 10,262 | $ (274) | $ — | $ 9,988 |

## 9. Right-of-use assets

| | Vehicles | Computer Hardware | Subtotal | Computer Software | Total |
|---|---|---|---|---|---|
| **Right-of-use assets** | | | | | |
| ***Cost*** | | | | | |
| Balance at January 1, 2024 | $ 671 | $ — | $ 671 | $ 399 | $ 1,070 |
| Additions | 35 | — | 35 | — | 35 |
| Disposals/retirements | (31) | — | (31) | — | (31) |
| Balance at December 31, 2024 | 675 | — | 675 | 399 | 1,074 |
| ***Accumulated depreciation*** | | | | | |
| Balance at January 1, 2024 | 445 | — | 445 | 399 | 844 |
| Additions | 73 | — | 73 | — | 73 |
| Disposals/retirements | (31) | — | (31) | — | (31) |
| Balance at December 31, 2024 | 487 | — | 487 | 399 | 886 |
| Carrying Amount at December 31, 2024 | $ 188 | $ — | $ 188 | $ — | $ 188 |

| | Vehicles | Computer Hardware | Subtotal | Computer Software | Total |
|---|---|---|---|---|---|
| **Right-of-use assets** | | | | | |
| **Cost** | | | | | |
| Balance at January 1, 2023 | $ 674 | $ 85 | $ 759 | $ 425 | $ 1,184 |
| Additions | 42 | — | 42 | — | 42 |
| Disposals/retirements | (45) | (85) | (130) | (26) | (156) |
| Balance at December 31, 2023 | 671 | — | 671 | 399 | 1,070 |
| ***Accumulated depreciation*** | | | | | |
| Balance at January 1, 2023 | 406 | 58 | 464 | 417 | 881 |
| Additions | 77 | 27 | 104 | 8 | 112 |
| Disposals/retirements | (38) | (85) | (123) | (26) | (149) |
| Balance at December 31, 2023 | 445 | — | 445 | 399 | 844 |
| Carrying Amount at December 31, 2023 | $ 226 | $ — | $ 226 | $ — | $ 226 |

## 10. Lease liability

| | Vehicles | Computer Hardware | Subtotal | Computer Software | Total |
|---|---|---|---|---|---|
| **Lease Liability** | | | | | |
| Balance at January 1, 2024 | $ 77 | $ — | $ 77 | $ — | $ 77 |
| Additions | 35 | — | 35 | — | 35 |
| Disposals/removal of lease | — | — | — | — | — |
| Repayment | (39) | — | (39) | — | (39) |
| Balance at December 31, 2024 | $ 73 | $ — | $ 73 | $ — | $ 73 |
| **Lease Liability** | | | | | |
| Balance at January 1, 2023 | $ 81 | $ 24 | $ 105 | $ 7 | $ 112 |
| Additions | 42 | — | 42 | — | 42 |
| Disposals/removal of lease | (8) | — | (8) | — | (8) |
| Repayment | (38) | (24) | (62) | (7) | (69) |
| Balance at December 31, 2023 | $ 77 | $ — | $ 77 | $ — | $ 77 |

At December 31, 2024, the net carrying amount of the lease liabilities related to the leased assets was $73 (2023 - $77).

Total cash outflows with respect to leasing arrangements during the year was $44 (2023 - $73) consisting of principal and interest of $39 and $5, respectively (2023 - $69, $4).

Certain leases held by the Corporation provide the Corporation with extension options and termination options that may impact the term of the Lease which can impact the lease liabilities recognized in the statement of financial position. The Corporation has determined the lease term for all contracts based on all available information as at the reporting date.

Lease liabilities are due as follows:

| | Less than one year | Between one and five years | Total |
|---|---|---|---|
| **Future minimum lease payments** | | | |
| December 31, 2024 | $ 37 | $ 43 | $ 80 |
| December 31, 2023 | 39 | 46 | 85 |
| **Interest** | | | |
| December 31, 2024 | 4 | 3 | 7 |
| December 31, 2023 | 4 | 4 | 8 |
| **Present value of minimum lease payments** | | | |
| December 31, 2024 | 33 | 40 | 73 |
| December 31, 2023 | 35 | 42 | 77 |

## 11. Income tax expense

Current tax expense

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Current period | $ | 571 | $ | 59 |
| Prior period adjustments | | (26) | | (71) |
| | $ | 545 | $ | (12) |

Deferred tax expense

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Origination and reversal of temporary differences | $ | 1,271 | $ | 1,653 |
| Tax adjustment included in other comprehensive income | | (158) | | (52) |
| | $ | 1,113 | $ | 1,601 |

Reconciliation of effective tax rate

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Income before taxes | $ | 9,246 | $ | 4,009 |
| Canada and Ontario statutory income tax rates | | 26.5 % | | 26.5 % |
| Expected tax provision on income at statutory rates | | 2,450 | | 1,063 |
| Increase (decrease) in income taxes resulting from: | | | | |
| Permanent differences | | 12 | | 14 |
| Under provided in prior periods | | (21) | | (158) |
| Regulatory | | (595) | | 734 |
| Other adjustments | | (30) | | (12) |
| Income tax expense | $ | 1,816 | $ | 1,641 |

Significant components of the Corporation’s deferred tax balances

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Deferred tax assets (liabilities): | | | | |
| Property, plant and equipment | $ | (25,995) | $ | (22,482) |
| Intangible assets | | (1,523) | | (1,469) |
| Post-employment benefits | | 1,093 | | 952 |
| Regulatory deferral account balances | | (2,112) | | (2,707) |
| Deferred revenue | | 18,442 | | 15,654 |
| Non-capital losses | | — | | 1,230 |
| Other | | 1,193 | | 1,033 |
| | $ | (8,902) | $ | (7,789) |

**11. Income tax expense (continued)**

In prior years, the Ministry of Finance reassessed the Company's 2016, 2017, 2018 and 2019 taxation years, denying the current deduction of certain expenditures. The Company has objected to the Minister's position on the basis that the adjustments are not supported by legislation or jurisprudence, and are without merit. Should the Minister's position ultimately prevail, there would be an increase in current taxation expense and a decrease in deferred taxation expense. The net impact to tax expense in the financial statements would therefore be nil, except for any interest associated with the current tax assessments, as the adjustments are related to the timing of when deductions are permitted. The interest expense associated with the current tax assessments would not be material to the financial statements.

**12. Regulatory balances**

Reconciliation of the carrying amount for each class of regulatory balances

| **Regulatory deferral account debit balances** | January 1, 2024 | Additions | Recovery /reversal | December 31, 2024 | Remaining recovery/ reversal years |
|---|---|---|---|---|---|
| Group 1 deferral accounts | $ 8.459 | $ 206.146 | $ (206.589) | $ 8.016 | 2 |
| Regulatory settlement account | 10,347 | 202 | 6,493 | 17,042 | 4 |
| Other regulatory accounts | 1,657 | 527 | 98 | 2,282 | 2 |
| Income tax | 6,290 | 1,476 | — | 7,766 | — |
| | $ 26,753 | $ 208,351 | $ (199,998) | $ 35,106 | |

| Regulatory deferral account debit balances | January 1, 2023 | Additions | Recovery /reversal | December 31, 2023 | Remaining recovery/ reversal years |
|---|---|---|---|---|---|
| Group 1 deferral accounts | $ 9.810 | $ 37.080 | $ (38.431) | $ 8.459 | 2 |
| Regulatory settlement account | 9,652 | 78 | 617 | 10,347 | 5 |
| Other regulatory accounts | 1,749 | 124 | (216) | 1,657 | 3 |
| Income tax | 7,413 | (1,123) | — | 6,290 | — |
| | $ 28,624 | $ 36,159 | $ (38,030) | $ 26,753 | |

| Regulatory deferral account credit balances | January 1, 2024 | Additions | Recovery /reversal | December 31, 2024 | Remaining recovery/ reversal years |
|---|---|---|---|---|---|
| Group 1 deferral accounts | $ (312) | $ 412 | $ (2.188) | $ (2.088) | 2 |
| Regulatory settlement account | (9,493) | (38) | (7,025) | (16,556) | 4 |
| Other regulatory accounts | (444) | (198) | (84) | (726) | 2 |
| | $ (10,249) | $ 176 | $ (9,297) | $ (19,370) | |

| Regulatory deferral account credit balances | January 1, 2023 | Additions | Recovery /reversal | December 31, 2023 | Remaining recovery/ reversal years |
|---|---|---|---|---|---|
| Group 1 deferral accounts | $ (5,227) | $ 153,276 | $ (148,361) | $ (312) | 2 |
| Regulatory settlement account | (8,136) | (59) | (1,298) | (9,493) | 5 |
| Other regulatory accounts | (406) | (24) | (14) | (444) | 3 |
| | $ (13,769) | $ 153,193 | $ (149,673) | $ (10,249) | |

**12. Regulatory balances (continued)**

The income tax balances will be recovered over the life of the related capital assets.

The regulatory balances are recovered or settled through rate riders approved by the OEB. The Corporation has received approval from the OEB to establish its deferral and variance accounts (DVAs), where regulatory balances are recorded.

(a) The most significant regulatory activities included in the regulatory balances are retail settlement variances - the difference between electricity market and service costs incurred by the Corporation and the amount billed to consumers by the Corporation at OEB approved rates. Specifically, these amounts include variances between i) the amounts charged by the IESO and Hydro One for the market price of electricity, the operation of the electricity markets and grid, as well as various wholesale market settlement charges and transmission charges, and ii) the amount Burlington Hydro bills to consumers based on OEB-approved rates. These differences are recorded in Group 1 DVAs, which the Corporation seeks authorization to settle as part of its annual rate applications to the OEB. Settlement is typically through volumetric rate riders. Since future consumption volumes are impacted by exogenous factors (e.g. weather, economic conditions) the amount actually disposed of through the operation of the authorized rate rider varies from the balance authorized for disposition. Any differences between actual disposition and approved balances are settled in a subsequent rate application.

    In Burlington Hydro's incentive rate-setting mechanism (IRM) application for rates effective January 1, 2025, the OEB approved its request for disposition of its 2023 Group 1 DVA balances and the 2022 balances of Accounts 1588-RSVA Power and 1589-RSVA Global Adjustment, which were not disposed of in 2023. The total approved disposition of $2,180 will be recovered over a one-year period from January 1, 2025 to December 31, 2025.

(b) The remaining regulatory activities included in the regulatory balances are Group 2 DVAs for which Burlington Hydro can only seek authorization to settle as part of a Cost of Service rate application, which typically occurs every five years. Burlington Hydro's next Cost of Service application is scheduled to be in 2026.

The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. In 2024, the average rate was 5.15% (2023 - 5.05%).

## 13. Accounts payable, accrued and other liabilities

| | | 2024 | | 2023 |
|---|---|---|---|---|
| IESO – energy purchases | $ | 20,298 | $ | 18,267 |
| Regional Municipality of Halton | | 6,074 | | 5,843 |
| Trade payables | | 6,203 | | 7,837 |
| Accrued and other liabilities | | 5,080 | | 5,150 |
| Payable to related parties | | 78 | | 48 |
| | $ | 37,733 | $ | 37,145 |

## 14. Long-term debt

| | | 2024 | | 2023 |
|---|---|---|---|---|
| City notes payable | $ | 47,879 | $ | 47,879 |
| Ontario Infrastructure loan and note | | 10,969 | | 12,538 |
| TD term loan | | 3,269 | | 3,746 |
| | | 62,117 | | 64,163 |
| Current portion | | 2,124 | | 2,046 |
| Non-current portion | $ | 59,993 | $ | 62,117 |

The interest rate on the City note payable is 2.85%. This note payable is due on demand to the City. The City has waived its right to demand payment until January 1, 2026.

The Corporation obtained an Ontario Infrastructure Projects Corporation (“OIPC”) Debenture of $10,000 on March 15, 2011 due March 15, 2026. The loan bears interest at a rate of 4.51%. The loan is payable in the amount of $77 monthly principal and interest.

On March 1, 2013, the Corporation obtained a loan from the OIPC in the form of a Promissory Note of $8,000 due March 1, 2038. The Note bears interest at a rate of 4.02%. The Note is payable in the amount of $42 monthly principal and interest.

On December 17, 2018, the Corporation obtained a loan from the OIPC in the form of a Promissory Note of $7,000 due December 17, 2033. The note bears interest at a rate of 3.63%. The note is payable in the amount of $50 monthly principal and interest.

