Ontario Energy Board | Commission de l'énergie de l'Ontario

**September 29, 2025**

# Activity and Program-based Benchmarking (APB) – 2024 Unit Cost Report

**EB-2018-0278**

2300 Yonge Street, 27th floor, P.O. Box 2319, Toronto, ON, M4P 1E4
2300, rue Yonge, 27e étage, C.P. 2319, Toronto (Ontario) M4P 1E4

**T** 416-481-1967 1-888-632-6273
**F** 416-440-7656 **OEB.ca**

# Table of Contents

# 1. Introduction

In 2018, the Ontario Energy Board (OEB) launched an initiative (EB-2018-0278) to develop Activity and Program-based Benchmarking (APB), encouraging continuous improvement by rate-regulated electricity distributors (distributors) and increased regulatory efficiency.

In February 2019, following input from a working group made up of stakeholders representing consumers and utilities, and consultation with Pacific Economics Group LLC (PEG), the OEB published an APB Staff Discussion Paper (the Discussion Paper) for electricity distributors. The Discussion Paper identified 10 programs selected for APB. Six of these programs are Operation and Maintenance (O&M) Expenditures, four are Capital Expenditures (CapEx), and three report both kinds of expenditures (See table).

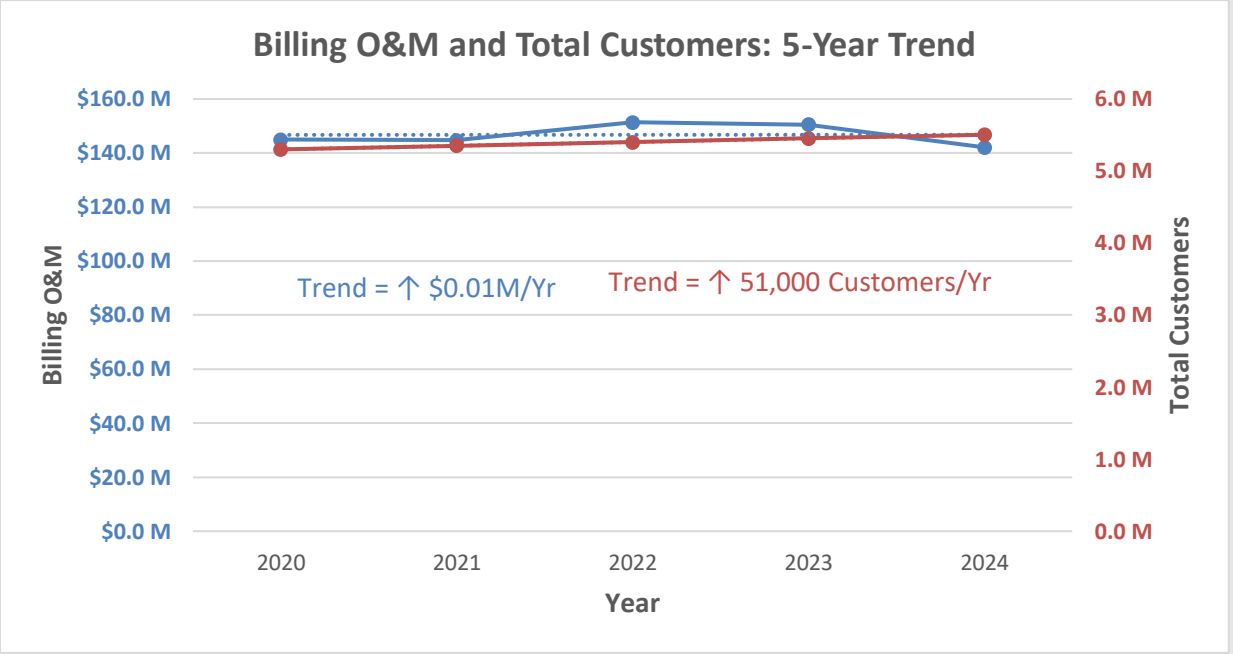
| Programs | Operation and Maintenance (O&M) Expenditures | Capital Expenditures (CapEx) |
|---|---|---|
| Meters | X | x |
| Distribution Station Equipment | X | x |
| Poles, Towers and Fixtures | X | x |
| Billing | X | |
| Lines | X | |
| Vegetation Management | X | |
| Line Transformers | | x |

A portion of the historical data required to calculate the unit costs of the above-mentioned programs was collected through limited data surveys. The data required to calculate the unit costs from fiscal year 2021 onward is available through the annual Reporting and Record keeping Requirements (RRR) filings submitted by electricity distributors. For all 10 programs, this report summarizes the unit costs for 2024 and provides a five-year trend for years 2020 to 2024.

# 2. Unit Cost Benchmarking Results

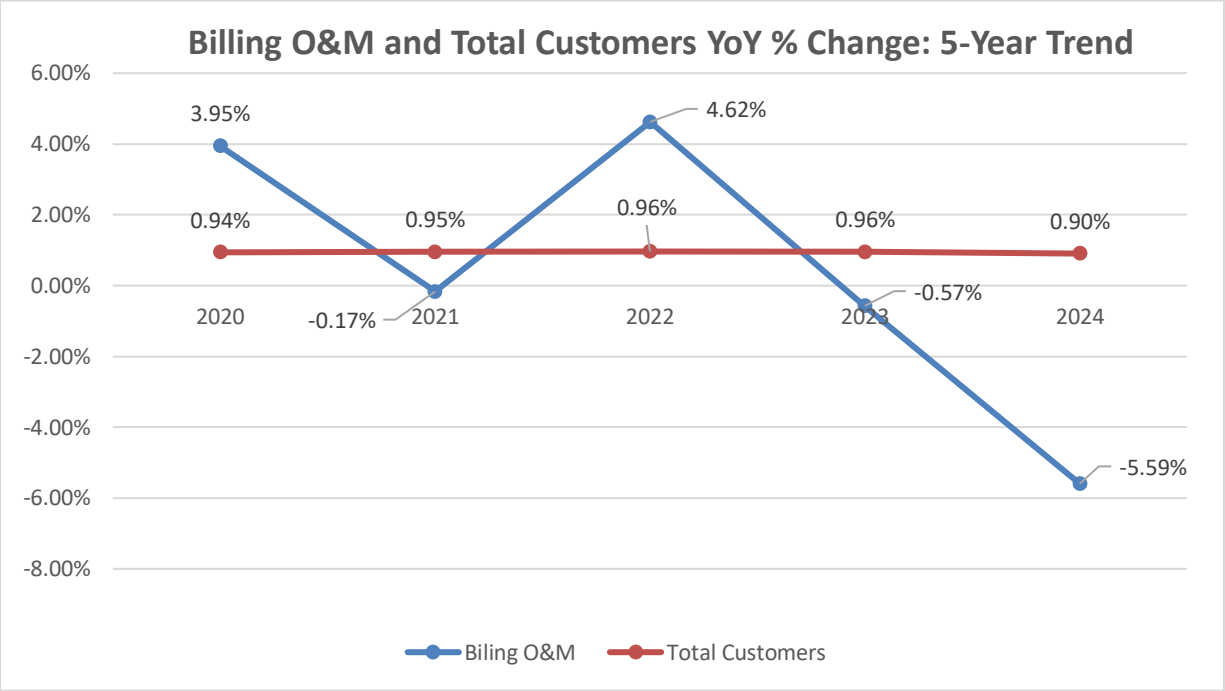
## 2.1 Billing O&M

During the five-year period from 2020 to 2024, the overall industry trend[1] for billing O&M costs[2], as measured by standardized linear regression, increased by approximately $0.01 million per year, and the overall total number of customers[3] increased by approximately 51,000 per year. The chart below shows the five-year trend.




[1] Combined for 53 distributors.
[2] USoA 5315 as per Accounting Procedures Handbook for Electricity Distributors.
[3] Excludes street lighting, sentinel lighting, and unmetered scattered load (USL) connections.

From 2023 to 2024, contrary to the five-year upward trend, the total billing O&M costs[4] for the decreased by 5.59%. During the same period, the total number of customers increased by 0.90%.

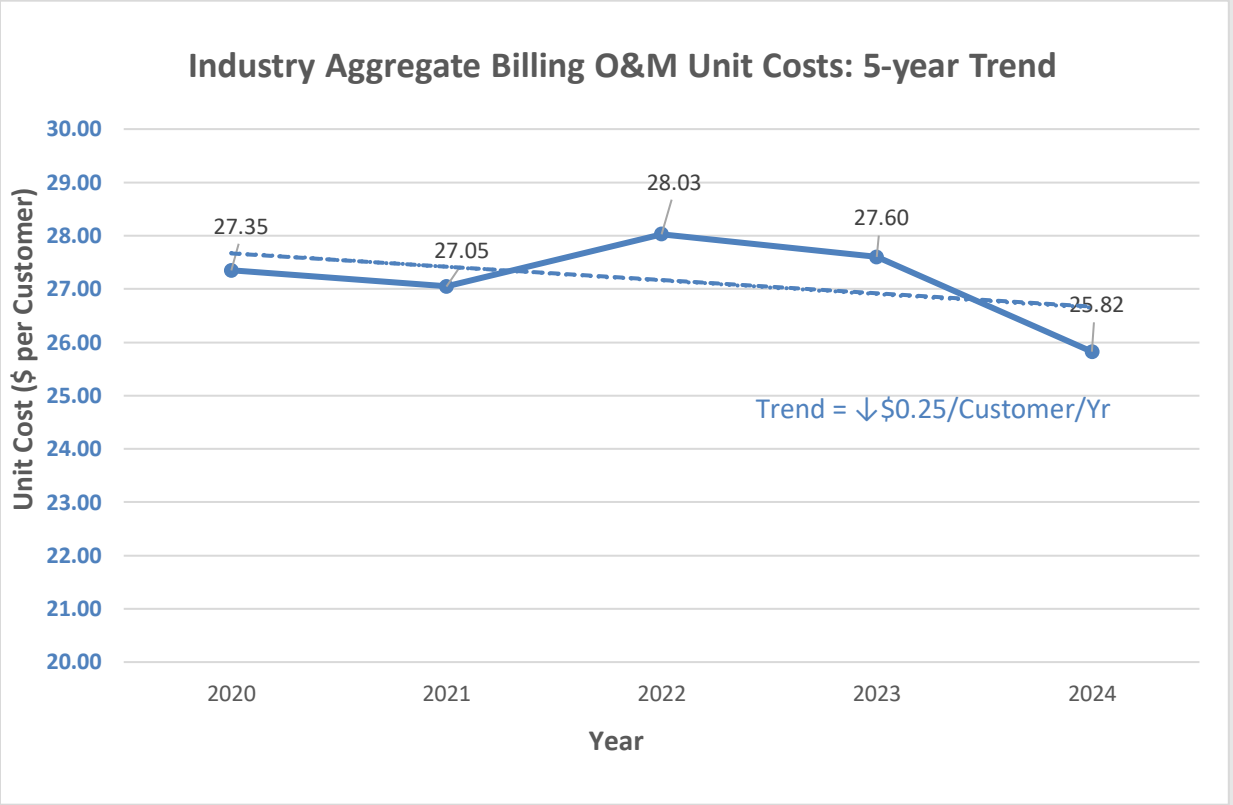



The unit cost for this metric is calculated by dividing the billing O&M cost incurred by the total number of customers.

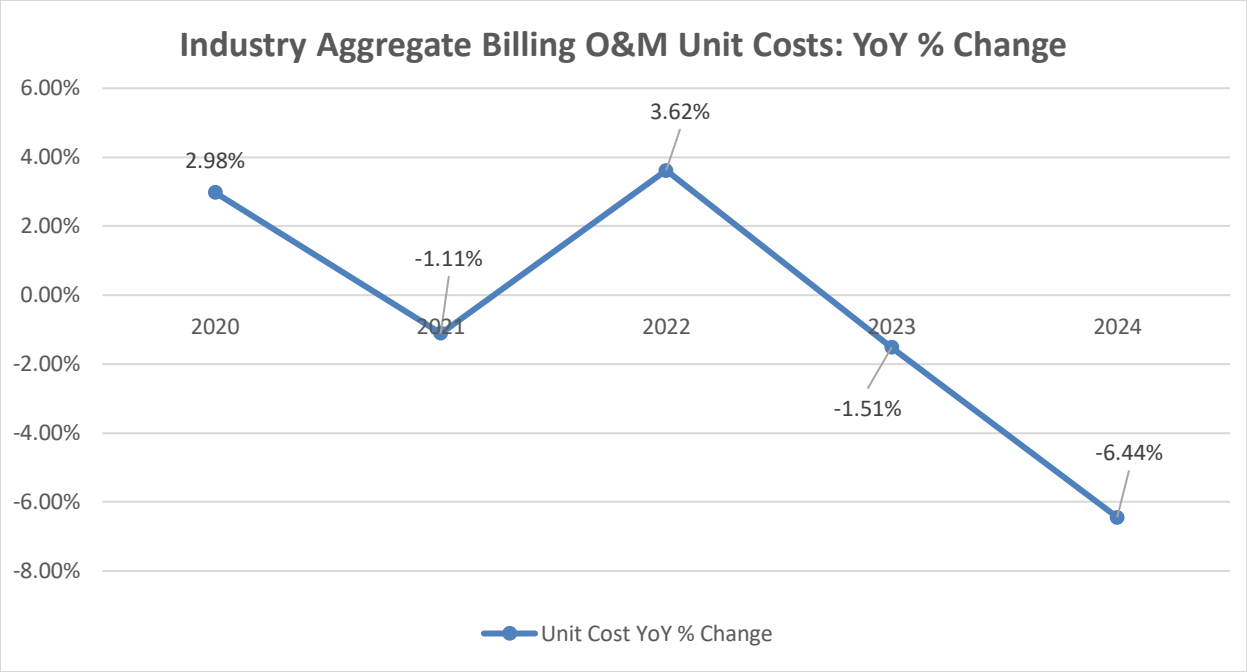
$$\text{Unit Cost (\$/Customer)} = \frac{\text{USoA 5315 (\$)}}{\text{Total Number of Customers}}$$

[4] Combined for 53 distributors.

The industry aggregate unit cost shown in the following chart is derived by dividing the total billing O&M costs[5] by the total number of customers. Aggregated at the industry level, the unit cost decreased by $0.25 per customer, per year.



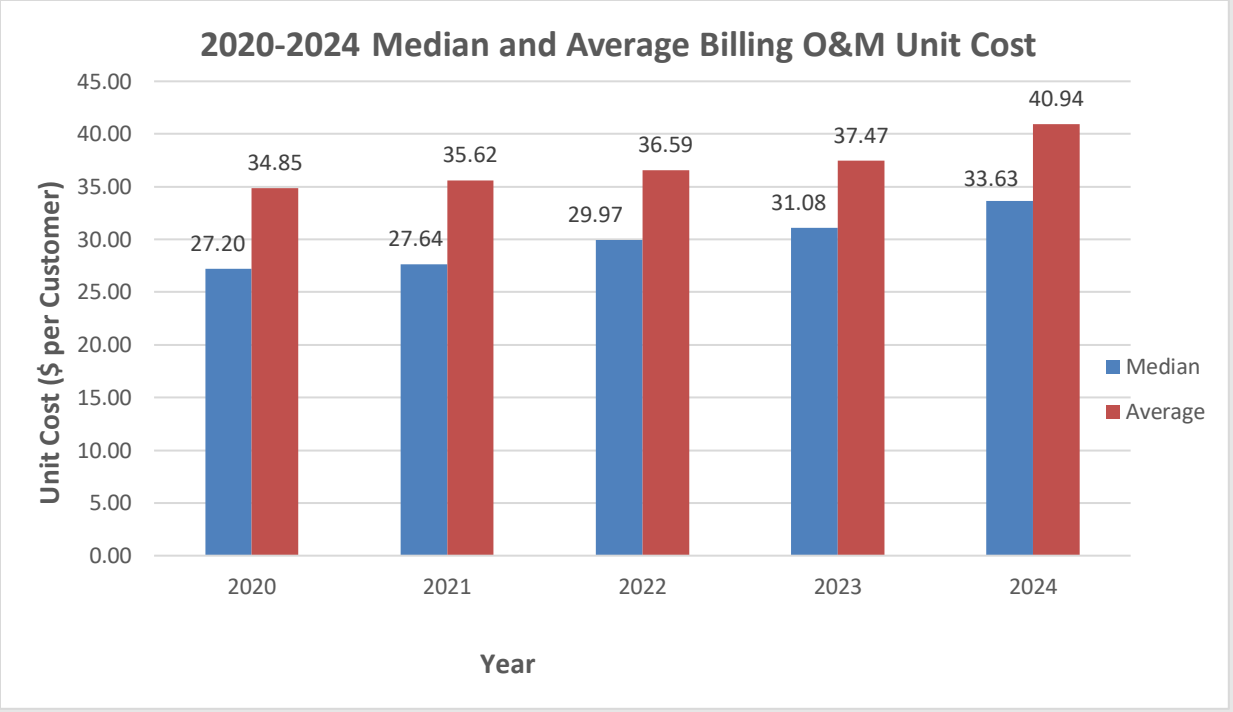

[5] Combined for 53 distributors.



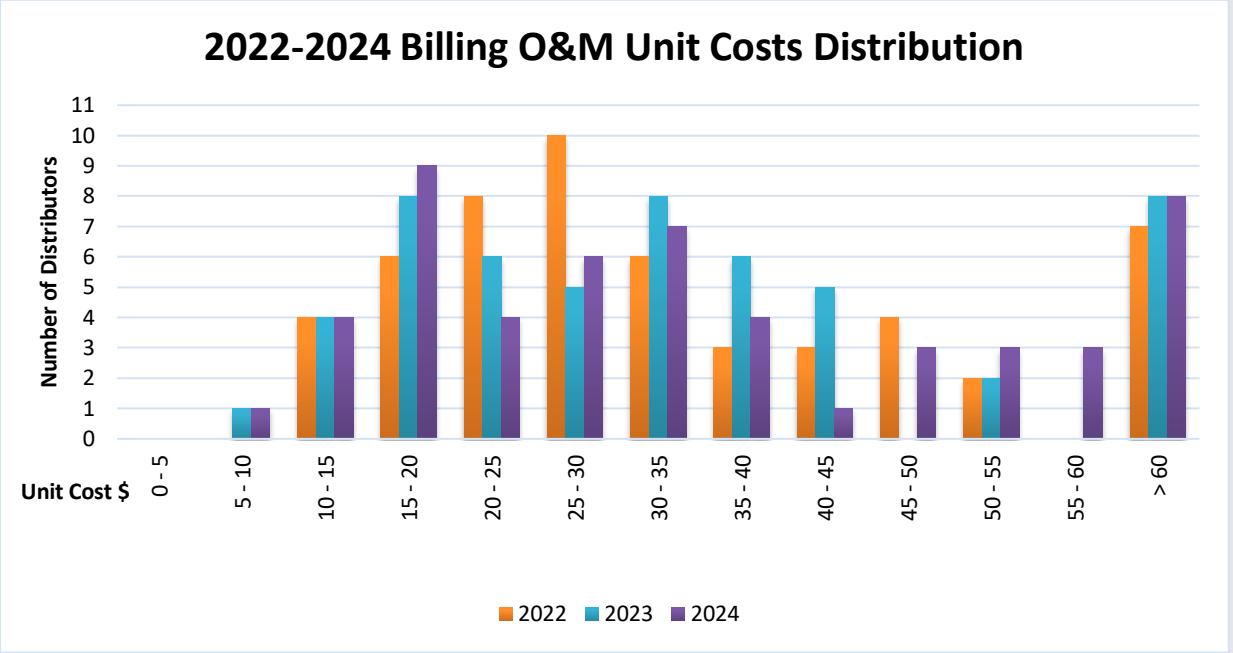

The chart below summarizes the median and average[6] Billing O&M unit cost from 2020 to 2024. Throughout this five-year period, there has been an upward trend in both median and average costs. The median cost per customer increased from $27.20 in 2020 to $33.63 in 2024. Similarly, the average cost rose from $34.85 in 2020 to $40.94 in 2024.

While the industry's aggregated Billing O&M unit cost has decreased overall, the upward trend in both median and average values is driven by a shift in the cost distribution. Specifically, a greater number of distributors now have unit costs that fall within the upper end of the distribution, and the magnitude of these costs have increased. This shift has elevated both the median and the overall average, despite broader unit cost reductions across the industry.

[6] An average of unit costs across the 53 distributors.


