OSHAWA POWER

Exhibit 1:
Administrative Documents

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1.1 APPLICATION

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

AND IN THE MATTER OF an Application by Oshawa PUC Networks Inc. (or OPUCN, herein referred to as Oshawa Power) under Section 78 of the OEB Act to the Ontario Energy Board (OEB) for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2026.

Oshawa Power is a corporation incorporated pursuant to the Business Corporations Act, R.S.O. 1990, c. B.16 with its head office in the City of Oshawa. Oshawa Power carries on the business of distributing electricity within the City of Oshawa. Oshawa Power's 2026 Cost of Service Application (EB-2025-0014) (the Application) presents evidence demonstrating how Oshawa Power will develop, operate and maintain its distribution system to ensure it provides safe, reliable, and cost-effective service to its customers.

The period for this Application covers seven years with (i) five years of historical information for the 2021-2025 period, (ii) a 2025 Bridge Year; and (iii) a 2026 Test Year.

The Distribution System Plan (DSP) covers ten years, including a five year forecast period starting with the 2026 Test Year and ending in 2030. Oshawa Power's last Cost of Service application and DSP were filed on July 24, 2020, for rates effective January 1, 2021.

Oshawa Power has prepared this Application in accordance with the following:

1. The OEB's Renewed Regulatory Framework for Electricity Distributors as detailed in the Report of the Board dated October 18, 2012 (RRFE)
2. The OEB's Handbook for Utility Rate Applications issued October 13, 2016
3. Chapters 2 and 5 of the OEB's Filing Requirements for Electricity Distribution Rate Applications – 2025 Edition for 2026 Rate Applications (the Filing Requirements), last revised on December 9, 2024
4. The Application and evidence filed in support of the 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)

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

6. Oshawa Power has not deviated from these filing requirements and has filed a copy of the 2026 COS Checklist (Attachment 1-1)

1.2 EXECUTIVE SUMMARY AND BUSINESS PLAN

1.2.1 Introduction

Oshawa PUC Networks Inc. (Oshawa Power or the Organization) provides a summary of the key elements of its Application, including its strategy, business, capital and operating plans that underpin this Application and the corresponding funding that is required to develop, operate and maintain its distribution system to ensure it provides safe, reliable, and cost-effective service to its customers. Oshawa Power is committed to serving its customers in an effective and efficient manner while pursuing excellence in all aspects of its business and operations.

In 2024, Oshawa Power's parent company Oshawa Power and Utilities Corporation (OPUC) issued its 2025-2030 Strategic Direction identifying a renewed vision, mission, values to transform its businesses in response to growing demand and transformation of the energy sector, technological innovation and advancement, and changes in the local market. Following this direction, Oshawa Power developed its 2026-2030 Strategic Plan (Attachment 1-2) identifying its strategic objectives in alignment with the four performance outcomes identified in the OEB's Renewed Regulatory Framework for Electricity Distributors (RRFE): A Performance Base Approach Report (RRFE Report), issued on October 18, 2012. Oshawa Power then developed its 2026-2030 Business Plan (Attachment 1-3) elaborating goals and success measures for each strategic objective.

The commitments made in the Business Plan underpin this Application. Oshawa Power's plan is the outcome of its strategic direction, business planning efforts, asset

management and capital expenditure planning processes, customer engagement, and coordinated planning with third parties. The plan is designed to address and appropriately balance the needs and preferences of its customers, the requirements of its distribution system, and relevant public policies and regulatory objectives.

1.2.2 About Oshawa Power

Oshawa Power is a regulated local distribution company (LDC) that has served the city of Oshawa with electricity distribution and related services for 130 years. Oshawa Power is licensed and rate-regulated by the OEB under the Ontario Energy Board Act, 1998 and is a wholly owned subsidiary of the City of Oshawa. Oshawa Power is dedicated to delivering a safe and reliable supply of electricity to approximately 63,000 residential, commercial, and industrial customers across Oshawa, with a mix of high-density urban and a large rural area outside the urban core.

To properly meet the demands of current and future customers, Oshawa Power is undertaking business transformation to modernize its operations, as well as increase support to its customers experiencing economic hardship while meeting the demands of the growth of the region of Durham (the Region). Oshawa Power is proposing a plan that will meet the evolving needs of customers as a leading enabler of integrated critical energy and communications infrastructure while ensuring customer trust every day by delivering safe, sustainable, reliable energy that customer's value at a competitive rate. Recognizing its expanding role in the daily lives of its customers, the Organization remains committed to delivering reliable electricity at a reasonable cost, while enhancing the overall quality of life for the community.

1.2.3 New Senior Management Team & Evolution as an LDC

The entire senior management team at Oshawa Power has turned over since the last Cost of Service rate filing. Aligned with Oshawa Power's 2026-2030 Strategic Plan, the new team brings a renewed focus on business transformation to maintain and enhance how Oshawa Power manages its system and serves its customers amid local growth,

policy and regulatory changes, and uncertainty related to the transformation of the energy sector. This new management brings a mix of utility, regulatory and business experiences that will benefit the organization and facilitate the growth anticipated.

Requirement for Investment in Staffing Resources & Modernization of Systems

As a medium-sized LDC, Oshawa Power has succeeded in offering among the lowest Operations, Maintenance and Administration (OM&A) costs per customer in Ontario, based largely on having a smaller staffing contingent compared to other LDCs. While sufficient in the past, the compounded effect of customer growth, technological advancement and increased policy and regulatory requirements means that significant investment is required now to ensure Oshawa Power can meet current and future demand while avoiding negatively impacting its customers.

As described in its Strategic Plan (Attachment 1-2), customer engagement surveys (see section 1.6), and further elaborated throughout this Application, Oshawa Power requires prudent investment in additional staff, implementation of modern systems, continued evolution of its financing strategy and support to collect more outstanding debt from customers. These plans will allow Oshawa Power to maintain its operational excellence and benefit both current and future customers.

Oshawa Power has made important investments in modernizing its system since its last cost of service application (EB-2020-0048), including implementation of time coding software to better track staff time in 2024. Like all modernization efforts, dedicated resources and investment are required upfront to develop and implement new systems before savings and future benefits, including enhanced accuracy of records, could materialize. For more information about the modernization work completed to date by Oshawa Power, see section 1.8.

In this Application, Oshawa Power has provided detailed variance analyses for all programs for the historical, bridge and test years as required by the Filing Requirements. While practices related to categorization of costs have greatly improved in the past few years, preparing analyses for this Application has highlighted that there remains an opportunity to improve efficiency going forward. The Organization is making further improvements to its accounting and project lifecycle practices, as well as improving

adherence to the OEB's Accounting Procedures Handbook, thereby minimizing the need for reconciliations or corrections later on.

In addition, Oshawa Power is investing in upgrading its Enterprise Resource Planning (ERP) system in 2027, which will support Oshawa Power's ability to provide more detailed and accurate variance analyses in its next Cost of Service application. The business case for the ERP upgrade has been included in Appendix A of the Distribution System Plan (DSP) in Exhibit 2. These initiatives will allow Oshawa Power to further provide transparency and accountability of information to the broader public.

Consolidating Operations for Efficiency

Oshawa Power has grown and changed with the community since 1931 when it began operating from its current building 100 Simcoe Street in downtown Oshawa. Functionally, this has meant that as it has grown, Oshawa Power has incrementally renovated and expanded its facilities around this building and to other sites within its service territory to keep costs low. At this time, Oshawa Power has been directed by its shareholder who owns the building to vacate the premises to allow for redevelopment for commercial and/or residential use. Given the Oshawa Power's need to modernize and support the growth of the community it serves; the Organization will be relocating to a new operational & administrative building in the North of its service territory. The new building will serve as the Organization's head office, storehouse and garage, alongside its new pole yard, located close to most of Oshawa's planned growth. No request for approval or pre-approval of cost recovery is being made at this time while the design is finalized. Oshawa Power anticipates filing an Incremental Capital Module (ICM) application once the costs and in-service timelines are more certain.

Ensuring Affordability for Customers

Oshawa Power has long held affordability as a fundamental tenet in the execution of business activities. Beyond keeping rates reasonable, the Organization has a history of putting meaningful additional resources toward affordability, including:

1. Allocating a significant portion of Save On Energy funding to low-income, residential and small business programs under the Conservation First Framework;

2. Running various pilots that support customer choice and affordability with funding from the Independent Electricity System Operator (IESO) and OEB; and,
3. Creating a new energy assistance program in 2020 called the Compassion Fund, which focussed on customers that did not qualify for other funding programs but were struggling with bill payments.

In preparing this Application, Oshawa Power heard from customers that affordability continues to be a top priority in its engagement activities, see section 1.6. Furthermore, Oshawa Power recognizes the increasing intersectionality between electricity access/use and positive outcomes in Ontario's economic and social context. Affordability is a key theme that permeates Oshawa Power's strategic priorities, set forth in this Application.

To support its customers with the resulting bill impacts of the prudent investments described in this Application, Oshawa Power is also proposing to provide additional support for low-income customers through contributions to the Low-income Energy Assistance Program (LEAP). Moreover, Oshawa Power is also seeking to ensure that its customers reap the benefits of local programs to be developed under IESO's newly-announced 2025-2036 Electricity Demand Side Management Framework. See Exhibit 4 for more information. In addition, Oshawa Power is pursuing other cost savings opportunities throughout its Application, such as its financing strategy in Exhibit 5.

1.2.4 Business Plan Overview

Vision Statement

Be a trusted partner and leader in the energy sector today and tomorrow.

Mission Statement

Empower customers to thrive through the evolving energy transition.

Values & Operational Themes

Oshawa Power's values are as follows.

- **Safety** – Remain dedicated to always keeping both our community and employees safe. We are proud to offer continuous safety communications and training to both our customers and workforce.
- **Stewardship** – Dedicated to supporting the community we work in, driving energy resilience through advocacy, openness, and storytelling.
- **Innovation** – Remain outwardly focused to ensure we maintain an innovative approach to our regulated business that benefits our customers.
- **Customer Focus** – Empowering and educating our customers while providing better service and transparency is key to our operations. With the customer in mind, we drive our decisions to safeguard mutual value.
- **Care for People** – Always treat employees, customers, community and partners with respect and look to grow together with trust and integrity. Encourage open dialogue and collaboration.
- **Courage to Act** – Gain strength from challenges and tough decisions. We are not afraid of failure. We thrive on learning and development to support change and continuous improvements that benefit our customers.

1.2.5 Alignment with Renewed Regulatory Framework

The OEB's RRFE is designed to support the cost-effective planning and operation of the electricity distribution network, including distribution systems like Oshawa Power's. The RRFE framework is a comprehensive performance-based approach to regulation that aligns the interests of customers and electricity distributors to achieve mutually beneficial outcomes while contributing to the achievement of public policy objectives. The OEB emphasized outcomes rather than activities will better respond to customer preferences, enhance distributor productivity, and promote innovation.

The OEB concluded that the following outcomes are appropriate for electricity distributors:

- **Customer Focus:** services are provided in a manner that responds to identified customer preferences;

- **Operational Effectiveness:** continuous improvement in productivity and cost performance is achieved, and utilities deliver on system reliability and quality objectives;
- **Public Policy Responsiveness:** utilities deliver on obligations mandated by the government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the OEB); and,
- **Financial Performance:** financial viability is maintained.

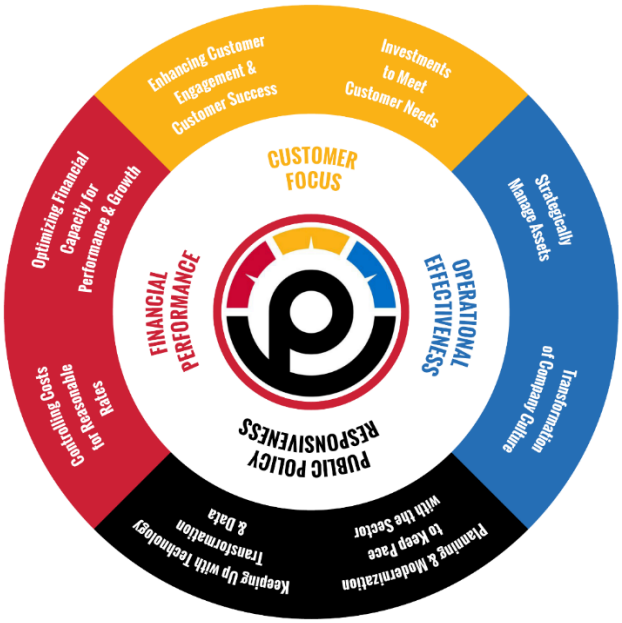
Oshawa Power's strategic objectives align with the RRFE performance outcomes and leverage its strengths to ensure cost performance and reliability while preparing for the future. These objectives align with its Mission, Vision, and Values, and set clear goals to measure success while providing a guiding framework for its operations.

Table 1-1: Oshawa Power's Approach to Addressing the RRFE Outcomes

RRFE Outcome	Oshawa Power's Approach
Customer Focus	Oshawa Power is committed to adapting to its customers' evolving needs by fostering stronger relationships through transparency, active listening, and strategic investments aligned with customer preferences.
Operational Effectiveness	Oshawa Power is dedicated to the ongoing enhancement of productivity and effectiveness across its operations, with a focus on teams and implementation strategy.
Public Policy Responsiveness	Oshawa Power meets its obligations while adapting to rapid sector changes, centering on planning, modernization, and advancing technology to keep pace with the evolving energy landscape.
Financial Performance	Oshawa Power will maintain its financial viability by finding operational savings as it modernizes and improves efficiency, ensuring customer rates stay reasonable while supporting the Organization's growth.

The strategic objectives for each performance outcomes are outlined below.

Figure 1-1: Oshawa Power Strategic Objectives



Oshawa Power's strategic objectives for **Customer Focus** include enhancing customer engagement and success, as well as making investments to meet customer needs. By strengthening customer engagement, Oshawa Power aims to build trust, promote openness, and demonstrate a strong commitment to actively listening to customer needs – with success measured through improved customer satisfaction scores, positive partner feedback and requests from customers for more services and products. Through strategic investments, the Organization will implement enhancements that improve service by phone or in person, while also increasing customer engagement and satisfaction across various communication channels and supporting customer facing payment challenges.

Oshawa Power's strategic objectives for **Operational Effectiveness** include strategically managing assets and building a high performance talent strategy. By effectively managing its assets, Oshawa Power ensures that investments deliver long-term value to customers while carefully balancing asset lifecycle costs with associated risks. The Organization's Strategic Asset Management Plan, asset management policies and 2026-2030 Distribution System Plan will ensure prudent investment in the system while

maintaining high standards of safety and reliability. Through its high performance talent strategy, Oshawa Power aims to enhance talent attraction and retention strategies to remain competitive in a challenging labor market by establishing a learning culture and improving employee experience, while strengthening workforce capacity.

Oshawa Power's strategic objectives for **Public Policy Responsiveness** include planning and modernization to keep pace with the sector and keeping up with technology transformation and data. By modernizing its distribution system, Oshawa Power ensures that customers benefit from innovations, policies, and programs related to the energy transition as well as enhanced Activity and Program-Based Benchmarking by the OEB. Through ongoing adaptation to technological advancements and data management, the Organization strategically invests in, selects, and utilizes new technologies and processes following its IT Business Transformation Strategy (see Attachment 1-4) including investment in an updated ERP system, while maintaining cybersecurity in alignment with the OEB's Cybersecurity Framework.

Oshawa Power's strategic objectives for **Financial Performance** include controlling costs for reasonable rates and optimizing financial capacity for performance and growth. The Organization emphasizes excellence in its regulatory compliance and demonstrating cost-effectiveness in its operations and investments, while keeping a focus on the management of outstanding customer debts. By optimizing financial capacity, Oshawa Power ensures financial viability and enhances its ability to sustain performance and adapt to evolving customer requirements.

1.2.6 Oshawa Power's Asset Management Process

Oshawa Power's asset management process is guided by its Strategic Asset Management Plan (SAMP), which outlines the Organization's approach to managing assets effectively and efficiently to achieve its asset management objectives. The plan provides a framework for decision-making related to asset planning, acquisition, operation, maintenance, renewal, and disposal. By adhering to this plan, Oshawa Power aims to optimize asset performance, reliability, and sustainability while ensuring cost-

effectiveness and compliance with regulatory requirements. See the Appendix G to the DSP in Exhibit 2 for Oshawa Power's SAMP.

Table 1-2: Alignment of Asset Management Objectives with RRFE

RRFE Outcome	Operational Theme	Asset Management Objectives
Operational Effectiveness	Safety	Ensure proper installation, operation, inspection & maintenance activities are established and followed to maintain the highest level of safety.
Operational Effectiveness	Reliability	Strategically plan, design, build, operate & maintain Oshawa Power's system to meet and exceed reliability targets.
Customer Focus	Customer Focus	Enhance transparency and facilitate customer feedback and engagement to ensure needs and issues are addressed proactively.
Financial Performance	Stewardship	Ensure financial, regulatory, and environmental stewardship is upheld for all stakeholders
Public Policy Responsiveness	Innovation	Employ creative means, technological and otherwise, to create value through both evolutionary and revolutionary continuous improvement efforts, striving toward operational excellence.

1.2.7 Risk and Uncertainty

The evidence included in this Application has been prepared over several years, and reflects the best available information available as of early 2025. However, at the time of filing in April 2025, there remained significant political and economic uncertainty nationally and globally related to recently announced tariffs on trade. These may have a material impact on Oshawa Power and its customers, as well as on the evidence within this Application, including, but not limited to, the customer and load forecast, changes to interest rates and inflation affecting the internal and external costs for the Organization, and customers' ability to pay due to local economic impacts.

1.3 APPLICATION SUMMARY

This Application was prepared using financial actuals for 2021 to 2024, forecast financials for 2025, and a budget for 2026. The key elements of the proposal are outlined in Table 1-3 below which are further discussed throughout the Application.

Table 1-3: Application Summary

Revenue Requirement Components	2026 Test Year ($)
Base Revenue Requirement	$38,848,892
Revenue Offsets	$3,478,107
Service Revenue Requirement	$42,326,999
Revenue Deficiency	$6,670,156
Rate Base	$183,958,685
Working Capital	$11,797,711
OM&A (excluding Property Taxes)	$22,271,990
Capital Expenditures	$17,018,746

The Oshawa Power Board of Directors confirmed in a letter signed by the Chair of the Board of Directors that they are aware of and approve the key elements of the application (Attachment 1-5).

1.3.1 Revenue Requirement

As outlined in Exhibit 6, Oshawa Power's requested Base Revenue Requirement for the 2026 Test Year is $38,848,892, an increase of 46% over the 2021 OEB Approved amount of $26,654,513 which provides the recovery for the following:

1. Operations, Maintenance, and Administration Expenses;
2. Amortization Expense;
3. Payment in Lieu of Taxes (PILs); and Return on Rate Base (Debt Interest Expense + Return on Equity)

The Table below shows the comparison of the Revenue Requirement calculations between the 2021 OEB Approved and the 2026 Test Year.

Table 1-4: Revenue Requirement 2026 Test Year vs. 2021 OEB Approved

Revenue Requirement Components	2021 OEB Approved	2026 Test Year	Variance 2026 to 2021	% Variance 2021 to 2026
RATE BASE CALCULATION				
Fixed Assets Opening Balance	$133,293,239	$167,647,493	$34,354,255	26%
Fixed Assets Closing Balance	$139,840,294	$176,674,454	$36,834,161	26%
Average Fixed Asset Balance for Year	$136,566,766	$172,160,974	$35,594,208	26%
Working Capital Allowance	$10,185,335	$11,797,711	$1,612,377	16%
Rate Base	**$146,752,101**	**$183,958,685**	**$37,206,584**	**25%**
COST OF CAPITAL				
Cost of Debt	$2,846,926	$3,800,586	$953,660	33%
Return on Equity	$4,895,650	$6,622,513	$1,726,863	35%
Regulated Return on Capital	**$7,742,576**	**$10,423,099**	**$2,680,523**	**35%**
REVENUE REQUIREMENT				
OM&A	$13,866,092	$22,271,990	$8,405,898	61%
Property Taxes	$152,097	$164,562	$12,465	8%
Depreciation	$6,190,747	$9,467,348	$3,276,601	53%
Payments in Lieu of Taxes (PILs)	$0	$0	$0	No change
Service Revenue Requirement	**$27,951,512**	**$42,326,999**	**$14,375,487**	**51%**
Revenue Offsets	($1,296,999)	($3,478,107)	($2,181,108)	168%
Base Revenue Requirement	**$26,654,513**	**$38,848,892**	$12,194,380	46%

The main drivers of the 2026 revenue requirement changes from the 2021 OEB Approved amounts are:

- **Rate Base**: Rate base increased by $37,206,584 or 25%, to $183,958,685 for the 2026 Test Year. This was a result of the increases in fixed assets and working capital allowance.
    - **Fixed Assets**: The 26% increase in fixed assets is primarily due System Renewal spending to improve system reliability and mitigate customer outage impacts, including overhead and underground system rebuilds and reactive work from emergency repairs, as well as System Access spending to connect customers and support third party driven relocations. The details are discussed in section 1.3.3 below and Exhibit 2.
    - **Working Capital Allowance**: The working capital allowance component of Rate Base has increased by $1,612,377, or 16%, due to increased cost of power and increases in controllable expenses since 2021.

The details are discussed in Exhibit 2.

- **Regulated Return on Capital**: The return on capital has increased $2,680,523 or 35% as a result of growth in rate base, as well as increases to return on equity (ROE) and debt rates.
    - **Debt Interest Expense**: Cost of debt increased $953,660 or 33%. This is the result of increased debt since 2021, updated debt rates from Oshawa Power's lenders, and a higher deemed short-term debt rate from the OEB's 2025 Decision and Order on Cost of Capital & Other Matters (2025 Cost of Capital Decision, EB-2024-0063), issued on March 27, 2025.
    - **Return on Equity**: ROE increased by $1,726,863 or 35% resulting from an increase in total equity, as well as a higher deemed return on equity from the OEB's 2025 Cost of Capital Decision.

The details are discussed in Exhibit 5. Oshawa Power acknowledges that debt rates and ROE parameters are subject to further update throughout this proceeding for this Application.

- **Revenue Requirement**: Base revenue requirement increased by $12,194,380 by 46% because of a 51% increase in service revenue requirement resulting from increases to OM&A and depreciation, partially offset by increases in revenue offsets.
- **OM&A**: 2026 Test Year OM&A expenses including LEAP & property taxes are projected to increase by $8,405,898 compared to 2021 OEB Approved amounts, or 61%, which is primarily for new staff. The details are discussed in section 1.3.4 below and in Exhibit 4.
- **Depreciation**: An increase in the depreciation expense of $3,276,601, or 53%, which is primarily due to continued investments to serve customers, including hardware and software that depreciates more quickly than other assets. The details are discussed in Exhibit 2.
- **Revenue Offsets**: Revenue Offsets has increased by $2,181,108 or 168%, primarily due to amortization of deferred contributions recognized as revenue (Account 4245), accounting changes related to government policy and regulatory guidance. See Exhibit 6 for more details.

1.3.2 Load Forecast Summary

As outlined in Exhibit 3, Oshawa Power uses the same regression analysis methodology approved by the OEB in its last Cost of Service application (EB-2020-0048), including weather, economic, and time trend variables, with the addition of COVID variables. The following table highlights the changes in the load and customer growth within the Oshawa Power service territory from the 2021 OEB Approved to the forecast for the 2026 Test Year.

Table 1-5: Load Growth 2021 Actuals vs 2026 Test Year

Description	2021 OEB Approved	2026 Test Year Forecast	2026 Test Year Forecast vs. 2021 OEB Approved	2026 vs. 2021 - % change
Residential				
Customers	56,190	59,515	3,325	5.9%
kWh	496,495,068	551,504,306	55,009,239	11.1%
GS < 50				
Customers	4,269	4,523	254	6.0%
kWh	128,706,195	128,276,139	(430,056)	-0.3%
GS 50-999				
Customers	535	518	(17)	-3.1%
kWh	328,035,469	326,060,504	(1,974,965)	-0.6%
kW	825,711	826,398	687	0.1%
GS 1,000-4,999				
Customers	13	18	5	40.0%
kWh	76,465,711	74,664,595	(1,801,116)	-2.4%
kW	182,480	178,388	(4,092)	-2.2%
Large Use				
Customers	1	1	-	0.0%
kWh	38,878,939	34,931,300	(3,947,639)	-10.2%
kW	86,319	77,832	(8,487)	-9.8%
Street Light				
Connections	14,391	14,845	454	3.2%
kWh	4,555,628	4,665,082	109,454	2.4%
kW	12,504	13,198	694	5.6%
Sentinel Lights				
Connections	22	19	(3)	-13.6%
kWh	24,360	26,718	2,358	9.7%
kW	81	79	(2)	-2.3%
USL				
Connections	273	263	(10)	-3.7%
kWh	2,506,367	2,866,800	360,433	14.4%
Total				
Customers/Connections	**75,694**	**79,703**	**4,009**	**5.3%**
kWh	**1,075,667,737**	**1,122,995,443**	**47,327,706**	**4.4%**
kW from applicable classes	**1,107,095**	**1,095,895**	**(11,200)**	**-1.0%**

Based on the load forecast methodology, the 2026 Test Year kW forecast is 1,095,895 kW or a decrease of 1.0% from the 2021 OEB Approved. Whereas the 2026 Test Year kWh forecast of 1,122,667,737 kWh represents an increase of 4.4% from the 2021 OEB Approved. This movement can be explained by:

- 5.3% growth in customers & connections, primarily in residential and small general service customers
- Weather-normalized peak from commercial and industrial customers declining across most applicable rate classes

1.3.3 Rate Base and DSP

Rate Base

As noted above, Oshawa Power's 2026 Test Year Rate Base is $183,958,686, which is an increase of $37,206,584 or 25% compared to 2021 OEB Approved rate base of $146,752,101.

The Table below shows 2021 OEB Approved Rate Base and 2026 Test Year Rate Base.

Table 1-6: Rate Base Continuity Schedule

Summary of Rate Base $000's		2021 OEB Approved	2026 Test	2026 vs. 2021
Gross Fixed Assets (opening balance)		233,570	294,024	60,454
Gross Fixed Assets (closing balance)		243,595	309,425	65,830
Gross Fixed Assets (average)		**238,582**	**301,724**	**63,142**
Accumulated Depreciation (opening balance)		(100,277)	(126,376)	(26,099)
Accumulated Depreciation (closing balance)		(103,754)	(132,750)	(28,996)
Accumulated Depreciation (average)		**(102,016)**	**(129,563)**	**(27,548)**
Net Fixed Assets (average)	**A**	**136,567**	**172,161**	**35,594**
Working Capital Base		135,804	157,303	21,498
Working Capital Rate %		7.50%	7.50%	0.00%
Working Capital Allowance	**B**	**10,185**	**11,798**	**1,612**
Rate Base	**A + B**	**146,752**	**183,959**	**37,207**

Major Drivers of the Distribution System Plan

This section provides an overview of the major drivers of Oshawa Power's Distribution System Plan (DSP), which aim to appropriately balance the needs and preferences of its customers, operational themes, and public policy objectives.

Under new leadership, Oshawa Power has made significant strides toward modernization and transformation since its last Cost of Service application. This has been guided by a newly established vision, mission, and values, along with well-defined strategic objectives as described in section 1.2 above.

In alignment with the OEB's RRFE outcomes, Oshawa Power has developed a comprehensive asset management system, which includes an Asset Management Policy, a Strategic Asset Management Plan, and a Quantified Risk Prioritization Tool.

By integrating strategic objectives and business values with RRFE outcomes, Oshawa Power ensures that priorities at the corporate level are consistently reflected in throughout

the execution of its DSP. This alignment enhances decision-making and investment planning.

Specific key themes and objectives of the DSP are to:

- Ensure that all mandatory investments are achieved in a timely manner
- Modernize the distribution system through investments that maintain or improve reliability and increase resiliency to deal with increasing adverse weather conditions
- Implement an asset replacement plan that is optimized and paced to consider both system need and customer expectations with respect to rate reasonableness
- Invest in system infrastructure as required to ensure that capacity is available for future demand needs

Oshawa Power's investment plans are the outcome of its business planning efforts, enhanced asset management and capital expenditure planning process, customer engagement, and coordination with third parties.

External drivers encompass regulatory requirements, customer growth, and third-party infrastructure changes. Strategic drivers focus on ensuring reliability and operational efficiency.

Oshawa Power's capital investments over the planning period have been aligned to the four categories of system access, system renewal, system service, and general plant outlined in the Filing Requirements. Oshawa Power's prioritizes projects across the four categories to address system needs and customer expectations:

- **System Access**: Investments address customer connection needs, mandatory utility relocations, and compliance with metering and service obligations.
- **System Renewal**: Asset replacements are guided by the Asset Condition Assessment and operational insights, focusing on assets nearing end-of-life or at high risk of failure.

- **System Service**: System enhancements support expansions, manage loading at stations and feeders, and implement distribution automation to improve reliability and operational performance.
- **General Plant**: Investments support organizational needs, including fleet, facilities, and IT upgrades to maintain operational efficiency.

The balanced investment portfolio:

- Fulfills mandatory requirements for customer and regulatory needs.
- Replaces or refurbishes aging assets to maintain reliability.
- Expands infrastructure to support growth and operational goals.
- Ensures organizational efficiency through strategic General Plant investments.

This approach aligns Oshawa Power's investments with its objectives, delivering value to customers while ensuring long-term system sustainability.

Specific Improvements to Oshawa Power's DSP Planning Process

As outlined in the DSP in Exhibit 2, multiple drivers influence the DSP planning framework.

- **Enhanced Asset Condition Assessment:** Oshawa Power has improved its asset condition assessment methodology, moving away from a reliance on service age as a primary criterion. Instead, a more comprehensive, multi-faceted Health Index formulation has been adopted, leading to more accurate condition assessments and better-informed asset replacement decisions, ensuring that assets exceeding risk tolerance thresholds are prioritized for replacement.
- **Stakeholder Engagement:** Oshawa Power has enhanced its engagement with key third-party stakeholders to develop a comprehensive understanding of system needs and impacts. These stakeholders include customers, municipal and regional governments, broadband service providers, transit agencies, transmission providers, developers, and other key industry participants. This engagement ensures that Oshawa Power's planning process aligns with the long-term needs and expectations of its service territory, including through its

participation in regional planning efforts with other LDCs, Hydro One, and the IESO.

- **Data-Driven Investment Decision-Making:** The quantified risk prioritization tool, guided by the SAMP, ensures a balanced approach to investment planning by comparing projects based on risk and impact. This methodology allows Oshawa Power to optimize resource allocation across all investment categories, aligning expenditures with system risks and customer needs.

- **Non-Wires Solutions:** Oshawa Power has also explored non-traditional solutions for delivering safe and reliable power, in accordance with guidance from the OEB's Non-Wires Solutions Guidelines for Electricity Distributors (EB-2024-0118), issued March 28, 2024 (NWS Guideline). The DSP includes investments in non-wires solutions (NWS), which aim to offer cost-effective alternatives to conventional means of supplying power. To maximize investment efficiency for customers, Oshawa Power has also pursued multiple grant applications to supplement funding for these initiatives. Refer to section 1.8 for details on Oshawa Power's approach to innovation including integration of non-wires alternatives.

Capital Expenditures and Cost Trends

Capital expenditures proposed for the 2026 Test Year are $17.0 million (net of capital contributions) as shown in Table 1-7 below.

Table 1-7: Historical and Forecast Capital Expenditures

DSP Category	Actuals ($000's)				Forecast ($000's)					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
System Access	$4,219	$4,276	$7,704	$4,140	$7,995	$9,186	$9,270	$9,356	$9,443	$9,532
System Renewal	$6,507	$6,538	$12,069	$4,585	$7,948	$8,045	$8,756	$7,056	$7,421	$8,108
System Service	$2,828	$953	$1,294	$1,805	$1,093	$1,336	$300	$778	$962	$588
General Plant	$1,046	$1,271	$1,721	$576	$2,716	$1,680	$1,655	$1,730	$1,155	$802
TOTAL EXPENDITURES	**$14,601**	**$13,039**	**$22,788**	**$11,106**	**$19,752**	**$20,247**	**$19,981**	**$18,920**	**$18,980**	**$19,030**
Capital Contributions	($2,049)	($1,639)	($3,179)	($2,303)	($2,343)	($3,228)	($3,253)	($3,277)	($3,303)	($3,328)
NET CAPITAL EXPENDITURES	**$12,552**	**$11,400**	**$19,609**	**$8,804**	**$17,409**	**$17,019**	**$16,729**	**$15,642**	**$15,678**	**$15,701**
2021 Actuals to 2026 Test Year Change									$4,467	36%
NET DSP EXPENDITURES	**$69,774**				**$80,769**					
DSP Expenditures Change									$10,995	16%

The 2026-2030 DSP is $11.0 million, or 16%, more than the approved 2021-2025 DSP. Capital expenditures in 2026 are $4.5 million, or 36%, more than in 2021.

The increase in spending is primarily related to **System Access ($9.2 million in 2026):** for the following reasons:

- System expansion driven by customer growth and new developments, especially in the North of Oshawa Power's service territory.
- Increased third-party relocations requiring Oshawa Power to accommodate municipal and regional infrastructure projects such as road widening projects.
- Connections and Revenue Metering requiring installation of necessary infrastructure for new or upgraded services that lie along Oshawa Power's distribution system.

Spending in other areas includes System Renewal, System Service and General Plant:

- **System Renewal ($8.0 million in 2026):** Targeted asset replacements identified through the Asset Condition Assessment, historical failure data and risk-based prioritization. Notable projects include the reactive replacement program, the municipal substation switchgear replacement program, overhead and underground system rebuilds, meter replacements, etc.
- **System Service ($1.3 million in 2026):** Investments focused on modernizing the distribution system to ensure safety, reliability, power quality, system efficiency, and overall performance. Notable projects include overhead automated self-healing switches, new feeders at MS9, non-wires solutions, etc.
- **General Plant ($1.7 million in 2026):** Investments to support operational, technological and customer service functions, including facilities, fleet, office system, and IT infrastructure. Notable projects include investments in fleet, software upgrades and Oshawa Power's new ERP. Not included in the DSP, but falling into the General Plant category, is Oshawa Power's new Consolidated Operational and Administrative building, which is expected to come into service into 2027. Oshawa Power plans to file for incremental cost recovery once costs and in-service dates for the new facility are more certain.

1.3.4 Operations, Maintenance and Administration

OM&A Requested

Oshawa Power is requesting approval of $22.3 million for the 2026 Test Year, representing $8,405,897 or 60.6% higher spend than the expenditures approved by the OEB for 2021.

Table 1-8: Summary of OM&A Expenses

	2021 OEB Approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance 2026 to 2021
Operations	$ 2,891,000	$ 2,427,693	$ 2,613,290	$ 3,143,980	$ 2,833,190	$ 2,565,658	$ 4,003,063	$ 1,112,063
Maintenance	$ 1,349,949	$ 996,991	$ 1,103,692	$ 1,175,488	$ 1,442,317	$ 1,295,390	$ 1,349,796	$ (152)
Billing, Collecting, and Customer Success	$ 3,500,467	$ 2,862,727	$ 3,254,066	$ 3,949,857	$ 4,899,646	$ 4,767,079	$ 5,247,373	$ 1,746,906
Community Relations	$ 239,216	$ 230,409	$ 297,797	$ 422,398	$ 270,588	$ 335,661	$ 394,033	$ 154,817
Administrative and General	$ 5,885,460	$ 6,782,354	$ 7,110,887	$ 7,072,385	$ 9,354,202	$ 10,261,426	$ 11,277,725	$ 5,392,264
Total	**$ 13,866,092**	**$ 13,300,173**	**$ 14,379,731**	**$ 15,764,108**	**$ 18,799,942**	**$ 19,225,214**	**$ 22,271,990**	**$ 8,405,897**
%Change (year over year)		-4.5%	8.1%	9.6%	19.3%	2.3%	15.8%	60.6%

Overall, the OM&A costs from the 2021 OEB Approved to the 2026 Test Year representing an average increase of 12.1% per year. These operating costs represent the required expenditures necessary to maintain and operate Oshawa Power's distribution system as well as modernize its systems.

Drivers & Cost Trends

The Table below shows the cost drivers contributing to the increase in OM&A expenses from the 2021 OEB approved amount to the 2026 Test Year.

Table 1-9: OM&A Cost Drivers

Cost Driver	Amount
2021 OEB Approved OM&A	**$13,866,092**
Labour & Benefits	$ 4,366,376
Subcontract Services	$ 1,850,984
Software and Hardware Fees	$ 745,669
Bad Debt Provision	$ 744,464
Other	$ 189,267
Insurance	$ 143,514
OEB Regulatory Fees	$ 135,785
Management Fees	$ 125,972
Rent	$ 79,486
LEAP Donations	$ 78,784
Materials	$ 43,277
Communications	$ 38,044
Audit & Legal	$ 4,391
Consulting	$ (40,594.20)
Training	$ (43,332.00)
Safety Supplies	$ (56,190.02)
2026 Test Year OM&A	**$22,271,990**
2021 to 2026 increase	**60.6%**

The primary cost drivers were:

- **Salary and benefits** changes based on annual inflation, compensation levels in a competitive labour market, and general increase in staffing levels. The 2026 FTE count has increased by 13.8 FTEs from the 2021 OEB Approved levels, to staffing including a renewed leadership structure and investments in the IT department. This growth is necessary for the Organization to execute its strategy and business plan, including business transformation initiatives. Oshawa Power's workforce plan was based on recommendations in a Resource Optimization Review conducted by expert consultant Lise Galli of Marjorie Richards & Associates Ltd. The Review found that Oshawa Power's current staffing structure is too lean for the size and the scope of the LDC, and does not provide sufficient internal bandwidth to effectively execute key functional activities and proactively seek efficiencies. See Exhibit 4 for more details. See Exhibit 4, Section 4.4 on Workforce Planning for more details, and Attachment 4-1 Resource Optimization Review.

- **Subcontractor cost** increase for critical services related to security, customer billing, collections required to curb the growth of outstanding customer debt, outsourcing of the call centre, substation maintenance, payroll service charges, vegetation management, and meter service providers.
- **Software and hardware cost** increases to support cybersecurity, enhanced tools for engineering analysis and geographical information systems (GIS), software licences, and training and development.
- An increase in the **bad debt expense** resulting from outstanding customer debt and associated write-offs following the COVID-19 pandemic.

1.3.5 Cost of Capital

Oshawa Power has prepared this Application pursuant to the OEB's 2025 Cost of Capital Decision, with no deviations from the OEB's cost of capital methodology. Accordingly, Oshawa Power is requesting an ROE for the 2026 Test Year of 9.00% and deemed short-term debt rate of 3.91%. Oshawa Power is requesting a deemed long-term debt rate of 3.41% in alignment with its actual debt rates in 2026. Further details are provided in Exhibit 5.

The Tables below show the OEB Approved 2021 and requested 2026 Cost of Capital parameters for Oshawa Power.

Table 1-10: 2021 Capital Structure and Cost of Capital

Last OEB-approved year: 2021

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$82,181,177	3.34%	$2,744,200
2	Short-term Debt	4.00% (1)	$5,870,084	1.75%	$102,726
3	**Total Debt**	60.0%	$88,051,261	3.23%	$2,846,926
	Equity				
4	Common Equity	40.00%	$58,700,840	8.34%	$4,895,650
5	Preferred Shares		$ -		$ -
6	**Total Equity**	40.0%	$58,700,840	8.34%	$4,895,650
7	**Total**	100.0%	$146,752,101	5.28%	$7,742,576

Table 1-11: 2026 Capital Structure and Cost of Capital

Test Year: 2026

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$103,016,864	3.41%	$3,512,875
2	Short-term Debt	4.00% (1)	$7,358,347	3.91%	$287,711
3	**Total Debt**	60.0%	$110,375,211	3.44%	$3,800,586
	Equity				
4	Common Equity	40.00%	$73,583,474	9.00%	$6,622,513
5	Preferred Shares		$ -	0.00%	$ -
6	**Total Equity**	40.0%	$73,583,474	9.00%	$6,622,513
7	**Total**	100.0%	$183,958,685	5.67%	$10,423,099

Oshawa Power acknowledges these rates are subject to update at such time as the 2026 Cost of Capital parameters are issued by the OEB, and will revise its Application accordingly.

1.3.6 Cost Allocation and Rate Design

Cost Allocation

In this Application, Oshawa Power has used the 2026 version of the cost allocation model provided by the OEB on February 5, 2025. The model has been populated with cost data that supports the proposed 2026 revenue requirement, customer and load data for Oshawa Power.

Oshawa Power has determined its total service revenue requirement for 2026 that is the subject of this Application. The annual service revenue requirement is derived from Oshawa Power's capital and operating forecast, weather normalized usage, forecast customer and connection counts, regulated return on rate base, and PILs liability.

Table 1-12 below summarizes the service revenue requirement for the 2026 Test Year compared to 2021 OEB Approved service revenue requirement, allocated by customer class.

Table 1-12: 2021 and 2026 Cost Allocation Study

Rate Class	2021 Board Approved Cost Allocation Study	%	2026 Proposed Cost Allocation Study	%
Residential	$18,746,577	67.07%	$29,235,411	69.07%
GS < 50	$3,049,686	10.91%	$4,333,891	10.24%
GS 50-999	$4,783,605	17.11%	$6,560,392	15.50%
GS 1,000-4,999	$549,408	1.97%	$908,903	2.15%
Large Use	$263,648	0.94%	$358,651	0.85%
Street Light	$480,662	1.72%	$852,126	2.01%
Sentinel Lights	$1,952	0.01%	$3,582	0.01%
USL	$75,973	0.27%	$74,044	0.17%
Total	**$27,951,512**	**100.00%**	**$42,326,999**	**100.00%**

The 2021 OEB Approved cost allocation study results, the 2026 Cost Allocation Study results and Oshawa Power's proposed changes to class specific revenue to cost ratios for the 2026 Test Year are set out in Table 1-13 below.

Table 1-13: Revenue to Cost Ratios

Rate Class	2021 Approved Cost Allocation Study	2026 Cost Allocation Study	2026 Proposed Ratios	Policy Range
Residential	97.65%	96.72%	96.82%	85 - 115
GS < 50	110.94%	114.43%	114.43%	80 - 120
GS 50-999	99.05%	103.34%	103.34%	80 - 120
GS 1,000-4,999	108.31%	106.33%	106.33%	80 - 120
Large Use	104.82%	104.82%	104.82%	85 - 115
Street Light	120.00%	99.51%	99.51%	80 - 120
Sentinel Lights	120.00%	88.35%	96.82%	80 - 120
USL	97.65%	160.05%	120.00%	80 - 120

The 2026 Cost Allocation Study indicates the revenue to cost ratio for the Unmetered Scattered Load (USL) class is outside the policy range by 40%. Oshawa Power is proposing to reduce the USL ratio and increase the Sentinel Lighting and Residential

ratios in the 2026 Test Year. Oshawa Power proposes increasing these classes with the lowest revenue to cost ratios in order to maintain revenue neutrality.

Rate Design

Oshawa Power is proposing to increase the fixed monthly charge for the Residential class by 20.9%. The variable charge for the Residential class was phased out in 2019.

The following Table 1-14 summarizes the 2026 proposed fixed and variable rates based on the results of the cost allocation study.

Table 1-14: Proposed 2026 Electricity Distribution Rates

Rate Class	Proposed Monthly Service Charge	Proposed Volumetric Charge (Including Transformer Allowance)	Unit
Residential	$36.01		
GS < 50	$24.90	$0.0255	kWh
GS 50-999	$71.42	$7.2584	kW
GS 1,000-4,999	$1,419.85	$4.0059	kW
Large Use	$10,803.95	$3.4859	kW
Street Light	$2.02	$30.8336	kW
Sentinel Lights	$6.82	$19.6528	kW
USL	$5.33	$0.0219	kWh

The current fixed/variable split in distribution revenue was approved in Oshawa Power's 2021 Cost of Service application (EB-2020-0048) and was calculated based on forecast customer and connection counts, consumption, and approved rates. Oshawa Power has calculated the current fixed/variable proportions by applying the existing approved distribution rates to the 2026 Test Year load forecast. Table 1-15 outlines Oshawa Power's current split between fixed and variable distribution revenue by rate class.

Table 1-15: Current Fixed and Variable Proportions

Rate Class	2026 Fixed Revenue with 2025 Approved Rates	2026 Variable Revenue with 2025 Approved Rates (excl Transformer Allowance)	2021 Total Revenue with 2025 Approved Rates (excl Transformer Allowance)	Fixed Revenue Proportion %	Variable Revenue Proportion %
Residential	$ 21,275,512	$ -	$ 21,275,512	100.0%	0.0%
GS < 50	$ 1,122,480	$ 2,706,627	$ 3,829,107	29.3%	70.7%
GS 50-999	$ 432,038	$ 4,860,553	$ 5,292,591	8.2%	91.8%
GS 1,000-4,999	$ 310,133	$ 450,001	$ 760,134	40.8%	59.2%
Large Use	$ 129,647	$ 163,789	$ 293,436	44.2%	55.8%
Street Light	$ 297,491	$ 337,638	$ 635,129	46.8%	53.2%
Sentinel Lights	$ 1,555	$ 770	$ 2,325	66.9%	33.1%
USL	$ 19,120	$ 71,383	$ 90,503	21.1%	78.9%
Total	**$ 23,587,976**	**$ 8,590,760**	**$ 32,178,736**	**73.3%**	**26.7%**

1.3.7 Deferral and Variance Accounts

Oshawa Power requests approval of the net disposition of Group 1 and Group 2 Deferral and Variance Accounts (DVAs) for $598,085 as a collection from customers. Oshawa Power is proposing to dispose its balance over a one-year period, rate riders in effect from January 1, 2026, expiring December 31, 2026.

All rate riders have been calculated in accordance with the OEB's approved allocators, no deviations from the approved allocators are included in this Application.

Oshawa Power is requesting a new deferral and variance account for Cloud Computing Implementation Costs to support Oshawa Power's implementation of its ERP software, pursuant to the 2025 Cost of Capital Decision which noted that a utility may propose the treatment of any future cloud solutions during the rate term. More details are provided in Exhibit 9.

Oshawa Power is proposing to discontinue the following DVAs:

- 1595 Disposition and Recovery/ Refund of Regulatory Balances (2020)
- 1595 Disposition and Recovery/ Refund of Regulatory Balances (2021)
- 1508 – Sub-account ULO Implementation Costs
- 1508 – Sub-account GOCA Variance

- 1508 – Sub-account LEAP EFA Funding Deferral Account
- 1508 – Sub-account OEB Cost Assessment Variance
- 1508 – Sub-account Pole Attachment Revenue Variance
- 1508 – Sub-account Lost Revenue Collection/ Reconnection Charges
- 1508 – Sub-account Retail Service Charges Incremental Revenue
- 1568 – LRAM Variance Account

Table 1-16 shows the DVA accounts balances requested for disposition, allocators and the calculated rate riders, with no split between registered price plan (RPP) and non-RPP customers applicable.

Table 1-16: DVA Balances Requested for Disposal, Allocators & Rate Riders

Account Descriptions	Account Number	Proposed Disposition Yes/ No	Total Claim	Allocators
Group 1 Accounts				
Smart Metering Entity Charge Variance Account	1551	Yes	($54,907)	# of Customers
RSVA - Wholesale Market Service Charge	1580	Yes	($350,801)	kW / kWh
Variance WMS – Sub-account CBR Class A	1580	N/A	$0	N/A
Variance WMS – Sub-account CBR Class B	1580	Yes	$468,940	kW / kWh
RSVA - Retail Transmission Network Charge	1584	Yes	($298,938)	kW / kWh
RSVA - Retail Transmission Connection Charge	1586	Yes	($715,073)	kW / kWh
RSVA - Power (excluding Global Adjustment)	1588	Yes	($365,819)	kW / kWh
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	Yes	$6,137	kW / kWh
Disposition and Recovery/Refund of Regulatory Balances (2023)	1595	No	$0	N/A
Disposition and Recovery/Refund of Regulatory Balances (2024)	1595	No	$0	N/A
Total Group 1 Accounts excluding GA			**($1,310,461)**	
RSVA - Global Adjustment	1589		$1,213,232	Non-RPP kWh
Total Group 1 Accounts			**($97,229)**	
Group 2 Accounts				
Other Regulatory Assets, Sub-account ULO Implementation Cost	1508	Yes	$18,419	kW / kWh / # of Customers
Other Regulatory Assets, Sub-Account GOCA Variance Account	1508	Yes	$449,753	kW / kWh / # of Customers
Other Regulatory Assets, sub-account LEAP EFA Funding Deferal Account	1508	Yes	$99,336	kW / kWh / # of Customers
Sub-Account - Pension Cost Differential Deferral Account	1508	No	$0	N/A
Sub-Account - OEB Cost Assessment Variance	1508	Yes	$169,543	kW / kWh / # of Customers
Sub-Account - Pole Attachment Revenue Variance	1508	Yes	$84,590	kW / kWh / # of Customers
Charges	1508	No	$0	kW / kWh / # of Customers
Sub-Account - Retail Service Charges Incremental Revenue	1508	Yes	($16,074)	kW / kWh / # of Customers
PILs and Tax Variance for 2006 and Subsequent Years - Sub-account CCA Changes	1592	Yes	($110,252)	kW / kWh / # of Customers
Total Group 2 Accounts			**$695,314**	
Total DVA Account Balances			**$598,085**	

Rate Class	Group 1							
	Allocator	Allocated Group 1 Balance (excluding 1589)	Rate Rider for Group 1 Balance	Allocated Group 1 Balance - Non-WMP	Rate Rider for Group 1 - Non-WMP	Allocated Sub-account 1580 CBR Class B Balance	Rate Rider for 1580 CBR Class B	Allocated Balance (GA and CBR) for transition customers
RESIDENTIAL SERVICE	kWh	($895,480)	($0.0016)			$251,069	$0.0005	
GENERAL SERVICE LESS THAN 50 KW SERVICE	kWh	($200,167)	($0.0016)			$58,397	$0.0005	
GENERAL SERVICE 50 TO 999 KW SERVICE	kW	($296,388)	($0.3536)	($208,070)	($0.2518)	$140,707	$0.1778	$995
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE	kW	($114,230)	($0.6403)			$10,165	$0.2263	$59,593
LARGE USE SERVICE	kW	($53,423)	($0.6864)			-	-	
UNMETERED SCATTERED LOAD SERVICE	kWh	($4,390)	($0.0015)			$1,305	$0.0005	
SENTINEL LIGHTING SERVICE	kW	($41)	($0.5184)			$12	$0.1538	
STREET LIGHTING SERVICE	kW	($7,212)	($0.5464)			$2,124	$0.1609	
Total for Disposal		**($1,571,330)**		**($208,070)**		**$463,779**		**$60,588**

Rate Class	Group 1			Group 2		
	Allocator	Allocated Global Adjustment Balance	Rate Rider for GA Balance	Allocator	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts
RESIDENTIAL SERVICE	kWh	$25,145	$0.0047	# of Customers	$339,591	$0.48
GENERAL SERVICE LESS THAN 50 KW SERVICE	kWh	$82,444	$0.0047	kWh	$78,987	$0.0006
GENERAL SERVICE 50 TO 999 KW SERVICE	kWh	$922,305	$0.0047	kW	$204,598	$0.2441
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE	kWh	$105,804	$0.0047	kW	$45,975	$0.2577
LARGE USE SERVICE	kWh	-	-	kW	$21,509	$0.2764
UNMETERED SCATTERED LOAD SERVICE	kWh	-	-	kWh	$1,765	$0.0006
SENTINEL LIGHTING SERVICE	kWh	-	-	kW	$16	$0.2080
STREET LIGHTING SERVICE	kWh	$22,106	$0.0047	kW	$2,873	$0.2176
Total for Disposal		**$1,157,805**			**$695,314**	

Note: Total of all Group 1 allocated balances including GA is $(97,229). Allocated Balance for transition customers are recovered through fixed monthly charges.

In its last Cost of Service application (EB-2020-0048), Oshawa Power did not request to dispose of its Group 1 DVA accounts following the OEB's direction of review of its accounts, at minimum for accounts 1588 and 1589 by way of external special purpose

audit engagement. Oshawa Power exercised the option to extend the audit to all Group 1 accounts and the audit was completed in 2022. Detailed results of the review and the Independent Auditor's Report can be found in Oshawa Power's 2023 Rate Application (EB-2022-0057). Group 1 DVA balances from January 1, 2017 to December 31, 2023 approved for disposition are outlined in Exhibit 9.

1.3.8 Bill Impacts

Table 1-17 below summarizes the customer bill impacts by customer rate class, for typical consumers based upon the proposed distribution rates, load forecast, and disposition of deferral and variance accounts provided for this Application.

Table 1-17: Bill Impacts by Rate Class

Oshawa Power Rate Class	2026 Distribution Rate Increase (sub-total A)	2026 Total Bill Increase	Increase on Total Bill
RESIDENTIAL SERVICE	$ 6.70	$ 5.05	3.9%
GENERAL SERVICE LESS THAN 50 KW SERVICE	$ 14.22	$ 9.44	2.9%
GENERAL SERVICE 50 TO 999 KW SERVICE	$ 196.57	$ 257.41	3.0%
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE	$ 1,426.25	$ 1,866.51	2.2%
LARGE USE SERVICE	$ 6,717.67	$ (462.82)	-0.1%
UNMETERED SCATTERED LOAD SERVICE	$ (2.73)	$ (4.71)	-3.4%
SENTINEL LIGHTING SERVICE	$ 3.57	$ 3.29	12.3%
STREET LIGHTING SERVICE	$ 0.79	$ 0.90	10.5%

It is noted that although the Sentinel Lighting and Street Lighting rate classes exceed the 10% threshold, no mitigation is necessary at this time. No other discrete customer group exceeds the 10% threshold. Accordingly, Oshawa Power is not proposing specific rate mitigation in its this Application but proposing to explore ways of reducing its bill impacts during the interrogatories and settlement phases of this proceeding.

1.4 ADMINISTRATION

1.4.1 Certification of Evidence

Oshawa Power provides certification in Attachment 1-6 that:

- The evidence filed, including the models and appendices, are accurate, consistent and complete to the best of their knowledge
- This Application and any evidence filed in support of this application do not include any personal information unless it is filed in accordance with Rule 9A of the OEB's Rules (and the Practice Direction Confidential Filings, as applicable)
- The distributor has processes and internal controls in place for the preparation, review, verification and oversight of account balances being disposed

As noted earlier, Oshawa Power's Board of Directors is aware of and approves the submission of this Application.

1.4.2 Primary Contact

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100 Simcoe Street South
Oshawa, Ontario, L1H 7M7
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Manager, Regulatory Affairs & Strategy
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1.4.3 Legal Representation

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John A.D. Vellone, LL.B., MBA, BASc
Partner
T 416.367.6730
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E JVellone@blg.com

1.4.4 Internet Address and Social Media

Oshawa Power's Application and related documents may be viewed online at https://www.oshawapower.ca/regulatory/.

Oshawa Power uses the following social media accounts to communicate with customers:

https://www.facebook.com/oshawapower/

https://x.com/oshawapower

https://linkedin.com/company/oshawapower

https://www.instagram.com/oshawapower/

1.4.5 Notice of Hearing

The notice of hearing will be published on Oshawa Power's website and social media accounts including Facebook, X, Instagram and LinkedIn. Additionally, customers who have opted in to direct communications will be notified by email. Notices will also be shared online through Durham publications that have distribution across Oshawa and online, including Insauga and durhamradionews.

1.4.6 Form of Hearing

Oshawa Power requests that this Application be disposed of by way of a written hearing based on the size of Oshawa Power's 2026 revenue requirement.

1.4.7 Requested Effective Date

The requested effective date for the distribution rates is January 1, 2026. In the alternative, Oshawa Power requests that the OEB declare current 2025 rates be interim effective January 1, 2026, as necessary, if the approvals cannot be issued by the OEB in time to implement final rates effective January 1, 2026. Oshawa Power requests to be permitted to recover the incremental revenue from the effective date to the implementation date if the dates are not aligned.

1.4.8 Changes to Methodologies in Previous Applications

There have been no changes to the methodologies used in previous applications, except for changes related to new policy and directives that have been released since Oshawa Power's last cost of service application, as noted in Exhibit 4, section 4.1.7 on Business Environment changes. Oshawa Power has also worked to improve categorization of costs since its last application, but has not modified any methodologies as a result. Oshawa Power has prepared its application consistent with the most updated version of the Chapter 2 Filing Requirements.

1.4.9 Directions from Previous OEB Decisions and/or Orders

In its last Cost of Service (EB-2020-0048), two key continuous improvement areas were identified in the settlement proposal filed on February 5, 2021, and accepted by the OEB in its Decision and Rate Order issued February 18, 2021.

Unit-Based Metrics and Targets

The parties agreed to a proposed list of 14 metrics and targets for 2021 (set out in Appendix F of the settlement proposal). Oshawa Power committed to filing its

performance on each of these metrics for 2021 to 2025 in its next cost of service application. As the targets only related to 2021, the settlement proposal noted that:

- Oshawa Power may update the metrics and targets after 2021 as it gained more insight and knowledge from the proposed metrics
- Oshawa Power may align the metrics with the anticipated Activity and Program-based Benchmarking (APB) enhancements

The OEB issued its first set of APB results on March 30, 2021. Accordingly, Oshawa Power has filed its performance all 14 metrics for 2021 in section 1.7 and explains that for 2022 onwards, those metrics were aligned with the new APB metrics to enable monitoring against industry results updated annually by the OEB.

Improvements to the Distribution System Planning Process

The parties agreed that in the spirit of further continuous improvements, Oshawa Power will continue to improve its distribution system planning process in the forecast period in cost effective ways to further improve its condition-based asset replacement strategy including incorporating a risk-based asset prioritization process, which considers the preferences and long-term needs of customers in its service territory. As part of the broader distribution system planning process, Oshawa Power also committed to continued coordination with regional and municipal governments.

Oshawa Power also agreed it would qualitatively report on areas of realized cost efficiencies and distribution system planning improvements associated with its coordination with the City and the Region in its next cost of service application.

As discussed above in section 1.3.3, Oshawa Power has undertaken a structured and strategic approach to improving its DSP, not only by refining individual phases of the planning process but also by developing overarching policies that align with Oshawa Power's strategic direction. Under new leadership, Oshawa Power has made significant strides toward modernization and transformation. This has been guided by a newly established vision, mission, and values, along with well-defined strategic objectives, as explained in section 1.2.

In alignment with the OEB's RRFE performance outcomes, Oshawa Power has developed a comprehensive asset management system, which includes an Asset Management Policy, a Strategic Asset Management Plan, and a Quantified Risk Prioritization Tool. By integrating strategic objectives and business values with the RRFE, Oshawa Power ensures that priorities at the corporate level are consistently reflected in the decision-making and investment planning aspects of the DSP. For more information about the specific improvements made to the DSP Planning Process, see Exhibit 2.

Oshawa Power has also implemented its commitment to continued coordination with regional and municipal governments. Cost efficiencies and distribution system planning improvements associated with its coordination with the City and Region include:

- In 2023, a 44kV line extension project at Ritson Road – Winchester Road East and Conlin Road East was deferred to align with a regional road widening project
    - Coordination reduced duplicative efforts with the need to move pole lines.
- In the 2026-2030 DSP, Oshawa Power is taking advantage of a planned municipal road widening project in the north end – where demand is growing rapidly – to upgrade poles that can accommodate more high voltage lines
    - As a result of coordination with the City and developers, as well as analysis of planning documents, Oshawa Power aims to optimize existing infrastructure and support potential future demand while avoiding the inefficiencies of like-for-like pole replacements.
- Oshawa Power works closely with the Region to identify NWS to meet electricity demand while supporting cost-effective decarbonization; in early 2025, Oshawa Power received a positive funding decision from Natural Resources Canada (NRCan) on a Distribution System Operator (DSO) project that focuses on the Region's Long Term Care Centres. Also in early 2025, Oshawa Power developed an innovative project with Durham Regional Transit that leverages low-carbon enabling technologies to address the rapid influx of new high demand and high consumption loads, and has applied for funding from NRCan.

- As a result of coordination with the Region, Oshawa Power is identifying projects and outside funding for non-wires solution that offset the need for incremental traditional infrastructure in the DSP

- The Region and NRCan also funded the E-Mission projects in 2021 to 2023, which informed the DSP by providing data regarding electric vehicle (EV) uptake in Oshawa Power's service territory, which led to the proposal for a managed charging program in the DSP NWS section.
  - As a result of coordination with the Region, Oshawa Power was able to better anticipate new electricity demand to inform the 2026-2030 DSP

For more information about continued coordination with the City and Region, see section 1.6.2.

1.4.10 Conditions of Service

Version 2.0 of Oshawa Power's Conditions of Service came into effect on October 1, 2024. Version 2.0 reflected updated regulatory policies and codes in accordance with Section 2.4 and Appendix A of the Distribution System Code. A draft of the document was posted on Oshawa Power's website for public comment from July 16 to September 16, 2024, and a message was included on bills during this time to notify customers. One comment was received and was addressed in the final version of the document.

On November 28, 2024, Oshawa Power released Version 2.1 adding an appendix on the Electric Vehicle Supply Equipment Connections Requirements in accordance with section 6.1.6 of the Distribution System Code.

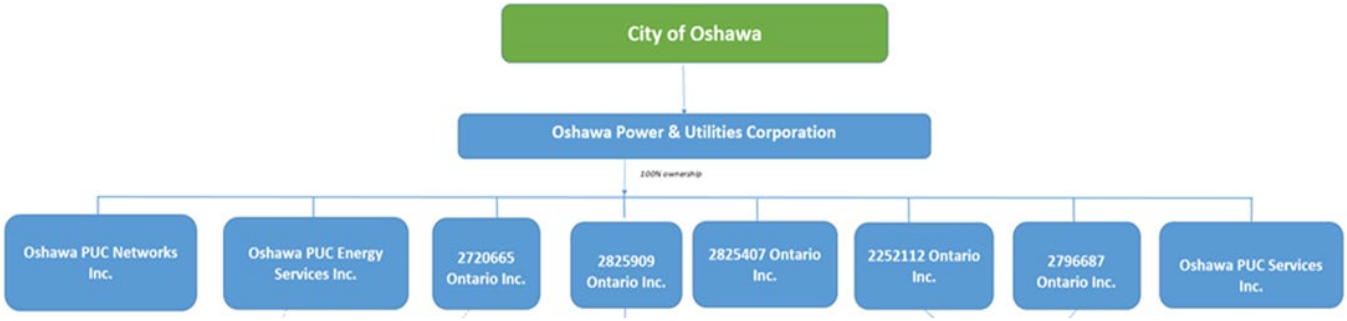
Oshawa Power's current version of the Condition of Service is available on its website at https://www.oshawapower.ca/regulatory/. Oshawa Power confirms that there are no rates or changes listed in the Conditions of Service that are not on the distributor's Tariff of Rates and Charges.

1.4.11 Corporate and Utility Organizational Structure

Oshawa Power is a wholly-owned subsidiary of Oshawa Power and Utilities Corporation (OPUC) which is 100% owned by the Corporation of the City of Oshawa (the City). OPUC also wholly-owns Oshawa PUC Energy Services Inc. (operating as EnerFORGE), Oshawa PUC Services Inc. (a dark fibre communications network, as well as a lit fibre business operating as Durham Broadband), 2252112 Ontario Inc., 2720665 Ontario Inc., 2825909 Ontario Inc., 2825407 Ontario Inc., and 2796687 Ontario Inc.

The following figure provides the corporate entities relationships:

Figure 1-2: Corporate Organizational Structure



Oshawa Power and the City of Oshawa have the following relationships:

- The City of Oshawa is not an energy services provider.
- Oshawa Power rents land and buildings from the City of Oshawa.
- Oshawa Power remits property taxes to the City of Oshawa.
- Both entities have complete and separate financial records and books of account.
- Neither entity shares IT services, human resources or management between one another.
- There is no access to confidential information.

Oshawa Power and OPUC have the following relationships:

- OPUC is not an energy service provider.
- Both entities have separate financial records and books of accounts.

- Oshawa Power provides Accounting and IT to OPUC and recovers its costs under an affiliate Services Agreement.
- Oshawa Power has nine board members comprised of four independent board members and five board members that also serve on the board of OPUC.
- OPUC charges a fee to Oshawa Power for its proportionate share of management services.

Oshawa Power and Oshawa PUC Services Inc. (OPUCS, a dark fibre communications network and lit fibre service provider operating as Durham Broadband) have the following relationships:

- OPUCS is not an energy service provider.
- Both entities have separate financial records and books of accounts.
- Oshawa Power provides finance and corporate support services to OPUCS and recovers its costs under an affiliate Services Agreement.
- OPUCS operates a fibre communications network and Oshawa Power purchases services at market rates from OPUCS.
- Oshawa Power rents Pole and Duct space to OPUCS at market rates.
- Oshawa Power has five board members that also serve on the board of Oshawa PUC Services Inc.

Oshawa Power and Oshawa PUC Energy Services Inc. (OPUCES, operating as EnerFORGE) have the following relationships:

- EnerFORGE is an energy service provider to the University of Ontario Institute of Technology and Durham College, and owns generation assets.
- Both entities have separate financial records and books of accounts.
- Oshawa Power provides finance and corporate support services to EnerFORGE, and recovers its costs under an affiliate Services Agreement.
- Oshawa Power has five board members that also serve on the board of EnerFORGE.

Oshawa Power and 2252112 Ontario Inc. (2252112) have the following relationships:

- 2252112 is an energy services provider, constructing and operating rooftop solar energy generation projects through Clinton Solar LP.
- Both entities have separate financial records and books of accounts.
- Oshawa Power provides accounting and IT services to 2252112 and recovers its costs under an affiliate Services Agreement.
- Oshawa Power has five board members that also serve on the board of 2252112.

Oshawa Power and 2720665 Ontario Inc. (2720665) have the following relationships:

- 2720665 holds equity in a biogas-based energy generation project under agreement with the IESO.
- Both entities have separate financial records and books of accounts.
- Oshawa Power has five board members that also serve on the board of 2720665.

Oshawa Power and 2825909 Ontario Inc. (2825909) have the following relationships:

- 2825909 is an energy services provider, holding equity in wind assets (via 2825411 Ontario Inc.) under agreement with the IESO.
- Both entities have separate financial records and books of accounts.
- Oshawa Power has five board members that also serve on the board of 2825909.

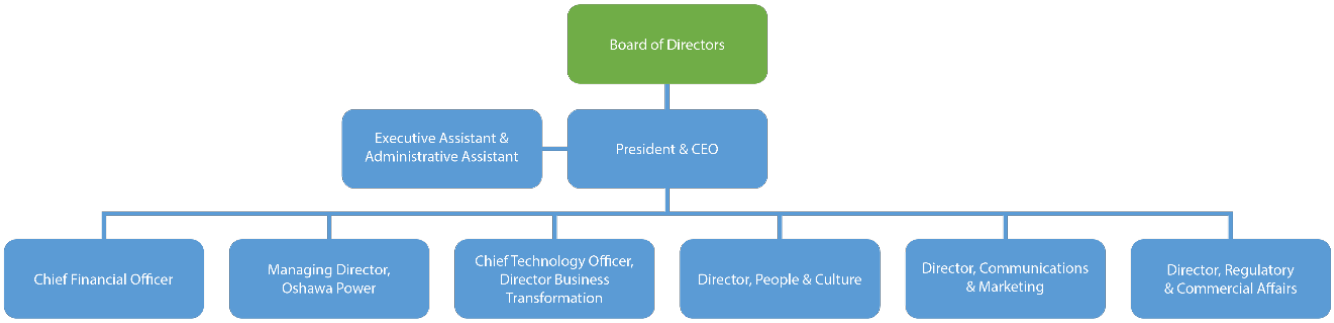
Oshawa Power and 2825407 Ontario Inc. (2825407) have the following relationships:

- 2825407 is an energy service provider, providing metering services and disconnect & reconnect services.
- Both entities have separate financial records and books of accounts.
- Oshawa Power provides finance and corporate support services to 2825407 and recovers its costs under an affiliate Services Agreement.
- Oshawa Power has five board members that also serve on the board of 2825407.

Newly incorporated entity 2796687 Ontario Inc. was a set up to house a generation project business that the Organization ultimately decided against investing in. At this time, it sits idle, with no immediate plans for use.

The following figure provides the Executive and Board organizational structure for Oshawa Power:

Figure 1-3: Executive and Board Organizational Structure



The current board of directors of Oshawa Power consists of nine members, none of whom are officers or employees of Oshawa Power or of any of its affiliates or elected members of the Oshawa City Council. Of the nine directors, five are also directors of OPUC and its affiliates, as noted above.

The Shareholder Declaration, as amended in 2024, permits up to nine directors of Oshawa Power, and up to six directors of OPUC and the other corporate affiliates. The City of Oshawa, as the Shareholder, looks to an independent and skills- based Board to provide effective oversight of the Organization. This diverse set of skills also ensures compliance with regulatory requirements, including specifically the requirement that at least one third of its Board of Directors to be independent from any affiliate, as stated in the OEB's Affiliate Relationship Code.

The Oshawa Power Board of Directors' ability to exercise independent judgement is based on their personal and professional competencies and knowledge of the electricity distribution business and the community. A board without such skills, knowledge and experience is limited to the sphere of control and understanding provided by management which can erode substantive discussion.

On the Oshawa Power board:

- All directors are experienced leaders in business and various professions.
- Of the current complement of nine directors, one has legal expertise within the sector, three have financial expertise and six have extensive industry experience and understanding of the issues and specific challenges of the industry, bringing knowledge and experience acquired through a career culminating in positions of senior management responsibility in the sector.
- The board members bring a complementary set of skills based in business management and the professions, so decisions are informed by a range of training and perspective.
- The directors have no relationships with Oshawa Power, or with one another, which might inhibit their independent judgement and are not connected with one another by employment, family, or directorships of other corporations.
- The directors do not benefit financially from their relationship with Oshawa Power, except as to their director fees, and have no relationship with Oshawa Power that might affect their judgement. They or their employers are not suppliers of goods or services to Oshawa Power, do not receive significant donations or other benefits from Oshawa Power, and are not relatives of the senior management of Oshawa Power.
- In order to maintain independence, the Board has a robust succession and recruitment plan, including Director training and education sessions and a policy outlining the number of terms that a Director may serve consecutively.

At the present time, Oshawa Power has no plans to change the corporate or operational structure, including any changes in legal organization and control.

1.4.12 Specific Approvals Requested and Relevant Sections of the Legislation

In this proceeding, Oshawa Power is requesting the following approvals.

Table 1-18: List of Specific Approvals Requested (Appendix 2-A)

Appendix 2-A
List of Requested Approvals

The distributor must fill out the following sheet with the complete list of specific approvals requested and relevant section(s) of the legislation must be provided. All approvals, including accounting orders (deferral and variance accounts) new rate classes, revised specific service charges or retail service charges which the applicant is seeking, must be separately identified, as well being clearly documented in the appropriate sections of the application.

Additional requests may be added by copying and pasting blank input rows, as needed.

If additional requests arise, or requested approvals are removed, during the processing of the application, the distributor should update this list.