The OIPC facilities are secured by a general security agreement over the assets of the Corporation.

**14. Long-term debt (continued)**

On March 31, 2021, the Corporation obtained a $5,000 fixed rate term loan from the TD Bank due March 31, 2031. The term loan bears interest at a rate of 2.47%. The loan is secured by a General Security Agreement over the assets of the Corporation.

Scheduled repayments of long-term debt for the years ended December 31 are as follows:

| | | |
|---|---|---|
| 2025 | $ | 2,124 |
| 2026 | | 49,386 |
| 2027 | | 1,322 |
| 2028 | | 1,366 |
| 2029 | | 1,411 |
| Thereafter | | 6,508 |
| | $ | 62,117 |

**15. Deferred revenue**

Deferred revenue relates to the capital contributions received from customers and others. The amount of deferred revenue received from customers and others is $69,594 (2023 - $60,405). Deferred revenue is recognized as revenue on a straight-line basis over the life of asset for which the contribution was received.

**16. Liability for employee future benefits**

(a) OMERS pension plan

As at December 31, 2024, the OMERS plan was 98% funded (2023 - 97%). OMERS has a strategy to return the plan to a fully funded position. The Corporation is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions. In 2024, the Corporation made employer contributions of $1,021 to OMERS (2023 - $1,202), of which $254 (2023 - $237) has been capitalized as part of PP&E and the remaining amount of $767 (2023 - $965) has been recognized in profit or loss. The Corporation estimates that a contribution of $1,379 to OMERS will be made in 2025.

(b) Post-employment benefits other than pension

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and re-measurements recognized for post-employment benefit plans.

**16. Liability for employee future benefits (continued)**

(b) Post-employment benefits other than pension (continued)

| Reconciliation of the Obligation | | 2024 | | 2023 |
|---|---|---|---|---|
| Defined benefit obligation, beginning of year | $ | 3,591 | $ | 3,415 |
| Included in profit or loss | | | | |
| Current service cost | | 135 | | 137 |
| Interest cost | | 158 | | 165 |
| | | 3,884 | | 3,717 |
| Included in OCI | | | | |
| Actuarial (gains) / losses arising from: | | | | |
| Changes in financial assumptions | | 526 | | 197 |
| Experience adjustments | | 72 | | — |
| Benefits paid | | (359) | | (323) |
| Defined benefit obligation, end of year | $ | 4,123 | $ | 3,591 |

| Actuarial Assumptions | 2024 | 2023 |
|---|---|---|
| Discount (interest) rate | 4.60 % | 4.60 % |
| Salary levels | 3.50 % | 3.50 % |
| Medical costs | 5.10 % | 4.90 % |
| Dental costs | 5.40 % | 5.10 % |

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $407. A 1% decrease in the assumed discount rate would result in the defined benefits obligation increasing by $496.

**17. Share capital**

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Authorized: | | | | |
| Unlimited number of common shares | | | | |
| Issued: | | | | |
| 2,000 common shares | $ | 45,139 | $ | 45,139 |

Dividends

The holders of the common shares are entitled to receive dividends as declared from time to time.

The Corporation paid dividends in the year on common shares of $1.03 per share (2023 - $1.51) which amount to total dividends paid in the year of $2,075 (2023 - $3,026).

## 18. Revenue

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers.

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Revenue from contracts with customers | $ | 249,155 | $ | 225,416 |
| Other revenue | | | | |
| Collection charges | | 22 | | 21 |
| Late payment charges | | 175 | | 215 |
| Other | | 1,807 | | 2,357 |
| Loss on disposal of property, plant and equipment | | (96) | | (65) |
| Total revenue | $ | 251,063 | $ | 227,944 |

In the following table, revenue from contracts with customers is disaggregated by type of customer.

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Large users | $ | 119,654 | $ | 108,214 |
| Residential | | 99,207 | | 89,228 |
| Commercial | | 29,312 | | 27,078 |
| Street lights | | 982 | | 896 |
| | $ | 249,155 | $ | 225,416 |

## 19. Operating expenses

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Salaries and wages | $ | 12,132 | $ | 12,062 |
| Depreciation and amortization | | 8,713 | | 8,129 |
| Benefits | | 3,896 | | 3,250 |
| Contracted services/labour | | 3,710 | | 3,615 |
| Equipment/building maintenance | | 1,712 | | 1,868 |
| Material | | 695 | | 773 |
| Other | | 2,883 | | 2,451 |
| | $ | 33,741 | $ | 32,148 |

## 20. Finance income and costs

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Finance income | | | | |
| Interest income - bank deposits | $ | 479 | $ | 431 |
| Finance costs | | | | |
| Interest expense - long-term debt | | 1,913 | | 1,988 |
| Interest expense - operating | | 72 | | 72 |
| Interest expense - PILs reassessments | | — | | 70 |
| Interest expense - expansion deposits | | 159 | | — |
| Interest expense - lease liabilities | | 5 | | 5 |
| | $ | 2,149 | $ | 2,135 |
| Net finance costs recognized in profit or loss | $ | 1,670 | $ | 1,704 |

## 21. Commitments and contingencies

### General

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

### General liability insurance

The Corporation maintains appropriate types and levels of insurance with major insurers. With respect to liability insurance, the Corporation is a member of the Municipal Electricity Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members. All members of the pool could potentially be subjected to an assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to 5 years. As at December 31, 2024, no such assessments have been made.

## 22. Related party transactions

(a) Parent and ultimate controlling party

The sole shareholder of the Corporation is Burlington Enterprises Corporation, which in turn is wholly owned by the City. The City produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties

| | 2024 | 2023 |
|---|---|---|
| Note payable to the City | $ 47,879 | $ 47,879 |
| Receivables from the City | 497 | 2,763 |

(c) Transactions with ultimate parent (the City)

The Corporation had the following significant transactions with its ultimate parent, a government entity:

During the year, the Corporation earned gross revenue of $3,958 (2023 - $3,561) from the City. Of this amount, $503 (2023 - $471) was net distribution revenue.

Accounts receivable from the City include $– (2023 - $1,047) related to major construction projects.

Amounts payable to and receivable from related parties, included in accounts payable and accounts receivable, are due within thirty days of receipt of invoice.

The Corporation delivers electricity to the City throughout the year for the electricity needs of the City and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB.

(d) Transactions with entities under common control

The Corporation received $782 (2023 - $465) for billing and administrative services from a company under common control.

The Corporation received $105 (2023 - $101) for an operating lease from companies under common control.

The Corporation received $21 (2023 - $81) for general and administrative services from companies under common control.

The Corporation purchased services from a company under common control in the amount of $102 (2021 - $102) during the year.

The Corporation received $— (2023 - $38) for control room services from a company under common control.

**22. Related party transactions (continued)**

(e) Key management personnel

The key management personnel of the Corporation and the Board of Directors were compensated as follows:

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Salaries and other compensation | $ | 1,639 | $ | 1,532 |
| Short term employee benefits | | 303 | | 295 |
| Directors' fees | | 146 | | 118 |
| | $ | 2,088 | $ | 1,945 |

**23. Financial instruments and risk management**

**Fair value disclosure**

The carrying values of cash, securities held as customer deposits, accounts receivable, unbilled revenue and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits and work order deposits approximate fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2024 is $61,858. The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date with the exception of the note payable to the City. The City note fair value is equal to its' carrying value, because it is effectively due on demand (or within a year). The interest rates used to calculate fair value at December 31, 2024 for the remaining debt ranged from 2.47% to 4.51% based upon the outstanding term of the loans.

**Financial risks**

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Burlington. One customer accounts for a balance, which is all current, in excess of 2% of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of a provision for expected credit losses and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the provision for expected credit losses at December 31, 2024 is $300 (2023 - $225). An impairment loss of $280 (2023 - $115) was recognized during the year.

**23. Financial instruments and risk management (continued)**

(a) Credit risk (continued)

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The extension of the OEB's winter disconnection ban negatively impacted the Corporation's ability to exercise the full extent of its collection tools to manage the credit risk. The Corporation has estimated the expected credit losses using its historical loss rates and recent trends for customer collections along with current and forecasted economic conditions and data.

To support residential and small business customers struggling to pay their energy bills, the Government of Ontario provided funding for the COVID-19 Energy Assistance Program ("CEAP"). The Corporation was allocated a portion of this funding and actively participated in the program.

At December 31, 2024, $529 (2023 - $462) is considered 60 days past due. The Corporation has over 69,600 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2024, the Corporation holds security deposits in the amount of $2,262 (2023 - $2,648).

(b) Market risk

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is 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.

(c) Liquidity risk

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $20,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2024, no amounts had been drawn under the Corporation's credit facility.

The Corporation also has a bilateral facility for $18,000 (the "LC" facility) for the purpose of issuing a letter of credit to support the prudential requirements of the IESO, of which $nil has been drawn and posted with the IESO (2023 - $nil).

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

**23. Financial instruments and risk management (continued)**

(d) Capital disclosures

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2024, shareholder's equity amounts to $98,834 (2023 - $94,686) and long-term debt amounts to $62,117 (2023 - $64,163).

**24. Comparative Information**

Certain 2023 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

# Appendix H - Reconciliation of the Audited Financial Statements

# Burlington Hydro Inc.
## Mapping of OEB Accounts with Audited Financial Statements
## For the Year 2024

| OEB Account No. | GL Account Description | | Current Year $ |
|---|---|---|---|
| | **REVENUE FROM SERVICES - DISTRIBUTION:** | | |
| 4080 | Distribution Services Revenue | (37,324,767.01) | |
| | Adjustment: MicroFit//FIT Service Charge Reallocation | (11,863.39) | |
| | Adjustment: SSS Admin Fee Revenue Reallocation | (204,127.39) | |
| | Adjustment: Approved LRAMVA Recoveries not recorded in GL | 17,726.73 | |
| | Adjustment: PILs & Tax Changes Variance Additional Recovery | 2,636.82 | |
| | Adjustment: Dundas Rd Widening CVA | 7,337.74 | |
| | Adjustment: Green Button 2023 Revenue Requirement | 1,697.98 | |
| | IFRS Adjustment (Reg.Assets- Revenue Requirements): | 241,503.72 | |
| | | | **(37,269,854.80)** |
| | **IFRS Adjustment (Sale of Electricity):** | | |
| | Recoveries of Regulatory Accounts Classified as Revenue | | **(209,294,997.96)** |
| | | | |
| | | | |
| | **OTHER OPERATING REVENUE** | | |
| 4082 | Retail Services Revenue | | (29,548.42) |
| 4084 | Service Transactions Requests Revenue | | (361.23) |
| 4086 | SSS Administration Revenue | (204,127.39) | |
| | Adjustment: SSS Admin Fee Revenue Reallocation | 204,127.39 | - |
| 4210 | Rent from Electric Property | | (406,535.26) |
| 4220 | Other Electric Revenues | | - |
| 4225 | Late Payment Charges | | (175,020.76) |
| 4235 | Miscellaneous Service Revenues | (286,311.87) | |
| | Adjustment: MicroFit//FIT Service Charge Reallocation | 11,863.39 | (274,448.48) |
| 4245 | Deferred Revenue- Contributed Capital Amortization | | (1,529,431.15) |
| 4305 | Regulatory Debits | | - |
| 4310 | Regulatory Credits | | - |
| 4360 | Loss on Disposition of Utility and Other Property | | 95,933.94 |
| 4375 | Revenues from Non Rate-Regulated Utility Operations | (619,847.39) | |
| | Adjustment: Amount transferred to Non-Rate Regulated GL 4375 | 121,826.47 | (498,020.92) |
| 6035 | Interest Expense - Variance Accounts | 151,072.31 | |
| | Adjustment: DVAs Interest not recorded in GL | (6,008.81) | 145,063.50 |
| 4390 | Miscellaneous Non-Operating Income | | (1,680,741.42) |
| 4405 | Interest and Dividend Income | (1,005,798.63) | |
| | Adjustment: Interest Earned netted against Interest Expenses | 478,679.57 | |
| | Adjustment: DVAs Interest not recorded in GL | (12,994.70) | (540,113.76) |
| | | | (4,893,223.96) |
| | | | |
| 4380 | Add Back: Amount transferred to Non-Rate Regulated GL 4380 | 651,463.45 | |
| | Adjustment: Affiliate expenses not recorded in Non-Rate Regulated GL | (651,409.45) | 54.00 |
| | | | |
| | **IFRS Adjustment:** | | |
| | Regulatory balance carrying charges | | 395,050.26 |
| | | | |
| | **Other Operating Revenue** | | **(4,498,119.70)** |
| | | | |
| | **Total Revenue** | | **(251,062,972.46)** |