2020-2024 Median and Average Billing O&M Unit Cost
Unit Cost ($ per Customer)
45.00
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
27.20
34.85
27.64
35.62
29.97
36.59
31.08
37.47
33.63
40.94
2020
2021
2022
2023
2024
Year
Median
Average

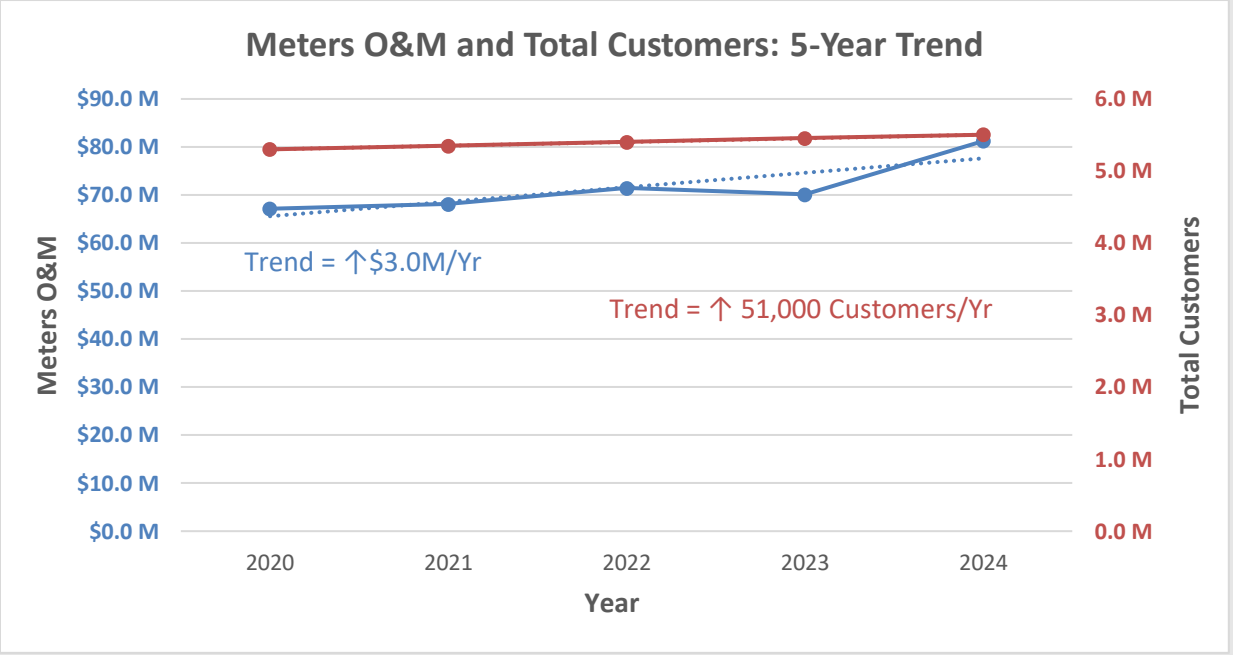
The chart below shows the distribution of Billing O&M unit cost from 2022 to 2024.




| Unit Cost $ | 0 - 5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40 - 45 | 45 - 50 | 50 - 55 | 55 - 60 | > 60 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 0 | 0 | 4 | 6 | 8 | 10 | 6 | 3 | 3 | 4 | 2 | 0 | 7 |
| **2023** | 0 | 1 | 4 | 8 | 6 | 5 | 8 | 6 | 5 | 0 | 2 | 0 | 8 |
| **2024** | 0 | 1 | 4 | 9 | 4 | 6 | 7 | 4 | 1 | 3 | 3 | 3 | 8 |

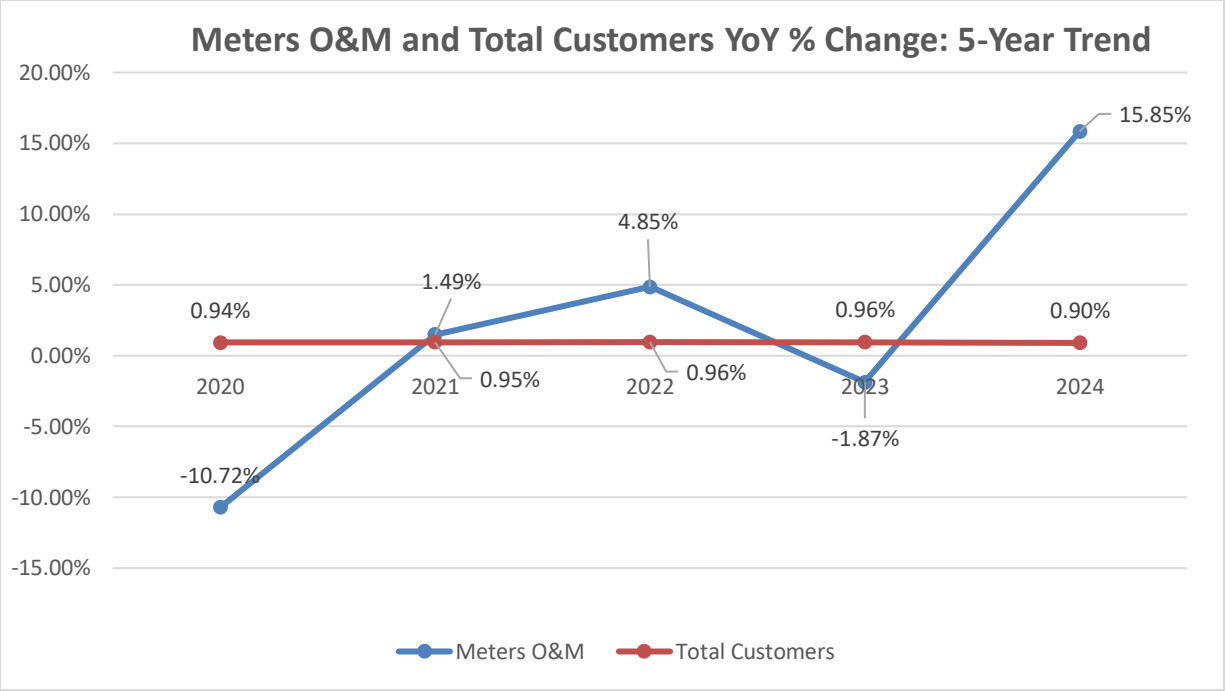
## 2.2 Meters O&M

During the five-year period from 2020 to 2024, the overall industry trend[7] for meters O&M costs[8], as measured by standardized linear regression, increased by approximately $3.0 million per year. Over the same period, the total number of customers[9] increased by approximately 51,000 per year. The chart below shows the five-year trend.




From 2023 to 2024, the combined total meters O&M costs for the 53 distributors increased by 15.85%. Over the same period, the total number of customers increased by 0.90%.

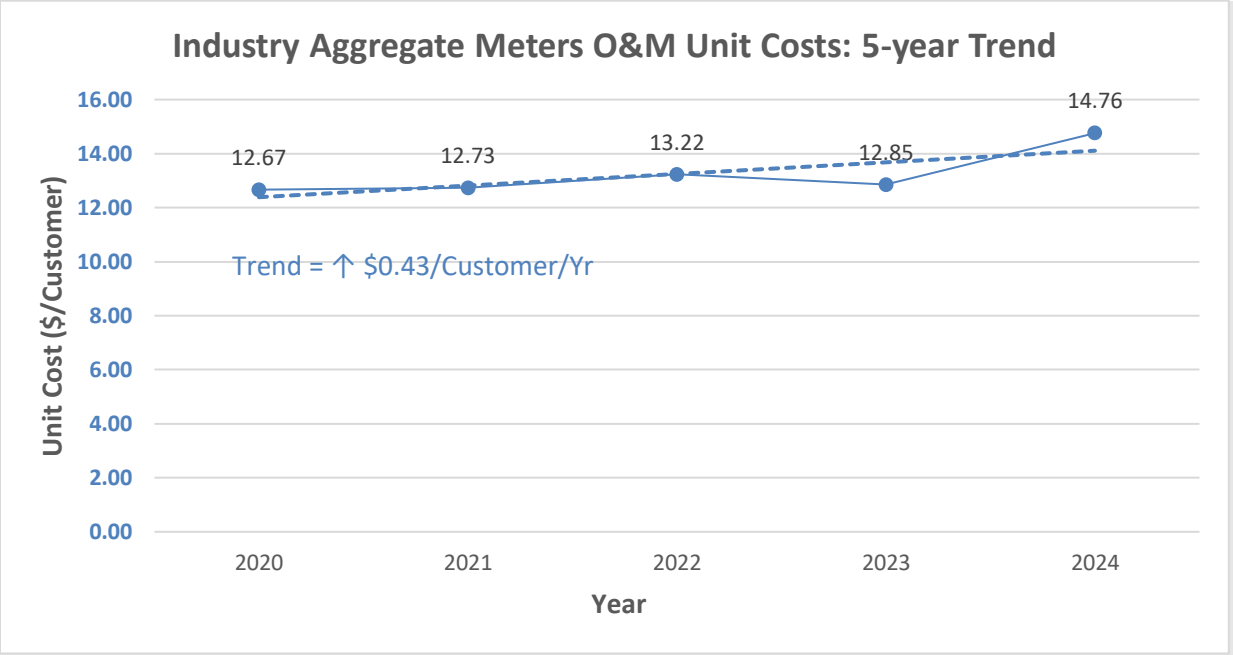
[7] Combined for 53 distributors.
[8] USoA 5065, 5175, 5310 as per Accounting Procedures Handbook for Electricity Distributors.
[9] Excludes street lighting, sentinel lighting, and USL connections.

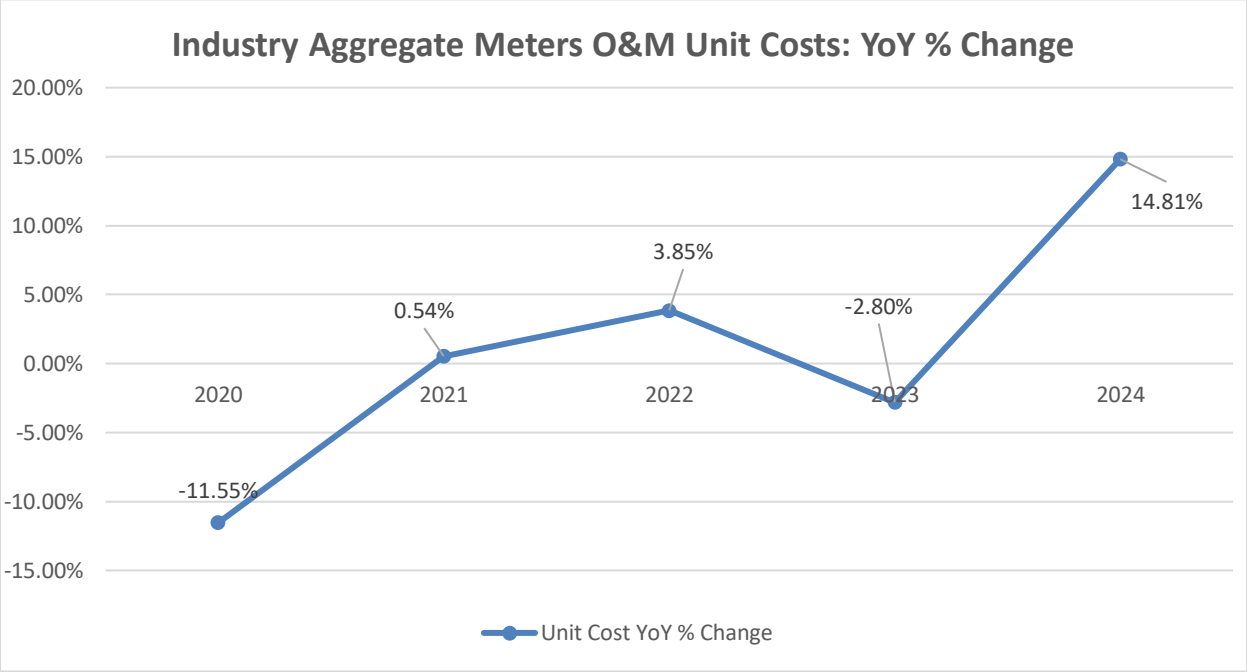



The unit cost for this metric is calculated by dividing the meters O&M cost by the total number of customers.

$$\text{Unit Cost (\$/Customer)} = \frac{\text{UsoA [5065+5175+5310] (\$)}}{\text{Total Number of Customers}}$$

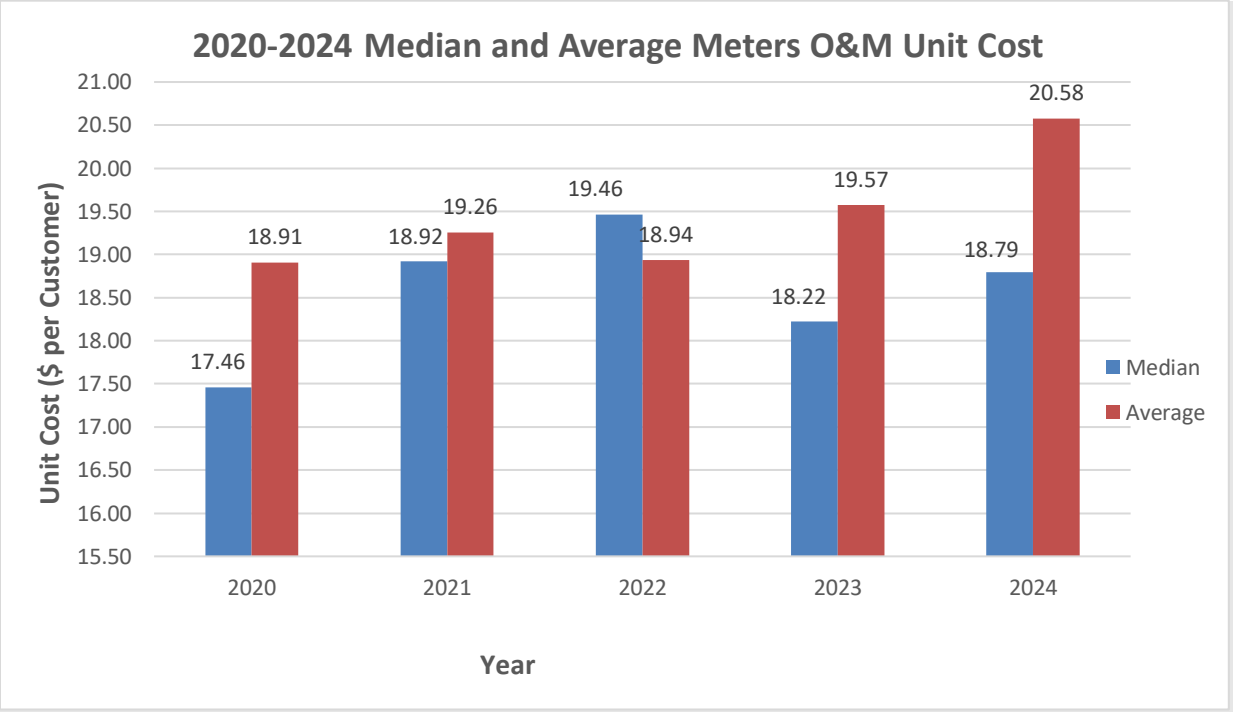
The industry aggregate unit cost shown in the following chart is derived by dividing the total meters O&M costs[10] by the total number of customers. Aggregated at the industry level, the unit cost increased by $0.43 per customer, per year.



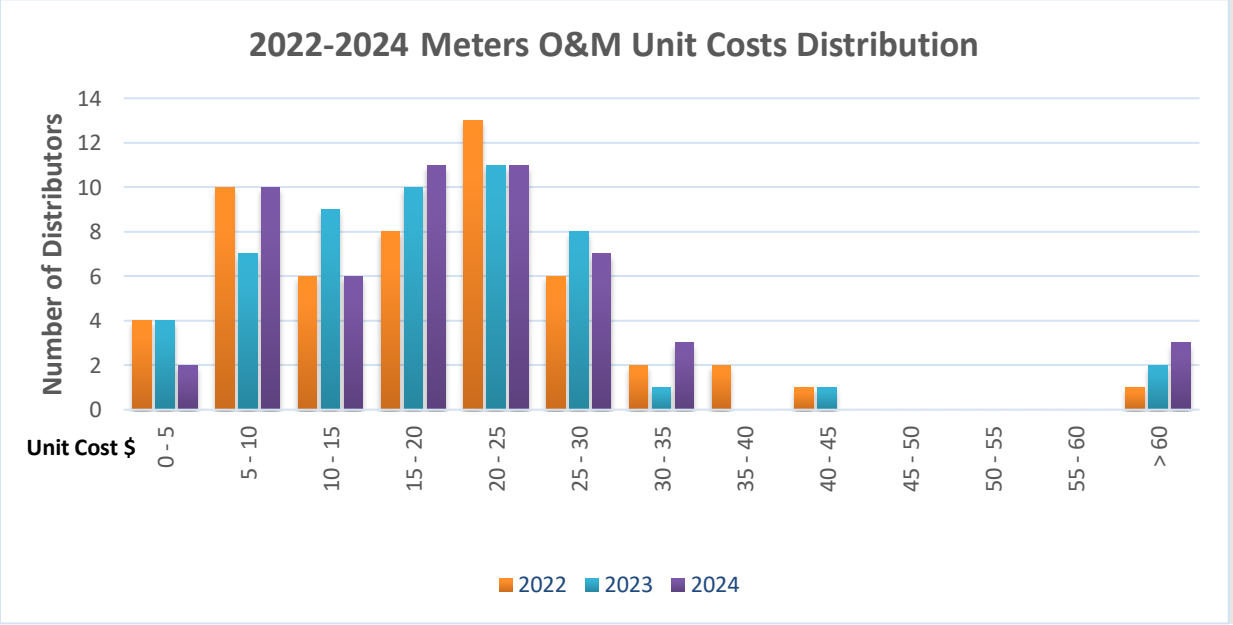




[10] Combined for 53 distributors.

The chart below summarizes the median and average[11] Meters O&M unit cost from 2020 to 2024. The median unit cost for 2024 is $18.79 per customer and the average unit cost is $20.58 per customer.




The chart below shows the distribution of Meters O&M unit cost from 2022 to 2024.

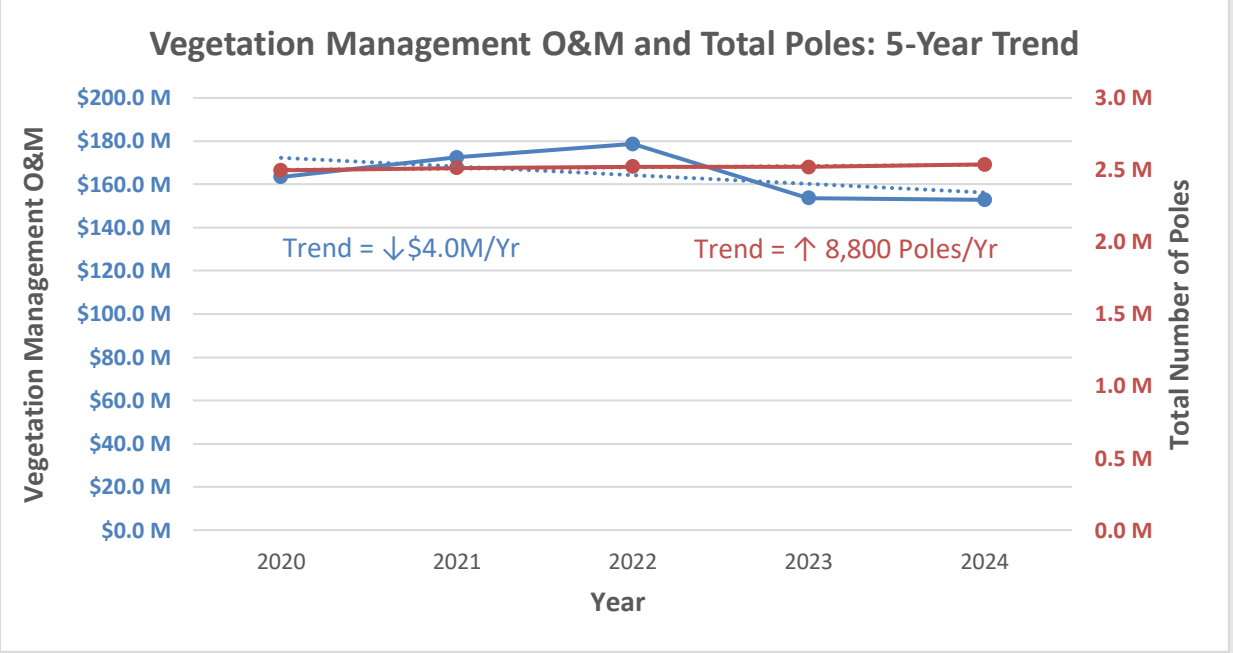



[11] An average of unit costs across the 53 distributors.

| Unit Cost $ | 0 - 5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40 - 45 | 45 - 50 | 50 - 55 | 55 - 60 | > 60 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 4 | 10 | 6 | 8 | 13 | 6 | 2 | 2 | 1 | 0 | 0 | 0 | 1 |
| **2023** | 4 | 7 | 9 | 10 | 11 | 8 | 1 | 0 | 1 | 0 | 0 | 0 | 2 |
| **2024** | 2 | 10 | 6 | 11 | 11 | 7 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |

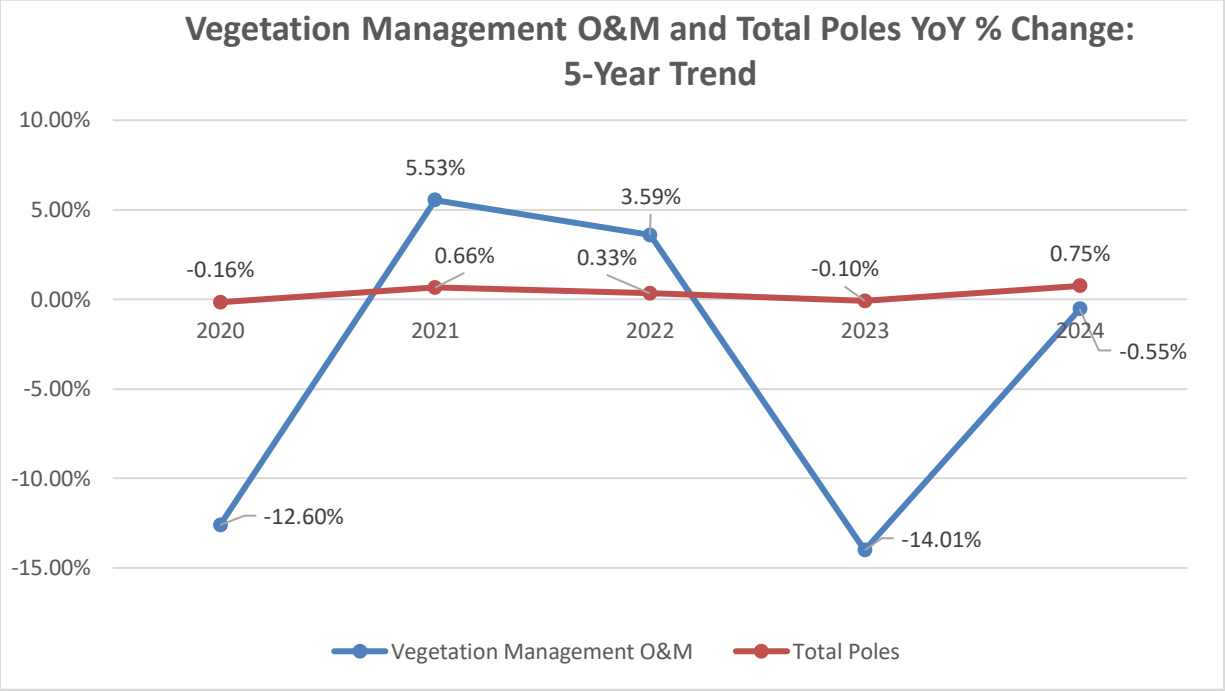
## 2.3 Vegetation Management O&M

During the five-year period from 2020 to 2024, the overall industry trend[12] of vegetation management O&M costs[13], as measured by standardized linear regression, decreased by approximately $4.0 million per year, and the overall total number of poles increased by approximately 8,800 per year. The chart below shows the five-year trend.




[12] Combined for 53 distributors.
[13] USoA 5135 as per Accounting Procedures Handbook for Electricity Distributors.