Oshawa PUC Networks Inc. is seeking the following approvals in this application:

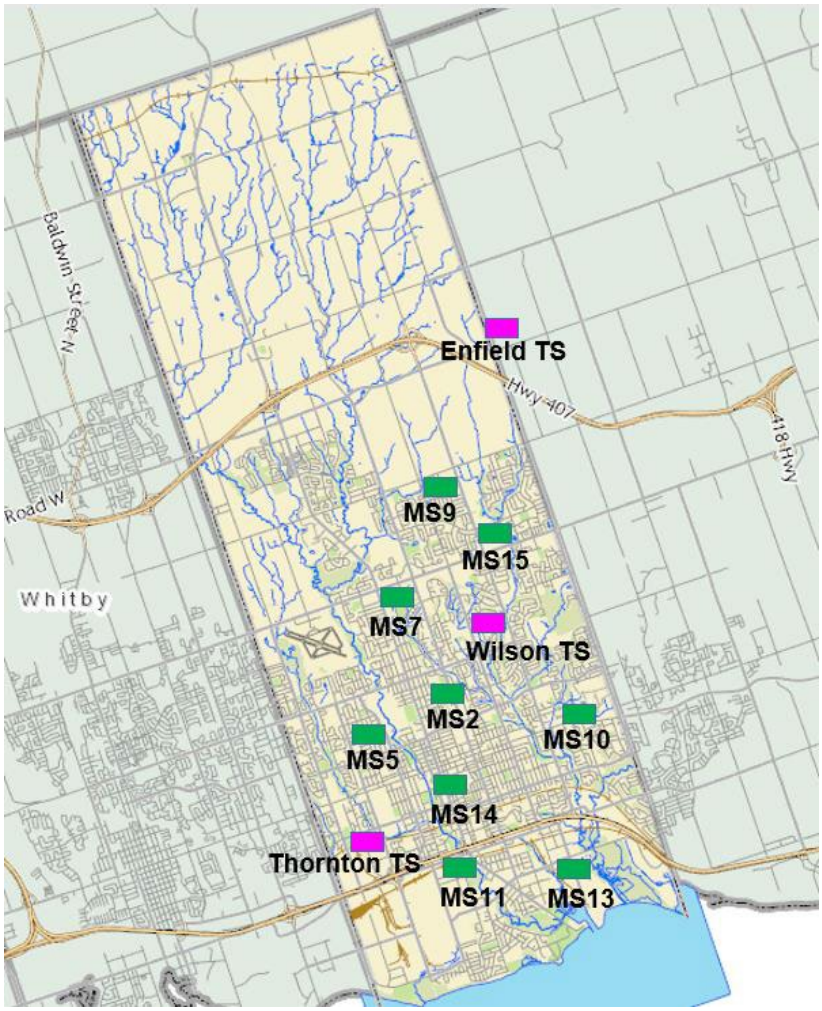
1		Approval of the 2026 Test Year rate base as proposed in Exhibit 2.
2		Approval of Oshawa Power's average net book value of fixed assets and working capital allowance as proposed in
3		Approval of the 2023 load forecast as documented in Exhibit 3.
4		Approval of the 2026 Test Year revenue requirement as proposed in Exhibit 6 as follows: a) Approval of the capital structure, cost of capital parameters, and deemed return on equity and debt proposed in Exhibit 5. b) Approval of test year Operations, Maintenance and Administration expenses, property taxes & payments in lieu of taxes (PILs) in Exhibit 4. c) Approval of the 2026 Test Year Service Revenue Requirement of $42,326,999 as proposed in Exhibit 6. d) Approval of the 2026 Test Year Base Revenue Requirement of $38,848,892 as proposed in Exhibit 6. e) Approval of the 2026 Revenue Offsets of $3,478,107 as proposed in Exhibit 6.
5		Approval of Cost Allocation as filed in Exhibit 7.
6		Approval of 2026 distribution rates and charges, effective January 1, 2026, as proposed in Exhibit 8.
7		Approval of updated Retail Transmission Service Rates (RTSRs), as identified in Exhibit 8.
8		Approvals for the clearance related to the December 31, 2024 audited balances of $(97,229) for Group 1 DVA accounts, and associated class specific rate riders and manual adjustments effective January 1, 2026 as set out in Exhibit 9.
9		Approvals for the clearance related to December 31, 2025 forecast balances of $695,314 for Group 2 DVA accounts, and associated class specific rate riders and manual adjustments effective January 1, 2026 as set out in Exhibit 9.
10		As set out in Exhibit 9, approval to: a) establish a new distributor-specific deferral account, the Cloud Computing Implementation Costs Deferral Account to record cloud computing implementation costs for disposition at Oshawa Power's next rebasing.
11		Other items or amounts that may be requested by Oshawa Power during the course of this proceeding, and as may be granted by the OEB.

1.5 DISTRIBUTION SYSTEM OVERVIEW

Oshawa Power has approximately 63,000 residential, commercial, and industrial customers including major manufacturing and educational institutions. Oshawa Power's

service territory covers 146 square kilometers, consisting of 96.4 square kilometers of urban and 49.1 square kilometers of rural area and is more specifically described in Oshawa Power's distribution license (ED-2002-0560) and is shown in the below. The 2021 Canadian Census recorded the City of Oshawa's population as 175,383. The 2024 estimated population of Oshawa was 186,256.[1]

Figure 1-4: Service Territory and Substations



Oshawa Power purchases electricity from the IESO. The Oshawa Power distribution system is supplied from three Hydro One owned TS's at 44kV which includes Wilson TS, Thornton TS and Enfield TS. These transmission stations are used to supply Oshawa

[1] Oshawa City Council Public Report, April 24, 2024, CNCL-24-54, Table 3-1 https://pub-oshawa.escribemeetings.com/filestream.ashx?DocumentId=15709

Power's nine substations. More information about Oshawa Power's distribution system can be found in its Distribution System Plan in Exhibit 2.

1.6 CUSTOMER ENGAGEMENT

Oshawa Power's customer-focused value reflects how the Organization operates, engages, and conducts business. Listening to customers, responding promptly, and adapting as priorities evolve underpin how Oshawa Power moves forward.

Oshawa Power's five-year strategic plan, business plan, and SAMP, as discussed in section 1.2, were designed to lay the groundwork for growth and economic prosperity in the City and Region, with customer feedback in mind.

A detailed list of all specific customer engagement and application specific customer engagement activities is provided in Attachment 1-8 (Appendix 2-AC).

1.6.1 Ongoing Customer Centric Communications

As customer needs evolve, Oshawa Power focuses on strengthening relationships with customers to foster trust, openness, and a commitment to actively listening. The Organization is dedicated to meeting customers where they are, providing relevant information that matters to them, including:

- Sharing critical outage information immediately online through social channels and on the website via the outage management system
- Keeping customers informed about LDC activities and community events through appropriate channels such as the website, advertising, media releases, social media, e-blasts, bill inserts, phone calls, letters, door hangers, and more
- Engaging with the community through sponsorships, events, and participation to create opportunities for education, information sharing, and fostering goodwill

Social Media

Oshawa Power's social media strategy has undergone significant changes since 2021, driven by shifts in the broader social media landscape. Key adjustments include moving away from daily use of X and instead prioritizing authentic, value-driven content on Facebook for an increasingly active older audience.

During this period, the organization has updated its strategies across various platforms, enhancing efficiency through the use of Buffer, an all-in-one social media management tool. This platform enables Oshawa Power to pre-schedule relevant content, draft core messages, and tailor them for each platform to optimize formats and engagement with diverse audiences.

Given a steady decline in active users and engagement on X, which was once the Organization's largest platform, Oshawa Power has shifted its focus away from it. Instead, the Organization has adopted a more reactive approach, using X primarily for addressing specific events (e.g., outages) and sharing crucial information with customers. This strategy has enabled Oshawa Power to deliver time-sensitive updates efficiently while conserving resources for platforms where engagement and sentiment are more favorable.

In 2022, Oshawa Power expanded its social media presence by joining Instagram to engage a new, more active audience. While growth has been slower than anticipated, the Organization has seen positive results, reaching nearly 400 followers. The platform's photo-based format has proven effective, particularly for sharing authentic, behind-the-scenes content. Additionally, targeted paid ads on Instagram have been an effective means of communicating important messages to the audience.

Oshawa Power's efforts on Facebook have been particularly successful. Since 2021, there has been an increase in activity among middle-aged and older users, a demographic traditionally harder to reach through digital channels. By focusing on high-value, community-centered content, the Organization has engaged with local "micro-influencers" who amplify their messages within popular local community groups. As a result, the reach of key content often exceeds the follower base.

LinkedIn has also become a more prominent platform for Oshawa Power, surpassing X in followers. The Organization uses LinkedIn to share industry-specific content that

highlights its innovation, reliability, and commitment to grid modernization. This strategy has strengthening Oshawa Power's brand reputation within the community.

In addition to traditional content, social media has increasingly become a channel for customer service. The team monitors messages during business hours and, during outages, outside of business hours, to assist customers, address issues, and escalate matters to the Customer Service team when necessary.

Email

Direct and relevant information and engagement through email has been steadily growing at Oshawa Power. Using the MailChimp platform, the Organization has enhanced its email communications to deliver timely, relevant messages to an expanding customer base. Since transitioning to MailChimp in 2020, Oshawa Power has consistently increased its email outreach frequency while maintaining strong performance. Over 50% of customers are subscribed to receive emails, making this the most effective digital communication channel.

In 2023 and 2024, Oshawa Power adjusted its email strategy to create more frequent touchpoints with customers. While increased frequency may lead to some unsubscribes, the Organization believes this approach improves engagement by striking a balance between providing relevant updates and avoiding excessive communication. The use of branded email templates, which are becoming more recognizable to the customer base, has also supported subscriber retention.

Email has also been used effectively to support engagement and drive action, such as promoting eBilling and pre-authorized payment (PAP) program and sending customer feedback surveys, which have resulted in higher participation in these initiatives.

Beyond marketing, Oshawa Power has integrated email automation with its website to streamline customer interactions. Since early 2023, customers have received automated confirmation emails when registering a new account, changing their address, closing an account, or enrolling in PAP.

Customer feedback from surveys has indicated a desire for more communication. Looking ahead, Oshawa Power plans to implement more targeted email campaigns to deliver a

personalized experience based on customer demographics. Additionally, the Organization is aiming to expand its website-based email automation.

Direct and relevant information and engagement is also growing through direct email.

Website

Since 2021, Oshawa Power has made significant improvements to its public-facing website to enhance usability, simplify navigation, and provide customers with better access to essential resources.

The most notable change was the Information Architecture project, which involved mapping the website's existing structure to assess how well it served users. Working with an external agency, Oshawa Power developed a roadmap to improve user experience.

As a result, Oshawa Power redeveloped its homepage to highlight high-traffic pages and functions, eliminated outdated content, and consolidated related information into single, easy-to-navigate webpages. These changes have led to increased user engagement and longer visit durations, while also reducing bounce rates.

Additionally, in March 2022, Oshawa Power launched "Watt," an automated chatbot designed to help users navigate the website based on their specific needs. Oshawa Power plans to enhance this tool by expanding its functionality and potentially offering live support.

Media Relations

Since 2022, Oshawa Power has placed a greater emphasis on media relations, adapting to new methods of reaching customers following the exit of traditional newspapers in the area post-pandemic. Local online news outlets have gained prominence, and Oshawa Power has worked to strengthen its media distribution list and build relationships with local reporters and radio hosts to ensure its messages reach Oshawa residents.

When important messages need to be shared broadly with customers, stakeholders, or the industry, local online media and radio quickly pick up and disseminate the information. Key messages that resonated included those focused on consumer protection, such as

Scam Alerts and Storm Updates. Oshawa Power will continue to leverage the media to deliver messages that require immediate attention to reach customers.

There has also been an increased focus on cultivating media relationships both locally and within the industry. In 2024, Oshawa Power distributed 14 media releases to local outlets, each of which received some level of coverage.

Phone

Oshawa Power meets the communication needs of its broad customer base through a variety of methods. While the trend is moving towards a digital-first approach, Oshawa Power continues to use the phone to share information and updates with customers, utilizing both agents and interactive voice response (IVR) messaging for specific communications. For significant projects and changes, Oshawa Power uses bill inserts to ensure customers are informed.

1.6.2 Coordination with Municipal and Regional Government

Oshawa Power's leadership team, including the CFO and CEO, meets with the City on a monthly basis to share financial planning, economic development, and planning information. These meetings ensure timely and coordinated planning for the effective delivery of services while discussing opportunities and gathering feedback from constituents and customers.

In addition to executive-level coordination, various teams within Oshawa Power hold both planned and ad hoc meetings with City and Regional departments, including:

- Monthly key account meetings with the City of Oshawa's Facilities Management Services group
- Monthly meetings with the Region of Durham's Sustainability Coordinators Community of Practice
- Monthly and ad hoc meetings with the City of Oshawa's Planning Division for pre-consultations on development permits to coordinate and plan major services

Outcomes of these relationships have been highly useful for mutually beneficial initiatives, for example the deployment of programs highlighted in the Durham Community Energy Plan and City of Oshawa Community Greenhouse Gas Reduction Plan.

Coordinating Within the Broader Distribution System Planning Process

Oshawa Power actively participates in regional planning efforts as part of the GTA East Regional Planning Process, collaborating with other LDCs, Hydro One, and the IESO to ensure system needs are accurately assessed and addressed. This involves close engagement with municipal bodies to incorporate local development trends and ensure alignment with broader provincial and federal policies. To inform system planning, Oshawa Power leverages publicly available data and strategic studies. Forecasts for residential, commercial, and industrial growth are developed using regional planning documents, municipal development plans, and industry reports. These insights help refine long-term infrastructure investments.

The third regional planning cycle began in August 2024, with a Needs Assessment completed in December 2024 identifying system needs and recommending which needs require further coordination during the scoping assessment phase.

1.6.3 Community Outreach

Community outreach is critical for how Oshawa Power stays connected to its customer base and supports the community. As a 130-year-old service, customers rely on seeing the Organization out in the community, supporting big and small events and supporting causes that are important to them. Oshawa Power's community outreach plan focuses on supporting local causes and education. Several examples are shown below.

Partnership and Sponsorships

Oshawa Power focuses its efforts on health and community well-being and creates opportunities for members of its community:

- Oshawa Power partnered with the Oshawa Generals to sponsor 300 children excelling in STEM education, giving them the opportunity to attend a game with their families in 2022 and 2023

- In 2024, Oshawa Power sponsored a free swimming & skating event at a local community centre, providing free activities for more than 700 children and their families
- During the winter months in 2021, 2022 and 2023, Oshawa Power collected needed items for its neighbour, the Backdoor Mission, providing, socks hats and gloves to keep vulnerable community members warm
- Back to school can be stressful for low-income families, so Oshawa Power employees sponsored kids in 2022 with backpacks full of supplies for kids in the community, dispersed through the Denise House
- In 2024, employees decorated a float to participate in Oshawa's Santa Claus Parade of Lights, supporting the long-standing community tradition and connecting with more than 10,000 members of the community

Veteran Banners Program

In the month of October, Oshawa Power's operational staff supports The Royal Canadian Legion Branch 43 through its Veteran Banner program. For its ongoing efforts in supporting this program since its inception in 2017, Oshawa Power was presented with the Friendship Award by the Dominion Command of the Royal Canadian Legion.

Branch 43 RCL Sgt. At Arms and Banner Coordinator, Stu Jarvis, presents Oshawa Power's Manager of Distribution Construction, Kent Fulling, with The Royal Canadian Legion's Friendship Award

Education

- Oshawa Power has been a sponsor of the local **Touch-a-Truck** event since 2022. This engaging, informative, and family-friendly event attracts an average annual

attendance of more than 4,000 people. Oshawa Power looks forward to showcasing the important work it does, as well as the safety features and equipment that protect both the Organization and the community. In 2023-2024, the Safety Coordinator demonstrated specific safety scenarios to families and children using the Hazard Hamlet.

- **Tip Tuesday** is a social campaign that focuses on providing tips and tricks to help customers understand how they can optimize their bill, reduce their costs and ensure they have knowledge of the safety hazards in the community and how to prevent injury.

Moving forward, Oshawa Power will continue to focus participation and community efforts surrounding health and wellness and safety education.

1.6.4 UtilityPULSE Customer Satisfaction Surveys

This bi-annual satisfaction survey administered by UtilityPULSE was last completed in 2023. The survey helped gain insights into the issues that concern Oshawa Power's customers. The survey focused on six key areas: Access to Information, Automation & Services, Reliability, Quality, EV Awareness, Adoption, Generation, and Storage.

This survey included 402 one-on-one telephone interviews, chosen from a random sample representing 85% residential customers and 15% commercial customers, providing a confidence level of 95% (+/- 4.9%). Over the past three surveys, Oshawa Power has maintained an A rating on the UtilityPULSE scorecard.

The survey results over the historical period are shown in the Table below.

Table 1-19: UtilityPULSE 2021 and 2023 Survey Results

Measure	2021	2023
Customer Satisfaction: Initial	96%	94%

Customer Satisfaction: Post	95%	93%
Customer Advocacy	86%	84%
Customer Commitment	89%	87%
Customer Experience Performance Rating (CEPr)	88%	86%
Customer Centric Engagement Index	86%	85%
UtilityPULSE Report Card	A	A

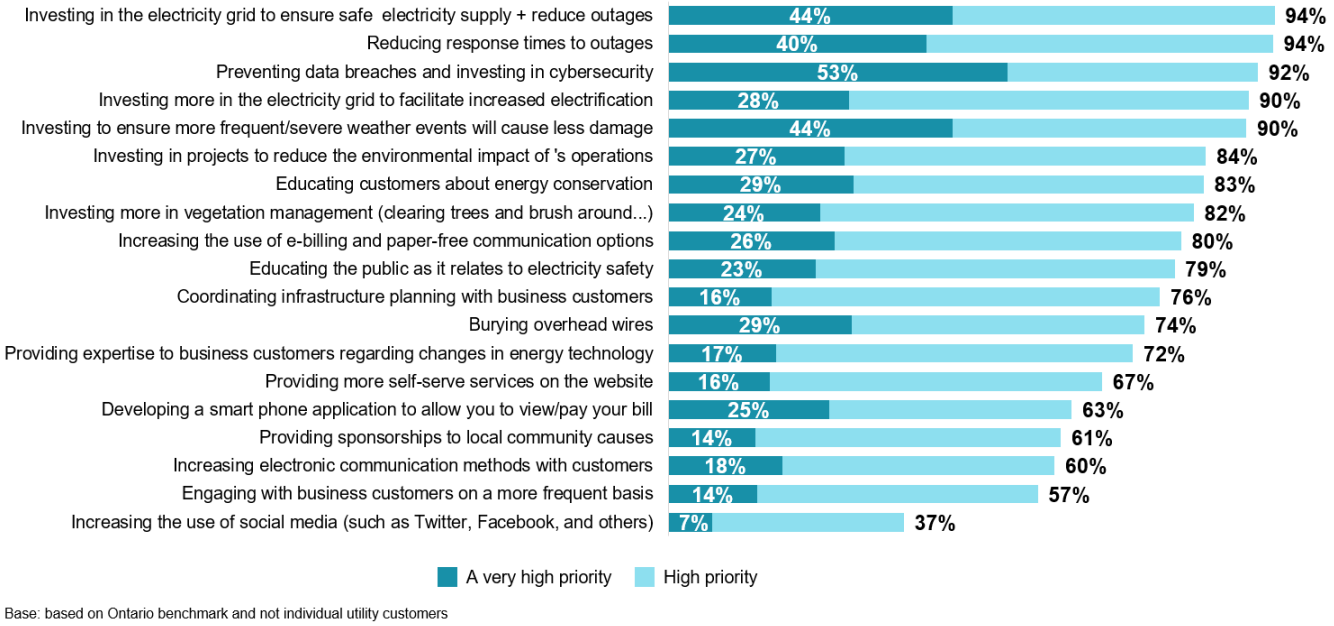
Key findings included:

- For the most part, Oshawa Power customers are satisfied with service received from their utility. When asked, 90% of customers believe that Oshawa Power provides reliable electricity. Oshawa Power has above average score in the Core Customer Service Quality Attribute of being customer focused and making customers feel valued (82%, National average: 72%, Ontario average: 76%).
- In general, electricity customers either see other industries' prices increasing more or at the same rate as electricity. Still, a sizeable proportion note electricity costs as challenging.
- Regarding issues and contact management, 36% of customers said they contacted Oshawa Power about their issue (vs. 30% nationally and 31% in Ontario) and there is a desire for a proactive 'push' communication from Oshawa Power for unexpected outages. Text and email lead the way at 80%.
- The delivery of reliable electricity continues to be a core expectation for customers. Customers are not willing to tolerate two or more outages – the perception that outages are increasing significantly increases when they experience more than one outage.
- Credibility and trust ratings, as well as overall satisfaction, are notably weaker among those who experienced various issues and those who believe that outages are increasing. Moreover, satisfaction levels are significantly lower among those who disagree that Oshawa Power has a standard of reliability that meets their expectations.

- Maintaining strong customer service levels remains critical; those who were not satisfied with their experience or did not feel their problem was solved are much more likely to express dissatisfaction with Oshawa Power.
- Customer effort, experience, and engagement are strongly linked to customer service impressions as well as Oshawa Power's ability to be proactive with communications. Most customers ultimately still want to speak with an agent to deal with their issues but self-serve initiatives are also needed with a balance required to meet diverse customer needs and situations.
- Just over half of respondents have already registered for e-billing. Those who have not primarily say they need paper as a reminder to pay.
- As customer needs evolve, 69% of customers still express a strong preference for resolving issues with a live agent. While many are willing to attempt self-service if the process is clear and instructions are readily accessible, high-touch service remains essential for ensuring issues are effectively resolved. To meet diverse customer needs and situations, Oshawa Power will focus on providing multi-channel support options, combining self-serve tools with personalized, high-quality agent interactions.

The figure below identifies key priority planning areas for distribution system planning from the UtilityPULSE Report.

Figure 1-5: High Priority Planning Areas



For more information regarding the results, please see 2023 UtilityPULSE Customer Satisfaction Survey Report (Attachment 1-8).

1.6.5 Application-Specific Customer Engagement

Since the last rate filing engagement, Oshawa Power replaced its traditional in-person approach with a digital approach to engage with residential and small business customers. This change was made because of pressures associated with the COVID-19 pandemic, including the elimination of face-face meetings and a movement towards digital channels. This is in line with customer feedback calling for more digital options for communication and is more cost-effective for the community base. For its large and commercial customer base, Oshawa Power used a blend of digital, phone and in-person sessions to capture the various points of feedback and interests that make up this demographic.

By using a digital approach, Oshawa Power transitioned to ongoing sharing of successes and accomplishments in real-time throughout the year, each year. Updating customers using online methods, dedicated updates and posts to the growing social network through

blog posts, media sharing, and video posts by key individuals. For example, in response to a customer priority, Oshawa Power developed a digital blog post outlining its reliability performance in 2022 and 2023. Oshawa Power will continue this practice of reporting and sharing as long as customers identify reliability as critical. The report is online and is shared with customers and media to amplify the accomplishments. In response to the previous survey and impacts of COVID-19, customers also increasingly pursue and engage with related information online. In fact, 70% of Oshawa Power customers access information online, and 41% access their billing online as a steadily growing number.

The engagement and satisfaction surveys asked customers about their current and future priorities. To support the surveys, Oshawa Power updated the existing website project page with explainer videos for understanding a customer bill, and an overview of the DSP plan. This was posted on a dedicated project page.

For this Application, Oshawa Power informed their residential customers of the proposals for inclusion in the application through a two-phase customer online survey. The first survey Customer Priority Survey in January 1, 2024 and through a follow up Help Shape Oshawa's Electricity Plan in September 2024, including engagement in-person and over the phone sessions for large customer accounts, as discussed below.

Phase One: Customer Priority Survey

In January 2024, Oshawa Power engaged with customers through an initial survey to better understand customer pressures, electricity priorities, and their plans and needs to support development of this Application. This online Customer Priority survey was made available to all of Oshawa Power's customers, and was sent directly via email to nearly 30,000 customers who had provided email addresses. The Organization received feedback from over 1,600 customers, or approximately 2.5% of its customer base, predominantly from residential customers and a small number of commercial customers.

Insights from this survey included:

- Customers are digitally well informed, with 68% accessing information through the customer portal, and 40% identifying that they use the website for information. 86% of customers indicated that Oshawa Power's digital services are easy to navigate.

Oshawa Power will continue to focus on sharing information on its customer portal, website, and via email; ensuring information is clear and accessible.

- Automation is important to customers and some customers are requesting that Oshawa Power consider text messaging for outage communications.
- When it comes to reliability, >90% of those surveyed agreed that Oshawa Power provides consistent and reliable electricity
- Many customers are considering EVs and those who are not have cited costs and range as factors working against adoption.
- Customers who own EVs are energy conscious consumers – charging at home and during off-peak hours. Feedback from owners and potential adopters includes advocating for more subsidies for Level-2 home chargers and free installation.
- When asked about generation and storage, 95% surveyed had no generation or storage at home or their business. Potential adopters cited that, depending on costs and technology, they would consider solar panels in the future. Oshawa Power is developing plans to educate customers on options for energy storage, including behind the meter solutions to help them understand how these options can offset energy costs.

The 2024 Customer Priority Survey Results are attached (Attachment 1-9). A summary of the themes from the survey can also be found at on Oshawa Power's webpage.

Phase Two: Help Shape Oshawa's Electricity Plan

Residential and Small Business Customers

Oshawa Power prepared and issued a follow-up survey to solicit input from customers on the proposed rate increase for 2026-2030. The survey aimed to educate customers about the electricity system and Oshawa Power's business objectives. It presented the planned capital project work in a relatable and transparent manner, clearly outlining the associated costs and aligning with the OEB's categorization framework, as well as presenting the need for Oshawa Power to build a new operational and administrative facility. To ensure a comprehensive understanding, the survey included information and questions about

OM&A spending, future demand expectations, and the general perception of Oshawa Power as a valued community member.

An email link to the survey was sent to more than 27,000 residential and small commercial customers. The survey link was also posted on Oshawa Power's social media accounts and website, and promoted and shared by the Oshawa Chamber of Commerce. The survey was available from September 11, 2024, until September 30, 2024.

In total, 2,248 customers responded to the survey, with over 1,300 customers completing it, resulting in a completion rate of 59%. See Customer Engagement for the 2026-2030 Distribution System Plan (Attachment 1-10).

An analysis of the >1,500 comments received, showed three trends: more communication is desired, customers are cost sensitive, and a focus on customer service is needed.

Overall, Oshawa Power's customers think positively about their utility:

- 78% believe Oshawa Power is a financially responsible business
- 81% think Oshawa Power fosters a positive culture in its interactions with its customers
- 93% believe that Oshawa Power considers safety as paramount in its operations and in regards to the public
- 86% view Oshawa Power as an environmentally responsible business
- 88% responded with appropriate, well or very well when asked "How well do you think Oshawa Power is planning for the future?"

With respect to the new facility, Oshawa Power's customers said:

- 74% understood the need for Oshawa Power to move to a new location
- 80% agreed that Oshawa Power has unique needs for space to accommodate its operations
- 88% said the new building should be energy efficient and environmentally friendly

Large Customers

For large customers, Oshawa Power took a more direct approach, leveraging its existing outreach channels within the business community as well as engaging directly with Key Accounts. The following table provides a summary of the outreach efforts specifically aimed at gathering feedback regarding this DSP and Cost of Service application.

Table 1-20: Approach to Business Customer Engagement

Business Segment	Approach to Outreach	Timing
Business Class B – GS 50-999 kW Approximately 5,000 Customers	Survey link featured in Oshawa Chamber of Commerce Weekly Newsletter Conversations at in-person Chamber event	Newsletter – September 24, October 1, 8, 15 In-person outreach – Chamber Networking Event October 2
Large Industrial / Institutional Class A – GS =/>1MW 10 Customers	Meeting requests including: General update, policy update (NWS), Cost of Service update. Follow-up email with link to survey for employees living in Oshawa	Emails sent September 20, 2024 Meetings September, October, November 2024

The following sections provide additional detail regarding the reach and results of the outreach efforts.

Class B Customers – General Service 50 to 999 kW

Oshawa Power leveraged the Oshawa Chamber of Commerce's reach to its 600 members to target the medium size business segment of its customer base. This was done through a combination of digital outreach and in-person networking. The digital outreach included advertising in the Chamber's online newsletter in a four-week campaign featuring a hyperlinked add, requesting feedback in the survey that was also distributed to residential customers. The in-person outreach took place at a widely attended Chamber of Commerce networking event.

Figure 1-6: Chamber of Commerce Newsletter Ad

The newsletter went out to 3,200 Oshawa Chamber of Commerce contacts and earned 52 responses to the survey. The in-person event had 50 participants, who were encouraged to access the survey in the newsletter.

Class A Customers – Large Customer Segment – GS equal to or over 1MW

Oshawa Power's Key Account Strategy includes a minimum of four touch points per year, per large customer, with additional and/or ad-hoc outreach where value can be added for the customer.

Key Account DSP outreach was planned for Q3 2024, to coincide with the finalization of a draft project list. Outreach was comprised of an email directly from the manager responsible for Key Accounts to contacts responsible for the annual Industrial Conservation Initiative Opt-in process. A total of 14 accounts, owned by ten organizations were included in this outreach.

Feedback from the Key Accounts provided important context about future energy usage and needs within Oshawa's Grid with respect to their plans to electrify, decarbonize and grow. Furthermore, Key Accounts expressed interest in exploring opportunities to incorporate their distributed energy resources (DERs) into the NWS strategy. These points informed elements within the NWS business case regarding investing in third-party DERs that are planned for implementation within this cost-of-service.

With respect to other elements in the DSP or in this rate case, Key Accounts took a supportive stance regarding Oshawa Power's new facility, and with regard to the other

planned investments in the grid, as they all had a high degree of satisfaction with Oshawa Power's services. All Key Accounts requested that Oshawa Power focus on controlling costs, especially given that many had plans to electrify.

For more information regarding large and commercial feedback, please see attached Large Customer Engagement for the 2026-2030 Distribution System Plan (Attachment 1-11).

1.6.6 Customers Uniquely Affects by Proposals in this Application

Oshawa Power's customer engagement related to this Application did not include engagement on any specific proposals that uniquely affected any specific customers, such as new rate classes, changes to existing rate classes and changes such as Retail Service Charges, Specific Service Charges, standby rates, and unmetered-load customers. This is because none are proposed, as discussed in Exhibit 8.

Industry-led changes to rates, such as the OEB's March 31, 2025 Guideline on Electricity Distribution Retail Transmission Service Rates and Low Voltage Charges and Electric Vehicle Charging Rate Overview Final Report (EB-2023-0071) was issued less than one month before this Application was filed, and therefore had not included in the customer engagement described above. Oshawa Power plans to address these changes in its targeted customer outreach going forward.

1.6.7 Response to Customer Preferences: Future Activities

The direction for this Application was informed by understanding the evolving needs of customers, both now and in the future. By aligning the priorities of the customer base with its approach to strategic planning, Oshawa Power is able to support the community, maintain equipment, and keep its fleet and resources in good working order for the growth and sustainability of Oshawa.

As discussed in section 1.2, in response to the ongoing engagement and application specific engagements of its customers, Oshawa Power incorporated the feedback into its

Strategy and Business plans for 2026-2030 under eight strategic objectives. Highlights of how the customer feedback was incorporated are shown below.

Customer Focus

Oshawa Power acknowledges concerns regarding its customer service and has been actively implementing measures to address them. Many customers consider high-touch, in-person, or telephone service essential for effectively resolving their issues. As customer needs continue to evolve, Oshawa Power remains committed to offering multi-channel support options that accommodate diverse preferences and situations. Simultaneously, the Organization seeks to balance these offerings with its commitment to maintaining low rates and providing cost-effective self-service solutions.

Keeping Up with Technology Transformation & Data

Customers recognized that data security, the prevention of data breaches as a top priority for Oshawa Power to consider through the UtilityPULSE customer survey (see Figure 1-5). Oshawa Power is focused on business transformation as documented in its IT Business Strategy and will continue working to carefully select, and effectively utilize new technologies, while maintaining cyber safety in alignment with the OEB's cybersecurity framework.

Planning and Modernization to Keep Pace with the Sector

In response to customer concerns about climate change, storms, reliability, and outages, Oshawa Power is committed to ensuring a robust and responsive system to address these concerns. As forecast loads continue to grow, Oshawa Power is staying ahead by researching and adopting sector innovations. Oshawa Power is actively planning for non-wires solutions and other opportunities to address demand in a cost-effective and sustainable manner, including leveraging government and other funding opportunities to support education initiatives to empower its customers. See next section about electrification and section 1.8 on facilitating innovation for more details.

Financial Performance

Oshawa Power customers are cost conscious and 78% believe Oshawa Power is a financially responsible business. Oshawa Power will continue to focus financial efforts in such a manner that supports customers' belief in its performance.

Controlling Costs for Reasonable Rates

Oshawa Power recognizes customer concerns regarding increasing electricity costs and remains committed to maintaining superior cost performance compared to other LDCs as measured by the OEB's annual total cost benchmarking program.

1.6.8 Electrification

As Oshawa Power plans for electrification and remains committed to a low-carbon energy transition, the Organization is dedicated to supporting education initiatives that promote EV adoption and increase awareness of energy sources beyond the meter, such as solar, wind, and storage solutions. Oshawa Power actively encourages the use of electric and alternative-fuel vehicles both locally and across Canada through research, innovation, community engagement, and infrastructure development.

The Organization continues to gather power usage data from homeowners to enhance current and future grid planning efforts. Additionally, Oshawa Power provides tools and resources to educate the community about EV ownership, helping customers make informed decisions. Currently, Oshawa has surpassed 1,000 registered EVs, with 811 BEV and 300 PHEV drivers—a number that continues to grow steadily. As EV initiatives progress, Oshawa Power will share updates with its customers through dedicated EV pages at www.oshawapower.ca/electric-vehicles.

1.6.9 Summary

Oshawa Power carefully considers customer feedback and preferences when determining the pacing of its investments and selecting optimal projects. Customers have expressed that reliability—minimizing both outage frequency and duration—is a key priority. In response, Oshawa Power has made safety and reliability a central theme of

the 2026-2030 DSP. The organization ensures a dependable electricity supply for Oshawa's residents and businesses through:

- Efficient grid monitoring;
- A comprehensive asset management program;
- Dedicated field staff;
- Continuous planned maintenance; and,
- The development of one of Ontario's most advanced SmartGrids.

Oshawa Power also recognizes the importance of effective communication during outages and is responding to customer feedback by introducing text message alerts in early 2025. This initiative reflects its commitment to enhancing customer service and providing timely, accessible information.

In addition, Oshawa Power is focused on implementing cost-effective self-serve solutions, safeguarding customer data, and increasing automation to improve service delivery. The organization remains dedicated to driving business transformation while maintaining financial stability and operational excellence.

By strengthening its organizational capacity, Oshawa Power will ensure sustained performance and continue meeting the evolving needs of its growing customer base with innovation and care.

1.7 PERFORMANCE MEASUREMENT

This section includes analysis of scorecard results, activity and program-based benchmarking, results from OEB total cost benchmarking forecasting model, and custom metrics for Oshawa Power.

1.7.1 Scorecard Results, Analysis, and Performance Improvement Targets

Oshawa Power's scorecard results, shown in the Figure below and discussed in the following pages, reflect the Organization's ongoing dedication to achieving operational

efficiencies and continuous improvement in performance, exceeding industry- and distributor-specific targets set by the OEB. A link to the 2023 scorecard and associated management discussion & analysis (MD&A) is shown below:

https://www.oshawapower.ca/wp-content/uploads/2024/09/Scorecard-Oshawa-PUC-Networks-Inc.-with-MDA_2023.pdf

Figure 1-7: Oshawa Power's 2023 Scorecard Results

Scorecard - Oshawa PUC Networks Inc.

8/6/2024

Performance Outcomes	Performance Categories	Measures		2019	2020	2021	2022	2023	Trend	Target: Industry	Target: Distributor
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time		100.00%	100.00%	100.00%	98.86%	99.77%	↓	90.00%	
		Scheduled Appointments Met On Time		100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%	
		Telephone Calls Answered On Time		94.13%	92.03%	96.70%	96.47%	95.98%	↑	65.00%	
	Customer Satisfaction	First Contact Resolution		238	68	103	173	175			
		Billing Accuracy		99.91%	99.91%	99.90%	99.93%	99.95%	↑	98.00%	
		Customer Satisfaction Survey Results		95	94.04%	95.5%	92.5%	89.2%			
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness		83.00%	83.00%	82.00%	82.00%	82.00%			
		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	0	0	0	→		0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000	→		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted [2]		0.98	1.46	0.57	1.46	0.79	↓		1.42
		Average Number of Times that Power to a Customer is Interrupted [2]		1.09	1.50	0.70	1.04	0.80	↓		1.38
	Asset Management	Distribution System Plan Implementation Progress		99%	98.3%	95.6%	96.5%	118.5%			
	Cost Control	Efficiency Assessment		2	2	2	2	2			
		Total Cost per Customer [3]		$598	$578	$591	$638	$724			
		Total Cost per Km of Line [3]		$35,041	$34,172	$35,852	$16,183	$18,514			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Connection of Renewable Generation	New Micro-embedded Generation Facilities Connected On Time								90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.25	1.33	1.56	1.18	1.21			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		1.15	1.32	1.41	1.33	1.37			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.00%	8.34%	8.34%	8.34%			
			Achieved	9.14%	5.33%	7.98%	8.96%	9.50%			

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

Service Quality

New Residential/Small Business Services Connected on Time

In 2023, Oshawa Power performed well on this metric, connecting 99.77% of the 1,295 eligible low-voltage residential and small business customers to its distribution system within the five-day timeline prescribed by the OEB. Oshawa Power considers this service quality requirement an important customer engagement initiative as it is the utility's first opportunity to meet and/or exceed its customer's expectations. Oshawa Power's five-year history shows it has been consistently above the OEB mandated threshold, which is reflected in the level of customer satisfaction within Oshawa Power's territory.

Scheduled Appointments Met On Time

In 2023, Oshawa Power scheduled 965 appointments to complete work for customers. This included underground locates, direct requests from customers, key account and conservation requests. Oshawa Power met 100% of these appointments on time, resulting in the maximum achievable score. Over the last 5 years, Oshawa Power has consistently achieved a score of 100% on this metric, above the OEB industry target of 90%.

Telephone Calls Answered On Time

In 2023, Oshawa Power customer contact centre agents received over 37,000 calls from its customers – approximately 150 calls per working day. Agents answered calls within 30 seconds 95.98% of the time. This result exceeds the OEB-mandated 65% target for timely response, which Oshawa Power has exceeded each year for the last five years with scores above 90%. Oshawa Power offers customers 24/7 service through its website, interactive Chatbot, online forms and customer portal. This allows Oshawa Power to address the most common customer inquiries and service needs cost-effectively without compromising quality or service excellence. Emergency and outage notification calls are addressed using a live answering service after hours to ensure high-quality responsiveness from operating crews.

Target for Improvement: Oshawa Power aims to maintain its better than average performance on all service quality metrics through 2030. Although 2024 results are not yet finalized, Oshawa Power expects that its score will decrease based on an overwhelming volume of calls to the call centre in 2024. Oshawa Power aims to improve its performance on this metric in 2025 and beyond through the Organization's planned investments in its customer service program. See Exhibit 4, section 4.3 for more information about its Customer Service program.

Customer Satisfaction

First Contact Resolution

In 2023, Oshawa Power tracked calls where customer questions were not resolved during their initial call and required a follow-up phone call, or were escalated to a Team Leader, Supervisor or Manager. As noted above, Oshawa Power received over 37,000 calls during the year, of which 175 (0.47%) were not resolved on first contact. This result is in alignment with Oshawa Power's trend on this metric over the past five years, since first contact resolution remains a priority as the Organization continues to strive for customer service excellence.

Billing Accuracy

In 2023, Oshawa Power issued over 746,000 bills and achieved a bill accuracy measure of 99.95%. This compares favorably to the prescribed OEB target of 98%. Over the last five years Oshawa Power has maintained a score on this metric of 99.9% or more, reflecting its effective system that ensures bills are generated in a timely and accurate manner.

Customer Satisfaction Survey Results

For 2023, to measure customer satisfaction results, a short survey was offered to all customers prior to speaking with an agent within Oshawa Power's call centre. Customers who opted to take the survey received an automated call back following their interaction. Survey responses allow Oshawa Power to gauge customer needs and adapt in order to

exceed their expectations. In 2023, customers provided us with a CSAT score of 89.20%, a slight drop from 2019-2022 during which Oshawa Power's customers have rated their satisfaction above 92% each year, which is attributed to the Organization's ability and commitment to make service improvements in response to customer feedback. Some examples of changes that have enabled high customer satisfaction scores are a result of customer feedback in prior years. For example, improvements in the telephone IVR system, improved payment methods, increase in online self-serve options and growth in online social media presence have contributed to consistently high scores.

Target for Improvement: Oshawa Power is committed to improving customer service quality and responsiveness in 2025 and beyond through investment in its customer service program. Preliminary CSAT score results for 2024 suggested that CSAT scores have dropped following outsourcing of the call centre to a third-party service provider earlier in the year. As a result, Oshawa Power aims to improve its performance on this metric through its planned investments in the customer service program in 2025 and beyond. See Exhibit 4 for more details.

Safety

Public Safety

Oshawa Power promotes public safety messages through the use of bill inserts, its website and social media in order to ensure customers stay informed and stay safe. Additionally, Oshawa Power was a principal sponsor at "Touch a Truck", a safety and awareness event in Oshawa to promote public safety for all ages.

In May 2015, the OEB established public safety metrics with the following components that are included on all LDCs' annual scorecards:

Component A - Public Awareness of Electrical Safety

Component B - Compliance with Ontario Regulation 22/04

Component C - Serious Electrical Incident Index

Component A – Public Awareness of Electrical Safety

The Public Awareness of Electrical Safety metric measures the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory, and the degree of effectiveness of the distributor's activities to prevent electrical accidents. Oshawa Power, along with 27 other utilities, engaged UtilityPULSE to administer the survey as well as calculate a Public Awareness score. The survey is administered once every two years with the last survey conducted in January 2022. Oshawa Power's final public awareness index score was 82%. Based upon the survey results of the participants, Oshawa Power's customer awareness index was on par with the average score of 82% for the LDCs who participated.

Component B – Compliance with Ontario Regulation 22/04

Oshawa Power was fully compliant with Ontario Regulation 22/04 for the year 2023, achieving a score of 'C' for Compliant. Over the last five years, Oshawa Power has consistently scored a 'C'. Oshawa Power's continued achievement of compliance is the result of its strong commitment to safety, and adherence to standards and supported by the Organization's procedures & policies.

Component C – Serious Electrical Incident Index

Oshawa Power reported no fatalities or other serious incidents due to contact with its infrastructure in 2023, thereby achieving a top score of 0.000 for the Serious Electrical Incident Index per 1,000 km of line. Oshawa Power also reached over 1.2 million hours without a lost-time injury by the end of 2023, maintaining a strong commitment to safety and safe work practices. Oshawa Power takes public safety in the vicinity of its distribution equipment very seriously, and regularly carries out activities to take prompt corrective action where potential public safety issues are identified.

Target for Improvement: In 2023, Oshawa Power reached over 1.2 million hours without a lost-time injury. Oshawa Power remains focused on enhancing public awareness of electrical safety, including the development of a safety awareness program in elementary

schools, ensuring compliance with safety regulations, and achieving its next safety milestone as part of an ongoing dedication to a zero-incident workplace.

System Reliability

Oshawa Power has invested in the reliability of its distribution system by replacing porcelain insulators, installing animal protection devices on the system and at its substation facilities as well replacing aging infrastructure. In addition, Oshawa Power has also installed SCADA operated / automated switches to increase reliability and enhance automation in its distribution system. Oshawa Power continues to conduct Infrared scans of its system to discover repairable anomalies prior to failure.

Average Number of Hours that Power to a Customer is Interrupted

In 2023, Oshawa Power's reported Average Number of Hours that Power to a Customer is Interrupted (i.e., duration excluding loss of supply and including major events) was 0.79, an improvement compared to 2022 and exceeding the distributor target of 1.42. See Table below for historical SAIDI results.

Table 1-21: Historical Reliability Index – SAIDI Results

SAIDI	2019	2020	2021	2022	2023
Including Loss of Supply, Major Events	0.98	1.46	0.72	1.46	0.80
Excluding Loss of Supply, Including Major Events	0.98	1.46	0.57	1.46	0.79
Excluding Loss of Supply, Excluding Major Events	0.98	1.46	0.57	1.46	0.79

Average Number of Times that Power to a Customer is Interrupted

In 2023, Oshawa Power's reported Average Number of Times that Power to a Customer is Interrupted (i.e., frequency excluding loss of supply and including major events) for 2023 was 0.80 which is better than the distributor target of 1.38. See Figure below for historical SAIFI results. Of note, the 2021 value on the scorecard was incorrectly reported as 0.70 and should have been 0.66.

Table 1-22: Historical Reliability Index – SAIFI Results

SAIFI	2019	2020	2021	2022	2023
Including Loss of Supply, Major Events	1.09	1.50	0.83	1.04	1.02
Excluding Loss of Supply, Including Major Events	1.09	1.50	0.66	1.04	0.80
Excluding Loss of Supply, Excluding Major Events	1.09	1.50	0.66	1.04	0.80

Target for Improvement: Oshawa Power continues to manage its System Renewal investments and System Service investments to maintain and improve its reliability for its customers. On January 16, 2025, Oshawa Power issued its 2024 Reliability Report, available at https://www.oshawapower.ca/reliability/. Oshawa Power aims to maintain its better than average performance on all reliability metrics through 2030.

Asset Management

In 2020, Oshawa Power filed an application with the OEB for a full review of its rates effective January 1, 2021. Oshawa Power submitted its Distribution System Plan (DSP) to the OEB as part of the application. Oshawa Power measured its implementation of the 2021-2025 DSP by the ratio of actual total capital expenditures to planned total capital expenditures for a given calendar year.

Distribution System Plan Implementation Progress

In 2023, Oshawa Power spent 118.5% of its planned capital budget for the year because of a surge of system access spending resulting from increased economic activity and reduced supply chain disruptions. The overspending was due to accelerated development, increased customer demand, and a rise in third-party infrastructure projects.

Target for Improvement: In 2025, Oshawa Power is continuing to manage its system renewal and system access requirements in the final year of its 2021-2025 DSP. In 2026, Oshawa Power looks forward to implementing its new DSP following approval by the OEB in order to mitigate distribution system risks and support growth in the City.

Cost Control

Efficiency Assessment

The OEB assesses the total costs of Ontario's LDCs using a total cost benchmarking model, assigning each LDC an efficiency ranking. In the 2023 Benchmarking Update for Determination of 2024 Stretch Factor Rankings by Pacific Economics Group (PEG), Oshawa Power remains in Cohort II as a result of Oshawa Power's total cost performance being lower than predicted costs by 10-25%. This result underscores Oshawa Power's commitment to cost efficiency and operational excellence that results in above average cost performance for an Ontario LDC. This placement highlights consistent efforts to manage costs below predicted benchmarks, ensuring that value is provided to customers through careful financial stewardship and efficient service delivery.

Additionally, in 2023, Oshawa Power saw its standing within Cohort II improve compared to 2021. See Table below for Oshawa Power's cost performance from 2021-2023.

Table 1-23: 2021-2023 OEB Approved Benchmarking Total Cost Performance

Year	2021	2022	2023	Difference From 2021-2023
Total Cost	$35,457,322	$38,824,035	$44,969,381	26.83%
Cost Performance Results	-16.80%	-18.90%	-18.90%	-2.10%
Cohort	2	2	2	No change

Table 1-24: Oshawa Power Rates & Cohort 2021-2025

Year	2021	2022	2023	2024	2025
OEB Inflation Factor	NA	3.30%	3.70%	4.80%	3.60%
Oshawa Power Cohort	2	2	2	2	2
Stretch Factor	0.15%	0.15%	0.15%	0.15%	0.15%
Oshawa Power Rate Increase	NA	3.15%	3.55%	4.65%	3.45%

Total Cost per Customer

Total Cost per Customer, as assessed by PEG on behalf of the OEB, is calculated by summing Oshawa Power's capital and operating costs and dividing by the total number of customers served.

In 2023, Oshawa Power's cost per customer was $724, reflecting a 13.4% increase from the previous year. Between 2019 and 2023, Total Cost per Customer has risen at an average annual rate of 5.1%, driven by factors such as inflation, system renewal, provincial programs, and rapid growth in Oshawa.

Total Cost per Kilometer of Line

The Total Cost per Km of Line is calculated by dividing Oshawa Power's total costs by the kilometers of line it operates. In 2022, the metric shifted to include both Primary and Secondary lines.

Oshawa Power's 2021 rate was $35,852 per km (Primary only) and $14,867 per km (Primary and Secondary). In 2023, the rate rose to $18,514 per km (Primary and Secondary), a 14.4% increase from 2022, averaging an annual increase of 5.7% from 2019-2023. These increases aligned with predicted costs in the PEG Report.

Target for Improvement: As outlined in Oshawa Power's 2026-2030 Business Plan, Oshawa Power aims to remain in Cohort II of the OEB's Benchmarking Total Cost Benchmarking assessment. Oshawa Power used the OEB Approved forecast model to estimate its cost performance through 2030, based on actual results in 2024, and forecast 2025 Bridge and 2026 Test Years, and has is filing it within this Application as a standalone document. As shown in Table 1-25 below, based on that model, Oshawa Power is anticipated to not only remain in Cohort II, but to maintain its ranking within the Cohort.

Table 1-25: OEB Approved Forecast Model for 2026 Test Year

	2023 (History)	2024 (History)	2025 (Bridge)	2026 (Test Year)
Cost Benchmarking Summary				
Actual Total Cost	44,969,381	48,734,901	50,992,031	55,156,804
Predicted Total Cost	54,302,763	57,440,666	60,919,779	64,452,705
Difference	(9,333,382)	(8,705,765)	(9,927,748)	(9,295,901)
Percentage Difference (Cost Performance)	**-18.9%**	**-16.4%**	**-17.8%**	**-15.6%**
Three-Year Average Performance	-18.9%	-17.6%	-17.7%	-16.6%
Stretch Factor Cohort				
Annual Result	2	2	2	2
Three Year Average	2	2	2	2

Oshawa Power also notes that the OEB published a Review of Total Cost Benchmarking Methodology for Electricity Distributors on January 27, 2025. Oshawa Power will incorporate changes to total cost benchmarking that are made as a result of the recommendations of the report should the recommendations be implemented.

Public Policy Responsiveness

New Micro-embedded Generation Facilities Connected On Time

In 2023, similar to previous years, Oshawa Power did not track new micro-embedded generation facilities requests connected on time because tracking had previously been linked to the microFIT program that ended in 2017.

Target for Improvement: Oshawa Power will examine the appropriateness of resuming tracking this metric in 2025 given the initiation of the new Save on Energy Framework which includes embedded generation.

Financial Ratios

Liquidity: Current Ratio (Current Assets/Current Liabilities)

The current ratio is an indicator of a company's ability to meet its short-term debts and financial obligations over the next 12 months. Companies with a ratio of greater than 1 are often referred to as being "liquid". Generally, the higher the number, the more "liquid" and the larger the margin of safety to cover a company's short-term debts and financial obligations. Oshawa Power monitors and manages its liquidity risk to ensure access to sufficient funds in order to meet operational and investing requirements.

In 2023, Oshawa Power's current ratio is 1.21, compared with a result of 1.18 in 2022, demonstrating that the Organization has sufficient resources available to meet its short-term financial obligations. This result is consistent over the last five years.

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

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt-to-equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure, indicating that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments.

In 2023, Oshawa Power's debt to equity ratio was 1.37, an increase from 1.33 in 2022. Oshawa Power strives to maintain a debt-to-equity structure that reflects the OEB's deemed capital structure.

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

Oshawa Power's current distribution rates were approved by the OEB in 2021 and include a regulatory return on equity (ROE) of 8.34%. The OEB allows a distributor to earn within +/- 3.00% of the approved return on equity. When a distributor performs outside of this range, a regulatory review of the distributor's revenues and costs structure may be triggered.

Profitability: Regulatory Return on Equity – Achieved

For 2023, Oshawa Power's achieved ROE was 9.50%, 1.16% above its deemed ROE. This falls within the expected ROE range of +/- 3.00% set by the OEB.

Target for Improvement: Oshawa Power's aims to continue reflecting good liquidity and effective leverage management, even amidst inflationary pressures and major upcoming investments. Continuous monitoring and proactive management will support improved financial stability and long-term fiscal health in future scorecards.

1.7.2 Activity and Program-Based Benchmarking (APB)

The OEB introduced APB to enhance performance measurement and regulatory efficiency of rate-regulated electricity distributors. APB focuses on continuous improvement by allowing LDCs to measure performance across Operations & Maintenance (O&M) and Capital Expenditures (CapEx) categories against industry trends, which are based on data submitted by LDCs across the province. The latest APB results, published on October 17, 2024, provide updated unit cost industry trends for each program for 2019 to 2023.

While these results offer valuable insights into operational performance, they are best viewed as high-level indicators only due to the variations amongst distributors of differing sizes, systems, and operating conditions. Rather, it offers a broader understanding of sector-wide trends and areas for improvement.

Results & Variance Analysis for 2019-2023

The table below compares Oshawa Power's 2019 to 2023 results on the metrics for each of the APB program categories against the industry averages for 2019 to 2023, highlighting Oshawa Power's unit cost measures over this period.

Table 1-26: Activity and Program Based Benchmarking Results for 2019-2023

Activity	Unit Cost Measure	Oshawa Power Average (2019-2023)	Distributor Average (2019-2023)	Above/Below Average
Billing O&M	$/Customer	$20.77	$36.41	Below
Metering O&M	$/Customer	$14.14	$19.43	Below
Vegetation Management O&M	$/Pole	$13.70	$38.70	Below
Lines O&M	$/Circuit km Line	$881	$1,849	Below
Stations O&M	$/MVA per station	$622	$1,319	Below
Poles, Towers O&M	$/Pole	$18.08	$11.05	**Above**
Stations CAPEX	$/MVA station	$741.93	$3,070	Below
Poles, Towers CAPEX	$/Pole Station	$19,201	$10,247	**Above**
Line Transformers CAPEX	$/Line Transformer	$29,795	$12,168	**Above**
Meters CAPEX	$/Customer	$16.16	$12.00	**Above**

As shown in the Table above, Oshawa Power was below the distributor average cost for six of the OEB's APB's 10 metrics.

APB Programs with Better than Average Performance

Table 1-27: Oshawa Power's Billing O&M Results (2019-2023)

Billing O&M	2019	2020	2021	2022	2023	Average
Unit Cost ($/Customer)	$19.24	$20.38	$20.20	$20.78	$23.25	$20.77

Oshawa Power's results on the Billing O&M metric are below the industry average, with an average billing cost of $20.77 per customer compared to the industry of $36.41 per customer. This cost efficiency is achieved by outsourcing both its Customer Information

System (CIS) and bill printing services, benefiting from reduced operational costs and postal savings to further optimize billing expenses.

Table 1-28: Oshawa Power's Metering O&M Results (2019-2023)

Metering O&M	2019	2020	2021	2022	2023	Average
Unit Cost ($/Customer)	$18.47	$13.56	$12.29	$12.09	$14.31	$14.14

Oshawa Power's results on the Meter O&M metric are below the industry average, with an average cost of $14.14 compared to the LDC sector average of $19.43, reflecting Oshawa Power's commitment to ensuring effective metering that requires minimal maintenance.

Table 1-29: Oshawa Power's Vegetation Management O&M Results (2019-2023)

Vegetation Management O&M	2019	2020	2021	2022	2023	Average
Unit Cost ($/Pole)	$11.29	$12.14	$12.60	$14.51	$17.97	$13.70

Oshawa Power's results for the Vegetation Management O&M metric are significantly below the industry average, with an average cost of $13.70 compared to the LDC sector average of $38.70. This cost advantage may be attributed to Oshawa Power's strategic approach to vegetation management, which includes carefully timed trimming cycles and selective outsourcing to optimize costs. By efficiently managing vegetation in areas with denser growth, Oshawa Power maintains reliable service while controlling expenses.

Table 1-30: Oshawa Power's Lines O&M Results (2019-2023)

Lines O&M	2019	2020	2021	2022	2023	Average
Unit Cost ($/Circuit km Line)	$690.08	$568.92	$806.50	$1,231.29	$1,107.68	$880.89

Oshawa Power's results on the Lines O&M metric are considerably below the industry average, with an average cost of $880.89 compared to the LDC sector average of $1,849.13. This cost efficiency stems from Oshawa Power's streamlined maintenance

processes and effective use of in-house staff for routine line operations. By focusing on proactive maintenance strategies and optimizing resource allocation, Oshawa Power is able to manage its lines at a lower cost while maintaining reliability across its network.

Table 1-31: Oshawa Power's Stations O&M Results (2019-2023)

Stations O&M	2019	2020	2021	2022	2023	Average
Unit Cost ($/MVA per station)	$530.09	$423.41	$554.16	$823.70	$780.52	$622.37

Oshawa Power's results on the Stations O&M metric are well below the industry average, with an average cost of $622.37 compared to the industry average of $1,319.10. This difference reflects Oshawa Power's efficient approach to station maintenance, focusing on targeted preventive measures and optimized resource allocation. By maintaining high reliability and safety standards while controlling costs, Oshawa Power ensures strong station performance and system resilience at a more economical unit cost.

Table 1-32: Oshawa Power's Stations CAPEX Results (2019-2023)

Stations CAPEX	2019	2020	2021	2022	2023	Average
Unit Cost ($/MVA station)	$ (123.91)	$0.00	$2,910.04	$205.32	$ (23.73)	$741.93
		Average 2020-2023				$772.91

Oshawa Power's results on the Stations CAPEX metric are $741.93 per unit, are significantly below the industry average of $3,070, reflecting a strategic approach to station upgrades and asset management. Rather than relying on frequent large-scale capital replacements, Oshawa Power prioritizes phased upgrades, carefully assessing each component's condition and extending the lifecycle of existing assets where feasible. Additionally, Oshawa Power's focus on proactive maintenance and targeted refurbishments allows for effective cost control while maintaining reliability standards.

Of note, there were over accruals that required reversals in 2019 and 2023 that resulted in negative costs in the account tracked by this metric. For example, the 2023 reversal was a reduction that addressed an over accrual in 2022. If 2019 reversal is excluded,

Oshawa Power's result on this metric is still better than the industry average at $772.91 per unit.

APB Programs with Worse than Average Performance

The reasons for Oshawa Power having above average cost in four programs are discussed below. Uncontrollable factors leading to the higher cost levels have been noted where they are known. As Oshawa Power continues to gain experience with the APB metrics, the Organization's goal is to better understand the controllable and uncontrollable factors that contribute to having higher than industry costs on some programs.

Table 1-33: Oshawa Power's Poles, Towers O&M Results (2019-2023)

Poles, Towers O&M	2019	2020	2021	2022	2023	Average
Unit Cost ($/Pole)	$26.98	$12.94	$20.75	$10.01	$19.72	$18.08

Oshawa Power's poles, towers, and fixtures O&M costs were $18.08 per pole for 2019-2023 compared to the industry average of $11.05 per pole. This metric divides USoA account 5120, Maintenance of Poles, Towers and Fixtures, by the total number of poles on Oshawa Power's system. The main reason for the higher costs is related to Oshawa Power's poles often carrying both 13.8kV and 44kV lines. As a result, many of Oshawa Power's poles support multiple assets, such as 13.8kV conductors, 44kV conductors, and secondary lines, making them more complicated and costly to maintain than the poles of other LDCs. In addition, as a mostly urban LDC, maintenance requires working around traffic on busy roads, which increases the time needed to complete the maintenance. Going forward, Oshawa Power will continue to identify and implement efficiencies to drive down unit costs for this program wherever possible.

Table 1-34: Oshawa Power's Poles, Towers CAPEX Results (2019-2023)

Poles, Towers CAPEX	2019	2020	2021	2022	2023	Average
Unit Cost ($/Pole Addition)	$30,078	$13,196	$29,066	$2,355	$21,309	$19,201

Oshawa Power's Poles and Towers CAPEX, at $19,201 per pole, is significantly above the industry average of $10,247 per pole. This metric divides USoA account 1830, Poles, Towers, and Fixtures, by the number of poles installed each year. There are two main reasons for this difference.

- First, higher costs are once again related to Oshawa Power's more complex poles that are needed to carry both 13.8 and 44kV, which cost more to build. In the past few years, a large portion of the poles replaced by Oshawa Power are 60 foot poles, for which Oshawa Power's standard is to install thicker, Class 1 poles to maintain the safety and reliability of its system given the assets that the poles carry. These larger poles cost two to five times more than shorter, conventional poles.
- Second, many capex projects recorded in USoA account 1830 do not include poles; however this metric uses new poles as its denominator. As a result, in a year where there were capital projects that did not include many or any new poles, such as for hardware associated with run-to-failure assets, the result for this metric would appear high due to the limitations of this calculation.

Going forward, Oshawa Power will continue to identify and implement efficiencies to drive down unit costs for this program wherever possible.

Table 1-35: Oshawa Power's Line Transformers CAPEX Results (2019-2023)

Line Transformers CAPEX	2019	2020	2021	2022	2023	Average
Unit Cost ($/Line Transformer Addition)	$28,012	$16,048	$16,117	$19,060	$69,736	$29,795

Oshawa Power's Line Transformers CAPEX, at $29,795 per transformer, is significantly above the industry average of $12,168 per transformer. This metric divides USoA account 1850, Line Transformers, by the number of new transformers installed each year. The main reason for the higher costs was a result of Oshawa Power's replacement of a large volume of low-quality transformers. These assets were replaced due to higher-than-

anticipated performance failures requiring early replacement to maintain reliability and safety. To mitigate this issue, Oshawa Power switched to stainless steel transformers in 2023 which are expected to last longer with better performance despite the higher upfront costs. It is expected that many of Oshawa Power's transformer costs will likely remain at an elevated level for the time being.

Going forward, Oshawa Power will continue to identify and implement efficiencies to drive down unit costs for this program wherever possible while balancing quality and performance.

Table 1-36: Oshawa Power's Meters CAPEX Results (2019-2023)

Meters CAPEX	2019	2020	2021	2022	2023	Average
Unit Cost ($/Customer)	$18.11	$16.90	$23.56	$10.42	$11.82	$16.16

Oshawa Power's Meters CAPEX, at $16.16 per transformer, is slightly above the industry average of $12.00 per transformer. The main reason for the higher cost is that Oshawa Power is investing in high-quality, feature-rich meters that enable enhanced data collection and remote reading capabilities, improving both operational efficiency and customer service. As discussed in Exhibit 2, the next generation of Elster meters have improved meter reading, read retention, power monitoring and analysis technology. This investment also supports grid modernization efforts, providing Oshawa Power with more robust monitoring capabilities to better manage peak demand and reduce system strain. Although this approach results in a higher per-unit cost than the LDC average, it aligns with Oshawa Power's long-term goals for infrastructure modernization and service excellence.

Going forward, Oshawa Power will continue to identify and implement efficiencies to drive down unit costs for this program wherever possible.

Actual 2024 and Forecast 2025-2026 Results

As noted in Oshawa Power's 2026-2030 Business Plan, the Organization aims to maintain and improve its strong performance on APB performance metrics, ranking better than the industry average where feasible to demonstrate operational efficiency and fiscal

responsibility.

The Table below provides actual APB results for 2024 and forecast results for 2025 and 2026.

Table 1-37: Actual 2024 and Forecast 2025-2026 APB Results

Activity	Unit Cost Measure	2024 (Actuals)	2025 (Bridge Year Forecast)	2026 (Test Year Forecast)
Billing O&M	$/Customer	$25.64	$25.18	$21.02
Metering O&M	$/Customer	$15.79	$17.63	$20.20
Vegetation Management O&M	$/Pole	$15.11	$19.03	$19.42
Lines O&M	$/Circuit km Line	$1,196	$786	$1,758
Stations O&M	$/MVA per station	$1,397	$1,160	$1,181
Poles, Towers O&M	$/Pole	$40.98	$49.53	$50.59
Stations CAPEX	$/MVA station	$5,266	$5,923	$5,147
Poles, Towers CAPEX	$/Pole Station	$39,147	$15,149	$14,459
Line Transformers CAPEX	$/Line Transformer	$67,060	$50,124	$39,682
Meters CAPEX	$/Customer	$12.76	$8.72	$24.59

Oshawa Power will continue to identify and implement efficiencies to drive down unit costs for results on the metrics that were 20% more than the previous year or five-year average, or more than 25% higher than the industry average. As noted in Section 1.2, Oshawa Power is developing a job number handbook for all staff that will provide guidance to improve efficiency by minimizing cost coding errors. This, as well as investment in a new ERP in 2027, will support Oshawa Power's ability to analyze the APB metrics in the future.

1.7.3 Custom Unit Metrics

Performance measurement has evolved significantly in the last 10 years at Oshawa Power. In 2021, the OEB approved customized unit-based performance-based metrics for Oshawa Power. Below, Oshawa Power recounts this history and provides a path forward to fulfill its commitment to remaining a cost-effective LDC delivering highly reliable electricity to its customers.

Previous Rate Applications

In 2015, Oshawa Power filed a custom IR application (EB-2014-0101) for the 2015-2019 period. In its Decision and Order, the OEB encouraged Oshawa Power to develop additional meaningful metrics and targets to demonstrate continuous improvement in its OM&A and capital programs, and required Oshawa Power to file a revised set of metrics and targets as part of its first rate application after completion of the term of this plan. The OEB noted this was in response to feedback from intervenors and OEB staff.[2]

From the record of the proceeding, it is unclear whether these custom metrics – which were in addition to the metrics tracked in the OEB scorecard and service quality tracked by all utilities – were still required if Oshawa Power chose not to file a custom application in the future. Oshawa Power notes that SEC identified that the lack of customized metrics and targets in its application as the reason the application did not meet the requirements of a Custom IR application.[3]

Oshawa Power developed an internal corporate scorecard in 2016 to provide better visibility and help to identify shortcomings of the performance management systems that it had in place at the time. Then in 2020, Oshawa filed its 2021 Cost of Service as a price cap application (EB-2020-0048), proposing nine custom metrics following the direction provided by the OEB. Oshawa Power indicated that it planned to use these significantly more detailed unit metrics to monitor the efficiency of capital projects planning and execution, and other important performance areas. In interrogatory responses, Oshawa Power indicated the metrics would be implemented after accumulation of enough data, tentatively by December 2021. As part of settlement, Oshawa Power agreed to track an expanded list of 14 metrics for 2021 to 2025 and file them in its next cost of service application. The settlement proposal provided a target for each metric for 2021, and then Oshawa Power would have the option to update the metrics and targets after 2021 after more experience was gained. Oshawa Power was also instructed to adjust and align these metrics with the OEB's APB to the extend they were similar. The OEB issued its

[2] OEB Decision & Order, November 12, 2015, EB-2014-0101, pp.10-11.
[3] Oshawa PUC Networks 2015-19 SEC Final Argument, EB-2014-0101, pp. 18-19.

Decision and Rate Order approving the settlement proposal on February 18, 2021.

The agreed-upon metrics are from the 2021 Cost of Service Settlement Proposal are provided below.

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Table 1-38: Appendix F of 2021 Cost of Service Settlement Proposal

OPUCN Category	OEB Performance Category	Proposed Measure[1],[2][7][4]	2021 Target[3][4][9]	Commentary [10]
Financial	Asset Management	Capital Design Cost $/km UG renewal	$ 3,605.00	2021 Target is based on 3 year historical average spend and includes only OPUCN internal costs.
		Capital Design Cost $/km OH renewal	$ 11,763.00	2021 Target is based on 5 year historical average spend and includes only OPUCN internal costs.
		Capital Design Cost $/pole OH renewal	$ 360.25	2021 Target is based on 5 year historical average spend and includes only OPUCN internal costs. Excludes spot renewals.
		Capital Expansion Design Cost $/Lot	$ 315.00	Historical data inconsistent. 2021 Target based on assumptions of external and internal costs.
	Cost Control	$/km - Vegetation Management	$ 286.52	2021 Target is based on 3 year historical average increased to account for expected contractor cost increases. External costs and internal administration based on a total of 1354 km of primary and secondary conductors. Excludes spot trimming
		$/km - System Patrol	$ 25.00	New internal work - no historical data. 2021 Target based estimates of internal costs to inspect 190km primary conductor per year.
		$/pole spot replacement	$ 11,100.00	Pole replacement & reactive programs. 2021 Target based on 3 year historical average for 44kV, 15kV, 3 phase and single phase poles. Excludes motor vehicle accidents.
		$/Pad-mount Tx spot replaced	$ 7,615.80	Reactive program. 2021 Target is based on 5 year historical average for padmount transformers ranging from 50kVA to 500kVA.

		$/Pole-mount Tx spot replaced	$ 4,463.00	Reactive program. 2021 Target is based on 5 year historical average of pole mount transformers single and three phase ranging from 25kVA to 150kVA.
		Wrench Time	50%	2021 Target excludes travel time, training, vacation, administration, job planning, sick time, statutory holidays.
		SAIDI (defective equipment - minutes)(5)	29.24	2021 Target is based on calculated five year rolling average.
		SAIFI (defective equipment - number of occurrences)(5)	0.41	2021 Target is based on calculated five year rolling average.
		SAIDI (scheduled outages - minutes)(6)	5.72	2021 Target is based calculated five year rolling average.
		SAIFI (scheduled outages - occurrences)(6)	0.09	2021 Target is based on calculated five year rolling average.

NOTES:

(1) In addition to measuring performance, OPUCN will try to identify explanatory variables to better explain performance.
(2) Any of the above measures will be adjusted and aligned with the OEB's Activity and Program Based Benchmarking Initiative (EB-2018-0278) to the extent it is similar.
(3) Targets will be updated each year beyond 2021 as more historical performance information is available to generate meaningful targets for 2022-2025.
(4) No public reporting of these measures - and certain metrics may need to be filed in confidence so as not to adversely affect the utility's competitive tendering processes.

(5) Cause Code 5 - Interruption caused by defective equipment

(6) Cause Code 1 - Interruption caused by schedule outage
(7) OPUCN reserves the right to modify and customize these measures as appropriate over time as further experience with the different measures and targets evolve.

(8) Details of capital projects located in Appendix A of the Distribution System Plan, July 2020 at Appendix 2-1 of Exhibit 2.

(9) Targets are largely historical based and have not been adjusted to account for inflation.

(10) Unless otherwise stated historical averages based on the most recent years and includes data for 2020.

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Advent of Activity- and Program-Based Benchmarking

On March 30, 2021, six weeks after the OEB's decision on its 2021 CoS had been issued, the OEB issued its first set of APB results based on the ten activities that were shortlisted for benchmarking on the OEB staff's discussion paper on Activity and Program-Based benchmarking (EB-2018-0278). The OEB's Filing Requirements were then updated on June 24, 2021 stating that distributors applying for rates effective May 1, 2022 or later were to review the APB results, discuss their performance for each of the ten programs, provide any immediate remedial actions the distributor is planning to take, with the option to note how APB results influenced future planning. Updated industry trends are published annually by the OEB, as discussed earlier in this section.

The settlement proposal specifically provided for the custom metrics to be adjusted and aligned with the OEB's APB once the new benchmarks were finalized.

2021 Custom Unit Metric Results

While the OEB's decision specifically provided for the custom metrics and targets to be adjusted and aligned with the OEB's APB program categories, it also suggested that the targets and metrics should only be changed after 2021. Accordingly, Oshawa Power collected the data required to evaluate its performance on each of the custom metrics for 2021. The results are presented below for 2021 are shown against the 2021 targets with details.

Table 1-39: Proposed Metrics Targets Vs. 2021 Actual Results

2021 Custom Metric	2021 Target	2021 Actuals	Description
Capital Design Cost $/km UG renewal	$ 3,605	$ 12,441	Sum of total design costs for UG projects divided by total duct bank length for all projects.
Capital Design Cost $/km OH renewal	$ 11,763	$ 19,458	Sum of total design costs for OH projects divided by total span length between poles for all projects.
Capital Design Cost $/pole OH renewal	$ 360.25	$ 636.36	Sum of total design costs for OH projects divided by total poles replaced for all projects.
Capital Expansion Design Cost $/Lot	$ 315.00	$ 182.40	Sum of total design costs for expansion divided by number of lots.
$/km - vegetation management	$ 286.52	$ 141.62	Actual vegetation management cost divided by total km of line.
$/km - System Patrol	$ 25.00	$ 18.21	Subcontracted costs for system patrol divided by total km of line.
$/pole spot replacement	$ 11,100	$ 8,385	Total reactive costs for pole spot replacements by the total number of poles replaced.
$/Pad-mount Tx spot replaced	$ 7,616	$ 8,330	Total reactive costs for pad-mount transformers divided by the total number of transformers replaced.
$/Pole-mount Tx spot replaced	$ 4,463	$ 4,443	Total reactive costs for pole-mount transformers divided by the total number of transformers replaced.
Wrench Time	50%	50.7%	Recorded actual wrench time in 2021.
SAIDI (defective equipment - minutes)	29.24	5.00	From 2021 service quality report.
SAIFI (defective equipment - number of occurrences)	0.41	0.05	From 2021 service quality report.
SAIDI (scheduled outages - minutes)	5.72	5.49	From 2021 service quality report.
SAIFI (scheduled outages - occurrences)	0.09	0.16	From 2021 service quality report.

A variance analysis is included for the metrics that exceeded their targets.

Capital Design Costs ($/km) for UG Renewal

Oshawa Power substantially exceeded its 2021 target of $3,605/km with an actual cost of $ 12,441/km. The 2021 target included design costs from Oshawa Power staff whereas the 2021 actuals include subcontractors to do surveys, design, and site visits. This is

because in 2021, there was a change to the division of labour between Oshawa Power design staff and subcontractors due to staff shortages. As a result, excluding subcontractor costs from the results did not accurately portray what the metric had intended to show. If Oshawa Power's 2021 target had been based on total project costs including subcontractors, it would have been $11,919/km.