# Burlington Hydro Inc.
## Mapping of OEB Accounts with Audited Financial Statements
## For the Year 2024

| OEB Account No. | GL Account Description | | Current Year $ |
|---|---|---|---|
| | **IFRS Adjustment:** | | |
| | Cost of Power Purchased | | **206,406,402.45** |
| | | | |
| | | | |
| | **OPERATIONS AND MAINTENANCE EXPENSES:** | | |
| 5010 | Load Dispatching | 1,618,163.04 | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | 14,539.00 | 1,632,702.04 |
| 5012 | Station Buildings and Fixtures Expense | | 132,540.19 |
| 5016 | Distribution Station Equipment - Operation Labour | | 419,629.39 |
| 5017 | Distribution Station Equipment - Operation Supplies and Expenses | | 548,598.95 |
| 5020 | Overhead Distribution Lines and Feeders - Operation Labour | | 251,058.27 |
| 5025 | Overhead Distribution Lines and Feeders - Operation Supplies and Expenses | | 606,009.25 |
| 5035 | Overhead Distribution Transformers - Operation | | 8,794.06 |
| 5040 | Underground Distribution Lines and Feeders - Operation Labour | | 51,810.36 |
| 5045 | Underground Distribution Lines and Feeders - Operation Supplies and Expenses | | 648,991.29 |
| 5055 | Underground Distribution Transformers - Operation | | 2,329.05 |
| 5065 | Meter Expense | 385,529.63 | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | (737.59) | 384,792.04 |
| 5070 | Customer Premises - Operation Labour | | 236,390.65 |
| 5075 | Customer Premises - Materials and Expenses | | 133,751.08 |
| 5095 | Overhead Distribution Lines and Feeders - Rental Paid | | - |
| 5110 | Maintenance of Buildings and Fixtures- Distribution Stations | | 451,215.39 |
| 5114 | Maintenance of Distribution Station Equipment | | 375,530.55 |
| 5120 | Maintenance of Poles, Towers and Fixtures | | 31,558.90 |
| 5125 | Maintenance of Overhead Conductors and Devices | | 2,511,435.31 |
| 5130 | Maintenance of Overhead Services | | 681,990.66 |
| 5135 | Overhead Distribution Lines and Feeders - Right of Way | | 870,138.20 |
| 5145 | Maintenance of Underground Conduit | | 1,637.02 |
| 5150 | Maintenance of Underground Conductors and Devices | | 297,033.55 |
| 5155 | Maintenance of Underground Services | | 833,446.41 |
| 5160 | Maintenance of Line Transformers | | 42,973.86 |
| 5175 | Maintenance of Meters | | 201,105.45 |
| | | | |
| | | | **11,355,461.92** |
| | | | |
| | | | |
| | **BILLING AND COLLECTING EXPENSES:** | | |
| 5310 | Meter Reading Expense | | 262,055.79 |
| 5315 | Customer Billing | 1,193,786.58 | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | 112,306.75 | 1,306,093.33 |
| 5320 | Collecting | | 251,121.88 |
| 5325 | Cash Over and Short | | - |
| 5330 | Collection Charges | | 184,154.40 |
| 5335 | Bad Debt Expense | | 200,450.67 |
| 5340 | Miscellaneous Customer Accounts Expenses | 773,616.72 | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | 128,104.63 | 901,721.35 |
| | | | |
| | | | 3,105,597.42 |
| | **IFRS Adjustment:** | | |
| | Regulatory expenses classified as Billing & Collecting expenses | | 7,697.52 |
| | (DVA Customer Choice costs) | | **3,113,294.94** |
| | | | |

# Burlington Hydro Inc.
## Mapping of OEB Accounts with Audited Financial Statements
## For the Year 2024

| OEB Account No. | GL Account Description | | Current Year $ |
|---|---|---|---|
| | **COMMUNITY, ADMIN, GENERAL EXPENSES:** | | |
| 5415 | Energy Conservation | | - |
| 5420 | Community Safety Program | | 23,910.94 |
| 5605 | Executive Salaries and Expenses | | 2,876,668.51 |
| 5610 | Management Salaries and Expenses | 84,402.77 | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | 71,597.69 | 156,000.46 |
| 5615 | General Administrative Salaries and Expenses | 3,288,720.55 | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | (142.98) | 3,288,577.57 |
| 5620 | Office Supplies and Expenses | | 309,601.46 |
| 5625 | Administrative Expense Transferred -Credit | (359,770.79) | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | 142,545.48 | (217,225.31) |
| 5630 | Outside Services Employed | | 595,780.87 |
| 5635 | Property Insurance | | 61,419.54 |
| 5640 | Injuries and Damages | | 164,748.60 |
| 5645 | OMERS Pensions and Benefits | | 292,945.60 |
| 5655 | Regulatory Expenses | 537,779.25 | |
| | Adjustment: 2021 & 2026 COS costs amortized over 5 yrs (not recorded in GL) | 165,332.71 | 703,111.96 |
| 5660 | General Advertising Expenses | | 105,945.47 |
| 5665 | Miscellaneous General Expenses | | 953,077.63 |
| 5670 | Rent | | - |
| 5675 | Maintenance of General Plant | 645,577.68 | |
| | Adjustment: Green Button DVA Adjustment | 80,224.56 | |
| | Adjustment: Affiliate expenses transferred to Non-Rate Regulated GL 4380 | 61,370.00 | 787,172.24 |
| 6205 | Donations | | 102,405.54 |
| 6105 | Municipal Property Tax | | 355,467.94 |
| | | | |
| | | | 10,559,609.02 |
| | **IFRS Adjustment:** | | |
| | Regulatory expenses classified as Admin Expenses | | |
| | | | |
| | | | **10,559,609.02** |
| | | | |
| | **AMORTIZATION EXPENSE:** | | |
| 5705 | Depreciation Expense - Property, Plant and Equipment | | 8,712,656.68 |
| | | | **8,712,656.68** |
| | | | |
| | **Total Expenses** | | **240,147,425.01** |
| | | | |
| | **INTEREST EXPENSES:** | | |
| 6005 | Interest on Long Term Debt | | 1,436,540.36 |
| 6035 | Other Interest Expense | | 711,809.04 |
| 4405 | Interest Earned | | (478,679.57) |
| | | | |
| | **Net Finance Costs** | | **1,669,669.83** |
| | | | |
| | **Net (Income) / Loss Before Taxes** | | **(9,245,877.62)** |

## Burlington Hydro Inc.
## Mapping of OEB Accounts with Audited Financial Statements
## For the Year 2024

| OEB Account No. | GL Account Description | | Current Year $ |
|---|---|---|---|
| | **TAXES:** | | |
| 6110 | Income Taxes | 633,021.37 | |
| | Adjustment: Income Tax on DVAs not recorded in GL | (22,069.88) | |
| | Adjustment: Income Tax Related to COS costs not recorded in GL | (66,304.20) | 544,647.29 |
| | | | 544,647.29 |
| 6115 | Provision for Deferred Taxes - Income Statement | | (205,239.00) |
| | **IFRS Adjustment:** | | |
| | Future tax on Regulatory Assets | | 1,476,342.00 |
| | | | 1,271,103.00 |
| | | | **1,815,750.29** |
| | | | |
| | **Net (Income) / Loss After Taxes** | | **(7,430,127.33)** |
| | | | |
| | **Net Movement in regulatory balances, net of tax** | | |
| | Net Movement in regulatory balances | | 2,244,344.01 |
| | Income tax on net movement in regulatory balances | | (1,476,342.00) |
| | | | 768,002.01 |
| | | | |
| | **Net (Income) / Loss and Net Movement in Reglatory Balances per Audited FS** | | **(6,662,125.32)** |
| | | | |
| | | | |
| | | | |
| | ***LRAMVA, DVA Adjust. & COS Costs Amortized (not recorded in GL)*** | | |
| | | | |
| | Net Income per 2.1.7 Trial Balance | | (6,829,704) |
| | Adjust 2021/2026 COS costs amortized (5 yrs) | | |
| | Acct.5655 - Regulatory Expense | 165,333 | |
| | Acct.6110 - Income Taxes | (66,304) | 99,029 |
| | Adjust for LRAMVA & DVA Amounts: | | |
| | Acct.4080 - Distribution Revenue | 29,399 | |
| | Acct.4405/6035 - Int.Inc/Exp (DVAs) | (19,004) | |
| | Acct.5675 - Maintenance General | 80,225 | |
| | Acct.6110 - Income Taxes | (22,070) | 68,550 |
| | Net Income per Audited Financials | | (6,662,125) |
| | | | |
| | | | |

**Burlington Hydro Inc.**
**Mapping of OEB Accounts with Audited Financial Statements**
**For the Year 2024**

| OEB Account No. | GL Account Description | Current Year $ | Balance Sheet $ | Balance Sheet Line Grouping |
|---|---|---|---|---|
| | **Assets:** | | | |
| 1005 | Cash | 5,540,120.81 | | |
| 1010 | Cash Advances and Working Funds | 600.00 | | |
| | | | 3,278,541.01 | Cash |
| | | | 2,262,179.80 | Securities held as customer deposits |
| 1100 | Customer Accounts Receivable | 15,713,043.05 | | |
| 1104 | Accounts Receivable - Recoverable Work | 3,330,651.36 | | |
| 1110 | Other Accounts Receivable | 7,205,315.38 | | |
| 1130 | Accumulated Provision for Uncollectible Accounts - Credit | (300,000.00) | | |
| 1200 | Accounts Receivable from Associated Companies | 533,198.21 | | |
| 2240 | Accounts Payable to Associated Companies | - | | |
| 1460 | Other Non-Current Assets | 16,779.01 | 26,498,987.01 | Accounts receivable |
| 1120 | Accrued Utility Revenues | 21,243,156.98 | 21,243,156.98 | Unbilled revenue |
| 1180 | Prepayments | 1,256,359.56 | | |
| | Adjustment: Income taxes receivable | (228,292.69) | | |
| | Adjustment: Tax on DVA adjs.not recorded in GL | 29,547.93 | | (LRAM,OPEB,Cust.Chce,CVAs,COVID) |
| | Adjustment: 2021/2026 COS costs & Tax not recorded in GL | (349,748.94) | | |
| | | | 707,865.86 | Prepaid expenses |
| | Payment in Lieu of Taxes Payable - Debit balance | | 228,292.69 | Income taxes receivable |
| 1305 | Fuel Stock | 10,575.69 | | |
| 1330 | Plant Materials and Operating Supplies | 5,980,729.65 | 5,991,305.34 | Material and Supplies |
| | | | **60,210,328.69** | **Total Current assets** |
| 1609 | Capital Contribution Paid - Tremaine Transformer Station | 6,633,722.00 | | |
| 1611 | Computer Software | 15,679,110.97 | | |
| 1612 | Land Rights | 245,043.95 | | |
| 1805 | Land | 202,702.95 | | |
| 1806 | Land Rights | - | | |
| 1808 | Buildings and Fixtures | 2,678,103.65 | | |
| 1820 | Distribution Station Equipment - Normally Primary below 50kV | 16,443,170.50 | | |
| 1830 | Poles, Towers and Fixtures | 60,837,491.26 | | |
| 1835 | Overhead Conductors and Devices | 83,180,902.77 | | |
| 1840 | Underground Conduit | 34,662,125.56 | | |
| 1845 | Underground Conductors and Devices | 59,840,233.34 | | |
| 1850 | Line Transformers | 64,857,136.55 | | |
| 1855 | Services | 54,157,607.53 | | |
| 1860 | Meters | 25,235,435.22 | | |
| 1905 | Land | 1,016,276.31 | | |
| 1908 | Buildings and Fixtures | 12,028,211.39 | | |
| 1915 | Office Furniture and Equipment | 2,373,616.10 | | |
| 1920 | Computer Equipment - Hardware | 2,081,628.45 | | |
| 1925 | Computer Software | - | | |
| 1930 | Transportation Equipment | 5,238,082.19 | | |
| 1935 | Stores Equipment | 272,397.36 | | |
| 1940 | Tools, Shop and Garage Equipment | 1,627,758.47 | | |
| 1945 | Measurement and Testing Equipment | 459,138.48 | | |
| 1955 | Communication Equipment | 362,812.93 | | |
| 1960 | Electric Vehicle Charging Station | 67,974.24 | | |
| 1980 | System Supervisory Equipment | 5,550,196.45 | | |
| 1995 | Contributions and Grants - Credit | (29,277,060.49) | | |
| 2105 | Accumulated Amortization of Electric Utility Plant - Property, Plant Equipment | (205,009,337.53) | | |
| 2055 | Construction Work in Progress - Electric | 774,659.64 | | |
| | | 222,219,140.24 | 212,064,154.43 | Property, plant and equipment |
| | | | 187,985.18 | Right-of use assets (IFRS 16) |
| | | | 9,967,000.63 | Intangible Assets |
| 2350 | Deferred Tax Assets | | | |
| | | | - | Deferred Tax - Asset |
| | | | **222,219,140.24** | **Total Non-Current assets** |
| | | | **282,429,468.93** | **Total Assets** |