From 2023 to 2024, the total vegetation management O&M costs[14] decreased by 0.55%, and the total number of poles in the system increased by 0.75%.

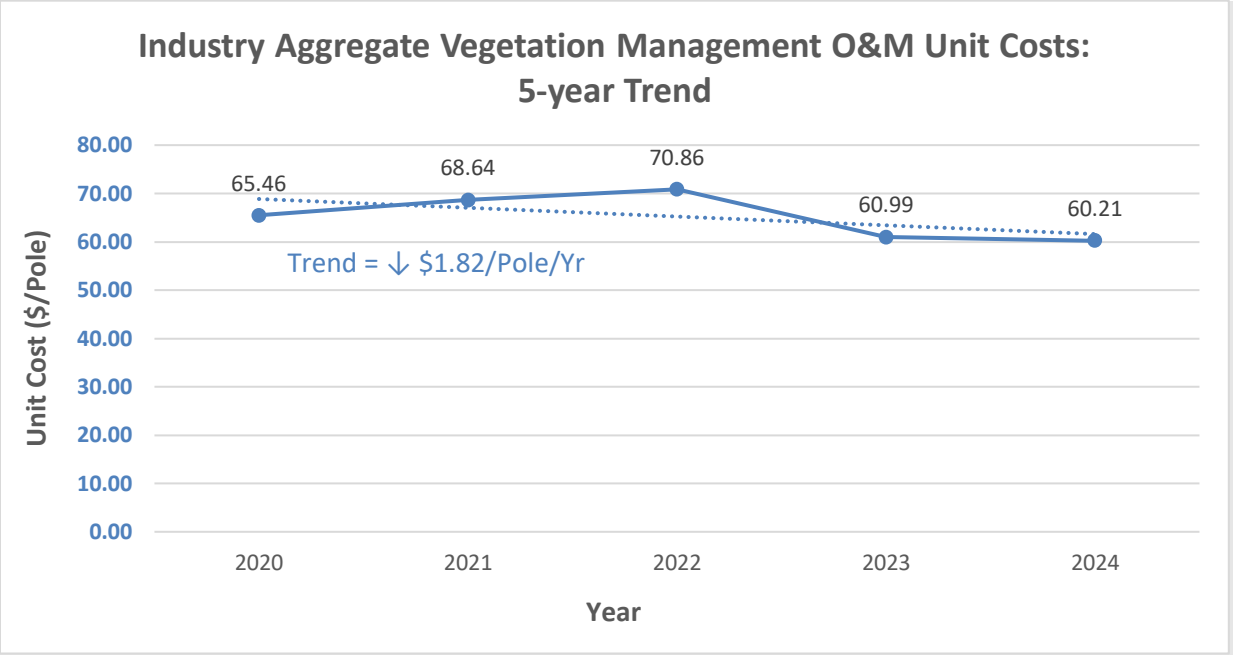


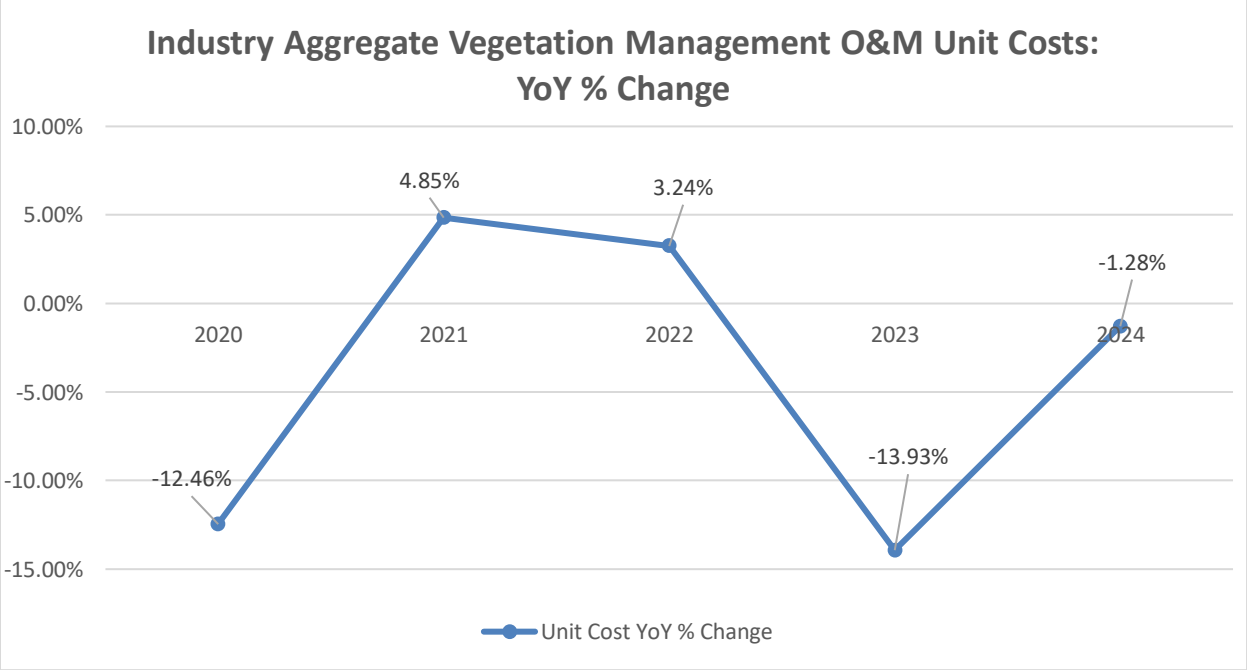

The unit cost for this metric is calculated by dividing the vegetation management O&M cost by the total number of poles .

$$\text{Unit Cost (\$/Pole)} = \frac{\text{UsoA 5135 (\$)}}{\text{Total Number of Poles}}$$

[14] Combined for 53 distributors.

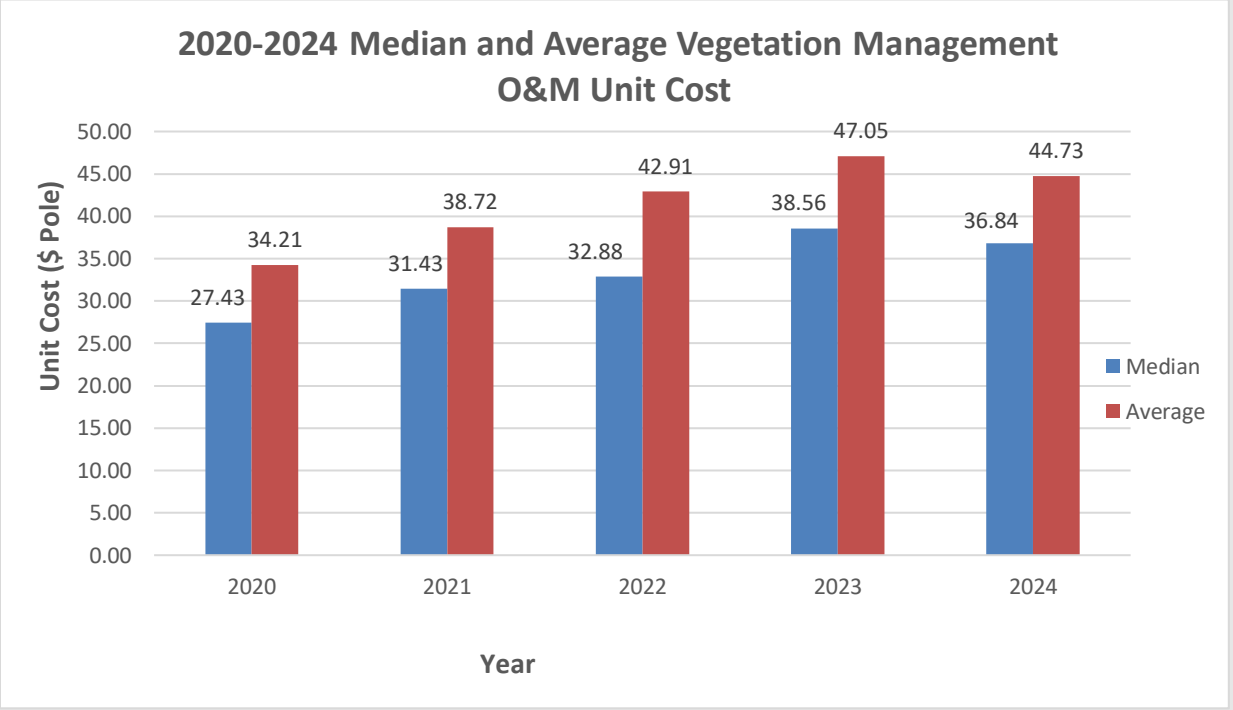
The industry aggregate unit cost shown in the following chart is derived by dividing the total vegetation management O&M costs[15], by the total number of poles in the system. Aggregated at the industry level, the unit cost decreased by $1.82 per pole, per year.



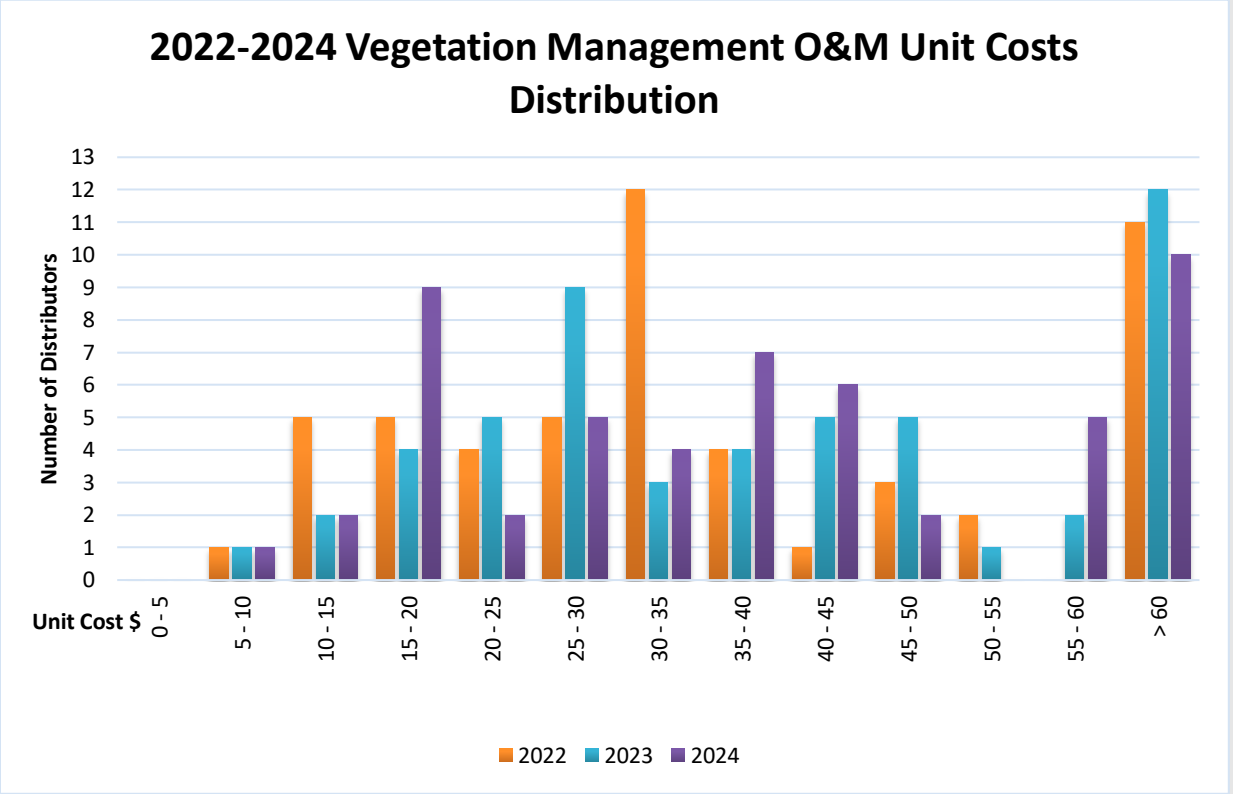

[15] Combined for 53 distributors.

The chart below summarizes the median and average[16] Vegetation Management O&M unit cost from 2020 to 2024. Over this five-year period, both median and average costs generally trended upward, despite a slight dip in 2024. The median cost per customer increased from $27.43 in 2020 to a peak of $38.56 in 2023, before slightly decreasing to $36.84 in 2024. Similarly, the average cost rose from $34.21 in 2020 to $47.05 in 2023, then declined modestly to $44.73 in 2024.




[16] An average of unit costs across the 53 distributors

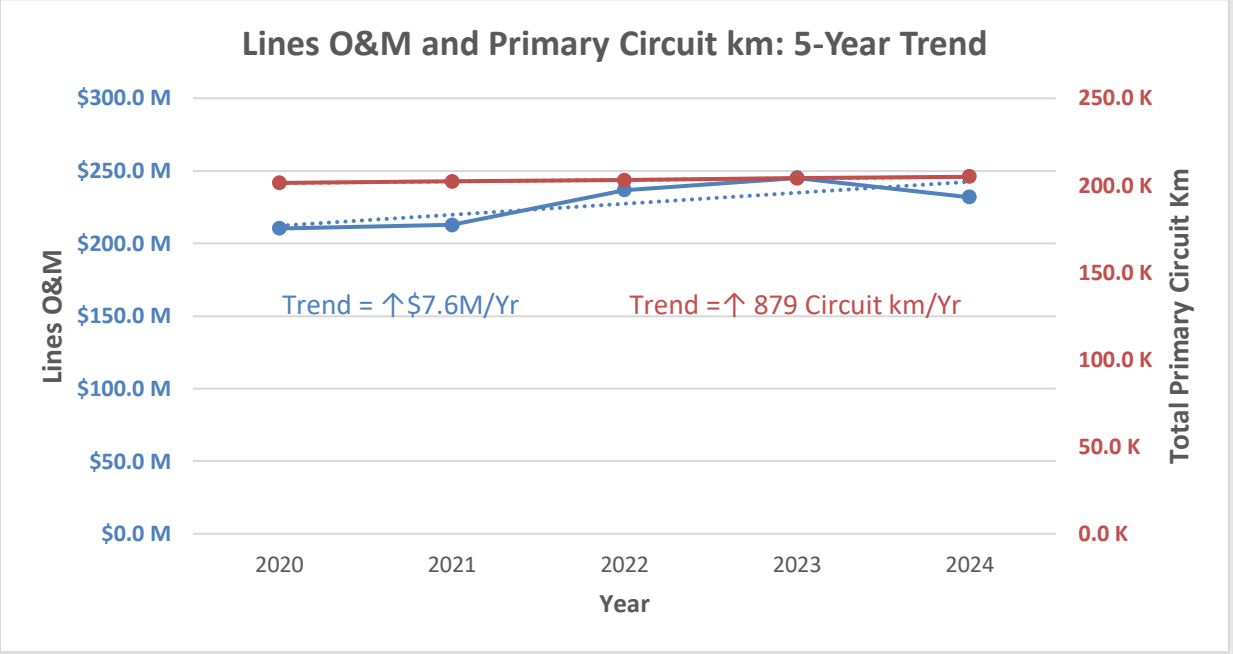
The chart below shows the distribution of vegetation management O&M unit cost from 2022 to 2024.




| Unit Cost $ | 0 - 5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40 - 45 | 45 - 50 | 50 - 55 | 55 - 60 | > 60 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 0 | 1 | 5 | 5 | 4 | 5 | 12 | 4 | 1 | 3 | 2 | 0 | 11 |
| **2023** | 0 | 1 | 2 | 4 | 5 | 9 | 3 | 4 | 5 | 5 | 1 | 2 | 12 |
| **2024** | 0 | 1 | 2 | 8 | 2 | 5 | 5 | 7 | 6 | 2 | 0 | 5 | 10 |

## 2.4 Lines O&M

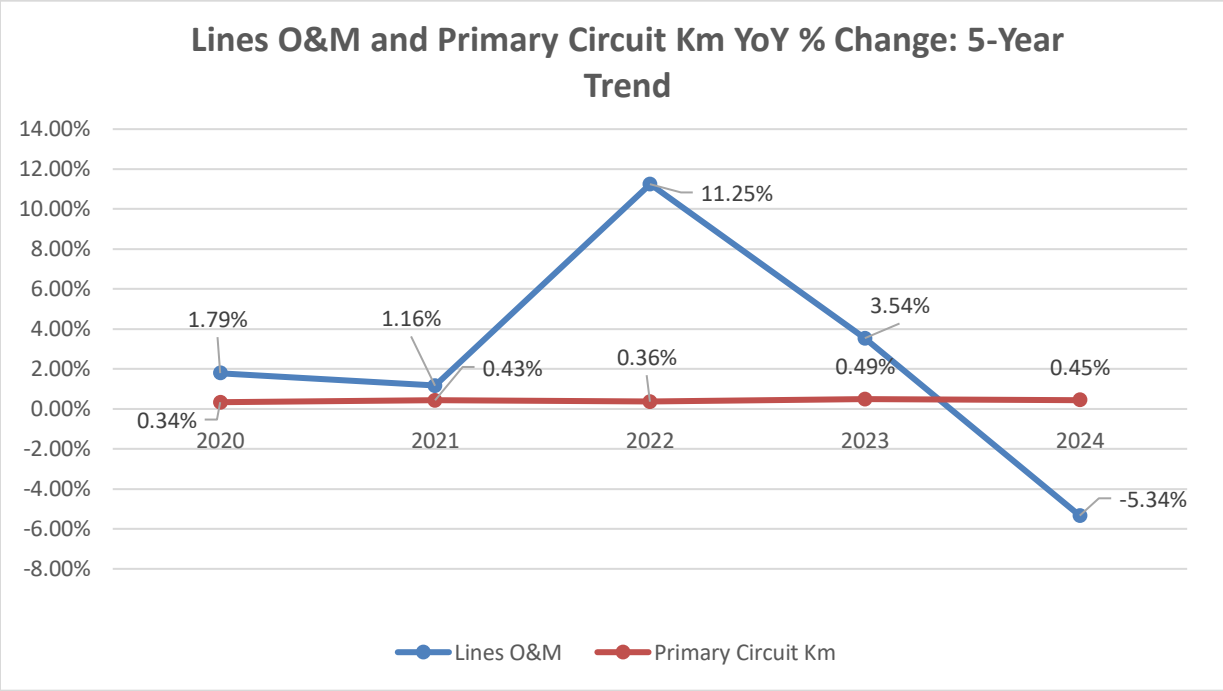
During the five-year period from 2020 to 2024, the overall industry trend[17] of lines O&M costs[18], as measured by standardized linear regression, increased by approximately $7.6 million per year, and the overall trend of total number of primary circuit kilometers increased by approximately 879 circuit kilometers per year. The chart below shows the five-year trend.




[17] Combined for 53 distributors.

[18] USoA 5020, 5025, 5040, 5045, 5090, 5125, 5130, 5145, 5150, and 5155 as per Accounting Procedures Handbook for Electricity Distributors.

From 2023 to 2024, contrary to the five-year upward trend, the total lines O&M costs[19] decreased by 5.34%. During the same period, the total number of primary circuit kilometers increased by 0.45%.

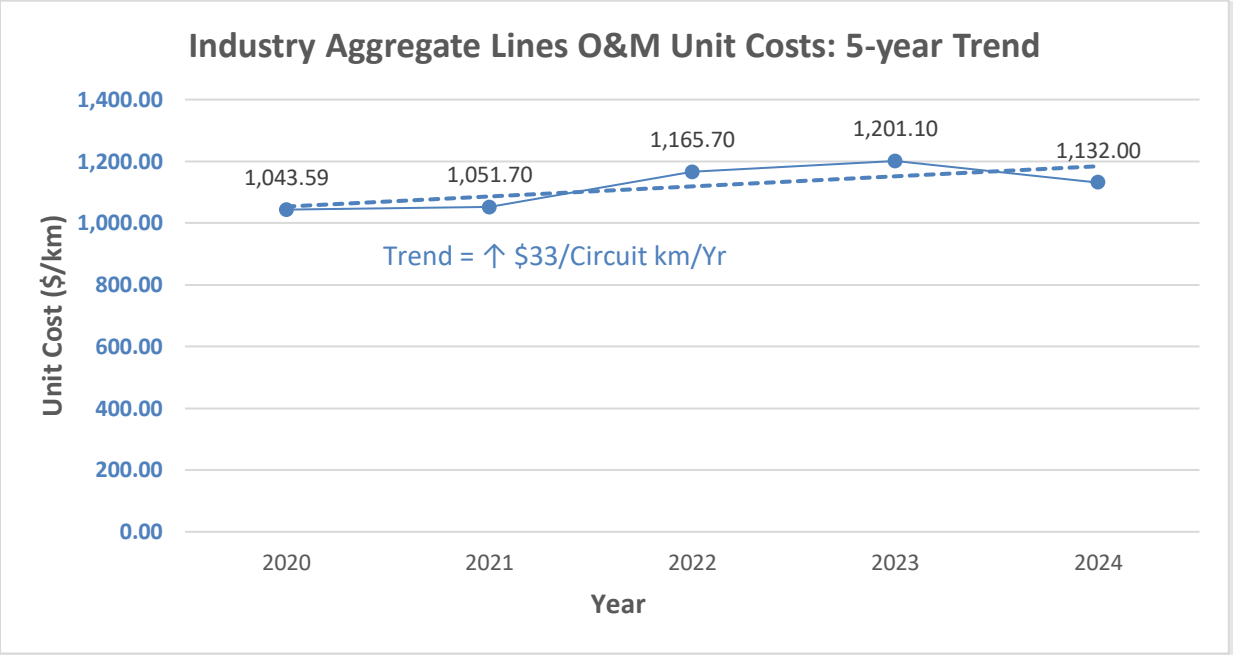


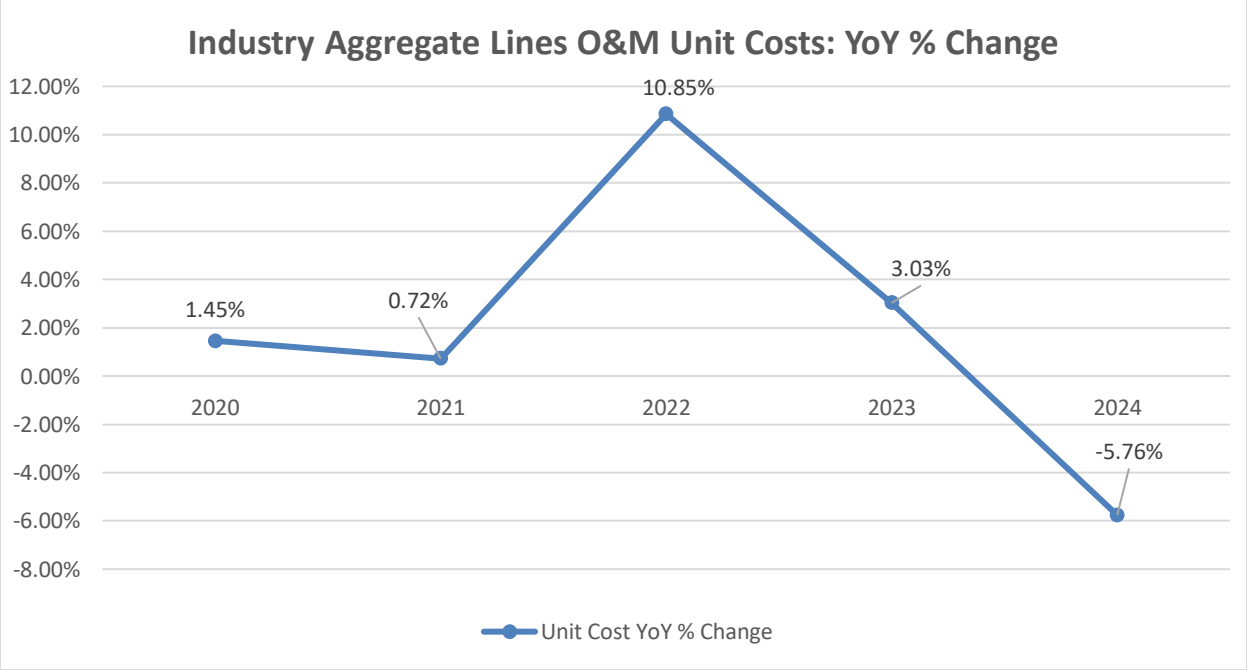

The unit cost for this metric is calculated by dividing the lines O&M cost by the total number of primary circuit kilometers.

$$\text{Unit Cost (\$/Primary Circuit km)} = \frac{\text{USoA } [5020 + 5025 + 5040 + 5045 + 5090 + 5095 + 5125 + 5130 + 5145 + 5150 + 5155] \text{ (\$)}}{\text{Total Primiary Circuit Kilometers}}$$

[19] Combined for 53 distributors.