Capital Design Costs ($/km) for OH Renewal

Oshawa Power substantially exceeded its 2021 target of $11,763/km with an actual cost of$ 19,458/km. The main reason for this is the 2021 target included only design costs from Oshawa Power staff whereas the 2021 actuals include subcontractor costs. As noted above, there was a change to the division of labour in 2021 between Oshawa Power design staff and subcontractors which made excluding subcontractor costs inappropriate. If Oshawa Power's 2021 target had been based on total project costs, it would have been $21,092/km, and Oshawa Power would have achieved its target.

Capital Design Costs ($/pole) for OH Renewal

Oshawa Power substantially exceeded its 2021 target of $360/pole with an actual cost of $636/pole. Similar to the previous metric, this higher cost was a result of the target including design costs from Oshawa Power staff only whereas the 2021 actuals included subcontractors. As noted above, there was a change to the division of labour in 2021 between Oshawa Power design staff and subcontractors which made excluding subcontractor costs inappropriate. If Oshawa Power's 2021 target had been based on total costs, it would have been $631/pole, and Oshawa Power would have achieved its target.

$/Pad-mount Tx Spot Replaced

Oshawa Power exceeded its 2021 target of $7,616/pole with an actual cost of $8,330/pole. This small difference was related to material costs, inflation, as well as missed economies of scale in 2021 due to fewer reactive replacements needed in that year compared to the number of jobs used to determine the 2021 target.

SAIFI (scheduled outages – occurrences)

SAIFI measures the frequency of scheduled outage events. Oshawa Power exceeded its 2021 target of 0.09 with an actual cost of 0.12. This was because 2021 was the start of a new capital program with numerous infrastructure upgrades requiring a higher number of scheduled outages. Of note, the SAIDI metric for scheduled outages showed that the total number of minutes was lower than target – this means that each outage was short and customers suffered less inconvenience overall even if there were more frequent interruptions. More information about SAIDI and SAIFI metrics are available above in the Scorecard Analysis section.

Changes to Metrics and Targets for 2022 Onwards

In accordance with the provisions in the settlement agreement, changes to the metrics were made for 2022 onward to improve the comparability and relevance of the metrics for continuous improvement. Oshawa Power reviewed the metrics against the 10 APB programs selected for benchmarking for appropriate changes. It also reviewed the custom metrics against other existing OEB metrics tracked in the OEB's scorecard or total cost benchmarking, identifying where the objective of the metric would be preserved – for example, wrench time tracks labour efficiency which is a component of OM&A – while being comparable to other LDCs.

Oshawa Power determined that all 14 metrics were better captured in OEB metrics that allowed for better comparability to other LDCs. See Table below for mapping the unit metrics to OEB metrics with rationale.

Table 1-40: Mapping of 2021 Metrics to 2022-2025 OEB Metrics

Oshawa Power Category	OEB Performance	Approved 2021 Metric	2022-2025 Metric	Explanation and Results
Financial	Asset Management	Capital Design Cost $/km UG renewal	APB: Poles, Towers Capex ($/Pole Station)	Design costs are typically the smallest contributing ratio to total cost and vary significantly with job complexity such as field conditions, system configuration, burial type, etc. See section 1.7.2 for Oshawa Power's analysis of this benchmark, performance to date, and plan for improvement on this metric.
		Capital Design Cost $/km OH renewal		
		Capital Design Cost $/pole OH renewal		
		Capital Expansion Design Cost $/Lot		
	Cost Control	$/km - Vegetation Management	APB: Vegetation Management O&M ($/Pole)	See section 1.7.2 for Oshawa Power's analysis of this benchmark showing better than industry average performance.
		$/km - System Patrol	APB: Lines O&M ($/circuit km line)	Lines O&M includes system patrol. See section 1.7.2 for Oshawa Power's analysis of this benchmark showing better than industry average performance.
		$/pole spot replacement	APB: Poles, Towers Capex ($/Pole Station)	See section 1.7.2 for Oshawa Power's analysis of this benchmark, performance to date, and plan for improvement on this metric.
		$/Pad-mount Tx spot replaced	APB: Line Transformers Capex ($/Line Transformer)	The line transformers Capex program includes both pad-mount and pole-mount transformers. See section 1.7.2 for Oshawa Power's analysis of this benchmark, performance to date, and plan for improvement on this metric.
		$/Pole-mount Tx spot replaced		
		Wrench Time	Total Cost Benchmarking	Wrench time was not a useful metric for comparability to comparator LDCs. Better captured through the Organization's overall and OM&A-specific cost effectiveness performance. See section 1.7.4 below for Oshawa Power's OM&A per customer benchmarking against peer LDCs.
			OM&A per Customer	

		SAIDI (defective equipment - minutes)	OEB RRRs / Scorecard	This metric is tracked and reported by primary cause code (including defective equipment – cause code 5) as part of section 2.1.4.2 RRR. Overall SAIDI/ SAIFI is tracked on the OEB's scorecard. See section 1.7.1 for Oshawa Power's analysis of this benchmark showing better than industry average performance.
		SAIFI (defective equipment - number of occurrences)		
		SAIDI (scheduled outages - minutes)	OEB RRRs / Scorecard	This metric is tracked and reported by primary cause code (including scheduled outages – cause code 1) as part of section 2.1.4.2 RRR. Overall SAIDI/ SAIFI is tracked on the OEB's scorecard. See section 1.7.1 for Oshawa Power's analysis of this benchmark showing better than industry average performance.

1.7.4 Benchmarking OM&A Per Customer

To complement the APB and scorecard analysis above, Oshawa Power provides OM&A per customer benchmarks against several peer groups, leveraging end of year values that are submitted as part of the OEB's Reporting and Record-keeping Requirements (RRRs).

Table 1-41: 2021-2023 OM&A Per Customer Compared to Geographic Peer Group

OM&A Costs Per Customer			
Eastern LDCs	**2021 Actuals**	**2022 Actuals**	**2023 Actuals**
Hydro One Networks Inc.	$ 415	$ 460	$ 484
Hydro Ottawa Limited	$ 241	$ 283	$ 313
Kingston Hydro Corporation	$ 251	$ 292	$ 299
Lakefront Utilities Inc.	$ 254	$ 244	$ 290
Elexicon Energy Inc.	$ 258	$ 266	$ 272
Oshawa PUC Networks Inc.	**$ 218**	**$ 233**	**$ 250**
Average of Total	**$ 273**	**$ 296**	**$ 318**
Average Excluding Oshawa Power	**$ 284**	**$ 309**	**$ 332**

Table 1-42: 2021-2023 OM&A Per Customer Compared to Similar-Sized LDCs

OM&A Costs Per Customer			
Midsize LDCs	**2021 Actuals**	**2022 Actuals**	**2023 Actuals**
PUC Distribution Inc.	$ 367	$ 352	$ 404
Lakeland Power Distribution Ltd.	$ 345	$ 384	$ 402
Bluewater Power Distribution Corporation	$ 363	$ 389	$ 383
Greater Sudbury Hydro Inc.	$ 329	$ 335	$ 362
Niagara Peninsula Energy Inc.	$ 326	$ 342	$ 354
Synergy North Corporation	$ 287	$ 350	$ 343
Newmarket-Tay Power Distribution	$ 286	$ 315	$ 308
Oakville Hydro Electricity Distribution	$ 260	$ 285	$ 283
Essex Powerlines Corporation	$ 242	$ 269	$ 283
Milton Hydro Distribution Inc.	$ 269	$ 283	$ 279
Entegrus Powerlines Inc.	$ 234	$ 258	$ 272
Oshawa PUC Networks Inc.	**$ 218**	**$ 233**	**$ 250**
Average of Total	**$ 294**	**$ 316**	**$ 327**
Average Excluding Oshawa Power	**$ 301**	**$ 324**	**$ 334**

Table 1-43: 2021-2023 OM&A Per Customer Compared to Other Cohort II LDCs

OM&A Costs Per Customer			
LDCs In Cohort (Group II)	**2021**	**2022**	**2023**
Fort Frances Power Corporation	$ 447	$ 487	$ 547
Hydro 2000 Inc.	$ 411	$ 455	$ 480
Rideau St. Lawrence Distribution Inc.	$ 398	$ 449	$ 456
Lakeland Power Distribution Ltd.	$ 345	$ 384	$ 402
Centre Wellington Hydro Ltd.	$ 332	$ 365	$ 373
Niagara Peninsula Energy Inc.	$ 326	$ 342	$ 354
Tillsonburg Hydro Inc.	$ 363	$ 355	$ 346
Niagara-on-the-Lake Hydro Inc.	$ 330	$ 343	$ 343
Burlington Hydro Inc.	$ 312	$ 321	$ 343
EPCOR Electricity Distribution Ontario	$ 314	$ 336	$ 318
Newmarket-Tay Power Distribution	$ 286	$ 315	$ 308
Kingston Hydro Corporation	$ 251	$ 292	$ 299
GrandBridge Energy Inc.	$ 297	$ 303	$ 298
Westario Power Inc.	$ 280	$ 325	$ 270
Oshawa PUC Networks Inc.	**$ 224**	**$ 239**	**$ 256**
Average of Total	**$ 328**	**$ 354**	**$ 360**
Average Excluding Oshawa Power	**$ 335**	**$ 362**	**$ 367**

The table above highlights the O&MA cost per customer from 2021 to 2023 for LDCs in Oshawa Power's geographic proximity, among mid-sized LDC, and among Cohort II peers. According to the results, Oshawa Power has the lowest O&MA cost per customer within this group in all three years for which industry data is available.

See Table below for OM&A per customer in 2024, 2025 and 2026, based on customer mid-year average values in Chapter 2 Appendix 2-L, and therefore do not align exactly with end of year numbers provided in the 2024 RRRs.

Table 1-44: 2024 Actual and Forecast 2025-2026 OM&A Per Customer

Oshawa Power	2024 Actuals	2025 Bridge	2026 Test
OM&A Cost per Customer	$ 299	$ 302	$ 345

In 2024, Oshawa Power's OM&A cost per customer increased to $299 based on hiring of new staff, and is forecast to increase to $345 in the 2026 Test Year. This additional OM&A funding will support its plan to address resource gaps in its workforce as discussed in

Exhibit 4, section 4.4. At the same time, Oshawa Power is modernizing its existing systems, enhancing efficiency, and ensuring scalability to support its growing customer base in the future.

1.8 FACILITATING INNOVATION

1.8.1 Innovation's Importance in Oshawa

Oshawa Power has a proven track record of innovation that closely matches the entrepreneurial history of the community served, as well as its strategic imperative as the largest City in Canada's Clean Energy Capital.[4] The City and Region are host to a critical mass of energy innovators, making participation in innovation additionally impactful for the stakeholders served, who benefit from inclusive collaborations.

A prime example of an innovation stakeholder in Oshawa Power's service territory is Ontario Tech University, with its Brilliant Energy Institute, the Ontario Vehicle Innovation Network Technology Development Site, a first-of-its kind Energy Engineering program, and the all-Canadian Project Arrow electric vehicle. Through shared insights, data and technical expertise, Oshawa Power has been able to help Ontario Tech University to build "living lab" learning opportunities that are central to their strategy.

Another example is found in the economic opportunity identified by the City's Economic Development team and the Region's Invest Durham group. These organizations have noted that energy innovation is a top area to foster, via their respective 2023 Economic Development Strategy and 2023-2027 Ready Set Future reports. Therefore, it is important that Oshawa Power be proactive and inclusive in this area as a project leader, innovation enabler, and as an organization that can garner innovation investment from LDC-targeted funding sources.

In 2024, the business community in Oshawa honoured Oshawa Power's approach to innovation by awarding the organization the Innovation Award at the 29th Annual Business Excellence Awards Gala by the Greater Oshawa Chamber of Commerce.

[4] Invest Durham, https://www.durham.ca/en/economic-development/industries/future-energy.aspx.

1.8.2 Building an Innovation Foundation 2015 - 2024

The following section provides information on Oshawa Power's foundational innovation projects, grid innovations and the development of the organization's first formalized approach to innovation. These all took place in advance of this cost-of-service, and provide context for the direction set within this application.

Foundational Projects

For almost a decade, Oshawa Power's leadership team has openly recognized the importance of innovation to drive beneficial change in the electricity sector, as evidenced by the 2015 annual report's theme of "customer engagement through innovation" and its strategic vision for the Organization to meet the evolving needs of customers. This strategic positioning highlighted that traditional ways of delivering electricity might not be best suited for meeting customers' needs, and implicitly unlocked innovation as an aspect of doing business. Oshawa Power identified that, especially after conservation and demand management (CDM) initiatives were being centralized under the IESO in 2019, diverse avenues would be needed for building value and savings for customers. Given this, Oshawa Power grew a robust customer-facing innovation program that leveraged over $10 million in funding from three levels of government, the international community and private organizations to bring market-leading opportunities to its customers.

The following table provides a breakdown of Oshawa Power's foundational innovation project timeline that shows specific projects or technologies for enhancing the provision of distribution services. This summary is useful for contextualizing Oshawa Power's success to-date in securing external funds for innovation. It also demonstrates the types of competence gained, which are now enabling Oshawa Power to pursue bigger, more complex innovation projects proposed within the next five years.

Table 1-45: Oshawa Power's Foundational Innovation Projects 2015-2022

Year, Title, Funder	Partners	Innovation Scope	Competence Gained
2015 Micro Grid Research Innovation Park Ontario Smart Grid Fund	Ont Tech University Panasonic EcoSolutions	Multi-technology grid-connected microgrid – solar, BESS, CHP	Interconnection and operation of complex grid resources Operation and maintenance of distributed energy resources
2015 Solar Energy Management Systems Pilot NEDO Japan	Tabuchi Electric Gov't Japan Gov't Oshawa Panasonic EcoSolutions	30 Residential 7kW solar + 10 kW BESS systems across Oshawa Smart inverter with three settings – conservation, cost savings, charging Remote controlling of virtual power plant	Aggregated impacts of distributed solar + battery systems on the Ontario load curve DER responsiveness to signals Customer prosumer behaviours Virtual Power plant configuration
2016 Homebeat App No Funder / Proof of Concept Trial	Bidgely	Disaggregation of smart meter data to identify conservation opportunities Deployment of digital home energy reporting platform and app	Smart meter data management Advanced customer-facing CDM Local CDM program design
2017 Peak App + Super Peak Pricing Ontario Energy Board	Publicis Sapient	Opt-out rate plans Super Peak pricing Machine learning supported app, with real time pricing alerts Energy conservation education	Electricity pricing theory OEB Sandbox collaboration Virtual Power plant configuration Customer prosumer behaviours
2017-2021 E- Mission Natural Resources Canada, Zero Emission Vehicle Infrastructure Program, Zero Emission Vehicle Education and Awareness	Region of Durham	On-street charging implementation Multi-partner outreach and education campaigns	Oshawa EV adoption/uptake data to inform future load forecasting and management projects
2020 Scaling-up to Zero Emission Transit in the Region of Durham The Atmospheric Fund	Durham Region Transit	Report covering strategic scale-up of zero emission bus technology in smaller communities	Advanced charging infrastructure for bus transit Scale-up planning in a community under 1 million people Zero Emission Bus & fleet charging strategies for load management
2022 Feeder-level Forecasting and Data Disaggregation for DER Identification IESO, Grid Innovation Fund, OEB Sandbox Partnership	Peak Power Hatch Engineering	Smart meter data disaggregation to identify residential level 2 EV charging in the grid Propensity study to predict scale-up Analysis of feeders to be most impacted by resi. EV charging	Smart meter data disaggregation for a new technology (EV chargers) Use of propensity studies for advanced forecasting

Many of these projects won awards such as the Electricity Distributors Association (EDA)'s Environmental Excellence Award in 2018 and the ISGAN Award of Excellence Honourable Mention in 2019. Despite this, many of Oshawa Power's innovation projects did not continue past their funding horizon or campaign's timelines largely due to:

- The high cost of the activities;
- The inability to prove the concept's statistical significance within evaluation measurement and verification constraints due to Oshawa's smaller community (read: sample) size;
- The innovation project yielding important learnings about the unviability of a concept.

It should be noted that the Organization values its participation in all these activities and does not see these outcomes as failures. These experiences provided excellent tools and options for customers, valuable lessons for the Ontario electricity sector, and positioned Oshawa Power as a future partner with significant expertise in these areas. Therefore, going forward, Oshawa Power intends to continue with innovation projects with new filters for strategic fit, leveragability with past and ongoing projects, and cost effectiveness. Oshawa Power strives to convert more innovation pilots into ongoing initiatives that support affordability for its customers.

Within the context of this application, these foundational projects have set the stage for Oshawa Power's DSO project, which is being funded by NRCan, and is further outlined in the section on Public Policy Responsiveness below.

Foundational Grid Innovation

Beyond executing innovation projects, the Organization also started to implement innovative technologies that supported grid modernization during this timeframe. These technologies included Oshawa Power's outage management system and software that supported data management. These tools were relatively new and represented a leap forward into technology-supported grid management. These technologies focused on harnessing data from smart meters to unlock automated responsiveness, which allowed

the organization to significantly reduce the number of momentary outages customers experienced and reduce the number of customers impacted during longer outages.

These grid innovations set the basis for the grid automation technologies outlined below in the section on Operational Effectiveness and included within this application's DSP.

Formalization of Approach to Innovation

Toward the end of the current cost-of-service period, Oshawa Power formalized its approach to innovation. This approach included the implementation of a combination of staff changes, process modernization and strategic documentation exercises, including:

- **2023** – Corporate restructuring that included a new executive role responsible for innovation: the Chief Technology Officer and Director of Business Transformation; whose team is responsible for implementing innovation that results in business modernization and optimization;
- **2024** – Research and development of a new corporate 2025-2030 Strategic Direction for OPUC, which explicitly calls out the energy transition, names innovation as a Organization-wide value and contextualizes innovation as something for enabling customers as well as for business modernization;
- **2024** – Implementation of software and processes that support successful deployment of innovation initiatives, such as the development of a Project Management Office that leverages Wrike, the Organization-wide deployment of Microsoft Teams and Sharepoint to support collaborative work and the use of Dayforce to track team efforts against initiatives;
- **2024** – The development of an IT Business Transformation Plan as discussed in section 1.2 and below in the section on Operational Effectiveness, which elaborates on how Oshawa Power's innovation and information technology activities now also includes a business-practice modernization focus;
- **2024** – The addition of staff to help manage the OEB's cybersecurity requirements and onboard the competencies required for digital modernization; and,

- **2024** – The development of the 2026-2030 Distribution System Plan which covers grid transformation investments, business transformation investments, and funding for Non-Wires Solutions.

Together, these restructurings and formal documents form Oshawa Power's first formalized innovation framework and are expected to drive further meaningful change for the rate base through intentional and methodical strategy delivery.

These framework actions support the activities discussed below in the section on Keeping-up with Innovation.

1.8.3 Innovation's Influence within this Application

Innovation Framework

Beyond supporting Oshawa Power's stakeholders and economic development goals, the organization has also recognized the importance of innovation as a business requirement for future-readiness. As noted in the 2026-2030 Strategic and Business Plan in section 1.2, Oshawa Power has called-out **Innovation** and the **Courage to Act** as core organizational values. Trickling down from its values, the Organization will operationalize innovation across all areas of the four RRFE performance outcomes. The following sections detail Oshawa Power's innovation plans within each RRFE category within this Application. Note that specific innovation technologies and projects are called-out within this section, as per the OEB's Requirements. Finally, Oshawa Power believes that its approach to innovation and supporting documentation described in the following sections is consistent with the clarifications OEB's March 20, 2025 letter entitled "Innovation-related Proposals in Rate Applications".

Customer Focus

Section 1.6 provides a fulsome discussion on activities that Oshawa Power will undertake to enhance customer engagement and customer success.

This section will focus on the intersection of Innovative Alternatives to Electricity supply and how Oshawa Power will leverage them for customer engagement, customer success and to invest in meeting customer needs through NWSs.

Innovative Alternatives to Electricity Supply – Non-Wires Solutions

Oshawa Power's interpretation of the linkage between NWS and innovation is as follows:

- The innovation lies in how the policy is actioned (advanced solutions for opportunity identification, feasibility engineering, value-stack identification, cost attribution and incentive allocation), and in the novel configuration of proven technologies and equipment; and,
- NWS budget cannot be used on high-risk innovation projects/products because grid reliability and customer service are at stake.

In Appendix A of the DSP in Exhibit 2, Oshawa Power has provided a business case that details the organization's approach to implementing the policy and identifying projects that leverage proven technologies. The business case also highlights Oshawa Power's innovative approach to NWS project funding. The approach involves allocating a line item in the DSP budget for NWS projects that address the gap between Oshawa's historical rate of load realization and the significantly higher load forecast attributable to the full materialization of energy transition. Oshawa has proposed a prudent capital expenditure to implement effective, scalable projects in a structured, transparent and cost-effective manner to prudently meet the energy transition challenge. The proposed NWS projects can potentially be integrated with Oshawa Power's funded Natural Resources Canada DSO competence building project, which will be executed during the next few years. The DSO project will increase the cost-effectiveness of NWSs through externally funding a major component of their administration.

With respect to innovative customer focus, Oshawa Power's approach to NWSs includes:

- Keeping costs low for customers by proactively implementing cost-effective NWS projects that can be scaled with the energy transition;
- Where possible, engaging with customers on their DERs to build energy assets that are mutually beneficial and lower cost for both parties; and,

- Where possible, prioritizing approaches that also directly support affordability for customers through incentives or bill management activities.

More information on this approach can be found in the NWS business Case appended to the DSP.

Operational Effectiveness

This section covers how innovation will support the strategic management of assets and the transformation / modernization of the Organization's culture.

Continued Grid Automation

Grid automation activities are presented in this cost of service in detail through the Distribution System Plan via various system service investments such as Installation of automated self-healing switches, underground fault locators, and SCADA equipment upgrades, supplemented by robust general plant investments in Cybersecurity software and hardware, SCADA software & servers, and enhancements in operational support systems.

An example of Oshawa Power's ongoing implementation of operational innovation to support grid transformation is a novel approach to control room automation. This approach has allowed to ensure around-the-clock reliability and minimize outage impacts to customers, while also deferring the need for 24/7 staffing to-date.

First, Oshawa Power implemented a two-layer robotic process automation strategy that includes Survalent's centralized Fault Location, Isolation and Service Restoration (FLISR) and Loss of Voltage (LOV) software applications, paired with decentralized S&C IntelliRupter hardware. By combining centralized and decentralized outage recovery automation in this way, the team has been able to cost-effectively improve grid segmentation, increase the number of grid assets that can be drawn-upon for restoration and minimize SAIDI and SAIFI scores.

Having reduced most outages to momentaries, the team then expanded the automation platform and devised a custom coding solution to address the industry-wide issue of false-positives reported from the Advanced Metering Infrastructure (AMI) to the Outage Management System (OMS). By coding middleware that filters and drops all outage

messages older than 2 hours, the team significantly reduced noise within the system, allowing operators to focus their expertise on true outages, trucks to roll only when needed and customers to be alerted on the OMS only when useful. 2023 results show this initiative has reduced downtime by 45%, with response times for crews averaging just 12 minutes.

Future enhancements to these automation approaches throughout this rate case will include increasing the visibility of the FLISR and LOV systems to more locations within the grid, adding power operated switches throughout the 44KV sub transmission grid and optimizing the time-frame filter in the middleware. In addition to ensuring customer success through cost-effective up-time, all these elements are enabling technologies that will also support eventual transactive energy readiness, such as advanced grid health monitoring, non-wires-solutions need assessments and Distribution System Operator (DSO) deployment.

Business Transformation 2026 -2030

Business Transformation activities are presented in this cost of service in detail through the IT Business Transformation Strategy, as discussed in section 1.2, and provides context for the investments made therein. Innovation is captured in three areas within this strategy, including:

- **Guiding principles** – where the importance of a modern workplace is called-out as important for supporting innovation;
- **Strategic Priorities** – where innovative IT services are described as being necessary for meeting business needs; and,
- **Strategic Objectives** – where a focus is put on creating a digital workplace in support of innovation and sustainability.

Importantly, many of the activities in the IT Business Transformation Strategy are not innovation but rather modernization. This means that many of the investments are in tried-and-tested technologies or approaches that are new to Oshawa Power, but not new to the sector. An example of such initiatives within the IT Business Transformation Plan are the proposed upgrades to Oshawa Power's ERP system. In researching these tools to

prepare budgetary costing, Oshawa Power noted that modern ERP systems have built-in innovative components to offer powerful work management, such as automation and AI features. These features are also being offered as upgrades to customer interaction tools such as chat bots. To the extent that these innovative features provide a prudent, cost-effective investment for customers, Oshawa Power will seek to implement them or use them to continuously improve upon services. See the ERP Business Case in the DSP attached to Exhibit 2.

Public Policy Responsiveness

This section covers how innovation will support planning and modernization to keep pace with the sector. Further discussion on Keeping-up with technology transformation and data is provided separately, below in the section on Keeping-up with Innovation.

Continued External Funding for Foundational and Enabling Technologies

Oshawa Power will continue to seek external funding for innovations that will support future offerings that are called-out in public policy. An example is Oshawa Power's DSO capacity building project, which will be funded by Natural Resources Canada between 2025 and 2027. This project aims to implement innovative aspects of DSO management including:

- Focussing on running DSO activities to support cost effectiveness at Long-term Care centres that are pursuing beneficial electrification;
- Focussing on running DSO activities to support affordability of EV adoption on both the grid and customer side, through working with managed EV charging aggregators operating within the grid; and,
- Writing an analysis of implementing a DSO as a NWS, using the OEB's cost benefit analysis framework.

These innovations will take Oshawa Power's commitment to public policy responsiveness to a new level by building-in policy themes of affordability for typically underserved customers, beneficial electrification and grid decarbonisation.

Seeking external funding for enabling technologies is also responsive to public policy, in that it helps externalize costs for innovation; keeping Oshawa Power's modernization highly prudent.

Financial Performance

This section will cover how Oshawa Power's innovation activities will support controlling costs for reasonable rates and optimizing financial capacity for performance and growth, with a specific focus on affordability.

Affordability

Oshawa Power has begun reviewing the equity planning work done by the Canadian Urban Sustainability Practitioners, as well as Key Accounts with expertise in social equity such as Durham Region Transit to assess how to amend the approach to include an equity perspective. Early findings suggest that issues of affordability may scope beyond low-income levels.

For example, maps from the Canadian Urban Sustainability Practitioners indicate that significant portions of Oshawa's residents face some of the highest energy cost burden rates in the country. A similar map depicts that these customers are also facing high transportation cost burden rates.

It is likely that there is strong overlap between many of the customers captured in these maps with income qualified energy programs offered by the IESO and Enbridge; however, it is possible that there are also accounts in these areas that deserve equity but are just outside of eligibility for existing programs. To address this, Oshawa Power will innovatively use geospatial analysis to assess where there may be gaps in terms of equity in the community, and seek to design approaches that support better affordability outcomes. For example, please see how Oshawa Power intends to prioritize affordability using these techniques within the NWS Business Case in Appendix A of the DSP in Exhibit 2.

Similarly, Oshawa Power has begun deeper analysis of geospatial and demographic trends among participants in the Arears Management Program. Notably, based on an extract pulled in January 2025, only 11% of Arrears Management Program customers are

flagged as low income and many of them are distributed throughout traditionally wealthier neighbourhoods. This high-level data points to the need to better understand societal trends with regard to energy affordability in Oshawa to improve both supports for equity deserving customers, and collections processes for non-paying customers. Oshawa Power will commit to deeper investigations of trends among non-paying customers as a part of affordability efforts during this cost of service timeframe, which will drive affordability for paying customers and assist with arrears collections / financial performance going forward. Sections 1.2 provide further discussion on affordability outside of the innovation context.

1.8.4 Keeping-up with Innovation

As noted in the prior sections, Oshawa Power has now encoded innovation in the organization's strategy and created executive accountabilities for its achievement. In addition to these actions, Oshawa Power has begun outlining operational changes that will support a practice of innovation. Such changes include the implementation of review of past innovation projects to share lessons learned across the organization, and competence building with regard to the stages of innovation. These actions will serve to primarily ensure the organization keeps pace with opportunities to innovate.

Furthermore, Oshawa Power is strongly involved in industry activities regarding innovation, such as attending conferences such as DistribuTECH and EDIST on an annual basis.

Finally, Oshawa Power has implemented a monthly funding opportunity scan that is reported to executives on an ongoing basis and will help to ensure that innovation funding opportunities are not missed.

1.8.5 Enabling Characteristics and Constraints

Funding innovation is challenging for electricity distributors within Ontario's context. Innovation is higher risk and often higher cost in its execution than the status quo, which is at odds with the customer focus on prudence and affordability. Given this, Oshawa Power's approach remains to attempt to externally fund significant portions of innovation

activities. Therefore, the following is a compilation of the enabling characteristics and constraints for innovation within the external funding model largely being pursued.

Enabling Characteristics:

- Clear policy, strategy and rules from all levels of government and regulatory bodies that drive need and therefore necessitate innovation;
- Customer needs (often influenced by governmental policy or business competitiveness);
- Funding opportunities for innovation; and,
- An ecosystem of innovators, like the one developing in Ontario and the local Oshawa market described in the opening portions of this section.

Constraints:

- Team resourcing toward innovation activities that are typically additive to roles and responsibilities;
- Dedicating resources to comparatively high-risk activities with uncertain outcomes;
- Piloting new technologies with comparatively high costs – higher cost constrains the ability to invoke NWS Guidelines because of cost inefficiencies and would also be challenging within a rate application due to prudence requirements.

1.8.6 Considerations for Innovative Alternatives to Traditional Investments

This cost-of-service captures innovative alternatives to traditional investments for both OM&A and Capital budgetary needs.

With respect to OM&A, the FLISR LOV project detailed above has allowed Oshawa Power to defer investment in a 24/7 control room through the effective use of data management and automation technologies. This work is anticipated to continue to reduce future costs for Oshawa Power through creating readiness for newly mandated initiatives such as the upcoming Capacity Mapping required by the OEB. As the grid rapidly grows

and changes, it is anticipated that new value for automation will be unlocked throughout the duration of this application, through the organization's enhanced ability to direct and balance loads.

Another example of a project that will reduce OM&A costs forward is the DSO project noted in section 1.8.3, which is being externally funded by NRCan. This project will increase the cost-effectiveness of all other transactive energy initiatives going forward, meaning it's value for investment will increase over time. Specifically, the use of a DSO will assist Oshawa Power with leveraging DERs within the grid for maximum benefit, and potentially even yield new DER business cases., which will drive cost-effectiveness. This project runs from 2025-2027 and is anticipated to have positive operational impacts throughout the cost-of-service.

With respect to alternative approaches to capital investment, please see the NWS Business Case appended to the DSP in Exhibit 2.

1.9 FINANCIAL INFORMATION

1.9.1 Audited Financial Statements

Copies of Oshawa Power's Non-Consolidated Audited Financial Statements for the last two historical years, 2023 and 2024, are attached (Attachment 1-12).

1.9.2 Reconciliation – Audited Financial Statements & Regulatory Accounting

Reconciliations of Oshawa Power's 2024 Audited Financial Statements to the USoA Trial Balance are attached (Attachment 1-13).

1.9.3 Annual Report and MD&A

A copy of Oshawa Power's 2023 Annual Report is attached (Attachment 1-14). Neither Oshawa Power nor its parent company OPUC prepares a management's discussion and analysis (MD&A).

1.9.4 Rating Agency Report

Oshawa Power does not have any rating agency reports.

1.9.5 Prospectuses or Information Circulars

Oshawa Power does not have any publicly traded debt or equity. Oshawa Power has no near-term plans to issue any debt, but plans to refinance with long-term fixed-rate debt upon maturity of its existing debt. See Exhibit 5 for more information.

1.9.6 Change in Tax Status

Oshawa Power has had no change in tax status since the last rebasing.

1.9.7 Accounting Orders

Oshawa Power has not departed from the Accounting Procedures Handbook. Oshawa Power has no further existing or proposed accounting orders.

1.9.8 Uniform System of Accounts

Oshawa Power has not departed from using the OEB's approved USoA.

1.9.9 Statement of Accounting Standard Used

This Application is being filed using MIFRS Accounting Standards. Oshawa Power transitioned depreciation and capitalization policies to IFRS on January 1, 2012, and transitioned remaining policies to IFRS on January 1, 2015.

1.9.10 Separation of Distributor & Non-Distribution Activities & Accounting

Oshawa Power confirms that this Application only contains amounts attributable to the rate-regulated business.

Oshawa Power confirms that accounting for non-distribution business activities is separate and distinct from Oshawa Power's rate regulated activities in accordance with the OEB's Guidelines: Regulation and Accounting Treatments for Distributor-Owned Generation Facilities G-2009-0300 dated September 15, 2009.

1.9.11 Materiality Threshold

Chapter 2 Filing Requirements for the Electricity Distribution Rate Applications sets out the materiality levels based on the magnitude of the revenue requirement. Oshawa Power's revenue requirement is greater than $10 million and less than $200 million, therefore its materiality level is 0.5% of the distribution revenue. Oshawa Power has calculated a materiality threshold of $195,915 for the 2026 Test Year. Oshawa Power has applied a materiality threshold of $200,000 throughout this Application.

The table provides the materiality threshold calculations for the 2026 Test Year.

Table 1-46: Materiality Threshold

	2026 Test Year
Base Revenue Requirement	$ 38,848,892
Materiality Threshold 0.5%	$ 194,244
Materiality Threshold Used in Application	$ 195,000

1.10 DISTRIBUTOR CONSOLIDATION

Oshawa Power has not acquired or amalgamated with another distributor.

The Filing Requirements specify that distributors should file information about collaboration/partnerships with other distributors. On October 29, 2024, a new partnership agreement was announced in which Oshawa Power's affiliate 2825407 Ontario Inc. would provide electric distribution operational leadership assistance and support to Lakefront Utilities in Cobourg and the Village of Colborne.

The agreement includes capital construction oversight, operations and maintenance oversight, coordination of field staff and subcontractors, and health and safety. The partnership is expected to benefit customers by improving services at a cost-effective rate, while positioning Oshawa Power and Lakefront Utilities as leading energy partners.

This partnership underscores both companies' dedication to customer service, safety, and operational excellence. Since the initiation of the partnership, the two LDCs are working closely to identify further opportunities for partnerships and plans, including staffing.

1.11 IMPACTS OF COVID-19 PANDEMIC

On June 17, 2021, the OEB issued the Report of the OEB: Regulatory Treatment of Impacts Arising from the COVID-19 Emergency. As indicated in the report, claims for recovery of amounts recorded to account 1509 would ideally be filed in a utility's next cost-based proceeding. Oshawa Power did not record any costs in this deferral account and therefore is not requesting disposal.

However, the organization has seen a significant increase in costs after the on-set of the pandemic due to economic uncertainty, inflation and a challenging labour market. The pandemic has caused major disruptions in the supply of almost all materials used by the utility. Price increases have begun to put substantial pressure on ongoing supply costs. The supply disruptions have also caused delays in the delivery of materials. While manageable, these delivery disruptions have delayed the completion of some projects.

The increase in cost of fuel, insurance, and other hard costs have had a significant impact.

For example, between 2021 and 2024:

- Overall inventory costs increased 40%, including:
    - An 86% increase in pole costs
    - A 62% increase in wires and cable costs
    - A 26% increase in transformer costs

- An 11% increase in meter costs
- Insurance costs have increased by 50%
- Regulatory fees have increased by 30%
- Outstanding customer debt has increased by 311%

To address the outstanding customer debt since the pandemic began, Oshawa Power has increased its collections activity while also proposing to increase its LEAP contributions to support low-income customers. See Exhibit 4 for more details.

Attachment 1 – 1

2026 COS Checklist

2026 Cost of Service Checklist

Oshawa PUC Networks Inc.

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Date: April 29, 2025

Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
GENERAL REQUIREMENTS		
Ch1, p4	Confidential Information - Practice Direction has been followed	Exhibit 1, section 1.1 and section 1.4.1
Ch1, p5	Certification by a senior officer that the application and any evidence filed in support of the application does not include any personal information unless it is filed in accordance with Rule 9A of the OEB's Rules (and the Practice Direction Confidential Filings, as applicable).	Exhibit 1, section 1.4.1 and Attachment 1-6
Ch1, p5	Certification by a senior officer that the evidence filed (including the models and appendices) is accurate, consistent and complete to the best of their knowledge	Exhibit 1, section 1.4.1 and Attachment 1-6
Ch1, p5	Certification by the Chief Executive Officer, or Chief Financial Officer, or equivalent, that the distributor has the appropriate processes and internal controls for the preparation, review, verification and oversight of all deferral and variance accounts, regardless of whether the accounts are proposed for disposition	Exhibit 1, section 1.4.1 and Attachment 1-6
Ch2, p2	A letter from the governing body (e.g., Board of Directors) certifying that it is aware of and approves the submission of the application	Exhibit 1, section 1.3 and Attachment 1-5
2	COS checklist filed and statement identifying all deviations from Filing Requirements	Exhibit 1, section 1.1 and Attachment 1-1, included as a standalone PDF excel document (OPUCN_2026-COS-Checklist_20250429)
2 & 3	Chapter 2 appendices in live Excel format; PDF and Excel copy of current tariff sheet	Included as a standalone PDF and excel document (OPUCN 2026_Filing_Requirements_Chapter2_Appendices_1.0_20250429)
3	Documents must include page numbers and be provided in text searchable and bookmarked PDF format	Confirmed.
3	Regulated entity shown seperately from parent company or any other affiliates	Exhibit 1, sections 1.4.11 and 1.9.10
4	If applicable, if cost of service filed earlier than scheduled, justify why an early rebasing is required by demonstrating why and how distributor cannot adequately manage resources and financial needs during IRM period	NA
4 & 5	If applicable, late applications filed after the commencement of the rate year for which the application is intended to set rates is converted to the following rate year	NA
5	All of the following exhibits filed: Application Overview and Administrative Documents, Rate Base and Capital (including DSP), Customer and Load Forecast, Operating Expenses, Cost of Capital and Capital Structure, Revenue Requirement and Revenue Deficiency/Sufficiency, Cost Allocation, Rate Design, Deferral and Variance Accounts	Confirmed all Exhibits 1 through 9 filed.
5	General requirements applicable throughout application: -written evidence included before data schedules -avg. of opening and closing fiscal year balances used for items in rate base (unless alternative method justified) -debt + equity = total rate base -data for test year, bridge year, three most recent historicals (or as many needed to provide actuals back to last OEB-approved), most recent OEB-approved test	Confirmed all Exhibits 1 through 9.
6	fdf	Confirmed.
6	Links within Excel models are broken and models named so that they can be identified (e.g. RRWF instead of Attachment A)	Confirmed.
7	Materiality threshold: Explanation/justification and/or supporting evidence for material amounts pertaining to CAPEX, capital variances, rate base variances, OM&A, and DVAs; additional details below the threshold if necessary	Exhibit 1.9.11
EXHIBIT 1 - APPLICATION OVERVIEW AND ADMINISTRATIVE DOCUMENTS		
Table of Contents		
7	Table of Contents listing major sections and subsections of the application	Separate PDF file provided for each exhibit. Each PDF file contains separate table of contents, and is bookmarked appropriately for direct access to each section.
Application Summary and Business Plan		
7	Distributor with less than 30k customers: Business and/or Strategic Plan. If no Business or Strategic plan: key planning assumptions, description of material factors (internal and external) that may affect the operation of the utility and major goals of the distributor in the test year and remaining years of the five-year term. Distributor with 30k or more customers: Business Plan underpinning application - can be augmented by plain language summary of distributor's goals that informed the application if this is not otherwise in the Business Plan. Also provide Strategic Plan, if available.	Exhibit 1, section 1.2, Attachments 1-2 (strategic plan) and 1-3 (business plan)
7-9	Brief, plain language summary of the application which includes the main requests with section references and rationale behind each request. Must include: -Revenue requirement (service revenue requirement requested for test year, increase/decrease ($ and %) from most recent approved, main drivers of revenue requirement changes -Load forecast summary (load and customer growth (% change in kWh, kW and change in customer #s from last OEB-approved)) -Rate base and DSP (major drivers of DSP and cost trends, rate base requested, change in rate base from last OEB-approved ($ and %), CAPEX for test year, change in CAPEX from last OEB-approved ($ and %) -OM&A (OM&A requested for test and change from last OEB-approved ($ and %), drivers and cost trends) -Cost of capital (table showing proposed capital structure and parameters resulting in WACC, statement confirming use of OEB's cost of capital parameters, summary of deviations from OEB methodology) -Cost allocation and rate design (proposed new customer classes and/or customer definition changes, new proposed charges, significant changes proposed to rev. cost ratios and fixed/variable split, mitigation plans) -DVAs (total disposition ($) including split between customer classes and between RPP and non-RPP (if applicable), disposition period(s), new DVAs and requested discontinuation of DVAs) -Bill Impacts ($ and %) for residential customer at 750kWh, and typical customers for all other classes (based on commodity rates on TOU with regulatory charges held constant; bill impacts to be used for Notice (Sub-total A) for residential customer at 750kWh and GS<50 at 2000kWh as well as a typical consumer for a distributor's service area for all customer classes, and bill impacts based on alternative consumption profiles and customer groups as appropriate	Exhibit 1, section 1.3

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Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
Administration		
9	Primary contact information (name, address, phone, email)	Exhibit 1, section 1.4.2
9	Identification of legal (or other) representation	Exhibit 1, section 1.4.3
9	Applicant's internet address for viewing of application and any social media accounts, with addresses, used by the applicant to communicate with customers	Exhibit 1, section 1.4.4
9	Statement identifying where notice should be published and why	Exhibit 1, section 1.4.5
9	Form of hearing requested and why	Exhibit 1, section 1.4.6
9	Requested effective date	Exhibit 1, section 1.4.7
10	Statement identifying and describing any changes to methodologies used vs previous applications	Exhibit 1, section 1.4.8
10	Identification of OEB directions from any previous OEB Decisions and/or Orders, including commitments made as part of approved settlements. Indication of how these are being addressed in the current application	Exhibit 1, section 1.4.9
10	Reference to Conditions of Service - provide reference to website and confirm version is current; identify if there are changes to Conditions of Service (a) since last CoS application and/or (b) as a result of the current application. Confirmation that there are no rates and charges linked in the Conditions of Service that are not in the distributor's Tariff of Rates and Charges must be provided	Exhibit 1, section 1.4.10
10	Description of the corporate and utility organizational structure showing the main units and executive and senior management positions within the organization; corporate entities relationship chart, showing the extent to which the parent company is represented on the distributor company's Board of Directors; description of the reporting relationships between distributor and management of the parent company. Also include any planned changes in corporate or operational structure, including any changes in legal organization and control	Exhibit 1, section 1.4.11

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Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
10	List of approvals requested (and relevant section of legislation). All approvals including accounting orders, new rate classes, revised specific service charges or retail service charges which the distributor is seeking, must be documented.	Exhibit 1, section 1.4.12
Distribution System Overview		
10	Description of Service Area - general description and map showing where distributor operates and communities served	Exhibit 1, section 1.5
Customer Engagement		
11	Provide information regarding its customer engagement activities, activities that occur on an on-going basis, and specific activities pertaining to application. **May** use Appendix 2-AC to assist in listing customer engagement activities	Exhibit 1, section 1.6 and Attachment 1-7
11	Ongoing Customer Engagement - Describe methods used to communicate and engage with each customer class regularly, summarize pertinent feedback received through regular customer communications, and explain how feedback informs operations and rate application, where applicable	Exhibit 1, sections 1.6.1 to 1.6.4
11 & 12	Application-Specific Customer Engagement - Explain customer engagement process specific to application (tailor customer engagement activities to distributor's circumstances and the proposals in application). Demonstrate how customer needs and priorities were factored into the decision-making process	Exhibit 1, sections 1.6.5 to 1.6.9
12	Customer engagement with customers who would be affected by proposals related to new rate classes, changes in to existing rate classes and change in charges such as RSCs, Specific Service Charges, standby rates, and unmetered-load customers	Exhibit 1, sections 1.6.6
12	All responses to matters raised in letters of comment filed on public record	During proceeding, after letters of comment received, Oshawa Power will file its responses.
Performance Measurement		
12	Link to most recent scorecard	Exhibit 1, section 1.7.1
12	Identification of performance improvement targets	Targets provided by performance category. Exhibit 1, section 1.7.1
12	OEB approved benchmarking model for the test year showing efficiency assessment, discussion on how the results obtained from the OEB approved forecasing model and Activity and Program-based Benchmarking (APB) have informed the distributor's business plan and application	Exhibit 1, section 1.7.1 - total cost benchmarking under Cost Control, Table 1-25 (benchmarking forecast to 2026), model included as a standalone excel document (OPUCN_2026-Benchmarking-Spreadsheet-Forecast-Model-v2024_20250429) Exhibit 1, section 1.7.2 - Actual 2024 and Forecast 2025-2026 Forecast Results, Table 1-37 (2024-2026 APB results)
12 & 13	Distributors **may** wish to provide table showing respective OEB-approved IRM increases for each of the last historical years from last rebasing, and assigned cohort as per the OEB approved model	Exhibit 1, section 1.7.1, Table 1-24 (2021 rate increases & cohort)
13	Activity and Performance-based Benchmarking (APB) results - at least provide the following unit cost variance analysis: - Year-over-year Historical Actuals (for most recent APB results) - Forecast Bridge Year vs Historical Actuals, to extent possible - Test Year vs Historical Actuals, to extent possible - An explanation of significant change (greater than 20% from previous year or five-year average) - A plan to drive down unit costs if five-year average is 25% greater than industry five-year average	Exhibit 1, section 1.7.2
13	Explain variances in cost performance, whether changes in unit costs are within distributor's control, and discuss relevant actions planned or underway. Discuss econometric results to extent possible	Exhibit 1, section 1.7, section 1.7.1 scorecard including total cost benchmarking, section 1.7.2 on APB, section 1.7.3 on custom benchmarks
Facilitating Innovation		
13 & 14	Distributors are encouraged to include a description of the ways their approach to innovation has shaped the application. Could include explanations of approach to innovation or keeping up with innovation in their business more generally; of specific projects or technologies for enhancing the provision of distribution services; and of enabling characteristics or constraints in their ability to undertake innovative solutions. Explain how innovative alternatives have been considered in place of traditional investments	Exhibit 1, section 1.8
14	Explain how innovative alternatives have been considered in place of traditional investments. Include information about the costs, expected benefits and associated risks of innovative alternatives. An innovative approach the OEB has emphasized is for distributors to consider the use of non-wires solutions (NWSs) to address distribution system needs	Exhibit 1, section 1.8.6
Financial Information		
15	Audited Financial Statements (excluding operations of affiliated companies that are not rate regulated) for two most recent historical years (i.e. one year's statements must be filed, covering two years of historical actuals); if most recent finals n/a, draft financial statements filed and finals, along with summary of main changes if there are any, provided as soon as they are available. Alternatively, if distributor publishes financial statement on its website, a link may be provided	Exhibit 1, section 1.9.1, Attachment 1-12
15	A detailed reconciliation of the financial results shown in the audited financial statements with the regulatory financial results filed in the application, including a reconciliation of the fixed assets in order to, as one example, separate non distribution businesses. This must include the identification of any deviations that are being proposed between the audited financial statements and the regulatory financial results, including the identification of any prior OEB approvals for such deviations.	Exhibit 1, section 1.9.2, Attachment 1-13
15	Annual Report and MD&A for most recent year of distributor and parent company, as available and applicable. If an Annual Information Form is filed publicly, a link should be provided	Exhibit 1, section 1.9.3, Attachment 1-14
15	Rating Agency Reports, if available; Prospectuses, information circulars etc. for recent and planned public debt and/or equity offerings	Exhibit 1, section 1.9.4 and 1.9.5
15	Any change in tax status	Exhibit 1, section 1.9.6
15	Description of existing accounting orders and departures from these orders, as well as any departures from the USoA	Exhibit 1, section 1.9.7
15	Accounting Standards used for financial statements and when adopted	Exhibit 1, section 1.9.9
15	If distributor conducting non-distribution businesses, confirmation that accounting treatment used has segregated these activities from rate regulated activities	Exhibit 1, section 1.9.10

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Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
Distributor Consolidation		
16	Information filed on the extent to which the distributor has investigated opportunities for consolidation or collaboration/partnerships with other distributors (contained within a dedicated section of the application); conclusions from investigations, including future plans	Exhibit 1, section 1.10
16	If distributor has become party to a proposed or approved MAADs transaction since last rebasing, disclosure of this information in current application	NA
A distributor filing an application to rebase following a consolidation must:		
16	Identify any incentives that formed part of the consolidation transaction if the incentive represents costs that are being proposed to remain or enter rate base and/or revenue requirement - list the exhibits in which incentives are discussed	NA
16	Specify whether and which commitments made to shareholders are to be funded through rates	NA
16	Detail of realized and projected savings as a result of consolidation compared to what was in the approved consolidation application and explanation of the nature of these savings (e.g. one-time, ongoing etc.)	NA
16	Detail of efficacy of any rate plan confirmed as part of MAADs	NA
16	Identify approved ACM or ICM from a previous Price Cap IR application it proposes be incorporated into rate base	NA
Distributor rebasing for the first time following a consolidation that approved under the 2024 MAADs handbook must provide: (Distributors that Deferred Rebasing for Five Years or Less)		NA
17	Achieved efficiencies and savings associated with the various activities where efficiencies were expected (as documented in the consolidation application)	NA
17	A qualitative discussion on enhanced reliability and service quality as a consolidated distributor	NA
17	A qualitative discussion on enhanced reliability and service quality on a rate zone basis	NA
17	Total transaction and transition costs, and whether those have been recovered over the term of the deferred rebasing period through the savings achieved	NA
17	A discussion on any obstacles encountered since consolidation and how the distributor managed those obstacles. If applicable, a discussion of how obstacles affected the consolidated entity from reaching its targets should also be included	NA
Distributor rebasing for the first time following a consolidation that approved under the 2024 MAADs handbook must provide: (Distributors that Deferred Rebasing for More than Five Years)		NA
17	Updates to information filed as part of mid-term report based on achieved results, including for any period not covered by the initial mid-term report	NA
17	An updated version of the revenue requirement analysis provided in the consolidation application based on information known at the time of the filing, and a comparison and discussion of the consolidation application forecasts versus those filed in the post-consolidation rebasing application.	NA

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Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
Impacts of COVID-19 Pandemic		
17 & 18	Distributors generally expected to reflect the impacts of the COVID-19 pandemic in their applications, including applicable forecast information. This includes, but is not limited to, the distributor's load forecast, capital forecast, and OM&A forecast in the applicable sections of the application	Exhibit 1, section 1.11
DSP - RATE BASE AND CAPITAL		
Rate Base		
18	Indication of whether capital expenditures are equivalent to in-service additions, and if so, variance explanations only required once. If not, specify whether variance explanations are on CAPEX or in-service additions basis	Exhibit 2, section 2.1.1
18	For rate base, opening and closing balances for each year, and the average of the opening and closing balances for gross assets and accumulated depreciation (discussion of methodology if applicant uses an alternative method); working capital allowance	Exhibit 2, section 2.1.2
18	Table showing components of the last OEB-approved rate base, the proposed test year rate base and the variances	Exhibit 2, section 2.1, Table 2-1 to 2-4.
Fixed Asset Continuity Schedule		
18	Completed Appendix 2-BA for each year - in Excel format	Exhibit 2, section 2.2.1, filed in live excel format in Chapter 2 appendices (OPUCN_2026_2026_Filing_Requirements_Chapter2_Appendices_1.0_20250429).
18 & 19	Continuity statements and year-over-year variance analysis must be provided (year end balance, including capitalized interest during construction and overhead costs). Explanations provided where there is a year-over-year variance greater than the applicable materiality threshold If applicable, explanation for any restatement (e.g. due to change in accounting standards) and reconciliation to original statements Year over year variance analysis; explanation where variance greater than materiality threshold. The following comparisons must be provided: Hist. OEB-Approved vs Hist. Actual (for the most recent historical OEB-approved year) Hist. Act. vs. preceding Hist. Act. (for the relevant number of years) Hist. Act. vs. Bridge Bridge vs. Test	Exhibit 2, section 2.2
19	Opening and closing balances of gross assets and accumulated depreciation correspond to fixed asset continuity statements. If not, an explanation and reconciliation must be provided (e.g. CWIP, ARO). Reconciliation must be between net book value balances reported on Appendix 2-BA and balances included in rate base calculation	Confirmed that gross assets and accumulated depreciation correspond to fixed asset continuity statements in 2-BA. Exhibit 2, section 2.2.1
19	Distributor may include in-service balances previously recorded in DVAs, such as renewable generation/smart grid related accounts, in its opening test year property, plant and equipment balances, if these costs have not been previously reviewed and approved for disposition, and if disposition is being requested in this application. In this situation, the distributor must clearly show in its evidence (e.g. Appendix 2-BA) that the addition was included in the opening test year balances and must reconcile the closing bridge year and opening test year figures. Distributors must provide the same reconciliation for accumulated depreciation	NA
19	Summary of approved and actual costs for any ICM(s) and/ or ACM approved in previous IRM applications	NA, Exhibit 2, section 2.7
19	Continuity statements must reconcile to calculated depreciation expenses and presented by asset account	Confirmed. See Exhibit 2, section 2.3.4
19	All asset disposals clearly identified in the Chapter 2 Appendices for all historical, bridge and test years	Confirmed.
Depreciation, Amortization and Depletion		
20	Explanations for any useful lives of an asset that are proposed that are not within the ranges contained in the Kinectrics Report	Exhibit 2, section 2.3.2
20	Depreciation, amortization and depletion details by asset group for historical, bridge and test years. Include asset amount and rate of depreciation/amortization. Must complete Appendix 2-C which must agree to accumulated depreciation in Appendix 2-BA under rate base	Exhibit 2, section 2.3.4
20	Identification of any Asset Retirement Obligations and associated depreciation or accretion expense - includes the basis for and calculation of these amounts	Exhibit 2, section 2.3.3
20	Identification of historical depreciation practice and proposal for test year. Variances from half year rule must be documented and supporting rationale provided	Exhibit 2, section 2.3.1
20	Copy of depreciation/amortization policy if available. If not, equivalent written description; summary of changes to depreciation/amortization policy since last CoS	Exhibit 2, section 2.3.5
21	If filing under MIFRS, explanation of any deviations from the practice of depreciating significant parts or components of PP&E separately	Exhibit 2, section 2.3.1
21	If no changes have been made to depreciation policy or service lives since last rebasing, a statement confirming that this is the case is required. For any depreciation expense policy or asset service lives changes since its last rebasing application: - identification of the changes and detailed explanation for the causes of the changes -use of Kinectrics study or another study to justify changes in useful life - list detailing all asset service lives tied to USoA and reconcile this list to the USoA, detail differences in asset service lives and the TULs from Kinectrics and explain differences outside of minimum and maximum TUL range from Kinectrics; Appendix 2-BB if there have been changes in asset service lives since last rebasing	Confirmed no changes, Exhibit 2.3.5
Allowance for Working Capital		
21	Working Capital - 7.5% allowance or Lead/Lag Study. If previously ordered by OEB as part of last rate application to file Lead/Lag Study, must comply.	Confirmed, no Lead/Lag study. Exhibit 2, section 2.4
21&22	If Lead/Lag Study conducted - leads and lags measured in days, dollar-weighted and reflects the distributor's actual billing and settlement processing timelines and considers relevant changes to operating environment	NA
22	Cost of Power must be determined by split between RPP and non-RPP Class A and Class B customers based on actual data, use most current RPP (TOU) price. Calculation must include the impact of the most up to date Ontario Electricity Rebate. Distributors must complete Appendix 2-Z - Commodity Expense.	Confirmed. Exhibit 2, section 2.4.1
22	Use most recent approved UTRs, Smart Metering Entity Charge and regulatory charges	Confirmed. Exhibit 2, section 2.4.1
Distribution System Plan		
22	DSP filed as a stand-alone, self-sufficient element within DSP	Exhibit 2, section 2.5 and Attachment 2-1
Policy Options for the Funding of Capital		

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22&23	Distributor may propose ACM capital project coming into service during Price Cap IR (a discrete project documented in DSP) - provide information on need and prudence. For projects with an expected capital cost of $2 million or more, excluding general plant investments, includes documentation of the consideration of NWSs to meet the identified system need that will be addressed by the project(s) as articulated in the OEB's Benefit-Cost Analysis Framework for Addressing Electricity System Needs (BCA Framework) to assess the economic feasibility of NWSs.	Exhibit 2, section 2.6
23	Identification that distributor is proposing ACM treatment for these future projects and provide the preliminary cost information, and ACM/ICM materiality threshold calculations - ACM Report provides further details on information required	NA
23	Complete Capital Module Applicable to ACM and ICM	NA
Addition of Previously Approved ACM and ICM Project Assets to Rate Base		
24	Distributor with previously approved ACM(s) and/or ICM(s) - schedule of ACM/ICM amounts proposed to be incorporated into rate base (i.e. PP&E and associated depreciation). Comparison of actual capital spending with OEB-approved amount and explanation for variances	Nil, Exhibit 2, section 2.7
24	Balances in Account 1508 sub-accounts; rate of interest prescribed by the OEB for DVAs for the respective quarterly period as published on the OEB's website	NA
24	True-up calculation if material, comparing the recalculated revenue requirement based on actual capital spending relating to the OEB-approved ACM/ICM project(s) to the rate rider revenues collected in the same period; assumptions used in the calculation noted (e.g., half-year rule).	NA
24	Accelerated capital cost allowance (CCA) should not be reflected in the ACM/ICM revenue requirement associated with these projects. Distributors should include the impact of the CCA rule change associated with the ACM/ICM project(s) in Account 1592 - PILs and Tax Variances – CCA Changes sub-account for CCA changes	NA
Capitalization		
25	Capitalization Policy: provide policy including changes since last rebasing application. Confirm if no changes made to capitalization policy since last rebasing application.	Exhibit 2, section 2.8.1
25	Overhead Costs: complete Appendix 2-D	Exhibit 2, section 2.8.2
25	Burden Rates: identification of burden rates; if burden rates were changed since last rebasing, identification of the burden rates prior to the change	Exhibit 2, section 2.8.3
Costs of Eligible Investments for the Connection of Qualifying Generation Facilities		
26	See Appendix A	Exhibit 2, section 2.9
General & Administrative Matters		
Ch5, p2	Use of terminology and formats set out in Ch. 5	Confirmed.
Investment Categories		
Ch5, pp 2, 3 & 4	Investment projects and programs grouped into one of four investment categories (i.e. system access, system renewal, system service, general plant)	DSP, section 5.2.1.2
Distribution System Plan		
Ch5, p5	If a distributor's application uses alternative section headings and/or arranges the information in a different order, table provided that cross-references the headings/subheadings used in the application to the section headings/subheadings indicated in Ch. 5	NA
Ch5, p5	DSP duration minimum of 10 years, comprising of a historical and forecast period. The historical period is the first five years of the DSP duration, consisting of five historical years, ending with the bridge year. For distributors that have not filed a DSP within the past five years, the historical period is from the test year of a distributor's last cost or service application to the bridge year. The forecast period is the last five years of the DSP duration, consisting of five forecast years, beginning with the test year of the current cost of service application..	Confirmed, 2021 to 2030 included in DSP, section 5.2.1.2
Distribution System Plan Overview		
Ch5, p5	High-level overview of information filed in DSP which includes capital investment highlights and changes since last DSP; objectives distributor plans to achieve through DSP, which will be used as a baseline comparison in the performance measurement section below.	DSP, section 5.2
Coordinated Planning with Third Parties		
Ch5, p5&6	The distributor must demonstrate that it has coordinated planning with third parties where appropriate. Explanation of whether consultations affected distributor's DSP, and if so, how; for consultations that affected DSP - overview of consultation and relevant material supporting the effects the consultation had on the DSP.	DSP, section 5.2.2
Ch5, p6	Overview of consultation should include: purpose, outcome, whether the distributor initiated the consultation or was invited to participate in it, and the other participants in the consultation process	DSP, section 5.2.2
Ch5, p6	A distributor should file the most recent regional plan. In the absence of a regional plan, the distributor should file a Regional Planning Status Letter from the transmitter.	DSP, section 5.2.2, Appendix D Hydro One Planning Status Letter
Ch5, p6	Identification of any inconsistencies between DSP and any current Regional Plan. If there are any inconsistencies, explanation of the reasons why, particularly where a proposed investment in their DSP is different from the recommended optimal investment identified in the Regional Plan	No inconsistencies, DSP, section 5.2.2.6, 5.2.2.7
Ch5, p6 & OEB Letter, Jan. 11, 2022	Telecommunications Entities: See January 11, 2022 letter for further guidance to the regulation that requires distributors to consult with any telecommunications entity that operates within its service area when preparing a capital plan for submission to the OEB, for the purpose of facilitating the provision of telecommunications services, and include the following information in its capital plan: -number of consultations conducted and a summary of the manner in which the distributor determined with whom to consult; a summary of the results of the consultation; and a statement as to whether the results of the consultations are reflected in the capital plan and, if so, a summary as to how.	DSP, section 5.2.2.4
Ch5, p6&7	REG: -confirmation if there are REG investments in region -if there REG investments proposed in DSP, demonstration of coordination with IESO, other distributors/transmitters (as applicable), and that investments proposed are consistent with Regional Infrastructure Plan - IESO letter in relation to REG investments	DSP, section 5.2.2.7

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Performance Measurement for Continuous Improvement		
Ch5, p7	Distribution System Plan: Summary of objectives for continuous improvement set out in last DSP and discussion on whether these objectives achieved. For objectives not achieved, explanation of how this affects current DSP and if applicable, improvements implemented to achieve the objectives in Section 5.2.1.	DSP, section 5.2.3
Ch5, p7	Service Quality and Reliability: -5 historical years of SQRs; explanations for material changes in service quality and reliability and whether and how DSP addresses these issues -for reliability, any declining 5 year SAIDI/SAIFI trends explained -if reliability targets established in last DSP, any under-performance explained	DSP, section 5.2.3.2
Ch5, p7	Completed Appendix 2-G; confirmation that the data is consistent with scorecard, or explanation of any inconsistencies	Appendix 2-G completed, aligned with 2023 scorecard.
Ch5, p7&8	Summary of performance for historical period using methods and measures (metrics/targets) identified and how performance has trended over the period. Summary must include historical period data on: -all interruptions -all interruptions excluding loss of supply -all interruptions excluding major events and loss of supply for: SAIFI, SAIDI	DSP, section 5.2.3.2
Ch5, p8	Summary of major events that occurred since last cost of service	DSP, section 5.2.3.2.4
Ch5, p8	For each cause of interruption for last five historical years: number of interruptions that occurred as a result of the cause of interruption, number of customer interruptions that occurred as a result of interruption, number of customer-hours of interruptions that occurred as a result of the cause of interruption	DSP, section 5.2.3.2.5
Ch5, p8	Distributor Specific Reliability Targets: -if establishing performance expectations based on something other than historical performance, evidence provided of capital and operational plan and other factors that justify the reliability performance the distributors plan to deliver -summary of any feedback from customers regarding reliability on distributors' system -distributors that use SAIDI and SAIFI performance benchmarks that are different than the historical average - evidence provided to support reasonableness of benchmarks	DSP, section 5.2.3.3
Planning Process		
Ch5, p9	Overview of planning process that has informed five-year capital expenditure plan; flowchart accompanied by explanatory text **may** be helpful	DSP, section 5.3.1.1
Ch5, p9	Summary of important changes in distributor's AM process since last DSP	DSP, section 5.3.1.2
Ch5, p9	Process: -provide processes used to identify, select, prioritize (including reprioritization over 5 year term), optimize, and pace execution of investments -demonstration that distributor has considered correlation between plan and customer's feedback and needs -demonstration that distributor has considered potential risks of proceeding/not proceeding with individual capital expenditures -demonstrate how it undertake grid optimization using an approach that considers the distributor's whole system -consideration, where applicable, of assessing the use of distribution rate-funded NWSs, cost-effective implementation of distribution improvements affecting reliability, and meeting customer needs as acceptable costs to customers, and other innovative technologies -demonstration that distributor has a planning process for future capacity needs, which must include, among other aspects, increased adoption of electric vehicles	DSP, section 5.3.1.1
Ch5, p10	Data -identification, description and summary of data used in processes above to identify, select, prioritize, optimize and pace investments over DSP	DSP, section 5.3.1.3
Overview of Assets Managed		
Ch5, p10	Overview of service area (e.g. system configuration, urban/rural etc.) to support capital expenditures over forecast period; asset information (e.g. capacity, utilization, condition, failures/performance, asset risks, demographics) by major asset type that may help explain the specific need for the capital expenditure and demonstration of consideration of economic alternatives	DSP, section 5.3.2
Ch5, p10	Statement as to whether distributor has had any transmission or high voltage assets deemed previously by the OEB as distribution assets, and whether there are any such assets that the distributor is asking the OEB to deem as distribution assets in the current application	No transmission or high voltage assets deemed to be distribution. DSP, section 5.3.2
Ch5, p10&11	Description of whether distributor is a host and/or embedded distributor; identification of any embedded and/or host distributors; partially embedded status identified (including % of total load supplied through host); if host distributor, identification of whether there is a separate embedded class or if any embedded distributors are included in other classes	Not a host or embedded distributor. DSP, section 5.3.2
Asset Lifestyle Optimization Policies and Practices		
Ch5, p11	Demonstration that distributor has carried out cost-effective system O&M activities to sustain as asset to the end of its service life (and can include references to the Distribution System Code)	DSP, section 5.3.3
Ch5, p11	Explanation of processes and tools used to forecast, prioritize and optimize system renewal spending and how distributor intends to operate within budget envelopes	DSP, section 5.3.3
Ch5, p11	Demonstration of consideration of potential risks of proceeding/not proceeding with individual capital expenditures	DSP, section 5.3.3, quantified risk prioritization methodology in 5.3.1.1
Ch5, p11	Demonstration that the distributor has considered the future capacity requirements of the asset such that it does not need to be replaced prematurely due to capacity constraints	DSP, section 5.3.3
Ch5, p11	Summary of important changes to the distributor's asset life optimization policies, processes, and tools since last DSP	DSP, section 5.3.3
System Capability Assessment for REG and DER		
Ch5, p11	Provide list of restricted feeders by name, the feeder designation, the reason for the restriction, number of connected customers, and explain if there are plans to improve the distribution system's ability to connect distributed energy resources	None, DSP, section 5.3.4
Ch5, p11&12	If a distributor has incurred or expects to incur costs to accommodate and connect renewable generation facilities that will be the responsibility of the distributor under the DSC, refer to Appendix A	Not anticipated, DSP, section 5.3.4
Non-Wires Solutions to Address System Needs		

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Ch5, p12	Description of how distributor has taken NWSs into consideration in its planning process	DSP, section 5.3.5
Ch5, p12	Explanation of proposed activity in the context of the DSP, including providing details on the system need that is being addressed, infrastructure investments that are being avoided or deferred as a result of NWS, and the prioritization of proposed NWS activity relative to other system investments in the DSP	DSP, section 5.3.5 and Appendix A: NWS Business Case
Ch5, p12&13	Evidence why the proposed NWS is the preferred approach (alone or in combination with an infrastructure solution) to meeting a system need, including an assessment of the projected benefits to customers relative to cost impacts, following the requirements of the BCA Framework.	DSP, section 5.3.5 and Appendix A: NWS Business Case
Ch5, p13	Demonstration that distributor has meaningfully explored contracting services from non-utility owned distributed energy resources for any rate funded, distributor-owned NWS proposal	DSP, section 5.3.5 and Appendix A: NWS Business Case
Capital Expenditure Summary		
Ch5, p13	Provide capital expenditure plan that sets out proposed expenditures on distribution system and general plant over a five-year planning period, including investment and asset-related operating and maintenance expenditures	DSP, section 5.4.1
Ch5, p13	Provide a snapshot of a distributor's capital expenditures over a 10-year period, including five historical years and five forecast years	DSP, section 5.4.1
Ch5, p13	The entire cost of individual projects or programs allocated to one of the four investment categories based on the primary driver of the investment	Confirmed, section 5.4.1
Ch5, p13	Completed Appendices 2-AA and 2-AB	See chapter 2 appendices excel document (OPUCN_2026_Filing_Requirements_Chapter2_Appendices_1.0_20250429)
Ch5, p13&14	Analysis of distributor's capital expenditure performance for the DSPs historical period - should include explanation of variances by investment or category, including actuals v. OEB-approved/planned amounts for the applicant's last OEB-approved CoS or Custom IR application and DSP - explanation of variances between planned and actual volume of work completed and explanation of variances in a given year that are much higher or lower than the historical trend	DSP, section 5.4.1.1
Ch5, p14	Analysis of distributor's capital expenditure performance for the DSPs forecast period; for investments that have a lifecycle >1yr, the proposed accounting treatment, including the treatment of the cost of funds for CWIP	DSP, section 5.4.1.2
Ch5, p14	Analysis of capital expenditures in DSP forecast period v. historical	DSP, section 5.4.1.3
Ch5, p14	Summary of any important modifications to typical capital programs since the last DSP	DSP, section 5.4.1.4
Ch5, p14	Description of the impacts of capital expenditures on O&M for each year or statement that the capital plans did not impact O&M costs	DSP, section 5.4.1.5
Ch5, p14	Statement that there are no expenditures for non-distribution activities in the applicant's budget	DSP, section 5.4.1.2
Justifying Capital Expenditures		
Ch5, p14	Context on how overall capital expenditures over 5 years will achieve distributor's objectives; comment on lumpy investment years and rate impacts of capital investments in long term	DSP, section 5.4.2
Material Investments		
	For each project that meets materiality threshold set in Ch 2A or deemed by applicant to be distinct for any other reason, guidelines are:	
Ch5, p15	General information on the project/program - Need, scope, volume of work expected to be completed, key project timings (incl. key factors that affect timing), total expenditures (inc. contributions and economic evaluation as per DSC, as applicable), comparative historical expenditures, priority, alternatives considered, benefit-cost analysis (BCA) of recommended alternative, description of the innovative nature of investment if applicable. -Where an investment within the five year forecast period involves a Leave to Construct approval, provide summary of the evidence (as available), for that investment consistent with Chapter 4 of the filing requirements	DSP, section 5.4.2.1 and Appendix B
Ch5, p15&16	Evaluation criteria and information requirements for each project/program - Demonstration of need, and may include the need to address safety, cyber security, grid innovation, environmental, statutory/regulatory obligations - Where investment substantially exceeds materiality - business case justifying expenditure, alternatives (including NWSs,if applicable), benefits for customers, impact on distributor costs -If a distributor is requesting funding for an NWS, additional guidance on evidentiary requirements is provided in the NWS Guidelines	DSP Appendix B
Ch5, p16	Explanation of how innovative project is expected to benefit customers, such as improved reliability, enhanced customer services, efficient use of electricity, load management, greater efficiency through grid optimization, lower rates (long-term or short-term), enhanced customer choice, or any other benefit consistent with the OEB's mandate	DSP Appendix B
Benefit-Cost Analysis Framework		
	The BCA Framework is mandatory when the projected capital cost of the proposed solution to an electricity system need (either NWS or traditional infrastructure) exceeds $2 million (excluding general plant investments)	DSP section 5.4.2.2 and Appendix A: NWS Business Case
Ch5, p17	Conduct pre-assessment to identify whether there is a reasonable expectation that an NWS may be a viable approach to meeting an identified need. Should the pre-assessment conclude that an NWS is a viable approach, a distributor should proceed with completing a BCA. The BCA should be filed along with the pre-assessment results	DSP section 5.4.2.2 and Appendix A: NWS Business Case
Ch5, p17	BCAs are to be prepared for each specific system need	NA
Ch5, p17&18	Distribution Service Test (DST) A distributor looking to file a BCA **must** employ the mandatory distribution service BCA and consider the mandatory quantitative/qualitative impacts to benefit/costs as outlined in the BCA Framework, and **must** include the Excel-based quantitative output template, BCA Data Filing Submission Template. The BCA **may** include the permitted DST qualitative impacts as applicable.	NA
Ch5, p18&19	Energy System Test (EST) Distributors **are encouraged** to do an optional EST particularly if they believe an NWS offers significant benefits beyond those of distribution service. When an EST is conducted, the mandatory EST quantitative/qualitative impacts should be included, including the DST impacts as outlined in the BCA Framework.	NA
Appendix A (if applicable)		