**Burlington Hydro Inc.**
**Mapping of OEB Accounts with Audited Financial Statements**
**For the Year 2024**

| OEB Account No. | GL Account Description | | Current Year $ | Balance Sheet $ | Balance Sheet Line Grouping |
|---|---|---|---|---|---|
| | **Regulatory Balances** | | | | |
| 1508 | Collection Charges - Lost Revenue | | 811,785.91 | | |
| 1508 | Customer Choice Initiative | 138,450.37 | | | |
| | DVA Adjustment | 134.31 | 138,584.68 | | |
| 1508 | Pole Rental Incremental Revenue | | 229,980.87 | | |
| 1508 | Green Button Initiative | | 106,164.45 | | |
| 1509 | COVID-19 Emergency Deferral Acct. | 311,376.64 | | | |
| | Adjustment: COVID DVA Transportation Credits | 382,496.50 | | | |
| | DVA Adjustment | (151,441.10) | 542,432.04 | | |
| 1511 | Cloud Computing Incremental Costs | - | | | |
| | Adjustment: OEB Deferred Credits | 188,603.29 | 188,603.29 | | |
| 1580 | RSVA/wms - Class B CBR | 895,788.17 | | | |
| BHI 2790 | Adjustment: Carrying Charges RSVA WMS Class B (BHI 2790) | (10,179.18) | 885,608.99 | | |
| 1584 | RSVA/nw | 1,416,790.63 | | | |
| BHI 2790 | Adjustment: Carrying Charges RSVA NW (BHI 2790) | (108,031.59) | 1,308,759.04 | | |
| 1586 | RSVA/cn | 471,750.07 | | | |
| BHI 2790 | Adjustment: Carrying Charges RSVA CN (BHI 2790) | (58,023.22) | 413,726.85 | | |
| 1589 | RSVA/power | 1,713,541.17 | | | |
| BHI 2790 | Adjustment: Carrying Charges RSVA Power (BHI 2790) | 98,741.44 | 1,812,282.61 | | |
| 1589 | RSVA/power - Global Adjustment | 3,592,267.42 | | | |
| BHI 2790 | Adjustment: Carrying Charges RSVA GA (BHI 2790) | (128,514.83) | 3,463,752.59 | | |
| BHI 2790 | Carrying Charges - RSVAs | | 130,527.10 | | |
| 1568 | LRAM Variance Account | | - | | |
| 1572 | Extraordinary Event Cost (Wind Storm Cost - May 21/22) | | 4,749.24 | | |
| 1592 | PILs & Tax Changes Variance | 261,888.10 | | | |
| | DVA Adjustment | (2,696.19) | 259,191.91 | | |
| 2320 | Regulatory Liability for Future Taxes | | 7,765,731.00 | | |
| 1595 | 2020 RSVA - Carrying Charges Disposition - Exc GA | | 575,874.68 | | |
| 1595 | 2020 RSVA - Recoveries / Payments | | 1,219,707.31 | | |
| 1595 | 2020 RSVA - Principal Disposition - GA Only | | 777,450.12 | | |
| 1595 | 2020 RSVA - Carrying Charges Disposition - GA Only | | 93,104.75 | | |
| 1595 | 2020 RSVA - GA Carrying Charges | | 3,507.36 | | |
| 1595 | 2020 IRM Shared Tax Savings | | 33,704.03 | | |
| 1595 | 2020 IRM - Approved LRAMVA & Recoveries | 61,628.79 | | | |
| 1595 | Adjust: Approved LRAMVA & Recoveries not recorded in GL | (61,628.79) | - | | |
| 1595 | 2021 COS LRAM Disposition/Recoveries | | 110,338.78 | | |
| 1595 | 2021 RSVA - Principal Disposition - Exc GA | | 456,626.36 | | |
| 1595 | 2021 RSVA - Carrying Charges Disposition - Exc GA | | 30,820.86 | | |
| 1595 | 2021 RSVA - Carrying Charges | | 3,576.10 | | |
| 1595 | 2021 RSVA - Principal Disposition - GA Only | | 1,859,697.84 | | |
| 1595 | 2021 RSVA - Carrying Charges Disposition - GA Only | | 86,202.76 | | |
| 1595 | 2021 RSVA - GA Carrying Charges | | 25,766.35 | | |
| 1595 | 2021 Group 2 - Carrying Charges Disposition | | 65,682.85 | | |
| 1595 | 2021 Group 2 - Recoveries / Payments | | 37,224.07 | | |
| 1595 | 2021 COS Acct.1575 Disposition/Recoveries | | 73,837.60 | | |
| 1595 | 2022 RSVA - Principal Disposition - Exc GA | | 522,575.11 | | |
| 1595 | 2022 RSVA - Carrying Charges Disposition - Exc GA | | 7,712.11 | | |
| 1595 | 2022 RSVA - Carrying Charges | | 7,067.17 | | |
| 1595 | 2022 RSVA - Principal Disposition - GA Only | | 843,403.68 | | |
| 1596 | 2022 RSVA - Carrying Charges Disposition - GA Only | | 17,733.31 | | |
| 1595 | 2022 RSVA - GA Carrying Charges | | 12,041.19 | | |
| 1595 | 2023 RSVA - Principal Disposition - Exc GA | | 2,314,161.53 | | |
| 1595 | 2023 RSVA - Carrying Charges Disposition - Exc GA | | 243,940.52 | | |
| 1595 | 2023 RSVA - Carrying Charges | | 56,700.70 | | |
| 1595 | 2023 RSVA - GA - Recoveries / Payments | | 1,187,433.25 | | |
| 1596 | 2023 IRM - LRAM Disposition/Recoveries | | 988.60 | | |
| 1595 | 2024 RSVA - Principal Disposition - Exc GA | | 5,829,101.48 | | |
| 1595 | 2024 RSVA - Carrying Charges Disposition - Exc GA | | 360,799.67 | | |
| 1595 | 2024 RSVA - Carrying Charges | | 186,871.46 | 35,105,532.17 | Regulatory debit balances |
| | | | | | |
| | | | | **317,535,001.10** | **Total Assets & Regulatory Balances** |

**Burlington Hydro Inc.**
**Mapping of OEB Accounts with Audited Financial Statements**
**For the Year 2024**

| OEB Account No. | GL Account Description | | Current Year $ | Balance Sheet $ | Balance Sheet Line Grouping |
|---|---|---|---|---|---|
| | **Liabilities:** | | | | |
| 2260 | Current Long Term Debt | | (2,124,612.78) | (2,124,612.78) | Current portion of long-term debt |
| 2285 | Obligations Under Finance Leases--Current | | (32,601.99) | (32,601.99) | Current portion of lease liabilities |
| 2205 | Accounts Payable | | (2,700,882.35) | | |
| 2208 | Customer Credit Balances | | (274,448.62) | | |
| 2220 | Miscellaneous Current and Accrued Liabilities | (35,434,352.06) | | | |
| | Adjustment: For Temporary Service Deposits in WO Deposits | 1,478,801.84 | (33,955,550.22) | | |
| 2240 | Accounts Payable to Associated Companies | | (78,559.38) | | |
| 2250 | Debt Retirement Charges Payable | | - | | |
| 2290 | Commodity Taxes | | (567,543.61) | | |
| 2292 | Payroll Deductions / Expenses Payable | | (17,907.61) | | |
| 2425 | Other Deferred Credits | (276,420.66) | | | |
| | Adjustment: OEB Deferred Credits (COVID) | 138,210.34 | (138,210.32) | | |
| | | | | (37,733,102.11) | Accounts payable, accrued and other liablilities |
| | Customer Deposits | | | | |
| 2210 | | | (2,227,329.82) | | |
| 2320 | Other Miscellaneous Non-Current Liabilities | | (34,849.98) | | |
| | | | | (2,262,179.80) | Customer deposits |
| 2335 | Long Term Customer Deposits | | (13,049,709.10) | | |
| | Adjustment: For Temporary Service Deposits in WO Deposits | | (1,478,801.84) | | |
| | | | | (14,528,510.94) | Work order deposits |
| 2440 | Deferred Revenues | | - | | |
| | | | | - | Deferred revenue - (Current) |
| 2294 | Accrual for Taxes, "Payments in Lieu" of Taxes, Etc | | - | | |
| | | | | - | Income taxes payable |
| | | | | **(56,681,007.62)** | **Total Current Liabilities** |
| 2440 | Deferred Revenues | | (69,593,963.77) | | |
| | | | | (69,593,963.77) | Deferred revenue - (Long-term) |
| 2325 | Long Term Lease Liabilities | | (40,192.37) | | |
| | | | | (40,192.37) | Long-term lease liabilities |
| 2550 | Advances from Associated Companies | | (47,878,608.00) | | |
| 2520 | Other Non Current Debt | | (9,334,821.60) | | |
| 2525 | Term Bank Loans - Long Term | | (2,778,686.70) | | |
| | | | | (59,992,116.30) | Long-term debt |
| 2306 | OPEB Liability | | (4,123,005.76) | | |
| | | | | (4,123,005.76) | Liability for employee future benefits |
| 2350 | Deferred Tax Liability | | (8,901,875.34) | | |
| | | | | (8,901,875.34) | Deferred tax liabilities |
| | | | | **(142,651,153.54)** | **Total Non-Current Liabilities** |