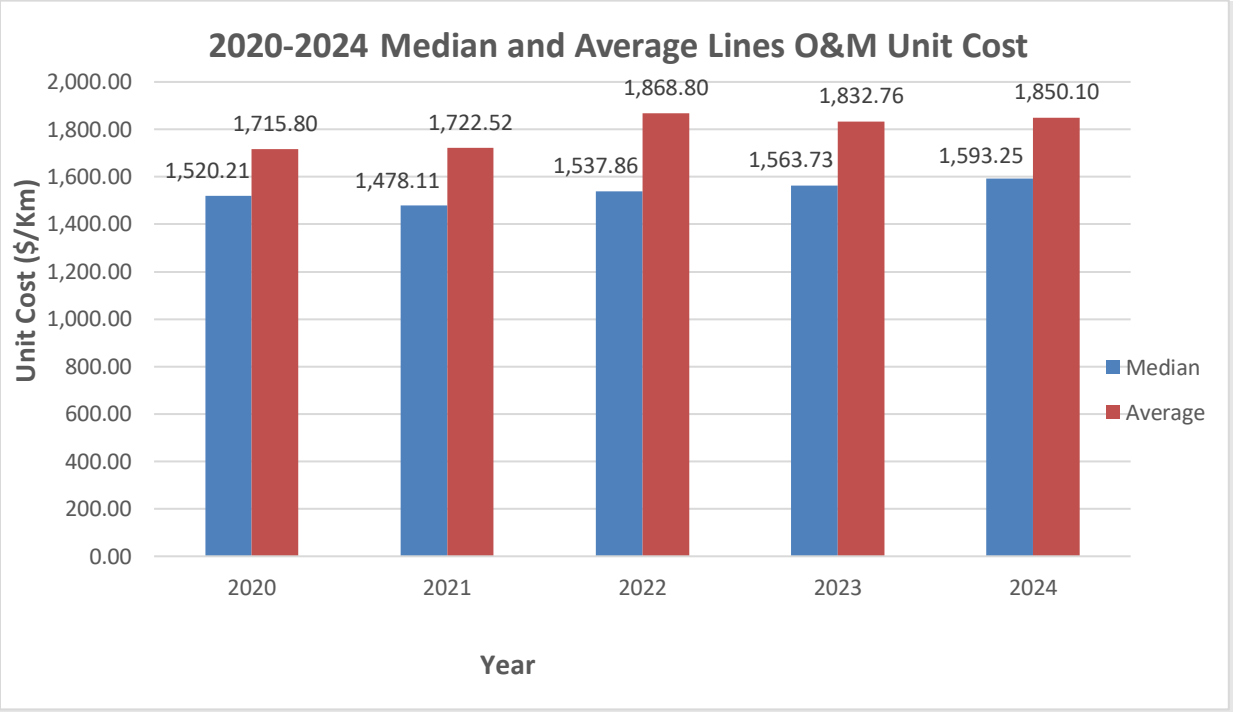
The industry aggregate unit cost shown in the following chart is derived by dividing the total lines O&M costs[20] by the total primary circuit kilometers of line. Aggregated at the industry level, the unit cost increased by $33 per circuit kilometers, per year.



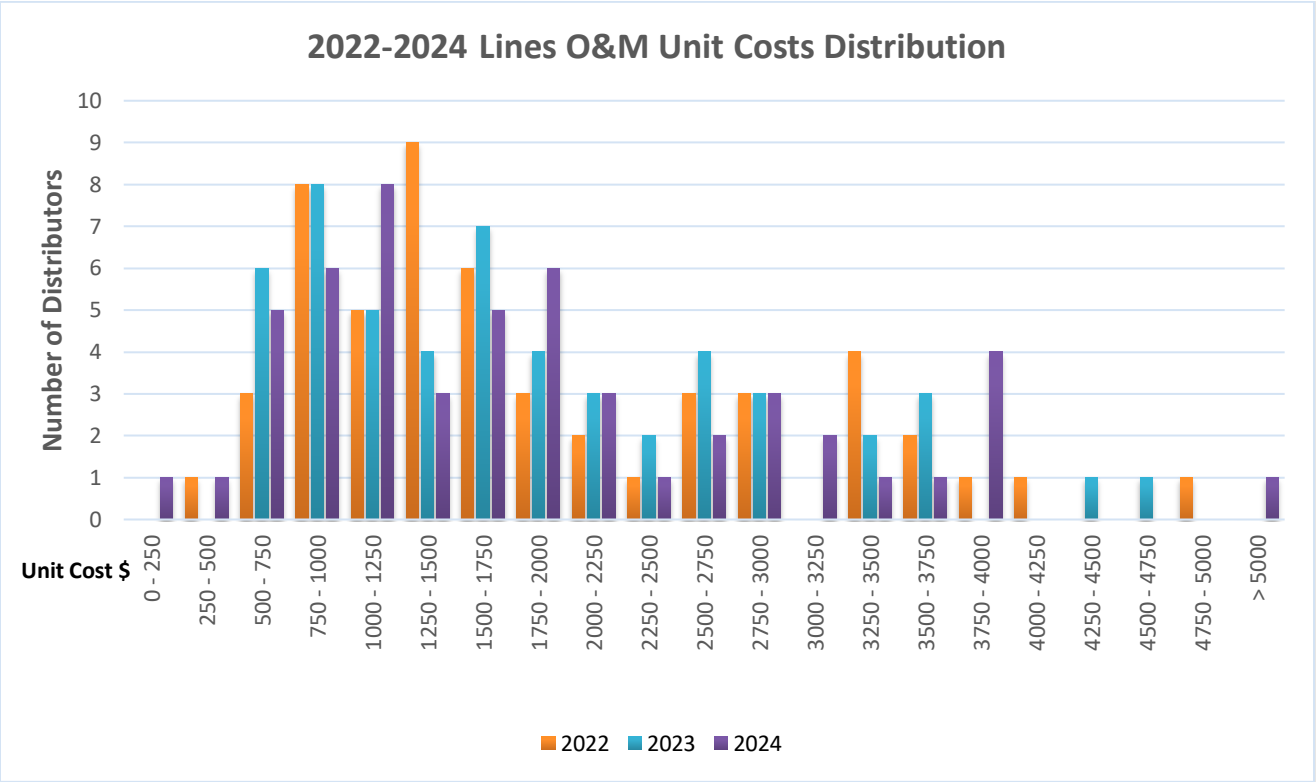

[20] Combined for 53 distributors.

The chart below summarizes the median and average[21] lines O&M unit cost from 2020 to 2024. Throughout this five-year period, there has been an upward trend in both median and average costs. The median cost per primary circuit kilometer increased from $1,520.21 in 2020 to $1,593.25 in 2024. Similarly, the average cost rose from $1,715.80 in 2020 to $1,850.10 in 2024.




[21] An average of unit costs across the 53 distributors.

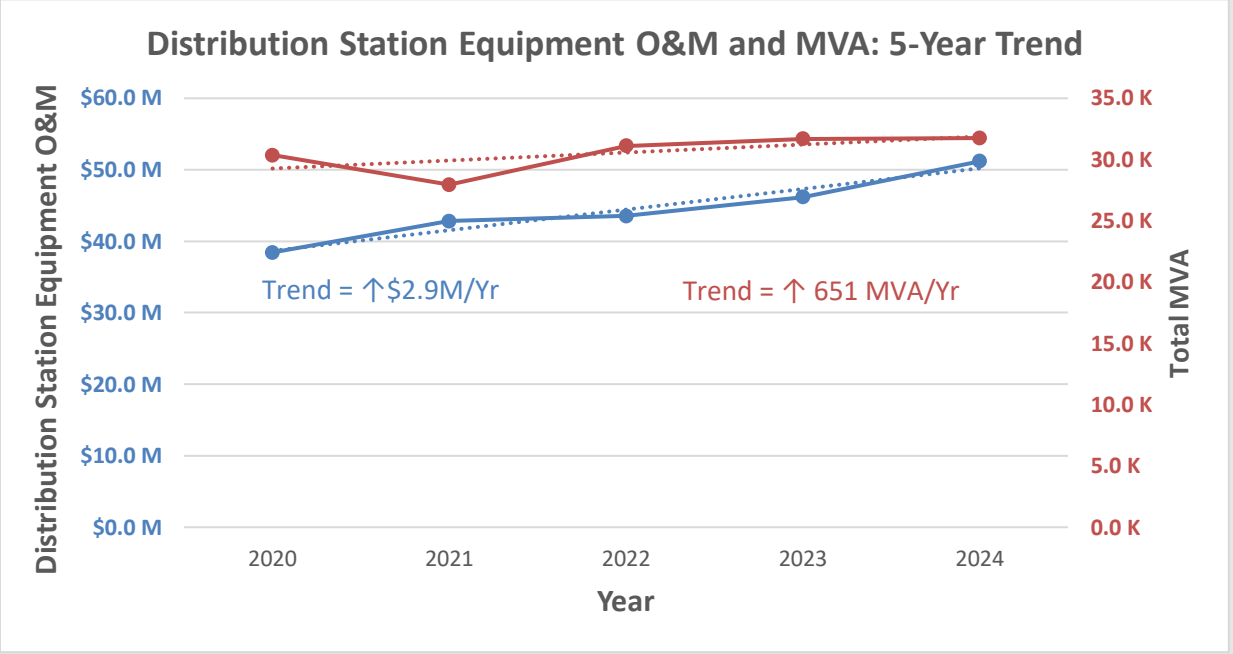
The chart below shows the distribution of lines O&M unit cost from 2022 to2024.




| Unit Cost $ | 0 - 250 | 250 - 500 | 500 - 750 | 750 - 1000 | 1000 - 1250 | 1250 - 1500 | 1500 - 1750 | 1750 - 2000 | 2000 - 2250 | 2250 - 2500 | 2500 - 2750 | 2750 - 3000 | 3000 - 3250 | 3250 - 3500 | 3500 - 3750 | 3750 - 4000 | 4000 - 4250 | 4250 - 4500 | 4500 - 4750 | 4750 - 5000 | > 5000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2022 | 0 | 1 | 3 | 8 | 5 | 9 | 6 | 3 | 2 | 1 | 3 | 3 | 0 | 4 | 2 | 1 | 1 | 0 | 0 | 1 | 0 |
| 2023 | 0 | 0 | 6 | 7 | 5 | 5 | 7 | 4 | 3 | 2 | 4 | 3 | 0 | 2 | 3 | 0 | 0 | 1 | 1 | 0 | 0 |
| 2024 | 1 | 1 | 5 | 6 | 8 | 3 | 5 | 6 | 3 | 1 | 2 | 3 | 2 | 1 | 1 | 4 | 0 | 0 | 0 | 0 | 1 |

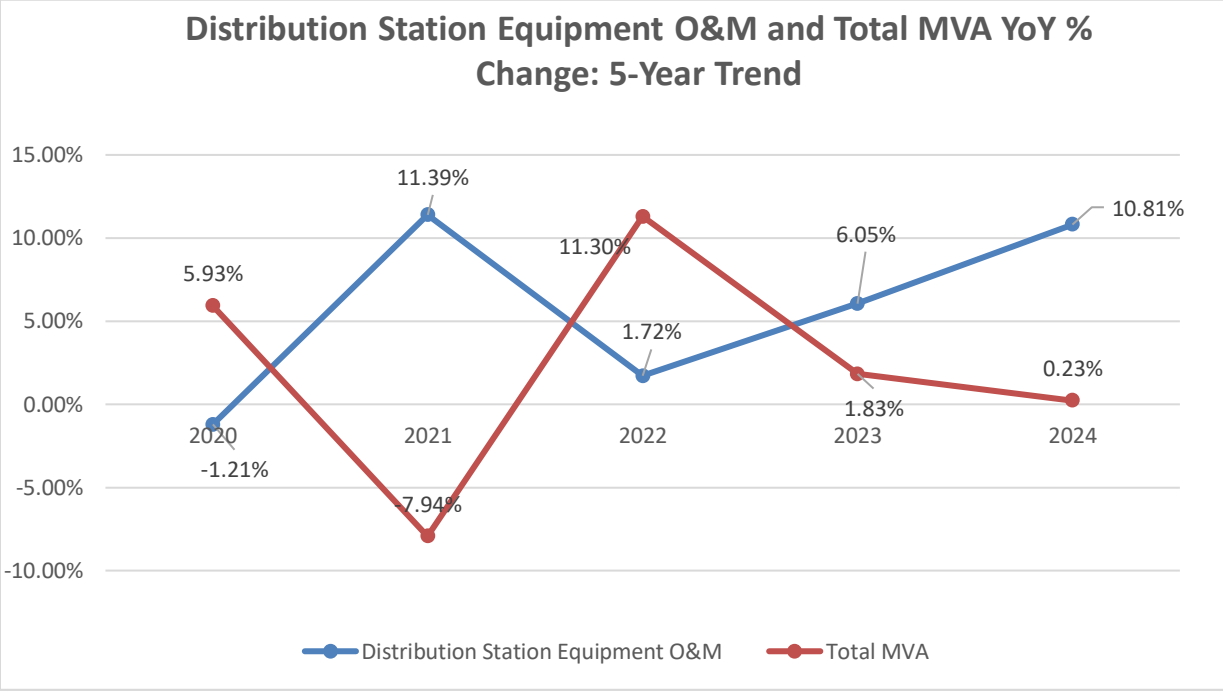
## 2.5 Distribution Station Equipment O&M

During the five-year period from 2020 to 2024, the overall industry trend[22] of distribution station equipment O&M costs[23], as measured by standardized linear regression, increased by approximately $2.9M per year, and the overall trend of the Total Mega Volt-Ampere (MVA) increased by approximately 651 MVA per year. The chart below shows the five-year trend.




[22] Combined for 42 distributors. Excludes 11 of the 53 distributors that do not own distribution stations.
[23] USoA 5016, 5017, 5114 as per Accounting Procedures Handbook for Electricity Distributors.

From 2023 to 2024, the combined distribution station equipment O&M costs[24] increased by 10.81%, and the total MVA increased by 0.23%.

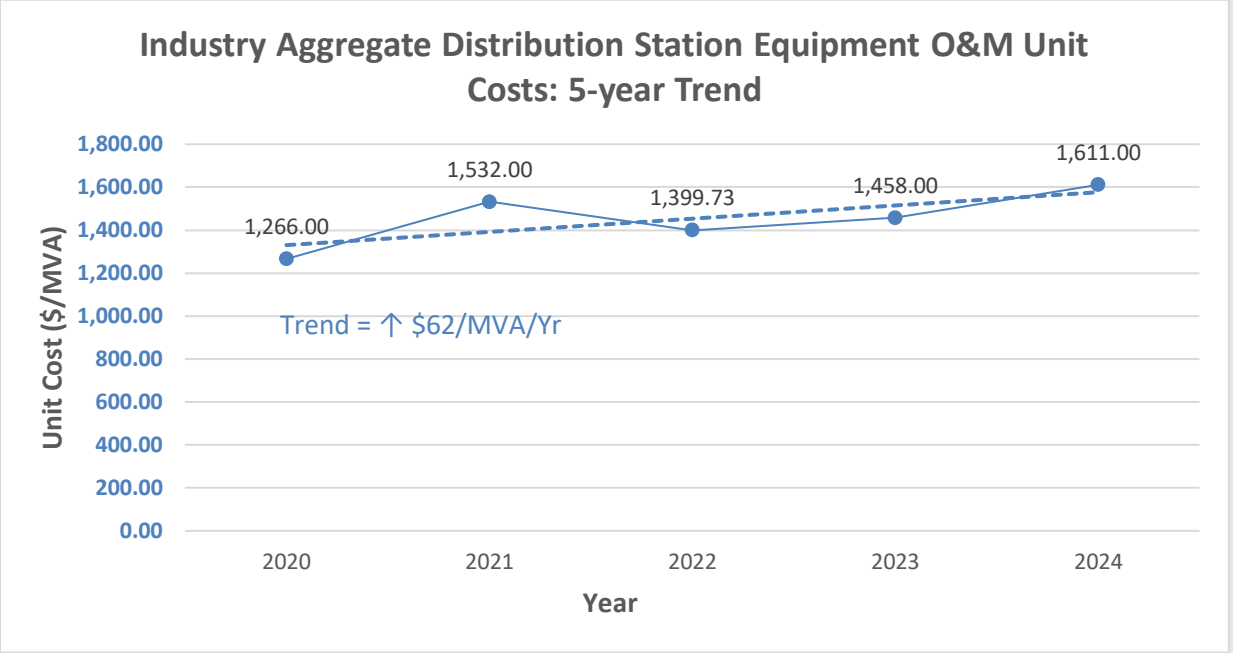


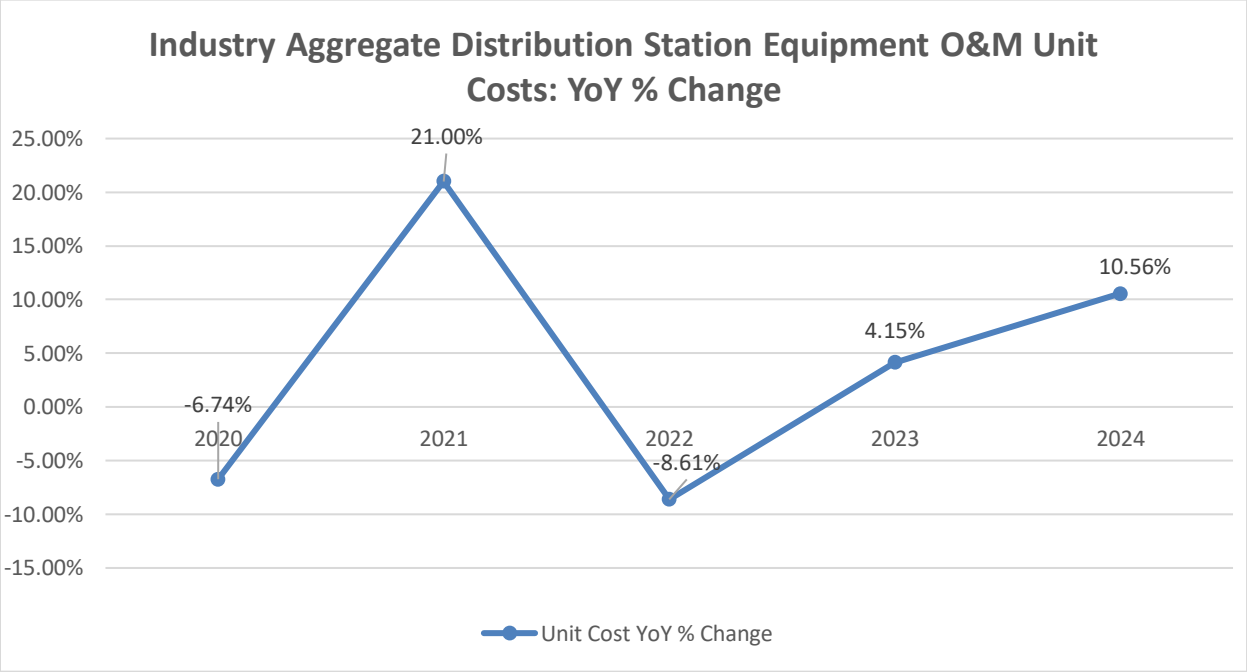

The unit cost for this metric is calculated by dividing the distribution station equipment cost, by the Total MVA.

$$\text{Unit Cost } \left(\frac{\$}{\text{MVA}}\right) = \frac{\text{USoA [5016+5017+5114] (\$)}}{\text{Total MVA}}$$

[24] Combined for 42 distributors. Excludes 11 of the 53 distributors that do not own distribution stations.