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Ch5, Appendix A	Information on the capability of distribution system to accommodate REG investments, including a summary of the distributor's load and renewable energy generation connection forecast by feeder/substation (where applicable); information identifying specific network locations where constraints are expected to emerge due to forecast changes in load and/or connected renewable generation capacity	No significant impacts DSP section 5.2.2.7 and Appendix E: IESO Comment Letter and F: Renewable Energy Generation Investment Plan
Ch5, Appendix A	In relation to renewable or other distributed energy generation connections, the information that must be considered by a distributor and documented in an application (where applicable), includes: applications from renewable generators > 10 kW, number and MW of REG connections for forecast period, information from IESO and any other information about the potential for renewable generation in distributor's service area, capacity of Dx to connect REG, connection constraints	NA
EXHIBIT 3 - CUSTOMER AND LOAD FORECAST		
Load Forecasts		
26	Weather normal load forecast provided	Exhibit 3, section 3.1.2 Exhibit 3, section 3.1.3, Tables 3-7
26	Table outlining any factors that influence the load forecast in distributor's service territory (e.g. demographics, customer composition etc.)	
26	Explanation of the causes, assumptions and adjustments for the volume forecast, including all economic assumptions and data sources used (e.g. housing outlook & forecasts, other variables used in forecasting volumes)	Exhibit 3, section 3.2
26	Explanation of weather normalization methodology	Exhibit 3, section 3.1
26	Completed Appendix 2-IB; the customer and load forecast for the test year entered on RRWF, Tab 10	See chapter 2 appendices excel document (OPUCN_2026_Filing_Requirements_Chapter2_Appendices_1.0_20250429)
27 & 28	Multivariate Regression Model -rationale to support change if the proposed model's methodology differs from the methodology used in the most recent load forecast; discussion of modelling approaches considered and alternative models tested -statistics should include, but not limited to, the regression equations coefficients and intercepts (e.g. t-stats, model statistics including R2, adjusted R2, F-stat, root-mean-squared-error and Durbin-Watson statistic), including explanation for any resulting non-intuitive relationships -explanation of weather normalization methodology (including if monthly HDD and/or CDD are used they are based on either: 10 year avg. or proposed alternative approach with supporting evidence -definitions of HDD and CDD including: climatological measurement points and why appropriate as well as identification of base degrees -sources of data for endogenous and exogenous variables. Where a variable has been constructed, explanation of the variable data used and source. Where a distributor has constructed the demand variable to model billed consumption on a class-specific basis, a full explanation of the approach used to pro-rate or interpolate non-interval data (i.e. if billing data are not based on calendar monthly readings as obtained from interval or smart meters) must be provided, including an explanation of why the constructed demand series is suitable for modelling -any binary variables used must be explained and justified - the use of binary variables should be limited and overlap with other variables should be avoided -explanation of any specific adjustments made (e.g. to adjust for loss or gain of major customers or load, significant re-classifications of customers, etc.). Note locally purchased generation should be included in the total for purchased power -description of how CDM and NWS impacts and other exogenous factors have been accounted for in the historical period, and how CDM and NWS impacts, including any targets or forecasts in the bridge and test years, are factored into the test year load forecast -data and regression model and statistics used in customer and load forecast in Excel format	Exhibit 3, section 3.2 Data and regression model and statistics in standalone excel document (OPUCN_2026 Load Forecast Model_20250429)
28	NAC Model -rationale to support NAC methodology if the model use differs from the method used in the most recent load forecast -data supporting calculation of NAC values for each rate class -description of how CDM and NWS impacts and other exogenous factors have been accounted for in historical period and how CDM and NWS impacts, including any targets or forecasts in the bridge and test years, are factored into test year forecast -discussion of weather normalization assumptions used	NA
Incorporating CDM and NWS Impacts in the Load Forecast for Distributors		
28	Refer to NWS Guidelines for guidance, including supporting evidence required regarding incorporating historical and forecast impact of CDM and NWS acitivities in load forecast	Exhibit 3, section 3.7
Accuracy of Load Forecast and Variance Analyses		
28	Completed Appendix 2-IB (2-IA provides further instructions for filling out 2-IB)	See chapter 2 appendices (OPUCN 2026_Filing_Requirements_Chapter2_Appendices_1.0_20250409)
29	For customer/connection counts: -identification as to whether customer/connection count is shown in year end or average format -year-over-year variances in changes of customer/connection counts with explanation for changes in the definition of, or major changes made in the composition of each customer class -explanations of bridge and test year forecasts by rate class -for last rebasing, variance analysis between last OEB-approved and actuals with explanations for material differences	Exhibit 3, section 3.4, 3.5 Customer/Connection Counts 3.8 Variance Analysis

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29	For consumption and demand: -explanation and details to support how kWh are converted to kW for applicable demand-billed classes -year-over-year variances in consumption (kWh) and demand (kW or kVA - the latter for demand billed rate classes) by rate class and for system consumption overall (kWh) with explanations for material changes in the definition of or major changes over time (comparison done for both historical actuals against each other and historical weather-normalized actuals over time) -explanations of the bridge and test year forecasts by rate class (and how these vary from or are trending from both historical actuals and from weather-normalized actuals) -for last rebasing variance analysis between the last OEB-approved and the actual results with explanations for material differences	Exhibit 3, section 3.4, 3.5 Consumption & Demand Forecasts 3.8 Variance Analysis
29	All data and equations used to determine customers/connections, demand and load forecasts provided in Excel format	Included as a standalone excel document (OPUCN_2026 Load Forecast Model_20250429)
EXHIBIT 4 - OPERATING EXPENSES		
Overview		
29&30	Brief explanation (quantitative and qualitative) of test year OM&A levels, how the distributor develops and receives approval of their OM&A budget, cost drivers and significant changes relative to historical and bridge years, trends in costs and relevant metrics including OM&A per customer (and its components) for the historical, bridge and test years, inflation rate assumed (if proposing different rate than IPI - provide explanation supporting proposal), business environment changes	Exhibit 4, section 4.1
OM&A Summary and Cost Driver Tables		
Inclusion of the following tables in evidence and all OM&A appendices filed:		
30	Summary of recoverable OM&A expenses; Appendix 2-JA	Exhibit 4, section 4.2.1
30	Recoverable OM&A cost drivers; Appendix 2-JB	Exhibit 4, section 4.2.2
30	OM&A programs table - Appendix 2-JC **or** OM&A by USoA Table - Appendix 2-JD	Exhibit 4, section 4.3.1
30	Recoverable OM&A Cost per customer and per FTE; Appendix 2-L	Exhibit 4, section 4.2.4
30	Distributors with 30k or more customers: present OM&A by program; Appendix 2-JC filed to provide OM&A details and variance analysis on a program basis. For each program, provide a definition of the USoA accounts included	Confirming 2-JC used. Exhibit 4, section 4.3.1
30	Only distributors with less than 30k customers: option to file OM&A by program or USoA. If USoA chosen, 2-JD filed instead of 2-JC	NA
30	For all distributors, the table provided (2-JC or 2-JD) must reflect the entire OM&A amount proposed to be recovered through rates. Information provided for bridge and test years.	Confirmed.
30	Appendix 2-JB populated to provide information on the cost drivers of OM&A expenses; 2-JA broken down into major categories	Confirmed 2-JB populated. For 2-JA, see Exhibit 4, section 4.1.4 and 4.2.1.
31	Identification of change in OM&A in test year in relation to change in capitalized overhead	Exhibit 4, section 4.2.5
OM&A Variance Analysis		
31	Re: 2-JC or 2-JD - variance analysis between: -Test Year vs Historical OEB approved -Historical OEB-Approved vs Historical Actuals (for the most recent historical OEB-approved year) -Test Year vs most recent Historical Actuals	Exhibit 4, section 4.3
31	If OM&A expense detailed on USoA basis, variance analysis and explanation broken down by the five major OM&A categories as per 2-JA	Confirmed.
31	For all distributors, the variance analysis includes explanation of whether the change was within the distributor's control or not - distributors encouraged to provide explanations for costs above the threshold which have impacted historical trend	Confirmed.
Workforce Planning and Employee Compensation		
31	Completed Appendix 2-K; information on labour and compensation includes total amount, whether expensed or capitalized	Exhibit 4, section 4.4.1, Table 4-20
31	If there are three or fewer employees in any category, aggregate with the category to which it is most closely related. This higher level of aggregation must be continued, if required, to ensure that no category contains three or fewer employees.	NA
31	Description of proposed workforce plans, including compensation strategy and any changes from previous plan	Exhibit 4, section 4.4.3 (workforce plan), 4.4.4 (FTE addition/elimination) and 4.4.5 (compensation strategy)
31&32	Discussion of the outcomes of previous plans and how those outcomes have impacted their proposed plans including an explanation of the reasons for all material changes to FTEs and compensation. Explanation for all years includes: - Variances with an explanation of contributing factors, inflation rates used for forecasts, and the plan for any new employees - basis for performance pay, eligible employee groups, goals, measures, and review process for pay-for-performance plans - relevant studies (e.g. compensation benchmarking)	Exhibit 4, section 4.4.2 (outcomes of previous plans), 4.4.5 Employee Compensation Strategy and 4.4.6 (Variance Analysis)
32	Details of employee benefit programs including pensions, OPEBs, and other costs charged to OM&A. A breakdown of the pension and OPEBs amounts included in OM&A and capital provided for the last OEB-approved rebasing application, and for historical, bridge and test years	Exhibit 4, section 4.4.6
32	Most recent actuarial report; tax section of evidence agrees with this analysis	Confirmed in Exhibit 4, section 4.4.6, actuarial report is Attachment 4-3.
32	For virtual distributors - Appendix K completed in relation to the employees of the affiliates who are doing the work of the regulated distributor. Provide the status of pension funding and all assumptions used in the analysis	NA
32	Indication if pension and OPEBs to be recovered using cash or accrual method. If cash method, sufficient supporting rationale and evidence for adopting cash method. If proposing to change the basis in which pension and OPEB costs are included in OM&A from last rebasing, quantification of impact of transition provided	No change since last CoS. Exhibit 4, section 4.4.6
Shared Services and Corporate Cost Allocation		
32	Identification of all shared services among affiliates; identification of the extent to which the applicant is a "virtual utility" and justification of proposed shared services and cost allocation	Exhibit 4, section 4.5
33	For shared services among affiliated entities: type of service provided or received, pricing methodology	Exhibit 4, section 4.5

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33	Allocation methodology for corporate services, list of shared services, list of costs and allocators and how the allocator was derived, any third party review of cost allocation methodology	Exhibit 4, section 4.5
33	Completed Appendix 2-N for service provided or received for historical actuals, bridge and test; including reconciliation with revenue included in Other Revenue	Exhibit 4, section 4.5, Tables 4-35 and 4-40 (Appendix 2-N) Table 4-43 (reconciliation)
33	Shared Service and Corporate Cost Variance analysis - test year vs last OEB approved and test year vs most recent actual	Exhibit 4, section 4.5, Tables 4-41 and 4-42
33	Identification of any Board of Director costs for affiliates included in LDC costs	There are none, confirmed in Exhibit 4, section 4.5, Corporate Cost Allocation
Non-Affiliate Services, Regulatory One-Time Costs		
33&34	Purchases of Non-Affiliated Services - copy of procurement policy (including information on signing authority, tendering process, non-affiliate service purchase compliance)	Exhibit 4, section 4.6.1, Attachment 4-4
34	For material transactions not in compliance with procurement policy, or that were undertaken pursuant to exceptions contemplated within the policy, an explanation as to why as well as a summary of the nature and cost of the product, and a description of the specific methodology used for selecting the vendor	Exhibit 4, section 4.6.1
34	Information supporting the incremental costs associated with the preparation and review of the current appication	Exhibit 4, section 4.6.2
34	Identification of one-time costs in historical, bridge, test; explanation of cost recovery in test year. If no recovery of one-time costs is being proposed in the test year and subsequent IRM term, an explanation must be provided	Exhibit 4, section 4.6.2
34	Completed Appendix 2-M, ongoing regulatory costs be included in the administration cost of Operations, Maintenance&Administration (OM&A) expense and material change be reported in Appendix 2-JB OM&A Cost Drivers.	Exhibit 4, section 4.6.2

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LEAP, Charitable and Political Donations		
34	LEAP - the greater of 0.12% of forecasted service revenue requirement or $2,000 should be included in OM&A and recovered from all rate classes. If proposing LEAP funding higher than 0.12%, details of demographics provided	Exhibit 4, section 4.7.1
35	For any charitable contributions claimed for recovery, detailed information provided	Nil, Exhibit 4, section 4.7.2
35	Confirmation that no political contributions have been included for recovery	Confirmed. Exhibit 4, section 4.7.2
Cost of Non-Wires Solution and Conservation and Demand Management		
36	Statement confirming that no costs for dedicated CDM staff to support IESO programs funded under the 2021-2024 CDM Framework are included in the revenue requirement	Exhibit 4, section 4.8
36	Distributor should generally not include any forecast costs associated with partnership in the IESO's Local Initiative Program (LIP) within its revenue requirement; distributor can seek to recover partnership costs at a future date through the LIP deferral account. If distributor plans to partner with the IESO for the LIP at the time of its cost of service application, description of proposed approach to partnership, including a forecast of LIP costs	NA
Funding Options for Non-Wires Solutions		
36	If NWSs included in COS where NWSs expected to come into service during Price Cap IR term, identification of if costs of such NWSs included in the revenue requirement, or if the distributor intends to propose treatment similar to an ACM for these future NWSs.	NWS costs have been included in the DSP as capital expenditures.
36	If the latter as noted above, supporting rationale provided (e.g., the preliminary cost information and ACM/ICM materiality threshold calculations to show that a similar capital project would qualify for ACM treatment based on the forecasted information at the time of the DSP and cost of service application)	NA
EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE		
Capital Structure		
37	Use of most recent parameters issued by the OEB, subject to update if new parameters available prior to OEB decision. Alternatively - distributor specific cost of capital with supporting evidence and justification	Exhibit 5, section 5.1
37	Completed Appendix 2-OA for last OEB approved and test years	Exhibit 5, section 5.2
37	Completed Appendix 2-OB for historical, bridge and test years with respect to long-term debt, short-term debt, preference shares, and common equity	Exhibit 5, section 5.5
37	Explanation for any material changes in capital structure or material differences between actual and deemed capital structure including: retirement of debt or preference shares and buy-back of common shares; short-term debt, long-term debt, preference shares and common share offerings	Exhibit 5, section 5.2. No changes to capital structure.
Cost of Capital (Return on Equity and Cost of Debt)		
The following provided for each year:		
38	Calculation of cost for each capital component	Exhibit 5, section 5.3
38	Profit or loss on redemption of debt, if applicable	NA
38	Copies of current promissory notes or other debt arrangements with affiliates	NA
38	Explanation of debt rate for each existing debt instrument including an explanation on how the debt rate was determined and is in compliance with the policies documented in the 2009 Report or applicant's proposed approach	Exhibit 5, section 5.3.2
38	Forecast of new debt in bridge and test year - details including estimate of rate and other pertinent information (e.g. affiliated debt or third party?)	Exhibit 5, section 5.3.3
38	If proposing any rate that is different from the OEB guidelines, a justification of the proposed rate(s), including key assumptions	NA
38	Historical return on equity achieved	Exhibit 5, section 5.4, Table 5-11
38	Overview of financing strategy	Exhibit 5, section 5.5
Not-for-Profit Corporations		
38	Requested capital structure and cost of capital (including the proposed cost of long-term and short-term debt and proposed return on equity)	NA
38	Statement as to whether the revenues derived from the return on equity component of the cost of capital is to be used to fund reserves or will be used for other purposes	NA
38	If the revenues derived from the return on equity component will be used to fund reserves, specifications for each proposed reserve fund and a description of the governance (policies, procedures, sign-off authority, etc.) that will be applied	NA
39	If the revenues derived from the return on equity component will be used for other purposes, statement as to whether these revenues will be used for non-distribution activities (in the situation where the excess revenues are greater than the amounts needed to fund distribution activities); rationale provided supporting the use of the revenues in this manner. Also, governance (policies, procedures, sign-off authority, etc.) that will be applied to the funding of non-distribution activities provided	NA
39	If there are approved reserves from previous OEB decisions provide the following: -the limits of any capital and/or operating reserves as approved by the OEB, and identifying the decisions establishing these reserve accounts and their limits -the current balances of any established capital and/or operating reserves	NA
EXHIBIT 6 - REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY		
39	The following information must be provided in this exhibit (with cross references to where in the application further details can be found for each) excluding energy costs and revenues and unregulated costs and revenues: -determination of net income, statement of rate base, actual return on rate base, indicated rate of return, requested rate of return, deficiency or sufficiency in revenue, gross deficiency or sufficiency in revenue	Exhibit 6, section 6.1.1 to section 6.1.5, Tables 6-1 to 6-3
39	Revenue deficiency or sufficiency calculations net of electricity price differentials captured in the Retail Settlement Variance Accounts (RSVAs) and also net of any cost associated with low voltage (LV) charges or DVA balances of distribution expenditures/revenues being tracked through approved deferral and variance accounts for certain distribution assets (e.g. ICM and ACM capital projects) and for which disposition is not being sought in the application.	Exhibit 6, section 6.1.6
40	Summary of drivers for test year deficiency/sufficiency, how much each driver contributes; references in application evidence mapped to drivers	Exhibit 6, section 6.1.7, Table 6-5
40	Impacts of any changes in methodologies on deficiency/sufficiency and on individual cost drivers contributing to it	No changes in methodology. Exhibit 6, section 6.1.6.
Revenue Requirement Work Form		

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40	Completed RRWF. Revenue requirement, def/sufficiency, data entered in RRWF must correspond with other exhibits	Exhibit 6, Attachment 6-1, standalone excel document (OPUCN_2026_Rev_Reqt_Workform_1.0_20250429) Confirmed data corresponds with other Exhibits.
40	If the enhanced RRWF cannot reflect a distributor's proposed rates accurately, the distributor must file its rate generator model	NA
40&41	For revenues - calculation of bridge year forecast of revenues at existing rates; calculation of test year forecasted revenues at each of existing rates and proposed rates	Exhibit 6, section 6.1.6, Table 6-4
Income Tax or PILs		
41	Must provide detailed calculations of income tax or PILS. Must include a completed Excel version of the PILs model available on the OEB's website, including derivation of adjustments for historical, bridge and test years. Regulatory assets and liabilities must excluded from PILs calculations when they were created and when they were disposed, regardless of the actual tax treatment accorded those amounts.	Exhibit 6, section 6.2.1, Table 6-6, standalone excel document (OPUCN_2026_Test_Year_Income_Tax_PILs_1.0_20250429)
41	Supporting schedules and calculations identifying reconciling items	Exhibit 6, section 6.2.1, Table 6-7 and Table 6-8
41	Most recent federal and provincial tax returns	Exhibit 6, section 6.2.1, Attachment 6-2
41	Financial Statements included with tax returns if different from those filed with application	Exhibit 6, section 6.2.1, Attachment 6-3
41	Calculation of tax credits; redact where required (filing of unredacted versions is not required)	Exhibit 6, section 6.2.3
42	Supporting schedules, calculations and explanations for other additions and deductions	Exhibit 6, section 6.2.3
42	Completion of the integrity checks in the PILs Model	Confirmed.
42	Accelerated CCA - full revenue requirement impact recorded in Account 1592 and the balance sought for review and disposition, method used in calculating the revenue requirement impact recorded in Account 1592, detailed calculations by year for the full revenue requirement impact recorded in Account 1592 in Excel format	Exhibit 6, section 6.2.2, standalone excel document (OPUCN_2026_Accelerated CCA Deferral Support_20250429)
42&43	May propose a mechanism to smooth the tax impacts over the five-year IRM term.	Not proposing. Exhibit 6, section 6.2.2
Other Taxes		
43	Account 6105 is not an OM&A account and should be excluded from all OM&A totals. Applicant should provide an explanation of how these tax amounts are derived.	Exhibit 6, section 6.2.4

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Non-recoverable and Disallowed Expenses		
43	Exclude from regulatory tax calculation any non-recoverable or disallowed expenses	Nil, Exhibit 6, section 6.2.5
Other Revenue		
43	Completed Appendix 2-H, including the breakdown of each account showing the components of each	Exhibit 6, section 6.3.1, Table 6-9 (Appendix 2-H)
43&44	For each other distribution revenue account: -comparison of actual revenues for historical years to forecast revenue for bridge and test year, including explanations for significant variances year-over-year -revenue from any new proposed specific service charges, changes to rates, or new rules for applying existing specific service charges (incl. any credits to customers) -revenue from affiliate transactions, shared services, or corporate cost allocation. For each affiliate transaction identification of service, the nature of service provided, accounts used to record revenue, and costs to provide service -revenue from affiliate transactions recorded in Account 4375 -expenses from affiliate transactions recorded in Account 4380	Exhibit 6, section 6.3.2
44	Balances recorded in Account 4375 and Account 4380 reconcile to the balances recorded in Appendix 2-N – Shared Services and Corporate Allocation for the three historical years, the bridge year and the test year. Any differences must be reconciled	Reconciles to Appendix 2-N. Exhibit 6, section 6.3.1
44	Revenue related to microFIT recorded as revenue offset in Account 4235 and not included as part of base revenue requirement	Confirmed.
44	Transfer pricing and allocation of cost methods do not result in cross-subsidization between regulated and non-regulated lines of business and compliance with article 340 of APH; explanations for any deviations	Exhibit 6, section 6.3.1
44	Identification of any discrete customer groups that may be materially impacted by changes to other rates and charges.	Exhibit 6, section 6.3.1
44	Revenues or costs (including interest) associated with deferral and variance accounts not included in other revenues.	Confirmed. Exhibit 6, section 6.3.1
EXHIBIT 7 - COST ALLOCATION		
Cost Allocation Study Requirements		
45	Completed cost allocation study using the OEB-approved methodology or the distributor's study and model reflecting forecasted test year loads and costs and supported by appropriate explanations and live Excel spreadsheets; sheets 11 and 13 of the RRWF complete	Exhibit 7, section 7.1 2026 Cost Allocation model complete. RRWF sheets 11 and 13 complete.
45	Description of weighting factors, rationale for use of default values (if applicable)	Exhibit 7, section 7.2.1 to 7.2.4
45	If distributor is choosing to use the same weightings as its previous rebasing application, a reference to the previous application provided	NA
45&46	Complete live Excel cost allocation model, whether using the OEB-issued one or a different model. If using the OEB-issued model, Input sheet I.2, cells c15 and c17 must be used to identify the final run of the model on each sheet. If using another model, the distributor must file equivalent information.	Included as a standalone excel document (OPUCN_2026_Cost_Allocation_Model_20250429)
Load Profiles and Demand Allocators		
46	Update all classes' load profiles and update demand allocators	Exhibit 7, section 7.3, Table 7-6 (demand allocators)
46	Discussion of how load profiles have been normalized for weather and any notable events impacting usage patterns	Exhibit 7, section 7.3.1
46	If multivariate regression model is used, the following provided: -statistics and statistical tests related to regression equation(s) coefficients and intercept, results of tests for autocorrelation and multicollinearity -explanation of the weather-normalization methodology including: relationship between demand and Heating and/or Cooling requirements, determination of normal weather: the hourly for daily Heating and/or Cooling required -sources of data used for both endogenous and exogenous variables. Where a variable has been constructed, explanation of the variable, data used and the source of the data provided -explanation of any specific adjustments made (e.g. to address gaps in historical meter data)	Exhibit 7, section 7.3.1
47	Data and regression model and statistics used in the weather normalization of load profiles provided in Excel format (includes showing the derivation of any constructed variables)	Included as a standalone excel document (OPUCN_Load Profile Derivation Example_20250429)
47	Demand Allocators: spreadsheet and a description with calculations to show how demand allocators are derived from the historical weather normal or weather actual load profiles	Included as a standalone excel document (OPUCN_Load Profile Derivation Example_20250429)
47	Historical Average: Where the annual demand allocators are based on weather actual load profiles, at least three, and ideally five years of historical data should be used to perform weather normalization. Where the annual demand allocators are based on weather normalized load profiles, fewer years may be used	10-year averages used.
47&48	Host Distributor only - evidence of consultation with embedded Dx - statement regarding embedded Dx support for approach to allocation of costs - if embedded Dx is separate class - class in cost allocation study and RRWF - if new embedded Dx class - rationale and supporting evidence (cost of serving, load served, asset ownership information, distribution charges levied); include in cost allocation study and RRWF - if embedded Dx billed as GS customer - include with the GS class in cost allocation model and the RRWF. Provide cost of serving, load served, asset ownership information, distribution charges levied, appropriateness of rates for the GS class recovering costs of providing low voltage dx services to embedded distributor(s). Completed Appendix 2-Q - Cost of Serving Embedded Distributors	NA
48	microFIT - if the applicant believes that it has unique circumstances which would justify a different rate than the generic rate, documentation to support rate must be provided	Exhibit 7.5.4

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49	Standby Rates - distributors with interim standby rates to request approval for final standby rates and provide evidence confirming that they have advised all affected customers of the proposal. A distributor that seeks to establish new standby rates or seeks chaneges to it's standby charges, including a change in the methodology on which these rates are based, must provide full documentation supporting its proposal, and confirm that all affected customers have been notified of the proposed change(s).	Exhibit 7.5.3
49	If new customer class or changing definition of existing classes, rationale and restatement of revenue requirement from previous cost of service	No new rate classes or changes to existing customer classes Exhibit 7, section 7.5.1
49	If eliminating or combining customer classes, rationale and restatement of revenue requirement from previous cost of service	Not eliminating or combining customer classes Exhibit 7.5.2
Class Revenue Requirements		

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50	To support a proposal to rebalance rates, information on the revenue by class that would apply if all rates were changed by a uniform percentage provided. Ratios compared with the ratios that will result from the rates being proposed by the distributor.	Exhibit 7, section 7.6, Tables 7-7 (2021 vs. 2026 Allocated Costs) and Table 7-8 (Calculated Class Revenue)
Revenue to Cost Ratios		
50&51	If R:C ratios outside dead band - cost allocation proposal to bring them within the OEB-approved ranges provided. In making any such adjustments, potential mitigation measures addressed if the impact of the adjustments on the rates of any particular class or classes is significant.	Exhibit 7, section 7.7
51	If distributor proposes to continue rebalancing rates after the cost of service test year, the ratios proposed for subsequent year(s) must be provided	NA
51	If Cost Allocation Model other than OEB model used - exclude LV and exclude DVA balances and that revenues exclude rate riders, rate adders and the Smart Metering Entity Charge. Distributor must also ensure that information relevant to customer charge unit costs, microFIT unit costs and revenue is consistent with the output from the OEB's model	NA
EXHIBIT 8 - RATE DESIGN		
51	Monthly fixed charges - 2 decimal places; variable charges - 4 decimal places; if departing from this approach, explanation provided as to why necessary and appropriate	Confirmed.
Fixed Variable Proportion		
51&52	The following is to be provided in relation to the fixed/variable proportion of proposed rates: -Current F/V for each rate class with supporting info -Proposed F/V for each rate class with explanation for any changes from current proportions -Table comparing current and proposed monthly fixed charges with the floor and ceiling as in cost allocation study Analysis must be net of rate adders, funding adders, and rate riders	Exhibit 8, section 8.2, Table 8-5
RTSRs		
52	Completed RTSR Model in Excel	Included as a standalone excel document (OPUCN_2026_RTSR_Workform_1.0_20250429).
52	RTSR information consistent with working capital allowance calculation; explanation for any differences	Exhibit 8, section 8.3
Retail Service Charges		
52	Distributors should note that the current retail service rates and charges were established on a generic basis and should refer to the most recent rate order for the current approved rates.	Exhibit 8, section 8.4
Regulatory Charges		
53	If applying for a rate other than the generic rate set by the OEB, distributors must provide justification as to why their specific circumstances would warrant a different rate, in addition to a detailed derivation of their proposed rate	Using the OEB generic rate. Exhibit 8, section 8.5
Specific Service Charges		
53	If requesting new specific service charge or a change to the level of an existing charge, description of the purpose of charge, or reason for change to an existing charge; calculations to support charges	No new charges or changes to existing charges proposed. Exhibit 8, 8.7
53	Identification in the Application Summary all proposed changes that will have an impact on customers, including changes to other rates and charges that may affect a discrete group; identification of specific customers or customer groups impacted by each proposal	NA
53	Calculation of charge includes: direct labour, labour rate, burden rate, incidental, other	NA
54	Identification of any rates and charges in Conditions of Service that do not appear on tariff sheet. Explain nature of costs, provide schedule outlining revenues or capital contributions recovered from these rates from last OEB-approved year to most recent actuals and the revenue or capital contributions forecasted for the bridge and test years. A proposal and explanation as to whether these charges should be included on tariff sheet	None. Exhibit 8, section 8.7
54	Revenue from SSCs corresponds with Operating Revenue evidence	Confirmed. Exhibit 8, section 8.7
Wireline Pole Attachment Charge		
54	Under the new regulation (Part VI.1: O. Reg. 842/21, (Electricity Infrastructure (Part VI.1 of the Act)), OEB is to establish a generic, province-wide pole attachement charge for 2022. The Regulation further requires the OEB to set the charge for 2023 and subsequent years by adjusting the prior year's charge for inflation. The Regulation provides that the annual pole attachment charge will be established by order without a hearing. A distributor is required to update the charge as per that order.	Exhibit 8, section 8.7.1
Low Voltage Service Rates		
If the distributor is fully or partially embedded, information on the following must be provided:		NA
55	Forecast LV Cost	NA

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55	Actual LV Cost for the last three historical years along with bridge and test year forecasts; year-over-year variances and explanations for substantive changes in costs over time up to and including test year forecast	NA
55	Support for forecast LV, e.g. Hydro One Sub-Transmission charges	NA
55	Allocation of forecasted LV cost to customer classes (typically proportional to Tx connection revenue)	NA
55	Proposed LV rates by customer class	NA
Smart Meter Entity Charge		
55	Current OEB-approved smart metering charge (SMC) until the OEB approves any updated SMC	Exhibit 8, section 8.6.1
Loss Factors		
55	Proposed SFLF and Total Loss Factor for test year	Exhibit 8, section 8.9
56	Statement as to whether LDC is embedded including whether fully or partially	Exhibit 8, section 8.8
56	Study of losses if required by previous decision	Not required. Exhibit 8, section 8.9.1
56	3-5 years of historical loss factor data - Completed Appendix 2-R	Exhibit 8, section 8.9, Table 8-10 (Appendix 2-R)
56	If proposed distribution loss factor >5% or is showing an increasing trend, explanation for level of losses, details of actions taken to reduce losses in the previous five years, and actions planned to reduce losses going forward	NA
56	Explanation of SFLF if not standard	NA
56	Reconciliation between the application and RRR filing	Exhibit 8, section 8.9
Tariff of Rates and Charges		
56	Current and proposed Tariff of Rates and Charges - **must be filed in Excel format and PDF format** Explanation and support of each change in the appropriate section of the application	Exhibit 8, section 8.10, Attachments 8-2 and 8-3, standalone excel document (OPUCN_2026_Tariff_Schedule_and_Bill_Impact_Model_20250429)
56	Completed Bill Impacts Model	Exhibit 8, section 8.12, Attachment 8-4, standalone excel document (OPUCN_2026_Tariff_Schedule_and_Bill_Impact_Model_20250429)
56	Explanation of changes to terms and conditions of service if changes affect application of rates and rationale behind those changes	Exhibit 8, seciton 8.10
56	Proposed tariffs must include applicable regulatory charges, and any other generic rates as ordered by the OEB	Confirmed.
Revenue Reconciliation		
56	Calculations of revenue per class under current and proposed rates; reconciliation of rate class revenue and other revenue to total revenue requirement (i.e. breakout volumes, rates and revenues by rate component etc.)	Exhibit 8, section 8.11
57	Completed RRWF - Sheet 13 (table reconciling base revenue requirement against revenues recovered through proposed rates)	Standalone excel (OPUCN_2026_Rev_Req_Workform_1.0_20250429
Bill Impact Information		
57	Completed Tariff Schedule and Bill Impacts Model. Bill impacts must identify existing rates, proposed changes to rates, and detailed bill impacts (including % change in distribution excluding pass through costs - Sub-Total A, % change in distribution - Sub-Total B, % change in delivery - Sub-Total C, and $ change in total bill)	Exhibit 8, section 8.12, Table 8-13 (proposed bill impacts by rate class)
57	Impact of changes resulting from the as-filed application on representative samples of end-users (i.e. volume, % rate change and revenue). Commodity and regulatory charges held constant	Exhibit 8, section 8.12, Table 8-13 (proposed bill impacts by rate class)
57	Bill impacts provided for typical customers and consumption levels. Must provide residential 750 kWh and GS<50 2,000 kWh. Bill impacts must be provided for a range of consumption levels relevant to the service territory for each class	Confirmed.
57	If applicable, for certain classes where one or more customers have unique consumption and demand patterns, the distributor must show a typical impact and provide an explanation	NA
Rate Mitigation		
58	Mitigation plan if total bill increase for any customer class is >10% including: specification of class and magnitude of increase, description of mitigation measures, justification for mitigation measure including reasons if no mitigation proposed, other relevant information. The Tariff Schedule and Bill Impacts Model must reflect any mitigation plan proposed.	Exhibit 8, section 8.13
Rate Harmonization Mitigation Issues		
58	If part of a MAADs transaction, and rate harmonization plan not yet approved by the OEB, a rate harmonization plan must be filed	NA
58	Plan includes a detailed explanation and justification for the implementation plan, and an impact analysis	Exhibit 8, section 8.13
58	If impact of COS increases and harmonization effects result in total bill increases for any customer class exceeding 10%, discussionion of proposed measures to mitigate increases in its mitigation plan, or justification provided as to why mitigation is not required	Exhibit 8, section 8.13
58	Migration plan that includes fully harmonizing rates that is to be accomplished over more than one year must be supported by a detailed plan for accomplishing this during the subsequent Price Cap IR period	Exhibit 8, section 8.13
EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS		
58&59	Summary table showing all active DVAs not disposed of yet, showing principal and interest/carrying charges, total balance for each account, whether account being proposed for disposition and whether the account is proposed to be continued or discontinued	Exhibit 9, section 9.2, Table 9-1
59	In a separate section under the summary table: - For any account identified in the summary table as not being proposed for disposition, provide an explanation as to why it is not being proposed for disposition - For any Group 2 account identified in the summary table that are proposed to be discontinued, provide an explanation as to why it is being discontinued	Exhibit 9, section 9.2.1
59	If applicable, description of DVAs that were used differently than as described in the APH, relevant accounting order or other OEB document	Exhibit 9, section 9.2.1

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Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
59	Completed DVA continuity schedule for period from last disposition to present - live Excel format. Continuity schedule must show separate itemization of opening balances, annual adjustments, transactions, dispositions, interest and closing balances for all active DVAs. The opening principal amounts and interest amounts for Group 1 and 2 balances, shown in the DVA Continuity Schedule, must reconcile with the last applicable approved closing balances.	Exhibit 9, Attachment 9-1, standalone excel document (OPUCN_2026_DVA_Continuity_Schedule_CoS_20250429)
59	Explanation if account balances in continuity schedule differs from trial balance reported through RRR and documented in AFS - included in tab Appendix A of DVA schedule. This includes all Account 1508 sub-accounts. A reconciliation of all the Account 1508 sub-accounts to the Account 1508 control account reported in the RRR is to be provided in the DVA continuity schedule	Exhibit 9, section 9.2.1
59&60	Statement whether any adjustments made to DVA balances previously approved by OEB on final basis - the OEB expects that no adjustment will be made to any deferral and variance account balances previously approved by the OEB on a final basis. If any adjustments have been made, explanation for the nature and the amount of the adjustment(s), and appropriate supporting documentation, under a section titled "Adjustments to Deferral and Variance Accounts"	No adjustments to any DVA balances that were previously approved on a final basis. Exhibit 9, section 9.2.1
60	Confirmation of use of interest rates established by the OEB by month or by quarter for each year; most recently published rate used for future periods	Exhibit 9, section 9.2.5
Disposition of Deferral and Variance Accounts		
60	Refer to DVA Continuity Schedule Instructions for instructions on completing the DVA Continuity Schedule, annual updates and discussions on default treatments and expectations for DVAs	Confirmed.
60	Provide confirmation that a distributor is allocating DVAs using an approved allocator. If proposing to allocate a DVA which the OEB has not established an allocator, proposed allocation based on cost driver must be provided with justification; indication of proposed billing determinants, including charge type for recovery purposes and included in cont. schedule	Exhibit 9, section 9.2.3
60	Propose rate riders that dispose of the balances. If the distributor is proposing an alternative recovery period other than one year, explanation provided	Rate riders calculated in the DVA continuity schedule.
60	Provide support (e.g., explanations, calculations) on how each material Group 2 balance is determined. For utility-specific Group 2 accounts that are not material, provide a brief explanation of the account balance and the relevant accounting order	Exhibit 9, section 9.4
Disposition of Accounts 1588 and 1589		
61	If a distributor has not implemented OEB's February 21, 2019 accounting guidance, indication that this is the case	Has already been implemented.
61	Indication of the year in which Account 1588 and Account 1589 balances were last approved for disposition, and whether the balances were approved on an interim or final basis. If the balances were last disposed on an interim basis, indicate the year in which balances were last disposed on a final basis	Exhibit 9, section 9.3.2 and 9.3.3
61	If requesting final disposition of balances for the first time following implementation of the accounting guidance, confirmation that accounting guidance has been implemented fully effective January 1, 2019	NA
60 & 61	In order to request for final disposition of historical balances as part of the current application, confirmation that these balances have been considered in the context of the accounting guidance and provide a summary of the review performed. Discussion on the results of the review, any systemic issues noted, and whether any material adjustments to those balances have been recorded. Summary and description of each adjustment made to the historical balances provided	NA
61	Commodity Accounts Analysis Workform (Formerly GA Analysis Workform) (in live Excel format) for each year that has not previously been approved by the OEB for disposition. If the distributor is adjusting the Account 1589 balance that was previously approved on an interim basis, the Commodity Account Analysis Workform must be completed from the year after the distributor last received final disposition for Account 1589	Exhibit 9, Attachment 9-2
61	As described in Note 5 in the Commodity Accounts Analysis Workform, reconciliation of any discrepancy between the actual and expected balance by quantifying differences (e.g. true-ups between estimated and actual costs and/or revenues). Any remaining unexplained discrepancy between the actual and expected balance that is greater than +/- 1% of the total annual IESO GA charges will be considered material and warrant further investigation.	Unresolved difference is less than 1%. Exhibit 9, section 9.3.3
62	Completed reasonability test for the balance in Account 1588. The reasonability test is included in the Commodity Accounts Analysis Workform.	Confirmed.
Disposition of Account 1580, Sub-account CBR Class B Variance		
62	Proposed disposition of Account 1580 sub-account CBR Class B in accordance with the CBR Accounting Guidance. Must be disposed over one year. - Account 1580 sub-account CBR Class A is not to be disposed through rates proceedings but rather follow the OEB's accounting guidance - Refer to DVA Continuity Schedule Instructions for further details on the treatment of CBR related sub-accounts	Confirmed. Exhibit 9, section 9.3.4
Disposition of Account 1595		
62	Distributors are expected to request disposition of residual balances in Account 1595 Sub-accounts for each vintage year once, on a final basis	Exhibit 9, section 9.3.7
63	Explanation for any material residual balances being proposed for disposition, including quantifying significant drivers of the residual balance	No material balances for disposition.
Disposition of Retail Service Charges Related Accounts		
63	If there is a balance in 1518 or 1548, distributor must: - confirm variances are incremental costs of providing retail services - state whether Article 490 of APH has been followed; explanation if not followed	Zero balances in accounts 1518 and 1548. Exhibit 9, section 9.4.1
63	If the balances in Account 1518, Account 1548, or Account 1508 Sub-account Retail Service Charges Incremental Revenue are material, the distributor must identify drivers for the balance(s) and provide schedule identifying all revenues and expenses listed by USoA that are incorporated into the variances	Exhibit 9, section 9.4.4
63&64	The OEB established a new variance account for electricity distributors that no longer used the RCVAs. The balance in the account, as well as in Accounts 1518 and 1548, would be disposed to ratepayers in a future rate application, and the account subsequently closed. Distributors that have not yet done so in a COS application may forecast balances up to the end of the incentive rate-setting period and the OEB may consider disposing of the forecast amounts	NA
Disposition of Account 1592, Sub-account CCA Changes		
64	Provide full revenue requirement impact recorded in Account 1592, Sub-account CCA Changes and the balance sought for review and disposition	Exhibit 9, section 9.4.2, Table 9-9
64	Calculations for accelerated CCA differences per year, based on actual capital additions. Calculations include: underpreciated capital cost continuity schedules for each year itemized by CCA class, calculated PILs/tax differences, grossed-up PILs/tax differences, other applicable information	Exhibit 9, section 9.4.2, Table 9-10
64	Confirmation that Account 1592 amounts related to ICM/ACM have been included in the account, if applicable	NA
64	Reconciliation of these amounts to the amounts presented in Account 1592 sub-account CCA changes in the DVA continuity schedule	NA
64	If a distributor does not have a balance in this sub-account, the distributor must explain why	NA
Disposition of Account 1509 Impacts Arising from the COVID-19 Emergency		

2026 Cost of Service Checklist

Oshawa PUC Networks Inc.

EB-2025-0014

Date: April 29, 2025

Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
65	If requesting disposition of any amounts related to the COVID-19 Account, the following, at a minimum is to be provided: -Discussion regarding the interactions between the COVID-19 Account and other existing generic or utility-specific accounts, including a determination that there is no double-counting between multiple ratemaking mechanisms -Calculation showing that the distributor passes the ROE-based means tests, including limitations on recoveries when various ROE thresholds are reached, and that the appropriate recovery rates for each sub-account have been applied -Supporting calculations for the annual amounts recorded in each of the sub-accounts, including the methodology used to measure incremental costs and savings, as applicable - Discussion of causation, materiality, prudence of any amounts recorded in the sub-accounts, including all identified savings and cost reductions -Discussion of whether the distributor would be able to reasonably forecast any further entries in the account, up to the effective date of the new rates, so that the account may be disposed in its entirety in the current proceeding (and whether the distributor would be amenable to such an approach) -Statement confirming proposed discontinuation of the COVID-19 Account, effective the same date as the new rates. If this is not the case, supporting rationale provided	NA - no balance Exhibit 9, section 9.4.3
Disposition of Account 1508, Sub-account Pole Attachment Revenue Variance		
66	A table showing the calculation of the account balance, the annual balance broken down customer type, if applicable and: -the number of poles used in the calculation -the pole attachment charge incorporated in rates -the updated charge May also foecast the balance to the effective date of its new rates	Exhibit 9, section 9.4.4, Table 9-14
66&67	Distributors requesting disposition of any amounts recorded in the GOCA Variance Account are to file, at a minimum, the following information: -A statement confirming that distributor has reflected the GOCA impact in the locate costs of the test year's revenue requirement - The proposed disposition of the GOCA Variance account under Account 1508 Sub-Account GOCA Variance Account and discontinuance of the account after the rebasing application - Rationale needs to be provided if the distributor proposes to continue the GOCA Variance account in the rate term	Exhibit 9, section 9.4.4, Table 9-11, Table 9-16 (discontinue)
Disposition of Account 1511 Incremental Cloud Computing Implementation Costs		
67	Distributors requesting disposition of any amounts recorded in the Cloud Computing Implementation Account are to file, at a minimum, the following information: -A discussion and supporting explanation for the annual amounts recorded in the account, including the methodology used to measure incremental costs and offsetting savings, as applicable. If there are no offsetting savings, explanation should be provided - A list of the cloud solution(s), actualor forecast amount(s), type(s) of expenditure, adn nature of costs -A list of costs requested by projects (each with the business purpose of the projects) and a statement for each project regarding whether the cost associated for each project is material -A discussion of whether the distributor would be able to reasonably forecase any futher entries in the account, up to the effective data of new rates, so that the account may be disposed in its entirety in the current proceeding (and whether the distributor would be amenable to such an approach) - A statement confirming that the distributor proposes discontinuation of the Cloud Computing Implementation Account, effective the same date as the new rates	Account 1511 not used. Request for new deferral account for cloud computing implementation costs Exhibit 9, section 9.6.1 and Attachment 9-3
Disposition of Distributor-Specific Accounts		
68	For any material, distributor-specific accounts requested for disposition (e.g., Account 1508 sub-accounts), supporting evidence showing how the annual balance is derived and relevant accounting order should be provided. For distributor-specific accounts requested for disposition that are not material, provide a brief explanation for the account balance and the relevant accounting order.	NA
Establishment of New Deferral and Variance Accounts		
68	If new DVA - evidence provided which demonstrates that the requested DVA meets the following criteria: causation, materiality, prudence; include draft accounting order with description of the mechanics of the account, provide examples of general journal entries and the proposed account duration	Exhibit 9, section 9.6 and Attachment 9-3.
Lost Revenue Adjustment Mechanism Variance Account		
69	In preparing claims related to disposition of outstanding LRAMVA balances, distributors may seek to claim savings from Conservation First Framework (CFF) programs, and from programs they delivered through the Local Program Fund that was part of the Interim Framework. Distributors should provide sufficient supporting documentation on project savings to support their claim	No disposition requested. Exhibit 9, section 9.7
Disposition of LRAMVA		
69	Disposition sought of all outstanding LRAMVA balances related to previously established LRAMVA thresholds, if possible	NA
Distributors with zero balance in the LRAMVA (including those with LRAM-eligible amounts previously approved on a prospective basis):		
70	Indicate this fact in its appplication and advise that it is not requesting any disposition	No disposition requested. Exhibit 9, section 9.7.1
Distributors with non-zero balance in the LRAMVA:		
70	A distributor that does not have a confirmed zero balance in the LRAMVA should seek disposition as part of its application, with supporting information, or provide a rationale for not doing so.	NA
Continuing Use of the LRAMVA for New NWS Acitivities		
70	Indication of whether distributor is requesting an LRAMVA for one or more activities related to distribution rate-funded NWS activities or LIP activities if this request has not been addressed in a previous application	No LRAMVA requested. Exhibit 9, section 9.7.2
Appendix A Cost of Eligible Investments for the Connection of Qualifying Generation Facilities		
Appendix A	If applicable, proposal to divide the costs of eligible investments between the distributor's ratepayers and all Ontario ratepayers per O.Reg. 330/09	NA

2026 Cost of Service Checklist

Oshawa PUC Networks Inc.

EB-2025-0014

Date: April 29, 2025

Filing Requirement Page # Reference		Evidence Reference, Notes (Note: if requirement is not applicable, please provide reasons)
Appendix A	For distributors that are already receiving rate protection as a result of a previous application the new (current) cost of service application should include an update to include the actual costs incurred for the investments as well as a depreciation adjustment to calculate a new capital amount for input into Appendices 2-FA through 2-FC. This would generate a new up-to-date rate protection amount for the test year and beyond, which will be subject to the materiality threshold	NA

Attachment 1 – 2

Oshawa Power 2026-2030 Strategic Plan

OSHAWA POWER

Strategic Plan

2026-2030

EMPOWERING CUSTOMERS TO THRIVE
THROUGH THE EVOLVING ENERGY TRANSITION

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Meet The Team

DANIEL ARBOUR
CEO & President

MIKE WEATHERBEE
Managing Director, Oshawa Power

AMANDA TANG
Chief Financial Officer

MAGED YACKOUB
Chief Technology Officer & Director, Business Transformation

JENNIFER MCHUGH
Director, Communications & Customer Success

VALERIE BENNETT
Director, Regulatory & Commercial Affairs

RENEE MCFARLAND
Director, People & Culture

Introduction

Oshawa PUC Networks Inc. (herein referred to as Oshawa Power) is a local distribution company (LDC) licensed and rate-regulated by the Ontario Energy Board (OEB). Oshawa Power is responsible for distributing safe, reliable and affordable electricity to residential, commercial and industrial clients in Oshawa and Durham Region.

As an organization, Oshawa Power honours our values of safety, stewardship, innovation, care for people, courage to act and customer focus. We take pride in fostering a culture that consistently reflects these values. Every day we work to earn the trust of our customers, staff and shareholder by consistently delivering value with reliability and affordability.

This 2026-2030 Strategic Plan (herein referred to as the Strategic Plan) guides the business plan for Oshawa Power, and aligns with the OEB's Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach (RRFE). Further, this Strategic Plan considers the economic, political and regulatory environment and possible uncertainties and risks related to the service territory in which Oshawa Power operates. This Strategic Plan, providing an outlook for 2026 to 2030, provides a consolidation of Oshawa Power's Vision, Mission, Values, and nine strategic objectives aligned to the RRFE and to the 2025-2030 Strategic Direction for the Oshawa Power Group of Companies.

Organizational Profile

SERVING THE BROADER COMMUNITY

Oshawa Power is a wholly-owned subsidiary of the City of Oshawa.

At our core, Oshawa Power is a regulated local distribution company (LDC) licensed and rate-regulated by the OEB under the OEB Act, 1998. We are dedicated to delivering a safe and reliable supply of electricity to approximately 63,000 homes and businesses across Oshawa.

Oshawa Power is part of a group of companies which also incorporates several assets outside the regulated framework of traditional utilities — this includes energy generation, services, a broadband communications business, and both new and existing technologies enabling the energy transition. They are:

EnerFORGE focuses on intelligent positioning to provide value to its customers. EnerFORGE develops, owns, and operates infrastructure as well as provides ancillary utility services. EnerFORGE owns and operates electric vehicle chargers, solar, wind, renewable natural gas plant and combined heat and power systems to support decarbonization. EnerFORGE operates one of the largest district energy systems in Ontario for Toronto Community Housing providing cost effective and low carbon energy.

Durham Broadband is the region's largest fibre optic network, connecting Durham Region to the world with ultrafast, reliable, and low-cost communications solutions. It offers custom solutions for institutional, enterprise, and small and medium-size business customers. It has been serving local institutions on its dark-fibre network for almost 20 years.

Strategies Designed for a Dynamic Landscape

This Strategic Plan reflects Oshawa Power's response to several pivotal issues, intersecting trends, and pressure points in its operating environment. The organization must be intentional in its focus and execution moving forward to effectively serve its customers while addressing the growing electrical demand across its service territory.

Oshawa Power is at a Strategic Inflection Point

With a new, dynamic leadership team, the team requires a focused approach and optimized resource allocation to serve existing customers and meet new demands. Leadership must strike a balance between investing in talent and infrastructure while managing financial and human resource limitations.

Building the Foundation for Growth and Economic Prosperity

We are a driving force behind the evolution of electricity distribution that enables our city to grow and develop as a premier place in which to live and do business. We understand the growing role we can play in the day-to-day lives of our customers. Through a focus on delivering reliable electricity at a reasonable cost, we strive to improve quality of life for our customers.

Context for Our Strategy: Energy Transformation

The energy sector is experiencing rapid transformation and increased demand for diversified and distributed approaches to electricity distribution. Distributed energy resources and non-wires alternatives to traditional infrastructure offer new opportunities and challenges in electricity distribution. The introduction of a transactional energy model has the long-term potential to upend market and distribution systems, as well as the proliferation of distributed energy resources. In addition, broader economic, regulatory, and environmental trends are shifting the market for energy services and delivery.

Economic Shifts and Uncertainty Will Impact Market Costs

High interest rates, rising costs and inflation are important pressures with impacts on operating costs and long-term capital investments. High interest rates, for example, affect Oshawa Power's ability to take on debt, while inflation impacts the cost of materials and services needed to ensure the continued reliability and growth of our distribution system. These factors also influence consumer expectations and demand for reliable energy at a reasonable cost. These pressures, together with economic and financial uncertainty, have also affected our customers' ability to pay – making affordability an issue at the forefront of the energy sector.

Accounting for Regulatory Uncertainty

Political uncertainty and policy changes as well as new funding models and incentives influence Oshawa Power's strategic direction. Significant new policy and regulatory initiatives at the federal, provincial, regional and municipal level affect how demands for electricity develops, as well as the value of demand reduction and distributed generation on our system. Oshawa Power must be pro-active and flexible in taking advantage of new grant and incentive programs that support the evolution of the distribution system and deliver value to our customers. It must also manage relationships with important parties such as the OEB, the Independent Electricity System Operator (IESO), regional partners and the City of Oshawa – in addition to the relationship with our customers.

Society is Focused on the Environment, Renewable Energy and Climate Change

Major societal shifts are influencing the need to transition towards green energy production and sustainable consumption. Consumers are price conscious, which requires balancing their desires with realities of economic situations. Energy consumers are demanding more choice in the delivery of energy, goals such as "Net Zero" and a desire to see concerted efforts in making investments in sustainability. Our ability to react to heightened frequency and severity of extreme weather events and changes to policy on climate will influence and drive change.

Rapid Innovation, Advancement of Technologies & Cybersecurity

Technological advancements will continue to shape energy service delivery, customer interactions, and internal processes. These changes will drive the need for timely investments in technology—not only to meet evolving expectations but also to enhance experiences, improve efficiency, and generate new revenue streams.

Revolutionary technologies such as improved natural language processing and augmented reality will create a new operating model for customer and employee interactions. Internal processes are transforming with commoditized automation, maturing machine learning, and evolving data analytics.

Grid and energy management, both in front of and behind the meter, will grow in scope and sophistication, introducing new opportunities, as well as the need to invest intelligently into winning technologies while filtering out the transient ones.

As our digital footprint expands, so will cybersecurity risks and the need for stronger defenses. The decentralization of the workforce and systems, the increasing convergence of IT and OT, new regulatory requirements, and emerging disruptive technologies will heighten the risk of cyber threats. To prevent and mitigate potential impacts, greater investment in robust security controls will be essential.

Fast-growing Demand, Changes in Local Market & Investing in the Workforce of Tomorrow

Fast-paced growth in local markets, including major new commercial builds, will heighten the urgency to invest in and upgrade existing infrastructure while delivering on promises to invest in new infrastructure to meet customer needs. Included in the economic development of the region are several priorities that focus on electrification and the deployment of new technologies.

The growth of local educational institutions is becoming a greater part of the fabric and conversation in the region, which will aid in any energy demand and conservation efforts. Additionally, changes to the competitive landscape will influence the timing and sequencing of strategic moves. For example, Ontario Power Generation's plans to establish a new corporate headquarters in the City of Oshawa will draw increased attention to the local energy sector.

Internally, these changes will affect our ability to recruit and retain the best talent in the region. A tight labour market pushes us to be an employer of choice with leading practices consistent with implementing an effective workforce strategy. To become an employer of choice, Oshawa Power will need to lead with a strong talent strategy that demonstrates respect and a commitment to employee development and inclusion, including investing in students and apprentices to build the electricity sector workforce of tomorrow.

Additional Considerations

Alignment with Shareholder Priorities

Oshawa Power's ability to make strategic investments, innovate and address opportunities and constraints is, in large part, dependent on its alignment with and preferred relationship with its shareholder, the City of Oshawa. This requires strong teamwork, trust, communication, and a model of shared risk going forward.

Enabling Execution

Oshawa Power's ability to execute will rely on its employees, experience in financial stewardship, and response to the demographic changes in the workforce. We will build capacity through positive employee experiences and also optimize business processes (through digital transformation and cyber security) to enhance business capabilities. Growth will also have implications for resource deployment, communications and delivering on consumer and shareholder expectations.

Our Vision & Mission

VISION

Be a trusted partner and leader in the energy sector today and tomorrow.

We are dedicated to helping our community achieve its goals through energy empowerment with cleaner and better ways of distributing power through the energy transition. As an organization deeply rooted in the region, we have driven innovation and change in the energy sector for 130 years — Oshawa Power will be a credible and reliable partner to our customers.

MISSION

Our mission is to empower customers to thrive through the evolving energy transition.

We will provide reliable, responsive electricity distribution at a reasonable rate, delivering value to our customers as the energy sector evolves. By leveraging our agility across our service area, we will implement innovative solutions that enhance customer value. We will continue to adopt new technologies and modernize the grid where and when it benefits our customers.

Our Values

SAFETY

We remain dedicated to always keeping both our community and employees safe. We are proud to offer continuous safety communications and training to both our customers and workforce.

STEWARDSHIP

We are dedicated to supporting the community's efforts to drive energy resilience support via advocacy, openness, and storytelling.

INNOVATION

We remain outwardly focused to ensure we maintain an innovative approach to our regulated business that benefits our customers.

CARE FOR PEOPLE

We always treat our employees, customers, community and partners with respect and look to grow together with trust and integrity. We encourage open dialogue, trust, and collaboration.

COURAGE TO ACT

We gain strength from challenges and tough decisions. We are not afraid of failure. We thrive on learning and development to support change and continuous improvements that benefit our stakeholders.

CUSTOMER FOCUS

Empowering and educating our customers while providing better service and transparency is key to our operations. With the customer in mind, we drive our decisions to safeguard mutual value.

Desired Outcomes & Measures of Success

HIGH-PERFORMING TEAM

With the development of a strong policy governance model, focused communications, talent and retention strategies, Oshawa Power has a goal of becoming a high-performing team and a Top Greater Toronto Area (GTA) employer. We will measure employee engagement through a variety of tools and regular touchpoints by leaders with their teams and through an annual satisfaction survey.

GROWTH

As the City of Oshawa rapidly grows through residential, educational, commercial and industrial development, we will maintain a deliberate and focused effort on ensuring delivery of reliable electricity at reasonable rates.

OPERATIONAL EFFICIENCY

Through our modernization and innovation agenda, we will efficiently manage our operating resources and with the deliberate execution of our investment plan, Oshawa Power will aim to maintain its better than average cost efficiency & operational performance compared to other Ontario LDCs, including its Cohort 2 status in the OEB's Total Cost Benchmarking for Electricity Distributors.

COMMUNITY & PARTNER ENGAGEMENT

Through advocacy and collaboration, we will create stronger community and partner relationships to ensure we provide the distribution infrastructure required to support the evolving energy needs of our customers.

DIGITAL MATURITY

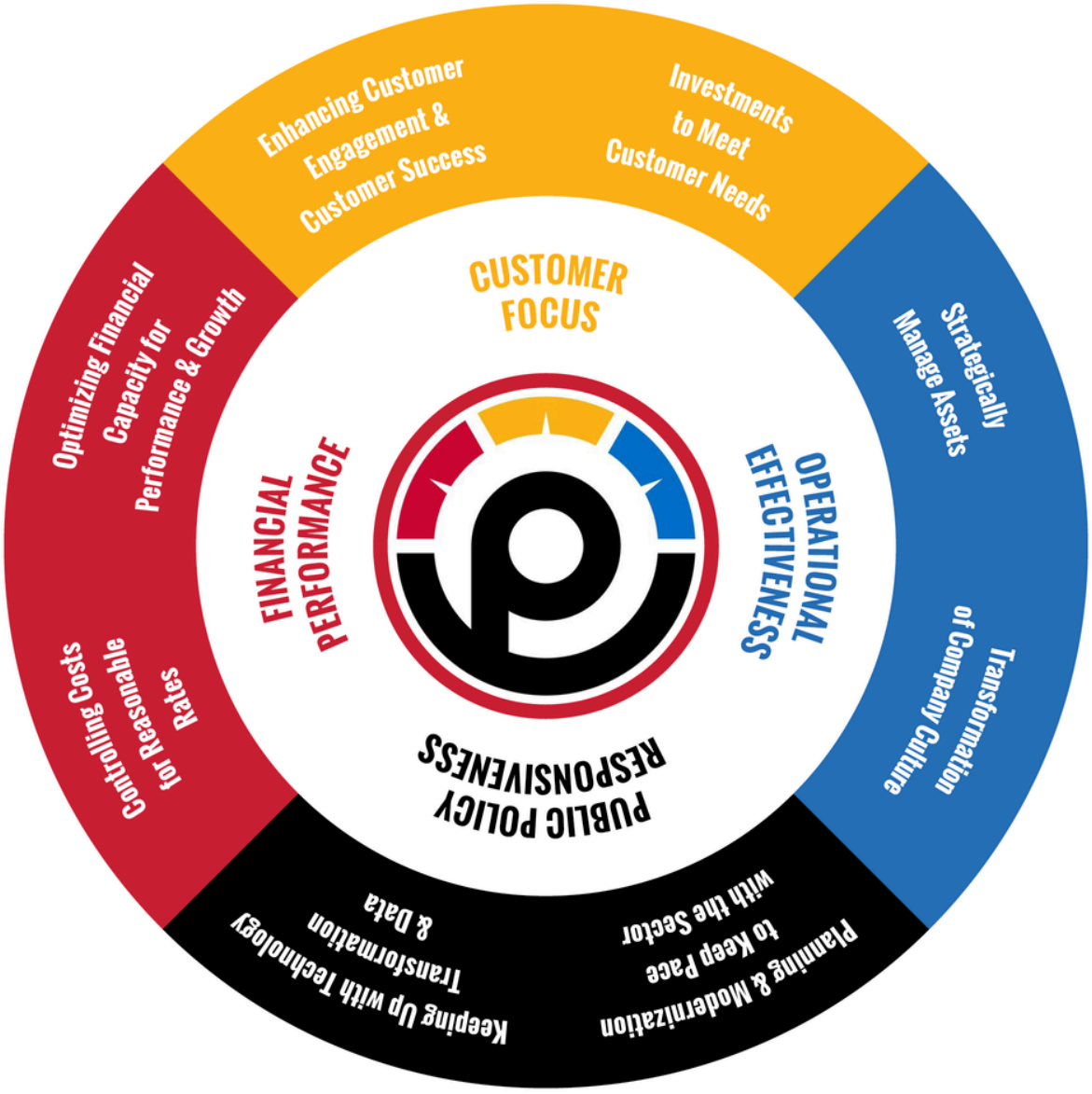
IT & cybersecurity will become second nature for all employees, minimizing attack surfaces and safeguarding our organization. Automation and seamless integrations will be ubiquitous, enabling targeted, best-of-breed solutions to drive operational excellence, efficiency, and data-driven and value-based decision-making.

ADVOCACY

Oshawa Power aims to strengthen its advocacy role for its customers and the community by being forward-looking and working with the industry, constituents, regulators and government through participation and demonstrating progressive improvements to its stewardship of resources.

Oshawa Power's Strategic Objectives: 2026-2030

Oshawa Power has identified eight strategic objectives for 2026-2030 for our regulated utility that align with the four performance outcomes identified in the OE Renewed Regulatory Framework for Electricity (RRFE). The objectives build on the company's foundational strengths and distribution system expertise to ensure cost performance and reliability for customers while preparing our regulated utility for the future.



Oshawa Power's Strategic Objectives: 2026-2030

CUSTOMER FOCUS

Oshawa Power is committed to delivering services to its community that align with the specific needs and preferences of its residential, small commercial and industrial customers. By actively responding to and addressing these preferences, the company is working to ensure a tailored and satisfying experience. This approach highlights their dedication to meeting customer needs and enhancing overall satisfaction.

Enhancing Customer Engagement and Customer Success

As our customers' needs evolve, Oshawa Power is committed to strengthening relationships built on trust, transparency, and active listening. We will enhance support for residential customers while offering tailored solutions for small commercial and industrial clients. Additionally, we will develop a more effective customer service experience to gain valuable insights that inform our future investments.

Investments to Meet Customer Needs

Oshawa Power is committed to its community. As we engage with our community and customers, we have heard that we must invest strategically in upgrading our electrical infrastructure through capital investment to support one of the fastest growing areas in Canada. This includes supporting new customers to connect to Oshawa Power's distribution system. Regular customer interactions, along with community advocacy, will continue reinforcing our commitment to providing a safe, reliable, and responsive grid while educating customers on new and upcoming policies.

Oshawa Power's Strategic Objectives: 2026-2030

OPERATIONAL EFFECTIVENESS

Oshawa Power is dedicated to the ongoing enhancement of productivity and effectiveness across its operations, with a focus on teams and strategy implementation. By prioritizing these areas for continuous improvement, the company ensures that it continues to meet and exceed system reliability and quality objectives. This commitment underscores our goal of delivering exceptional service while maintaining high standards of operational excellence.

Strategically Manage Assets

The organization will strategically review the condition of its assets with the implementation of its asset management policy as part of an enhanced asset management system. This ensures that investments are delivering value to customers throughout the time they are in service, balancing asset lifecycle costs with risks. In addition, this objective includes our requirement to vacate our legacy headquarters and move to a consolidated administrative and operational facility.

Transforming Company Culture

The organization must vigorously pursue effective talent attraction and retention strategies in a competitive labour market. Efforts must ensure organizational alignment and identification of capability gaps and create learning opportunities for staff and managers. We will strengthen succession planning through developing high potentials and retain next-level leadership to minimize talent risks. As a learning organization, we will invest in the workforce of tomorrow through partnerships with local educational institutions and through apprenticeship and internship opportunities.

Oshawa Power's Strategic Objectives: 2026-2030

PUBLIC POLICY RESPONSIVENESS

Oshawa Power fulfills its government and OEB-mandated obligations while adapting to the rapid changes in the electricity sector. Our approach to public policy responsiveness focuses on strategic planning and modernization to keep pace with industry evolution, technological advancements, and data-driven innovation. As the shift toward electrification and cleaner energy accelerates, we prioritize innovative, proactive strategies to ensure reliability, resilience, and customer choice.

Planning & Modernization to Keep Pace with the Sector

The regulated electricity sector is evolving faster than ever, and Oshawa Power must adapt to keep pace. Aligning with decarbonization, electrification, climate uncertainty, and rising electrical demand requires extensive grid planning and modernization. This business transformation strategy reimagines utility operations through modernization and automation while also exploring and implementing non-wires solutions where they can cost-effectively meet demand.

Keeping Up with Technology Transformation & Data

As the energy sector transforms, Oshawa Power will need to invest in, effectively select, and utilize new technologies, maintain cyber safety in alignment with the OEB's cybersecurity framework, and excel in operational effectiveness. Oshawa Power has developed an IT Business Transformation Strategy with three conditions for success:

- Modernization and automation capabilities
- Data, effective analytics, and continuous improvement
- Maintaining cyber security and managing risks

Oshawa Power's Strategic Objectives: 2026-2030

FINANCIAL PERFORMANCE

Oshawa Power will maintain its financial viability as a regulated utility, identifying operational savings as part of its continuous improvement activities as it grows and modernizes. This includes ensuring rates paid by customers are reasonable while ensuring financial performance supports the organization's growth.

Controlling Costs for Reasonable Rates

As Oshawa Power files with the OE for its 2026 distribution rates, an emphasis on cost control and containment is at the forefront, while investing strategically to meet customer needs. To ensure we provide our customers with cost-effective and reasonable rates, it is imperative to consider cost containment across the entire organization as we meet demand and modernize. With the constant rise in expenditures on material and delivery combined with increasing labour costs and demands, this will be a difficult task. Oshawa Power will need to consider other areas of cost control such as automation, process improvements, changes to contractual obligations and strategic sourcing. As bad debt grows across many distribution companies, Oshawa Power is creating a systematic plan to support an improved collection process while putting supports in place for our lower income customers.

Optimizing Financial Capacity for Performance and Growth

The organization will develop and execute a financing strategy that optimizes costs, existing constraints and economic uncertainty, while also meeting its overall financing principles. Various options will be assessed with lending partners to ensure a robust financing strategy to ensure value for its customers while mitigating future risk. Oshawa Power will continue to monitor its current liquidity ratio, debt levels, and profitability to ensure financial viability through this period of growth and transition.

Attachment 1 – 3

Oshawa Power 2026-2030 Business Plan

OSHAWA PUC NETWORKS INC.

Business Plan

2026-2030

EMPOWERING CUSTOMERS TO THRIVE
THROUGH THE EVOLVING ENERGY TRANSITION

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Message From The President & CEO

As we launch our 2026-2030 Business Plan, Oshawa Power is focused on building a sustainable, resilient future for our community. This plan, aligned with our new Strategic Plan, integrates key objectives, financial planning, and operational excellence to meet Oshawa's evolving energy needs.

Our commitment to innovation, reliability, and safety guides each goal within this roadmap, ensuring we are well prepared for Ontario's energy transition. We remain dedicated to delivering exceptional service while fostering community trust and confidence.

With a renewed emphasis on employee safety and community engagement, Oshawa Power will continue investing in advanced technology and sustainable practices to drive local growth. We remain energized by the opportunities ahead and look forward to a future of growth and innovation for Oshawa and Oshawa Power.

Daniel Arbour - President & CEO

Introduction

This 2026-2030 Business Plan outlines the operational and financial plan for Oshawa Power to serve its customers, aligning with the 2026-2030 strategic plan. It is designed to support Oshawa Power's performance outcomes while adhering to the Ontario Energy Board's Renewed Regulatory Framework for Electricity Distributors (RRFE) and its performance-based approach. This plan also reflects feedback received from our customers in the September 2024 customer survey on the cost of service application. Additionally, it considers the broader economic, political, and regulatory environment, addressing potential uncertainties and risks within Oshawa Power's service territory. This plan consolidates key objectives, financial forecasts, and operational priorities to ensure sustainable growth and enhanced service delivery, in accordance with Oshawa Power's newly developed 2026-2030 Strategic Plan.

Organizational Profile

SERVING THE BROADER COMMUNITY

At our core, Oshawa Power is a regulated local distribution company (LDC) that has served the city of Oshawa for 130 years. Oshawa Power is licensed and rate-regulated by the OEB under the Ontario Energy Board Act, 1998. We are dedicated to delivering a safe and reliable supply of electricity to approximately 63,000 homes and businesses across Oshawa.

Oshawa Power is part of a group of companies which also incorporates several assets outside the regulated framework of traditional utilities — this includes energy generation, services, a broadband communications business, and both new and existing technologies enabling the energy transition.

EnerFORGE focuses on intelligent positioning to provide value to its customers. EnerFORGE develops, owns, and operates infrastructure as well as provides ancillary utility services. EnerFORGE owns and operates electric vehicle chargers, solar, wind, renewable natural gas plant and combined heat and power systems to support decarbonization. EnerFORGE operates one of the largest district energy systems in Ontario for Toronto Community Housing providing cost effective and low carbon energy.

Durham Broadband is the region's largest fibre optic network, connecting Durham Region to the world with ultrafast, reliable, and low-cost communications solutions. It offers custom solutions for institutional, enterprise, small and medium-size business customers. It has been serving local institutions on its dark-fibre network for almost 20 years.

Vision, Mission & Values

VISION

Be a trusted partner and leader in the energy sector today and tomorrow.

MISSION

Our mission is to empower customers to thrive through the evolving energy transition.

VALUES

SAFETY

We remain dedicated to always keeping both our community and employees safe. We are proud to offer continuous safety communications and training to both our customers and workforce.

INNOVATION

We remain outwardly focused to ensure we maintain an innovative approach to our regulated business that benefits our customers.

COURAGE TO ACT

We gain strength from challenges and tough decisions. We are not afraid of failure. We thrive on learning and development to support change and continuous improvements that benefit our customers.

STEWARDSHIP

We are dedicated to supporting the community we work in, driving energy resilience through advocacy, openness, and storytelling.

CARE FOR PEOPLE

We always treat our employees, customers, community and partners with respect and look to grow together with trust and integrity. We encourage open dialogue and collaboration.

CUSTOMER FOCUS

Empowering and educating our customers while providing better service and transparency is key to our operations. With the customer in mind, we drive our decisions to safeguard mutual value.

OPERATIONAL THEMES

OUR VALUES + RELIABILITY

Minimize downtime and disruption to our customers by maintaining high reliability in our electricity distribution system.

Our Planning Process

2026

Implement New Distribution System & Asset Management Plans

Begin executing the 2026-2030 Distribution System Plan, while fully implementing the strategic asset management plan and policies.

2027

New Building Construction & Enterprise Resource Planning Software

Complete relocation to the new headquarters and implement the enterprise resource plan before legacy system support ends.

2028

Financial Strategy & Implementation of Non-Wires Solutions

Finalize the financing strategy and incorporate of non-wires solutions into Oshawa Power's distribution system.

2029

Preparation for 2031-2036 Distribution System Plan

Start the preparation process for the 2031-2036 Distribution System Plan to guide future operations and investments.

2030

2030: Recognized as an Employer of Choice

Oshawa Power is recognized as an employer of choice through organizational transformation, business modernization, and a strong culture of performance and accountability.

Performance Outcomes

LONG-TERM CORPORATE GOALS

To guide Oshawa Power's regulated utility into the future, this plan is built around strategic objectives that align with industry standards and performance outcomes as outlined in the Ontario Energy Board's Renewed Regulatory Framework for Electricity Distributors (RRFE). By leveraging our strengths and distribution system expertise, we aim to deliver reliable and cost-effective service for customers while preparing for the evolving needs of the energy sector.

CUSTOMER FOCUS

Oshawa Power is committed to adapting to our customers' evolving needs by fostering stronger relationships through transparency, active listening, and strategic investments aligned with customer preferences.

OPERATIONAL EFFECTIVENESS

Oshawa Power is dedicated to the ongoing enhancement of productivity and effectiveness across its operations, with a focus on teams and implementation strategy.

PUBLIC POLICY RESPONSIVENESS

Oshawa Power meets its obligations while adapting to rapid sector changes, centering on planning, modernization, and advancing technology to keep pace with the evolving energy landscape.

FINANCIAL PERFORMANCE

Oshawa Power will maintain financial viability by achieving operational savings while modernizing and expanding, ensuring reasonable customer rates and supporting the company's growth.

Our Strategies For The Future: Strategic Objectives

Oshawa Power's strategic objectives leverage our strengths to ensure cost performance and reliability while preparing for the future. Focused on customers, operational efficiency, policy responsiveness, and financial sustainability, these objectives align with our Mission, Vision, and Values, setting clear goals to help us measure success.