**Burlington Hydro Inc.**
**Mapping of OEB Accounts with Audited Financial Statements**
**For the Year 2024**

| OEB Account No. | GL Account Description | | Current Year $ | Balance Sheet $ | Balance Sheet Line Grouping |
|---|---|---|---|---|---|
| | **Equity:** | | | **(199,332,161.16)** | **Total Liabilities** |
| 3005 | Common Shares Issued | | (45,139,138.19) | | |
| | | | | (45,139,138.19) | Share capital |
| 3045 | Unappropriated Retained Earnings | (46,413,720.24) | | | |
| | Adjustment: DVA Adjustments not recorded in GL | ($23,609.66) | | | |
| | Adjustment: Approved LRAMVA Recoveries not recorded in GL | 44,034.69 | | | |
| | Adjustment: 2021/2026 COS costs amortized(not recorded in GL) | 250,720.43 | (46,142,574.77) | | |
| 3046 | Balance Transferred From Income | (6,829,704.27) | | | |
| | Adjustment: DVA Adjustments not recorded in GL | $67,287.97 | | | |
| | Adjustment: Approved LRAMVA Recoveries not recorded in GL | 1,262.48 | | | |
| | Adjustment: 2021/2026 COS costs amortized(not recorded in GL) | 99,028.51 | (6,662,125.32) | | |
| | | | | (52,804,700.09) | Retained earnings |
| 3022 | Development Charges Transferred to Equity | | (876,228.03) | | |
| 3090 | Accumulated Other Comprehensive Income | | (13,247.00) | (876,228.03) | Paid-up capital |
| | | | | (13,247.00) | Accumulated other comprehensive income |
| | | | | **(98,833,313.31)** | **Total Equity** |
| | | | | **(298,165,474.47)** | **Total Liabilities & Equity** |
| | Regulatory Balances | | | | |
| 1508 | Dundas St.Rd.Widening Project - Revenue Requirement | (45,415.17) | | | |
| | DVA Adjustment | (7,823.76) | (53,238.93) | | |
| 1508 | Waterdown St.Rd.Widening Project - Revenue Requirement | | (4,683.87) | | |
| 1509 | Adjustment: COVID DVA Transportation Credits | | (382,496.50) | | |
| 2425 | OEB Deferred Credits (Cloud Computing) | - | | | |
| | Adjustment: OEB Deferred Credits | (184,450.00) | (184,450.00) | | |
| 2425 | OEB Deferred Credits (Green Button Initiative) | - | | | |
| | Adjustment: OEB Deferred Credits | (80,224.56) | (80,224.56) | | |
| 1522 | OPEB Accrual vs Actual Differential | (63,169.54) | | | |
| | DVA Adjustment | 42,793.06 | (20,376.48) | | |
| 1580 | RSVA/wms | (1,972,324.15) | | | |
| BHI 2790 | Adjustment: Carrying Charges RSVA WMS (BHI 2790) | 65,099.75 | (1,907,224.40) | | |
| 1551 | Smart Meter Entity Charge Variance Account | (190,868.43) | | | |
| BHI 2790 | Adjustment: Carrying Charges RSVA SME (BHI 2790) | 10,380.53 | (180,487.90) | | |
| 1595 | 2020 RSVA - Principal Disposition - Exc GA | | (1,817,506.20) | | |
| 1595 | 2020 RSVA - Carrying Charges | | (83,848.25) | | |
| 1595 | 2020 RSVA - GA - Recoveries / Payments | | (776,501.89) | | |
| 1595 | 2021 RSVA - Recoveries / Payments | | (540,882.66) | | |
| 1595 | 2021 RSVA - GA - Recoveries / Payments | | (1,834,526.56) | | |
| 1595 | 2021 Group 2 - Principal Disposition | | (72,016.54) | | |
| 1595 | 2021 Group 2 Carrying Charges | | (4,987.47) | | |
| 1595 | 2022 RSVA - Recoveries / Payments | | (560,953.94) | | |
| 1595 | 2022 RSVA - GA - Recoveries / Payments | | (901,787.71) | | |
| 1595 | 2023 RSVA - Recoveries / Payments | | (2,574,024.19) | | |
| 1595 | 2023 RSVA - Principal Disposition - GA Only | | (1,109,235.13) | | |
| 1595 | 2023 RSVA - Carrying Charges Disposition - GA Only | | (39,225.81) | | |
| 1595 | 2023 RSVA - GA Carrying Charges | | (28,659.68) | | |
| 1595 | 2024 RSVA - Recoveries / Payments | | (6,189,269.89) | | |
| 1595 | 2024 IRM - LRAM Disposition | | (22,918.07) | (19,369,526.63) | Regulatory credit balances |
| | | | | **(317,535,001.10)** | **Total Liabilities, Equity & Regulatory Balances** |

# Appendix I – 2023 Community Report

Burlington**enterprises** corporation

# community report 2023

**“We stand by your side as dedicated community partners, driven by our mission to deliver a safe, secure, dependable supply of electricity and essential energy services to the City of Burlington.”**

Gerry Smallegange, President and CEO,
Burlington Hydro Inc.

## OUR CORPORATE STRUCTURE

Burlington Enterprises Corporation (BEC) is an energy services company, wholly owned by the City of Burlington. The company consists of two affiliate subsidiaries: a regulated electricity distribution company, Burlington Hydro Inc. (BHI), and a non-regulated electricity services company, Burlington Electricity Services Inc. (BESI).

### BURLINGTON HYDRO INC.

With a total licensed service area of 188 square kilometres and employing 102 dedicated individuals, Burlington Hydro serves approximately 69,500 residential and commercial customers in the City of Burlington. Electricity is delivered safely and reliably to the community through a network of 1,600 kilometres of medium-voltage distribution lines and 32 substations.

Burlington Hydro is regulated by Ontario Energy Board, an independent regulatory agency that oversees Ontario’s electricity and natural gas sectors to ensure consumers receive safe, reliable and reasonably priced energy services.

### BURLINGTON ELECTRICITY SERVICES INC.

Burlington Electricity Services Inc. (BESI) offers a range of services, including Electric Vehicle (EV) Chargers, Water/Gas/Thermal Sub Meters, Water and Wastewater Billing, and acts as a sales agent for Electricity Suite Meters.

## OUR COMMITMENT TO COMMUNITY

Burlington Hydro is a progressive company committed to continuous improvement and performance excellence in the areas of safety, stewardship, community involvement and innovation.

## OUR CORE VALUES

### WE CARE FOR PEOPLE

We interact with customers, employees, the public, and our business partners with integrity and respect, and at all times, act in a safe, responsible, and professional manner.

### WE CARE ABOUT PERFORMANCE

We value a balanced, sustainable business model. We deliver superior products to our customers in a safe and efficient manner, striving for excellence and continuous improvement in all aspects of our business.

### WE CARE ABOUT STEWARDSHIP

We value the long-term health and sustainability of Burlington Hydro and will ensure the availability of a future electricity supply that meets customer needs and growth. We value the community we serve and the environment in which we operate, managing risks to eliminate or minimize adverse impacts associated with our business.

### WE CARE FOR THE COMMUNITY

We take pride in making significant contributions to our community by supporting local business development activities and delivering important safety programs to our schools. We are committed to supplying our community with electricity for the long term.

# FOCUSED ON THE FUTURE

## MESSAGE FROM THE CHAIR & CEO

Susan Kilburn
Chair

Gerry Smallegange
President and CEO

### POST-PANDEMIC

In the post-pandemic environment, we have once again focused on our community and stakeholders, reinvigorating relationships, and working for the people of Burlington during a very exciting time of growth. The City of Burlington is currently estimating the addition of approximately 29,000 residental units by 2031. Burlington Hydro is fully prepared to work in partnership to support the growth and infrastructure plans that are anticipated to help meet this housing target.

Burlington Hydro acknowledges the escalating frequency of extreme weather occurrences, which present potential hazards to our electricity infrastructure. In response to provincial and federal initiatives aimed at achieving net-zero emissions, the City is proactively developing a Sustainability and Climate-Resiliency plan. This comprehensive strategy delineates specific actions to be undertaken between 2022 and 2032. In response, our mitigation efforts are primarily directed towards factors within our jurisdiction, notably our infrastructure such as cables and technology, which are susceptible to weather-related tree damage. Additionally, we are committed to aligning our operational strategies with the evolving needs of the City.

### PARTNERING WITH MCMASTER UNIVERSITY

Burlington Hydro has also partnered with McMaster University, which has been successful in obtaining the Natural Sciences and Engineering Research Council of Canada Alliance Research Grant worth $999,000. This funding will allow an in-depth study of the proposed topic entitled, “Impact of Decarbonisation of Heating on the Electrical Grid.” We are thrilled to collaborate with McMaster as we work together to navigate the future.

### DELIVERING VALUE

The culture at Burlington Hydro continues to promote flexibility, adjustment, and continuous improvement to ensure it delivers value and provides superior customer service. This approach served us well in 2023. Evolving consumer preferences and expectations, environmentally friendly practices, increased use of electronic devices and electric vehicles and concerns about environmental impacts are all driving  positive change. Enhancing the customer experience is a central pillar of our ethos.

It is always important to us that we address our community’s concerns. This includes but is not limited to improving our outage response time, and outage communication via digital and traditional media.

In our commitment to addressing our community’s concerns, we’ve developed two customer-focused initiatives. Burlington Hydro’s MyAccount platform offers customers convenient access to manage their energy usage and billing online. Our Green Button initiative empowers users to access and securely share their energy data, fostering transparency and promoting sustainable energy practices.

### SUPPORTING OUR COMMUNITY

We have been very pleased to give back to the broader community, whether sponsoring initiatives for the Carpenter Hospice, United Way Halton & Hamilton, Royal Botanical Gardens, and Burlington Green or supporting various Burlington Chamber of Commerce events throughout the year. This includes the Green Economy Symposium, Take Your Kid to Work Day, and Women Leaders event among others. Burlington Hydro is a community-minded utility first and foremost.

### MILESTONES

Significant milestones were achieved in various aspects of team empowerment and safety culture. Notable achievements included the hiring of 13 full-time employees and offering 9 co-op student roles. Equally commendable is the remarkable retention rate of 97%, underscoring the company’s dedication to providing a supportive and engaging work environment.

Burlington Hydro recognizes the importance of prioritizing mental health alongside physical safety. Initiatives aimed at promoting mental health awareness and providing resources for employee wellness are an integral part of our organizational strategy.

Safety is at the core of Burlington Hydro operations, with a strong emphasis on ensuring that every employee returns home safely at the end of the day.

Despite the diverse economic and societal challenges that 2023 presented, we have had a successful year running and maintaining an efficient and financially sound, responsive, and community-focused utility. We would like to thank our committed and dedicated employees and our hard-working Board of Directors for their many contributions.

### POISED FOR SUCCESS

As we look ahead to 2024, we continue to strive to meet the needs of our customers and community. We feel confident we are ready to greet the energy industry’s evolving challenges with expertise and optimism.

“We are pleased to note that our 2023 Customer Satisfaction Survey recorded an overall satisfaction score of 90 percent. And on the safety front, our employees surpassed an impressive 1.4 million work hours without a lost-time injury.”

# COMMITTED TO DELIVERING SAFE, RELIABLE POWER

**86%** of customers agree that Burlington Hydro provides consistent, reliable electricity
(2023 Customer Satisfaction Survey)

## CAPITAL INVESTMENTS TO ENABLE GROWTH

Burlington Hydro's capital investment program is focused on accommodating planned community growth while improving the reliability, resiliency, efficiency and security of our distribution system. In 2023, we invested $31 million in distribution infrastructure expansions and upgrades. Notable projects include:

- Connection for the new Palladium Way industrial subdivision.
- Completion of the installation of a new pole line along Waterdown Road (from Mountain Brow Road to North Service Road). This facilitates the City of Burlington's road-widening project in that area.
- Completion of various Metrolinx projects that lie in Burlington Hydro's service territory. This involved replacing overhead power lines over railroad tracks with underground cables.
- Expansion of a major electrical supply to support a new subdivision at 2100 Brant Street and connection to the subdivision at 2273 Turnberry Road.
- Conversion of the supply feeder to an underground section and creation of a new connection for a large logistics company at 3100 Mainway Drive.
- Construction of electrical distribution infrastructure to provide electricity to the new City of Burlington Skyway Community Centre.
- Conversion of overhead lines to an underground cable supply along Fairview Street, thereby providing a feeder extension and temporary service for a multi-tower on Fairview Street at Drury Lane.
- Replacement of approximately 3 kilometres of underground cable to improve service reliability in Brant Hills community.
- Connection of a commercial/industrial building at 4385 Mainway and 4216 South Service Road.

**87%** of customers agree that Burlington Hydro makes electricity safety a top priority
(2023 Customer Satisfaction Survey)


**In response to the increasingly frequent and severe weather events attributed to climate change, we are fully committed to enhancing the resilience and dependability of our infrastructure to ensure the reliability of the electricity supply.**

# ENERGIZING PARTNERSHIPS

We are thrilled to be working in collaboration with several community partners on projects that will have long-term positive outcomes.

## PARTNERSHIP WITH MCMASTER UNIVERSITY

Burlington Hydro is proud to be collaborating with McMaster University, a leader in research and innovation. McMaster University has secured the prestigious National Sciences and Engineering Research Council of Canada Alliance Research Grant valued at $999,000 to study the 'Impact of Decarbonization of Heating on the Electrical Grid'. As a key partner, Burlington Hydro will provide invaluable expertise in distribution systems and will facilitate data sharing with undergraduate students as they research the implications of electric vehicles on distribution systems.


## OUR INDUSTRY PARTNERS: THE GRIDSMARTCITY COOPERATIVE

The GridSmartCity Cooperative (GSCC) unites utilities in Ontario to address grid challenges. With 14 local distribution company (LDC) members managing $3 billion in assets and serving 794,000 customers, GSCC focuses on identifying and capitalizing on scale efficiencies and fostering information exchange.

As a proud founding partner of the GridSmartCity Cooperative (GSCC), Burlington Hydro leverages this collaborative framework to identify best industry practices and achieve cost savings while driving innovation forward.

For example, with the Government of Canada's commitment to reducing greenhouse gas emissions by 40-45% by 2030 and achieving net-zero emissions by 2050, electrification has emerged as a pivotal strategy, particularly in the transportation and building heating sectors. Partnership within GSCC has enabled Burlington Hydro to cultivate strong ties with all levels of government focused on these goals and has fueled synergies as LDCs tackle emerging issues including supply chain, distributed energy resources, electric vehicle adoption, system reliability, and cybersecurity.

Through our participation in GSCC, Burlington Hydro is well-positioned to navigate industry transitions and drive positive outcomes for our customers and communities.