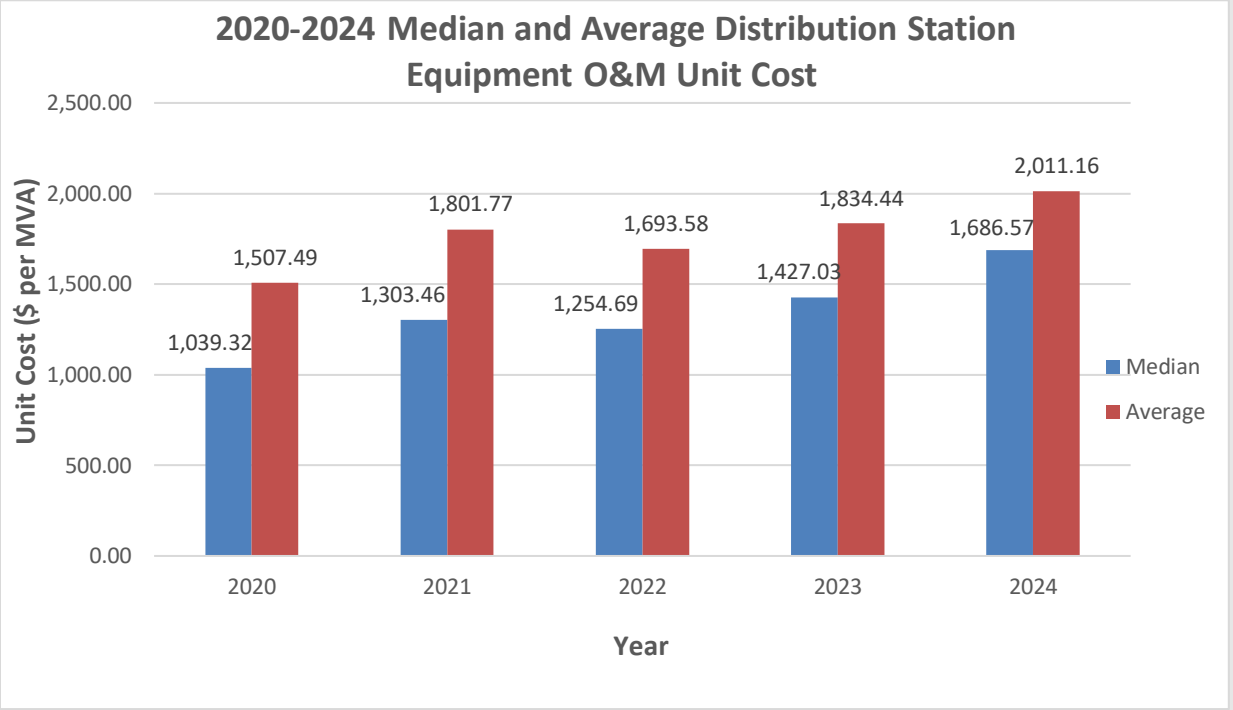
The industry aggregate unit cost shown in the following chart is derived by dividing the total distribution system equipment O&A costs[25] by total MVA. Aggregated at the industry level, the unit cost increased by $62 per MVA, per year.



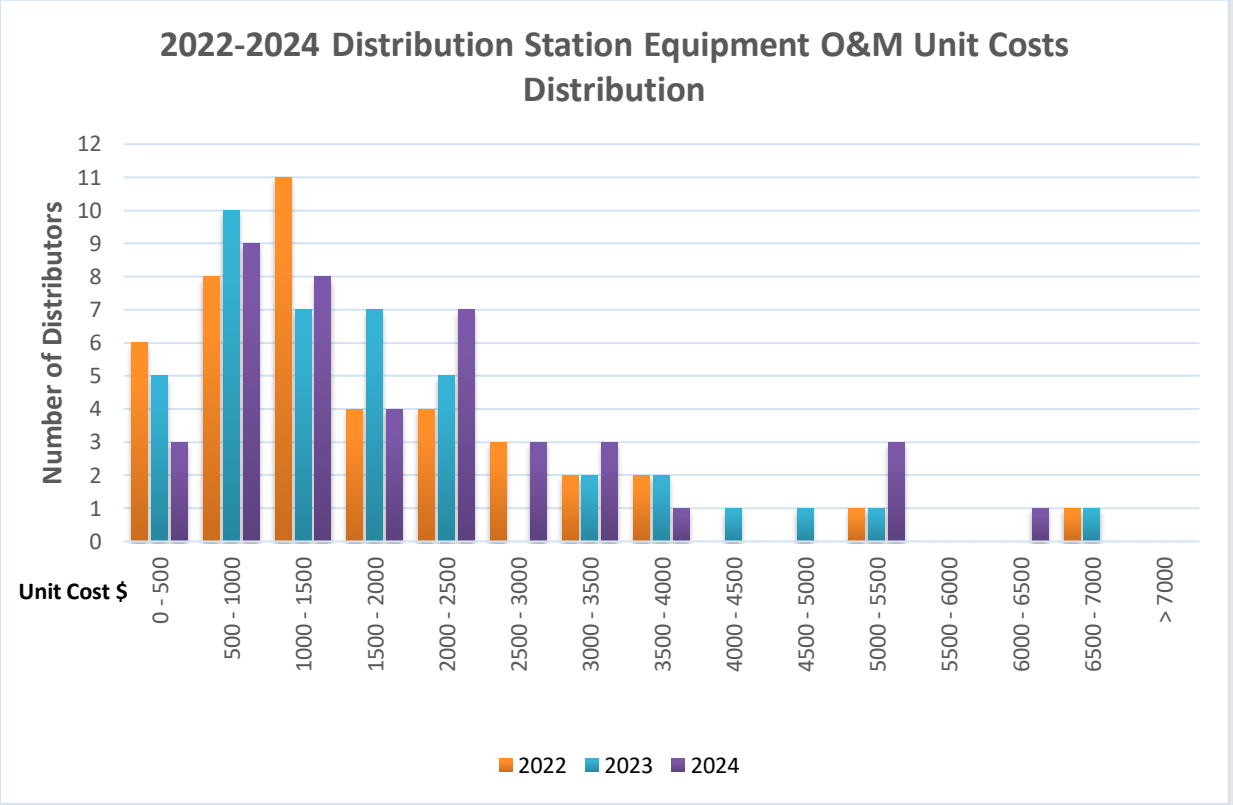

[25] Combined for 42 distributors. Excludes 11 of the 53 distributors that do not own distribution stations.

The chart below summarizes the median and average[26] distribution station equipment O&M unit cost from 2020 to 2024. Throughout this five-year period, there has been an upward trend in both median and average costs. The median cost increased from $1,039.32 in 2020 to $1,686.57.11 in 2024. Similarly, the average cost rose from $1,507.49 in 2020 to $2,011.16 in 2024.




[26] An average of unit costs across the 42 distributors.

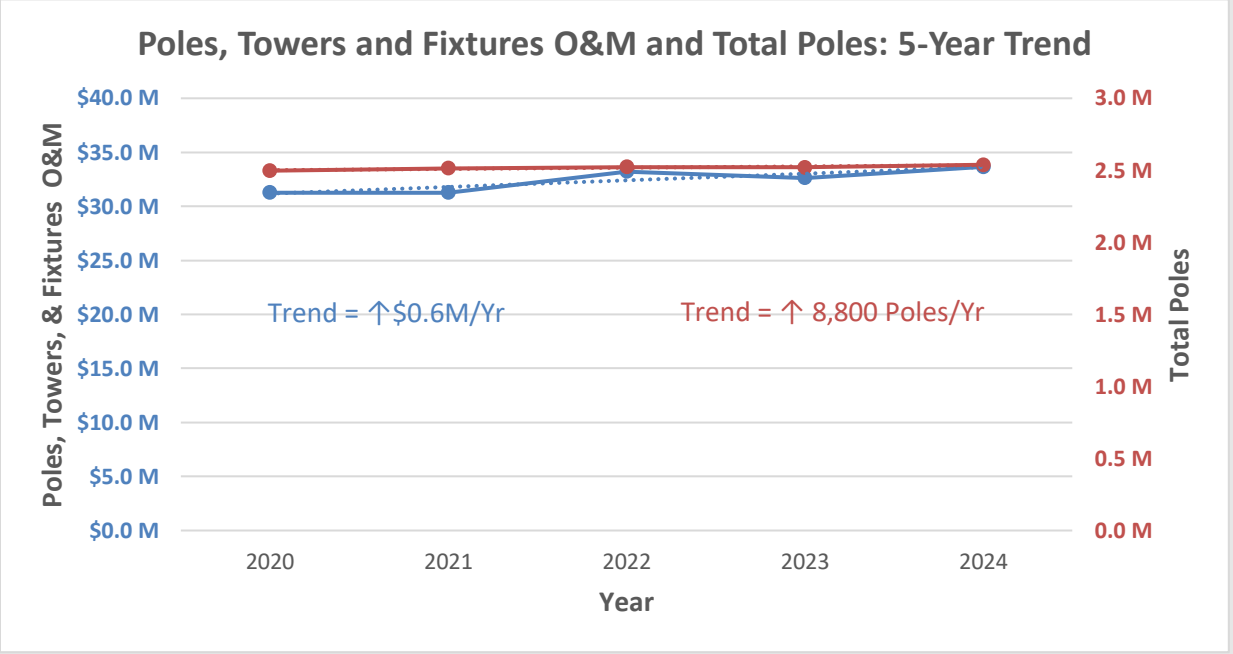
The chart below shows the distribution of distribution station equipment O&M unit cost from 2022 to 2024.




| Unit Cost $ | 0 - 500 | 500 - 1000 | 1000 - 1500 | 1500 - 2000 | 2000 - 2500 | 2500 - 3000 | 3000 - 3500 | 3500 - 4000 | 4000 - 4500 | 4500 - 5000 | 5000 - 5500 | 5500 - 6000 | 6000 - 6500 | 6500 - 7000 | > 7000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 6 | 8 | 11 | 4 | 4 | 3 | 2 | 2 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| **2023** | 5 | 10 | 7 | 7 | 5 | 0 | 2 | 2 | 1 | 1 | 1 | 0 | 0 | 1 | 0 |
| **2024** | 3 | 9 | 8 | 4 | 7 | 3 | 3 | 1 | 0 | 0 | 3 | 0 | 1 | 0 | 0 |

## 2.6 Poles, Towers and Fixtures O&M

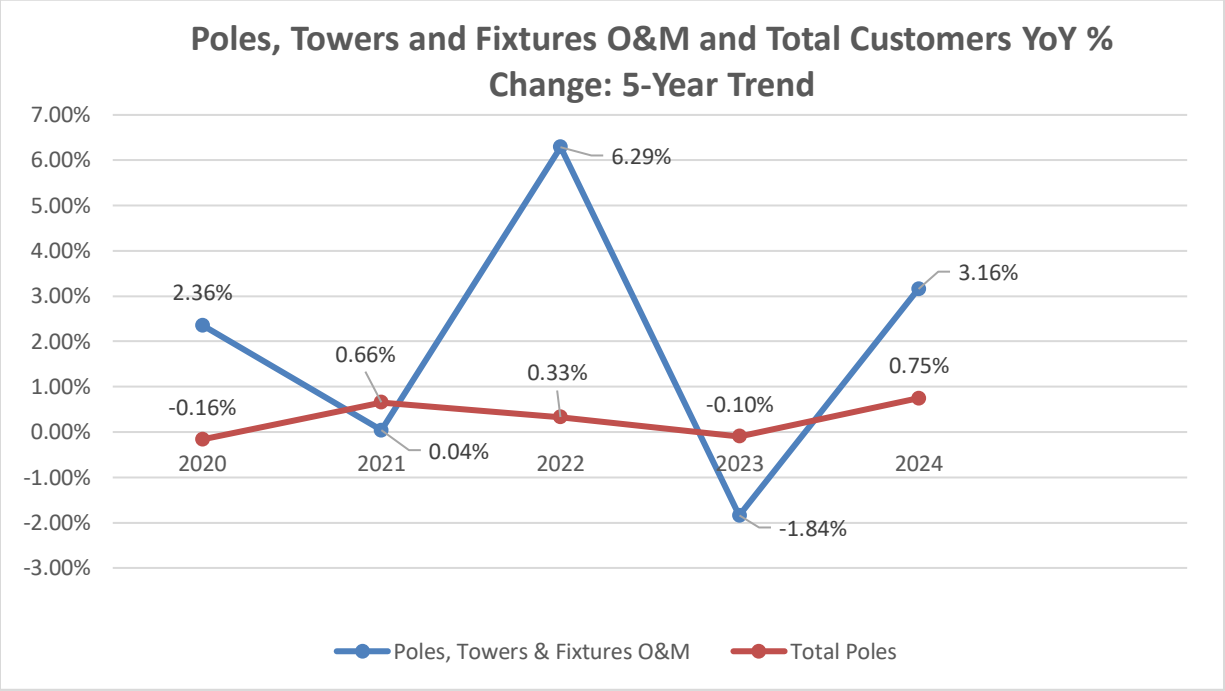
During the five-year period from 2020 to 2024, the overall industry trend[27] of poles, towers and fixtures O&M costs[28], as measured by standardized linear regression, increased by approximately $0.6 million per year, and the overall trend of the total number of poles increased by approximately 8,800 per year. The chart below shows the five-year trend.




[27] Combined for 53 distributors.

[28] USoA 5120 as per Accounting Procedures Handbook for Electricity Distributors.

From 2023 to 2024, the combined cost of total poles, towers and fixtures O&M[29] increased by 3.16%, and the total number of poles increased by 0.75%.

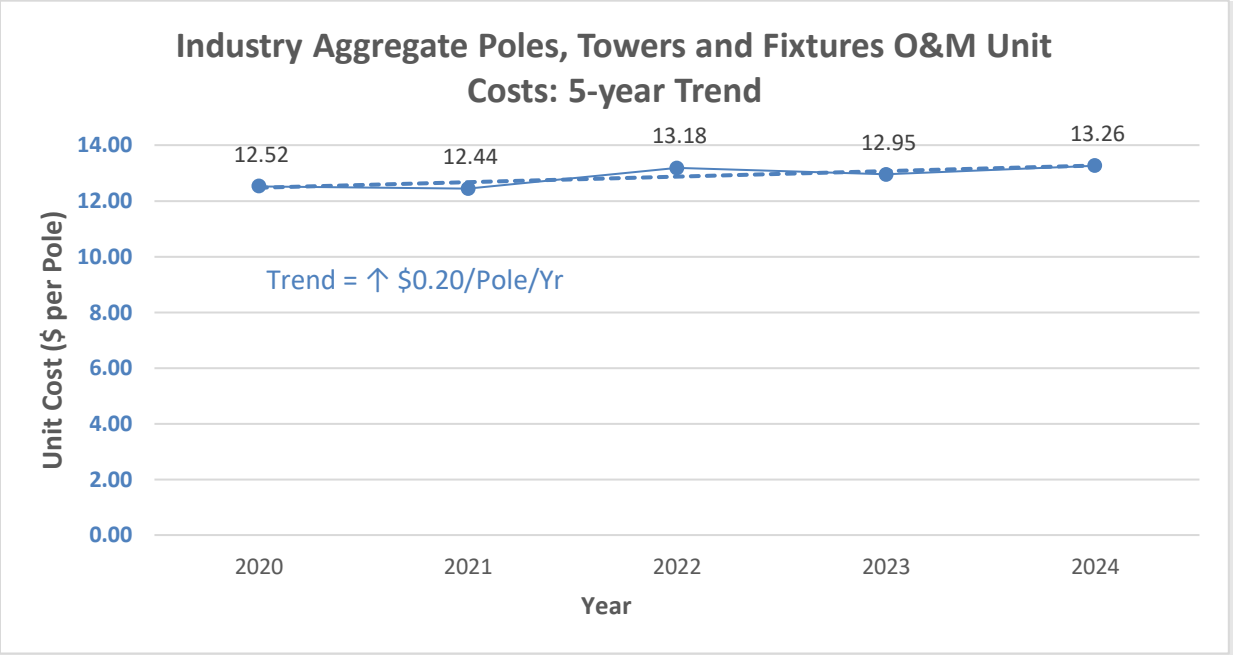


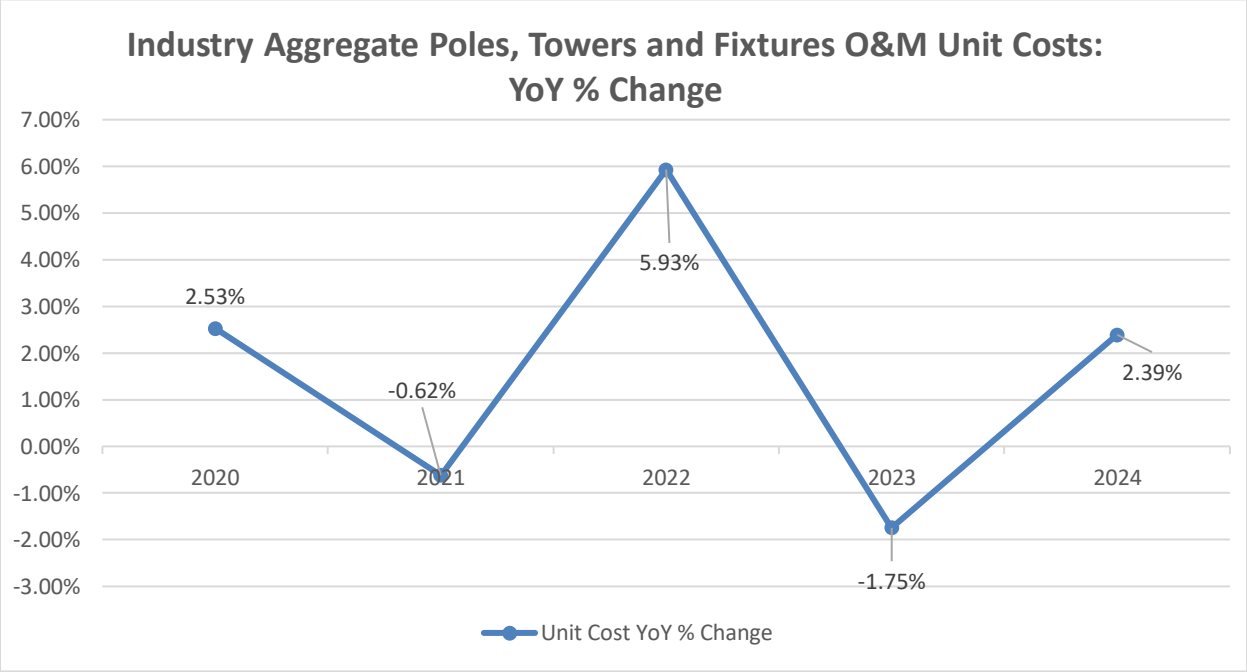

The unit cost for this metric is calculated by dividing the poles, towers and fixtures O&M cost, by the total number of poles.

$$\text{Unit Cost (\$/Pole)} = \frac{\text{USoA 5120 (\$)}}{\text{Total Number of Poles}}$$

[29] Combined for 53 distributors.

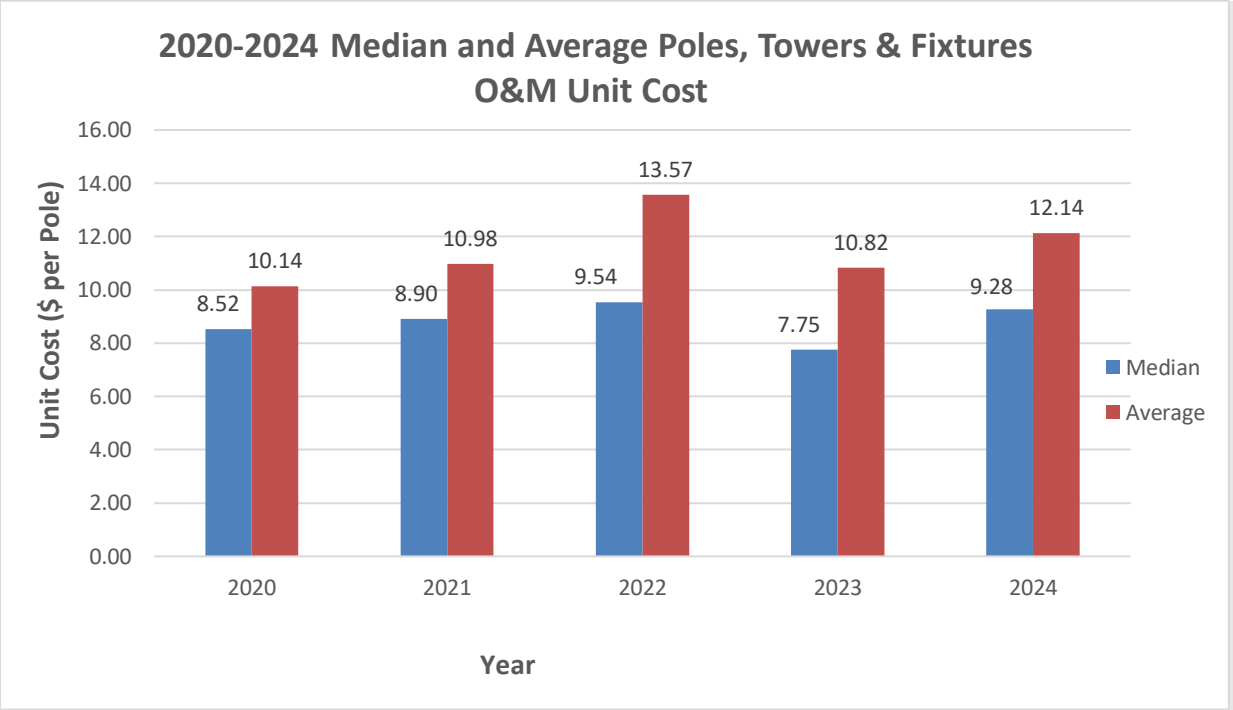
The industry aggregate unit cost shown in the following chart is derived by dividing the total poles, towers and fixtures O&M costs[30] by the total number of poles in the system. Aggregated at the industry level, the unit cost increased by $0.20 per pole, per year.