CUSTOMER FOCUS

ENHANCING CUSTOMER ENGAGEMENT & CUSTOMER SUCCESS

We will strengthen our relationship with customers by building trust, promoting openness, and demonstrating a strong commitment to actively listening to their needs.

GOAL	SUCCESS MEASURE
Achieve alignment through regular dialogue and feedback opportunities.	• Improved Customer Satisfaction (CSAT) scores, more service-level agreements and positive partner feedback • Requests for more services and products and consultations for expertise
Strengthen relationship with our small commercial and industrial customers with unique and tailored support	• Key account activity & reporting • Progress reporting through an adaptive action plan
Build a consistent customer experience across all mediums, supported by ongoing dialogue and engagement	• Map customer touchpoints, identifying opportunities to provide high-touch service, balanced with improved digital engagement and accessibility

Our Strategies For The Future: Strategic Objectives

CUSTOMER FOCUS

INVESTMENTS TO MEET CUSTOMER NEEDS

We will invest strategically in service enhancements to connect customers efficiently, meet appointments reliably, and elevate experiences through automation, supporting growth in the city of Oshawa.

GOAL	SUCCESS MEASURE
Identify and execute opportunities for enhanced customer services	• Execute customer service enhancements to support customers in person and on the phone
Meet scheduled appointments, connect and reconnect customers quickly	• New Residential/Small Business Services Connected on Time • Scheduled Appointments Met on Time • Reconnects met within OEB minimum standard
Maximize customer experience across multiple channels providing faster, more efficient options through enhanced automation	• Increase in customer engagement and satisfaction across channels
Improve support for low-income and customers facing payment challenges	• Expand assistance including through programs like LEAP, ensuring equitable solutions for customers

Our Strategies For The Future: Strategic Objectives

OPERATIONAL EFFECTIVENESS

STRATEGICALLY MANAGE ASSETS

We will ensure that our investments deliver value to customers throughout their service life by carefully balancing asset lifecycle costs with associated risks.

GOAL	SUCCESS MEASURE
Enact SAMP (Strategic Asset Management Plan) and Asset Management Policies, including development of the 2026-2030 DSP	• Fully enact SAMP by Q1 2026 • 2026-2030 DSP reflects both customer demand and policy & regulatory changes (e.g. changes to customer contribution for housing expansion)
Prudently implement planned 2026-2030 DSP (Distribution System Plan) capital investments	• Asset management: DSP implementation progress • Delivery on schedule • Deliver on capital budget
Design and construct new administrative and operational facility	• Prudent design & construction • Move in by Q4 2027
Maintaining a high standard of safety	• Comply with applicable standards while maintaining levels of safety exceeding the targets required by the OEBs
Maintaining a high standard of system reliability	• Average number of hours that power to a customer is interrupted (SAIDI) • Average number of times that power to a customer is interrupted (SAIFI)

Our Strategies For The Future: Strategic Objectives

OPERATIONAL EFFECTIVENESS

TRANSFORMING COMPANY CULTURE

We will vigorously pursue effective talent attraction and retention strategies to remain competitive in a challenging labour market, strengthening workforce capacity and establishing a learning culture.

GOAL	SUCCESS MEASURE
Establish a Learning Culture	• Increased efficiency, higher output, innovative solutions, knowledge sharing • Will create a high performing team that will impact the attainment of greater results, achievement of desired behaviors to support organizational goals
Improve Employee Experience	• Higher engagement scores, enhanced productivity, reduction in turnover. Key to fostering a positive, productive work environment and achieving organizational success ensuring employees feel connected and understand how their role contributes to the overall strategy of the organization
Strengthen Workforce Capacity	• Align staffing levels to drive operational efficiency and support cultural transformation, guided by the Resource Optimization Review findings • Strengthen our competitive edge in talent acquisition and drive innovation through strategic partnerships that bridge skill gaps and build a highly skilled energy sector workforce for the future. • Outsource functions such as call centre operations and collections to enhance efficiency and service quality.

Our Strategies For The Future: Strategic Objectives

PUBLIC POLICY RESPONSIVENESS

PLANNING & MODERNIZATION TO KEEP PACE WITH THE SECTOR

We will extensively plan and modernize our distribution system to ensure customers benefit from innovation, policy and programs related to the energy transition.

GOAL	SUCCESS MEASURE
Keep pace with innovations in the sector and opportunities to improve our system through operational and financial performance	• Oshawa Power will maintain best-in-class reliability while effectively meeting growing demand through 2030. • Showcase our transformation to the industry in the latter years of the strategy
Requirements and opportunities under the OEB's Non-wires solutions Guidelines and the IESO's 2025-2036 Electricity Energy Efficiency Framework are implemented to benefit Oshawa Power's customers and the distribution system	• Non-wires solutions are tested and integrated in to the distribution system plan by 2028, where cost-effective and suitable • Oshawa Power leverages available eDSM funding available in 2025 and 2026 to benefit its customers
Environmental, Social, Governance Framework (ESG) in place	• Oshawa Power has a framework for ESG compliance • First report issued with Oshawa Power annual report by 2027
Drive continuous improvement in Activity and Program-Based Benchmarking (APB) results	• Maintain good standing in APB evaluations, with unit cost metrics ranking better than the industry average where feasible, demonstrating operational efficiency and fiscal responsibility

Our Strategies For The Future: Strategic Objectives

PUBLIC POLICY RESPONSIVENESS

KEEPING UP WITH TECHNOLOGY TRANSFORMATION & DATA

We will invest in, carefully select, and effectively utilize new technologies, while maintaining cyber safety in alignment with the OEB's cybersecurity framework (CSF) and excelling in operational effectiveness aligning with our IT Business Transformation Strategy.

GOAL	SUCCESS MEASURE
Implement IT Business Transformation Strategy	• Execute major business transformation initiatives and continuous improvement projects in alignment with the roadmap
Business Process Optimization	• Complete Business Process Documentation/Optimization exercises through major and minor Business transformation projects on-time and on-budget
Continuous improvement of cyber security program	• External validation of compliance with OEB CSF, exceeding CSF standard as required
Selection and implementation of a new Enterprise Resource Planning software to replace end of life software, streamline operations, and improve data accessibility for increasingly data-driven decision-making	• Select and procure best-of-breed and right-sized solution for Oshawa Power • Implement on time and on budget • Optimize implementation of solution to maximize digitization and automation of records and processes

Our Strategies For The Future: Strategic Objectives

FINANCIAL PERFORMANCE

CONTROLLING COSTS FOR REASONABLE RATES

We will continue to prioritize regulatory excellence, cost efficiency, and the management of outstanding customer debt while making strategic investments to meet customer needs.

GOAL	SUCCESS MEASURE
Excellence in regulatory compliance and rate applications	• Internal departments understand and support success of rate and compliance-related filing • Filings to the Ontario Energy Board and IESO are well-considered, accurate and of high quality • Industry and regulatory interactions effectively represent the organization.
Ensure cost-effective regulated operations while maintaining reasonable rates for our customers.	• Preserve Cohort II status, equivalent to 10-25% better cost performance than predicted in the OEB's total cost performance benchmarking through 2030
Develop and execute a plan for collecting outstanding debts.	• Implement a targeted collections process to reduce the growth of bad debt

Our Strategies For The Future: Strategic Objectives

FINANCIAL PERFORMANCE

OPTIMIZING FINANCIAL CAPACITY FOR PERFORMANCE & GROWTH

We will maintain financial viability and increase our capacity to ensure the organization sustains its performance and is able to meet growing customer needs.

GOAL	SUCCESS MEASURE
Grow expertise in financial analysis and modeling, and optimize financial capacity through business process optimization	• Growth of capacity and expertise to support effective due diligence and decision making on growth opportunities • Implementation of an ERP financial system to enable effective due diligence and decision making
Evolving and expanding our governance approach	• Increased visibility and accountability across projects in the company
Develop and execute a renewed financing strategy	• New financing strategy developed and executed by 2028 to support operations and beyond • Identify and implement a long-term debt vehicle to provide cost certainty • Achieve financial ratios, return on equity and cashflow from operations
Strategic Sourcing	• Implementation of enhanced procurement processes • Optimizing procurement process, optimize cashflow (e.g. bulk buying)

Looking To The Future

Looking beyond 2030, Oshawa Power will build on its 130-year legacy of delivering reliable electricity, adapting to the evolving energy landscape. Our commitment to being a trusted energy partner remains strong.

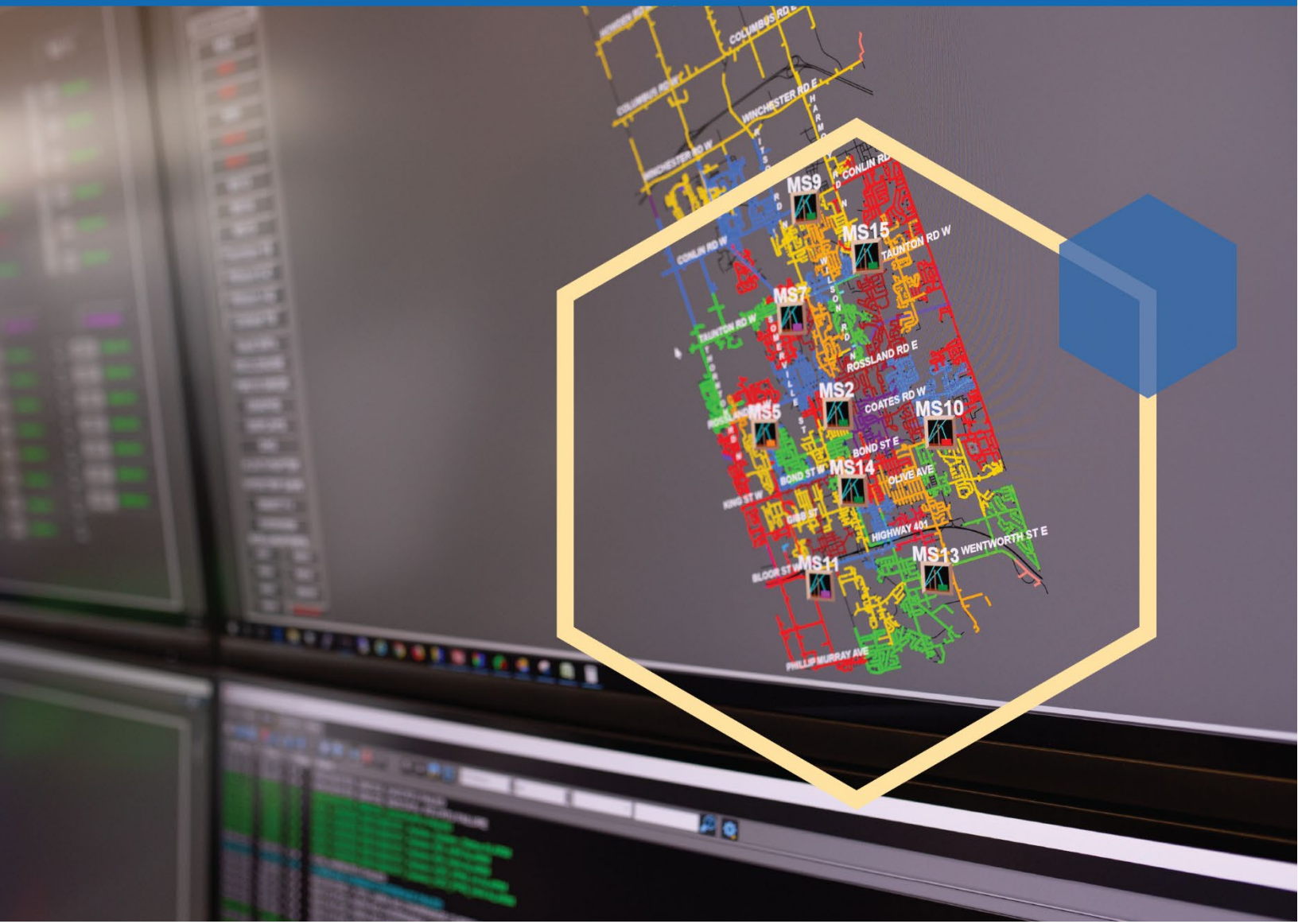
We will empower our workforce, engage with customers, and innovate to provide sustainable, cutting-edge energy solutions. By streamlining operations and staying adaptable to industry shifts, we will uphold high standards of reliability and excellence. Oshawa Power will continue driving growth, sustainability, and community success well into the future.

Attachment 1 – 4

IT Business Transformation Strategy

OSHAWA POWER

Information Technology:
Business Transformation Strategy Overview



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1 EXECUTIVE SUMMARY

As information technology continues to be a key component in today's utility operations, Oshawa Power must make prudent and informed IT decisions and investments to meet the needs of its regulated business operations and its customers. These investments directly support reliable electricity distribution, customer service excellence, and operational efficiency.

This strategic plan for 2026 to 2030 was developed to ensure that the identified technology projects and initiatives align with Oshawa Power's Distribution System Plan and Business Plan (2026-2030), focusing on investments that deliver direct benefits to ratepayers through improved reliability, security, and operational efficiency.

1.1 SWOT ANALYSIS

Below is an analysis of Oshawa Power's strengths, weaknesses, opportunities, and threats today and in the future. The below analysis was used as the basis for the priorities and objectives outlined in this plan.

STRENGTHS

- Staff synergy
- Management supports IT as a strategic resource

WEAKNESSES

- Lack of formalized long-term IT strategy
- Lack of formalized procedures and processes

OPPORTUNITIES

- Improving Oshawa Power’s operational processes and associated technology support
- Improving security posture
- Best-of-breed technologies

THREATS

- New up-and-coming cyber threats, i.e., zero-day vulnerabilities, phishing attacks, data breaches, etc.
- Outdated or unpatched software and infrastructure

2 GUIDING PRINCIPLES

The following principles guide decision-making in the continual development of Oshawa Power's technology infrastructure:

- Enterprise first: Follow common standards, approaches, and direction, and use existing utility assets, such as processes, data, contracts, and solutions.
- Secure: Ensure that utility operations, customer information, and grid infrastructure are safeguarded through comprehensive security controls aligned with the OEB Cyber Security Framework.
- Enable a modern workplace: Ensure that utility staff are equipped with appropriate technology that supports efficient operations, enabling them to work effectively and securely to serve customers better.
- Best-of-breed, solutions-based approach: Select cost-effective technology solutions that align with operational, regulatory, security, and financial requirements while delivering value to ratepayers. The preference will generally be to select and interface best-of-breed solutions to provide targeted value rather than one-size-fits-all solutions.
- Cost effective: Optimize technology investments to ensure prudent spending and clear benefits to utility operations and ratepayers.
- Anticipatory management: Continually scan the external environment, especially in the regulatory field, to identify potential events/issues that may impact business activities and the associated impact on IT-provided services as far in advance as possible.

3 STRATEGIC PRIORITIES

Oshawa Power is committed to delivering responsive and innovative IT services and solutions for the business. The focus is on maintaining a secure and resilient enterprise infrastructure that protects critical IT and OT resources. Oshawa Power prioritizes intelligent investments that are both high-value and cost-effective while enabling a connected and high-performing workforce through modern tools. These strategies align with the goals outlined in the 2026-2030 Business Plan.

INFRASTRUCTURE AND OPERATIONS: A reliable, secure, and responsive technology infrastructure (i.e., network, hardware, operating system and cloud environments) that will support Oshawa Power's operations and prepare the utility for the future.

Oshawa Power will:

- Adopt emerging technologies to improve program and service delivery.

- Continue enterprise-wide approach to delivering IT services.
- Encourage collective use of resources, tools, processes, and systems.
- Ensure sustainability of IT systems and infrastructure.

INFORMATION SECURITY: Information Security: A secure technology environment is critical for safe and efficient utility operations. Oshawa Power's security program aligns with the Ontario Energy Board's Cyber Security Framework and industry best practices. By centering work on security, Oshawa Power proactively protects its IT and OT infrastructure, customer data, and grid operations from evolving cyber threats.

Oshawa Power will:

- Maintain alignment with OEB's Cyber Security Framework requirements and guidelines.
- Continue enhancing security controls to minimize risk and stay ahead of evolving cyber threats.
- Provide consistent management of utility networks and systems.
- Continue to protect confidential customer information and company intellectual property.
- Broaden cyber security awareness and training.

DIGITAL WORKPLACE: An agile, connected, and high-performing workforce with modern tools that will continue to improve processes and operational efficiencies to meet Oshawa Power's needs and priorities.

Oshawa Power will:

- Provide a technologically up-to-date workplace that supports mobility for increased staff productivity and performance.
- Enable efficient collaboration and communication among utility staff.
- Leverage data and information systems to support current and future utility operations.
- Provide staff access to appropriate self-service tools and applications to improve operational efficiency.

4 STRATEGIC OBJECTIVES

To achieve the strategic priorities, the following strategic objectives have been identified:

4.1 INFRASTRUCTURE AND OPERATIONS

This focuses on building and evolving information management information technology foundational elements, including infrastructure, processes, and practices, to continue supporting Oshawa Power's operations and services.

FUTURE ACTIONS:

- Improve core utility network: Maintain a robust and connected core network infrastructure that supports reliable utility operations and customer service. This includes upgrading critical infrastructure to improve reliability, performance, and resiliency while ensuring cost-effective operations.
- Implement prudent system modernization: Update technologies according to utility industry standards and regulatory requirements. This includes replacing end-of-life systems to maintain security and operational efficiency while managing costs effectively.
- Optimize processes and policies: Implement automated workflows and standardized procedures to improve operational efficiency and reduce costs, directly benefiting ratepayers through improved service delivery.
- Enhance business continuity: Strengthen backup and disaster recovery capabilities to ensure continuous utility operations and minimize customer service disruptions.
- Improve incident response: Implement industry best practices and automated tools to minimize system downtime and cyber security risks, protecting both utility assets and customer information.

4.2 INFORMATION SECURITY

This focuses on protecting the confidentiality, integrity and availability of data, research, and systems against the sophistication and frequency of cyber threats.

FUTURE ACTIONS:

- Manage security infrastructure: Develop and maintain a secure foundation for Oshawa Power's IT/OT operations by implementing a zero-trust model across IT/OT environments to authenticate, authorize, and encrypt every access request.

- Conduct audits and assessments: Regularly audit and assess systems to ensure a secure environment. This will be done by conducting regular penetration testing exercises and regular independent cybersecurity audits
- Optimize policies: Maintain policies and processes that support secure operations by achieving compliance with industry-standard security and data protection frameworks within the next five years.
- Enhance education: Provide staff with up-to-date information, best practices, and practical skills to recognize and mitigate common cyber security risks, minimizing the likelihood of successful attacks and potential financial and reputational damages.

4.3 DIGITAL WORKPLACE

This focuses on the evolution of IT management practices, processes and tools and a focus on innovation as well as sustainability.

FUTURE ACTIONS:

- Improve documentation: Optimize documentation to make the business consistent. By establishing a centralized documentation repository, Oshawa Power aims to reduce the dependency on tribal knowledge and ensure a single source of truth for procedures and configurations.
- Manage business systems: Strengthen the overall health of Oshawa Power's application portfolio by devising and executing a strategy to rationalize and modernize applications using best-of-breed technologies as much as possible.
- Manage employee workstations: Provide all employees with the necessary tools to do their jobs by ensuring a continuous lifecycle management program for upgrading and replacing workstations to ensure employees can access the latest technology.

5 BUSINESS TRANSFORMATION

5.1 RECOGNIZING THE NEED TO CHANGE

There are several factors that point to 'why' Oshawa Power needs to engage in prudent, right-sized, and value-based business transformation efforts, including the following:

- The electricity sector is experiencing and expecting unprecedented changes in environmental, economic and competitive landscapes, as well as changes in the energy sector model.
- The expectations of Oshawa Power's customers are becoming increasingly higher.
- Current macro-environmental factors impact all aspects of business and society, and Oshawa Power must develop capabilities to respond effectively.
- It is becoming increasingly clear through observations, experience and feedback that the status quo for how work is done and its related challenges will no longer be viable to support the aspirations and ambitions of Oshawa Power to support our customer needs and the evolving landscape.

CHALLENGES:

- Increasing workloads and inefficient or dated business processes create productivity and efficiency gaps.
- Skills gaps in a changing energy sector result in underdeveloped business capabilities that are required for the future.
- Opportunities cannot be pursued due to limited resources.

ASPIRATIONS:

- Maintain standing and continue to be recognized as a high-performing organization.
- Be viewed as a 'Trusted Partner and Leader in the energy sector'

5.2 RECOGNIZING WHAT NEEDS TO CHANGE

Upon review of internal processes and gaps, there are multiple focus points in the business transformation program as follows:

- There are still many manual and paper-based processes, which can be significant sources of errors, omissions, and productivity losses, that can be improved upon.
- There is a lack of capacity and capabilities in certain areas of the business that present bottlenecks and barriers to becoming an industry leader.
- Existing business processes that are not standardized, end-to-end, integrated and streamlined effectively further reduce capacity and agility.

- Better governance and use of corporate data will enable better business insights, improve analytics, and support better decision-making in the operations of the company.
- A results-oriented corporate culture with strong business governance and high accountability is lacking.
- Areas of the organization are operating in silos and can benefit from greater collaboration amongst business units to achieve the company's strategic objectives.
- Formal organizational change management practices are needed to propel the organization through the upcoming changes.

5.3 SUMMARY OF THE GOALS

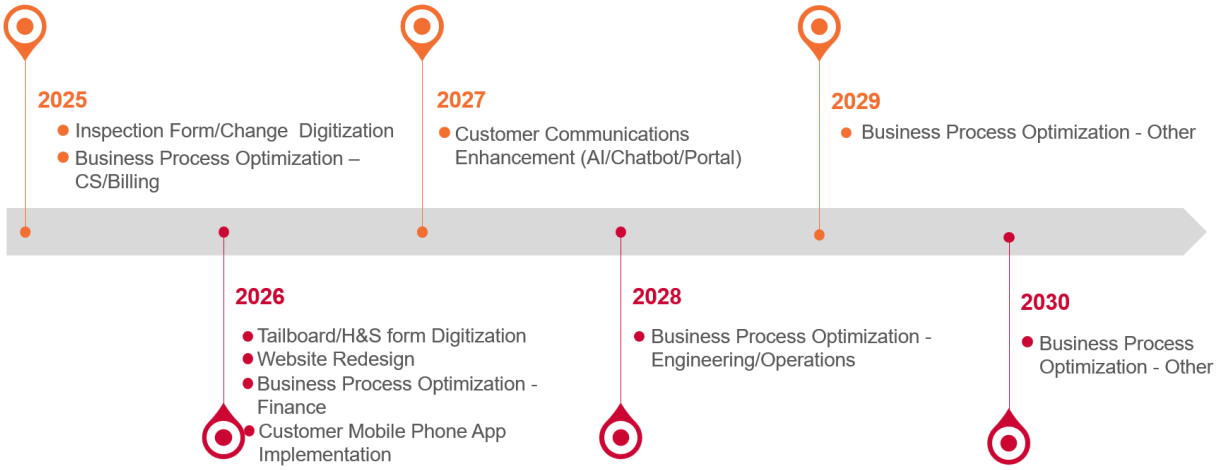
- Reduce manual tasks and paper-based processes.
- Build greater capacity and capabilities.
- Streamline and standardize business processes.
- Strengthen data governance practices to better secure and leverage enterprise data in support of business objectives.
- Develop a results-oriented corporate culture.
- Improve collaboration across business units to find synergies and deliver better results.
- Adopt formal organizational change management practices to crystalize and sustain transformational changes.

5.4 EXECUTION PLAN

The primary method that Oshawa Power will use to effect change through the Business Transformation Program is to leverage mandatory or very high-value software projects and add value by performing full business process analysis and optimization as part of the software implementation and, in turn, affecting change through every area of the organization. The following major projects and continuous improvement projects timelines align with Oshawa Power's 2026-2030 Distribution System Plan (DSP) and Business Plan. These technology investments support core utility operations and customer service improvements while maintaining prudent cost management.

FIGURE 1 – BUSINESS TRANSFORMATION: MAJOR PROJECTS

FIGURE 2 – BUSINESS TRANSFORMATION: CONTINUOUS IMPROVEMENT PROJECTS



6 THE WAY FORWARD

6.1 IMPLEMENTING THE PLAN

An implementation roadmap for the plan's initiatives will be developed and updated as planning progresses. The initiatives will be prioritized based on customer service impact and benefits and implemented once fully developed, approved, and funded.

6.2 RISKS AND MITIGATION STRATEGIES

The following risks to implementation and their mitigation strategies are identified:

- Lack of resources (i.e., insufficient funds, people): There is a risk of insufficient resources to implement all strategic objectives identified in the plan.
    - **MITIGATION:** Some strategic objectives are identified as directional and can be deferred until the necessary investment opportunity is available.
- Too much to do: There is a risk that the plan is overly ambitious and that the IT team will not be able to absorb all the new work.
    - **MITIGATION:** Some strategic objectives are identified as directional and can be deferred until sufficient capacity is available.
- Failure to adopt the enterprise approach: There is a risk that departments will not all act in an enterprise manner.
    - **MITIGATION:** Senior Management will encourage departments to move toward enterprise IT solutions for consolidated services and address exceptions.
- Future cyber threat: There is a risk that a future cyber threat could occur, delaying the implementation of the plan.
    - **MITIGATION:** The impact of such an event could be reduced through measures such as implementing vulnerability and patch management and enhancing enterprise-wide awareness of Oshawa Power's cyber threat and risk environment.

6.3 MEASURING PROGRESS

The implementation of this strategic plan will follow Oshawa Power's established project governance framework:

- Senior Management will provide overall direction and oversight of the strategic plan implementation, including monitoring enterprise-wide implementation risk.
- The Project Management Office (PMO) will:

  - Ensure projects follow established methodology and governance standards.
  - Monitor project budgets and schedules.
  - Manage resource allocation across initiatives.
  - Provide regular status reporting to executive leadership.
  - Support change management activities.
  - Maintain alignment with broader corporate objectives

- Progress toward achieving the strategic priorities will be:
  - Tracked through defined key performance indicators (KPIs).
  - Reported regularly to executive leadership.
  - Reported quarterly to the Board of Directors
  - Incorporated into regulatory reporting as required

- The Manager of Technology and PMO will jointly ensure:
  - Proper project prioritization and sequencing.
  - Risk management and mitigation.
  - Resource optimization.
  - Cost control and benefit realization.
  - Alignment with regulatory requirements.

Attachment 1 – 5

Board of Directors Certification

April 16, 2025

Oshawa Power
100 Simcoe Street South
Oshawa, Ontario
L1H 7M7

Re: Cost of Service Submission Board Certification

Oshawa Power's Board of Directors is aware of and approves submission of its 2026 cost of service rate application to the Ontario Energy Board. This submission represents a thorough and diligent effort to ensure compliance with regulatory requirements while maintaining a commitment to serving our customers efficiently and equitably.

The Board of Directors has required that every effort be made by management to minimize the cost impact while strategically positioning the organization for the future, ensuring the financial and operational sustainability of services provided to our customers. Oshawa Power's application includes a 2026-2030 Distribution System Plan investment of $80.8 million over five years, with capital expenditures of $17.0 million in 2026. The application also requests $22.3 million of OM&A spending in 2026.

Oshawa Power has taken all necessary steps to ensure that the submission aligns with the required standards and expectations.

Sincerely,

Denise Carpenter

Digitally signed by Denise Carpenter
Date: 2025.04.14 16:40:19 -04'00'

_____
Denise Carpenter, ICD.D, GCB.D
Chair, Board of Directors
Oshawa Power

Attachment 1 – 6

Senior Officer Certification

Certification of Evidence

As Director, Regulatory & Commercial Affairs of Oshawa PUC Networks Inc., I certify that, to the best of my knowledge, the evidence filed in support of this Application is accurate and complete; and complies with Chapter 1, 2 and 5 of the Ontario Energy Board's Filing Requirements for Electricity Distribution Rate Applications – 2025 Edition for 2026 Rate Applications dated December 9, 2024.

Valerie Bennett

Valerie Bennett
Director, Regulatory & Commercial Affairs

Certification Regarding Personal Information

As Director, Regulatory & Commercial Affairs of Oshawa PUC Networks Inc., I certify that, to the best of my knowledge, that the application and any evidence filed in support of the 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).

Valerie Bennett

Valerie Bennett
Director, Regulatory & Commercial Affairs

Certification of Deferral and Variance Account Balances

As Chief Financial Officer of Oshawa PUC Networks Inc., I certify that, to the best of my knowledge, Oshawa PUC Networks Inc. has the appropriate processes and internal controls for the preparation, review, verification and oversight of all deferral and variance accounts, regardless of whether the accounts are proposed for disposition.

Amanda Tang
Chief Financial Officer

Attachment 1 – 7

Appendix 2-AC: Engagement Activities

File Number: EB-2025-0014
Exhibit: 1
Tab: NA
Schedule: NA
Page: NA

Date: 4/29/2025

Appendix 2-AC
Ongoing Customer Engagement Activities Summary

Completing Appendix 2-AC is optional

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
2023 Bi-Annual Customer Satisfaction Survey - Through UtilitiyPulse survey - completed every two years Customers surveyed were based on a random sample approach The following segments were surveyed: Residential – 85% Commercial – 15% UtilityPULSE segmented respondents into 3 “average kWh usage groups”: Group 1 represents lowest 25% of kWh usage, Group 2 middle 50%, and Group 3 top 25%	Oshawa Power engaged UtilityPULSE to conduct a Customer Satisfaction Survey. The primary objective of the survey is to provide information that supports discussions about improving customer care at every level of Oshawa Power. The survey results were based on 402 one-on-one telephone interviews, chosen from a random sample of customers. These results are based on online and telephone interviews of 402 customers who pay or look after the electricity bills for Oshawa Power; a sample size of 402 will provide a confidence level of 95% (+/- 4.9%) Customers surveyed were based on a random sample approach The following segments were surveyed: Residential – 85% Commercial – 15% Customer Effort and Experience ScoreTM (CEES) of 39%. The National Benchmark is 21%, Ontario Benchmark is 20%, and the UtilityPULSE database average is 30%.	Oshawa Power projects continue to focus on ongoing improvement and will always take a concerted focus and effort to improve service to the citizens of Oshawa. The highlighted points raised by residents included improvements to outage communication and billing In response, Oshawa Power has: - Revamped the website to provide more opportunities to find information easily regarding outages, and account information - Introduced a new customer portal to streamline MyAccount information - Introduced a Welcome Package of information to ensure new accounts had access to informatoion - Created a Chatbot to push the most requested information to the customer online - Update our outage map in real time to give customers outage information/restoration times - Automatically push outage information updates to frequently used social media channels by our customers using X (formely Twitter) and Instagram and Facebook
Customer Projects and Blog Page	This section on the website was created as an outcome from indirect feedback and direct feedback regarding issues and informing the communty of major capital projects and education for the community regarding components of the capital plan	Customer Education Posts Online: As part of our commitment to sharing education and understanding of the utility and how we are working for the customer and city. Our approach has been focused on easy to understand explanations and current programs and plans. For example: •Untangling the Service Request – based on issues and feedback, a short post to explain the process •Under the Hood – Understanding and sharing what and how our fleet is used for •Scams – regularly, Utility customers are subject to fraudulent activity – and Oshawa Power regularly posts on their website and IVR messages of safety and security. In addition, Oshawa Power sends PSA messages to the local radio stations •Outage Explanations – based on the importance of reliability, the communications team focuses on sharing how and why outages takes place and how Oshawa Power’s plans support the reliability of the city. •Heat Pumps and their benefits •Safety Tips •About EVs – a case of Fact vs. Fiction •Summer Savings •Tree Trimming Program - and how to contact Oshawa Power when there is pole contact resulting in lost power
Listing of capital investment and vegetation control areas for the coming year. OPUCN has posted its planned System Renewal capital projects up to 2022. This allows OPUC customers to review projects and submit concerns	At this time there is a capital rebuild plan overview map. https://www.oshawapower.ca/residential/capital-rebuild-plan/	Continue the activity
Social Media Communications	Oshawa Power has invested in social media communications to share outage information, plans and notices for events and demonstrations of support for community relations.	Tip Tuesday is a repeatable education post that focuses on sharing safety tips for the community, contractors and customers
Transactional Customer Service Surveys	After a customer receives service from an agent - the system sends a telephone IVR survey regarding their experience . The two question survey asks if the customer was 1) satisfied with the agent interaction and 2) if the agent was courteous. CSAT scores for Oshawa Power has been >80% for four years.	CSAT scores for Oshawa Power has been >80% for more than four years. At this point, Oshawa Power is investigating alternative or additional points for satisfaction measurement, including email surveys.
On Bill Messages, for electronic billing and paper billing (On-going)	Monthly billing provides opportunity for Oshawa Power to easily and frequently interact with all its customers.	Bill Messages are scheduled throughout the year with monthly invoices on various topics such as low income programs, rate changes, safety and new campaigns (e-Billing, PAP, new portal announvement, conditions of service feedback opportunity).
Customer Demand Work	Customer require new services, service upgrades, increased transformation, service new developments including subdivisions	Requests are managed through the Distribution Systems Coordinator who schedules appointments accordingly for customers. Unprecendented growth from the City and the municipality and the pacing of projects requires more committment to be able to effectively resource.
Public Safety Awareness Survey - March 2024 - average safety awareness index score is 82%	Public Safety Initiative as per OEB Mandate. The survey is conducted every other year to a random sample of the general public. Summary of aggregated survey results: - Likelihood to Call Before Digging (2024= 83%, 2022= 81% - Proximity to Overhead Powerlines (2024=60%, 2022=57% - Proximity to Downed Powerlines (2024=79%, 2022=79% The number of people surveyed in 2024 was far greater than in 2022. Number of people surveyed in 2022 = 500 and the number of people surveyed in 2024 = 1387. The slight improvements or scores remaining the same is an impressive achievement with the increased numbers, showcasing that the campaigns we have used to be working.	Oshawa Power utilizes the Public Safety Awareness Survey results to educate the community regarding electrical safety to improve the knowledge of the 3metre distance for overhead powerlines. Oshawa Power focuses on educating this fact through its bi-annual campaigns for summer and back to school, as well as during the event season in the summer for our flagship event sponsorship of Touch A Truck, with our safety coordinator teaching kids safety rules education using the hazard hamlet tool. Oshawa Power also places this informaition on giveaways and through social media posts.

Community Outreach - '- Human Resources and Distribution team members attend community events (Environmental Day, Chamber of Commerce events) to interact and engage customers about their accounts and ongoing and future needs. -Human Resources and Distribution team members attend education career fairs and gatherings to promote and answer inquires about working at Oshawa Power and in the electrical industry.(Ontario Tech U) - Distribution and Communications team members participate in education panels regarding utility careers and electrification (Ontario TechU) - Communications and Customer Service team members provided bill education sessions with local senior centres (OSCC55+)	Customers appreciate the opportunity to discuss their concerns and account needs in-person. It also provides the opportunity for customers to provide feedback on services they have received to wish to receive. Oshawa Power offers information and education on low income support, customer offerings, safety programming and other LDC initiatives.	- It was determined that these education events were well received and benefiicial to our customers and it was determined to continue to provide these events.
Community Event Sponshorship for Touch - A - Truck. Oshawa Power uses this flagship CIty of Oshawa event to reach over 4000 attendees	Touch-A-Truck rolls into Oshawa for an interactive and educational event which gives children of all ages the chance to learn about their favourite trucks and provide an opportunity to educate regarding electrical safety with the kids. PLT's and Safety Coordinator and Corporate representatives describe and activate the Electrical Hazard Hamlet with kids on how to navigate situtatoins safely.	Oshawa Power utilizes the event to inform parents and kids about the importance of electrical safety.
Electric Vehicles - Our customers are becoming increasingly interested in EV's, and we have begun to prepare for the required infrastructure	EV's and association charging stations will play an increasingly important role in the electricity grid. To better serve our customers and meet those expectations we have developed an EV portal where customers can register their EV: https://www.oshawapower.ca/electric-vehicles/ An important element to gauging the requirement.	- Oshawa Power partnered with Plug'N'Drive to share information regarding EV ownership, provide the opportunity to drive an EV and ask questions over the period of three summer weekends to promote EV education and a tactile environment for customers to ask experts various questions - during this time (enter participation stats) -Oshawa Power partnered with Scout Environmental to produce a tool that helped https://group.oshawapower.ca/moving-forwards/ identify locations of EVs in Oshawa and Durham region - for planning and development purposes - Oshawa Power has included managed charging and EV load management via battery energy storage into the Non-Wires Solutions (NWS) Business Case portion of the Distribution System Plan appended to this application. This business case outlines how customers will be able to access managed charging for EVs that helps them to charge during off-peak (low cost) times, and reduce greenhouse gasses associated with peak electricity use simultaneously. Please refer to the business case for more details.
Community Relations: Take Your Kids to Work Day (Annually)	Provincial initiative where students spend the day at the workplace of a parent, relative, or friend to learn about the world of work and early career planning.	Oshawa Power hosts Take Your Kids to Work Day every year. This educates grade nine students about what it is like to work at Oshawa Power - The session includes activities regarging safety including a tour of the facilities, and an active worksite to provide an understanding of the LDC and a Q&A period with the management team
CDM Interactions 1. Conservation and Demand Management Framework Oshawa Power closed-out it's last remaining CDM projects from the CFF Wind-down framework in September 2024, per the regulatory requirements. 2. Energy and Water Reporting Benchmark (O. Reg. 506/18) Oshawa Power has a dedicated Energy and Water Reporting Benchmark email address to support customers that are subject to O. Reg. 506/18. The metering and customer service teams provide metering acccess via the Kinetiq System, or via providing meter data exports to support transparency and tracking in this area. Oshawa Power is considering including EWRB customers into a sub-section of Key Account management, as these organizations represent, on a portfolio basis, large consumers of electricity who may benefit from Oshawa Power's upcoming ESG activities. 3. Industrial Conservation Initiative Oshawa Power does Key Account calls with all ICI qualifying organizations on an annual basis, to ensure clients understand their potential participation, and any changes to the rules. When new qualifying customers are connected, an onboarding call takes place. 4. Oshawa Power has focused on supporting affordability for our customer base through other avenues than CDM such as enrolment to OESP, ODSP, LEAP and the Compassion Fund (up to 2023).	General feedback obtained through these ongoing business practices includes: - Customers indicate that the IESO is helpful with regard to the CDM programs, but that they miss having the LDC as the "face" of their interactions. Local accountability adds to their participation. - Customers need access to data and appreciate it "on demand". - Customers want enhanced tools for predicting cost benefits associated with making regulatory choices, such as the choice to enrol in the ICI program. Oshawa Power has focused on supporting our low income customer base through the promotion of avenues other than CDM and will continue to do so.	Oshawa Power intends to participate in the 2025-2036 Electricity Energy Efficiency Framework (aslo referred to as the eDSM framework) that is in the proposal stage with the Environmental Registry of Ontario ERO number 019-9235. High level details of the LDC's potential participation include outreach and marketing support for the provincial Save On Energy programs in 2025 and the design and deployment of local programs (expanded from the current Local Initiative Program) starting in 2026. Many Non Wires Solutions will focus on Demand Management as a methodology for reducing system costs, creating system benefits and deferring investments into future rate cases. Oshawa Power is working to maximize opportunities for Demand Management via the projects and approach outlined in the NWS Business Case within the Distribution System Plan.
Municipal Goverment Consultations 1. Monthly meetings with the City of Oshawa's Facilities Management Services group 2. Monthly meetings with the Region of Durham's Sustainability Coordinators Community of Practice 3. Monthly and ad-hoc meetings with the City of Oshawa's planning division regarding pre-consultations for development permits (to coordinate and plan major services) 4. Monthly executive meetings with the City of Oshawa Senior Leadership Team	Ongoing engagement through these avenues generates opportunities for collaboration and continuous improvement in delivering key services for our community. Examples include jointly meeting with the City of Oshawa and prospective developers to simultaneously explore infrastructure requirements and develop action plans that reduce red tape and wait times. Within 2024, engagement with municipal governments has yielded significantly more conversation about capacity requests from businesses evaluating	Oshawa Power will continue to explore opportunities to consult and meet with our municpal shareholders on an ongoing basis.

Partnerships with Chamber and other Agencies: 1. Oshawa Power is on the resource committee and leadership team for the City of Oshawa's Business Retention and Expansion Program, which launched in October 2024 2. Oshawa Power is a member of the Oshawa Chamber of Commerce, and recently won their "Innovation" Award at their annual business awards in September 2024. 3. Oshawa Power attends ad-hoc meetings in support of Invest Durham and Oshawa Economic Development to support new investment in the community. These meetings include topics such as business attraction strategy and meetings with potential investors in the community.	Increasing large load capacity (hearing we need to increase our grid, ties into our strategy) Importance to existing customers (review application specific Key Account feedback below)	Continue to network frequently with the business community, to provide access and avenues for reaching Oshawa Power staff.
Clean Energy Engagement - Durham Climate Round Table (quarterly participation) - Durham Greener Buildings - Awards Conference - Durham Climate Round Table Fall Forum	Customers are keen to understand if LDCs will be able to support the level of energy transition and growth being called-for by climate mitigation policies. Feedback from these meetings almost exclusively focuses on collaboration to progress electrification.	Continue these types of community engagements to help educate the community on the energy transition, it's costs, and it's benefits, such as clean energy employment opportunities.
Key Accounts Strategy Quarterly touch-points with Oshawa Power's largest customers (those that qualify for Class A / ICI Program)	Feedback includes: - Maximizing ICI benefit is a priority, any analysis we can provide to help them is appreciated. - Innovation opportunities that come from grants or new policies such as Non Wires Solutions are of interest to this client base. - Clients are interested in opportunities for better electricity cost modelling tools.	

Application Specific Customer Engagement Activities Summary

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Conditions of Service - the COS were posted on the Oshawa Power website and a bill insert was included to gauge feedback	The COS were included as part of the application feedback and was posted for 6 weeks on the Oshawa Power website. Feedback was received and the only point identified was was confusion surrounding ownership demarcation points on private property.	We revised Section 3.1.1.2 Overhead Service and 3.1.1.3 Underground Service to add “Where transformation facilities are required on private property, please refer to Appendix A: Ownership Demarcation Point for ownership details”.
Project Page/Customer Engagement Area on OshawaPower.ca	Customers are kept informed and able to provide feedback regarding projects that are planned as part of the DSP and if they wanted to question or provide feedback, there was an opportunity to do that via email or forms.	Although limited feedback was obtained, Oshawa Power continues to see the value of sharing and providing updates to large capital work done in their neighbourhood.
Have Your Say - Initial Priorities: Online Customer Engagement Survey – Open to all customers/public (January 2024) Total customers engaged in Phase 1: 1,624 customers - 1,583 residential customers - 23 small businesses - 18 both - >50% surveyed are customers of Oshawa Power of over 10 years	Oshawa Power built an online survey using Survey Monkey, and posted on its project page where Oshawa Power solicits customer feedback from residential and small business customers. Customers were invited to participate via email, bill message, social media and Oshawa Power's website. Summary of aggregated online survey results: - Customers are advocating for fair rates - Customers who have an EV are energy smart – charging at home and during off-peak hours. - Some feedback includes advocating for more subsidies for Level-2 home chargers and free installation by Oshawa Power - Some customers are requesting that Oshawa Power consider text messaging for outages - introduced in late 2024. - From account management to outage updates, many of our customer services have moved online and over 70% are accessing services online and 86% find the services easy to navigate online	Some customers cited that the average homeowner does not know when the system needs to be altered. Oshawa Power has created a project page to be able to discuss projects and address questions that may come up from the community. - Some customers are requesting that Oshawa Power consider text messaging for outages - and that was introduced in late 2024.
Phase Two: Help Shape Oshawa's Electricity Plan - In depth DSP survey along with supporting explainer videos for bill education and verbal education of the DSP Plan. Open to all customers (September 2024) Total customers engaged in Phase 2: 2,248 customers.	A total of 2248 customers responded to the survey, with 1328 customers completed the survey, resulting in a completion rate of 59%. There were six specific opportunities for customers to provide feedback; more than 1500 comments were received. An analysis of these comments showed three trends that Oshawa Power needs to be aware of: More communication is desired Customers are cost sensitive Better customer service is needed	Overall, Oshawa Power’s customers think positively about their utility. Activities that are underway to address the feedback include: More Communication: We understand that our customers like to hear from their utility and communications can be big and small, digital and in print and in-person. Oshawa Power has a dedicated team to share information and engage on projects in their neighbourhoods. •Proactive quarterly updates Oshawa Power is planning to share new activities with customers through email and the customer portal. •Digital communications are a significant focus. As new customers receive their custom welcome package – customers register and receive links for multiple digital tools, including the portal, email billing and are provided with links numerous forms and news. •In-person organization events such as the Oshawa Chamber of Commerce, the OSCC55+ Centres, City events, and community engagements enables our teams to speak with our customers where they are. These activities will continue as part of our community relations activities. Cost Sensitive & Better Customer Service: We understand that great service at a reasonable cost comes with opportunities to streamline where possible and enhance in other areas. Initiatives underway include: * mplementing a new CIS system that will assist in optimizing and creating efficiencies for customer service and billing, with long-term cost benefits. The implementation started in 2024 and will launch Q3, 2025 •Implementing a new phone system will improve agent access and ability to dedicate agents for hot topics to our customers, launching Q4, 2024 •Access to in-person agents – we heard clearly from our customers that they have preferences to discussing their issues personally.

Small/Medium Business Outreach Online via a 4 week ad campaign in the Oshawa Chamber of Commerce's Weekly E-Newsletter (readership X contacts), This campaign linked directly to the "Help Shape Oshawa's Electricity Plan" survey. In person via outreach at the Chamber's fall networking event on October 2nd, 2024.	In person feedback included: - Customers appreciated the transparency of encouraging genuine feedback about Oshawa Power's services and pricing. - Customers took note of where to find the survey and committed to filling it out, or commented that they already has, as they are often also residents of the community. - Customers appreciated hearing about Oshawa Power's regulatory processes, the role of their feedback in helping us to take action and the level of access they had to Oshawa Power staff. - Customers provided congratulations regarding Oshawa Power's recent winning of the Chamber of Commerce's Innovation Award, for which Oshawa Power had been nominated by an anonymous chamber memeber.	Feedback obtained through this outreach is consolidated into B35, as small/medium businesses filled-out the same survey. Oshawa Power will continue to engage with the business community through membership to the Oshawa Chamber of Commerce, and through collaboration with the City of Oshawa, which has assumed the organizing role of the Downtown Business Improvement Area throughout this period of community revitalization.
Key Account (Class A) Business Outreach	Key Account feedback included: - 100% indicated that they would be using the same amount, or more electricity going forward, with some indicating that they would be usuing substantially more as a result of net zero building retrofts and new builds. With this came uncertainty about new usage patterns and peak loads. Some indicated that, in other service territories, limitations on capacity and short-circuit capacity had already negatively impacted their plans for implementing energy initiatives. This was despite all of them engaging in either sustainability programming or energy efficiency activities. - 100% agreed that Oshawa Power's new building should be built to energy efficient, sustainable standards. Some went as far as to suggest that the building could be used as an educational tool for the community. - 100% would consider co-designing an energy asset that could deliver a distribution or transmission system benefit (NWS) and all were interested in pursuing next steps with regard to this policy. - 100% felt that cost increases were important to control. Within this response a theme of budgeting was identified as a challenge. Electricity costs seem harder to forecast and significantly more variable than other energy costs. Such feedback relates more significantly to the variable portions of the bill, rather than Oshawa Power's componenets, however provides valuable insights into how the industry could evolve tools to help large customers with financial planning. - All stated that receiving low-carbon electricity was important or very important to their business plans. - No customers were dissatisfied with Oshawa Power’s services, and they all acknowledged that it’s important to invest in the electricity system’s ongoing reliability and safety.	To be responsive to this feedback, Oshawa Power is taking the following actions: - Participating in two industry association councils that focus on best practices for meeting customer needs through the energy transition, the EDA's Electrification and Conservation and Sustainability Issues Council - Engaging Key Accounts when grants for energy projects become available, to ensure they have awareness of the grant, and to explore if partnership with the utility could support their applications or goals - Oshawa Power has recently done this with respect to the Grid Innovation Fund, Energy Innovation Partnership and SREPs grants. - Engaging in ongoing Key Accounts outreach about new policies that could help with meeting their energy goals, such as the Non Wires Solutions Guideline and eDSM framework. - Designing NWS solutions in consultation and partnership with Key Accounts (see Oshawa Power's NWS Guideline Business Case as an attachment to the DSP).
Municipal Engagement - Planned for December 2024 Oshawa Power will gather the results	Oshawa Power will record and report feedback from this session.	TBD
Reliability Report	Reliability is identified as a key customer concern, and in 2022 and 2023, OPUCN released an annual reliability report sharing key indicators successes.	Oshawa Power will continue releasing these types of informative reports to help educate the community on how Oshawa Power continues to perform for the customer base

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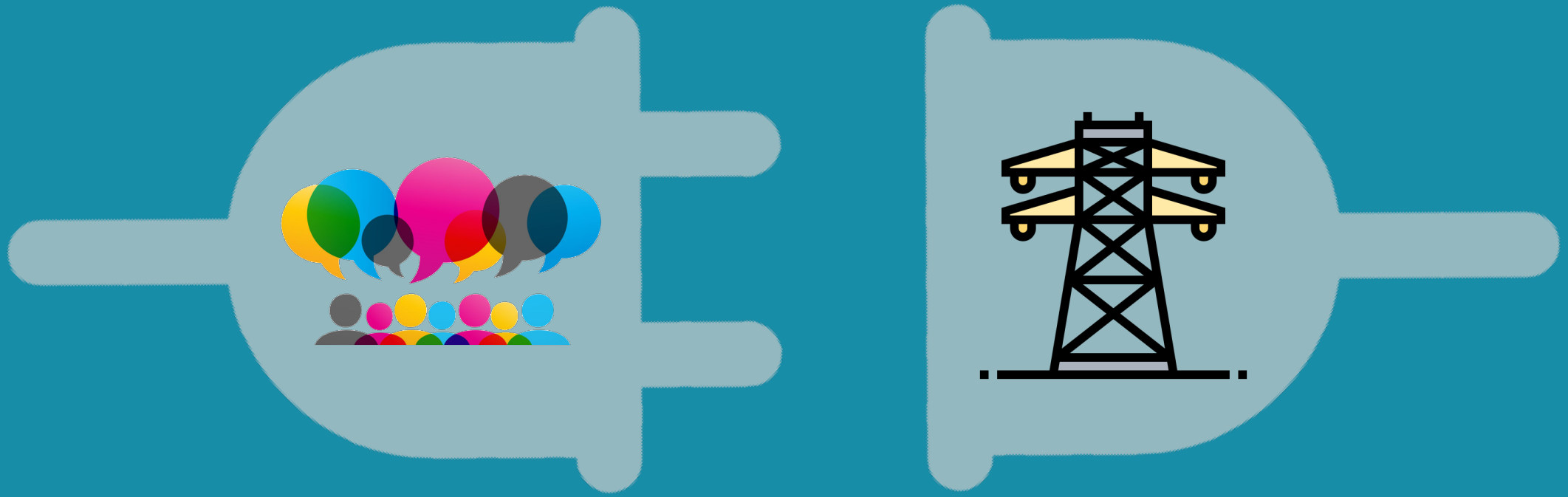
Attachment 1 – 8

2023 UtilityPULSE Customer Satisfaction Survey Report

Please note that UtilityPULSE added a disclaimer on page 42 of their report that this is privileged and confidential and no part may be used outside Oshawa Power without written permission from UtilityPULSE. However, this document does not contain any confidential information, and Oshawa Power has received written permission to share this material publicly.

Oshawa Power

25th Annual



Electric Utility Customer Satisfaction Survey

- These results are based on online and telephone interviews of *402 customers* who pay or look after the electricity bills for *Oshawa Power; a* sample size of 402 will provide a confidence level of 95% (+/- 4.9%)

- Customers surveyed were based on a *random sample* approach

- The following *segments* were surveyed:
  - Residential – 85%
  - Commercial – 15%

- UtilityPULSE segmented respondents into 3 “average kWh usage groups”: Group 1 represents lowest 25% of kWh usage, Group 2 middle 50%, and Group 3 top 25%

- The Utility*PULSE* Report Card® is computed by formulas which map the attributes of corporate image to customer satisfaction and loyalty

- Comparator data:
  - Ontario benchmark
  - National benchmark
  - UtilityPULSE database for 2023 (all participating LDCs)

UtilityPULSE

Electric Utility Customer Satisfaction Survey

NUMBERS at a Glance

	Oshawa Power 2023	National 2023	Ontario 2023
Customer Satisfaction: Initial	94%	91%	92%
Customer Satisfaction: Post	93%	90%	91%
Customer Advocacy	84%	79%	79%
Customer Commitment	87%	83%	82%
Customer Experience Performance Rating (CEPr)	86%	82%	82%
Customer Centric Engagement Index (CCEI)	85%	80%	80%
Credibility & Trust Index	85%	81%	81%
UtilityPULSE Report Card©	A	A	A

NUMBERS at a Glance

	Oshawa Power		National		ONTARIO	
	2021	2023	2021	2023	2021	2023
Customer Satisfaction: Initial	96%	94%	94%	91%	93%	92%
Customer Satisfaction: Post	95%	93%	93%	90%	92%	91%
Customer Advocacy	86%	84%	78%	79%	74%	79%
Customer Commitment	89%	87%	87%	83%	85%	82%
Customer Experience Performance Rating (CEPr)	88%	86%	84%	82%	85%	82%
Customer Centric Engagement Index (CCEI)	86%	85%	83%	80%	82%	80%
Credibility & Trust Index	87%	85%	84%	81%	84%	81%
UtilityPULSE Report Card©	A	A	A	A	A	A

Paying for Electricity

Cost/Value Attributes				
	2021 OP	Oshawa Power	National	Ontario
Provides good value for your money	77%	77%	73%	72%
Operates a cost-effective electricity system	78%	77%	74%	73%
Cost of electricity is reasonable compared to other utilities	72%	74%	70%	69%
Provides info/tools to help manage electricity consumption	81%	82%	79%	79%

Base: total respondents with an opinion

Feelings About Paying for Electricity				
	2021 OP	Oshawa Power	National	Ontario
Paying for electricity is not really a worry	73%	51%	65%	62%
Sometimes I worry about finding the money to pay for electricity	21%	33%	24%	26%
Paying for electricity is often a major problem	4%	6%	5%	5%
It depends	0%	9%	6%	7%

Base: total respondents

"What our customers say"

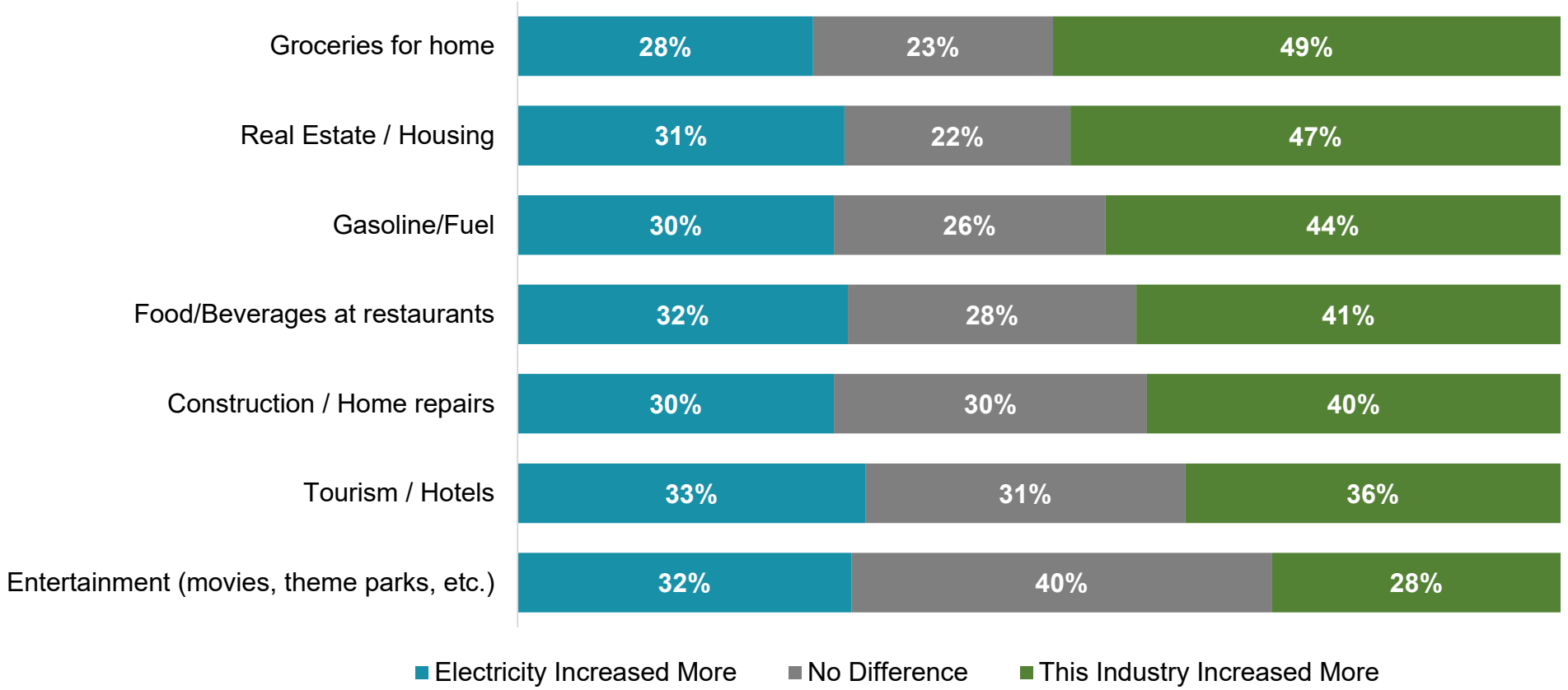
2021
26%

49%

Paying for electricity is <u>at least sometimes</u> a worry

Rising Price Perceptions in Other Industries Versus Electricity

For the most part, electricity consumers either see other industries' prices increasing more than or feel increases are about the same as electricity. Still, a sizeable proportion note electricity costs as challenging vs. other industries.



Base: based on Ontario benchmark and not individual utility customers

Problems/Issues Experienced (Last 12 Months)

Experienced Problem/Issue in Past 12 Months	2021 OP	Oshawa Power	National	Ontario
Outages	35%	28%	46%	43%
Billing	7%	11%	5%	5%
Other Issues	4%	6%	6%	5%

Base: total respondents

Perceptions of Outage Frequency	Oshawa Power	National	Ontario
Decreasing	19%	12%	13%
Staying the same	73%	72%	73%
Increasing	8%	16%	14%

Base: total respondents

Issue That Prompted Contact	Oshawa Power	UtilityPULSE Database
Outages	49%	66%
Billing	39%	31%
Other Issues	26%	19%

Base: those who contacted the utility

Outage Frequency "Increasing"	# OF OUTAGES EXPERIENCED		
	1	2	3+
	0%	10%	50%

Note: Small sample sizes

Customers are not willing to tolerate 2+ outages

36% of customers said they contacted Oshawa Power about their issue (vs. 30% nationally and 31% in Ontario).

"What our customers say"

87%

"… Provides accurate billing…"

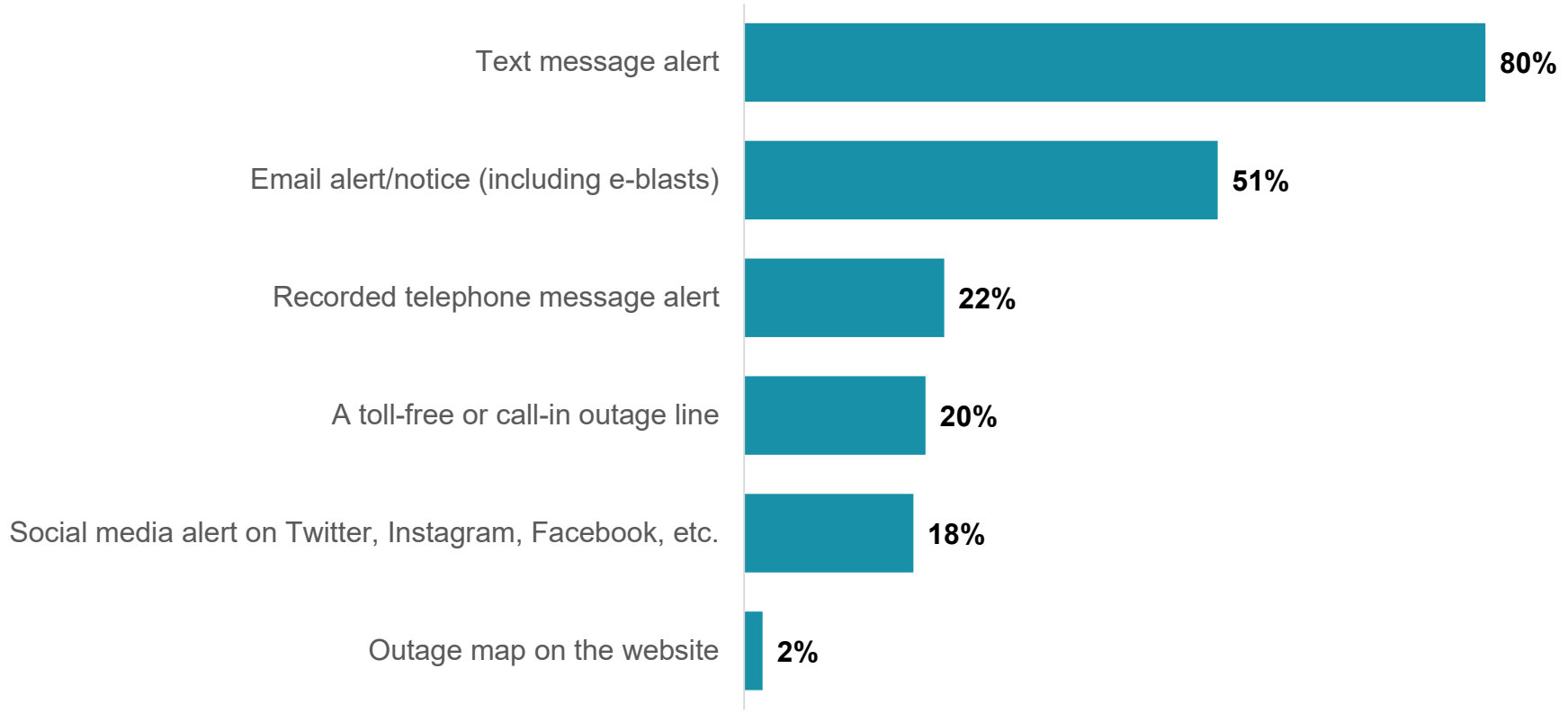
"What our customers say"

88%

"… Quickly handles outages and restores power…"

Preferred Method for Receiving Information on Unexpected Outages

Customers desire proactive ‘push’ communication from Oshawa Power for unexpected outages. Text and email lead the way.



Base: total respondents

Problems/Issues Experienced (Last 12 Months) By Ability to Pay Electricity Bill

Those who worry about paying their bill tend to perceive more issues, especially when it comes to outages. Brought on by a heightened sense of anxiety and trying to get value for their spending.

Experienced Problem/Issue in Past 12 Months					
		ABILITY TO PAY			
	TOTAL	Not a worry	Sometimes a worry	Often a problem	Depends
Outages	**28%**	28%	26%	21%	34%
Billing	**11%**	7%	9%	47%	20%
Other Issues	**6%**	3%	10%	3%	11%

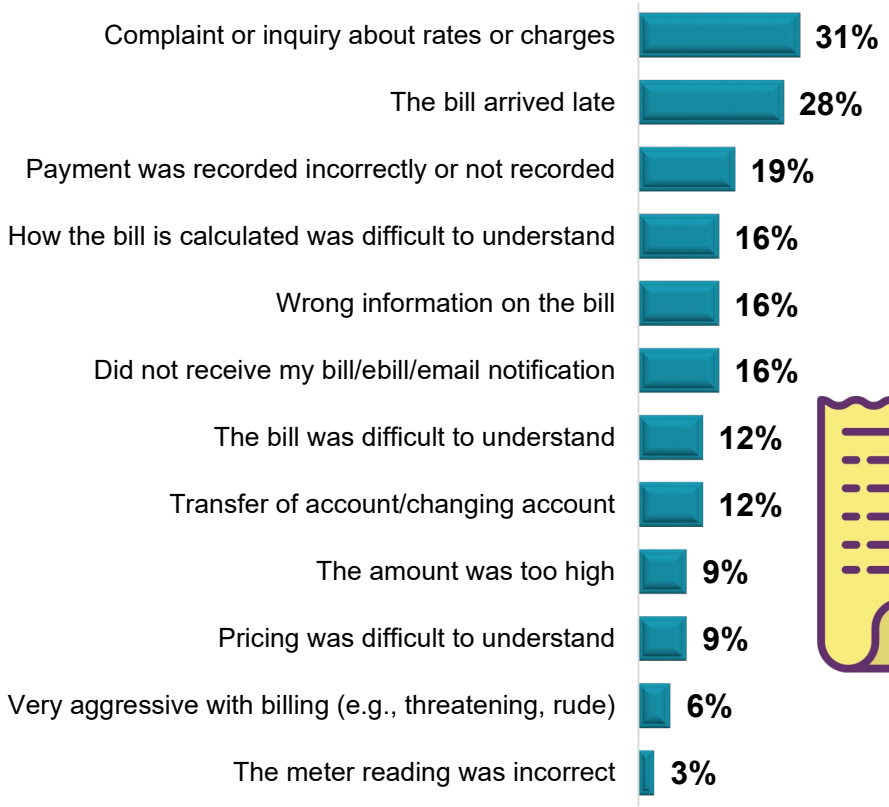
Base: total respondents

47%

"… Billing is an issue…" among those who often have trouble paying their bill

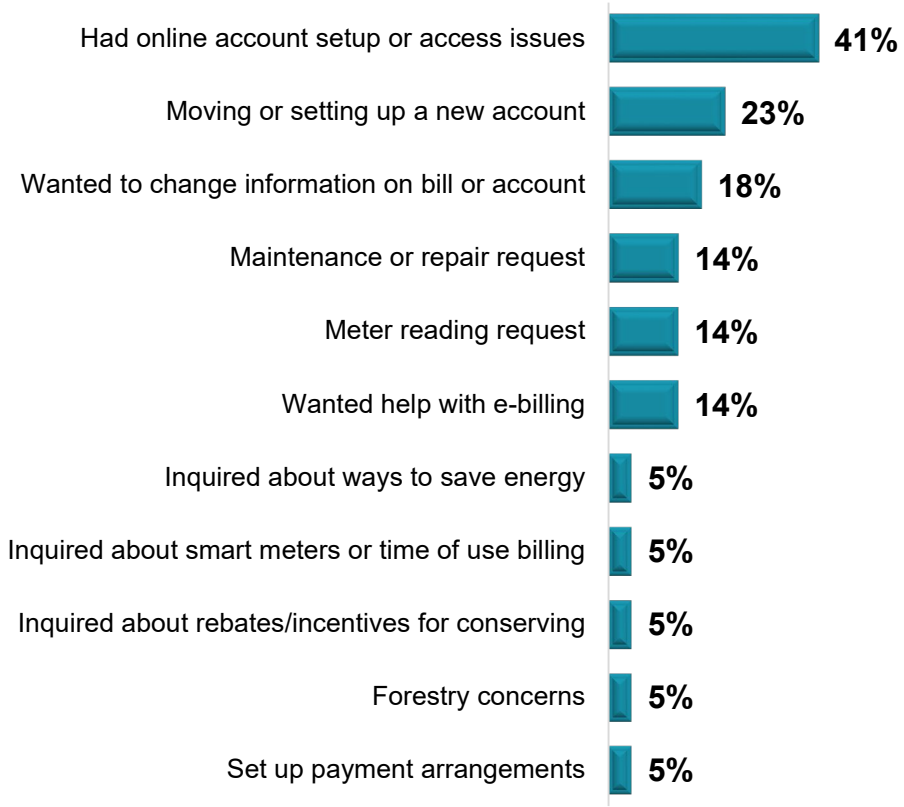
Types of Problems Experienced

Billing Issues Experienced



Base: those who experienced a billing issue, small sample size

Other Issues Experienced



Base: those who experienced some other issue, small sample size

Problems and Problem Resolution

How Many Times Contacted Utility			
	2021 OP	Oshawa Power	UP Database
1	34%	37%	35%
2	37%	36%	29%
3	5%	13%	16%
More than 3	24%	13%	19%

Base: respondents contacting utility, small sample size

2021
82%

74%

Respondents felt their problems were solved after contacting the utility (vs. 76% for the National benchmark and 78% for the Ontario benchmark).

How Contacted Utility to Resolve Problem			
	2021 OP	Oshawa Power	UP Database
Telephone	92%	90%	89%
Email	11%	22%	14%
Utility's website	11%	13%	14%
Social media	0%	2%	5%
Standard mail	0%	1%	0%
In-person	0%	2%	3%

Base: respondents contacting utility, small sample size

63%

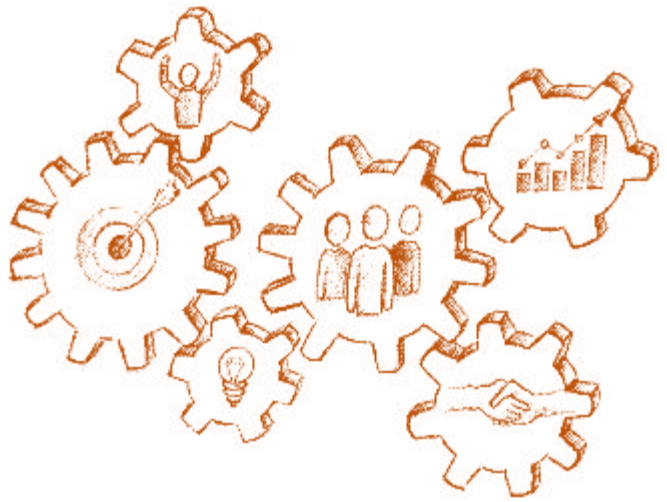
2021
47%

Respondents visited the utility website to try on their own to either resolve or get more clarity on the issue before contacting the utility (vs. the average of 50% for all Ontario LDCs).