# WORKING NOW FOR A GREAT FUTURE

Burlington Enterprises Corporation has embraced significant responsibilities as a primary stakeholder on the City of Burlington's Climate Action Plan and Climate Resilient Burlington Plan Stakeholder Committees. This role holds immense significance for us, not only because the company's future is dependent on our successful adaptation to the changing energy landscape, but also because the future of our community will be determined through strategic decision-making.

Our focus revolves around two pivotal areas: preparing our distribution system for the growing frequency and severity of weather events and ensuring our power supply aligns with the demands of vehicle, building and community growth. These are multifaceted challenges that drive us to actively engage in problem-solving efforts with the community.

## CLIMATE ACTION PLAN (CAP)

The City of Burlington has set an ambitious goal within its Strategic Plan: to become a net carbon-neutral community by 2050. In 2020, it took a significant step forward by introducing a Climate Action Plan (CAP), designed as a comprehensive roadmap toward achieving this objective. Central to the CAP are two key aims: mitigating greenhouse gas emissions (GHGs) and reducing energy consumption. Additionally, the plan delves into various related topics such as the proliferation of electric vehicles (EVs), conservation efforts, district energy initiatives, microgeneration projects, and the integration of storage technologies.

Burlington Enterprises Corporation proudly stands as a supporter and partner of the Climate Action Plan Stakeholder Committee, offering expertise and industry insights crucial for the plan's successful implementation.

Currently, Burlington Enterprises Corporation is actively engaged in crafting a Climate Sustainability Plan, which will complement and bolster the ongoing efforts of the city's Climate Action Plan. Among its primary objectives are delineating a pathway that facilitates the transition away from fossil fuels through electrification and evaluating the impacts of climate change on the distribution grid. This forthcoming plan is slated to be submitted as a pivotal component of the continuing evolution of the CAP, solidifying Burlington's commitment to sustainability and resilience in the face of climate challenges.

## CLIMATE RESILIENT BURLINGTON (CRB)

The 10-year action plan, Climate Resilient Burlington (CRB), approved by Burlington City Council in July 2022, is a proactive response to the escalating challenges posed by climate change, marked by warmer, wetter, and increasingly unpredictable weather patterns. Aligned with the Climate Action Plan (CAP), CRB aims to bolster the city's resilience against climate change impacts.

Recognizing the potential impact of extreme weather events on electricity distribution infrastructure, the creators of the CRB action plan actively involved Burlington Hydro in its development. Burlington Hydro's participation in the CRB Stakeholder Committee underscores the significance of our expertise in enhancing the resilience of the distribution network to prevent widespread power outages during extreme weather events.

From offering insights on major outage reports to emphasizing the importance of routine tree-trimming activities and implementing self-healing grid technologies, Burlington Hydro's contribution is instrumental in ensuring the success of the CRB plan. This active engagement reaffirms our dedication to enhancing the City of Burlington's resilience and preparedness to confront climate-related challenges.

## POWERING FORWARD WITH GREEN MOBILITY

Canada has outlined a plan to phase out the sale of new combustion engine cars and light trucks by 2035. Embracing electric vehicles (EVs) as an energy-efficient mode of transportation, the shift holds the potential to slash greenhouse gas emissions by up to 70 percent for individual car owners.

The transition from fossil fuels to electrified transportation forms a crucial pillar of the City of Burlington's Climate Action Plan. As electric vehicle charging becomes increasingly prevalent, Burlington Hydro faces the task of accommodating and planning for the surge in electricity demand on its distribution system.

This imperative is driving Burlington Hydro's proactive efforts, which are already well underway, to formulate strategies and solutions. This planning will take centre stage in the Burlington Enterprises Corporation's Climate Sustainability Plan, underscoring its commitment to sustainability and the reduction of greenhouse gases.

Additionally, Burlington Hydro is leading by example, committing to transitioning our fleet of vehicles. Our Engineering and Operations departments have introduced 5 electric vehicles to our fleet, which includes 4 service vans and 1 truck.

## A GROWING NETWORK OF CHARGING STATIONS

As the number of electric vehicles on our streets increases, so, too, must the number of charging stations we need to supply them. In fact, Burlington Electricity Services' (Burlington Enterprises Corporation non-regulated entity affiliate) predicts the demand for Burlington Electricity Services' electric vehicle chargers particularly in multi-unit residential buildings will grow exponentially over the next two years. Burlington Electricity Services electric vehicle charging station solutions reflect the latest charging station technology. They are a leading-edge, made-in-Canada option that is connected to Burlington's premier future-focused electric vehicle network. As we have seen through 2023 and now into 2024, this impressive network is expanding rapidly.

# SPARKING INTEREST AMONG OUR YOUTH

## BAY AREA SCIENCE AND ENGINEERING FAIR

A steadfast commitment for Burlington Hydro is to inspire the next generation to pursue Science, Technology, Engineering, and Math (STEM) education and careers. Since 2020, we have proudly sponsored the Bay Area Science & Engineering Fair (BASEF) annually. The BASEF serves as a catalyst, igniting a passion for STEM by providing a platform for students in grades 7 through 12 to showcase their innovative projects. With over 500 participants each year, the fair offers a vibrant hub for collaboration, learning, and discovery. Through our support of BASEF, Burlington Hydro aims to cultivate a future generation equipped with the skills and enthusiasm needed to tackle the challenges of tomorrow's world.

## "POWER TO BE SAFE" STUDENT ROADSHOW

The Burlington Hydro "Power to be Safe" Roadshow is an eagerly awaited annual event among students, providing an interactive and informative presentation on electrical safety to elementary school children. In 2023, the roadshow visited 12 Burlington schools, catering to students from Junior Kindergarten to Grade 8. An impressive total of 4,164 students attended, benefiting from age-appropriate lessons on staying safe around electricity both at school and at home. The engaging sessions covered essential topics such as the hazards of powerlines, utility poles, and substations, while also offering practical energy conservation tips.


# EMBRACING INCLUSION AND A SENSE OF BELONGING

At Burlington Hydro, we prioritize employee well-being, growth, and diversity within our workplace culture. We emphasize diversity and inclusion as fundamental drivers of creativity, innovation, and sustainability as we strive to create a work environment where everyone feels valued and supported.

As a signatory of the Electricity Human Resources Canada's "Leadership Accord on Gender Diversity in the Electricity Industry," Burlington Hydro is committed to fostering an inclusive environment and enhancing opportunities for women within the industry. We actively support women in STEM education, recognizing their vital contributions to our sector's advancement.

We have continued to support Natural Resource Canada's "Equal by 30" campaign, aligning with public and private sector organizations in our commitment to achieving equal pay, leadership, and opportunities for women in the clean energy sector by 2030.

## MENTAL HEALTH AND WELL-BEING

According to the Mental Health Commission of Canada, approximately 20% of Canadians grapple with mental health issues each year. At Burlington Hydro, we're committed to providing assistance through our employee support network and assistance program dedicated to mental health.

In 2023, we introduced a training requirement in Mental Health First Aid for our supervisors and managers. This equips them with the skills and knowledge to recognize and respond effectively to mental health challenges among their teams.

## OUR CULTURE FOCUSES ON EMPLOYEE WELL-BEING, INCLUSION AND GROWTH

Burlington Hydro's learning and development strategy prioritizes key themes aimed at fostering the growth and inclusivity of our workforce. In 2023, our professional development promoted inclusion and cultivating a sense of belonging within the workplace. All employees participated in comprehensive Inclusion training sessions designed to deepen their understanding of anti-oppression, diversity, power dynamics, and privilege, fostering a culture of allyship within the organization.

Additionally, our people leaders received specialized training and tools to further enhance their abilities to create inclusive environments. They are now better prepared to support and empower teams comprised of individuals from diverse backgrounds and communities.

## MENTAL HEALTH SUPPORT FOR OUR PEOPLE

Burlington Hydro is committed to creating a mentally healthy workplace environment through various programs and initiatives. We offer comprehensive resources such as the Employee Family Assistance Program (EFAP) and extensive medical coverage for mental health professionals, ensuring support for both employees and their families. We prioritize ongoing training and development, including specialized Mental Health First Aid (MHFA) training. Additionally, we introduced a week-long event dedicated to promoting wellness and mental health awareness which included activities such as mediation and healthy nutrition education.

Over the next 25 years, Burlington is poised to undergo significant growth, unprecedented in its history. Mandated by the Province of Ontario, the City of Burlington is tasked with facilitating the construction of 29,000 new homes within the next decade alone.

The forthcoming growth will see a concentration of population density around Burlington's three GO stations, as well as in other designated growth zones, all while prioritizing the preservation of transportation corridors. Burlington Hydro stands in full alignment with this vision for the city we proudly serve. We are prepared to support the electrification of anticipated growth, ensuring our infrastructure evolves in tandem with Burlington's future aspirations.

With an expected population of 265,000 residents by 2051, Burlington is proactively taking steps to uphold the highest standards of living within its community. As an integral partner in this long-term strategy, Burlington Hydro is committed to actively contributing to the establishment of a resilient foundation for Burlington's future development. Together, we will pave the way for a prosperous and sustainable future for generations to come.

# A GROWING CITY

## It's all in the numbers...

### CUSTOMER SERVICE

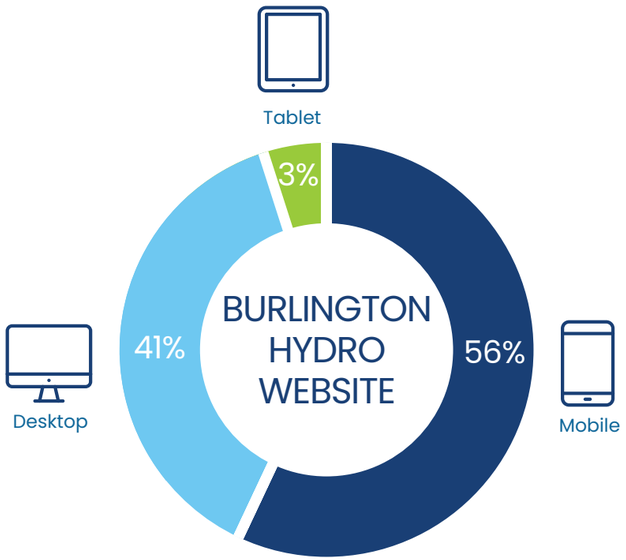
**43,732**
Total number of calls to customer Service

**8,500**
Move in/Move out service calls

**42%**
Of customers enrolled in our paperless E-Billing accounts

**1,636**
Service orders scheduled in 2023

**14,203**
Locates completed in 2023




Total Visits to the website burlingtonhydro.com **554,181**

Total Visits to the Outage Map **215,854**

### OVERALL REPORT CARD SCORE – "A"

### CUSTOMER SATISFACTION SURVEY RESULTS

**90%** Overall **Customer Satisfaction**

**84%** of customers agree, we deliver on our **service commitments**

**83%** of customers have had a **good customer experience** with us

**82%** of customers agree that we are **trusted & trustworthy**

### SOCIAL MEDIA

Impressions – **723,300**
Profile visits – **34,636**
**9% increase in followers**

Impressions – **92,620**
**25% increase in followers**

Impressions – **32,544**
**85% increase in followers**

Total Interactions – **48,195**
Total profile views – **91,252**

Our new Facebook account – Burlington Hydro Inc.

# A RANGE OF CHOICE

## ULTRA-LOW OVERNIGHT (ULO) RATE PLAN

In November 2023, Burlington Hydro rolled out an innovative Ultra-Low Overnight (ULO) price plan, in compliance with the mandate from the Ontario Energy Board for all Local Distribution Companies (LDCs) across the province. This introduction marks a significant and positive development for Ontario's Energy Sector.

The ULO price plan offers tangible benefits to customers, particularly those who consume more electricity during off-peak hours, such as electric vehicle (EV) users. By providing lower rates during overnight hours, we aim to incentivize more individuals to make the switch to electric vehicles and reduce their carbon footprint.

The ULO price plan is structured across four distinct time periods:

- On-Peak: Weekdays from 4 p.m. to 9 p.m.
- Mid-Peak: Weekdays from 7 a.m. to 4 p.m., and 9 p.m. to 11 p.m.
- Off-Peak: Weekends and statutory holidays from 7 a.m. to 11 p.m.
- Ultra-Low Overnight: Every day from 11 p.m. to 7 a.m.

Through this initiative, Burlington Hydro aims to empower customers with choice and affordability while encouraging environmentally responsible energy consumption practices.