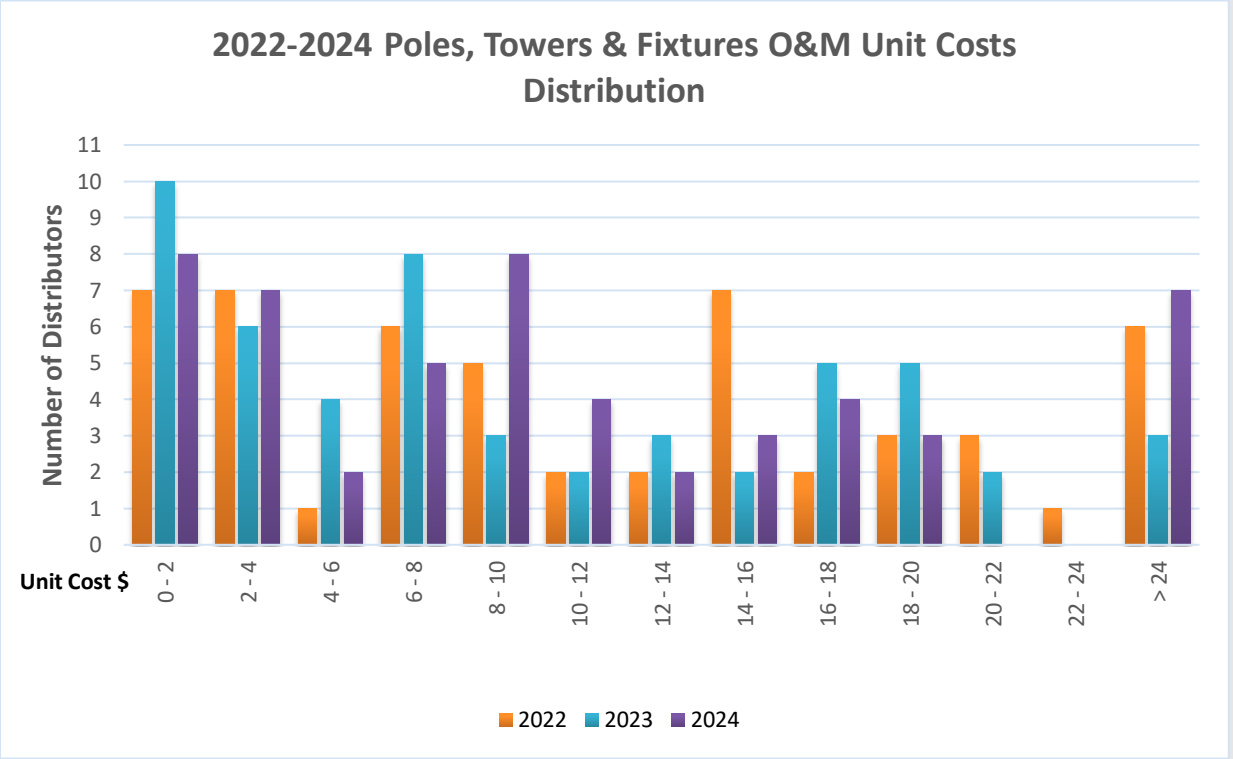

[30] Combined for 53 distributors.

The chart below summarizes the median and average[31] unit cost for poles, towers and fixtures O&M from 2020 to 2024. The median unit cost for 2024 is $9.28 per pole and the average unit cost is $12.14 per pole.




[31] An average of unit costs across the 53 distributors.

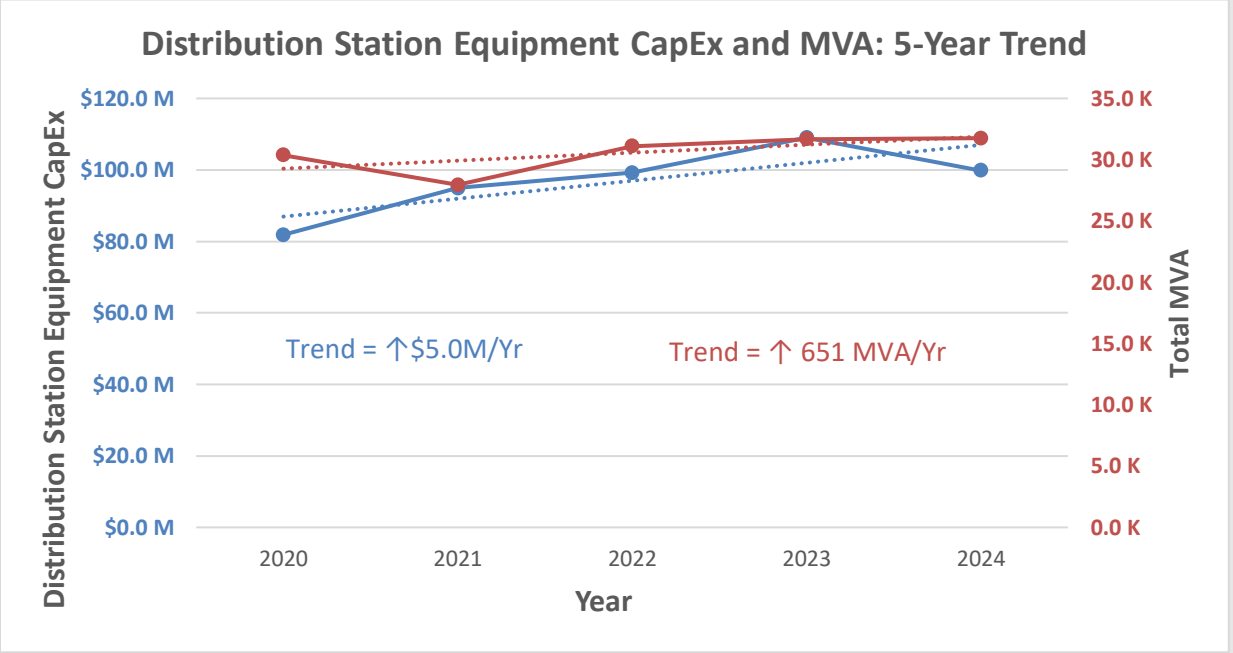
The chart below shows the distribution of poles, towers and fixtures O&M unit cost from 2022 to 2024.




| Unit Cost $ | 0 - 2 | 2 - 4 | 4 - 6 | 6 - 8 | 8 - 10 | 10 - 12 | 12 - 14 | 14 - 16 | 16 - 18 | 18 - 20 | 20 - 22 | 22 - 24 | > 24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 7 | 7 | 1 | 6 | 5 | 2 | 2 | 7 | 2 | 3 | 3 | 1 | 6 |
| **2023** | 10 | 6 | 4 | 8 | 3 | 2 | 3 | 2 | 5 | 5 | 2 | 0 | 3 |
| **2024** | 8 | 7 | 2 | 5 | 8 | 4 | 2 | 3 | 4 | 3 | 0 | 0 | 7 |

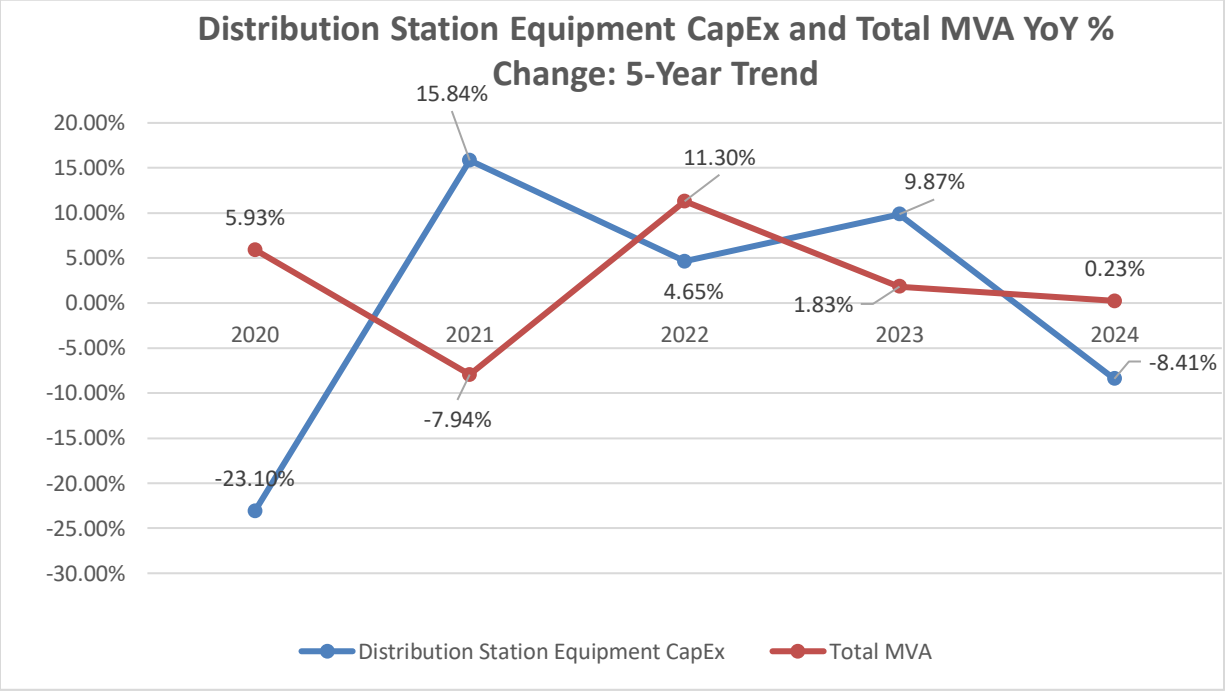
## 2.7 Capital Expenditures: Distribution Station Equipment

During the five-year period from 2020 to 2024, the overall industry trend[32] of distribution station equipment CapEx[33,34], as measured by standardized linear regression, increased by approximately $5.0 million per year, and the general trend of Total MVA increased by approximately 651 per year. The chart below shows the five-year trend.




[32] Combined for 42 distributors. Excludes 11 of the 53 distributors that do not own distribution stations.
[33] USoA 1820 as per Accounting Procedures Handbook for Electricity Distributors.
[34] Hydro One Network's capital additions for 2020 are on estimated basis using their capital additions for other years.

From 2023 to 2024, the total distribution station equipment CapEx[35] decreased by 8.41%. During the same period, overall MVA increased by 0.23%.

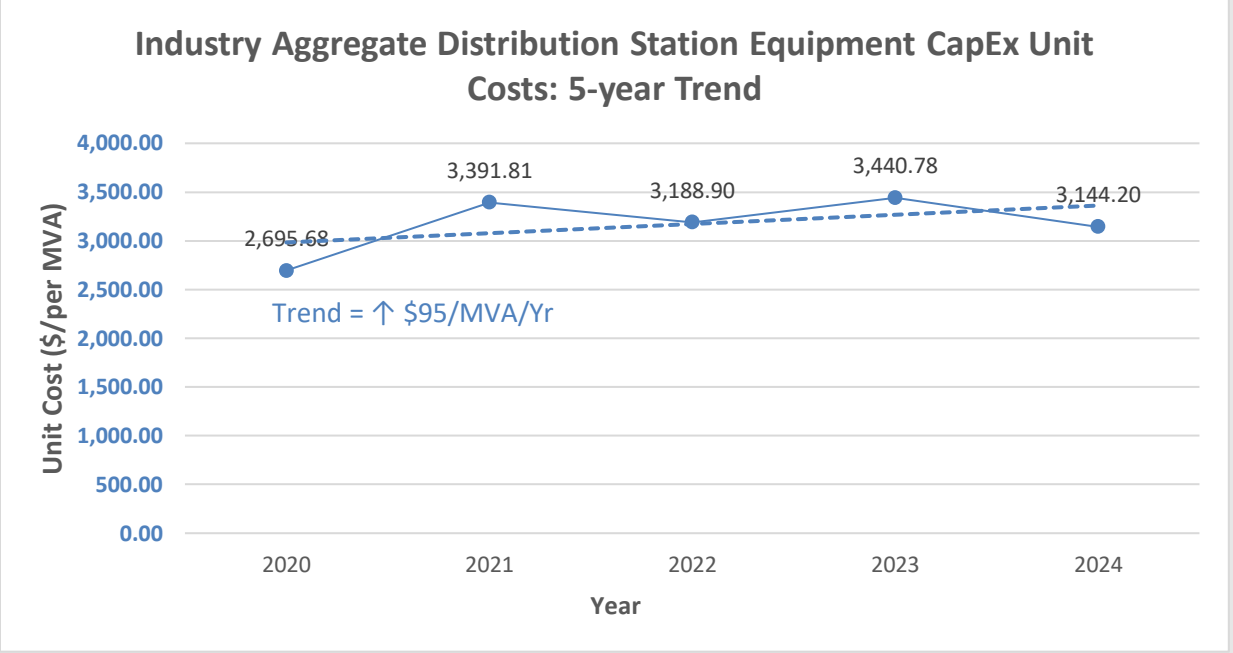


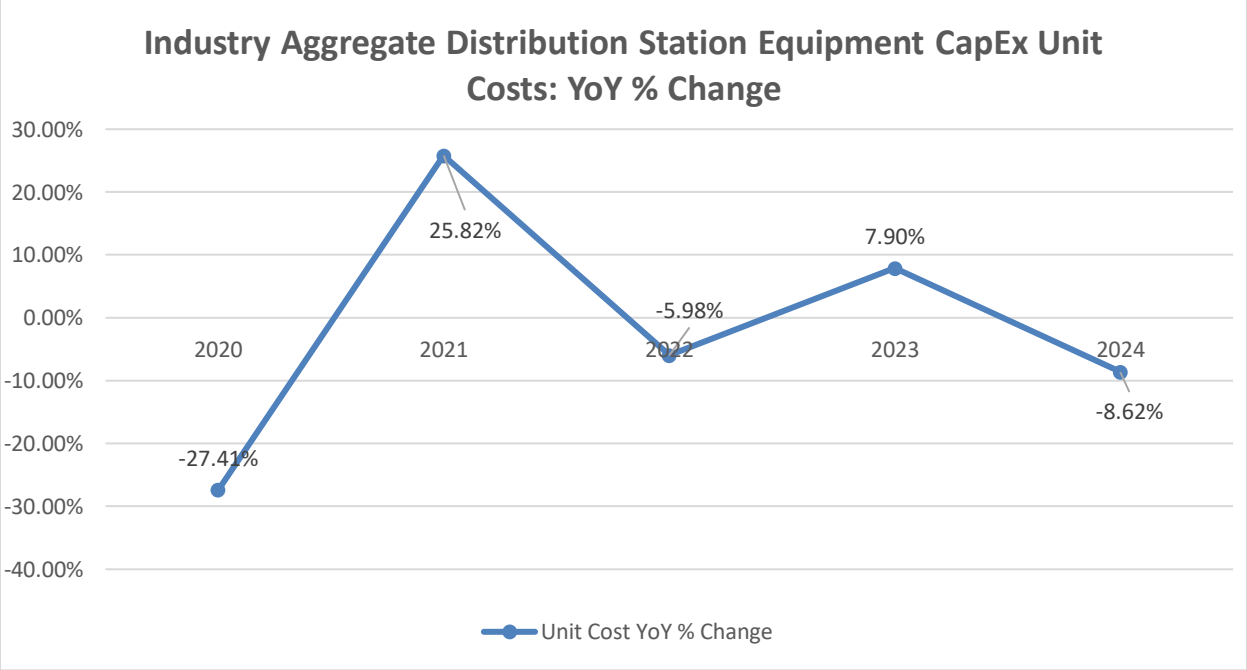

The unit cost for this metric is calculated by dividing the distribution station equipment CapEx, by total MVA.

$$\text{Unit Cost } \left(\frac{\$}{\text{MVA}}\right) = \frac{\text{USoA [1820] (\$)}}{\text{Total MVA}}$$

[35] Combined for 42 distributors. Excludes 11 of the 53 distributors that do not own distribution stations

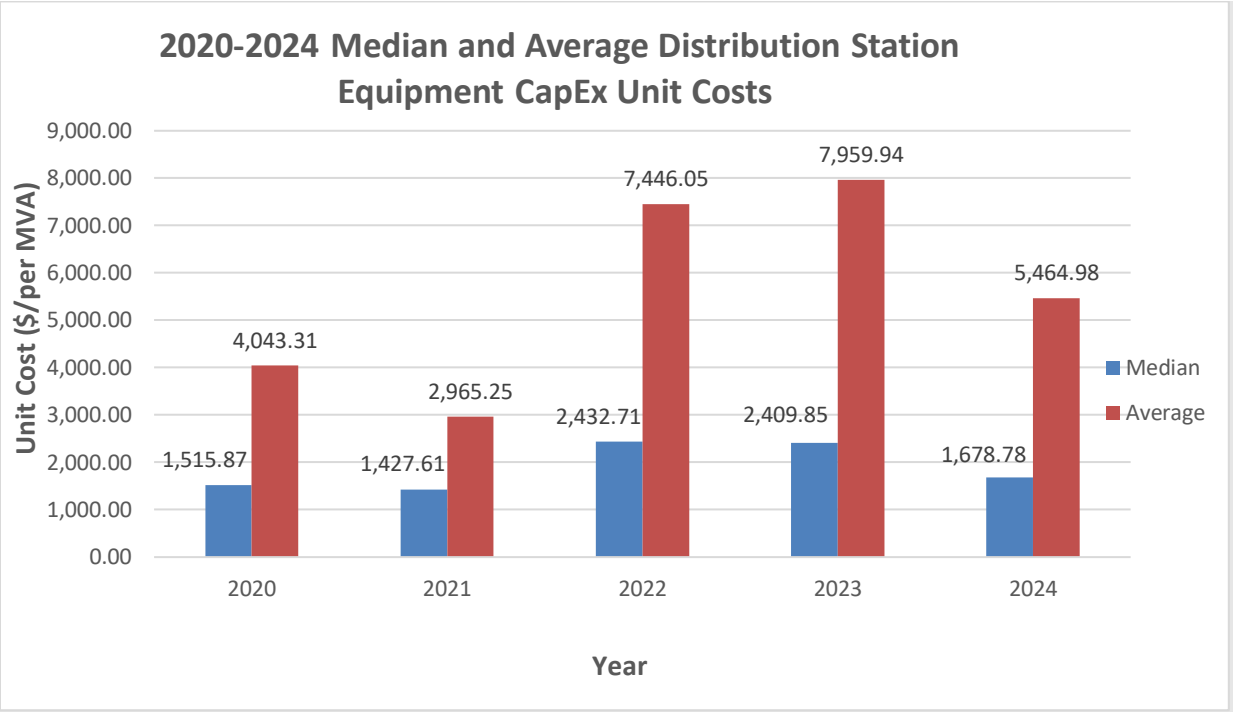
The industry aggregate unit cost shown in the following chart is derived by dividing the total distribution system equipment CapEx[36], by the combined total MVA Aggregated at the industry level, the unit cost increased by $95 per MVA, per year.



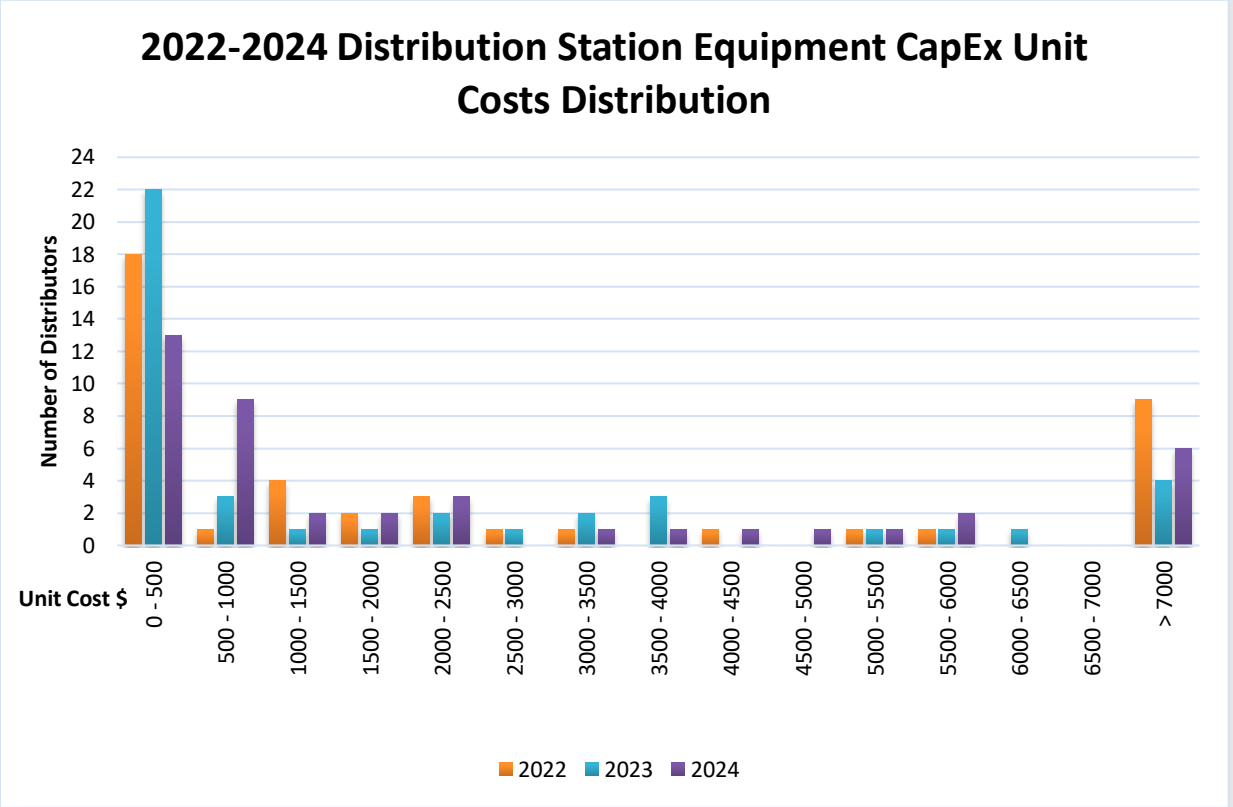

[36] Combined for 42 distributors. Excludes 11 of the 53 distributors that do not own distribution stations

The chart below summarizes the median and average[37] unit cost for distribution station equipment CapEx from 2020 to 2024. The median unit cost for 2024 is $1,678.78 per MVA, and the average unit cost is $5,464.98 per MVA.




[37] An average of unit costs across the 42 distributors. Zero values are excluded.