Core Operational Attributes

Core Operational Attributes				
	2021 OP	Oshawa Power	National	Ontario
Provides consistent, reliable electricity	93%	90%	87%	87%
Quickly handles outages and restores power	90%	88%	83%	84%
Has accurate billing	88%	87%	86%	86%
Has a standard of reliability that meets expectations	90%	89%	85%	85%
Makes electricity safety a top priority	89%	88%	86%	87%

Base: total respondents with an opinion



"What our customers say"

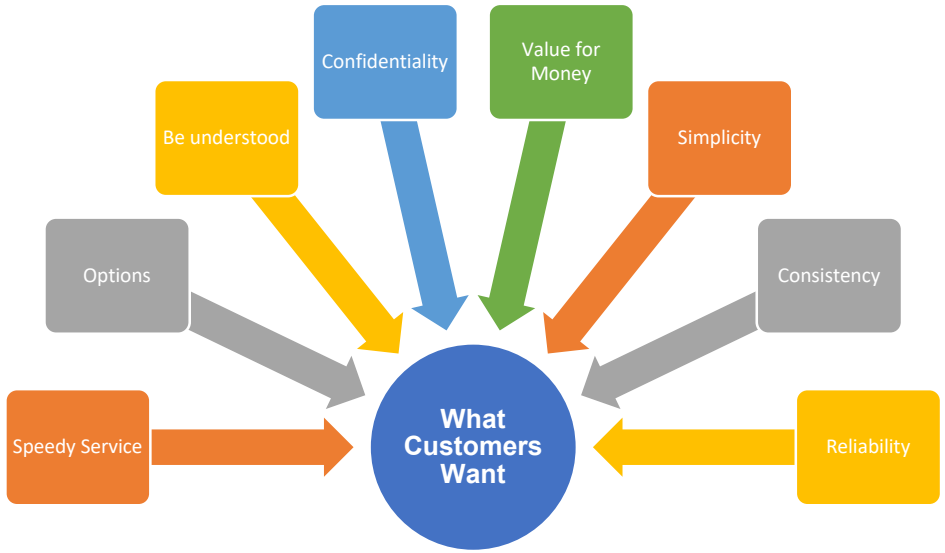
90%

"Provides consistent, reliable electricity…"

Core Customer Service Quality Attributes

Core Customer Service Quality Attributes				
	2021 OP	Oshawa Power	National	Ontario
Customer-focused and treats customers as if they're valued	84%	82%	77%	76%
Deals professionally with customers' problems	89%	85%	81%	80%
Is pro-active in communicating changes and issues	83%	82%	78%	77%
Delivers on its service commitments to customers	90%	88%	84%	84%
Is 'easy to do business with'	88%	87%	82%	82%
Adapts well to changes in customer expectations	82%	79%	75%	75%

Base: total respondents with an opinion



"What our customers say"

82%

"… Customer-focused and treats customers as if they're valued…"

Recent Customer Service Experience Satisfaction

Customer Service Expectations				
Top 2 Boxes: 'very satisfied + fairly satisfied'	2021 OP	Oshawa Power	National	Ontario
OVERALL SATISFACTION	**79%**	**67%**	**75%**	**76%**
The time it took to contact someone	68%	66%	69%	73%
The time it took someone to deal with your problem	68%	69%	55%	55%
The helpfulness of the staff who dealt with you	84%	78%	73%	72%
The knowledge of the staff who dealt with you	79%	75%	73%	72%
The level of courtesy of the staff who dealt with you	87%	84%	78%	76%
The quality of information provided by the staff who dealt with you	82%	71%	66%	70%

Base: respondents contacting utility, small sample size

Base: respondents contacting utility, small sample size

Credibility and Trust Rating

Demonstrating Credibility and Trust
Knowledge
The utility is seen as being knowledgeable about the services it provides, about what is happening in the industry, and how customers can reduce costs or create more value.
Integrity
The utility is seen as an organization that will act in the best interests of its customers and can be counted on to provide services and resolve problems in a professional manner.
Involvement
The utility is actively involved in the industry, in the community and in things that affect the customer.
Trust
The utility is an organization that can be trusted and is worthy of respect.
Overall Oshawa Power 85% **(National 81%; Ontario 81%)**

Base: total respondents

2021
87%

CREDIBILITY & TRUST SCORE									
	OUTAGE ISSUE		BILLING ISSUE		OTHER ISSUES		OUTAGE MOMENTUM		
Total	Yes	No	Yes	No	Yes	No	Dec	Same	Inc
85%	80%	87%	70%	87%	68%	86%	90%	85%	71%

"What our customers say"

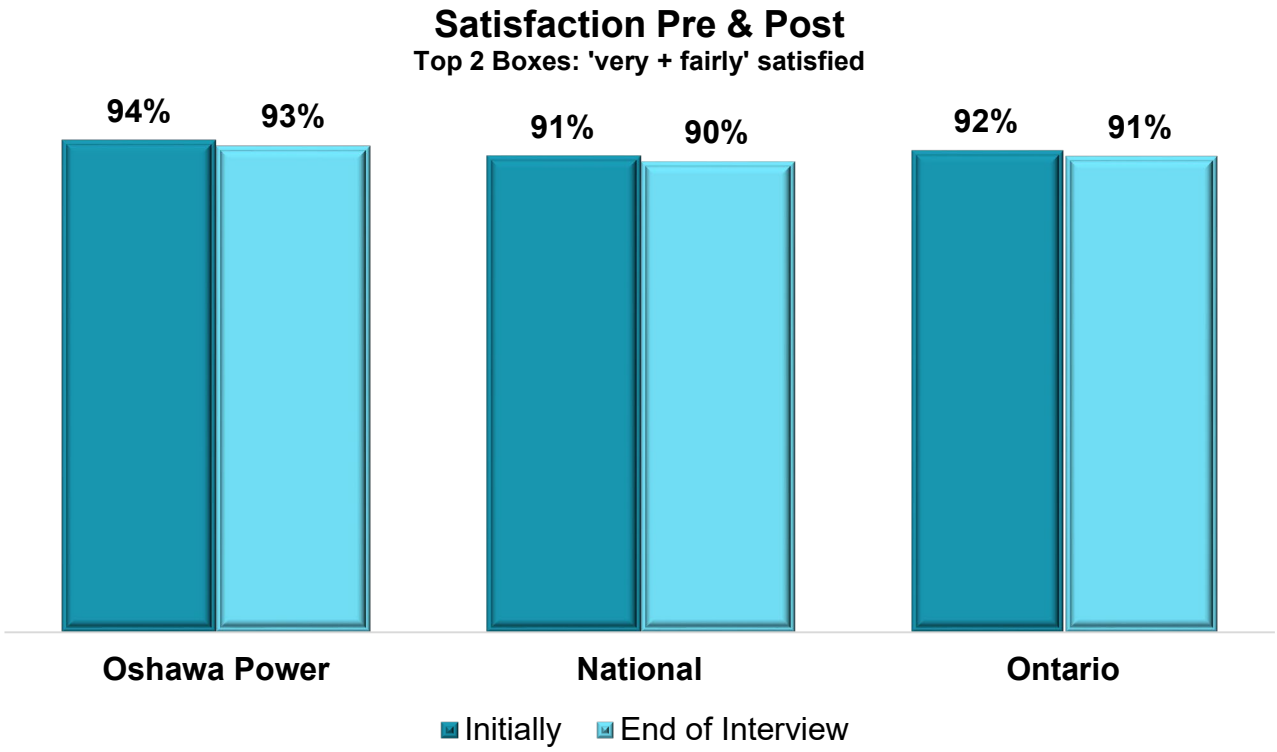
83%

"Keeps its promises to customers and the community…"

Customer Satisfaction

Satisfaction Pre & Post				
Top 2 Boxes: 'very + fairly satisfied'	2021 OP	Oshawa Power	National	Ontario
PRE: Initial Satisfaction Scores	96%	94%	91%	92%
POST: End of Interview	95%	93%	90%	91%

Base: total respondents



Base: total respondents

"What our customers say"

PRE **94%**

2021 **96%**

"SATISFIED: Beginning of Interview"

"What our customers say"

POST **93%**

2021 **95%**

"SATISFIED: End of Interview"

Customer Satisfaction By Key Groups

Satisfaction is notably lower among customers who do not believe that Oshawa Power has a standard of reliability that meets expectations, is not delivering proactive communication, who were not satisfied with customer service, did not feel their problem was solved, have a challenging time paying their bill, and have experienced issues (especially billing, others).

Satisfaction Pre & Post													
Top 2 Boxes: 'very + fairly satisfied'		STANDARD OF RELIABILITY		PROACTIVE COMMUNICATION		RECENT CS EXPERIENCE		PROBLEM SOLVED		ABILITY TO PAY			
	TOTAL	Agree	Disagree	Agree	Disagree	Satisfied	Not	Yes	No	Not a worry	Sometimes a worry	Often a prob	Depends
PRE	**94%**	96%	52%	97%	73%	96%	33%	92%	32%	97%	94%	84%	77%
POST	**93%**	96%	36%	97%	73%	93%	26%	84%	36%	96%	92%	76%	82%

Base: total respondents

Satisfaction Pre & Post										
Top 2 Boxes: 'very + fairly satisfied'		OUTAGE ISSUE		BILLING ISSUE		OTHER ISSUES		OUTAGE MOMENTUM		
	TOTAL	Yes	No	Yes	No	Yes	No	Dec	Same	Inc
PRE	**94%**	92%	94%	71%	96%	64%	95%	96%	93%	84%
POST	**93%**	90%	94%	62%	96%	56%	95%	95%	93%	76%

Base: total respondents

Customer Commitment & Customer Advocacy

CUSTOMER COMMITMENT

"Is a company that you would like to continue to do business with"

Customer Commitment				
	2021 OP	Oshawa Power	National	Ontario
Continue to do business with	89%	87%	83%	82%

Base: total respondents with an opinion

"What our customers say"

87%

Customer Commitment

CUSTOMER ADVOCACY

"Is a company that you would recommend to others"

Customer Advocacy				
	2021 OP	Oshawa Power	National	Ontario
Recommend to others	86%	84%	79%	79%

Base: total respondents with an opinion

"What our customers say"

84%

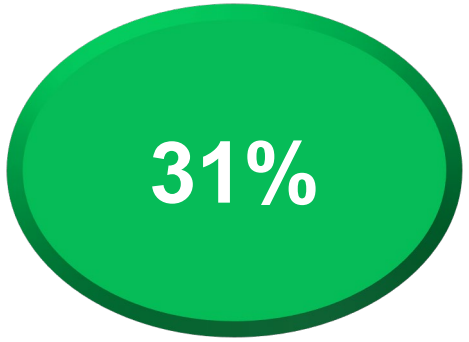
Customer Advocacy

Net Promoter Score & Net Supporter Score

Net Supporter Score (NSS) & Net Promoter Score (NPS)				
	2021 OP	Oshawa Power	National	Ontario
Net Supporter Score (NSS)	28%	31%	18%	19%
Net Promoter Score (NPS)	40%	38%	22%	21%

Base: total respondents

Net Supporter Score

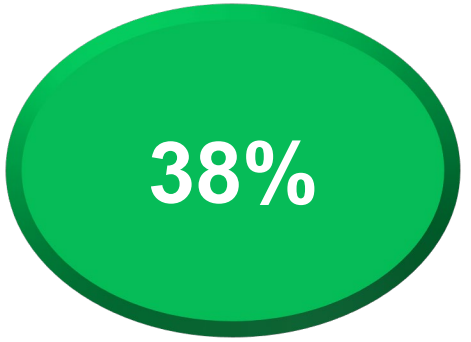


Net Supporter Score (NSS)

Score Interpretation:*

Opportunity	***<10%***
Good	***10-19%***
Very Good	***20+%***

Net Promoter Score



Net Promoter Score (NPS)

Score Interpretation:*

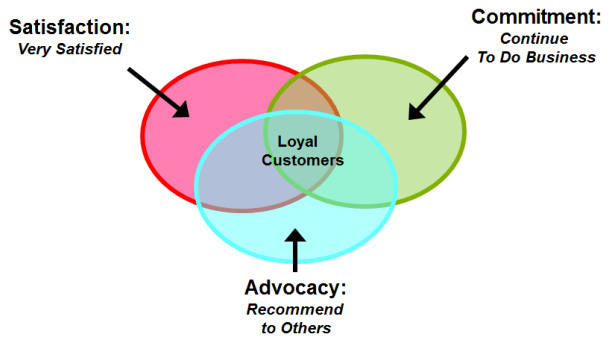
Opportunity	***<5%***
Good	***5-24%***
Very Good	***25+%***

(*) Range bands represent 2023 data and can change year-to-year

Customer Loyalty (Affinity)

37% Secure
24% Favourable
37% Indifferent
6% At Risk

Customer Loyalty Model



Loyalty Factor				
	2021 OP	Oshawa Power	National	Ontario
Secure	33%	37%	25%	26%
Favorable	22%	24%	23%	22%
Indifferent	40%	34%	45%	46%
At Risk	5%	6%	7%	7%

Base: total respondents

Secure customers are “very satisfied” overall with their local electric utility. They have a very high emotional connection with their utility and “definitely” would recommend their local utility.

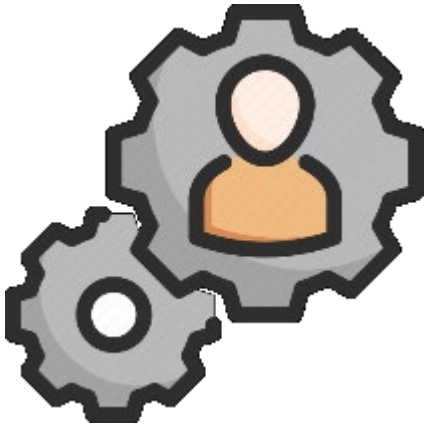
Still favorable customers are “very satisfied” overall, “definitely” or “probably” would recommend their local utility and not switch if they could.

Indifferent customers are less satisfied overall than secure and still-favorable customers and less inclined to recommend their local utility or say they would not switch.

At risk customers, who are “very dissatisfied” with their electric utility, “definitely” would switch and “definitely” would not recommend it.

Customer Effort and Experience Score™ (CEES)

Two Drivers of Customer Effort:



1. How much effort it takes to get service:

- The amount of time and energy is used to interact with the LDC
- The ease or difficulty it is to do business with the LDC

2. How the experience makes a Customer feel:

- Happy, satisfied, content or
- Frustrated, dissatisfied, upset

Highly correlated to Customer LOWER levels of loyalty/affinity

High-effort experiences, i.e. ‘’difficult” and “time-consuming”

Low-effort experiences, i.e. ‘’fast” and “easy”

Highly correlated to Customer HIGHER levels of loyalty/affinity

Customer Effort and Experience Score™ (CEES)

Customer Effort and Experience Score™ (CEES)			
	Opportunity Range* <15%	Good Range* 15-34%	Very Good Range* 35+%
Oshawa Power			**39%**
National Benchmark		**21%**	
Ontario Benchmark		**20%**	
UtilityPULSE Database		**30%**	

Base: total respondents
*Note: range bands represent 2023 data and can change year-to-year

Oshawa Power has a **Customer Effort and Experience Score™ (CEES)** of **39%**. The National Benchmark is **21%**, Ontario Benchmark is **20%**, and the UtilityPULSE database average is **30%**.

The amount of time and energy used to interact with the LDC to get service or a problem solved. **Fast and easy is valued.**

The way a customer feels about an experience is even more important than the actual experience. **Perception is all there is.**

2021
40%

"What our customers say"

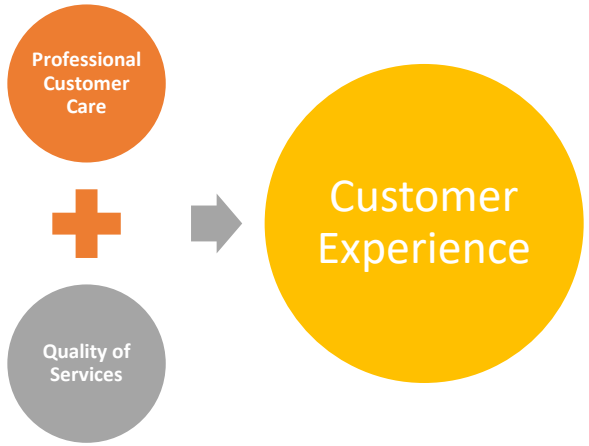
39%

"… Customer Effort and Experience Score™ (CEES)…"

CEPr: Customer Experience Performance Rating

Customer Experience Performance rating (CEPr)				
	2021 OP	Oshawa Power	National	Ontario
CEPr	88%	86%	82%	82%

Base: total respondents



At the heart of the CEPr are 4 central questions:

1. *Are interactions with the organization professional and productive?*
2. *Is the organization 'easy to deal with'?*

+

3. *Does the organization effectively meet your needs?*
4. *Does the organization provide high quality services?*

2021
88%

"What our customers say"

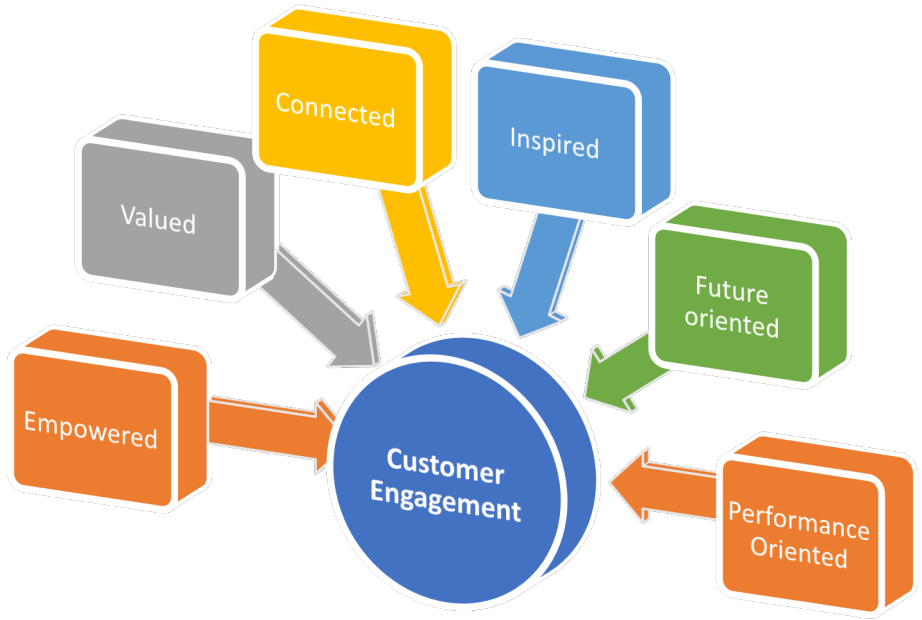
86%

"CEPr: Customer experience rating…"

CCEI: Customer Centric Engagement Index

Customer Centric Engagement Index (CCEI)				
	2021 OP	Oshawa Power	National	Ontario
CCEI	86%	85%	80%	80%

Base: total respondents



2021
86%

"What our customers say"

85%

"… CCEI: Customer Centric Engagement Index…"

CEES, CEPR, CCEI Summary By Key Groups

Scores are notably lower among customers who do not believe that Oshawa Power has proactive communications, were not satisfied with their customer service experience, or do not feel their problem was solved.

KEY SCORES							
		PROACTIVE COMMUNICATIONS		RECENT CS EXPERIENCE		PROBLEM SOLVED	
	TOTAL	Agree	Disagree	Satisfied	Not	Yes	No
CEES	**39%**	53%	-48%	34%	-70%	22%	-62%
CEPR	**86%**	89%	66%	84%	56%	81%	57%
CCEI	**85%**	88%	64%	84%	53%	80%	55%

Base: total respondents

Company Image / Brand Personality

2021 **84%**	**82%**	**Customer-focused**
2021 **87%**	**83%**	**Keeps promises**
2021 **82%**	**79%**	**Adapts well to changes**
2021 **85%**	**84%**	**Socially responsible**
2021 **84%**	**81%**	**Spends prudently**
2021 **88%**	**87%**	**‘Easy to do business with’**

Base: total respondents with an opinion

UtilityPULSE Report Card®: A

Oshawa Power's UtilityPULSE Report Card®					
	Category	2021 OP	Oshawa Power	National	Ontario
1	**Customer Care**	A	A	B+	B+
	Price and Value	B+	B+	B+	B
	Customer Service	A	A	B+	B+
2	**Company Image**	A	A	B+	B+
	Company Leadership	A	A	B+	B+
	Corporate Stewardship	A	A	B+	B+
3	**Management Operations**	A	A	A	A
	Operational Effectiveness	A	A	A	A
	Power Quality and Reliability	A+	A	A	A
	OVERALL	**A**	**A**	**A**	**A**

"A … Customer Care"

"A … Company Image"

"A … Management Operations"

How Can We Improve?

One or two most important new services or changes that 'your local utility' could do to improve*	Oshawa Power
Better prices/lower prices	20%
Good/like it/satisfied/keep up the good work	7%
Create an online / mobile app (e.g. to report outages)	7%
Better power reliability/less power outages	4%
Improve customer service/reliability of staff/faster	4%
Better communications/be pro-active	3%
Better website	3%
Offer discounts/rebates/incentives	2%
Better maintenance/repair streetlights/cut trees	2%
Better information on outages when they occur	2%
More/better programs/subsidies for families/seniors	2%
Educate customers more/provide more information	2%
None/nothing/satisfied	19%

Base: total respondents
*Note: only top mentions are displayed

"What our customers say"

20%

"Better prices/lower rates…"

Technologies Owned and Interested in

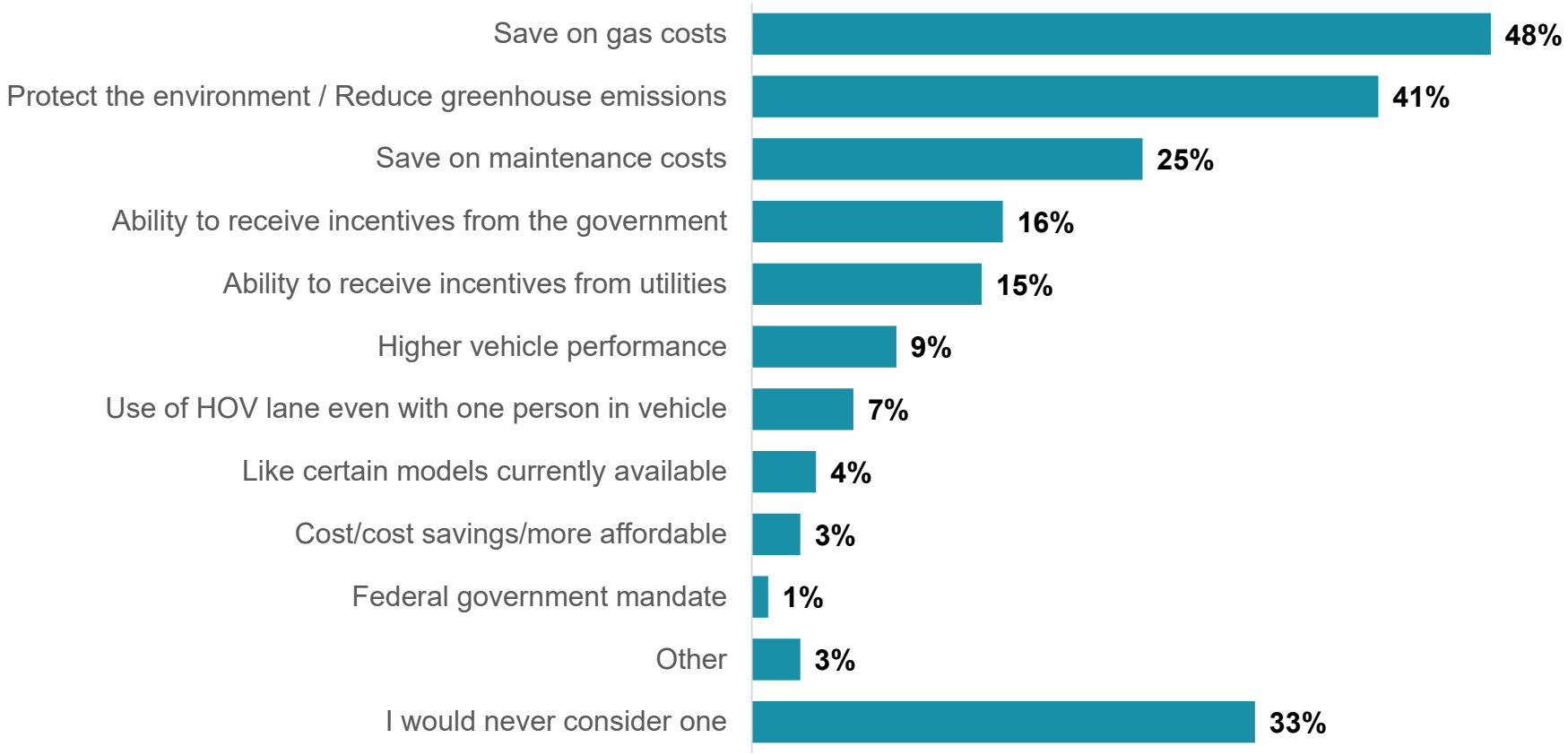
A majority of customers already own or plan to purchase a smart thermostat or home automation system. Half are interested in purchasing an EV, but not for some time (either 3-6 years or longer).
There is little interest in a solar roof or home battery storage system.

OWNERSHIP & FUTURE INTEREST						
	Interested/ Own NET	Current	Next 2 years	Next 3-6 years	Interested	No interest
A smart thermostat or home automation system	**71%**	45%	11%	3%	12%	**29%**
An electric vehicle that needs to be plugged in	**52%**	3%	4%	19%	26%	**48%**
Solar roof or panels	**35%**	1%	5%	5%	23%	**65%**
A home battery storage system	**34%**	0%	4%	4%	25%	**66%**

Base: total respondents

Drivers of Purchasing a Plug-In EV

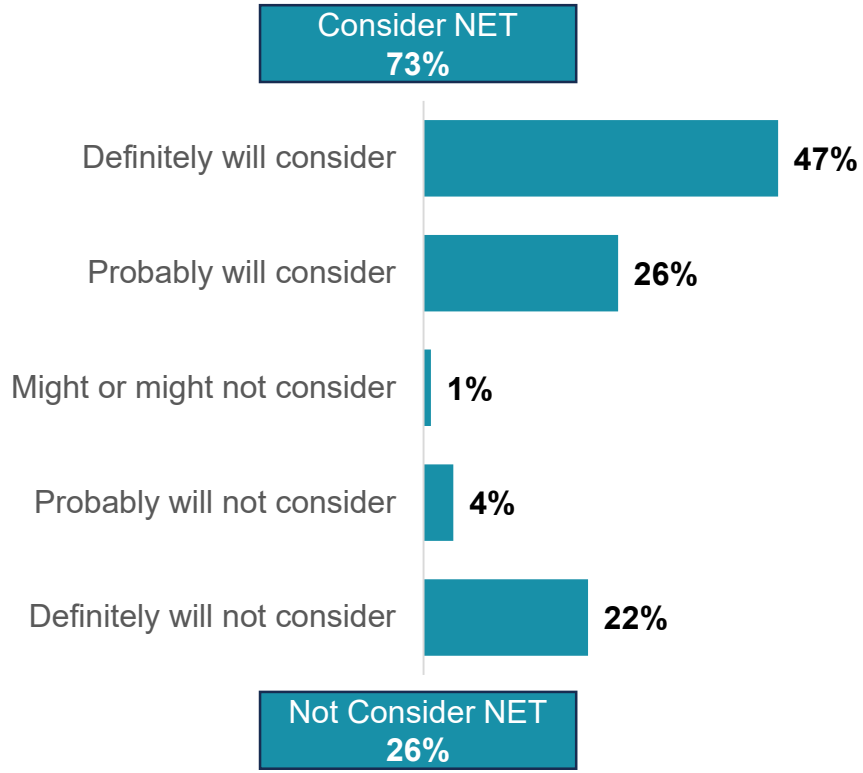
A third say they would never consider purchasing a plug-in EV. Those who would want them primarily to save on gas costs and protect the environment.



Base: total respondents

Likelihood of Purchasing a Home Charging Station

If purchasing an electric vehicle, most open to the possibility of a home charging station for their vehicle (although actual $ investment unknown). Interest is highest among younger customers.

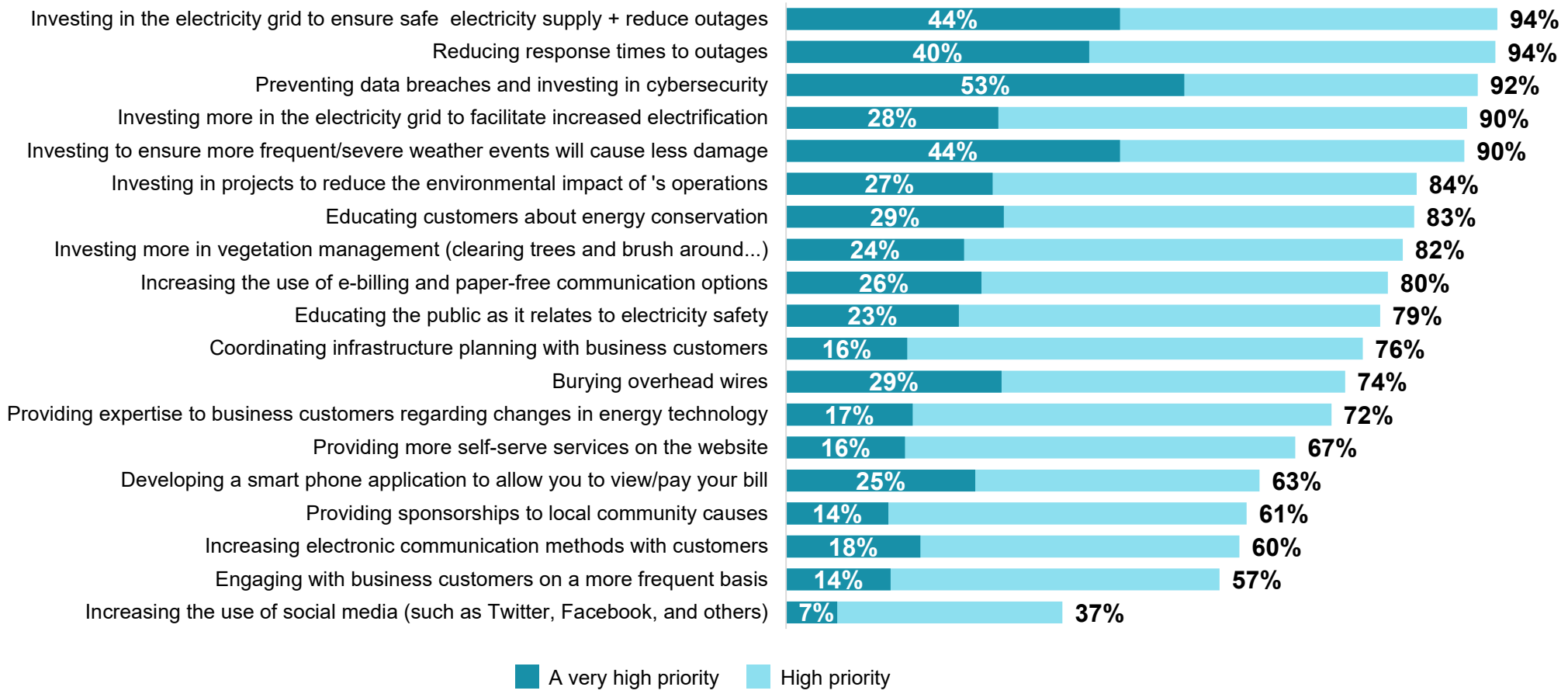


CONSIDERATION OF HOME CHARGING STATION		AGE		
	TOTAL	18-34	35-54	55+
CONSIDER NET	**73%**	**84%**	**75%**	**70%**
Definitely will consider	47%	59%	46%	47%
Probably will consider	26%	24%	29%	23%
Might or might not consider	1%	0%	3%	0%
Probably will not consider	4%	0%	1%	7%
Definitely will not consider	22%	16%	20%	23%
NOT CONSIDER NET	**26%**	**16%**	**21%**	**30%**

Base: total respondents

Priority Planning

Investing in the electricity grid and reducing response times to outages are the top priorities for customers. Preventing data breaches, increasing electrification, and investing to ensure extreme weather causes fewer damages are also seen as important.

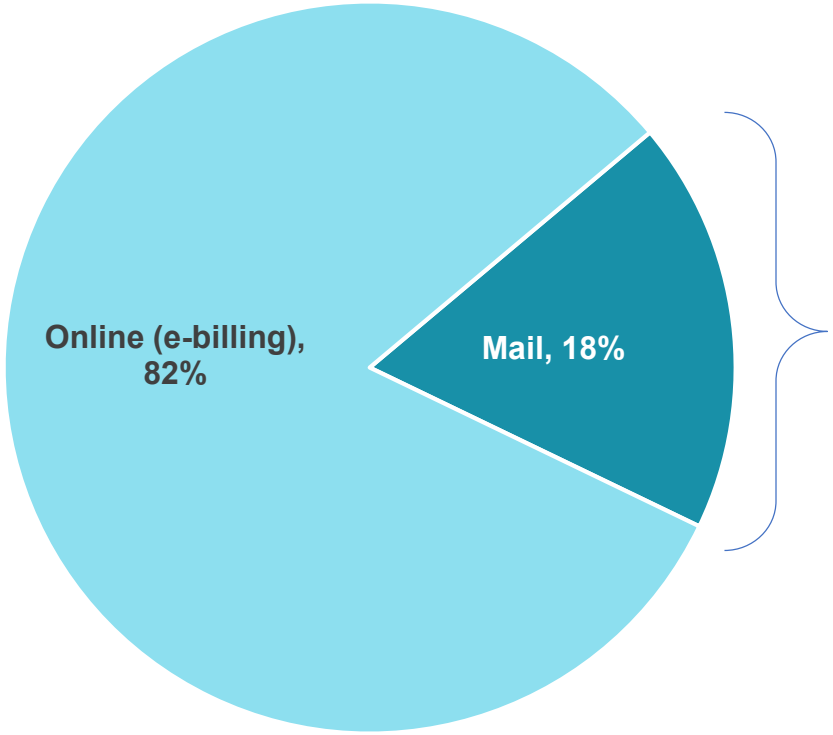


Base: based on Ontario benchmark and not individual utility customers

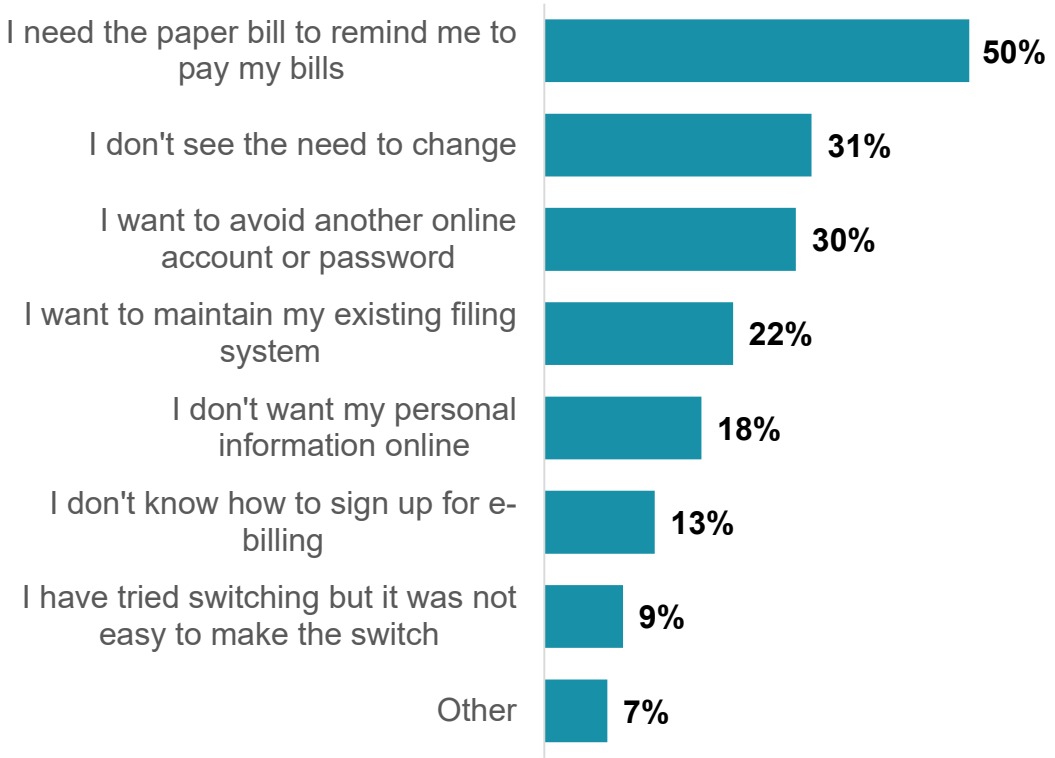
Reasons for Not Using E-Billing

Just over half say they already registered for e-billing. Those who haven't primarily say they need paper as a reminder to pay.

Current Billing Method



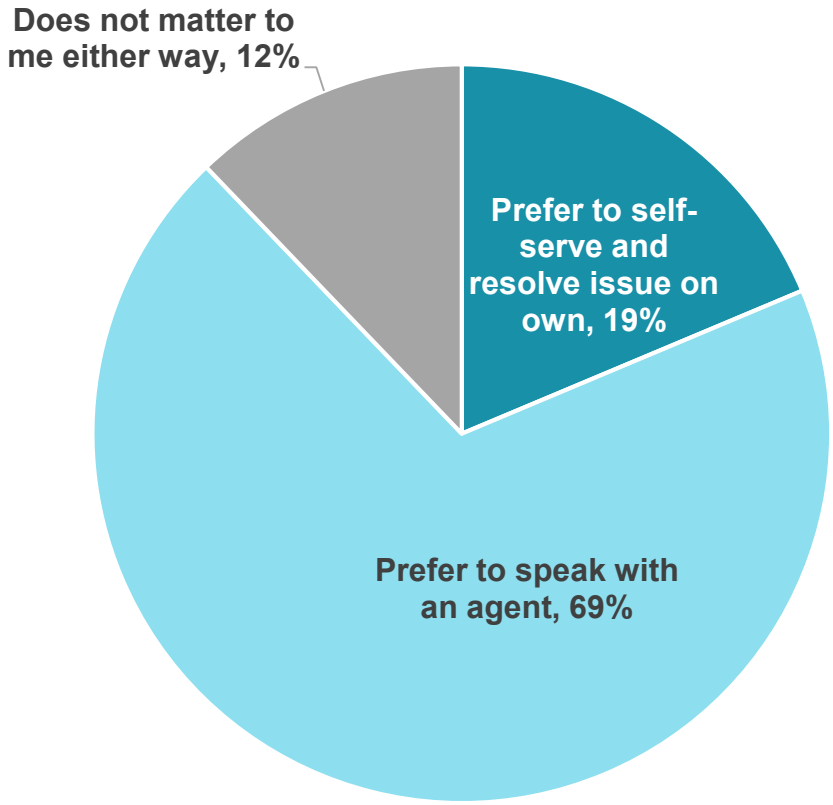
Reasons for Not Switching to E-Billing



Base: total respondents

How Prefer to Resolve Issues

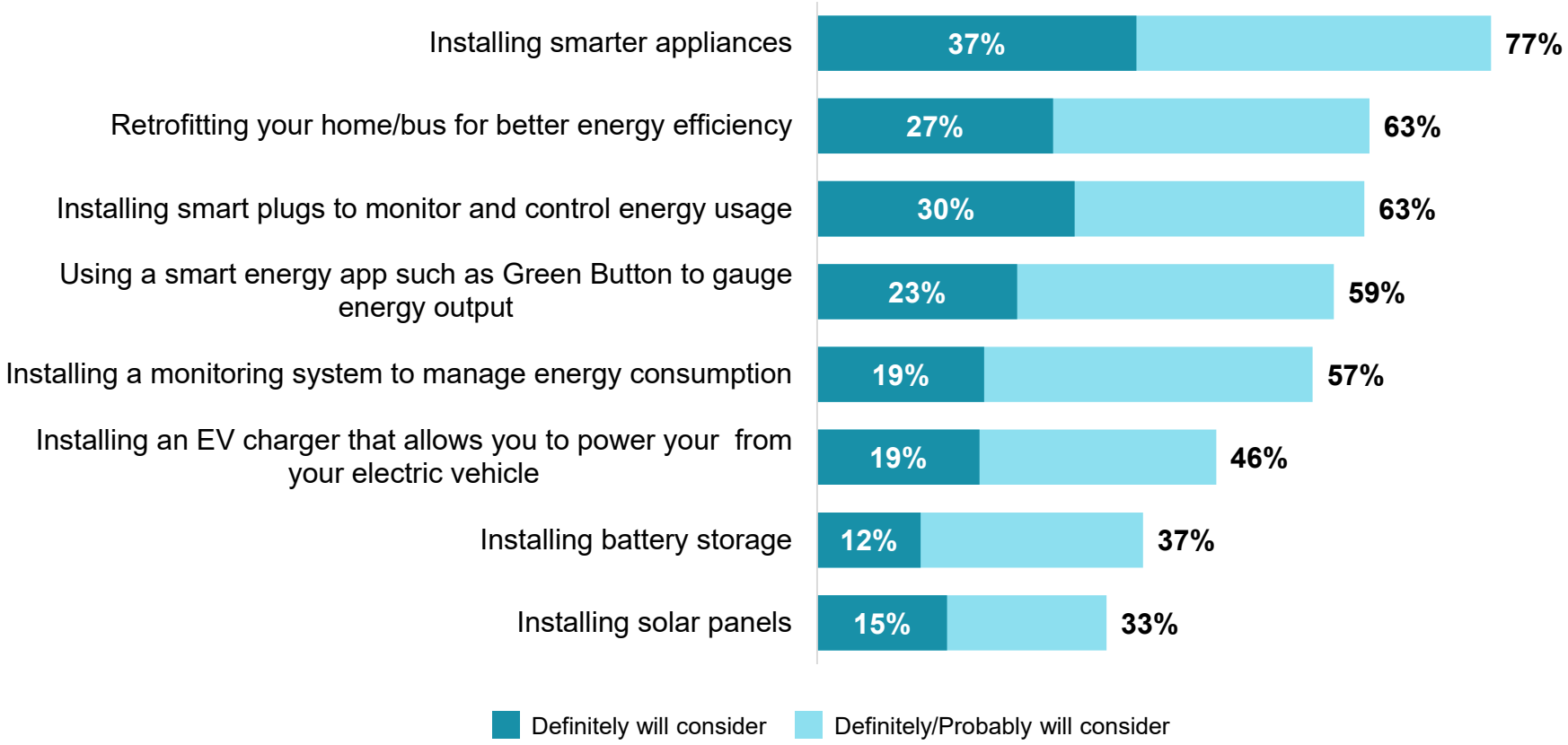
Most would prefer to speak with an agent to resolve their issues rather than self-serve. But as noted earlier, many customers willing to try to resolve themselves first if they can or at least get initial information but high-touch service is viewed as essential to 'get things done'. Multi-channel options will need to be made available to meet variety of needs and situations.



Base: total respondents

Consideration of Changes to Reduce/Manage Energy at Home/Workplace

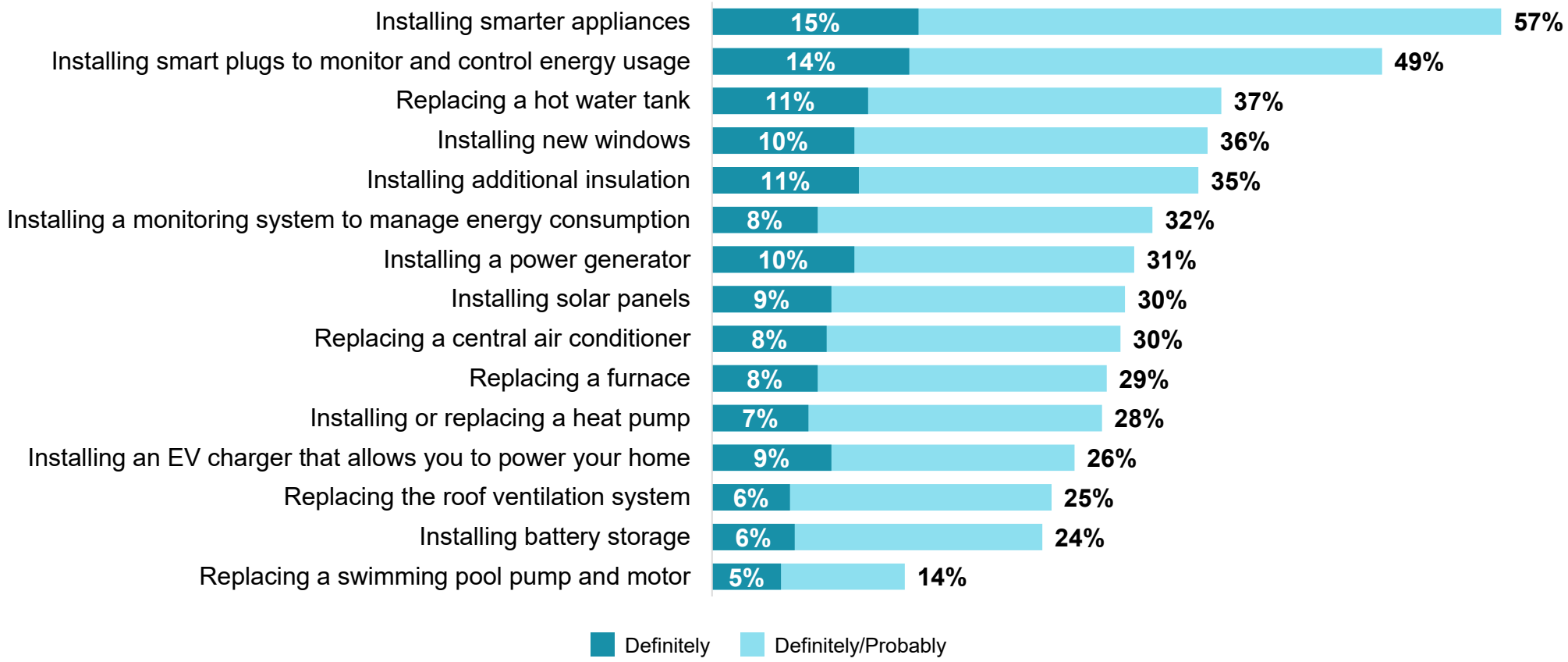
Many would consider installing smarter appliances or retrofitting their home/business to reduce/manage energy in the future. Some would invest in a retrofit, install smart plugs, or use a smart energy app in efforts to save. Less interest in options with significant capital expenditures.



Base: total respondents

Installations, Replacements, Updates in the Next 4 Years

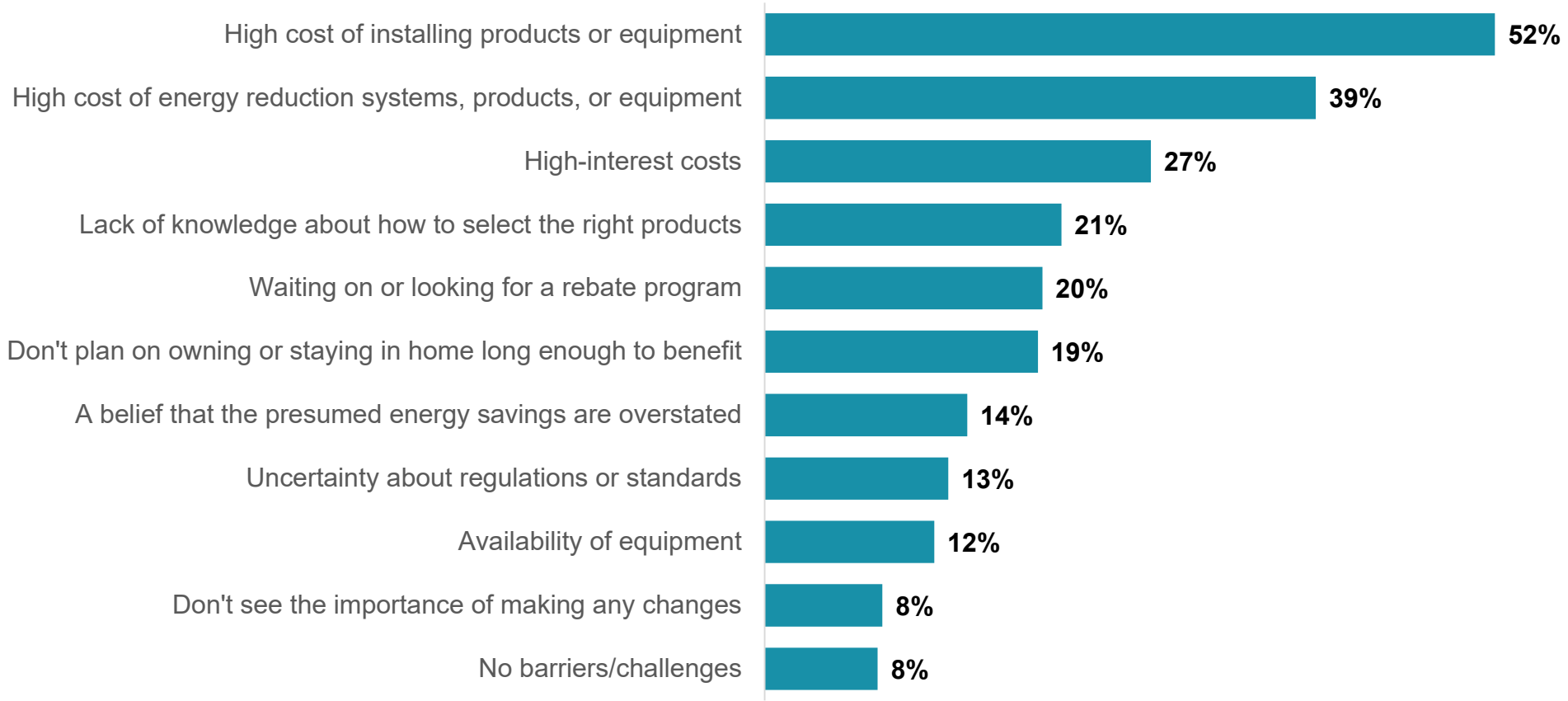
Many Canadians will consider installing smarter appliances or smart plugs in the next 4 years to help them manage their costs and use. Fewer are interested in more advanced technologies requiring significant capital expenditures.



Base: based on Ontario benchmark and not individual utility customers

Barriers Preventing Installation/Replacement of Energy Products/Systems

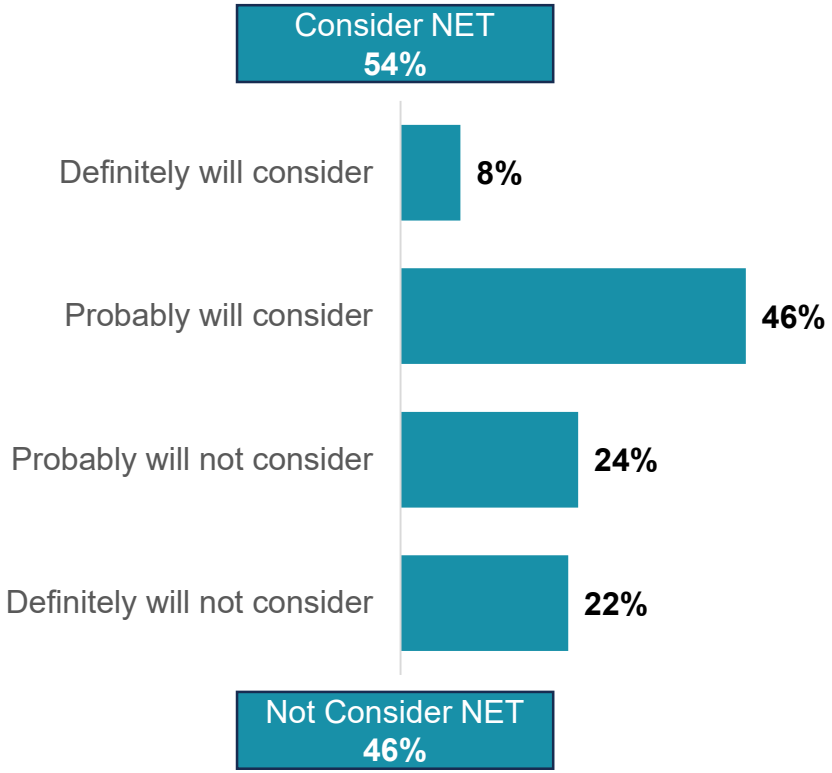
High cost of installation is the biggest barrier to installing or replacing energy products/systems. Many also note the high cost of the products/systems themselves as well as the interest rates.



Base: based on Ontario benchmark and not individual utility customers

Likelihood to Consider Financing Options for Energy Conservation

Overall, about half would consider financing options for energy conservation purchases if that was offered by their utility. However, only a small number say they "definitely would consider". Consideration of financing decreases with age.



CONSIDERATION OF FINANCING OPTIONS		AGE		
	TOTAL	18-34	35-54	55+
CONSIDER NET	**54%**	**72%**	**56%**	**42%**
Definitely will consider	8%	11%	7%	7%
Probably will consider	46%	61%	49%	35%
Probably will not consider	24%	19%	25%	26%
Definitely will not consider	22%	9%	19%	33%
NOT CONSIDER NET	**46%**	**28%**	**44%**	**58%**

Base: based on Ontario benchmark and not individual utility customers

- Despite tightening wallets due to the current financial climate and a greater prominence and scrutiny placed on all household expenditures, customers continue to be satisfied with Oshawa Power.
- While just over half say that paying for electricity is at least sometimes a worry, more believe that increasing prices have affected other industries (especially groceries, real estate, gas, and food) more than they have affected the electricity industry. Still, a sizeable proportion note electricity costs as challenging vs. other industries and anxiety about costs and value perceptions have been exacerbated by the economic climate for a segment of customers.
- There is a vulnerable segment of customers who are anxious and worried about their finances – they have a heightened sense of value about where their money is being spent. Those who worry about paying their bill tend to perceive more issues with Oshawa Power, especially when it comes to outages and billing issues. The stress caused by an inability to pay leads to more negative perceptions of all service providers – they desire a strong ROI on anything they spend. The survey was an opportunity to vent about their frustrations.
- Delivering reliable electricity continues to be a core expectation for customers. Customers are not willing to tolerate 2 or more outages – the perception that outages are increasing significantly increases when they experience more than 1 outage.
- Credibility and trust ratings as well as overall satisfaction are notably weaker among those who experienced various issues and those who believe that outages are increasing. Moreover, satisfaction levels are significantly lower among those who disagree that Oshawa Power has a standard of reliability that meets their expectations.
- Maintaining strong customer service levels remains critical; those who were not satisfied with their experience or did not feel their problem was solved are much more likely to express dissatisfaction with Oshawa Power.
- Customer effort, experience, and engagement are strongly linked to customer service impressions as well as Oshawa Power's ability to be proactive with communications. Most customers ultimately still want to speak with an agent to deal with their issues but DIY-initiatives are also needed with a balance required to meet diverse customer needs and situations.
- Half of Oshawa Power's customers are interested in purchasing an EV, but not for some time (either 3-6 years or longer). Those who like the idea want to save on their gas costs. Those interested in an EV would also likely purchase a charging station for their home/business. Smaller conservation-related efforts like installing smart appliances are more likely due to the perceived high costs of these types of changes. There is some interest in financing options from Oshawa Power.
- Investing in the electricity grid and reducing response times to outages are the top priorities for customers. Preventing data breaches, increasing electrification, and investing to ensure extreme weather causes fewer damages are also seen as important.
- Just over half have already registered for e-billing. Those who haven't primarily say they need paper as a reminder to pay.

UtilityPULSE

Electric Utility Customer Satisfaction Survey

NUMBERS at a Glance

	Oshawa Power 2023	National 2023	Ontario 2023
Customer Satisfaction: Initial	94%	91%	92%
Customer Satisfaction: Post	93%	90%	91%
Customer Advocacy	84%	79%	79%
Customer Commitment	87%	83%	82%
Customer Experience Performance Rating (CEPr)	86%	82%	82%
Customer Centric Engagement Index (CCEI)	85%	80%	80%
Credibility & Trust Index	85%	81%	81%
UtilityPULSE Report Card©	A	A	A

NUMBERS at a Glance

	Oshawa Power		National		ONTARIO	
	2021	2023	2021	2023	2021	2023
Customer Satisfaction: Initial	96%	94%	94%	91%	93%	92%
Customer Satisfaction: Post	95%	93%	93%	90%	92%	91%
Customer Advocacy	86%	84%	78%	79%	74%	79%
Customer Commitment	89%	87%	87%	83%	85%	82%
Customer Experience Performance Rating (CEPr)	88%	86%	84%	82%	85%	82%
Customer Centric Engagement Index (CCEI)	86%	85%	83%	80%	82%	80%
Credibility & Trust Index	87%	85%	84%	81%	84%	81%
UtilityPULSE Report Card©	A	A	A	A	A	A

Electric Utility Customer Satisfaction Survey

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Attachment 1 – 9

2024 Customer Priority Survey Results

Oshawa Power

2024 CUSTOMER PRIORITY SURVEY RESULTS

Quick Facts

- A survey was sent to **63K** customers
- **1624** Responses
- **98%** Residential
- **2%** Commercial
- **52%** Customers for >10 years

Survey Themes

- Access to Information
- Automation & Services
- Reliability
- Quality
- EV awareness & adoption
- Generation & Storage

Access to Information

- **68%** Surveyed access information through the customer portal
- **40%** Surveyed use the website
- **86%** Surveyed say digital services are easy to navigate

Access to Information Takeaway

Current online information is important, and we will continue to focus on keeping our portal and website information clear and accessible.

Automation & Services

- **>50%** surveyed are interested in or already enrolled in Pre Authorized Payments (PAP)
- **>50%** are unsure of how we can improve services.

Automation Takeaway

As we progress with automation ideas, check out our projects and updates on plans at **oshawapower.ca/projects**

Reliability

- **77%** Surveyed consider the duration of outages the most important
- **>90%** Surveyed agree/strongly agree that Oshawa Power power provides consistent and reliable electricity

Reliabilty Takeaway

We will continue to upgrade and maintain our grid to meet your expectations, with a focus on reducing both outage duration and frequency. Learn more at oshawapower.ca/reliablity

Quality

- **>80%** surveyed indicate that Oshawa Power is a trustworthy company
- **42%** surveyed are neutral about how Oshawa Power spends money to keep the electricity system reliable and up-to-date.

Quality Takeaway

Building trust is very important. We will seek opportunities to showcase how your rates are funding upgrades and improvements to our local electrical grid.

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EVs

Many are considering EVs however those that are not, cited the following barriers:

- High purchase cost
- Driving range issues
- Availability of chargers
- Lifestyle mismatch
- Other (see next page)

EVs

We asked what **other** hesitations exist when it comes to EVs:

- **Battery** (fires, range, cost to replace)
- **Age** seniors are not planning to replace
- **Hybrid** more likely as the next purchase
- **Current vehicle** is still adequate
- **Grid** is not ready
- **Technology** is not ready

EVs Takeaway

We will continue to work with our municipality, region, and provincial partners to support the infrastructure requirements for today and tomorrow. As we move forward with EV plans - check out oshawapower.ca/electric-vehicles.

Generation & Storage

We asked about your generation and storage practices at home.

- **95% of the respondents surveyed had no generation or storage at** home or business.
- Of the small number that do
  - **N25** cited solar
  - **N17** cited battery storage

Generation & Storage Takeaway

Oshawa Power will continue to identify and support opportunities for renewable and storage assets. Learn more about connecting to our grid at oshawapower.ca/renewables.

Attachment 1 – 10

Customer Engagement for the 2026-2030 DSP

Customer Engagement for the 2026-2030 Distribution System Plan

November 14, 2024

Prepared By:

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Reviewed By:

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Director, Communications & Customer Success

Executive Summary

Oshawa Power prepared and issued this survey to solicit input from customers on the proposed rate increase for 2026-2030. The survey provided some basic education on the electricity system and Oshawa Power's business objectives. The planned capital project work was described in a relatable fashion for the general public, along with the cost implication of the work, and followed the OEB's categorization. Additional feedback was sought on OM&A, future demand and general perception of Oshawa Power as a member of the community.

An email link to the survey was sent to more than 27,000 residential and small commercial customers. The survey link was posted on Oshawa Power's social media accounts and website, and also shared by the Oshawa Chamber of Commerce. The survey was available to customers from September 11, 2024 till September 30, 2024.

A total of 2248 customers responded to the survey, with 1328 customers completed the survey, resulting in a completion rate of 59%. There were six specific opportunities for customers to provide feedback; more than 1500 comments were received. An analysis of these comments showed three trends that Oshawa Power needs to be aware of:

- More communication is desired
- Customers are cost sensitive
- Better customer service is needed

Beyond the trends, there is some concern for the industry

> *Does more automation result in elimination of jobs in our community? I know your workforce can sometimes be stretched beyond limits, but this is a fair question.*
>
> *Considering the ambitious GHG reduction targets we have to meet, a lot of homes and businesses would need to be fuel switched to electricity. Has Oshawa Power taken the Net Zero by 2050 goal into consideration as part of long term Capital Asset Management planning?*

While unfiltered communication and criticism is abundant in time when people can hide behind a screen, the dedication of Oshawa Power's people is appreciated and should be celebrated.

> *In my opinion when your service seems invisible because I have no problems with it then you guys must be doing a good job. My only suggestion is to keep up the good work.*
>
> *You're doing a good job...keep it up! Easy to reach a customer service rep to discuss any issue I have and feedback is always accurate and helpful.*
>
> *You're doing a good job and I appreciate you keeping costs down for those of us who use only electricity in our homes.*

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1. Introduction

Utilizing Survey Monkey, Oshawa Power conducted a Customer Engagement Survey, connecting with more than 2000 of its customers in a cost-effective manner. While a principal driver for the survey was to gather inputs for the Distribution System Plan (DSP), it also supports our broader program for regular customer engagement.

The engagement feedback is being assessed for impacts as to the overall corporate vision and projects within the proposed DSP capital program.

2. Process

The survey link was sent via email to more than 27,000 residential and small commercial customers who receive their monthly bills electronically; it was opened by less than half of the recipients.

The survey link was also posted on our social media accounts (Twitter, LinkedIn, Facebook, and Instagram) and website.

The Oshawa Chamber of Commerce was kind and shared the survey with their email list.

The survey was available to customers from September 11, 2024 till September 30, 2024.

The survey:

- Asked questions that first qualified the participant
- Provided education on the electricity system, Oshawa Power and their monthly bill
- Informed customers about Oshawa Power strategic business objectives and whether they aligned to their expectations
- Inquired if customers were aware of the new communication features
- Sought confirmation on the prioritization of reliability and outage management
- Explained capital projects in a relatable manner and how the proposed DSP projects impacted the cost of their monthly bill
- Shared Oshawa Power's need to find a new home for its business
- Explained some of the cost drivers behind OM&A increases being incurred

- Not only identified the bottom line impact on the customer's bill, but ways to help them manage and/or reduce it
- Explored customer's existing/future purchases of/interest in EVs, solar, batteries and heat pumps

The survey also collected general data as to the customer's general perception of Oshawa Power and if they were interested in future engagement.

3. Results

A total of 2248 customers responded to the survey, representing approximately 4% of Oshawa Power's customer base. 1328 customers completed the survey, resulting in a completion rate of 59%. This was an involved survey, providing education and 36 questions. According to Survicate, surveys with 15 questions and more have a completion rate of 41.94%. The more questions that are asked, or surveys that include open ended questions, the completion rate drops. Oshawa Power is pleased with its community's participation.

There were six specific opportunities for customers to provide feedback; more than 1500 comments were received. Of those that completed the survey, 24% are looking for more engagement and provide their emails.

Overall, Oshawa Power's customers think positively about their utility:

- 78% believe Oshawa Power is a financially responsible business
- 81% think Oshawa Power fosters a positive culture in its interactions with its customers
- 93% believe that Oshawa Power considers safety as paramount in its operations and in regards to the public
- 86% view Oshawa Power as an environmentally responsible business

When asked "How well do you think Oshawa Power is planning for the future?" 88% responded with appropriate, well or very well.

Impact on Distribution System Plan

Part 5 of the survey provided information about planned Distribution System Plan Capital Investments. To make it more relatable for the general public, the OEB categories were reclassified:

System Access	=	Accommodating Growth
System Renewal	=	Maintaining Safety & Continued Reliability
System Service	=	Improving Response Times
General Plant	=	Organizational Essentials
CDM and Non-Wires Solutions	=	Evolving Markets

In general, on average 90% of customers understand the importance of the proposed capital investments, and 84% expressed confidence that Asset Management practices appropriately supports the prioritization of System Renewal projects.

> *Ensure that maintenance work is not deferred for the sake of improving near-term financial results.*
>
> *Preventative maintenance is always required to reduce significant capital costs which were not anticipated.*
>
> *The saying you got to spend money to get money. Part of business if you want to succeed the population growth/new customers will offset the costs. With proper accounting team*
>
> *A modern up to date grid will pay dividends in the future via fewer future problems and more efficient delivery of electricity.*

Though not everyone is supportive.

> *OP should seek efficiencies in its operations to offset these investments such that the cost is not passed on to the consumer*
>
> *Many times, vehicles and equipment do not need replacement and from observation, many of the vehicles and equipment in use appear to be 'high end' and above and beyond the minimum standards needed for the utility to operate. Assets should be replaced not on a time-basis but according to status, operational vs. non-operational.*

Incredibly, 87% of customers understood and supported investments in alternatives to traditional infrastructure that will enabling grid modernization.

Based upon the feedback, Oshawa Power believes that it is in the customer's best interests to continue with the capital works program that is outlined in the Distribution System Plan.

Reoccurring Messages/Trends

When a survey provides opportunities for open ended feedback, you never know what you will receive. A common trend, as seen in social media and online communications, of unfiltered, mean communications presented itself in the survey responses received. Removing the tone with which the messages were conveyed, there are three clear trends:

- More communication is desired
- Customers are cost sensitive
- Better customer service is needed

Communication

Customers are looking to be informed about outages and restoration, additional information on their monthly bills, energy management and ways to conserve electricity (and/or reduce their monthly bill),

> *A user-friendly app to keep track of everything with notifications of power outages etc.*
>
> *Continue to show the usage and the breakdown. It helps to know how much from month to month we use so we can do our part to be more efficient.*
>
> *Current monthly bill shows price based on my current price plan. It would be helpful if the bill might include a note to indicate what the cost would be using alternative price plans to see if the current plan is making sense to me (without having to do a lot of effort finding calculators or doing my own calc).*
>
> *We had an outage a few months ago and the whole area was dark. We had sort of imagined that power will be back in some time. However, we didn't have an estimation as to when and the updates should anything change. We didn't even bother to contact Oshawa Power or customer care as calling would end up choking the lines and it is usually many people call at the same time. If there is a way to inform customers about the outage and ETA on when the power will be back online, it will immensely help.*

I would like better options to explore my energy usage programmatically and pull it into systems like Home Assistant. An open API, for example.

Each month publish how electricity can be saved with cost savings $. . Ie. Recycle fridges in garages, turn off lights, turn off AC during day.

For business with multiple accounts, please assign an account manager for direct communication and assistance.

Pricing

At a time when our economy has been experiencing significant inflation, cost sensitivity is a consistent message.

Lower your delivery or at least a flat rate. I consider myself pretty frugal and endeavour to conserve energy and all I see is my bill go up drastically.

Allow credit card payments.

Better price and lowering the bill or assisting people financial hardship.

I am happy with the service, I struggle with the costs. It is great to modernize and invest in more efficient service but when it seems that I the consumer bear the brunt of those costs. Given the increased costs over the years has the service really gotten better?

I am very pleased with oshawa power . But ! I am also on a fixed income I do have concerns as to price increases, I follow all the energy saving tips & keep my usage down as a result of my income

I agree that we need to maintain these systems. However, money is tight for everyone. Our bills are all increasing. Keeping costs down is most important to my family.

Stop spending so much time and dollars on changing the format of the billing statement.

Customer Service

Oshawa Power is aware of the complaints about its customer service and it has been taking steps to remedy the situation. More is required.

Improve and hire more call center staff to assist with faster service response and availability to answer customer calls

Increase the investment in phone customer care. I used it recently when the online portal could not deal with my issue. I found it abysmal when compared to other agencies. The lack of service cost our company 3 days of lost production to get a mistake on OPUCs part resolved. That could have been eliminated if we were only able to get a hold of someone or have someone call us back. You have insufficient staff to meet needs and the people performing the task seem insufficiently trained.

Live customer service is always preferable to AI technology

Open the office back up, not all of us love the internet.

Your phone line so busy, you should make sure each and every costumer get answer in timely manner

MULTIPLE times I have e-mailed customer service, get an auto-reply that says someone will be in touch, and yet have NEVER then been contacted or followed up with for my questions. Do you have anyone at all working customer service? Checking e-mail? Tracking tickets that are unresolved?

4. Survey Contents and Responses

What kind of customer are you?

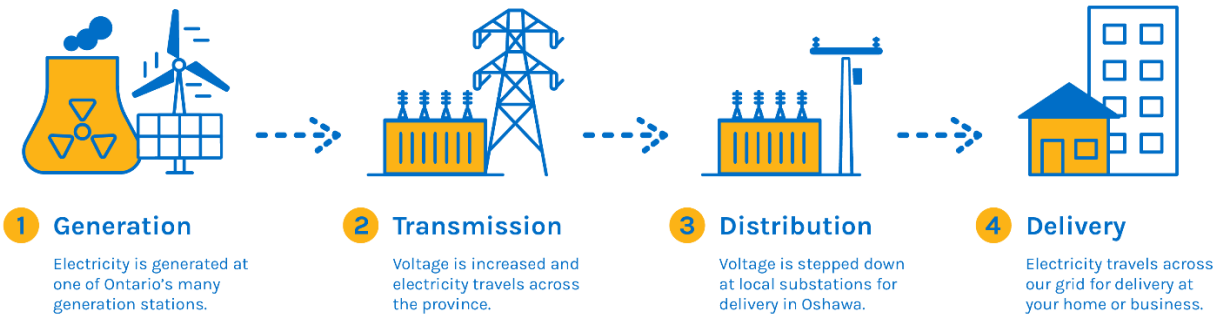
Questions	Yes	No
Are you an Oshawa Power customer?	2250	
Are you responsible for paying the bill from Oshawa Power?	2250	
Are you over 18 years of age?	2250	

Are you a residential customer or small business?	Residential	Small Business	Other
	2183	44	23

Part 1 The Electricity Industry

Electricity is generated from various energy sources (nuclear, hydroelectric, natural gas, solar and wind). It is transmitted via high voltage transmission lines across the province. Electricity is then converted to lower voltages for distribution and delivery to homes and businesses.

How Electricity is delivered to your home or business



Before this survey, did you understand how electricity was delivered to your home or place of business?

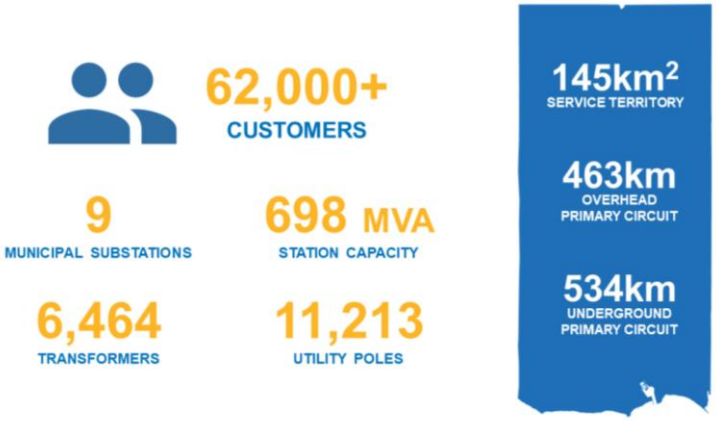
Answer Choices	Number of responses	Percentage
Did not understand	221	10%
Understood somewhat	1093	49%
Understood perfectly	900	41%
Total	2214	

This survey solely focuses on the distribution and delivery portion of your electricity bill.

Part 2 About Oshawa Power

Oshawa Power is a regulated local electricity distribution company licensed and regulated by the Ontario Energy Board (OEB) under the Ontario Energy Board Act, 1998. It is dedicated to delivering a safe and reliable supply of electricity to more than 63,000 homes and businesses across Oshawa. Oshawa Power is wholly owned by the great City of Oshawa.

Oshawa Power-At-A-Glance

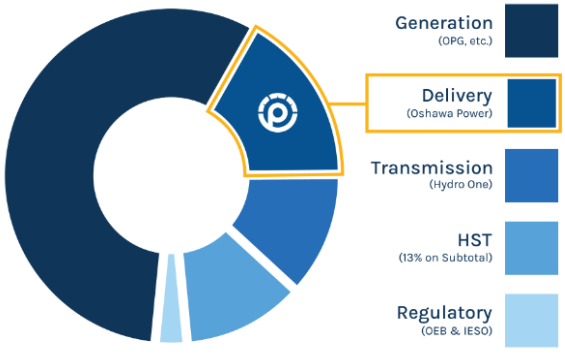


Part 3 Your Monthly Bill

Utility Bill Breakdown

There are many companies involved in the supply electricity. Oshawa Power is responsible for the last steps of the electricity system, distribution and delivery, **BUT**, we are the first line of connection with customers and responsible for billing for every step. The money collected from your bill is shared amongst several businesses including generators (e.g. Ontario Power Generation), and transmitters (e.g. Hydro One), as well as regulatory costs (e.g. for the OEB and the Independent Electricity System Operator). Oshawa Power receives 17% of the bill.

Example Data	% of Bill	Cost Distribution of Your Bill
Generation	54%	$66.13
Transmission	15%	$18.37
Distribution	17%	$20.82
HST	13%	$1.23
Regulatory	1%	$13.85
Total Bill	100%	$120.40



Before this survey, did you understand the breakdown of your electricity bill?

Answer Choices	Number of responses	Percentage
Did not understand	449	21%
Understood somewhat	1141	53%
Understood perfectly	554	26%
Total	2214	

Part 4 Customer Centric Priorities

Oshawa Power engages with its community through online engagement and community participation. We share what is happening at Oshawa Power; seek your input on where you think we could improve and feedback on how well we are doing. Sometimes, we are just out there having fun with you as part of the community.

We also provide electricity education to keep EVERYONE safe! We are proud of our 1.7M hours of no loss time injuries and community public safety education program.

In previous engagements, you told us that fair rates and accurate billing are important, along with protection of your data and information, and reliability for your homes and businesses. We get it. We want the same.

Oshawa Power's Engineering and Operations staff drafted a plan for the coming years applying customer priorities and aligning to our new strategy's business objectives for Oshawa Power:

1. Controlling Costs for Reasonable Rates
2. Planning & Modernization to Keep Pace with the Sector
3. Customer Focus: Communications and Investments to Meet Needs
4. Building a Strong Team Culture and Employee Experience
5. Keeping Up with Technology Transformation & Data
6. Strategically Managing System Assets
7. Enhancing Customer Engagement and Brand Consistency
8. Bringing Strategies to Life with Effective Implementation
9. Consolidating our Operations to Drive Efficiencies

Each project within the plan is carefully assessed for reliability, safety, environment, capacity and efficiency to ensure the financial investment and project outcomes align with your priorities, for today and the future.