Burlington Hydro offers pricing flexibility to residential and small-business customers through the Regulated Price Plan (RPP) which has three pricing options to select from: Time-of-Use (TOU), Ultra-Low Overnight (ULO) and Tiered.  Customers who procure their energy from an energy retailer are eligible for the RPP when their retail contract expires.

## THE GREEN BUTTON PLATFORM

The Green Button platform was designed to empower residents and businesses by providing detailed insight into their energy consumption. Supported by the Province of Ontario and conveniently integrated with Burlington Hydro's enhanced MyAccount portal, this initiative helps customer manage their electricity usage and provides them with great control over their energy consumption.

Through the Green Button platform, households and businesses can effortlessly access and securely download detailed energy data and authorize its automatic transfer to third-party Green Button applications of their choosing.

Using the Green Button platform customers can:

- Gain a comprehensive understanding of their energy usage, enabling informed decision-making.
- Select the most suitable electricity price plan tailored to their specific needs.
- Track and analyze energy consumption trends, facilitating optimization and cost savings.
- Make informed decisions regarding energy efficiency upgrades, promoting sustainability and reducing environmental impact.

By leveraging the Green Button platform, customers can make smarter energy choices, ultimately leading to greater efficiency, cost savings, and environmental stewardship.

**"By offering standardized access to energy usage data, we are enabling them to choose solutions that suit their specific needs. This helps them manage electricity consumption more effectively."**

- Jennifer Smith, EVP, Corporate and Chief People Officer

## ENHANCED MYACCOUNT PORTAL TAILORED TO CUSTOMER NEEDS

Burlington Hydro is dedicated to delivering exceptional service, always aiming to ensure a positive experience for our customers. Our recently revamped MyAccount Customer Portal, introduced in November 2023, reflects this commitment by providing customers with greater convenience, control, and insight into energy usage patterns.

This enhanced portal offers a comprehensive suite of new features, including the ability to link multiple accounts, delegate users, access downloadable energy usage data, and explore time-of-use (TOU) versus tiered pricing comparisons.

# FOSTERING A SAFE, HEALTHY WORK ENVIRONMENT

At Burlington Hydro, our top priority is ensuring the safety of our employees, our contractors, our customers and the public. We understand that fostering and maintaining a strong safety culture relies on leadership support, organizational commitment, and personal employee responsibility.

Our stringent safety protocols and procedures adhere to the highest standards of training and certification within the industry. Our proactive approach to safety empowers our employees and ensures clear accountability, with outcomes tied to measurable performance objectives and goals.

## MINIMIZING RISK BY ENHANCING HEALTH AND SAFETY PRACTICES

Ontario's Workplace Safety and Insurance Board (WSIB) Excellence Program provides Burlington Hydro with a robust framework to enhance its Health, Safety & Environmental Management System (HSEMS), offering strategies to proactively address, minimize, and mitigate existing and potential areas of risk.

In 2023, Burlington Hydro successfully concluded the second phase within this program, which comprises three phases covering 36 "HSEMS" topics.

Moreover, Burlington Hydro has also achieved the highest level, Platinum (Sustainability), in the Infrastructure Health and Safety Association's (IHSA) Zero Quest program, showcasing the company's steadfast commitment to safety and sustainability.

"We are proud to have surpassed 1.4 million productive hours without a lost-time injury in 2023, and we are unwavering in our determination to uphold this exceptional safety record across all our operations."

- Gerry Smallegange, President and Chief Executive Officer

## PROMOTING ELECTRICAL SAFETY IN THE COMMUNITY

At Burlington Hydro, we demonstrate our commitment to public safety through our "Power to be Safe" public safety campaigns, by sending out storm preparation and other safety messages using social media, publishing safety tips on our website safety portal and our customer newsletter, and conducting an annual electrical safety public awareness survey.

Other community safety initiatives include:

- Funding an annual elementary school program entitled the Burlington Hydro "Power to be Safe" Roadshow to 12 Burlington schools, catering to a total of 4,164 students from Junior Kindergarten to Grade 8.
- Serving as a partner in Our Youth at Work, a popular and impactful safety awareness program for high school children preparing to enter the workforce.
- Leading the Safe Communities and Passport to Safety programs.

## MITIGATING CYBERSECURITY THREATS

### KEEPING OUR DATA SAFE

Burlington Hydro continues to improve its cybersecurity and risk management program to protect both critical infrastructure and data against evolving cyber threats such as hacking, ransomware attacks, malware and unauthorized access.

In addition to working with partner companies and industry leading organizations to enhance security controls and processes, Burlington Hydro assesses and reports its cybersecurity capabilities to its regulator, the Ontario Energy Board (OEB), using the Ontario Cyber Security Framework (OCSF) that was developed based on evolving industry standards.

Burlington Hydro's robust cyber defense strategy ensures there are multiple security controls in place to protect information and assets. The company's proactive approach includes ongoing monitoring, rigorous testing, and continuous validation of controls. We're also focused on improving business continuity planning, network protection, and employee awareness training to enhance our security measures.

# BUILDING STRONG COMMUNITY RELATIONSHIPS

Burlington Enterprises Corporation is dedicated to fostering strong relationships with a diverse array of community stakeholders through strategic engagement and outreach efforts.

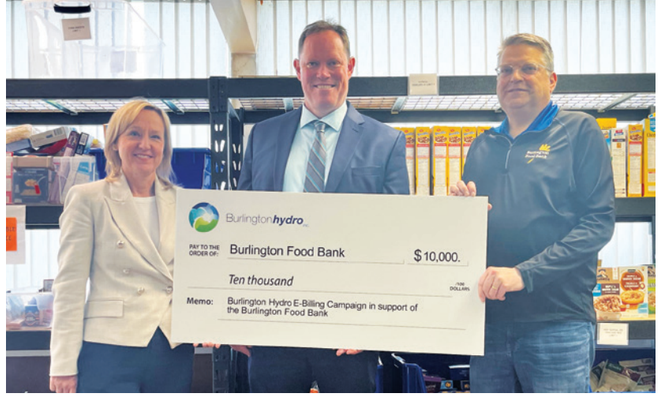
## BURLINGTON'S FESTIVAL OF LIGHTS

Every year, from December to early January, Burlington Electricity Services brightens up the City of Burlington's waterfront with the Festival of Lights. This cherished holiday tradition draws thousands of local residents and visitors who stroll through the park with family and friends to admire the themed displays. Countless others delight in the spectacle as they drive along Lakeshore Road. In 2023, the Festival celebrated its 28th anniversary.

This special holiday event is made possible by the generous support of community partners and the dedication of numerous volunteers who assist with set-up and take-down each year.

We take pride in involving local high school students in the process, allowing them to contribute to the creation of waterfront displays. Among the recent favourites are "He Shoots. He Scores" and "Happy New Year."

For more information on the Festival of Lights, visit **www.burlingtonfestivaloflights.com** and follow event news on Facebook, X and Instagram.





## SUPPORTING OUR COMMUNITY

Burlington Hydro is deeply committed to enhancing the wellbeing of the Burlington community through various initiatives, including sponsorships, employee volunteerism, and fundraising activities.

**United Way - Halton & Hamilton Chapter**
In 2023, Burlington Hydro proudly received the "Champions of Change" workplace award from the United Way of Hamilton & Halton Region. This recognition honored Burlington Hydro's efforts to inspire others to engage, raise funds, and promote awareness for crucial issues within our community.

Burlington Hydro and its employees rallied together, raising nearly $30,000 through payroll deductions, an employee contribution matching program, and a series of fundraising events. These events included a food truck charity lunch, summer fundraiser barbeques, participation in the United Way Plane Pull and Show Your Local Love events, as well as collecting gifts for the Holiday Helping Hand program.

**Burlington Green**
Burlington Hydro proudly sponsored the "Action on Climate Day" event, where participants learned about climate action, test-drove electric vehicles, explored eco-friendly homes, and had the chance to win an e-bike. Additionally, the company sponsored the Make the Switch 2023 event, encouraging people to adopt sustainable options for a cleaner, greener Burlington.

**Burlington Food Bank**
Burlington Hydro's 2023 paperless e-billing campaign successfully raised $10,000 for the Burlington Food Bank, providing crucial support for those in need.

**Bay Area Science and Engineering Fair**
As an annual sponsor of the regional Bay Area Science and Engineering Fair, Burlington Hydro plays a vital role in inspiring students in grades 7-12 to explore the world of science, technology, engineering, and mathematics (STEM).

**Burlington Chamber of Commerce**
As an active member of the Burlington Chamber of Commerce, Burlington Hydro supported various events throughout the year, including the Green Economy Symposium, Take Your Kid to Work Day, Women Leaders and Allies Event.

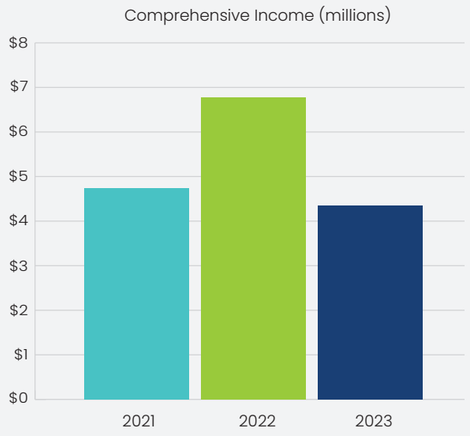
# SHAREHOLDER REPORT

## 2023 BURLINGTON ENTERPRISES CORPORATION CONSOLIDATED FINANCIAL SNAPSHOT

Our 2023 financial performance exceeded budget during a year which continued to be impacted by global unrest and the lingering effects of the COVID pandemic. Higher interest rates, supply chain challenges, a tight labour market and extreme weather events continued to affect distribution system revenue and costs. Despite these ongoing challenges we were able to exceed our net income target and invest $32.4 million in capital infrastructure to ensure we continue to meet our customers' expectations.

For the year, Burlington Enterprises Corporation reported net income of $4.4 million. The primary drivers of the year-over-year change were higher operating expenses and payments in lieu of taxes (PILs).

| Financial Highlights<br>For the year ended December 31<br>(Canadian $ in millions) | 2023 | 2022 |
|---|---|---|
| **Financial Results** | | |
| Gross Revenue | 229.6 | 232.7 |
| Operating Expenses | 24.9 | 23.3 |
| Net Income | 4.4 | 6.8 |
| **Balance Sheet Information** | | |
| Total Assets | 272.7 | 238.8 |
| LT Debt Less Current Maturities | 62.7 | 64.8 |
| Total Shareholder's Equity | 97.8 | 96.7 |
| **Financial Measures** | | |
| Return on Equity | 4.5% | 7.0% |
| Operating Expenses as a % of Gross Revenue | 10.8% | 10.0% |
| **Value Measures** | | |
| Dividend Yield | 7.2% | 5.3% |
| 5 Year Avg. Dividend Payout Ratio | 51% | 49% |

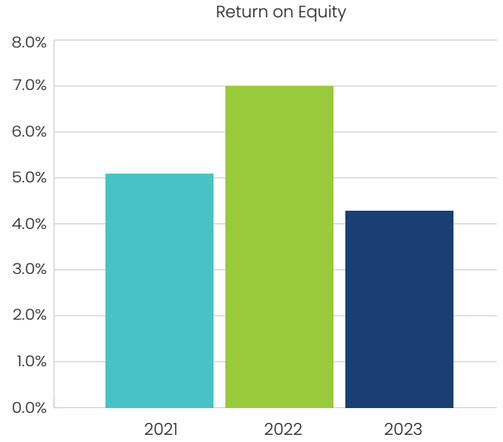



## NET INCOME $4.4 MILLION

In 2023, we delivered $4.4M in net income while continuing to invest in strategic assets to enhance reliability, safety and the customer experience. These investments included equipment upgrades at our Municipal Substations, and over $4M in cable, transformer and pole replacements which will contribute to future reliability.

We integrated new technologies for the benefit of our customers such as enhancements to our customer information systems, the implementation of the Ultra Low Overnight pricing plan, and the launch of Green Button - an application which allows consumers to track and control their energy usage.

We plan on investing $29.3M in capital over the next year, including a new outage management system.




## RETURN ON EQUITY 4.5%

Burlington Enterprises Corporation's proven business model has delivered consistent earnings over the years while ensuring that a strong balance sheet is sustained. Maintaining a strong balance sheet is foundational to Burlington Enterprises Corporation's long term success with a goal of continuing strong liquidity and leveraging positions in order to maximize future flexibility.