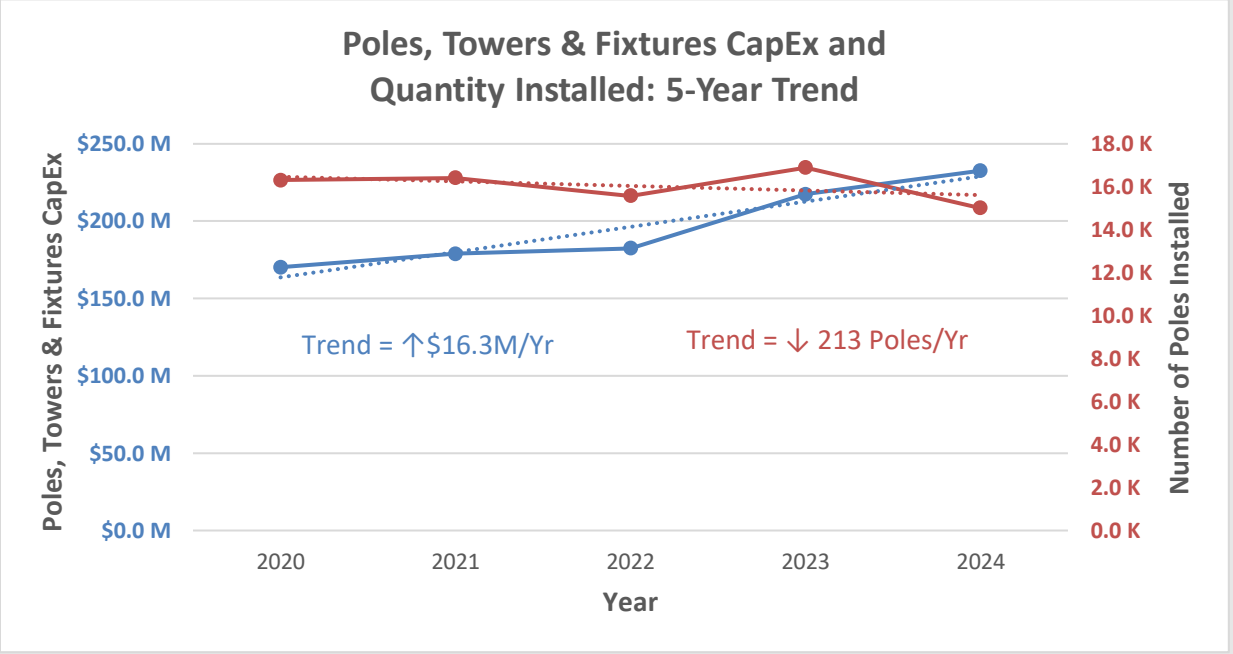
The chart below shows the distribution of distribution station equipment CapEx unit costs from 2022 to 2024.




| Unit Cost $ | 0 - 500 | 500 - 1000 | 1000 - 1500 | 1500 - 2000 | 2000 - 2500 | 2500 - 3000 | 3000 - 3500 | 3500 - 4000 | 4000 - 4500 | 4500 - 5000 | 5000 - 5500 | 5500 - 6000 | 6000 - 6500 | 6500 - 7000 | > 7000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 18 | 1 | 4 | 2 | 3 | 1 | 1 | 0 | 1 | 0 | 1 | 1 | 0 | 0 | 9 |
| **2023** | 22 | 3 | 1 | 1 | 2 | 1 | 2 | 3 | 0 | 0 | 1 | 1 | 1 | 0 | 4 |
| **2024** | 13 | 9 | 2 | 2 | 3 | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 0 | 0 | 6 |

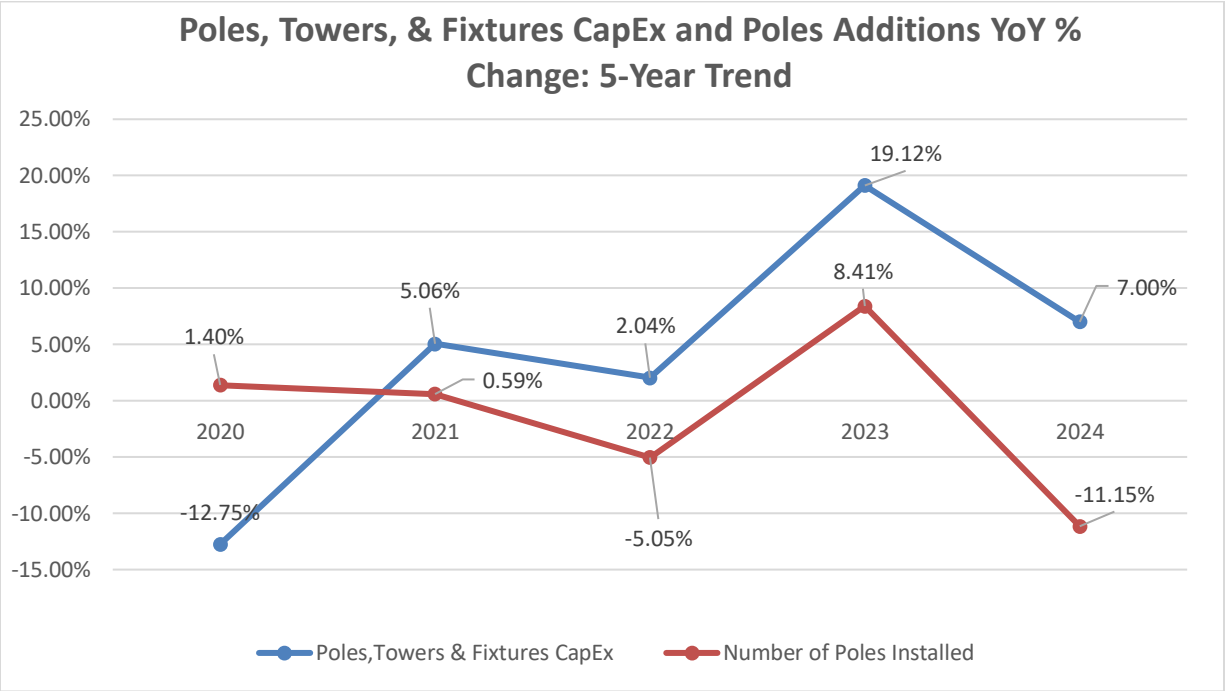
## 2.8 Capital Expenditures: Poles, Towers and Fixtures

During the five-year period from 2020 to 2024, the overall industry trend[38] of poles, towers and fixtures CapEx[39], as measured by standardized linear regression, increased by approximately $16.3 million per year. The overall trend of the number of poles installed decreased by 213 per year. The chart below shows the five-year trend.




[38] Combined for 51 distributors: Hydro One Networks Inc., and Rideau St. Lawrence Distribution Inc. have been excluded since their number of pole additions aren't available for years 2017-2021.
[39] USoA 1830 as per Accounting Procedures Handbook for Electricity Distributors.

From 2023 to 2024, the total poles, towers and fixtures CapEx[40] increased by 7.0%. In contrast, the number of poles installed declined by 11.15% in 2024, diverging from the previous year's upward movement.

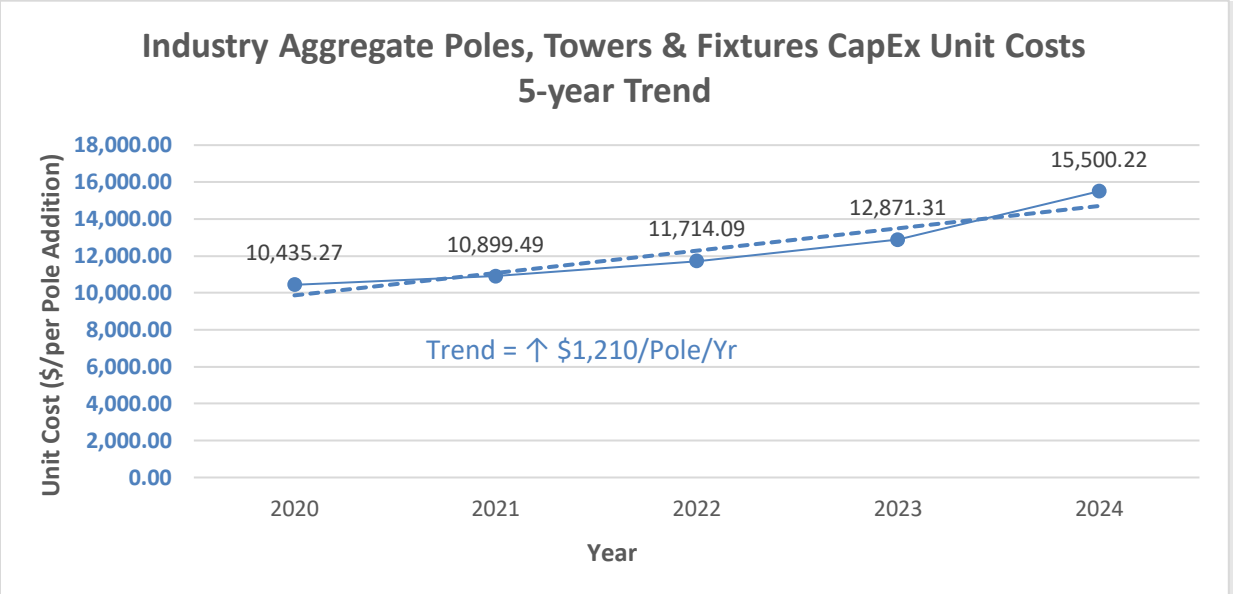


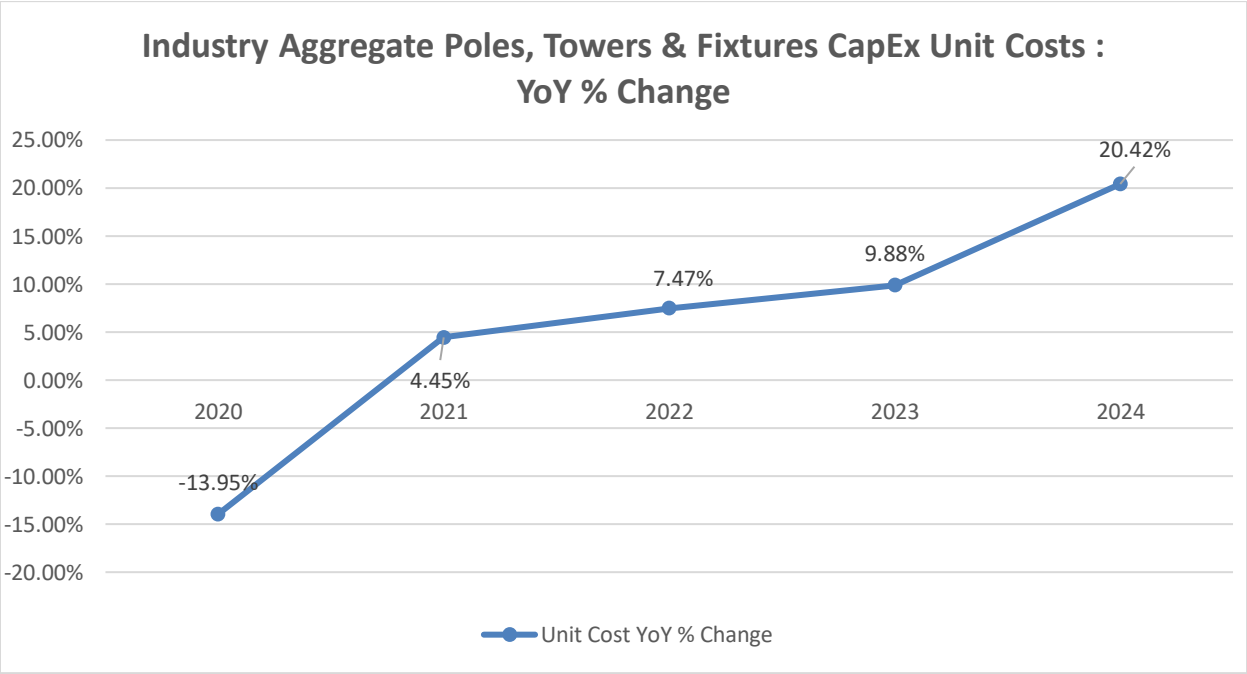

The unit cost for this metric is calculated by dividing the total poles, towers and fixtures CapEx, by the number of poles installed.

$$\text{Unit Cost (\$/Pole)} = \frac{\text{USoA 1830 (\$) Capital Additions}}{\text{Number of Poles Installed}}$$

[40] Combined for 51 distributors: Hydro One Networks Inc., and Rideau St. Lawrence Distribution Inc. have been excluded since their number of pole additions aren't available for years 2017-2021.

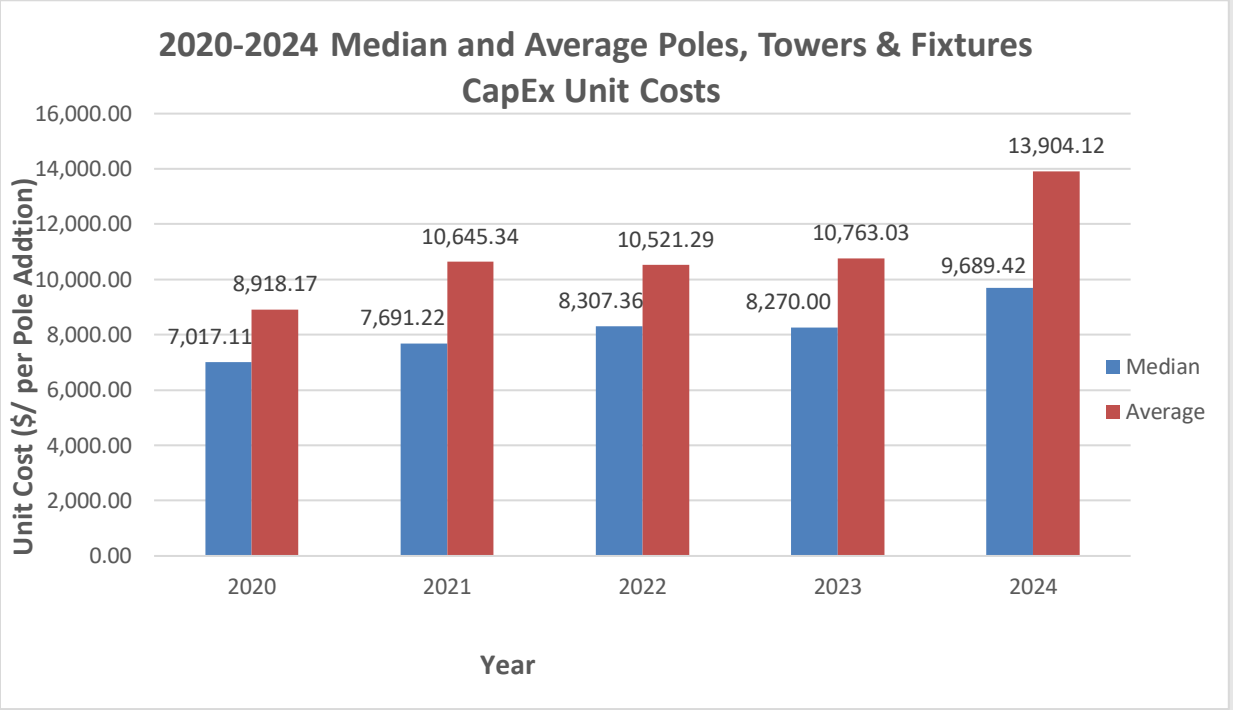
The industry aggregate unit cost shown in the following chart is derived by dividing the total poles, towers and fixtures CapEx[41], by the total poles installed. Aggregated at the industry level, the unit cost increased by $1,210 per pole, per year.



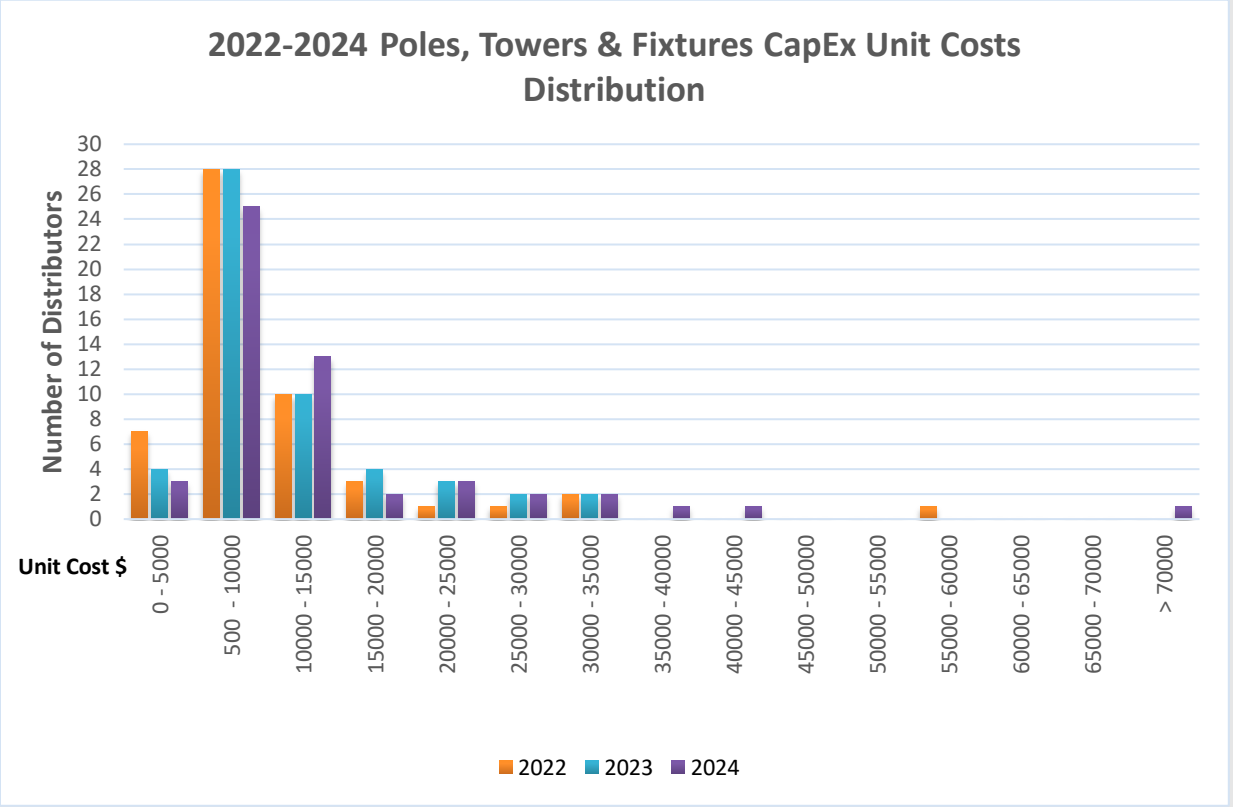

[41] Combined for 51 distributors: Hydro One Networks Inc., and Rideau St. Lawrence Distribution Inc. have been excluded since their number of pole additions aren't available for years 2017-2021.

The chart below summarizes the median and average[42] unit costs for poles, towers and fixtures CapEx from 2020 to 2024. Throughout this five-year period, there has been an upward trend in both median and average costs. The median cost per customer increased from $7,017.11 in 2020 to $9,689.42 in 2024. Similarly, the average cost rose from $8,918.17 in 2020 to $13,904.12 in 2024.




[42] An average of unit costs across the 51 distributors. Zero values are excluded.

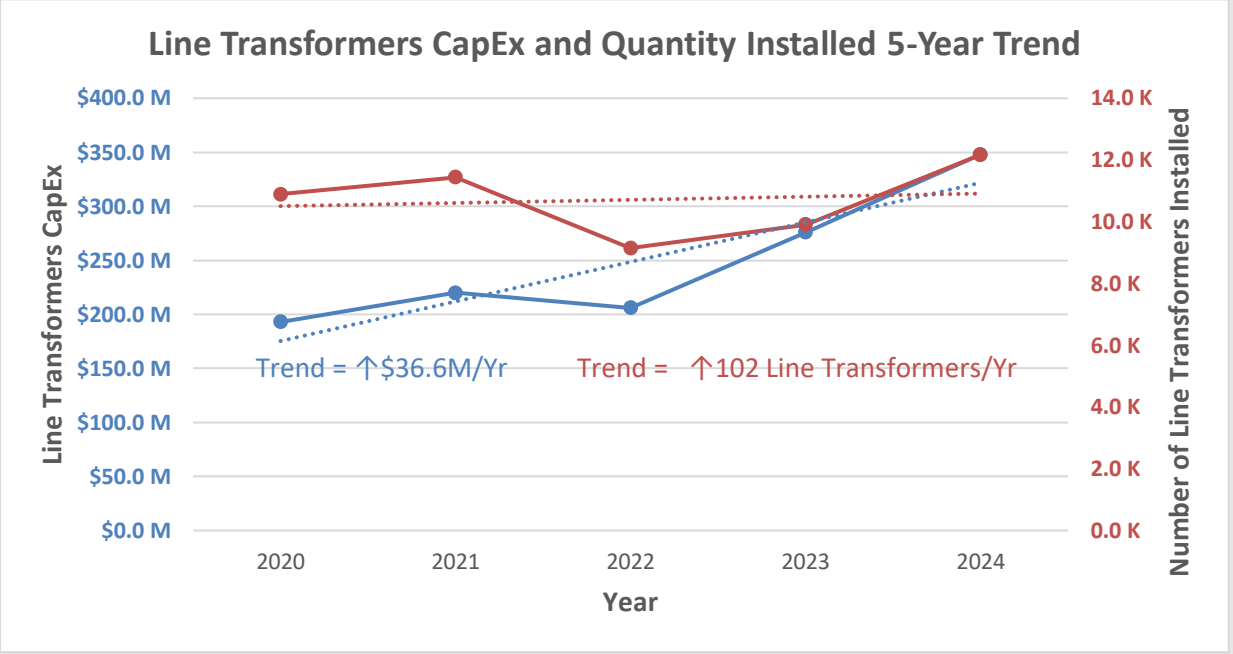
The chart below shows the distribution of poles, towers and fixtures CapEx unit costs from 2022 to 2024.




| Unit Cost $ | 0 - 5000 | 500 - 10000 | 10000 - 15000 | 15000 - 20000 | 20000 - 25000 | 25000 - 30000 | 30000 - 35000 | 35000 - 40000 | 40000 - 45000 | 45000 - 50000 | 50000 - 55000 | 55000 - 60000 | 60000 - 65000 | 65000 - 70000 | > 70000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 7 | 28 | 10 | 3 | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| **2023** | 4 | 28 | 10 | 4 | 3 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **2024** | 3 | 25 | 13 | 2 | 3 | 2 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

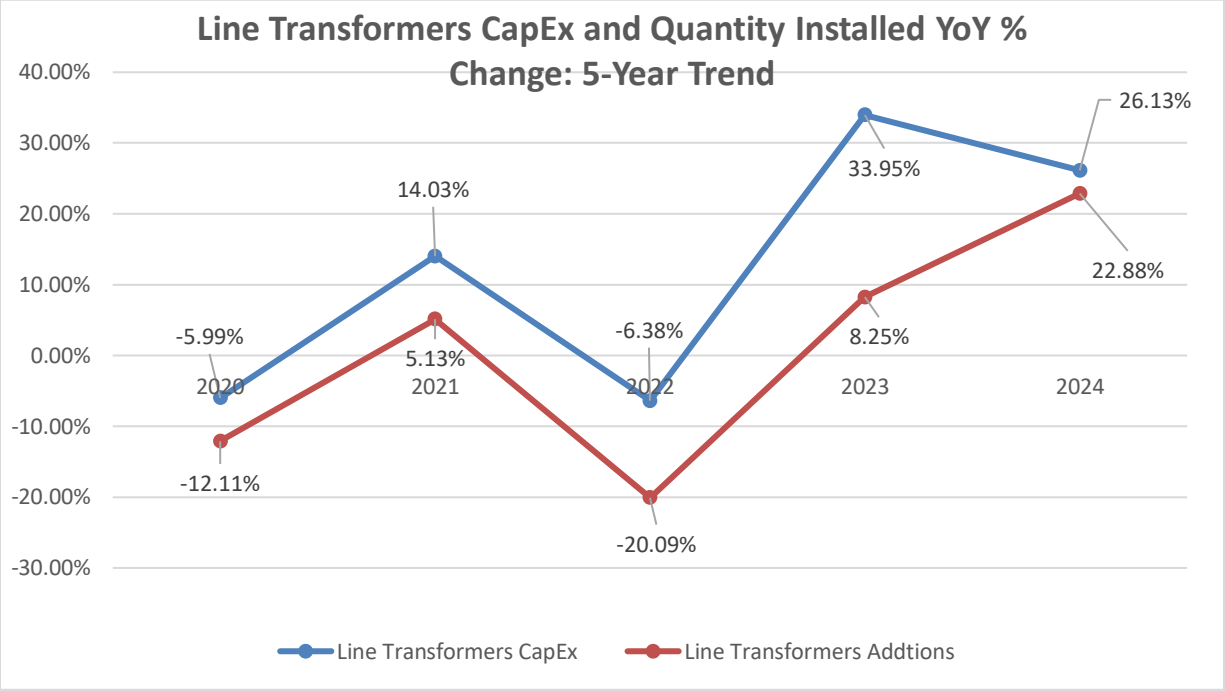
## 2.9 Capital Expenditures: Line Transformers

During the five-year period from 2020 to 2024, the overall industry trend[43] of the line transformers CapEx[44], as measured by standardized linear regression, increased by approximately $36.6 million per year, and the overall trend of the number of line transformers installed increased by 102 per year. The chart below shows the five-year trend.