Do our business objectives and approach align to your expectations as to what you think an electricity utility should focus on?

Answer Choices	Number of responses	Percentage
Definitely	423	31%
Mostly	829	61%
Not at all	105	8%
Total	1357	

Making It Easier to Communicate with Us

Our focus on customer care has evolved to create improvements to our digital and automated offerings, including artificial intelligence. In 2023, we launched a digital welcome package for all new customers and introduced Watt, our website ChatBot. Not sitting still, we are working towards a 2.0 version to include more functionality.

Oshawa Power also implemented a new portal for customers, so you can more easily manage your account, make changes and review current bills. And in late 2024/early 2025, a new phone system will be launched to improve your experience with our customer service agents.

These are just some of the many ways that Oshawa Power is investing in empowering our customers. Enhancing customer care remains a grounding pillar for projects and a core theme of our business and investment plan for 2026-2030.

Have you explored the online customer care options (e.g. portal, website, Watt)?

Answer Choices	Number of responses	Percentage
Yes	957	51%
No	930	49%
Total	1887	

If you could provide a suggestion for customer care efficiency - what would it be?

Comments Received	592

What You are Saying

On average in 2023, our customers experienced only one outage, earning us a reliability score of 99.99%. Additionally, our team has an average 12-minute response time, well above industry standards! We provide the City of Oshawa with a supply of electricity that residents and businesses can always rely on through:

- Efficient monitoring of our grid
- comprehensive asset management program
- dedicated field staff
- continuous planned maintenance
- developing one of our province's most advanced SmartGrids

Some customers have requested that Oshawa Power consider sending text messages to alert and inform about outages. This is part of our work plan and will be introduced in late 2024.

You let us know that reliability and keeping both outage frequency and duration low are ways we can continue improving our service. We have made safety & reliability a major theme of our investments plan for 2026-2030.

Do you agree that reliability and outages (prevention and management) are important areas of focus for us as your electricity provider?

Answer Choices	Number of responses	Percentage
Definitely	1241	66%
Mostly	456	24%
Somewhat	163	9%
Not at all	27	1%
Total	1887	

Part 5 Distribution System Plan Capital Investments

Oshawa Power has two major cost categories – **1)** capital investments in our distribution system and facilities, described in chapters 5 and 6 of this survey, and **2)** operations, maintenance & administration (OM&A), described later on in chapter 7.

In order to achieve your priorities, support our community and align to our business objectives, our engineering team drafted capital project plans in the following categories:

a. Maintaining Safety & Continued Reliability
b. Accommodating Growth
c. Improving Response Times
d. Organizational Essentials
e. Evolving Markets

In the face of the increasing cost of materials, Oshawa Power has pursued various options to manage its capital investments to help maintain lower rates for our customers. Some examples include strategic purchasing and pacing investments appropriately.

Because of the importance of long-term planning, we want to make sure we get it right, AND, we want you to be part of it.

Maintaining Safety & Continued Reliability

As part of Oshawa Power's distribution system investment plan, we aim to proactively address issues that could impact our customers' and public safety. Timely intervention in infrastructure renewal plays a significant role in maintaining safe operations. Our asset management program and individual activities help identify potential risks and prioritize projects, so that the grid remains safe and achieves, or exceeds, industry reliability standards.

Through regular inspection and maintenance activities, we have accurate and up-to-date information. This enables us to analyze, identify and address issues quickly. Our proposed distribution system plan (2026-2030) incorporates a balanced approach of revitalizing our major overhead, underground and substation assets.

Some examples of these major assets include:

- **Poles** – That support all our overhead distribution assets (transformers and wires) that help deliver power
- **Transformers** – That change the voltage from high to low, so it doesn't blow up your fridge
- **Switchgears** – That help resolve system interruptions through quick restoration and rerouting of power

- **Meters** – that measure your electricity consumption

Investment in the projects that fall into this investment category result in an increase of approximately $1.05 per month for a typical residential customer.

With some understanding of the importance of these assets and their criticality to the operations of the electricity grid, would you agree that investing in these assets is important for the safety and reliability of your electricity?

Answer Choices	Number of responses	Percentage
Yes	1426	94%
No	96	6%
Total	1522	
Comments Received	196	

With knowledge that Oshawa Power manages a thorough asset management program that includes inspection and maintenance, identifies potential risks and prioritize projects, do you feel confident that the investment in this category is properly allocated?

Answer Choices	Number of responses	Percentage
Yes	1284	84%
No	239	16%
Total	1523	
Comments Received	144	

Accommodating Growth

At Oshawa Power, we understand that the service we provide is the backbone of our community and supports our city's growth – we have one of the fastest growth rates in the country, particularly the north end of the city.

But more than growth, our community changes to better serve its residences and businesses – this includes road reconstruction and expansions, new or upgraded watermains, and more. For example, the City has plans for roadwork in the Northwood Business Park Area. Oshawa Power will need to work alongside the City and its construction team to ensure that relocations can be

completed in advance of construction (where possible), so that businesses can continue to operate during and post construction without interruption.

All of this work is mandatory, regulated work that Oshawa Power is required to carry out.

Investment in these projects results in an increase of approximately $1.05 per month for a typical residential customer.

Do you understand the importance of Oshawa Power's role in supporting growth and economic development in our City and Region? ***(This was the intended question, unfortunately due to an input error, it was not asked. The following question was asked instead.)***

Do you understand the need for Oshawa Power to invest in appropriate equipment and fleet vehicles for our operational needs?

Answer Choices	Number of responses	Percentage
Yes	1333	88%
No	189	12%
Total	1522	
Comments Received	210	

Organizational Essentials

Organizational essentials include projects that are vital for the smooth functioning of an electricity utility. This means having the right equipment, efficient workplaces, computers and software to ensure our staff are appropriately equipped and able to deliver day-to-day business and operational needs. Organizational essentials also includes cybersecurity tools to keep your data and information protected.

Tools, trucks, specialized vehicles and other equipment wear out over time, become outdated or become a safety hazard. These must also be replaced.

Investment in these essentials result in a bill increase of approximately $0.69 per month for a typical residential customer.

Do you understand the need for Oshawa Power to invest in appropriate equipment and fleet vehicles for our operational needs? ***(Unfortunately, due to the previous input error, this question was asked twice.)***

Answer Choices	Number of responses	Percentage
Yes	1333	88%
No	189	12%
Total	1522	
Comments Received	192	

Improving Response Times

System automation, real time monitoring and remote control related projects help us improve reliability and decrease response times when an outage occurs.

Investments in monitoring and automation technology allows for more efficient communication from the field to the control room operators, as well as, quicker identification of issues that cause power outages. At times, identifying the issue could take just as long as rectifying the issue. Strategic implementation of monitoring devices can help reduce these timelines.

With remote control capabilities, the travel time and cost associated with sending a truck and crew to the site of an incident can be eliminated. These investments are for field devices that can send signals to our control room, where an operator would assess the situation and return a signal to the device, directing it to switch and restore power. As technology advances, smart devices will become smarter, and one day the device will be able to make the decision to restore power on its own.

Investment in these projects results in an increase of approximately $0.06 per month for a typical residential customer.

Do you agree with Oshawa Power's plan to invest in automation and remote monitoring and control for our distribution system in order to improve reliability and decrease response time for outages?

Answer Choices	Number of responses	Percentage
Yes	1343	88%

No	179	12%
Total	1522	
Comments Received	155	

Evolving Markets

The Evolving Markets investment category includes projects that will modernize our system and electricity management to ensure we can effectively meet increasing electricity demand in a time when the grid is becoming:

- decarbonized (including more renewable energy and storage)
- digitalized (use of digital and internet-connected technology to monitor systems)
- decentralized (more localized solutions like distributed energy resources)
- democratized (more customer choice and distributed ownership of energy resources)

The Ontario Energy Board has implemented a requirement that electric utilities consider alternatives to traditional infrastructure (poles and wires) when planning their systems, including reducing electricity use to mitigate new infrastructure investments. These investments will ensure that customers benefit as the grid modernizes.

Additionally, Oshawa Power is actively pursuing grants from provincial and federal governments to support pilot testing of non-wire solutions, such as:

- the distribution system operator model, which would provide Oshawa Power more management capabilities over both the generation and distribution of electricity within its grid, and
- the use of digital electric vehicle charging apps to provide additional data and communication for better manage electricity demand on our system

Investment in these alternatives results in a bill increase of approximately $0.03 per month for a typical residential customer.

Do you understand why Oshawa Power must invest in meeting this requirement from the Ontario Energy Board?

Answer Choices	Number of responses	Percentage
Yes	1323	87%

No	199	13%
Total	1522	

Do you appreciate that Oshawa Power is seeking government grants to offset costs for this new and transformational requirement?

Answer Choices	Number of responses	Percentage
Yes	1422	93%
No	100	4%
Total	1522	

Part 6 Our Facilities

Oshawa Power has operated from 100 Simcoe Street South for nearly 100 years, leasing the property from the City of Oshawa. In 2023, the City notified Oshawa Power that the lease would not be renewed and we would have to vacate the premises by 2027. In a previous 2021 customer survey, we asked customers about leasing or buying a new building and we heard from our customers that you preferred a new building, owned and operated by Oshawa Power.

Oshawa Power has specific business needs. Beyond office facilities for our staff, we have a fleet of specialized vehicles and trucks, and inventory of unique equipment and materials such as transformers and poles.

As part of our planning, Oshawa Power spent several years exploring all available options. Oshawa Power has successfully identified a location in the north end of the city and will be relocating in 2027 where there is enough land to be able to support the size of this move that will house the organization for another 100 years.

Starting in 2027, costs associated with the new facility will be applied your monthly electricity bill, resulting in an increase of approximately $3.66 per month for a typical residential customer.

Do you understand the need for Oshawa Power to move to a new location?

Answer Choices	Number of responses	Percentage
Yes	1054	74%
No	375	26%
Total	1429	

Do you agree that Oshawa Power has unique needs for space to accommodate its operations (vehicles, equipment and materials)?

Answer Choices	Number of responses	Percentage
Yes	1141	80%
No	288	20%
Total	1429	

Do you agree that the new building should be energy efficient and environmentally friendly?

Answer Choices	Number of responses	Percentage
Yes	1260	88%
No	169	12%
Total	1429	

Do you have additional feedback regarding Oshawa Power's move to a new facility?

Comments Received	470

Part 7 Operations, Maintenance & Administration (OM&A)

Oshawa Power has two major cost categories – **1)** capital investments, such as those described in Chapter 5, (e.g., major field assets, fleet, equipment) and **2)** operations, maintenance & administration (OM&A). Operations and maintenance include inspection, operation, repairs and maintenance of the electrical grid, fleet and equipment. Administration includes wages for people that "keep the lights on", such as engineering, line crews, customer service, accounting and information technology (IT).

Using advanced technology inspection techniques with regular inspections, and a proactive asset management program, Oshawa Power is able to efficiently and effectively operate and maintain our electricity grid in a proactive manner. This supports lower operating costs.

In the face of economic uncertainty, inflation and a challenging labour market, Oshawa Power has pursued various options to help maintain its lower rates, including outsourcing, advanced planning and bulk purchases for per unit cost savings. However, just like you, we cannot escape

the increase in cost of fuel, insurance, and other hard costs have increased beyond Oshawa's control.

For example, since 2021:

- Insurance costs have increased by 64%
- Repairs & maintenance costs have increased by 59%
- Regulatory fees have increased by 52%
- Outstanding customer debt has increased by 40%

In addition, we are investing in our engineering and operations staff to meet growing demand and to continue to ensure reliability.

The result of these cost drivers is an anticipated bill increase of $3.40 per month for a typical residential customer starting in 2026.

Do you understand that even with all our efforts to keep costs low, there are costs outside of our control that have a financial impact on your electricity bill?

Answer Choices	Number of responses	Percentage
Yes	1028	75%
No	343	25%
Total	1371	

Do you understand how our investment in engineering, line crew, control room staff have a direct impact on our ability to meet your reliability expectations?

Answer Choices	Number of responses	Percentage
Yes	1148	84%
No	223	16%
Total	1371	

Part 8 Bottom Line Impact

From your perspective, the bottom line is . . . . 'How much do I have to pay? I have groceries to buy, gas to put in my car, rent/mortgage, and the list goes on.' Right?

If approved by the OEB, a typical residential bill from Oshawa Power will increase by approximately by $6.29 per month in 2026, and by approximately another $3.66 per month in 2027 for our new facility.

We do appreciate that to some, the increase is a nuisance, to others it is everything because they are already having to make difficult choices with their hard-earned money. We are empathetic; as a business and as individuals, we are facing the same life/business cost increases as you.

We understand, and we want to help.

The OEB has an Ontario Electricity Support Program (OESP) designed to help lower-income households. The OESP will reduce the cost of your household electricity by applying a monthly credit directly to your bill. The credit amount will depend on how many people live in your home and your combined household income.

The OEB also has a Low-income Energy Assistance Program (LEAP) where individuals might be eligible for emergency financial help if you are behind, or in arrears, on your electricity bill.

Were you aware that Oshawa Power lets you choose your pricing plan for your electricity? Under the Regulated Price Plan, you have a choice of Time-of-Use (TOU), Tiered, and Ultra-Low Overnight (ULO) pricing plans. There is even a calculator to help you determine which rate plan would best serve you.

If these are not an option for you, did you know that there are other ways you can lower your monthly electricity bill?

Have you swapped your incandescent or fluorescent lighting to LED? Sometimes a simple swap of an everyday product will help you reduce your electricity consumption without changing your habits.

Timers and motion sensors are helpful to turn lights on and off without thinking about it.

Smart gadgets, appliances and apps can help you manage your electricity consumption.

Speaking of apps, were you aware of Oshawa Power's Green Button Program? This program lets you download or connect utility-usage data (electricity, gas AND water). With convenient access to data in an easy-to-understand format, you can leverage new-found knowledge for better control and tracking of your utility expenses.

Or go old school and use a laundry line instead of the dryer.

Keeping curtains closed during the day helps keep rooms cooler by blocking the sun's heat in the summer.

Have you considered your washing machine using cold water? Save the hot water for showers!

Want to manage phantom power? Phantom or standby power can account for up to 10% of an average household's annual electricity use. Unplug appliances when they are not in use, or consider using smart bars.

Part 9 Future Plans

It is impossible not to see changes happening in the electricity sector, from the large wind farms to your neighbour's electric vehicle (EV). Everyone is somewhere on the spectrum of reducing their environmental footprint and taking advantage of new technology.

In planning for future of a low carbon economy, it would help us if we knew your plans.

Questions	Yes	No
Do you own an EV?	79	1262
Are you considering an EV in the next 5 years?	336	1005
Does your home have a heat pump?	150	1191
Are you considering installing a heat pump in the next 5 years?	254	1087
Does your home have and use solar power?	36	1305
Are you considering have solar panels installed?	243	1098
Does your home have battery storage?	27	1314
Are you considering installing battery storage?	182	1159

Part 10 Reputation

Oshawa Power is part of the fabric of the Oshawa Community and we care deeply about all of our relationships with customers, employees and partners. What you think and feel about us is important at every interaction. So that we can foster the most positive experience, please share with us:

Questions	Yes	No

Do you think Oshawa Power is a financially responsible business?	1042	286
Do you think Oshawa Power is fostering a positive culture in its interactions with its customers?	1072	256
Do you think Oshawa Power is considering safety as paramount in its operations and in regards to the public?	1234	94
Do you see Oshawa Power as an environmentally responsible business?	1142	186

How well do you think Oshawa Power is planning for the future?

Answer Choices	Number of responses	Percentage
Very Well	253	19%
Well	392	30%
Appropriate	520	39%
Poor	109	8%
Very Poor	54	4%
Total	1328	

Would you like to engage more with Oshawa Power?

Answer Choices	Number of responses	Percentage
Yes	325	24%
No	1003	76%
Total	1328	

If you are interested in learning more about the Cost of Service process and Oshawa Power's application, the OEB manages an open and transparent process (oeb.ca/participate). Oshawa Power will be submitting its application April 2025.

Attachment 1 – 11

Large Customer Engagement for the 2026-2030 DSP

Business / Large Customer Engagement for the 2026-2030 Distribution System Plan

March 13, 2025

Prepared By:

Janet Taylor

Janet Taylor

Manager, Sustainability and Strategic Partnerships

Executive Summary

During the fall of 2024, Oshawa Power initiated outreach regarding the Distribution System Plan (DSP) and proposed rate increase for 2026-2030 with its Business and Key Account groups. Among business customers over 50 responses to a survey were garnered and among Key Accounts a 50% response rate was achieved; revealing important insights regarding load growth, Oshawa Power's service levels, plans for a new energy efficient facility and customer interest in the new Non-Wires Solutions Guidelines. The information provided supports the inclusion of a DSP budget for Non-Wires Solutions from the perspective of upcoming Business needs, as well as interest in collaboration. The information also supports Oshawa Power's planned construction of a new, energy efficient facility, to be commissioned late in 2027. Detailed, anonymized customer responses have been provided to support these conclusions.

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1. Introduction

Oshawa Power keeps open lines of communication with the business community throughout the year by maintaining a membership with the Oshawa Chamber of Commerce and participating in the City of Oshawa's Business Retention and Expansion strategy. Additionally, Oshawa Power manages a Key Account outreach program through its office of Regulatory and Commercial Affairs. The Key Account program provides value-added information to customers through quarterly and ad-hoc updates on items such as policy updates, industry trends, grant and funding opportunities, and strategic discussions. The Key Account strategy also ensures that Oshawa Power has strong relationships and knowledge of the electricity needs of its largest customers, who have the most significant influence over load and grid evolution.

In 2024, Oshawa Power engaged in two outreach activities to specifically engage the business community regarding the DSP. First, the organization engaged the general business community via two touchpoints with the Oshawa Chamber of Commerce.

Next, the organization focused portions of its 2024 Key Account program, which focuses on Industrial Conservation Initiative (ICI) eligible customers, on DSP outreach. In both instances, Oshawa Power connected with these business segments regarding the rate impacts associated with the upcoming 2026 Cost of Service filing.

The engagement process, results and feedback are captured in the following report.

2. Engagement Process

Business Customers

Oshawa Power initiated a digital communication campaign featuring a link to the *Help Shape Oshawa's Electricity Plan* on-line survey, which is described in the Residential Customer Report. This campaign ran over a 4-week period via the Oshawa Chamber of Commerce's newsletter, to which there are over 3,200 subscribers. During the digital outreach campaign, Oshawa Power executed the second portion of the outreach, which consisted of an in-person networking at a chamber event. In keeping with the atmosphere, Oshawa Power staff networked with attendees

sharing three key messages: 1) please complete the on-line survey, 2) your feedback is vital as to how we support you, and 3) we are best able to drive change when we hear from customers.

Key Accounts

Oshawa Power took a direct, one-on-one approach to engaging Key Accounts for feedback given the established relationships with this customer group. One-on-one conversations supported confidentiality and maximized flexibility with their busy schedules.

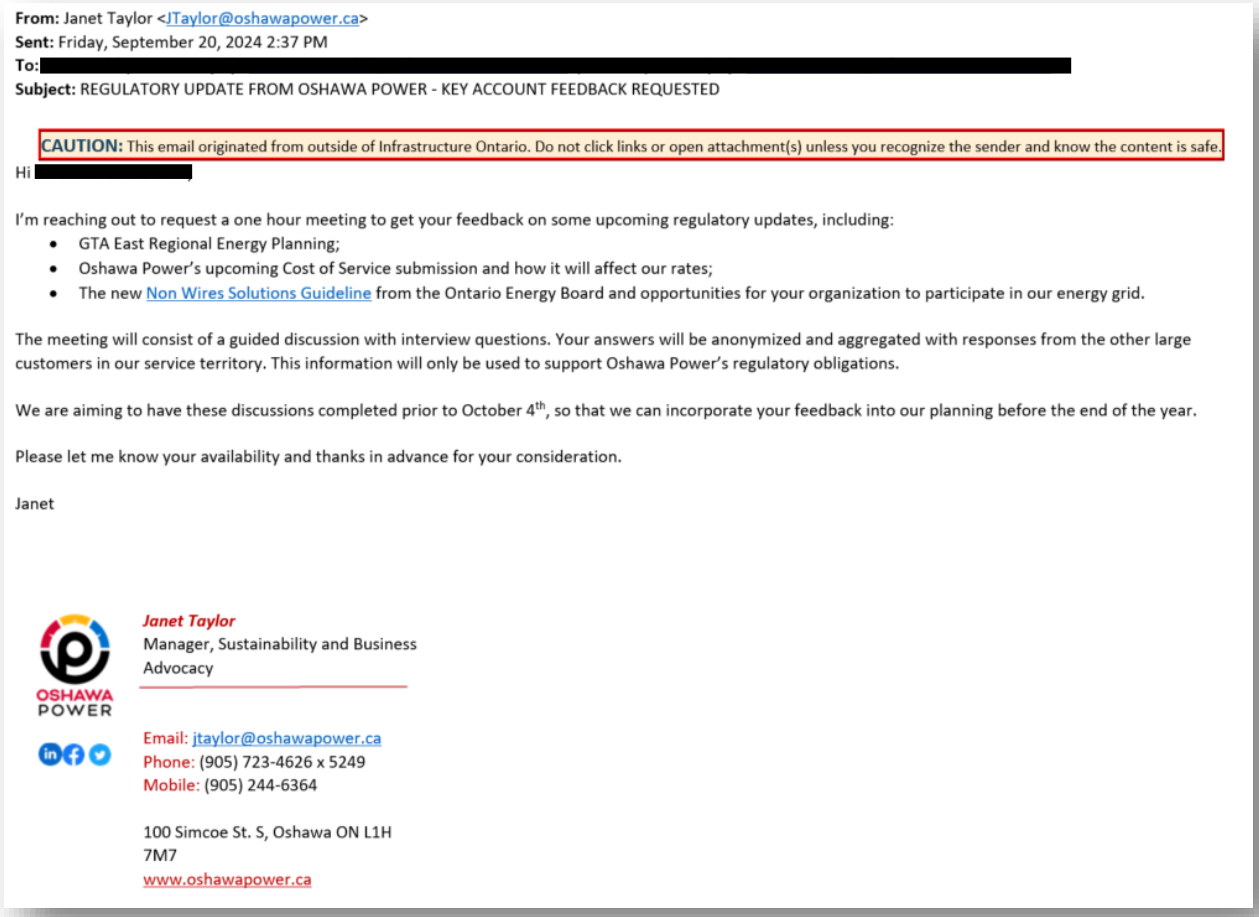
The process included the preparation of a Discussion Guide that covered three interrelated topics including:

1. General energy usage trends to support conversations about load forecasting for the DSP and Regional Planning exercises;
2. Cost-of-Service information to seek feedback on Oshawa Power's proposed capital plan and rate impacts; and,
3. An overview of the new Non-Wires Solutions Guidelines and opportunities the new framework presents for customers.

The discussion guide included 18 questions to secure valuable feedback from Oshawa Power's largest customers. The discussion guide contents and anonymized responses are captured in Section 4 of this report.

In terms of outreach, emails containing a request to meet and a detailed agenda were sent directly to Key Account contacts by the manager responsible for those relationships. See figure 1 for a redacted sample of the outreach email.

Figure 1 – Key Account Outreach Email – Detailed Agenda and Meeting Request



From: Janet Taylor <JTaylor@oshawapower.ca>
Sent: Friday, September 20, 2024 2:37 PM
To: [redacted]
Subject: REGULATORY UPDATE FROM OSHAWA POWER - KEY ACCOUNT FEEDBACK REQUESTED

CAUTION: This email originated from outside of Infrastructure Ontario. Do not click links or open attachment(s) unless you recognize the sender and know the content is safe.

Hi [redacted],

I'm reaching out to request a one hour meeting to get your feedback on some upcoming regulatory updates, including:

- GTA East Regional Energy Planning;
- Oshawa Power's upcoming Cost of Service submission and how it will affect our rates;
- The new Non Wires Solutions Guideline from the Ontario Energy Board and opportunities for your organization to participate in our energy grid.

The meeting will consist of a guided discussion with interview questions. Your answers will be anonymized and aggregated with responses from the other large customers in our service territory. This information will only be used to support Oshawa Power's regulatory obligations.

We are aiming to have these discussions completed prior to October 4th, so that we can incorporate your feedback into our planning before the end of the year.

Please let me know your availability and thanks in advance for your consideration.

Janet

OSHAWA POWER

Janet Taylor
Manager, Sustainability and Business Advocacy

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In total,10 Key Accounts were sent a series of engagement emails between September and December 2024, including follow-up emails. Virtual meetings were held with responsive Key Accounts, during which detailed notes were taken.

At the end of each meeting, Key Accounts were directed to the customer engagement survey that was re-initialized for the IC&I customer segment, as another avenue for them to provide additional feedback. Figure 2 provides a screenshot that contacts would have seen when accessing the survey.

Figure 2 – Promotional Image Encouraging Business Participation in the Have Your Say Survey

3. Results

Business Customers

Over 50 responses to the Help Shape Oshawa's Electricity Future survey were completed during October, 2024, after the survey was closed to the general public.

Key Accounts

At the time of the outreach, Oshawa Power had 10 Industrial Conservation Initiative (ICI) eligible Key Account holders, responsible for 14 facilities across the service territory. Several attempts were made to schedule discussions with Key Accounts. A 50% response rate was achieved.

Reoccurring Messages/Trends

A summary of recurring messages and trends has been presented, with more detailed information regarding customer responses compiled in Section 4.

Business Customers

Business customer survey responses were favourable toward Oshawa Power's DSP approach for 2026-2030. An important trend identified among the survey responses was a high degree of interest in energy transition technologies that could translate into load impacts, including:

- 28% considering adopting an EV;
- 9% considering adopting a heat pump;
- 18% considering adopting solar panels; and,
- 21% considering adopting battery energy storage.

Key Accounts

1. All Key Accounts indicated that they would be using the same amount, or more electricity going forward. This was despite all of them engaging in either sustainability programming or energy efficiency activities.
    a. In terms of points of elaboration as to why, some indicated that they would be using substantially more electricity as a result of net zero building retrofits and new builds. With this, Key Accounts expressed uncertainty about new usage patterns and peak loads.
2. All agreed that Oshawa Power's new building should be built to energy efficient, sustainable standards. Some noted that the building could be used as an educational tool for the community, and many commented that Oshawa Power should consider pursuing net zero certification as it aligns with their sustainability policies, as well as federal and local policies regarding building efficiency standards.
3. All Key Accounts would consider co-designing an energy asset that could deliver a distribution or transmission system benefit (NWS) and everyone was interested in pursuing next steps with regard to the NWS policy.
4. Nearly all of Key Accounts felt that cost increases were important to control. Within this response, a sub-theme of budgeting was identified as a challenge for Key Accounts. Electricity costs are harder to forecast and vary more significantly than other energy costs. Such feedback relates more directly to the variable portions of the bill, rather than Oshawa Power's components; however, provides valuable insights into how the industry could create tools to help large customers with financial planning.
5. All Key Accounts stated that receiving low-carbon electricity was important or very important to their business plans. This data point can feed into future NWS and ESG exploration with customers.
6. All customers were satisfied with Oshawa Power's services, and they all acknowledged that it's important to invest in the electricity system's ongoing reliability and safety.

Impact on Distribution System Plan

The survey responses garnered from the Business category provide indications of customer interest in technologies that may be leveraged as a part of Non-wires Solutions, eDSM or CDM programming and point to the need for further engaging businesses with respect to future energy resource opportunities.

Among Key Accounts, the positive response to the new Non-wires Solutions policy was an important data point that Oshawa Power took into consideration in preparing the DSP. As noted in the NWS Business Case, appended to the DSP, portions of the budget are allocated to support investment in distributed energy resources that Key Accounts are anticipating implementing during 2026-2030 in response to anticipated load growth. With much of the load growth attributed to the energy transition, demand response projects will be beneficial, and may be the best course of action when implementing NWSs.

In terms of influencing operations going forward, Oshawa Power will focus on follow-up communications regarding the NWS Guidelines. We will also explore ways of helping customers to forecast their own electricity costs, as this has been understood as a challenge.

External to the DSP, but worth mentioning is the positive reception for Oshawa Power's proposed new energy efficient building. Most businesses approved of a high-efficiency approach Key Accounts recommended pursuing net zero certification as it aligns with their policies as well as federal and local building regulations.

Based upon the feedback, Oshawa Power believes that it is in the customer's best interests to continue with the capital works program that is outlined in the Distribution System Plan.

4. Discussion Guide Contents and Responses

The following section provides the full discussion guide delivered to engaged key accounts, as well as the answers provided with respect to each question / point of discussion.

General Key Account Script and Questions

Oshawa Power is undertaking two planning exercises that will shape electricity infrastructure in the near and medium term, and we want feedback from our key accounts to help us meet our community's needs.

The first planning exercise is our rate application, which is looking at the infrastructure we need to implement to continue to supply safe and reliable electricity in the next five years – I'll speak more about this in the next agenda item.

The second planning exercise is the regional energy planning process, which happens every five years, and creates an updated energy requirement forecast for the next ten years. We do this with other local utilities in the GTA east as well as Hydro One Transmission and the IESO.

The next questions will help us make a more accurate and informed forecast to meet our community's needs.

1. Key Account Business Name (open box)

Compiled Responses
N/A to preserve anonymity.

2. Facility Address (open box)

Compiled Responses
N/A for internal use only.

3. In the next five years, do you anticipate using more, less or about the same amount of electricity?
    - More
    - Less
    - About the same
    - Don't know
    - Order of magnitude (open box)

- Reason (open box)

Compiled Responses
- Energy usage is expected to stay the same as conservation targets offset greater use. We are looking into heat pumps that would increase electricity use. - More as a result of capital planning that focuses on beneficial electrification. - Approximately 10-15MW more in the short-term, but with more generation and battery energy storage as well. Between 25 and 40 MW more in long-term, to support Hydrogen electricity production. - More – the facility has just undergone an electrification and decarbonization transformation that took our usage from ~1MW to 4.3 MW annually. - More – based on a combination of growth and net zero goals. - More based on our organization's growth.

4. Do you anticipate that your usage patterns will stay the same, change, or be unpredictable?
    - Stay the same
    - Change
    - Be unpredictable
    - Don't know
    - Please elaborate (open box)

Compiled Responses
- Don't know - it would depend on if certain technologies like heat pumps are approved. - Change due to implementation of net zero technologies and energy conservation retrofit strategy. Demand response programs may help create savings. - Change with implementation of CHP, solar and battery energy storage, as well as new e-bus charging infrastructure. - Change – we will be using significantly more, but also implementing demand response.

- Change – We are looking at implementing 10 MW of solar and 4 MW battery energy storage as well, which will offset some of the new load. New load attributed to e-bus charging and net zero facility growth. - Potentially change – a battery energy storage project is being contemplated to reduce our demand, on top of the CHP currently doing so.

5. Do you have sustainability goals? Y/N – if yes please specify:
    - Net Zero
    - ESG targets
    - Other (prompts - continuous improvement, certifications) (open field)

Compiled Responses
- No – no stated net zero plan at this time - Yes – net zero by 2050 for corporate scope 1+2 emissions and 80% of 2007 values by 2045. ESG is tied back to corporate carbon accounting via the corporate energy management plan. We are looking at implementing a carbon accounting standard by 2028 – there may be an opportunity to harmonize with the utility on this. - Yes – striving for net zero carbon footprint. - Yes – decarbonization - Yes – as stated in the Durham Community Energy Plan. Net zero by 2050. - Yes – achieve zero greenhouse gas emissions through a network of vehicles, infrastructure and facilities by 2037. - Maintain STARs rating – continuous improvement toward carbon reduction and green initiatives.

6. As a supplier to your organization, how important is it to you that Oshawa Power pursues sustainability and offers low carbon electricity? Scale 1-5 (five being the highest).

Compiled Responses
- 4/5 - 5/5 - 5/5 - 5/5 - 5/5 – recognizing that upstream generation is largely the cause of GHGs in electricity.

- Important

7. Are you currently participating in any energy efficiency programs? Y/N – if yes please specify (check boxes with open field at end):

    - Save On Energy
    - Enbridge Programs
    - Federal Government Programs
    - Other (open box)
    - Tell me about your approach (prompts for Janet: energy plan, asset management approach, third party advisors, equipment being targeted) (open box)

Compiled Responses

- No – incentives were not going back to reinvestment in the facility, making it challenging to keep momentum.
- Yes – we have sought incentives for the following projects/technologies:
  o Electric vehicle charging installation,
  o Variable frequency drives installation
  o Existing building commissioning
  o Lighting retrofits and lighting controls
  o Heat pump installations
  o Feasibility studies
  o Green Municipality Fund
  o Building Automation System upgrade/install
- Participated in Save On Energy in the past. Reviewing options for selling into electricity grid and securing grants for energy infrastructure.
- Yes - $1.6M in incentives for our electrification and decarbonization project. Enbridge has very good incentives. Federal government incentives too.
- Some Enbridge programs, Federation of Canadian Municipalities, federal programs such as ZEVIP. Enbridge's programs are much better than Save On Energy. Save On Energy isn't as important anymore – the incentive amounts are low and generally not part of business cases for improvements. The Save On Energy team has been helpful but the programs got harder to participate in after the utilities were no longer our contact points.

8. Are you planning any vehicle electrification initiatives? Y/N – if yes please specify:

- Please specify (open box) – charging (number, speed, public/private)
- Please specify (open box) – fleet electrification (numbers and types of vehicles)

Compiled Responses
- No vehicle electrification initiatives at this time. Municipalities are encouraging our organization to build more EV parking spaces. - Yes – fleet electrification strategy – eventually all new fleet vehicles will be electric. Installs of 20 EV chargers for fleet nearly complete. Installations for 20 public chargers also. Will start tracking the usage/consumption at these chargers. - Yes – bus fleet first. Scaling-up to zero emission buses by 2050. Electrification of heavy rail to follow. - EV charging at parkades. - Yes – fleet electrification. - Yes – fleet electrification – transit buses and lighter duty vehicles.

9. Are you currently planning any other energy initiatives?
   Y/N

   If yes please specify (check boxes with open field at end)

   - Solar (open for scale)
   - Wind (open for scale)
   - Geothermal
   - Air Source Heat Pumps
   - Battery energy storage (open for scale)
   - Other (open box)

Compiled Responses
- Yes – air source heat pumps. Would depend on the costing at the time of equipment renewal. - Yes – Air source heat pumps at new rental units. New construction will be zero carbon design + zero carbon performance. Solar PV, ground source heat pumps, at new park development. Air source heat pumps and BAS automation with solar hot water heating. Net zero feasibility studies taking place at largest facilities. - Yes – CHP, solar, battery energy storage, hydrogen electricity production (longer-term). - Yes - solar - Yes – solar, geothermal, air source heat pumps, battery energy storage.

- Studying new opportunities now. Battery energy storage potentially.

Cost of Service Script and Questions

Oshawa Power is currently writing our Cost of Service, which is a proposal to the Ontario Energy Board for new rates. The new rates include all of the capital assets required to grow and maintain our safe and reliable electricity grid, as well as our OM&A needs. The proposal will be submitted in April 2025 for rates to 2031.

There are nine areas of programming within the Cost of Service, including:

- Controlling Costs for Reasonable Rates
- Planning & Modernization to Keep Pace with the Sector
- Customer Focus: Communications and Investments to Meet Needs
- Evaluating Legacy Assets for Value
- Optimizing Financial Capacity for Performance and Growth
- Building a Strong Team Culture and Employee Experience
- Keeping Up with Technology Transformation & Data
- Enhancing Customer Engagement and Brand Consistency
- Bringing Strategies to Life with Effective Implementation.

Beyond elements in our plan that are aimed at keeping costs low, our team will be consolidating operations to drive efficiencies. Part of this will be to move to a new building in 2027, which will consolidate three of our sites and place our teams closer to planned work.

Our required asset build-outs and our OM&A needs are currently modelled to yield an approximate 6% increase for commercial customers in 2026 with approximately another 3% in 2027 to account for our new facility.

As a key account, we feel it's important to ensure our program will meet your needs.

10. Are you getting the services you need and want from Oshawa Power?
- Y/N/Some
- Please comment (open box)

Compiled Responses
- Yes – we've never heard anything negative. We don't hear about any power outages.

- Mostly yes. We would like support with power quality monitoring and accessing our data. All customers will need access to this. We are happy with our interactions and collaborations with your team. - Yes – the team has always been very supportive of our initiatives. - Yes. We will say that we're concerned in general about connection capacity. In other locations, we've had stranded clean generation assets because there was capacity to connect during our planning, but it was gone by the time we were commissioning the project. This is a major concern for us going forward with all utilities.

11. Do you have any pain points with your electricity supply?

- Y/N/Some
- Please comment (open box)

Compiled Responses
- Yes – costs. Communicate percent increases annually to support with budgeting. - Yes – costs. We have been considering electricity hedging power purchase agreements, but they haven't been worth it yet. None otherwise. - No. - Yes – costs. Additional costs need to be passed along via taxes and we need to do everything possible to keep costs down.

12. Do you have any feedback about our rate increase that you would like us to consider? (open box)

Compiled Responses
- Be clearer on what the benefits of the grid improvements will be for the customers, so that customers can better understand what they're getting. - Help with forecasting costs, especially over a longer term. - We're concerned about affordability because it's hard to justify energy transition initiatives without a stable and predictable price on electricity. Gas forecasting is predictable. Electricity price forecasting is not sufficient. - Not related to rates but, we are looking at contracts to supply electricity from our CHP. Can Oshawa Power help us with this? - The cost increase is not insignificant. It would be very useful to have better forecasting for budgeting. It's currently very hard to accurately budget for electricity.

13. Are you in agreement that our new building should be built to energy efficient, sustainable standards?
    Y/N
    Please comment (open box)

Compiled Responses
- Make the new building net zero and use it as an educational tool. Make the energy initiatives visible and branded so that they are educational. - Yes – net zero if you can, because new buildings last for a long time. - Yes – net zero because you are the electric company. Show leadership. - Yes – net zero so that you don't have to more expensive retrofits in a few years. - Yes.

Non Wires Solutions Policy Update

Earlier this year, the Ontario Energy Board released a new mandatory requirement for electric utilities called the Non Wires Solutions Guideline. The link to the guideline was provided in my outreach email.

Ontario utilities need to start working toward meeting this guideline now, but it comes into full effect in 2026.

The guideline aims to increase opportunities for customer participation in the electricity system, while also maximizing the benefits of distributed energy resources within the grid.

The guideline states that any time an electric utility plans to build infrastructure that costs more than $2M, we need to consider if equipment other than traditional "poles and wires" can address the specific system need. This will be done through a binary yes/no screening. If another option exists, we need to run a benefit cost analysis to determine if the quantitative and qualitative benefits of the alternative exceed those of the traditional infrastructure approach.

Examples of NWSs that electric utilities may consider for the purpose of addressing system needs include: • Energy efficiency programs • Demand response programs • Programs that improve the efficiency of the distribution system and reduce distribution losses • Energy storage

(in front of or behind the meter) • Generation (in front of or behind the meter) • Managed charging of electric vehicles; etc. This list is not exhaustive.

Here is why this is important to you, as a key account: depending on the benefits an energy project can deliver to both the local electricity grid and the regional transmission grid, a utility could justify paying for a portion of an energy asset that is owned by a third party. The portion would need to be directly related to the outcomes for the local utility and hydro one's transmission infrastructure.

Some examples of benefits include deferring infrastructure build-outs and therefore reducing costs, addressing peak demand to optimize our grid, or creating additional capacity.

Going forward, Oshawa Power will implement practices to include key account feedback in our planning process so that we can collaborate on system needs and/or secure third party funds such as rates and grants to help pay for energy projects.

NWS Questions

14. Would you consider co-designing an energy asset so that it could deliver a distribution or transmission system benefit, with financial incentives from Oshawa Power?

    Y/N/Maybe and an open box for discussion

Compiled Responses
- Yes - Yes - Yes - Yes – we would like to explore grants to do this with your organization as well. - Yes – can we have a follow-up conversation about this?

15. Do you have any existing assets that may be able to deliver benefits to Oshawa's grid?

    Y/N/Maybe and an open box for discussion

Compiled Responses
- Yes

- Yes – CHP, solar PV - Yes – CHP, upcoming solar PV and battery energy storage - Not sure - Maybe – not sure - Potentially a new battery energy storage project

16. How would collaboration need to work for your team? (Prompt: knowledge sharing about emerging energy needs and emerging system needs, followed by preliminary BCA by OPUC if system need is triggered by the new project or identified by us, followed by detailed co-design?)
(open box)

Compiled Responses
- Depends on if there is an energy performance and/or building management contract in place. Depends on who the energy asset owner is. Much less complicated with a third party energy asset owner (i.e. the utility). - Joint governance meetings with project management approach. Initial proposals need to be detailed and clear on scope, even if the asset is to be owned by the utility. - Significant business planning and approvals intervals. Procurement would be streamlined given that you are the local utility. - Collaboration is significantly easier from a procurement, contracting and approvals process if we are not the asset owner. Additionally, having the utility lead energy projects means that we don't have to gain competence in terms of new technologies and high voltage equipment. For example – we don't have significant comfort with battery energy storage technology. We would need to develop that confidence before procuring. - Need to collaborate with our on-campus partners in developing a business case that works for all stakeholders.

17. What are your approvals processes?
(Open box)

Compiled Responses
- Depends on ownership structure of the energy initiative. Budgetary approvals processes.

- Council approvals would be required. Committee approvals prior to that. Business case with staff experts. Approaches that mitigate the need for up-front capital are preferable. - Internal approvals are a significant hurdle and may take several weeks. - Internal studies and reviews. Business case development. Committee approvals. Council approvals. Budget requests and approvals. - Joint executive approvals of business case through finance and facilities.

18. Can you provide a typical timeline for your energy project planning? (Open box)

Compiled Responses
- Depends on scale. 2 years. - We don't have enough experience in this to comment. - N/A - Don't know. - Depends on size of energy project. Could be months to years. - Depends on the project.

Attachment 1 – 12

Audited Financial Statements

Financial statements of

OSHAWA PUC NETWORKS INC.

And Independent Auditor's Report thereon

Year ended December 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Oshawa PUC Networks Inc.

Opinion

We have audited the financial statements of Oshawa PUC Networks Inc. (the Entity), which comprise:

- the balance sheet as at December 31, 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in shareholder's 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 as issued by the International Accounting Standards Board.

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.

Emphasis of Matter – Comparative Information

We draw attention to Note 19 to the financial statements ("Note 19"), which explains that certain comparative information presented:

- for the year ended December 31, 2023 has been restated.

Note 19 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2024, we also audited the adjustments that were applied to restate certain comparative information presented:

- for the year ended December 31**,** 2023

In our opinion, such adjustments are appropriate and have been properly applied.

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 as issued by the International Accounting Standards Board, 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

Vaughan, Canada

April 29, 2025

OSHAWA PUC NETWORKS INC.

Balance Sheet
(In thousands of dollars)

December 31, 2024, with comparative information for 2023

	2024	2023
Assets and Regulatory Balances		
Current assets:		
Cash (including customer deposits of $2,094; (2023 - $2,262)	$ 3,947	$ 6,746
Accounts receivable (notes 11 and 14)	15,005	14,249
Unbilled revenue	16,751	14,431
Inventory	116	203
Payments in lieu of corporate income taxes (note 6)	271	297
Prepaid expenses and other	774	707
Total current assets	36,864	36,633
Non-current assets:		
Property, plant and equipment, net (note 2)	220,755	200,274
Intangible assets, net (note 3)	4,383	4,539
Right-of-use assets (note 12)	1,673	1,163
Unrealized gain on interest rate swaps (note 14)	1,253	3,691
Other assets	422	321
Total non-current assets	228,486	209,988
Total assets	265,350	246,621
Regulatory balances (note 4)	8,819	11,127
Total assets and regulatory balances	$ 274,169	$ 257,748
Liabilities, Regulatory Balances and Shareholder's Equity		
Current liabilities:		
Accounts payable for power - IESO (note 13)	$ 10,429	$ 10,500
Accounts payable and accrued liabilities	8,986	11,739
Due to affiliates (note 11)	4,195	4,898
Current portion of customer advance deposits	1,077	1,085
Current portion of deferred contributions (note 5)	678	721
Customer advance payments	502	512
Current portion of lease liability (note 12)	320	327
Total current liabilities5	26,187	29,782
Non-current liabilities:		
Long Term debt (note 9)	106,700	90,000
Deferred contributions (note 5)	47,524	44,850
Post-employment non-pension retirement benefits (note 7)	8,459	11,192
Deferred income tax liabilities (note 6)	7,064	6,397
Asset retirement obligation	963	917
Customer advance deposits	1,592	1,750
Lease liability (note 12)	1,084	627
Total non-current liabilities	173,386	155,733
Total liabilities	199,573	185,515

Regulatory balances (note 4)	5,576	3,969
Shareholder's equity:		
Capital stock (note 10)	23,064	23,064
Retained earnings	45,035	42,487
Accumulated other comprehensive gain (loss)	921	2,713
Total shareholder's equity	69,020	68,264
Commitment and contingencies (note 13)		
Total liabilities and shareholder's equity	$ 274,169	$ 257,748

See accompanying notes to financial statements. On behalf of the Board:

_____ Director _____ Director

OSHAWA PUC NETWORKS INC.

Statement of Comprehensive Income
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023 *Restated
Revenue:		
Sale of electrical energy (note 17)	$ 151,220	$ 134,200
Distribution revenue (note 17)	30,828	29,026
Regulated service revenue	1,359	1,260
Amortization of developer contributions (note 5)	1,399	1,287
Service revenue	233	370
Other	24	212
	185,063	166,355
Expenses:		
Cost of electrical energy	150,328	135,397
Operations, maintenance and administrative (note 18)	19,065	15,652
Depreciation - property, plant and equipment, intangible assets and right-of-use assets	8,504	8,294
	177,897	159,343
Income from operations	7,166	7,012
Gain (Loss) on disposal of property, plant and equipment	(221)	60
Interest income	264	602
Interest expense	(2,667)	(2,663)
Income before payments in lieu of corporate income taxes	4,542	5,011
Payments (recovery of) in lieu of corporate income taxes (note 6)	5	(165)
Net income	4,537	5,176
Net movements in regulatory balances, net of tax (note 4)	(789)	1,082
Net income after net movement in regulatory balances	3,748	6,258
Other comprehensive income:		
Unrealized (loss) gain in fair value of derivatives designated as cash flows, net of income taxes	(2,438)	3,691
Gain (loss) in fair value of derivatives designated as cash flow hedges, transferred to net income, net of income taxes	646	(978)
Remeasurement of post-employment benefits, net of income taxes	2,711	(2,721)
Net movements in regulatory balances related to other comprehensive income, net of income taxes	(2,711)	2,721
	(1,792)	2,713
Total comprehensive income	$ 1,956	$ 8,971

**The comparative is restated due to correction of errors. Refer to Note 19.*

See accompanying notes to financial statements.

OSHAWA PUC NETWORKS INC.

Statement of Changes in Shareholder's Equity
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	Capital stock	Retained earnings	Accumulated other comprehensive income	Total
Balance, January 1, 2023	$ 23,064	$ 37,329	$ –	$ 60,393
Net income after net movements in regulatory balances	–	6,258	–	6,258
Other comprehensive Income	–	–	2,713	2,713
Dividends paid	–	(1,100)	–	(1,100)
Balance, December 31, 2023	23,064	42,487	2,713	68,264
Net income after net movements in regulatory balances	–	3,748	–	3,748
Other comprehensive loss	–	–	(1,792)	(1,792)
Dividends paid	–	(1,200)	–	(1,200)
Balance, December 31, 2024	$ 23,064	$ 45,035	$ 921	$ 69,020

See accompanying notes to financial statements.

OSHAWA PUC NETWORKS INC.

Statement of Cash Flows
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023 (note 19)
Cash flows provided by (used in):		
Operating activities:		
Net income after net movements in regulatory balances	$ 3,748	$ 6,258
Adjustments:		
Net movements in regulatory balances	789	(1,082)
Depreciation - property, plant and equipment, intangible assets and right-of-use leases	8,504	8,294
Amortization of developer contributions	(1,399)	(1,287)
Post-employment non-pension retirement benefits expense	577	479
Payments (provisions for) in lieu of corporate income taxes	5	(165)
Interest income	(264)	(602)
Interest expense	2,667	2,663
Loss (Gain) on disposal of property, plant and equipment	221	(60)
Contribution received from developers	4,030	3,643
Post-employment non-pension retirement benefit payments	(599)	(588)
Payment against lease liability	(369)	(389)
Changes in working capital balances related to operations:		
Increase in accounts receivable	(756)	(4,591)
Decrease (increase) in unbilled revenue	(2,320)	56
(Increase) decrease in other assets	(80)	6
(Decrease) increase in inventory	87	(25)
Decrease (increase) in prepaid expenses	(67)	54
(Decrease) increase in accounts payable and accrued liabilities and accounts payable for power - IESO	(2,824)	2,022
Increase in lease liability	809	1,175
Increase in asset retirement obligation	46	33
(Decrease) increase in customer advance deposits	(166)	164
Decrease in customer advance payments	(10)	(80)
Decrease in due to affiliates	(703)	(131)
Change related to regulatory disposition balances	1,728	(1,521)
Cash provided by operating activities	13,654	14,326
Financing activities:		
Dividends paid (note 10)	(1,200)	(1,100)
Proceeds from loans (note 9)	16,700	10,000
Interest paid on long term debt	(3,030)	(1,405)
Interest paid on notes payable to shareholder (note 8)	–	(1,537)
Cash provided (used in) by financing activities	12,470	5,958
Investing activities:		
Additions to property, plant and equipment and intangible assets	(29,227)	(23,727)
Interest income received	264	602
Proceeds from sale of property, plant and equipment	40	140
Cash used in investing activities	(28,923)	(22,985)
Decrease in cash	(2,799)	(2,701)
Cash, beginning of year	6,746	9,447
Cash, end of year	$ 3,947	$ 6,746

See accompanying notes to financial statements.

Oshawa PUC Networks Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on October 18, 2000. The incorporation was required in accordance with the provincial government's *Electricity Act*, 1998. The Corporation is a local distribution company ("LDC") that provides electricity distribution services to businesses and residences in the service area of Oshawa, Ontario.

The Corporation is a wholly owned subsidiary of Oshawa Power and Utilities Corporation, which is wholly owned by the Corporation of the City of Oshawa (the "City").

The Corporation has evaluated the events and transactions after the balance sheet date through to April 29, 2025, when the Corporation's Board of Directors approved and authorized the financial statements.

1. Significant accounting policies:

The significant accounting policies used in the preparation of these financial statements have been applied consistently to all years presented herein.

(a) Basis of presentation:

The Corporation's financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, and reflects the significant accounting policies summarized below. Certain prior year figures have been reclassified to conform to the presentation of the current year.

(b) Rate setting and regulation:

The Ontario Energy Board (“OEB”) has regulatory oversight of electricity matters in the Province of Ontario. The *Ontario Energy Board Act*, 1998 sets out the OEB's powers, including the issuance of distribution licenses that must be obtained by any person owning or operating a distribution system under the *Ontario Energy Board Act,* 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and for ensuring that LDCs fulfil their obligations to connect and service customers.

1. Significant accounting policies (continued):

In July 2020, the Corporation filed its Price Cap Incentive rate-setting application with the OEB seeking approval to change rates that it charges for electricity delivery, retail services, allowances, loss factor and specific services charges, for the five-year period commencing on January 1, 2021. This application requested a revenue requirement to recover costs, and provides a rate of return on a deemed capital structure applied to rate base assets.

The OEB issued its decision and rate order on February 18, 2021 approving rates and charges effective February 1, 2021.

The OEB has the general authority to include or exclude costs and revenue in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company under IFRS.

The following regulatory practices relating to regulatory balances, and payments in lieu of corporate income taxes, have resulted in accounting treatments that differ from IFRS for enterprises operating in a non-regulated environment.

(i) Regulatory Deferral Accounts:

IFRS 14, Regulatory Deferral Accounts, allows the Corporation to utilize pre-IFRS Canadian Generally Accepted Accounting Principles ("IFRS 14") with respect to the recognition of regulatory balances that address the deferral of specific non-income related cash inflows and outflows.

Regulatory debits primarily represent costs that have been deferred because it is probable that they will be recovered in future rates. Similarly, regulatory credits can arise from differences in amounts billed to customers for electricity services and the costs that the Corporation incurs to purchase and deliver these services. Certain costs and variance account balances are deemed to be regulatory balances and are reflected in the LDC's balance sheet until the manner and timing of disposition is determined by the OEB.

(ii) Payments in lieu of corporate income taxes ("PILs"):

The Corporation provides for PILs using the deferred income taxes method for its regulated activities as permitted by the IASB and the OEB.

1. Significant accounting policies (continued):

(c) Inventory:

Inventory, which consists of parts and supplies acquired for internal maintenance or construction, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average basis.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") are measured at cost or deemed cost on transition date, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, 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 and are based on OEB prescribed rates.

When parts of an item of PP&E have different useful lives, they are separately depreciated as components of PP&E.

Subsequent expenditures are included in an asset's carrying amount or recognized as a separate asset, where appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be reliably measured.

Under IFRS, an asset is derecognized at its carrying value when it is disposed of or when no future economic benefits are expected from its use. The gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the proceeds from sale and the carrying amount of the asset, and is recognized in the statement of comprehensive income.

Depreciation of PP&E is recorded in the statement of comprehensive income on a straight-line basis over the estimated useful lives of the components of PP&E. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting year, with the effect of any changes in estimates being accounted for on a prospective basis.

1. Significant accounting policies (continued):

Depreciation rates representing estimated useful lives for the main categories of PP&E are shown in the table below:

Buildings	1.61% - 2.38%
Transmission, distribution system and meters	1.67% - 10%
Equipment and furniture	5% - 20%
Computer hardware	25%
Vehicle fleet	8.33% - 12.50%

Construction in progress comprises property, plant and equipment under construction, property, plant and equipment not yet placed into service and pre-construction activities related to specific projects expected to be constructed. These assets are not depreciated until they are in the location and condition necessary for them to be capable of operating in the manner intended by the Corporation.

In the absence of rate regulation, overhead costs that are not directly attributable to construction activity are not capitalized.

(e) Intangible assets:

Intangible assets are assets that lack physical substance, other than financial assets. Intangible assets, which consist of computer software, deferred indefeasible right-of-use ("IRU") lease, and payments made to Hydro One Networks Inc. ("HONI") for dedicated infrastructure in order to receive connections to transmission facilities, are recorded at cost less accumulated amortization. Amortization of intangible assets is recorded on a straight-line basis over the estimated useful life of the related asset, or over the term of the IRU, and recorded in the statement of comprehensive income.

Amortization rates representing estimated useful lives for intangible assets are shown below:

Computer software	33.33%
IRU lease	20 years

1. Significant accounting policies (continued):

(f) Provisions, Contingencies, and Asset retirement obligations:

The Company recognizes provisions if, as a result of a past event, there is a present legal or constructive obligation that can be measured 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, where appropriate, the risks specific to the liability. The need to estimate the cost of decommissioning or asset retirement obligations ("AROs") at the end of the useful lives of certain assets, is reviewed periodically.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential gain or loss. Actual results could differ from these estimates.

As at December 31, 2024, the Corporation recognized the obligation to decommission certain buildings located at 100 Simcoe Street South.

(g) Impairment of non-financial assets:

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use and are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit 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 cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in net income.

1. Significant accounting policies (continued):

(h) Pension and other post-employment benefits:

The Corporation provides pension benefits for its employees through the Ontario Municipal Employees' Retirement System ("OMERS") Fund (the "OMERS Fund"), a multi-employer public sector pension fund. The OMERS Fund is a defined benefit pension plan, which is financed by equal contributions from participating employers and employees and by the investment earnings of the OMERS Fund. Although the plan is a defined benefit plan, sufficient information is not available to the Corporation to account for it as such because it is not possible to attribute the fund assets and liabilities between the various employers who contribute to the fund. Accordingly, contributions payable as a result of employee service are expensed when incurred as part of operating costs.

Employee future benefits, other than pensions provided by the Corporation, include supplemental health, dental and life insurance. These plans provide defined benefits to certain retired employees, their spouses and surviving spouses when the employees are no longer providing active service. Retiree benefits expense is recognized in the year during which the employees render services.

The liability for post-employment non-pension retirement benefits is recorded on an accrual basis. The Corporation actuarially determines the cost of post-employment benefits offered to employees and certain retirees, including their spouses and surviving spouses, using the projected benefit method, prorated on service and based on management's best estimates. Under this method, the projected post-retirement benefits are deemed to be earned on a pro rata basis over the employee's years of service in the attribution period commencing at the date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

The current service cost for a year is equal to the actuarial present value of benefits attributed to employees' services rendered during the year. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

Current service costs are recognized in the statement of comprehensive income under operations, maintenance and administrative expenses.

1. Significant accounting policies (continued):

The Corporation applies IFRS 14 to recognize all cumulative actuarial gains or losses in a deferral account as at January 1, 2014. Remeasurements arising from defined benefit plans are recognized immediately in other comprehensive income ("OCI") and reported in accumulated other comprehensive income. Amounts recorded in OCI are not recycled to the statement of comprehensive income. The Corporation, as permitted by the OEB, created a deferral account to capture all actuarial gains and losses going forward. The disposition of this deferral account will occur sometime in the future in accordance with OEB guidelines in effect at that appropriate time.

(i) Customer advance deposits:

Customer advance deposits represent cash collections from customers that are available to offset the payment of energy bills or other services. Customers may be required to post security to obtain electricity or other services. Where the security posted is in the form of cash or cash equivalents, these amounts are recorded in the accounts as securities held in respect of customer deposits. Interest is paid on customer balances at rates established by the Corporation in accordance with OEB guidelines.

(j) Customer advance payments:

Customer advance payments consist of both the Equal Payment Plan and customer advance payments.

(k) Deferred contributions:

Certain assets may be acquired or constructed with financial assistance in the form of contributions from customers when the estimated revenue is less than the cost of providing service or where special equipment is needed to supply the customers' specific requirements.

1. Significant accounting policies (continued):

Capital contributions received in advance from electricity customers and developers to construct or acquire PP&E for the purpose of connecting a customer to a network are recorded as deferred revenue and amortized into other revenue at an equivalent rate to that used for the depreciation of the related PP&E. Capital contributions received from developers to construct or acquire PP&E for the purpose of connecting future customers to the distribution network are considered out of scope of IFRS 15, Revenue from Contracts with Customers.

Deposits received from developers prior to construction are held by the Corporation during the work in progress phase of the project and settled once all assets are in service.

(l) Financial instruments:

(i) Initial and subsequent measurement:

At initial recognition, all financial instruments are measured at fair value plus or minus transaction costs, with the exception of accounts receivable which are initially recognized at the transaction price and financial instruments fair value through profit or loss which are initially recognized at fair value.

Financial assets are subsequently measured at either amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL") based on the cash flow characteristics of the assets and the business models under which they are managed. All of the Corporation's financial assets are held for collection of contractual cash flows that represent payments of principal and interest and, accordingly, are subsequently measured at amortized cost using the effective interest rate method. These include cash, restricted cash, and accounts receivable.

Financial liabilities are either subsequently measured at FVTPL or amortized cost, except for interest rate swaps used in hedge accounting. The Corporation's financial liabilities measured at amortized cost include accounts payable for power – Independent Electricity System Operator (“IESO”), accounts payable and accrued liabilities, long-term debt, and customer advance deposits.

1. Significant accounting policies (continued):

(ii) Impairment:

The Corporation recognizes an allowance for expected credit losses ("ECL") for all financial assets not held at FVTPL. The Corporation applies the simplified approach to its accounts receivable which requires expected lifetime losses to be recognized from initial recognition of the receivables and on an ongoing basis. The measurement of ECL for accounts receivable is based on management's judgment. This is determined using a provision matrix based on historical observed default rates, adjusted for forward-looking factors specific to the debtors and the economic environment. For financial assets other than accounts receivable, ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. The Corporation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the asset. All impairment losses are recognized in net income.

(iii) Derivative financial instruments and hedge accounting:

Derivative financial instruments in the form of interest rate swap contracts are used to manage exposure to fluctuations in interest rates on the Corporation's long-term debt, which are designated as cash flow hedges as it is hedging the exposure to variability in cash flows that is attributable to interest rate risk associated with the long-term debt. The Corporation does not enter into derivative agreements for speculative purposes.

1. Significant accounting policies (continued):

At the inception of a hedging relationship, the Corporation designates and formally documents the relationship between the hedging instrument and the hedged item, the risk management objective, and its strategy for undertaking the hedge. The Corporation also assesses on an on-going basis whether the hedge continues to be effective, including that the hedge ratio remains appropriate.

The interest rate swaps are measured at their fair value upon initial recognition and on each subsequent reporting date. When the cash flow hedge meets all the qualifying criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income ("OCI"), while any ineffective portion is recognized immediately in net income. The amount accumulated in OCI is reclassified to net income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect net income, and recorded within interest expense.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to net income as a reclassification adjustment.

(m) Leases:

As a lessee, the Corporation leases its office premises with the City, as well as IT office equipment.

Under IFRS 16 *Leases* (“IFRS 16”), the Corporation recognizes right-of-use assets and lease liabilities for all of these leases. The Corporation has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

1. Significant accounting policies (continued):

(n) Revenue recognition:

The Corporation has identified that its material performance obligation is the distribution and provision of electricity to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding any discounts, rebates and sales taxes. The Corporation has determined that it acts as a principal in all of its revenue arrangements.

The Corporation is licensed by the OEB to distribute electricity. As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity services, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to the regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers. The Corporation has determined that they are acting as a principal for the distribution of electricity and, therefore, have presented the sale of electrical energy revenue on a gross basis.

Distribution revenue for the Corporation is recognized at approved rates, as electricity is delivered to customers and is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used.

Distribution revenue attributable to the delivery of electricity is based upon OEB-approved distribution tariff rates and includes the amounts billed to customers for electricity, including the cost of electricity supplied, distribution charges and any regulatory charges. Revenue is recognized as electricity is delivered and consumed by customers. Revenue includes an estimate of unbilled revenue. Unbilled revenue represents an estimate of electricity consumed by customers since the date of each customer's last meter reading. Actual electricity usage could differ from those estimates.

Regulated service revenue represents charges to energy customers for services such as late payments, collection fees, account set-up fees, pole attachment charges, and reconnect and disconnect charges. Regulated service revenue is recognized as services are rendered.

Service revenue primarily includes duct rental revenue that is recognized as services are rendered and time expires.

1. Significant accounting policies (continued):

Capital contributions received from electricity customers to construct or acquire PP&E for the purpose of connecting a customer to a network, are recorded as a deferred contribution on the balance sheet and amortization is presented as revenue from deferred contributions on the statement of comprehensive income at an equivalent rate to that used for the depreciation of the related PP&E.

Other revenue and interest are recognized as services are rendered, projects completed or when interest is earned. Revenue and costs associated with Conservation and Demand Management ("CDM") programs are presented using the net basis of accounting within other revenue. Performance incentive payments under CDM programs are recognized by the Corporation when there is reasonable assurance that the program conditions have been satisfied and the incentive payments will be received.

(o) PILs:

Under the *Electricity Act*, 1998*,* and effective October 1, 2001, the Corporation incurs PILs that are remitted to the Ministry of Finance. These payments are calculated in accordance with the rules for computing income and taxable capital, and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario) as modified by the *Electricity Act*, 1998 and related regulations. Payments remitted to Ontario Electricity Financial Corporation are designated to be applied against the stranded debt of Ontario Power Generation, formerly Ontario Hydro.

The Corporation recognizes deferred income taxes using the balance sheet method. Under this method, provisions are made for deferred income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. When deferred income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time. Deferred income tax assets and liabilities are offset since they relate to income taxes levied by the same taxation authority.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1. Significant accounting policies (continued):

The OEB's Electricity Distribution Rate Handbook provides for the recovery of PILs by LDCs through annual distribution rate adjustments as permitted by the OEB.

The method that has been used to set the PILs portion of the Corporation's rates for 2024 is consistent with the approach used in past periods.

Current income taxes are based on taxable profit or loss for the year, which differ from profit or loss as reported in the statement of comprehensive income because it excludes items that are taxable or deductible in other years and items that are neither taxable nor deductible.

(p) Measurement uncertainty:

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting year. Certain estimates are necessary since the regulatory environment in which the Corporation operates requires amounts to be recorded at estimated values until finalization and adjustment pursuant to subsequent regulatory decisions or other regulatory proceedings. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates, including changes as a result of future decisions made by the OEB, the Ministry of Energy and Infrastructure or the Ministry of Finance.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities with the next financial year is included in the following notes:

(i) Note 7 - measurement of post-employment non-pension retirement benefits: key actuarial assumptions; and

(ii) Note 14 - ECL.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

(iii) Note 2 and note 3 - estimation of useful lives of PP&E and intangible assets;

(iv) Note 4 and note 6 - recognition and measurement of regulatory balances; and

(v) Note 13 - recognition and measurement of commitments and contingencies.

(q) Current and Non-Current Liabilities:

The Corporation has adopted Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1) from 1 January 2024. The amendments apply retrospectively and clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. Despite the change in policy, there is no retrospective impact on the comparative statement of financial position, as the corporation had no convertible notes as of December 31 2023. All other liabilities were not impacted by the amendment.

1. Significant accounting policies (continued):

(r) Future accounting policies:

At the date of authorization of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been early adopted by the Corporation. Information on new standards and amendments that are expected to be relevant to the Corporation's financial statements is provided below. Management is currently assessing the financial statement impact of adopting the following amendments to existing accounting standards for future reporting.

(a) Effective January 1, 2026:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

(b) Effective January 1, 2027:

- Presentation and Disclosure in Financial Statements - IFRS 18
- Subsidiaries without Public Accountability: Disclosures – IFRS 19

2. Property, plant and equipment:

Property, plant and equipment consist of the following as at December 31, 2024:

	January 1, 2024	Additions/ Transfers/ depreciation	Disposals/ retirements	December 31, 2024
Cost				
Transmission and distribution:				
Transformers	$ 71,501	$ 2,548	$ (628)	$ 73,421
Underground distribution	73,032	4,567	–	77,599
Poles, towers and fixtures	69,182	3,836	(113)	72,905
Station equipment	28,360	2,238	–	30,598
Overhead distribution	35,280	(1,142)	(87)	34,051
Meters	17,073	802	(82)	17,793
	294,428	12,849	(910)	306,367
Construction in progress	9,169	15,078	–	24,247
Other property, plant and equipment:				
Vehicle fleet	6,179	61	(368)	5,872
Equipment and furniture	11,743	468	–	12,211
Computer hardware	4,653	40	–	4,693
Buildings	5,847	(268)	–	5,579
Land	294	–	–	294
	28,716	301	(368)	28,649
Total cost	$ 332,313	$ 28,228	$ (1,278)	$ 359,263
Accumulated depreciation				
Transmission and distribution:				
Transformers	$ 34,758	$ 1,322	$ (457)	$ 35,623
Underground distribution	27,215	1,705	–	28,920
Poles, towers and fixtures	19,097	1,384	(101)	20,380
Station equipment	11,903	688	–	12,591
Overhead distribution	9,637	534	(74)	10,097
Meters	10,525	510	(78)	10,957
	113,135	6,143	(710)	118,568
Other property, plant and equipment:				
Vehicle fleet	3,883	295	(307)	3,871
Equipment and furniture	10,276	610	–	10,886
Computer hardware	3,719	337	–	4,056
Buildings	1,026	101	–	1,127
	18,904	1,343	(307)	19,940
Total accumulated depreciation	$ 132,039	$ 7,486	$ (1,017)	$ 138,508
Carrying amount	$ 200,274	$ 20,742	$ (261)	$ 220,755

2. Property, plant and equipment (continued):

Property, plant and equipment consist of the following as at December 31, 2023:

	January 1, 2023	Additions/ depreciation	Disposals/ retirements	December 31, 2023
Cost				
Transmission and distribution:				
Transformers	$ 67,609	$ 4,742	$ (850)	$ 71,501
Underground distribution	68,909	4,123	–	73,032
Poles, towers and fixtures	65,010	4,390	(218)	69,182
Station equipment	28,360	–	–	28,360
Overhead distribution	30,159	5,551	(430)	35,280
Meters	16,349	735	(11)	17,073
	276,396	19,541	(1,509)	294,428
Construction in progress	8,780	389	–	9,169
Other property, plant and equipment:				
Vehicle fleet	5,967	768	(556)	6,179
Equipment and furniture	10,892	851	–	11,743
Computer hardware	4,316	337	–	4,653
Buildings	5,847	–	–	5,847
Land	294	–	–	294
	27,316	1,956	(556)	28,716
Total cost	$ 312,492	$ 21,886	$ (2,065)	$ 332,313
Accumulated depreciation				
Transmission and distribution:				
Transformers	$ 34,346	$ 1,236	$ (824)	$ 34,758
Underground distribution	25,503	1,712	–	27,215
Poles, towers and fixtures	18,003	1,287	(193)	19,097
Station equipment	11,281	622	–	11,903
Overhead distribution	9,561	483	(407)	9,637
Meters	10,030	500	(5)	10,525
	108,724	5,840	(1,429)	113,135
Other property, plant and equipment:				
Vehicle fleet	4,168	271	(556)	3,883
Equipment and furniture	9,360	916	–	10,276
Computer hardware	3,375	344	–	3,719
Buildings	940	86	–	1,026
	17,843	1,617	(556)	18,904
Total accumulated depreciation	$ 126,567	$ 7,457	$ (1,985)	$ 132,039
Carrying amount	$ 185,925	$ 14,429	$ (80)	$ 200,274

2. Property, plant and equipment (continued):

For the year ended December 31, 2024, ascribed interest capitalized to property, plant and equipment as prescribed by the OEB amounted to $373 (2023 - $298). In the absence of rate regulation, additions to property, plant and equipment would have been $373 lower (2023 - $298 lower) and interest expense would have been $373 higher (2023 - $298 higher).

3. Intangible assets:

	January 1, 2024	Additions/ depreciation	Disposals/ retirements	December 31, 2024
Cost				
Deferred IRU lease	$ 606	$ –	$ –	$ 606
Computer software	3,815	512	–	4,327
HONI contribution	4,181	–	–	4,181
	$ 8,602	$ 512	$ –	$ 9,114
Accumulated depreciation				
Deferred IRU lease	$ 464	$ 30	$ –	$ 494
Computer software	2,840	471	–	3,311
HONI contribution	759	167	–	926
	$ 4,063	$ 668	$ –	$ 4,731
Carrying amount	$ 4,539	$ (156)	$ –	$ 4,383

3. Intangible assets (continued):

	January 1, 2023	Additions/ depreciation	Disposals/ retirements	December 31, 2023
Cost				
Deferred IRU lease	$ 606	$ –	$ –	$ 606
Computer software	2,817	998	–	3,815
HONI contribution	4,174	7	–	4,181
	$ 7,597	$ 1,005	$ –	$ 8,602
Accumulated depreciation				
Deferred IRU lease	$ 433	$ 31	$ –	$ 464
Computer software	2,600	240	–	2,840
HONI contribution	599	160	–	759
	$ 3,632	$ 431	$ –	$ 4,063
Carrying amount	$ 3,965	$ 574	$ –	$ 4,539

4. Regulatory balances:

Regulatory debits balances consist of the following:

	January 1, 2024	Balances arising in the year	Recovery/ reversal	December 31, 2024
Regulatory debit balances:				
Retail settlement variance - power	$ 469	$ (990)	$ 787	$ 266
Retail settlement variance – global adjustment	–	1,153	481	1,634
Retail settlement variance - other	5,239	(5,239)	–	–
Deferred income taxes	5,419	1,313	–	6,732
Post-employment benefits deferral	–	–	–	–
Regulatory debit balances - other	–	–	–	–
Regulatory Asset Recovery Account (“RARA”)	–	2,129	(1,942)	187
Total	$ 11,127	$ (1,634)	$ (674)	$ 8,819

	January 1, 2023	Balances arising in the year	Recovery/ reversal	December 31, 2023
Regulatory debit balances:				
Retail settlement variance - power	$ –	$ (3,584)	$ 4,053	$ 469
Retail settlement variance - other	7,465	314	(2,540)	5,239
Deferred income taxes	3,034	2,385	–	5,419
Post-employment benefits deferral	–	–	–	–
Regulatory debit balances - other	125	(125)	–	–
Total	$ 10,624	$ (1,010)	$ 1,513	$ 11,127

4. Regulatory balances (continued):

Regulatory credit balances consist of the following:

	January 1, 2024	Balances arising in the year	Recovery/ reversal	December 31, 2024
Regulatory credit balances:				
Retail settlement variance - power	$ –	$ –	$ –	$ –
Retail settlement variance - global adjustment	15	(15)	–	–
Retail settlement variance – other	–	(4,374)	5,169	795
Regulatory Asset Recovery Account ("RARA")	1,531	(1,531)	–	–
Post-employment benefits deferral	1,622	2,712	–	4,334
Regulatory credit balances - other	801	(142)	(212)	447
Total	$ 3,969	$ (3,350)	$ 4,957	$ 5,576

	January 1, 2023	Balances arising in the year	Recovery/ reversal	December 31, 2023
Regulatory credit balances:				
Retail settlement variance - power	$ 4,161	$ (4,161)	$ –	$ –
Retail settlement variance - global adjustment	1,338	(647)	(676)	15
Regulatory Asset Recovery Account ("RARA")	538	2,434	(1,441)	1,531
Post-employment benefits deferral	4,343	(2,721)	–	1,622
Regulatory credit balances - other	798	136	(133)	801
Total	$ 11,178	$ (4,959)	$ (2,250)	$ 3,969

4. Regulatory balances (continued):

The "Balances arising in the year" column consists of new additions to regulatory balances (for both debits and credits). The "Recovery/reversal" column consists of amounts disposed through OEB-approved rate riders or transactions reversing an existing regulatory balance. Net movements in regulatory balances, net of tax, is ($789) (2023 - $1,082).