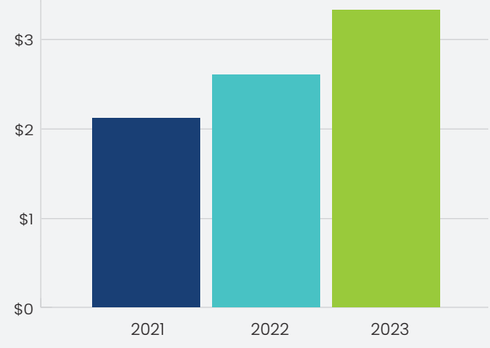
In 2020, Burlington Hydro filed its most recent Cost of Service rate application with new rates taking effect May 1, 2021. This application covers the five-year period 2021 through 2025 and provides long-term certainty for future distribution rates, in addition to resetting the company's regulated rate of return.

## DIVIDENDS AND INTEREST $4.7 MILLION

Bulrington Enterprises Corporation is proud of its long-term track record of creating shareholder value and remains focused on delivering on our commitment of providing a consistent dividend.

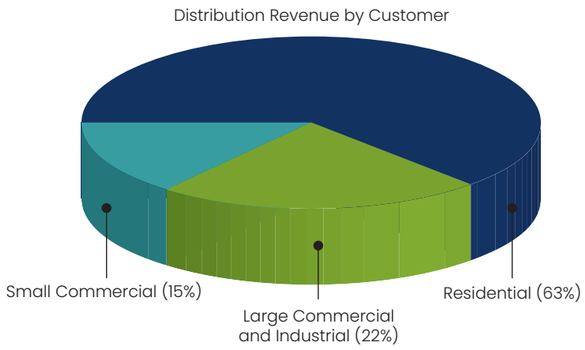
2023 marks 23 consecutive years that Burlington Enterprises Corporation has made a dividend payment to the City of Burlington with total interest and dividends since 2001 of $132.5 million.

In 2023, the City of Burlington received $3.3 million in dividends from Burlington Enterprises Corporation and interest revenue from Burlington Hydro Inc. of $1.4 million for a total cash return of $4.7 million.




## A GROWING & DIVERSE CUSTOMER BASE

With more than 62,000 residential, 5,650 small commercial and 940 large commercial accounts, Burlington Hydro benefits from a well-diversified customer base.




## BUILDING MOMENTUM FOR THE LONG-TERM

With a focus on corporate responsibility, customer value and communications, Burlington Enterprises Corporation strives to contribute to the quality of life in the community, aligning its business strategies in ways that lend support to the City's sustainable growth. With a consistent record of excellent safety performance, positive employee relations, ongoing reinvestment in its assets, and strong system reliability, Burlington Enterprises Corporation is well positioned to build on its strengths and lay the foundation for future success.

We look forward to continuing our long-term track record of delivering value to customers and distributing electricity safely and reliably at a reasonable cost.

# BURLINGTON ENTERPRISES CORPORATION

## Consolidated Statement of Financial Position

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash | $ 7,378,546 | $ 5,676,497 |
| Securities held as customer deposits | 2,648,010 | 2,730,669 |
| Accounts receivable | 28,637,166 | 21,750,653 |
| Unbilled revenue | 19,560,366 | 19,581,250 |
| Materials and supplies | 5,502,791 | 5,128,448 |
| Prepaid expenses | 840,340 | 441,144 |
| Income taxes receivable | 642,355 | — |
| **Total current assets** | **65,209,574** | **55,308,661** |
| **Non-current assets** | | |
| Right-of-use assets | 226,260 | 363,000 |
| Property, plant and equipment | 197,215,360 | 172,832,275 |
| Intangible assets | 10,033,806 | 10,311,332 |
| **Total non-current assets** | **207,475,426** | **183,506,607** |
| **Total assets** | **272,685,000** | **238,815,268** |
| Regulatory debit balances | 26,753,259 | 28,625,151 |
| **Total assets and regulatory balances** | **$ 299,438,259** | **$ 267,440,419** |



BURLINGTON ENTERPRISES CORPORATION

Consolidated Statement of Financial Position

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---|---|
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable, accrued and other liabilities | $ 37,974,177 | $ 27,370,648 |
| Current portion of lease liabilities | 34,617 | 83,911 |
| Current portion of long-term debt | 2,119,635 | 2,041,736 |
| Customer deposits | 2,648,010 | 2,730,669 |
| Work order deposits | 12,386,990 | 7,126,704 |
| Deferred revenue | 1,432,715 | 1,484,236 |
| Income taxes payable | — | 50,279 |
| **Total current liabilities** | **56,596,144** | **40,888,183** |
| Non-current liabilities | | |
| Deferred revenue | 60,583,771 | 41,451,617 |
| Deferred tax liabilities | 7,913,313 | 6,292,144 |
| Long-term lease liabilities | 42,257 | 91,243 |
| Long-term debt | 62,674,038 | 64,793,673 |
| Liability for employee future benefits | 3,591,398 | 3,414,868 |
| **Total non-current liabilities** | **134,804,777** | **116,043,545** |
| **Total liabilities** | **191,400,921** | **156,931,728** |
| **Equity** | | |
| Share capital | 45,639,338 | 45,639,338 |
| Paid-up capital | 876,228 | 876,228 |
| Retained earnings | 50,819,869 | 49,626,307 |
| Accumulated other comprehensive loss | 452,651 | 597,517 |
| **Total equity** | **97,788,086** | **96,739,390** |
| **Total liabilities and equity** | **289,189,007** | **253,671,118** |
| Regulatory credit balances | 10,249,252 | 13,769,301 |
| **Total liabilities, equity and regulatory balances** | **$ 299,438,259** | **$ 267,440,419** |

# Consolidated Statement of Comprehensive Income

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---|---|
| **Revenue** | | |
| Distribution revenue | $ 35,469,935 | $ 34,367,550 |
| Other operating revenue | 6,452,829 | 4,496,083 |
| | 41,922,764 | 38,863,633 |
| Sale of electricity | 187,703,559 | 193,829,817 |
| **Total revenue** | **229,626,323** | **232,693,450** |
| **Operating expenses** | | |
| Operations and maintenance | 11,826,103 | 10,740,755 |
| Billing and customer service | 3,400,238 | 3,445,403 |
| General administration | 9,671,640 | 9,136,082 |
| Depreciation and amortization | 8,301,336 | 7,739,559 |
| | 33,199,317 | 31,061,799 |
| Cost of power purchased | 190,083,327 | 194,093,416 |
| Total expenses | 223,282,644 | 225,155,215 |
| Income from operating activities | 6,343,679 | 7,538,235 |
| Net finance costs | (1,622,165) | (1,928,980) |
| Income before income taxes | 4,721,514 | 5,609,255 |
| Income taxes | | |
| Current | 194,708 | 233,879 |
| Deferred | 1,673,401 | 1,281,123 |
| | 1,868,109 | 1,515,002 |
| **Net income** | 2,853,405 | 4,094,253 |
| **Net movement in regulatory balances, net of tax** | | |
| Net movement in regulatory balances | 2,771,115 | 498,051 |
| Income tax on net movement in regulatory balances | (1,122,958) | 1,433,558 |
| | 1,648,157 | 1,931,609 |
| Net income and net movement in regulatory balances | 4,501,562 | 6,025,862 |
| Other comprehensive income (loss) | | |
| Remeasurements of liability for future benefits, net of tax | (144,866) | 788,851 |
| **Total comprehensive income** | **$ 4,356,696** | **$ 6,814,713** |





# Consolidated Statement of Changes in Equity

Year ended December 31, 2023, with comparative information for 2022

| | Share Capital | Contributed Surplus | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|
| **Balance at January 1, 2022** | $ 45,639,338 | $ 876,228 | $ 46,000,445 | $ (191,334) | $ 92,324,677 |
| Net income and net movement in regulatory balances | | | 6,025,862 | | 6,025,862 |
| Other comprehensive income | | | | 788,851 | 788,851 |
| Dividends | | | (2,400,000) | | (2,400,000) |
| **Balance at December 31, 2022** | $ 45,639,338 | $ 876,228 | $ 49,626,307 | $ 597,517 | $ 96,739,390 |
| **Balance at January 1, 2023** | $ 45,639,338 | $ 876,228 | $ 49,626,307 | $ 597,517 | $ 96,739,390 |
| Net income and net movement in regulatory balances | | | 4,501,562 | | 4,501,562 |
| Other comprehensive income | | | | (144,866) | (144,866) |
| Dividends | | | (3,308,000) | | (3,308,000) |
| **Balance at December 31, 2023** | $ 45,639,338 | $ 876,228 | $ 50,819,869 | $ 452,651 | $ 97,788,086 |

# BURLINGTON ENTERPRISES CORPORATION

## Consolidated Statements of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---|---|
| **Operating activities** | | |
| Net income and net movement in regulatory balances | $ 4,501,562 | $ 6,025,862 |
| Adjustments for: | | |
| Depreciation and amortization | 8,301,336 | 7,739,559 |
| Amortization of deferred revenue | (1,210,061) | (928,791) |
| Employee future benefits | (20,567) | (154,060) |
| Loss on disposal / adjustment of property, plant and equipment | 76,390 | 170,441 |
| Net finance costs | 1,622,165 | 1,928,980 |
| Income tax expense | 1,868,109 | 1,515,002 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | (6,886,513) | (785,667) |
| Unbilled revenue | 20,884 | (1,498,048) |
| Materials and supplies | (374,343) | (1,035,144) |
| Prepaid expenses | (399,196) | 206,476 |
| Accounts payable, accrued and other liabilities | 10,603,527 | 8,344,152 |
| Work order deposits | 5,260,286 | 811,768 |
| Deferred revenue | (51,521) | 64,530 |
| | 23,312,058 | 22,405,060 |
| Regulatory balances | (1,648,157) | (1,931,609) |
| Income tax paid | (887,340) | (587,262) |
| Income tax received | — | 77,796 |
| Interest paid | (2,157,652) | (2,167,083) |
| Interest received | 535,487 | 238,103 |
| **Net cash from operating activities** | **19,154,396** | **18,035,005** |



BURLINGTON ENTERPRISES CORPORATION

Consolidated Statements of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---|---|
| **Investing activities** | | |
| Purchase of property, plant and equipment | (31,739,813) | (16,909,324) |
| Proceeds on disposal of property, plant and equipment | 10,181 | 69,546 |
| Purchase of intangible assets | (642,926) | (393,363) |
| Contributions received from customers | 20,342,215 | 5,757,619 |
| **Net cash used by investing activities** | (12,030,343) | (11,475,522) |
| **Financing activities** | | |
| Dividends paid | (3,308,000) | (2,400,000) |
| Repayment of long-term debt | (2,041,736) | (1,966,527) |
| Repayment of lease liabilities | (72,268) | (96,317) |
| Proceeds from long-term debt | — | — |
| **Net cash used in financing activities** | (5,422,004) | (4,462,844) |
| Change in cash | 1,702,049 | 2,096,639 |
| Cash, beginning of year | 5,676,497 | 3,579,858 |
| **Cash, end of year** | $ 7,378,546 | $ 5,676,497 |

# BOARD OF DIRECTORS

## Committed to strong corporate governance and accountability

**Susan Kilburn**
Chair

**Marianne Meed Ward**
Mayor

**Tim Commisso**

**Nicole Fabbro**

**David Kerr**

**John Maheu**

**Sherry Smith**

**Patricia Volker**

# EXECUTIVE TEAM

## Committed to providing leadership, with a focus on Corporate Responsibility, Resiliency & Sustainability

**Gerry Smallegange**
President and Chief Executive Officer

**Sally Blackwell**
Executive Vice President and Chief Financial Officer

**Jennifer Smith**
Executive Vice President, Corporate and Chief People Officer

**Paul Heeg**
Vice President, Engineering Services and Network Operations

**Joe Saunders**
President, Burlington Electricity Services Inc.



The upcoming year holds great promise for Burlington Hydro as we embark on a journey of dynamic engagement. Our focus remains steadfast on fostering strong connections with stakeholders, customers, and community partners. Through innovative collaborations, we aim to ignite growth within the City of Burlington, showcasing our commitment to its forward-thinking development as we stride confidently into the future together.

# community at the core

1340 Brant Street, Burlington, Ontario L7R 3Z7 | 905.332.1851
@BurlingtonHydro | @burlingtonhydro
Burlington Hydro Inc. | Burlington Hydro Inc.
burlingtonhydro.com | gridsmartcity.com | burlingtonelectricityservices.ca