The regulatory balances of the Corporation consist of the following:

(a) Retail settlement variances:

The retail settlement variances relate to charges the Corporation has incurred for transmission services, generation and wholesale market operations from the IESO, that were not settled with customers during the year through approved rates. The nature of the settlement variances is such that the balance can fluctuate between debit and credit over time and are reported at year-end dates in accordance with rules prescribed by the OEB. Under rate regulation, the variances that would be recorded as revenue or expense when incurred under IFRS are deferred until collected or repaid through future rates. The Corporation has accrued interest on the regulatory debit or credit balances, as directed by the OEB.

On December 12, 2024, the Corporation received approval from the OEB for the disposition of certain regulatory account balances. The disposition is to be adjusted through customer rates over one year with ($1,026) expected to be recognized in 2025. The remaining deferral balances are expected to be approved for disposition in future periods.

(i) Retail settlement variance - power:

The retail settlement variance – power account is established for the purpose of recording the net difference in energy cost only. Net difference refers to the difference between the amount charged by the IESO on the settlement invoice for the energy cost and the amount billed to customers for the energy cost.

On December 12, 2024, the Corporation received approval for the disposition of the December 31, 2023 balance in its 2025 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2025. The remaining deferral balances are expected to be approved for disposition in future periods.

(ii) Retail settlement variance - global adjustment:

The global adjustment variance account is established for the purpose of recording the net difference in the global adjustment attributable to customers. Net difference refers

to the difference between the amount charged or credited by the IESO for the global adjustment, and the amount billed to customers for the global adjustment.

The global adjustment arises mainly due to a difference between the spot price charged by the IESO to market participants and the blended price paid by the IESO under the various contracts with electricity generators and suppliers.

On December 12, 2024, the Corporation received approval for the disposition of the December 31, 2023 balance in its 2025 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2025. The remaining deferral balances are expected to be approved for disposition in future periods.

(ii) Retail settlement variances - other:

This item refers to a set of accounts that will separately capture information relating to wholesale market service charges, non-recurring wholesale market service charges, retail transmission network service charges and retail transmission connection service charges. Retail settlement variances – other, is used to record the net difference between the amount paid in the month to the IESO for the services listed above and the amount billed to customers and retailers in the month based on OEB approved rates.

On December 12, 2024, the Corporation received approval for the disposition of the December 31, 2023 balance in its 2025 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2025. The remaining deferral balances are expected to be approved for disposition in future periods.

(b) RARA:

Effective May 2006, the RARA was approved by the OEB. This account is used to record the disposition of deferral and variance account balances, by means of a rate rider, for which approval to recover (or refund) has been granted by the OEB as part of the regulatory process. The balance remaining as at December 31, 2024 represents the opening balance approved for recovery, amounts collected during the year, and the deferral and variance account balances approved for disposition by the OEB on December 14, 2023 as part of the Corporation's 2024 rate application for rates effective January 1, 2024. This rate expires December 31, 2024.

(c) Deferred income taxes to be paid to customers:

An offset to deferred income tax assets relating to the regulated business has been recorded in the accounts as a regulatory debit balance. As deferred income tax assets are realized,

the asset for deferred income taxes to be collected from customers will be settled through OEB approved rates.

(d) Post-employment benefits deferral:

This regulatory balance accumulates the actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments. The balance arising during the year ended December 31, 2024 is primarily related to the actuarial gain recorded. No disposition is currently planned as the balance is derived mainly from actuarial valuation changes and not monetary income or expense.

(e) Regulatory accrued interest:

Interest is earned or charged on regulatory balances at OEB prescribed rates and are recorded to the related regulatory account.

5. Deferred contributions:

The continuity of deferred contributions is as follows:

	2024	2023
Deferred contributions, net, beginning of year	$ 45,571	$ 43,215
Deferred contributions received	3,262	4,868
Deferred developer deposits	768	(1,225)
Deferred contributions recognized as revenue	(1,399)	(1,287)
Deferred contributions, net, end of year	48,202	45,571
Less current portion	678	721
Deferred contributions long-term portion	$ 47,524	$ 44,850

6. PILs:

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rates. The reconciliation between the statutory and effective tax rates is provided as follows:

	2024	2023
Income before PILs	$ 4,542	$ 5,011
Net movements in regulatory balances	(789)	1,082
Net income after net movements in regulatory balances, before PILs	$ 3,753	$ 6,093
Combined Canadian federal and Ontario statutory income tax rate	26.50%	26.50%
Expected provision for PILs at statutory tax rates	$ 995	$ 1,614
Property, plant and equipment	(401)	(1,284)
Post-employment non-pension benefits	(6)	(29)
Corporate minimum taxes	101	164
Other	(585)	(551)
Cost allocations	(99)	(79)
Provision for PILs	$ 5	$ (165)
Effective tax rates	0.14%	(2.73%)

6. PILs (continued):

Income tax expense as presented in the statement of comprehensive income is as follows:

	2024	2023
Current tax expense:		
Current PILs charge	$ 5	$ (165)
Deferred tax expense:		
Origination and reversal of temporary differences	1,313	2,385
Deferred taxes transferred to regulatory credits (note 4)	(1,313)	(2,385)
	–	–
Income tax expense charged to net income for the year	$ 5	$ (165)

As at December 31, 2024, the Corporation has recognized $6,732 in regulatory debit balances and a corresponding offset to deferred income tax liability (2023 – $5,419).

Deferred income tax liabilities:

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The net deferred income tax liabilities consist of the following:

	January 1, 2024	Recognized in regulatory balances	Recognized in OCI	December 31, 2024
Components of deferred income tax liabilities:				
PP&E	$ 9,492	$ 1,674	$ –	$ 11,166
Employee post-employment non-pension benefits	(2,966)	724	–	(2,242)
Other taxable temporary differences	(1,107)	(1,085)	–	(2,192)
Other taxable temporary differences - OCI	978	–	(646)	332
Total	$ 6,397	$ 1,313	$ (646)	$ 7,064

	January 1, 2023	Recognized in regulatory balances	Recognized in OCI	December 31, 2023
Components of deferred income tax liabilities:				
PP&E	$ 6,898	$ 2,594	$ –	$ 9,492
Employee post-employment non-pension benefits	(2,274)	(692)	–	(2,966)
Other taxable temporary differences	(1,590)	483	–	(1,107)
Other taxable temporary differences - OCI	–	–	978	978
Total	$ 3,034	$ 2,385	$ 978	$ 6,397

7. Employee benefits:

(a) Pension costs

The Corporation's eligible employees participate in a defined benefit pension plan through OMERS. As at December 31, 2024, the OMERS plan was 98.0% funded (December 31, 2023 - 97.0%). 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.

For the year ended December 31, 2024, the Corporation's contributions were $1,049 (2023 - $888). OMERS contribution rates were 9.0% up to the year's maximum pensionable earnings (″YMPE″) and 14.6% over the YMPE for normal retirement age (″NRA″) of 65 (2023 - 9.0% up to YMPE and 14.6% over YMPE for NRA of 65).

(b) Post-employment non-pension retirement benefits:

The Corporation provides post-employment benefits, principally supplemental health and dental coverage, for certain employees who retire from active employment.

(c) Accrued benefit obligations:

The Corporation measures its accrued benefit obligations as at December 31 of each year. The latest actuarial valuation was performed as at December 31, 2024.

7. Employee benefits (continued):

Changes in post-employment non-pension retirement benefits:

	2024	2023
Post-employment non-pension retirement benefits, beginning of year	$ 11,192	$ 8,580
Net periodic benefits cost accrued	577	479
Benefits paid	(599)	(588)
Recognized loss (gain)	(2,711)	2,721
Post-employment non-pension retirement benefits, end of year	$ 8,459	$ 11,192

Components for net periodic benefit costs:

	2024	2023
Current service cost	$ 69	$ 60
Imputed interest cost	508	419
Net periodic benefit cost accrual for the year	$ 577	$ 479

Significant actuarial assumptions:

	2024	2023
Discount rate applied to the calculation of future benefits	4.70%	4.65%
Rate of compound compensation increase used in determining future costs	3.00%	3.00%

7. Employee benefits (continued):

The current service cost for a year is equal to the actuarial present value of benefits attributed to employees' services rendered during the year. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

The actuarial valuation as at December 31, 2024 assumed health care costs would increase 7% (2023 - 7%) in the year following the valuation. This rate of increase is then reduced annually to a rate of 4% six years following the valuation (2023 - 4% after six years).

Dental costs are assumed to increase by 4% per year (2023 - 4%) beginning in the year following the valuation.

The dispensing fee portion of health care costs is limited to twelve dollars and ninety-nine cents; the current maximum allowed under the benefits plan.

(d) Sensitivity analysis:

The main actuarial assumptions underlying the valuation are as follows:

(i) Interest (discount) rate:

Assumed interest rates have a significant effect on the amounts reported for the total accrued benefit obligations and expense. A 1% change in assumed interest rates would have the following effects for 2024:

	Increase	Decrease
Accrued benefit obligations, December 31, 2024	$ (940)	$ 1,157

7. Employee benefits (continued):

(ii) Health care cost trend rate:

The health care cost trend is estimated to increase at a declining rate from 7% to 4% over six years following the valuation. Dental costs are presumed to increase by 4%, beginning in the year following valuation. The approximate effect on the accrued benefit obligations if the health care cost trend rate assumption was increased or decreased by 1% is as follows:

	Increase	Decrease
Accrued benefit obligations, December 31, 2024	$ 826	$ (690)

8. Notes payable to shareholder:

In 2024, the Corporation made interest payments of $nil (2023 - $1,537) to the shareholder. In June 2023, the notes payable to the shareholder was terminated in conjunction with the transfer of the term loans with Toronto-Dominion Commercial Bank from the parent company, Oshawa Power & Utilities Corporation, to the Corporation.

9. Debt:

The Corporation's long-term debt consists of the following:

	2024	2023
Term Loan, ten year interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 3.649%	$ 60,000	$ 60,000
Term Loan, ten year interest rate swap agreement, maturing December 21, 2030, converting the obligation to fixed rate of 2.227%	$ 20,000	$ 20,000
Term Loan, five year four month interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 4.60%	$ 10,000	$ 10,000
Term Loan, fifty two month interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 4.398%	$ 11,700	$ –
Term Loan, four year interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 3.848%	$ 5,000	$ –
Total debt	$ 106,700	$ 90,000
Less current portion	–	–
Total long term debt	$ 106,700	$ 90,000

a) Long-term facilities:

As of December 31, 2024 the Corporation has entered into term loans totalling $106,700 (2023 - $90,000) with Toronto-Dominion Commercial Bank (the "Bank"). The debt is at a variable rate of the daily Canadian Overnight Repo Rate Average (CORRA) plus 1.095% and 0.845%.

The corporation has committed to an additional $5,000 credit facility not drawn upon as of December 31, 2024.

b) Short-term facilities:

The Corporation has an operating line of credit for a maximum amount of $20,000 to assist with its working capital requirements. As of December 31, 2024, there were no outstanding balances on this line of credit (2023 - nil).

The above borrowing facilities are subject to financial tests and covenants. These financial covenants are tested quarterly. In addition, these facilities are subject to other customary covenants and events of default, including an event of cross-default of amounts in excess of $5,000. Non-compliance with such covenants could result in accelerated payments of amounts due under the facilities or their termination. The Corporation was in compliance with the above-mentioned covenants as at December 31, 2024.

10. Capital stock:

Capital stock consists of the following:

	2024	2023
Authorized:		
Unlimited common shares		
Issued:		
1,000 common shares	$ 23,064	$ 23,064

During the year ended December 31, 2024, the Corporation declared and paid a dividend on common shares aggregating $1,200 (2023 - $1,100).

11. Related party transactions:

(a) The Corporation transacts business with the City and its affiliates in the normal course of business at commercial rates. These transactions are summarized below:

	2024	2023
Revenue:		
City facilities (from electricity distribution)	$ 3,762	$ 3,598
Streetlights (from electricity distribution)	1,157	1,221
	$ 4,919	$ 4,819
Expenses:		
100 Simcoe Street South Office	$ 353	$ 351
Property taxes	156	137
	$ 509	$ 488
Accounts receivable:		
Facilities and streetlights	$ 319	$ 728
	$ 319	$ 728

11. Related party transactions (continued):

(b) During the year ended December 31, 2024, the Corporation has undertaken transactions with related parties, which are entities under common control. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions are summarized as follows:

	2024	2023
Oshawa PUC Energy Services Inc.:		
Sale of electricity, administration and maintenance services	$ 425	$ 720
Purchase of electricity	14	25
Oshawa PUC Services Inc.:		
Sale of administration and maintenance services	144	299
Purchase of services	69	72
2252112 Ontario Inc.:		
Sale of electricity, administration and maintenance services	24	87
Purchase of electricity	528	545
2825407 Ontario Inc.:		
Sale of administration	144	6
Purchase of services	494	108

The Corporation receives management support from its parent, Oshawa Power and Utilities Corporation. During the year, the Corporation paid $494 (2023 - $293) to its parent. As at December 31, 2024, the amounts payable to Oshawa Power and Utilities Corporation is $4,522 (2023 - $5,108).

As at December 31, 2024, the amounts owed to the Corporation from affiliated companies consist of $74 from Oshawa PUC Energy Services Inc. (2023 - $21), $199 from Oshawa PUC Services Inc. (2023 - $175), $3 from 2252112 Ontario Inc. (2023 - $0), $12 from 2825909 Ontario Inc. (2023 - $11) and $39 from 2825407 Ontario Inc. (2023 - $3).

12. Leases:

The Corporation leases its premises under a lease with the City. The Corporation's lease expires May 31, 2028.

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 3.05%.

Leases as lessee (IFRS 16):

(i) Right-of-use assets:

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as long term right-of-use lease assets on the balance sheet.

	Building	IT equipment	Total
Balance, December 31, 2023	1,163	–	1,163
Depreciation charge for the year	(346)	(4)	(350)
Additions	808	52	860
Balance, December 31, 2024	$ 1,625	$ 48	$ 1,673

(ii) Amounts recognized in profit or loss:

	2024	2023
Interest on lease liabilities	$ 10	$ 25

(iii) Amounts recognized in statement of cash flows:

	2024	2023
Total cash outflow for leases	$ 369	$ 389

13. Commitments and contingencies:

(a) Insurance claims:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange is an Ontario group formed for the purpose of exchanging reciprocal contracts of indemnity of inter-insurance with each other. MEARIE provides general liability insurance to its member utilities.

Insurance premiums charged to each Municipal Electrical Utility consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each electric utility's claims experience.

The Corporation refers any claims received to MEARIE under the provisions of this plan. No provision has been recorded in these financial statements in respect of these matters as the Corporation has not received any claim that is not adequately covered by its insurance.

(b) Income taxes:

The tax returns filed by the Corporation are subject to review and reassessment by the Ministry of Finance for a period of up to five years from the date of filing. Any reassessment may result in a revision to previously determined tax obligations.

(c) Energy Conservation Agreement:

On December 31, 2014, the Corporation entered into an Energy Conservation Agreement with the IESO for the period from January 1, 2015 to December 31, 2020 to deliver Energy Conservation and Demand Management ("CDM") programs. The agreement provided terms under which the Corporation may engage the IESO to design and pay for province-wide CDM programs in support of the Corporation meeting its CDM targets. As a result of a revocation of the CDM programs in March 2019 by the Minister of Energy, Northern Development and Mines, the IESO has provided the Corporation with notice that the IESO has terminated the ECA effective June 20, 2019. The Corporation completed related wind down activities with the IESO in September 2024.

13. Commitments and contingencies (continued):

Subject to the terms of the agreement, all IESO CDM program costs were to be paid by the IESO. The Corporation effectively acted as a delivery agent for those programs and was entitled to receive all of its estimated administration costs associated with each program. Any administration costs incurred by the Corporation in excess of the pre-approved estimate would not be recoverable. All other program costs incurred by the Corporation (such as customer incentives and goods and services delivered under the programs) were recoverable from the IESO on an invoiced basis in accordance with the agreement.

Under the terms of the Energy Conservation Agreement with the IESO, income incentives were available in the event that the Corporation outperformed its expected target. Alternatively, financial penalties are possible if the Corporation did not meet minimum requirements as outlined in the Energy Conservation Agreement with the IESO. The Corporation estimates it has met its obligations as outlined in the Energy Conservation Agreement with the IESO and has not recorded a provision in these consolidated financial statements for neither financial incentives nor penalties in respect of these matters.

(d) Security with IESO:

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Corporation fails to make the payment required on a default notice issued by the IESO. An irrevocable standby letter of credit in the amount of $7,000 was issued in October 2012, and renewed in October 2014, in favour of the IESO as collateral support for energy amounts as determined by and payable to the IESO.

14. Fair values of financial instruments:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the nature of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2024 and 2023, the Corporation did not have transfers between levels.

The carrying values of cash, restricted cash, accounts receivable, accounts payable for power - IESO, current customer advance payments, and accounts payable and accrued liabilities approximate their fair values due to the short period to maturity of these financial instruments.

The Corporation has designated its financial instruments as follows:

		2024		2023 (note 19)	
	Level	Carrying value	Fair value	Carrying value	Fair value
Non-current financial assets:					
Unrealized gain on interest Rate swaps	2	$ 1,253	$ 1,253	$ 3,691	$ 3,691
Non-current financial liabilities:					
Customer advance deposits	1	$ 1,592	$ 1,592	$ 1,750	$ 1,750
Long-term debt	3	106,700	108,471	90,000	86,941

The Corporation has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Corporation could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments as well as related interest rate risk, credit risk and liquidity risk are described below.

14. Fair values of financial instruments (continued):

Long-term debt:

The fair value of the Corporation's long-term debt is estimated using present value techniques based on borrowing rates at year-end for debt with similar terms and maturities. Long-term debt is shown net of unamortized debt issue costs.

(a) Credit risk:

Certain of the Corporation's financial assets are exposed to credit risk.

Cash consists of deposits with major commercial banks.

The Corporation, in the normal course of business, is exposed to credit risk from its customers. These accounts receivable are subject to normal industry credit risks. The Corporation records an estimate provision for expected credit losses. The Corporation also has insurance in support of certain receivables.

Management considers current economic and credit conditions in revising the estimates and judgments used in preparation of the ECL provision on its accounts receivable balances. The Corporation applies provision rates based on recent and changing trends to customer aging balances, customer collection patterns and risk of customer default and has recorded an ECL allowance of $2,384 (2023 - $1,979) to account for these anticipated risks.

Accounts receivable consists of the following:

	2024	2023
Receivables from customers	$ 16,349	$ 13,394
Receivables from other trade and projects	1,040	2,834
	17,389	16,228
Less ECL	2,384	1,979
Total accounts receivable	$ 15,005	$ 14,249

14. Fair values of financial instruments (continued):

Credit risk associated with accounts receivable is as follows:

	2024	2023
Outstanding for not more than 30 days	$ 11,354	$ 13,432
Outstanding for more than 30 days and not more than 90 days	2,179	1,480
Outstanding for more than 90 days	3,856	1,316
	17,389	16,228
Less ECL	2,384	1,979
Total accounts receivable	$ 15,005	$ 14,249

The Corporation is also exposed to credit risk from the potential default of any of its counterparties on its interest rate swap agreements. The Corporation mitigates this credit risk by dealing with counterparties who are major financial institutions and which the Corporation anticipates will satisfy their obligations under the contracts. During the year, the Corporation incurred bad debt expense of $1,472 (2023 - $1,120) which is included in operations, maintenance, and administrative expense.

(b) Interest rate risk:

The Corporation enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on its long-term debt. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. The Corporation does not enter into derivatives for speculative purposes. The fair value of the interest rate swap agreements represents an approximation of the amounts the Corporation would have paid to or received from the counterparty to unwind its positions as at year-end.

The Corporation estimates the unrealized loss on interest rate swaps to be $2,438 as at December 31, 2024. These contracts are designated as hedges, and therefore this gain has been included in OCI. This gain/loss is not expected to affect income as management intends to hold the interest rate swap contracts to maturity.

As at December 31, 2024, the Corporation had five interest rate swap agreements in place, whereby the Corporation pays fixed rates of interest. The swaps are being used to hedge the exposure to changes in the interest rate of its long-term debt which is at a variable rate of the daily Canadian Overnight Repo Rate Average (CORRA) plus 1.095% and 0.845%.

	2024	2023
Term Loan, fixed rate 3.649%	$ 60,000	$ 60,000
Term Loan, fixed rate 2.227%	$ 20,000	$ 20,000
Term Loan, fixed rate 4.60%	$ 10,000	$ 10,000
Term Loan, fixed rate 4.398%	$ 11,700	$ –
Term Loan, fixed rate 3.848%	$ 5,000	$ –
Total debt	$ 106,700	$ 90,000

(c) Liquidity risk:

The Corporation monitors and manages 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 expense. The Corporation monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

	Due within 1 year	Due between 1 and 5 years	Due past 5 years	Total
Accounts payable for power - IESO	$ 10,429	$ –	$ –	$ 10,429
Accounts payable and accrued liabilities	8,986	–	–	8,986
Asset retirement obligation	–	963	–	963
Due to affiliates	4,195	–	–	4,195
Customer advance payments	502	–	–	502
Deferred contributions	678	2,690	–	3,368
Lease liability	320	1,084	–	1,404
Interest rate swaps	3,802	11,851	445	16,098
Long-term debt	–	86,700	20,000	106,700
Customer advance deposits	1,077	1,592	–	2,669

15. Collateral:

As part of its electricity purchase agreement with the IESO, an irrevocable standby letter of credit in the amount of $7,000 was issued in October 2012, and renewed in October 2014, in favour of the IESO, as collateral support for energy amounts as determined by and payable to the IESO.

16. Capital management:

The Corporation defines capital as shareholder's equity. The Corporation's objectives when managing capital are to ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans; maintain financial capacity and access to capital to support future development of the business while taking into consideration current and future industry, market and economic risks and conditions; and utilize short-term funding sources to manage its working capital requirements.

17. Revenue:

Sale of electrical energy and distribution revenue consists of the following:

	2024	2023
Sale of electrical energy	$ 151,220	$ 134,200
Distribution revenue	30,828	29,026
Total electrical energy and distribution revenue	$ 182,048	$ 163,226
Residential rate classes	$ 103,798	$ 88,723
Commercial rate classes	77,150	73,388
Street lighting	1,100	1,115
Total electrical energy and distribution revenue	$ 182,048	$ 163,226

18. Operations, maintenance and administration:

Operations, maintenance and administrative expense consists of the following:

		2024		2023
Salaries/benefits/payroll	$	8,480	$	6,368
External services		3,813		3,449
Repairs and maintenance		879		518
Communications, postage and printing		830		909
Vehicle expenses		538		529
Bad debt expense		1,472		1,120
Administrative charges		686		472
Utilities, insurance, rent and municipal taxes		649		595
OEB regulatory fee, license and permits		565		605
Other		1,153		1,087
Total operations, maintenance and administrative	$	19,065	$	15,652

19. Correction of errors:

During 2023, the company discovered that the gain on fair value of derivatives designated as cash flows, had been erroneously reported as an unrealized loss and the loss on fair value of derivatives designated as cash flow hedges, had been erroneously reported as a gain. As a consequence, the total comprehensive income reported, was understated. The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarize the impacts on the entity's financial statements.

i. Statement of Comprehensive Income

1 January 2024 (in thousands of dollars)	As previously reported	Adjustments	As restated
Net income after net movement in regulatory balances	$ 6,258	$ –	$ 6,258
Other comprehensive income:			
Unrealized loss in fair value of derivatives designated as cash flows, net of income taxes	$ (3,691)	$ 7,382	$ 3,691
Gain in fair value of derivatives designated as cash flow hedges, transferred to net income, net of income taxes	$ 978	$ (1,956)	$ (978)
Remeasurement of post-employment benefits, net of income taxes	$ (2,721)	$ –	$ (2,721)
Net movements in regulatory balances related to other comprehensive income, net of income taxes	$ 2,721	$ –	$ 2,721
	$ (2,713)	$ 5,426	$ 2,713
Total comprehensive income	$ 3,545	$ 5,426	$ 8,971

Attachment 1 – 13

Reconciliation of Financial Results

Oshawa Power
USofA reconciled to Audited Financial Statements
As of December 31, 2023

Financial Statement Heading	Financial Statement Line Item	USofA	Sum of 2023	Sum of Amount in 1000's	Manual Adjustment	Adjusted Balance	Balance per Audited Financial Statements	Difference between USofA TB and Financial Stmts	Foot Note
A. Current Assets	01. Cash	1005	6,745,952	6,746		6,746	6,746	0	
		1010	300						
	02. Accounts Receivable	1100	12,492,993	13,218	1,031	14,249	14,249	(0)	(A)
		1104	1,397,631						
		1105	1,268,444						
		1110	0						
		1130	(1,979,309)						
		1140	38,208						
		1190							
	03. Unbilled Revenue	1120	14,431,296	14,431		14,431	14,431	0	
	04. Inventory	1330	147,781	203		203	203	0	
		1340	55,486						
	05. Payments in lieu of corporate income taxes	2294	297,273	297		297	297	0	
	06. Prepaid expenses and other	1180	847,874	848	(141)	707	707	(0)	(A)
B. Non-current Assets	07. Property, plant and equipment	1805	293,875	200,968	(694)	200,274	200,274	(0)	(A)
		1808	5,578,968						
		1820	28,301,964						
		1830	68,426,020						
		1835	35,018,193						
		1845	72,534,538						
		1850	70,886,896						
		1860	16,523,350						
		1910	2,040,483						
		1915	809,563						
		1920	4,653,539						
		1930	6,178,806						
		1935	30,767						
		1940	3,212,731						
		1945	1,708,629						
		1955	611,287						
		1960	252,289						
		1970	107,035						
		1975	2,859,737						
		1980	293,582						
	moved 1170 1259 to Deferred contributions	2055	9,470,254						
		2105	(129,532,938)						
		2160							
		2320							
		2005	708,325						
	08. Intangible assets	1180		4,539		4,539	4,539	(0)	
		1611	3,814,206						
		2105	(2,699,000)						
		1609	4,183,043						
		2120	(759,514)						
	XX. Deferred tax asset	2350		0		0		0	
	09. ROU Lease Assets	xxxx		0	1,163	1,163	1,163	0	(B)
	10. Unrealized gain on interest rate swaps	1405	3,690,938	3,691		3,691	3,691	(0)	
	10. Other Assets	1460	323,868	324	(3)	321	321	(0)	(C)
C. Regulatory Assets	11. Regulatory asset balances	1508		10,658	469	11,127	11,127	(0)	(A)
		2350	5,419,093						
		1580	1,517,030						
		1582							
		1584	2,142,606						
		1586	1,579,151						
D. Current Liabilities	12. Accounts payable for power - IESO	2205	(14,349,023)	(14,349)	3,849	(10,500)	(10,500)	(0)	(A)
	13. Accounts payable and accrued liabilities	1100		(6,803)	(4,936)	(11,739)	(11,739)	(0)	(A)
		2205							
		2220	(5,966,987)						
		2250							
		2290	(682,536)						
		2292	(153,749)						
		2320							
	14. Due to affiliates	2240	(4,897,975)	(4,898)		(4,898)	(4,898)	0	
	16. Customer advance payments	2208	(511,515)	(512)		(512)	(512)	0	
	18. Current portion of customer advance deposits	2210	(1,084,864)	(1,085)		(1,085)	(1,085)	0	
		2335							
	XX. Dividend Payable	xxxx		0		0		0	
E. Non-current Liabilities	19. Long Term Debt	2525	(90,000,000)	(90,000)		(90,000)	(90,000)	0	

	Advance to Associated Companies	2550	(64,000)	(64)	64	0		0	
	20. Asset Retirement Obligation	2285	(907,876)	(908)	(9)	(917)	(917)	0	(A)
	21. Customer advance deposits	2335	(1,750,074)	(1,750)		(1,750)	(1,750)	(0)	
	15. & 23. Deferred Contributions	2440	(39,884,101)	(46,198)	627	(45,571)	(45,571)	0	(A)
		2055	(3,713,407)						
		2105							
		2210	(2,600,271)						
	17. & 22. Lease Liability	xxxx		0	(954)	(954)	(954)	0	(B)
	24. Post-employment non-pension retirement benefits	2306	(11,192,138)	(11,192)		(11,192)	(11,192)	(0)	
	25. Deferred income tax liabilities	2350	(6,397,192)	(6,397)		(6,397)	(6,397)	(0)	(A)
F. Regulatory Liabilities	**26. Regulatory liability balances**	1508	(1,631,350)	(3,500)	(469)	(3,969)	(3,969)	0	(A)
		1551	(328,784)						
		1555							
		1588	469,130						
		1589	(15,575)						
		1592	(462,297)						
		1595	(1,530,828)						
		2220							
		1568							
G. Shareholder's Equity	**27. Capital stock**	3005	(23,063,665)	(23,064)		(23,064)	(23,064)	0	
	28. Retained Earnings	3045	(43,591,328)	(45,204)	4	(45,200)	(45,200)	(0)	(C)
		3049	1,100,000						
		3090	(2,712,840)						
H. Revenues	**29. Sale of electrical energy**	4006	(48,672,961)	(123,748)	(10,452)	(134,200)	(134,200)	0	(B)
		4010	(11,043,706)						
		4015	(35,067,130)						
		4020	(5,287,236)						
		4025	(458,501)						
		4050	3,296,663						
		4055	(2,144,570)						
		4062	(4,247,064)						
		4066	(11,617,716)						
		4068	(8,323,171)						
		4076	(182,337)						
	30. Distribution revenue	4080	(28,848,441)	(29,026)		(29,026)	(29,026)	(0)	
		4084	(301)						
		4086	(177,325)						
	31. Regulated service revenue	4210	(407,058)	(1,549)	289	(1,260)	(1,260)	(0)	
		4225	(485,496)						
		4235	(656,666)						
		4375							
		4380							
	32. Amortization of developer contributions	4245	(1,286,519)	(1,287)		(1,287)	(1,287)	0	(A)
	33. Service revenue	4235		(86)	(284)	(370)	(370)	0	
		4390	(85,735)						
	34. Other revenue	4305		(206)	(6)	(212)	(212)	(0)	(C)
		4325	(1,212,719)						
		4330	1,001,559						
		4375	(219,576)						
		4380	224,587						
I. Expenses	**35. Cost of electrical energy**	4705	79,775,246	123,749	11,648	135,397	135,397	(0)	(B)
		4707	19,603,098						
		4708	4,247,064						
		4714	11,617,716						
		4716	8,323,171						
		4751	182,337						
	36. Operations, maintenance and administrative expenses	5005	283,166	15,901	(249)	15,652	15,652	0	(B)
		5012	231,045						
		5016	83,512						
		5020	872,596						
		5025	398,372						
		5040	34,358						
		5045	143						
		5065	474,884						
		5085	563,263						
		5105	229,137						
		5110	49,056						
		5114	378,170						
		5120	283,019						
		5135	202,004						
		5145	170,029						
		5155	66,078						
		5305	93,245						
		5310	548,125						
		5315	1,444,902						
		5320	161,521						
		5335	1,119,818						
		5340	104						

		5405	144,864						
		5410	390,900						
		5415							
		5420	268,864						
		5425	436,500						
		5605	1,006,396						
		5610	572,954						
		5615	1,856,218						
		5620	378,381						
		5625	(270,631)						
		5630	396,718						
		5635	120,977						
		5640	195,449						
		5645	873,199						
		5655	433,872						
		5660	22						
		5665	463,698						
		5670	351,098						
		5675	422,090						
		6035							
		6105	137,339						
		6205	35,992						
	37. Depreciation expense	5705	7,686,904	7,930	364	8,294	8,294	0	(A) (B)
		5715	169,130						
		5725	74,234						
	38. Loss on disposal of property	4355	(141,010)	(61)	1	(60)	(60)	0	
		4360	80,220						
	39. Interest income	4405	(880,544)	(881)	279	(602)	(602)	0	
		6035							
	40. Interest expense	4405		3,171	(508)	2,663	2,663	(0)	(B)
		6005	2,903,671						
		6035	532,687						
		6040	(298,223)						
		6045	32,724						
	41. Payments in lieu of corporate income taxes	6110	(166,452)	(166)	1	(165)	(165)	(0)	
	42. Net Movements in Regulatory Balance	xxxx		0	(1,082)	(1,082)	(1,082)	0	(B)
Grand Total			**(6,258,000)**	**(6,258)**			**(6,258)**	**2**	

Other Comprehensive Income	**Unrealized loss in fair value of derivatives designated as cash flows**			(3,691)	(3,691)	(3,691)	0 (B)
	Gain in fair value of derivatives designated as cash flow hedges			978	978	978	0 (B)
	Remeasurement of post-employment benefits			2,721	2,721	2,721	0 (B)
	Net movements in reglatory balances related to other comprehensive income			(2,721)	(2,721)	(2,721)	0 (B)
	Total comprehensive income		**(6,258,000)**			**(8,971)**	**2**

(A) = Reclassification within financial statements
(B) = adjustment recognized for IFRS purposes
(C) = immaterial rounding adjustment

Oshawa Power
USofA reconciled to Audited Financial Statements
As of December 31, 2024

Financial Statement Heading	Financial Statement Line Item	USofA	Sum of 2024	Sum of Amount in 1000's	Manual Adjustment	Adjusted Balance	Balance per Audited Financial Statements	Difference between USofA TB and Financial Stmts	Foot Note
A. Current Assets	01. Cash	1005	3,946,295	3,947		3,947	3,947	(0)	
		1010	300						
	02. Accounts Receivable	1100	14,631,036	13,285	1,720	15,005	15,005	(0)	(A)
		1104	597,374						
		1105	420,884						
		1110	0						
		1130	(2,383,796)						
		1140	19,334						
		1190							
	03. Unbilled Revenue	1120	16,751,142	16,751		16,751	16,751	0	
	04. Inventory	1330	116,371	156	(40)	116	116	0	(A)
		1340	40,003						
	05. Payments in lieu of corporate income taxes	2294	270,563	271		271	271	(0)	
	06. Prepaid expenses and other	1180	857,695	858	(84)	774	774	(0)	(A)
B. Non-current Assets	07. Property, plant and equipment	1805	293,875	221,526	(771)	220,755	220,755	0	(A)
		1808	5,578,968						
		1820	30,539,895						
		1830	72,149,200						
		1835	33,789,875						
		1845	77,097,138						
		1850	72,807,952						
		1860	17,243,733						
		1910	2,040,483						
		1915	809,563						
		1920	4,693,800						
		1930	5,871,306						
		1935	30,767						
		1940	3,237,605						
		1945	1,852,282						
		1955	611,287						
		1960	252,289						
		1970	107,035						
		1975	2,890,819						
		1980	293,582						
		2055	24,548,217						
		2105	(135,975,386)						
		2160							
		2320							
		2005	762,126						
	08. Intangible assets	1180		4,383		4,383	4,383	(0)	
		1611	4,327,307						
		2105	(3,201,000)						
		1609	4,183,043						
		2120	(926,835)						
	09. ROU Lease Assets	xxxx		0	1,673	1,673	1,673	0	(B)
	10. Unrealized gain on interest rate swaps	1405	1,253,596	1,254	(1)	1,253	1,253	(0)	
	10. Other Assets	1460	421,655	422		422	422	(0)	
C. Regulatory Assets	11. Regulatory asset balances	1508		5,937	2,882	8,819	8,819	0	(A)
		2350	6,732,268						
		1580	(876,346)						
		1582							
		1584	223,586						
		1586	(142,414)						
D. Current Liabilities	12. Accounts payable for power - IESO	2205	(12,396,565)	(12,397)	1,968	(10,429)	(10,429)	0	(A)
	13. Accounts payable and accrued liabilities	1100		(5,294)	(3,692)	(8,986)	(8,986)	0	(A)
		2205							
		2220	(5,047,514)						
		2250							
		2290	(235,862)						
		2292	(10,610)						
		2320							
	14. Due to affiliates	2240	(4,194,738)	(4,195)		(4,195)	(4,195)	0	
	16. Customer advance payments	2208	(502,136)	(502)		(502)	(502)	(0)	
	18. Current portion of customer advance deposits	2210	(1,077,131)	(1,077)		(1,077)	(1,077)	(0)	
		2335							
E. Non-current Liabilities	19. Long Term Debt	2525	(106,700,000)	(106,700)		(106,700)	(106,700)	0	
	Advance to Associated Companies	2550	0	0		0	0	0	
	20. Asset Retirement Obligation	2285	(961,732)	(962)	(1)	(963)	(963)	0	(C)
	21. Customer advance deposits	2335	(1,591,890)	(1,592)		(1,592)	(1,592)	0	
	15. & 23. Deferred Contributions	2440	(43,341,169)	(48,827)	625	(48,202)	(48,202)	(0)	(A)
		2055	(2,118,674)						
		2105							
		2210	(3,367,592)						
	17. & 22. Lease Liability	xxxx		0	(1,404)	(1,404)	(1,404)	0	(B)

	24. Post-employment non-pension retirement benefits	2306	(8,458,998)	(8,459)		(8,459)	(8,459)	0	
	25. Deferred income tax liabilities	2350	(7,064,471)	(7,064)		(7,064)	(7,064)	(0)	
F. Regulatory Liabilities	26. Regulatory liability balances	1508	(4,096,849)	(2,694)	(2,882)	(5,576)	(5,576)	(0)	(A)
		1551	(176,206)						
		1555							
		1588	265,618						
		1589	1,634,448						
		1592	(508,075)						
		1595	186,907						
		2220							
		1568							
G. Shareholder's Equity	27. Capital stock	3005	(23,063,665)	(23,064)		(23,064)	(23,064)	0	
	28. Retained Earnings	3045	(46,240,171)	(45,962)	6	(45,956)	(45,956)	0	(C)
		3049	1,200,000						
		3090	(921,393)						
H. Revenues	29. Sale of electrical energy	4006	(59,628,388)	(139,877)	(11,343)	(151,220)	(151,220)	(0)	(B)
		4010	(13,303,730)						
		4015	(33,486,708)						
		4020	(6,261,105)						
		4025	(418,455)						
		4050	3,616,717						
		4055	(2,121,723)						
		4062	(5,919,190)						
		4066	(12,413,874)						
		4068	(9,722,915)						
		4076	(217,837)						
	30. Distribution revenue	4080	(30,646,476)	(30,828)		(30,828)	(30,828)	(0)	
		4084	(557)						
		4086	(181,186)						
	31. Regulated service revenue	4210	(410,723)	(1,477)	118	(1,359)	(1,359)	0	(A)
		4225	(525,619)						
		4235	(540,230)						
		4375							
		4380							
	32. Amortization of developer contributions	4245	(1,399,017)	(1,399)		(1,399)	(1,399)	(0)	
	33. Service revenue	4235		(115)	(118)	(233)	(233)	0	(A)
		4390	(114,918)						
	34. Other revenue	4305	358,887	335	(359)	(24)	(24)	0	(A)
		4325	(116,201)						
		4330	91,747						
		4375	(186,488)						
		4380	187,374						
I. Expenses	35. Cost of electrical energy	4705	93,014,237	139,877	10,451	150,328	150,328	0	(B)
		4707	18,589,154						
		4708	5,919,190						
		4714	12,413,874						
		4716	9,722,915						
		4751	217,837						
	36. Operations, maintenance and administrative expenses	5005	230,379	18,956	109	19,065	19,065	(0)	(B)
		5010	175,852						
		5012	274,829						
		5016	103,453						
		5020	590,871						
		5025	305,842						
		5040	23,257						
		5045	0						
		5065	240,928						
		5085	696,781						
		5105	147,232						
		5110	31,858						
		5114	490,321						
		5120	461,115						
		5135	169,743						
		5145	251,706						
		5155	60,086						
		5305	127,989						
		5310	752,186						
		5315	1,612,098						
		5320	319,816						
		5335	1,471,952						
		5340	0						
		5405	82,194						
		5410	228,521						
		5415							
		5420	346,089						
		5425	532,849						
		5605	1,593,336						
		5610	878,148						
		5615	1,903,191						
		5620	956,414						
		5625	(192,990)						
		5630	545,694						
		5635	124,111						
		5640	210,223						
		5645	1,184,203						
		5655	469,050						
		5660	0						
		5665	673,959						

		5670	352,717						
		5675	335,982						
		5695	560						
		6035							
		6105	155,853						
		6205	37,396						
	37. Depreciation expense	5705	7,956,670	8,129	375	8,504	8,504	0	(A) (B)
		5715	167,322						
		5725	5,193						
	38. Loss on disposal of property	4355	(40,000)	221		221	221	0	
		4360	261,110						
	39. Interest income	4405	(528,861)	(529)	265	(264)	(264)	0	(A)
		6035							
	40. Interest expense	4405		2,953	(286)	2,667	2,667	(0)	(B)
		6005	3,019,509						
		6035	306,078						
		6040	(372,763)						
		6045	55						
	41. Payments in lieu of corporate income taxes	6110	5,361	5		5	5	0	
	42. Net Movements in Regulatory Balance	xxxx		0	789	789	789	0	(B)
Grand Total			**(3,747,936)**	**(3,748)**			**(3,748)**	**1**	

Other Comprehensive Income	**Unrealized loss in fair value of derivatives designated as cash flows**				2,438	2,438	2,438	0	(B)
	Gain in fair value of derivatives designated as cash flow hedges				(646)	(646)	(646)	0	(B)
	Remeasurement of post-employment benefits				(2,711)	(2,711)	(2,711)	0	(B)
	Net movements in reglatory balances related to other comprehensive income				2,711	2,711	2,711	0	(B)
	Total comprehensive income			**(3,748)**			**(1,956)**	**1**	

(A) = Reclassification within financial statements
(B) = adjustment recognized for IFRS purposes
(C) = immaterial rounding adjustment

Attachment 1 – 14

2023 Annual Report

OSHAWA POWER Group of Companies

2023 Annual Report

Delivering Value: Today & Tomorrow

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Letter From the Chair

Delivering Value: Today & Tomorrow

Progress, power, performance, and persistence.

As we look ahead at the City of Oshawa's 100th anniversary of incorporation in 2024, we remain incredibly proud of the work our organization has done to help our city reach this important milestone. Powering Oshawa's local economy through its success as Canada's automotive nexus to its evolving modern economy with strong ties to healthcare, education, and energy, Oshawa Power has played an integral role as a collaborative partner and technological enabler in Oshawa's evolution. Oshawa's anniversary will mark a time to reflect on past successes and plan for a sustainable future that will move our city forward through the next 100 years.

In 2023, our team remained focused on preparing our local electricity grid for the future. As our industry, the local economy, and the way customers use electricity continues to evolve, we understand that Oshawa Power will play an essential role in enabling the accelerating energy transformation.

Preparing for the future begins with an innovative, forward-looking leadership team. This April, we proudly introduced our new President & CEO alongside our revamped leadership and executive team. With innovation in mind and an entrepreneurial spirit, our leaders are tasked with leading modernization and cross-departmental collaboration that will allow us to continue advancing our grid and preparing for a lower carbon future.

Our organizational evolution is also evident in our new look, launched in early 2023. After more than 25 years, we have updated the way we present Oshawa Power to be more visible in our community and create an instantly recognizable brand that will inspire trust in our customers. Whether working across our city or connecting with our community at local events, we want our customers to instantly recognize our presence and feel confident in our expertise.

Our team remains as dedicated as ever to delivering one of the most reliable electricity grids in our province. With the energy transformation underway, more customers are adopting electrification of personal transportation and home heating & cooling, increasing the importance of a reliable supply of electricity today and into the future. In November, our team seamlessly replaced the aging switchgear at Municipal Substation #2 with a modern, interconnected solution that will improve energy security for more than 7,000 homes in the surrounding neighbourhoods.

We have continued the expansion of our industry leading SmartGrid, with more than 40% of our grid now connected to our Fault Location, Isolation, and Service Restoration (FLISR) system, allowing us to maintain and improve on our sterling record of reliability for our city. In 2023, customers experienced an average of a single outage, lasting approximately 48 minutes, a 45% decrease in downtime compared to 2022. Meanwhile our team's response time averaged just 12 minutes, or 14% faster than last year's record number. The dedication and readiness of our crews is something our organization remains incredibly proud of.

As we continue to integrate automation into our grid, adopt new technologies that improve organizational efficiencies, and prepare for a more interconnected future, we have placed a renewed focus on cyber security. An increased reliance on digital technologies to monitor and control our grid and offer improved services to our customers means that we must be diligent in our preparation against potential attacks and service interruptions. Our Information Technology team has implemented new processes, procedures, and controls designed to meet and exceed the OEB's new guidelines on cyber security, keeping both our grid and customers' private information secure.

For our customers, we introduced a new and improved version of our online customer portal, MyOshawaPower. This improved service allows customers complete transparency and access to their Oshawa Power account, including usage tracking down to the hour, payment and billing history, access to their personal data through Green Button integration, custom notifications, and so much more. Available across devices, our customers can manage their account at home or on the go, allowing them to make prudent energy choices and find new ways to save.

With an increasing focus on sustainability across our industry, Oshawa Power is taking action to lead the way. By introducing new hybrid vehicles into our light-duty fleet, building electric vehicle awareness through our Moving Forwards partnership, and continuing to offer premier eBilling solutions, we are encouraging our staff and customers to look at all options to make carbon-conscious choices. We are committed to establishing new ways to reduce emissions, lower our carbon footprint, and become a more sustainable organization.

In our community, we leveraged our position as a trusted community partner to continue educating residents on electrical safety, promote STEM education, and give back to our community through charitable donations. We recognize the responsibility we have to strengthen our community and are committed to giving back.

Looking towards the future, we understand that our customers are increasing their reliance on a safe and reliable supply of electricity to power their daily lives. With demand expected to increase rapidly in the coming years, we are preparing for the challenge ahead. Building and continuously developing a diverse and uniquely talented workforce will play an integral role in meeting the needs of our community.

We remain confident that our community is in good hands, and that with close collaboration and shared principles, we will work together with our shareholder, the City of Oshawa, to continue meeting the evolving needs of our customers today and tomorrow, while serving our city with a lifetime of power.

Denise Carpenter, ICD.D, GCB.D
Board Chair

Letter From the President

With the energy transformation well underway across Ontario, our team remains focused on delivering value through superior performance and careful planning that will help us to better serve our community for today and for tomorrow.

Delivering value to our community begins with our team. As we look ahead to our next long term plan, we have been hard at work crafting a new, future-focused strategy that will allow the City of Oshawa to continue expanding our local economy, rapidly accommodate an increasing population, and prepare for a more sustainable future.

Our new strategy will be the guiding principle for our organization, including new Vision, Mission, and Values to be introduced in 2024, that will encourage innovation, value the safety of our employees and local community, as well as promote a high performance culture across Oshawa Power and our affiliates.

In 2023, we showcased the level of performance that our customers have come to expect from one of Ontario's leading LDCs. We once again achieved a reliability score of greater than 99.99% and showcased leading Operational Effectiveness by posting SAIDI and SAIFI scores of 0.803 and 1.022 respectively, outperforming the average across our industry.

Building one of Ontario's most reliable local electrical grids necessitates an ongoing commitment to innovation and advancement. Our team worked diligently throughout 2023 to complete our Capital Plan on time and on budget, while refining our ability to rapidly connect new customers and restore service during power interruptions through the expansion of our industry-leading SmartGrid. As electrification accelerates across our province, we want Oshawa Power customers to know that they can count on our grid to meet rising demand.

At Oshawa Power, we understand that our greatest asset is our people. Building our organization for the future means not only attracting and retaining a talented workforce but, most importantly, keeping them safe each and every day. This year we built on our outstanding safety record by retaining our Certificate of Recognition (COR®) Certification from the Infrastructure Health & Safety Association (IHSA), one of only four Ontario LDCs to achieve this certification, and reaching nearly 7 years, or more than 1,288,000 work hours without a Lost-Time Injury (LTI).

As I reflect on my first year as President & CEO of Oshawa Power, I am filled with gratitude for the warm welcome I have received from our dedicated team and the community we serve. In this short time, I have witnessed firsthand the incredible work ethic, commitment to excellence, and unwavering dedication that has defined Oshawa Power throughout its rich history.

Standing at the threshold of a new era in our industry, I am aware of the challenges we face and am deeply inspired by the opportunities that lie ahead. Our commitment to innovation, reliability, and safety has laid the foundation for a future where Oshawa Power continues to be at the forefront of the energy transformation. Looking forward, our vision is clear — we will continue to invest in cutting-edge technologies, sustainable practices, and the development of our workforce to ensure that we not only meet the evolving needs of our community, but also exceed them.

Daniel Arbour
President & CEO

Organizational Profile

The Group

***The Group** is a wholly owned subsidiary of the City of Oshawa, with more than 100 employees, a rapidly increasing asset base of $285M, and an annual operating budget of approximately $156M.*

At our core, we are an enabler of critical energy and infrastructure for the City of Oshawa and in communities across Ontario.

***The Group** also incorporates several assets outside the regulated framework of traditional utilities — this includes energy generation, energy services, a broadband communications business, and both new and existing technologies that enable the energy transition.*

In these areas we are helping to build a diverse and sustainable community for the next generation. This includes contributing an attractive return for our shareholder, the City of Oshawa.

Through our focus on innovative and sustainable energy solutions, we connect local communities, develop local economies, encourage growth and development, and improve quality of life for all of our customers.

2023 At A Glance

63,000+
Customers

9 MUNICIPAL SUBSTATIONS

6,475 TRANSFORMERS

11,241 POLES

145 km² SERVICE AREA

236 MW PEAK DEMAND SERVED

GENERATION ASSETS

OUTPUT **20,865 MW**
OWNED & MANAGED

698 MVA STATION CAPACITY

245 SWITCHES

538 km O/H PRIMARY CIRCUIT

476 km U/G PRIMARY CIRCUIT

2 CONTROL CENTRES

8 EV CHARGING STATIONS

Our Lines of Business

The Group *owns and operates three lines of business: electricity distribution, renewable energy generation and solutions, and broadband services. With the organization continuing to grow and diversify its business, our affiliate organizations are working together to build a better, more sustainable and resilient future.*

At our core, we are an enabler of critical energy and infrastructure for the City of Oshawa and in communities across Ontario.

Oshawa Power *is a regulated local electricity distribution company licensed and rate-regulated by the Ontario Energy Board (OEB) under the Ontario Energy Board Act, 1998. It is dedicated to delivering a safe and reliable supply of electricity to more than 63,000 homes and businesses across Oshawa.*

EnerFORGE *provides innovative energy solutions to organizations across Ontario. It finances, develops, constructs, and operates renewable and low-carbon energy assets to help build a more sustainable future.*

Durham Broadband *is the region's largest fibre optic network, connecting Durham Region to the world with ultrafast, reliable, and low-cost communications solutions. It offers custom solutions for institutional, enterprise, and small and medium-sized business (SMB) customers. It has been serving local institutions on its dark-fibre network for nearly 20 years.*

Vision

Meeting the evolving needs of our customers as a leading enabler of integrated critical energy and communications infrastructure.

Mission

We deliver value and earn the trust of our customers every day by delivering safe, sustainable, and reliable energy at a competitive rate.

Our Values

We are committed to excellence in all aspects of our business and operations. Through collaboration, communication and engagement, we work together to demonstrate the following principles through our actions:

- Ensuring Safety and Reliability
- Providing Value to Our Customers
- Valuing Our People
- Embracing Innovation
- Holding Each Other Accountable
- Living a Culture of Respect

Strategy

In 2023, our team began the process of developing our next long term strategy. This exercise will guide our outlook for 2025-2030 and present a new, future-focused strategy including a revamped Vision, Mission, and Values that will position our organization for the developing energy transformation.

Board of Directors

Denise Carpenter ICD.D, GCB.D
Board Chair

Dan Benoit
Member, Project Monitoring Committee
Member, Finance & Audit Committee

Grant Buchanan
Chair, Project Monitoring Committee
Member, Finance & Audit Committee

Neel Bungaroo
Member, HR & Governance Committee

Terry Caputo
Chair, Finance & Audit Committee
Member, HR & Governance Committee

Donna Kingelin
Chair, HR & Governance Committee

Robert Watson
Member, Finance & Audit Committee
Member, Project Monitoring Committee

Leadership Team

Daniel Arbour
President & CEO

Susanna Beckstead CA,CPA
Chief Financial Officer & Chief Administrative Officer

Maged Yackoub
Chief Technology Officer & Director, Business Transformation

Mike Weatherbee
Managing Director - Oshawa Power

Doug Proska
Managing Director - EnerFORGE

Renee McFarland
Director, People & Culture

Jennifer McHugh
Director, Communications & Customer Success

Welcoming New Leadership

With the energy transition underway in our community and across Ontario, the electricity distribution industry is experiencing a period of immense change. As our industry evolves rapidly, we recognize that the presence of a forward-looking, innovative leadership team will be essential to guide us into the new era of electrification and an increasingly interconnected local power grid.

In 2023, we had the honour of introducing our new, revamped leadership team, focused on fostering collaboration and strengthening our ability to deliver on our robust goals of modernizing and transforming our organization to lead the way as a modern utility.

***Daniel Arbour** joins Oshawa Power as our new President & CEO, overseeing a diverse, multifaceted executive team. With more than 15 years of leadership and development experience, including a decade in enabling and accelerating the energy transition through the development of mobile energy infrastructure, Daniel brings a commercial mindset to Oshawa Power. His diverse skill set promises to help move partnerships forwards and facilitate opportunities for innovative energy solutions that will allow us to serve our city better today and into the future.*

Most recently, Daniel served as the CEO & Global Head of Shell TapUp after holding several positions in operations, price management, and logistics as well as executive sales and marketing roles with Shell in Canada and across the United States.

In addition, our executive team underwent significant restructuring in the past year. Our new organizational structure is intended to facilitate cross-departmental collaboration, stoke innovation, and allow us to better serve our more than 63,000 customers.

At Oshawa Power, we embrace change while working diligently to prepare Oshawa for the future and adapt to new technologies that will allow us to keep our city connected for decades to come. We are confident that our new leadership team will ensure Oshawa Power remains one of Ontario's most reliable and innovative Local Distribution Companies, helping to usher in a new era of prosperity for our local community.

Rebrand

Our New and Modern Look

This year, we looked different when you saw us around our city.

Since we first turned the lights on more than 130 years ago, we've experienced many evolutions. From powering electric arc lamps on Downtown streets to powering your electric vehicle for the morning commute, we've been there every step of the way.

Oshawa continues its evolution into a modern, electrified, and increasingly connected local community, becoming even more reliant on our safe, clean, and reliable supply of electricity to continue powering our future. As a leading partner in Oshawa's evolution, we understand that we will have to be so much more than a traditional utility. After 25 years, we've retired our former branding to adopt a new, timeless mark that presents Oshawa Power as a modern utility of the future, facilitating the energy transition as we move forward towards a lower-carbon, electrified future.

Reliability

Delivering on Our Promise

Keeping your family out of the dark.

Just like you always have, we want you to know you can count on us to keep your lights on and respond with urgency when service is interrupted. In 2023, we once again delivered on our promise of operating one of Ontario's most reliable local electrical grids by posting an overall reliability score of greater than 99.99%

Through 24/7 monitoring of our grid, comprehensive infrastructure assessment, dedicated field staff, continuous planned maintenance, and developing one of our province's most advanced SmartGrids, we have been able to provide Oshawa with a supply of electricity that residents and businesses can always rely on.

99.99%
RELIABILITY SCORE

1
AVERAGE NUMBER OF OUTAGES

48 minutes
AVERAGE YEARLY DOWNTIME

12 minutes
OUTAGE RESPONSE TIME

59%
UNAVOIDABLE OUTAGES

150
MOMENTARY OUTAGES

Preparing Our City for the Future

In 2023, we completed our planned upgrade to Municipal Substation #2 located near the heart of our city. This project, valued at more than $2.5 million dollars, included the replacement of one of the longest serving switchgears in our service territory along with the construction of a new foundation and installation of new 15kV feeder lines and additional wiring necessary to energize the unit and increase station capacity.

During a robust and comprehensive assessment of our local power grid, undertaken as part of our Strategic Asset Management Plan, our engineering team highlighted Municipal Substation #2 as a key opportunity to replace an aging asset that would allow us to maintain or improve reliability in the surrounding area and expand station capacity to prepare for increased electrification and development. Planned for completion during this phase of our Capital Rebuild Plan, our distribution team went to work on the upgrade last November, working closely with our project partners to remove the old unit and install a state of the art eHouse Solution. Once in place, our team of Power Maintenance Electricians (PME) began the process of energizing the unit and ensuring full integration into our SmartGrid.

39
YEAR-OLD UNIT REPLACED

7,000
CUSTOMERS

$2.5
MILLION PROJECT

1ST OF 4
PLANNED UPGRADES

"In November, our team had the pleasure of welcoming Ontario Energy Board CEO Susanna Zagar to Oshawa and showcasing the projects we are working on to better our local power grid and improve reliability across our service territory.

Through sharing insights from local and provincial perspectives, we were able to advance our mutual understanding of the factors affecting Ontario's energy industry including an ever increasing focus on cyber security, customer success, and how to serve a growing community. As we continue to plan for future growth across our province, collaboration between LDCs and the OEB will play an important role in ensuring we are prepared for the acceleration of electrification across the territories we power.

Our team was proud to share our recent successes, future plans to power residential and commercial growth across Oshawa, and our commitment to continue operating one of Ontario's most secure and reliable local electricity grids."

Keeping You Connected

This year, we were proud to launch our new Projects & Engagement page on the Oshawa Power website. We recognize that customer engagement plays an important role in our ability to deliver a product that consistently meets our customers' expectations.

The new page was created to help showcase the projects that we are undertaking throughout our community and help our customers understand how we are investing in our grid. As we plan, complete, and document projects across our city, we want to hear from our customers to better understand their priorities and develop action plans to address their needs.

Continuing to proactively engage with our community will help us to better understand how we can best serve our customers and develop plans that maximize value to residential and commercial customers across Oshawa.

Predictive Prevention

The reliability of a local power grid depends on a wide array of factors, some of which are invisible to the naked eye. One factor that can cause equipment failure and corresponding power outages, is overheating occurring at connection points caused by loosening or degradation of components. As part of our proactive approach to reliability, we regularly scan our system using infrared imaging technology to pinpoint anomalies, or 'hotspots', across the city that pose a risk of interruption.

While hotspots are not uncommon, if left unrepaired, these anomalies will cause a drop in efficiency and, eventually, a failure causing a loss of power. Scanning these connections informs our maintenance planning, allowing our team to place highest priority on problem areas and begin the process of eliminating the risk of outages before they can happen.

BIENNIAL SCANNING

534 km OF OVERHEAD CIRCUIT

150 UNDERGROUND VAULTS

81.5°C LARGEST AMBIENT TEMPERATURE ANOMALY

Modernizing Our Grid

Our grid modernization efforts continued throughout 2023 as we worked towards further developing one of Ontario's leading SmartGrids. In order to take our system from a traditional local electrical distribution grid to a modern, interconnected SmartGrid, we are continuing to install auto-switches and additional 'smart' components that allow us to further integrate remote grid management and automation across our city.

These components are directly integrated with our ***Fault Location, Isolation, and Service Restoration (FLISR)*** *system that allows us to improve reliability, avoid prolonged outages, and improve our restoration process. When a fault occurs in our system, this system is designed to automatically detect the outage and communicate with auto-switches installed across our grid to open or close as necessary, restoring service to all, or as many customers as possible, nearly instantaneously. In situations where the automation cannot achieve full restoration, these switches are also able to be controlled remotely by the operators in our control room. By communicating and working directly with our field staff, our Control Room Operators can assist in the restoration process by controlling the switches and increasing the efficiency at which our team completes the restoration process.*

Our goal is to create a completely connected SmartGrid across our entire service territory. As we work to maintain, upgrade, and rebuild our system, we are methodically replacing traditional components with new 'smart' components that allow us to further expand and improve upon our existing FLISR connections. While we install these components on all rebuilds, planned or unplanned, our Strategic Asset Management Program has helped us highlight locations across our system where these installations will have the largest effect on our reliability record. This informs our Capital Rebuild Plan and allows us to maximize the value of our investments in our grid and create the greatest impact for our ratepayers.

As of year-end 2023, our team has connected more than 40% of our distribution feeders to our FLISR system, along with additional substation-level components. The ongoing development of our SmartGrid will play a vital role in improving reliability and managing capacity requirements as Oshawa continues to expand its population and local economy.

Discovering Efficiencies

As our city and organization continue to experience growth, we explore additional opportunities to improve the efficiency of our operations to better serve our customers and reduce our operating costs.

In the past year, our team worked to relocate and expand our existing control room. This change allows our team to improve monitoring of our local electrical grid and coordination with our stores, distribution, and IT teams. Through increased collaboration across functions, our teams can respond more efficiently during restoration efforts and further technological grid advancements to enhance our SmartGrid, improving reliability and response time.

Additionally, our fleet introduced a new, state-of-the-art digger truck in 2023. The first of its kind in the province, the new vehicle will enable greater efficiency during infrastructure rebuild projects. Added excavation and freight transportation capabilities will help to eliminate expenses associated with equipment rentals, allowing for operational savings and a more self-dependent organization.

Customer Experience

Power at Your Fingertips

At Oshawa Power, we work hard to understand our customers and meet their developing needs. A growing dependence on mobile technology has led to a transition in the way customers choose to interact with service providers. Traditional paper and telephone-based customer service options will no longer meet the needs of an increasingly connected customer base.

To meet the needs of our customers, we launched our new and improved MyOshawaPower customer portal. The new MyOshawaPower is designed to give the power back to our customers and enable personalized account management, at home or on the go. Available across desktop and mobile devices, our new customer portal boasts a simplified dashboard and allows customers to make changes to their account in realtime.

This new technology sets a foundation for an online 'one stop shop' that will help create a simple, streamlined customer experience. Featuring online payments, detailed electricity usage tracking, access to Green Button data, outage notifications and so much more, this new platform helps simplify the way Oshawa Power customers manage their account.

Customer *Welcome Package*

We understand that moving into a new home is never an easy process. To help onboard new Oshawa Power customers we've developed our Welcome Package, designed to give our customers the information they need to get started with Oshawa Power, in an easy to digest digital package.

After years of experiencing issues onboarding new customers and fielding thousands of calls and emails asking similar questions from new account holders, our team collaborated to find a creative solution that would provide new customers with valuable information about our service, set realistic expectations about billing timelines, and showcase services we offer to improve the customer experience, including linking to our revamped customer portal and creating a built-in Pre-Authorized Payment (PAP) enrollment form.

At its core, the Welcome Package is designed to support new customers while developing brand awareness and a connection to the Oshawa Power brand. By presenting a well designed, branded document that presents immediate value to our customers, we are aiming to begin each new relationship on strong footing and create goodwill with our customers and community.

Welcome to Oshawa

Your Account Number :

00001234-05

It is our pleasure to welcome you to our great city that we have been powering for over 130 years. As members of the local community, we understand the importance of reliable and affordable power to the people of Oshawa and are wholly committed to offering the best possible service to our customers.

Our staff is dedicated to not only maintaining our power grid, but to finding new, innovative ways to improve our infrastructure and ensure our system is ready for the exciting future of our city. As one of the fastest growing municipalities in Canada, we take pride in enabling growth and development by enhancing our grid, providing reliable new connections, and offering a growing list of services to meet the needs of residential and commercial customers alike.

At Oshawa Power, we put the needs of our customers first. We offer the ability to manage your account and get the support you need through multiple channels, including MyOshawaPower, a 24/7 online self-service platform. Our friendly team of customer service agents strive to make your experience simple, accessible, and stress free, just the way it should be.

We look forward to keeping you connected.

Sincerely,

Susanna Beckstead

Vice President - Corporate & Business Services, Finance

3

81%

OPEN RATE

1,878

DELIVERED

286

PAP SIGN UPS

15.2%

CONVERSION RATE

Your Power, Your Choice

In 2020, the Ontario Energy Board (OEB) launched the new Customer Choice plan, allowing electricity customers across Ontario to choose how they would be billed for their usage for the very first time. Building on the initial plan consisting of two choices; traditional Time-of-Use (TOU) Pricing where customers are billed in three tiers depending on when they use electricity, and Tiered Pricing that allows customers to use their electricity when they prefer, billing in two tiers dependent on total usage during their billing cycle, the OEB introduced the new, Ultra-Low Overnight (ULO) Pricing in 2023.

Offered to Oshawa Power customers as of November 1st, the new ULO Pricing plan offers customers who have the most control over when they use their electricity a way to find additional savings. Arranged similar to TOU Pricing, the new ULO Plan differs by having four distinct usage categories, including; Ultra-Low Overnight from 11 p.m. to 7 a.m, Weekend Off-Peak from 7 a.m. to 11 p.m. on weekends, Mid-Peak from 7 a.m. to 4 p.m. and 9 p.m. to 11 p.m. on week-days, and On-Peak from 4 p.m. to 9 p.m. on weekdays. Customers can consider their lifestyle, how they use electricity at home, and how much they can shift their usage to determine which plan can help them save the most on electricity costs and minimize their monthly bill.

Personal Data, Enhanced Insights

Along with the launch of ULO, utilities across Ontario implemented Green Button integration, offering customers full access to all of their electricity data. With the click of a button customers can access up to two years of historical energy data, allowing them to gain deeper insights into how they have traditionally used electricity at their home or business. Allowing access to this data will help customers make changes to their habits, lifestyle, and pricing plan that can allow them to save even more on their electricity bill.

Promoting Carbon-Conscious Choices

Driving a Cleaner Future

The energy transition is underway in Ontario, with consumers opting for new, emerging innovations that improve efficiency, increase savings, and offer new alternatives to traditional technologies. As more Oshawa Power customers look towards adopting electric vehicles (EVs) as a means to save money and lower their personal carbon footprint, we understand the role we need to play as a trusted source of information and an enabler of local electrical infrastructure.

In 2023, we partnered with Scout Environmental to deliver Moving Forwards, an interactive guide to EV ownership in our community. Partially funded by Natural Resources Canada, this project provided a 'one stop shop' for EV information and a personalized journey to help customers decide if an EV would work for their lifestyle. From those who already own EVs to those who are completely new to the technology, Moving Forwards guides the user through an EV learning journey based on their existing knowledge and sentiment regarding electric mobility.

Gathering location and sentiment data from our customers also allows our teams to collaborate on infrastructure planning to ensure our local power grid is able to accommodate the growth of EV adoption throughout our community. With more than 1,400 registered EVs in our service territory and adoption growing by 40% year over year, highlighting areas of increased adoption, and thus increased demand, will be key to developing and maintaining the necessary infrastructure to enable continued adoption of low-carbon transportation across Oshawa.

2,000+
SESSIONS

752
USERS PROVIDED DATA TO HELP OUR PLANNING PROCESS

78%
OF RESPONDENTS OWNED AN EV OR WERE INTERESTED IN ADOPTION

52%
OF RESPONDENTS PLAN AN EV ADOPTION IN THE NEXT YEAR

Leading by Example

Our fleet plays an essential part in the service we provide to the City of Oshawa. Making up the largest part of our active fleet, our light-duty pickup trucks are used on a daily basis for general transportation, inspections, and other lighter duty work. This year, we were proud to introduce four new hybrid electric pickup trucks into our light-duty fleet.

These new vehicles are just the beginning of a transition that will see us reduce our carbon emissions and lead by example in our community. Through emissions tracking and firsthand learning from our own electrified vehicles, we can be more in touch with the benefits and potential shortcomings of EVs. We are confident that our learnings can help us better prepare our customers for the adoption of EVs, while continuing to reduce our own emissions and operate as one of Ontario's most efficient electric utilities.

INTRODUCED **4** HYBRID TRUCKS TO LIGHT-DUTY FLEET

4%
REDUCTION IN FLEET EMISSIONS

ADDITIONAL PLANNED REPLACEMENTS BY **2030**

Going Paperless

Entering a more digitally connected era offers opportunities to reduce our environmental impact through encouraging customers to leave paper bills in the past and opt to receive bills and communications through digital channels. In the past year, we moved to an opt-out process, automatically enrolling new customers in our eBilling program.

Since introducing our eBilling program, we have been a leader in the Ontario electric utility industry, inching ever closer to a 50% rate of enrollment. Encouraging customers to adopt paperless billing is a simple, hassle free way to help customers declutter and help lower our environmental impact.

47%
ENROLLMENT

= 90m
STACK

29,000
CUSTOMERS

700,000
SHEETS OF PAPER SAVED

Community

Spreading Safety Education

With high voltage equipment extending all across our city, we understand that we have an increasingly important role to play in the safety of our community. On September 7, we took our trucks and Hazard Hamlet demonstration to connect with our community at the 9th Annual Touch-a-Truck.

As one of downtown Oshawa's marquee summer events, we took the opportunity to focus on spreading safety knowledge to families across our community. Utilizing our interactive Hazard Hamlet safety display, we spoke with more than 1,500 local residents about electrical safety.

Honouring Our Heroes

In partnership with the Royal Canadian Legion Branch #43, our Veteran's Banner program returned in 2023, honouring a record number of veterans from our local community. Each November our crews work to replace banners across the downtown core with memorials recognizing the heroes from our community that served our country. In 2023, we were proud to help recognize more than 100 honoured veterans.

Giving Back to Our Community

Supporting our community is at the core of all that we do. This holiday season, our Customer Service team started a small movement to help support the Durham Regional Police Service's Holiday Food & Toy Drive. After word spread across our organization, the donations came pouring in from all departments and our team was able to raise a large donation of both toys and non-perishable goods in support of this long standing community initiative.

Promoting STEM Education

We were proud to once again sponsor the Oshawa Generals' Adopt-a-School Program this season. This program recognizes youth in our community that are excelling in Science, Technology, Engineering, and Math (STEM) education while fostering a love of hockey.

Last season, we partnered with the Oshawa Generals and 26 elementary schools across Oshawa to distribute more than 1,000 pairs of tickets to students finding success in STEM.

Readying our Team for Tomorrow

Certifications

This year, we were proud to graduate two apprentice lineman to journeyman service. Congratulations to ***Ethan Ianuzzo*** *&* ***Jared Fleming*** *on achieving your Red Seal certification!*

Training

Improving our grid and reliability is only half of the equation when it comes to preparing to serve our city into the future. At Oshawa Power, we understand that the continuous development of our staff is equally important.

In 2023, our team completed nearly 2,000 hours of training, an 11% increase over 2022. Our training is focused on preparing our team to complete the work necessary to continue upgrading and improving our grid and keeping all of our employees and members of our community safe while doing so. Key training highlights from this year include barehand work training to ensure our staff can safely and effectively work with high voltage feeders and traffic control training to ensure our field crews and drivers in our community are kept safe while our crews complete work on our grid.

Throughout the year, our team was joined by five Co-Op students from post-secondary institutions across Ontario. Reaching across departments, these students brought fresh, innovative ideas and developed an important understanding of the LDC landscape, preparing them to be part of the next generation of workers in the utility industry.

COR®

As an industry leader in safety, we were proud to once again achieve Certificate of Recognition (COR®) Certification from the Infrastructure Health & Safety Association (IHSA). This yearly safety audit ensures that our procedures are held to a high standard and encourages us to consistently revisit our safety practices to continue keeping our employees and community safe.

We are proud to be one of only four Ontario LDCs to achieve Certificate of Recognition (COR®) Certification.

Safety

Building our team for tomorrow means making sure each employee is ready to work each and every morning. At Oshawa Power, we place a premium on the health and safety of every employee and member of our community. This year, our organization once again experienced no Lost-Time Injuries, bringing our total number of hours without a Lost-Time Injury to more than 1,288,000 hours or nearly 7 working years.

We remain diligent in our development of a culture of safety across our organization through our adherence to health and safety protocols and the work of our Joint Health & Safety Committee.

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