[43] Combined for 51 distributors: Hydro One Networks Inc. and Rideau St. Lawrence Distribution Inc. have been excluded since their number of line transformer additions aren't available for years 2017-2020.
[44] USoA 1850 as per Accounting Procedures Handbook for Electricity Distributors.

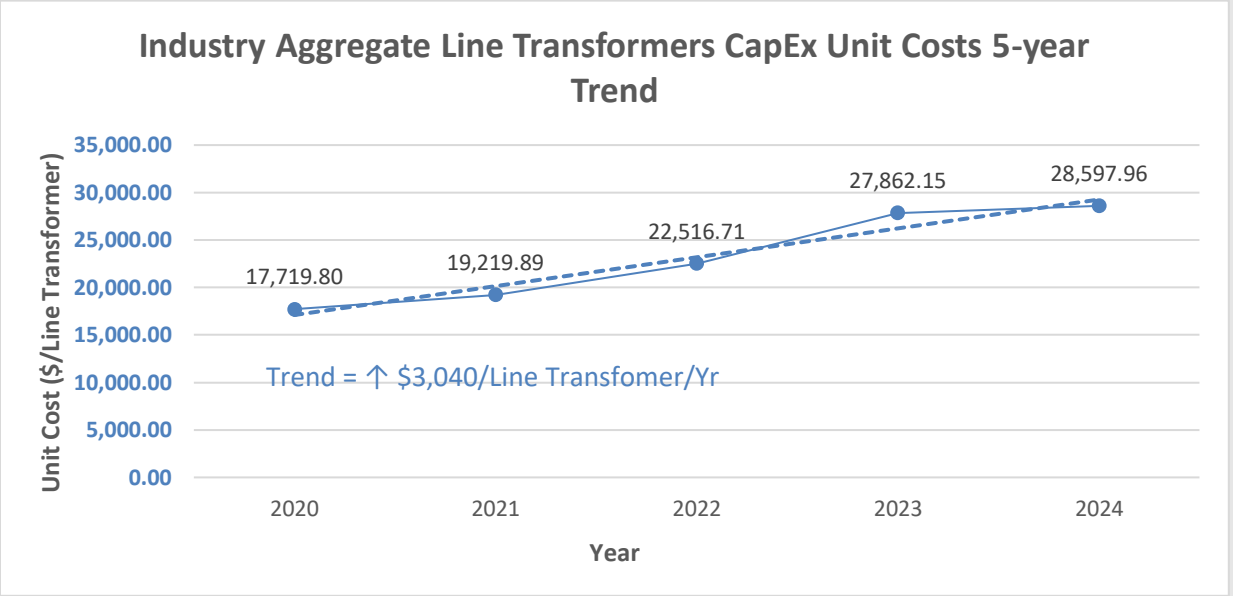
From 2023 to 2024, the total combined line transformers CapEx increased by 26.13%. The number of line transformers installed increased by 22.88%.

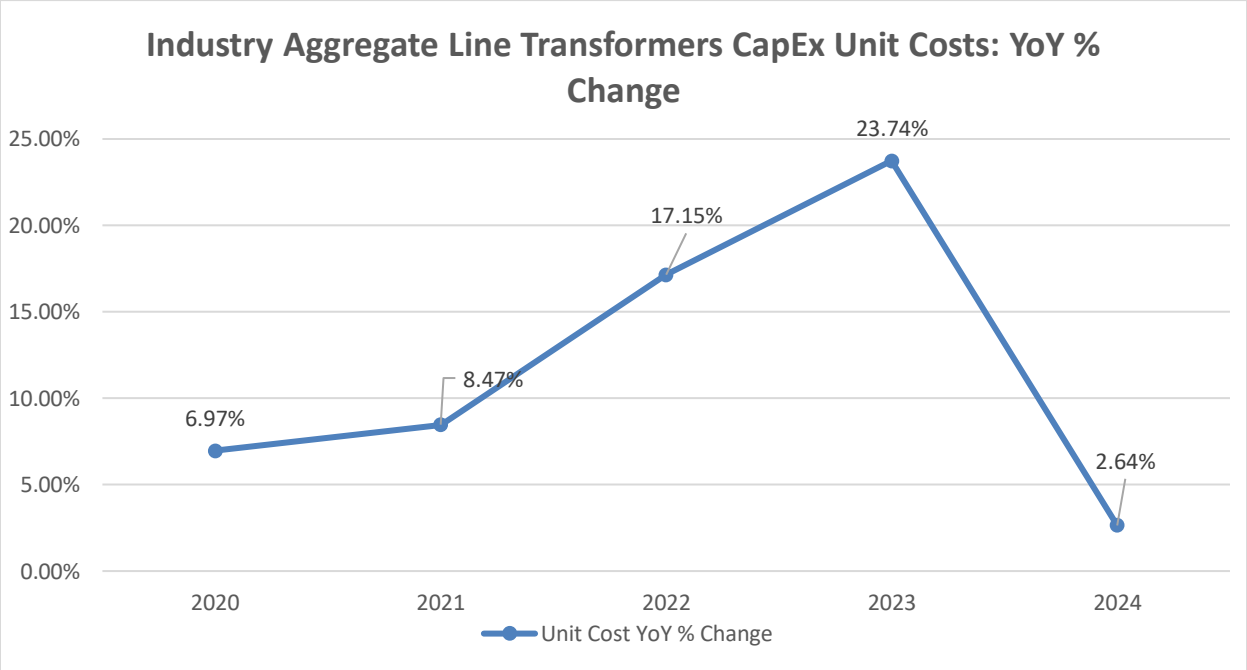



The unit cost for this metric is calculated by dividing the line transformer CapEx, by the number of line transformers installed.

$$\text{Unit Cost (\$/Line Transformer)} = \frac{\text{USoA 1850 (\$) Capital Additions}}{\text{Number of Line Transformers Installed}}$$

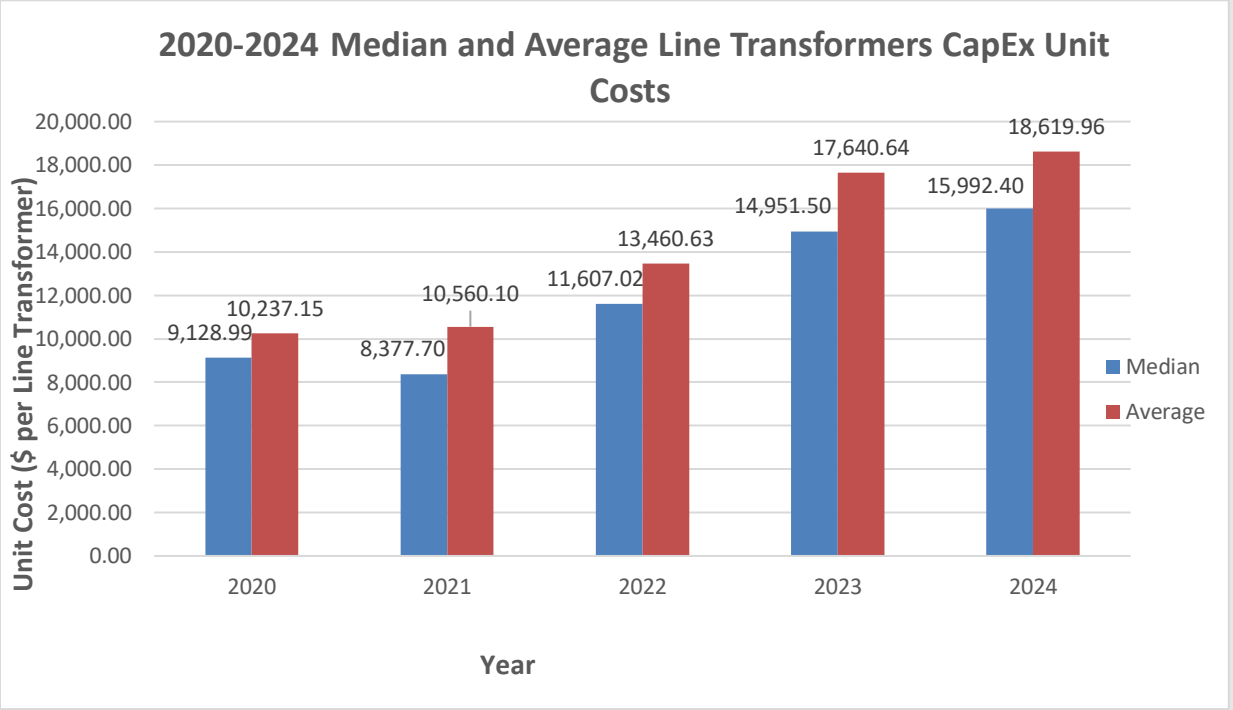
The industry aggregate unit cost shown in the following chart is derived by dividing the total line transformers CapEx[45], by the total number of line transformers installed. Aggregated at the industry level, the unit cost increased by $3,040 per line transformers, per year.



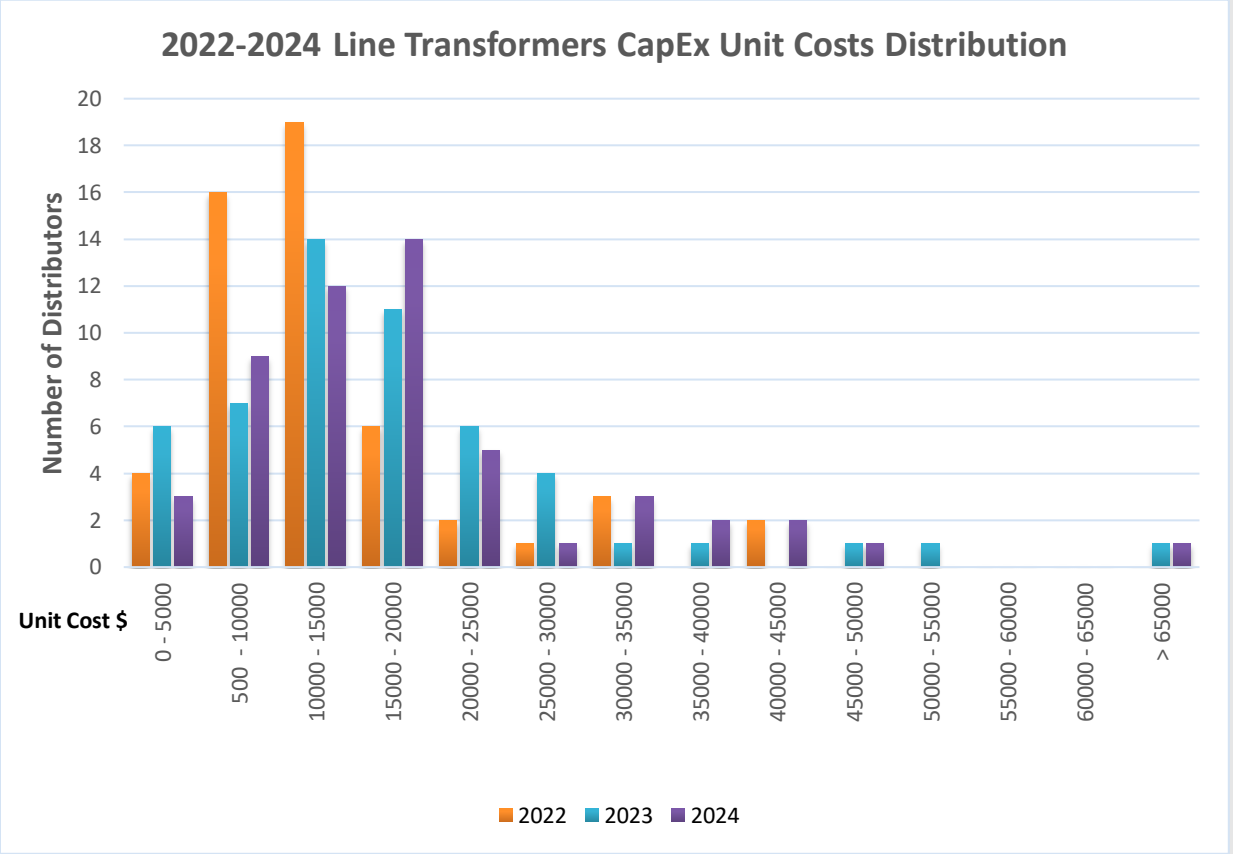

[45] Combined for 51 distributors: Hydro One Networks Inc. and Rideau St. Lawrence Distribution Inc. have been excluded since their number of line transformer additions aren't available for years 2017-2020.

The chart below summarizes the median and average[46] unit costs for line transformers CapEx from 2020 to 2024. Throughout this five-year period, there has been an upward trend in both median and average costs. The median cost per line transformer increased from $9,128.99 in 2020 to $15,992.40 in 2024. Similarly, the average cost rose from $10,237.15 in 2020 to $18,619.96 in 2024.




[46] An average of unit costs across the 51 distributors. Zero values are excluded.

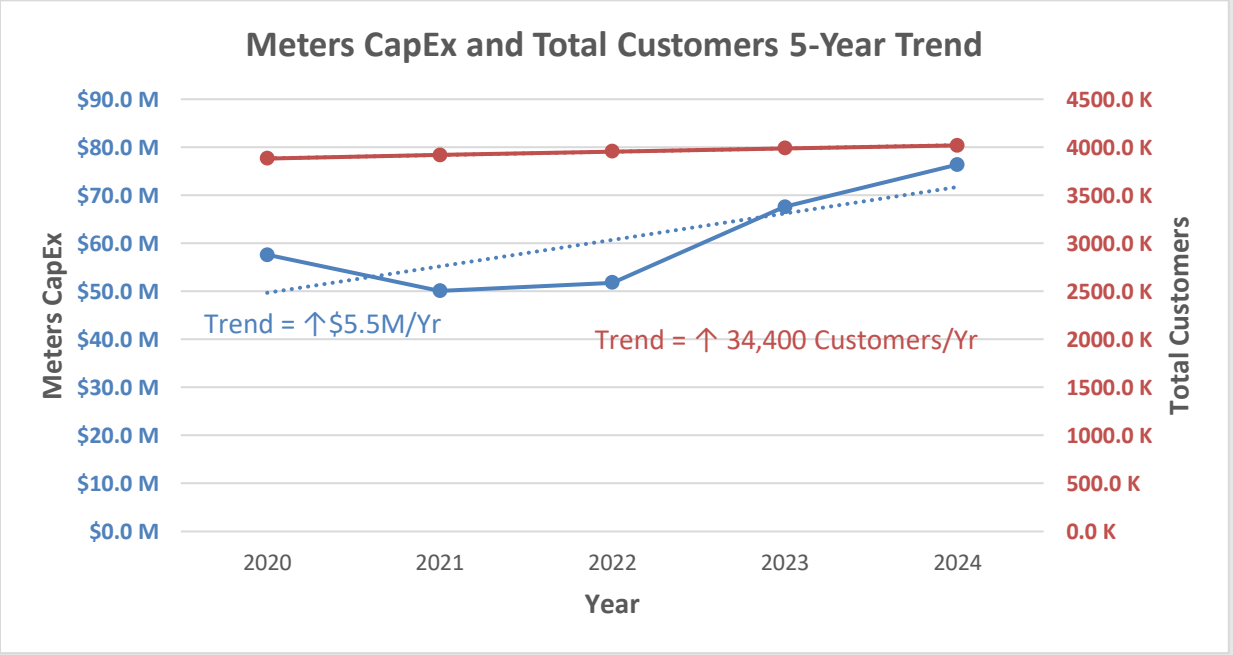
The chart below shows the distribution of line transformers CapEx unit costs from 2022 to 2024.




| Unit Cost $ | 0 - 5000 | 500 - 10000 | 10000 - 15000 | 15000 - 20000 | 20000 - 25000 | 25000 - 30000 | 30000 - 35000 | 35000 - 40000 | 40000 - 45000 | 45000 - 50000 | 50000 - 55000 | 55000 - 60000 | 60000 - 65000 | > 65000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 4 | 16 | 19 | 6 | 2 | 1 | 3 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| **2023** | 6 | 7 | 14 | 11 | 6 | 4 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 |
| **2024** | 3 | 9 | 12 | 14 | 5 | 1 | 3 | 2 | 2 | 1 | 0 | 0 | 0 | 1 |

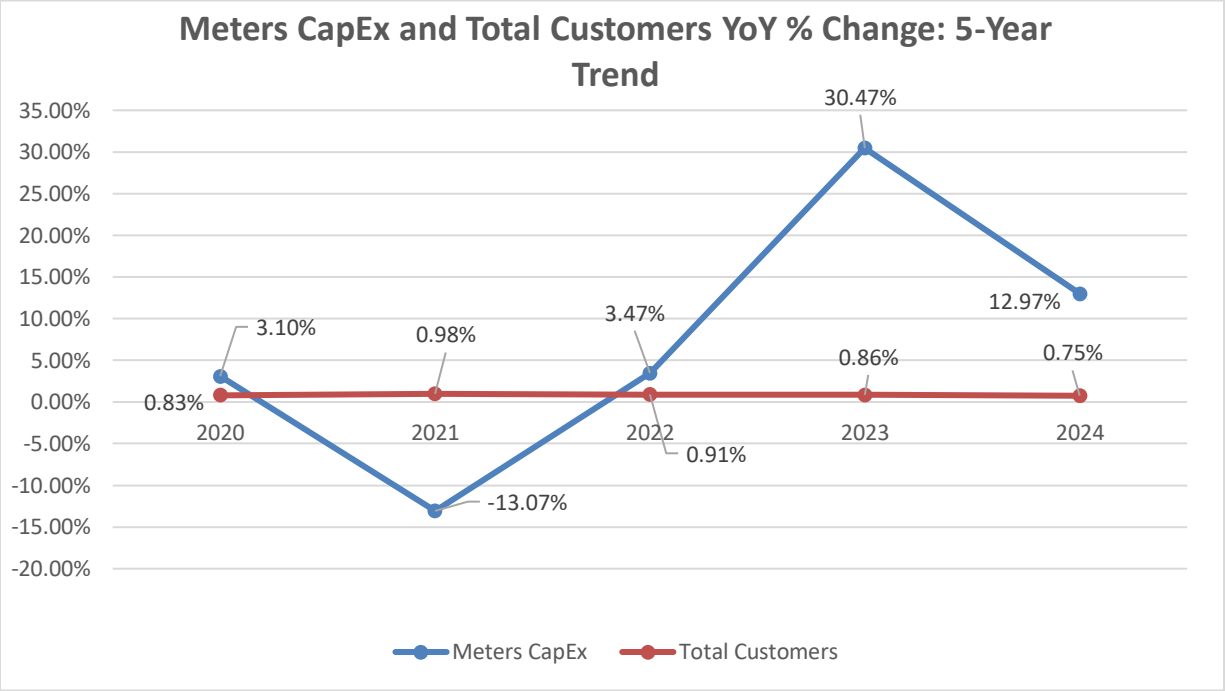
## 2.10 Capital Expenditures: Meters[47]

During the five-year period from 2020 to 2024, the overall industry trend[48] of the meters CapEx[49], as measured by standardized linear regression, increased by approximately $5.5 million a year, and the overall trend of the total number of customers[50] increased by approximately 34,400 customers per year. The chart below shows the five-year trend.




[47] Different from the other CAPEX metrics, Meters CAPEX denominator is based upon total customers versus new installed unit quantities. Because of this there will be high variability from year to year in reported unit cost values which is not reflective of the installed scope quantity.
[48] Combined for 51 distributors: Hydro One Networks Inc and Rideau St. Lawrence has been excluded since their Meters CapEx is not available for year 2020.
[49] Account 1860 as per Accounting Procedures Handbook for Electricity Distributors.
[50] Excludes street lighting, sentinel lighting, and USL connections. Hydro One Networks Inc and Rideau St. Lawrence has been excluded since their Meters CapEx is not available for year 2020.

From 2023 to 2024, the total meters CapEx[51] increased by 12.97%. Aligned with the five-year uptrend, the total number of customers increased by 0.75%,

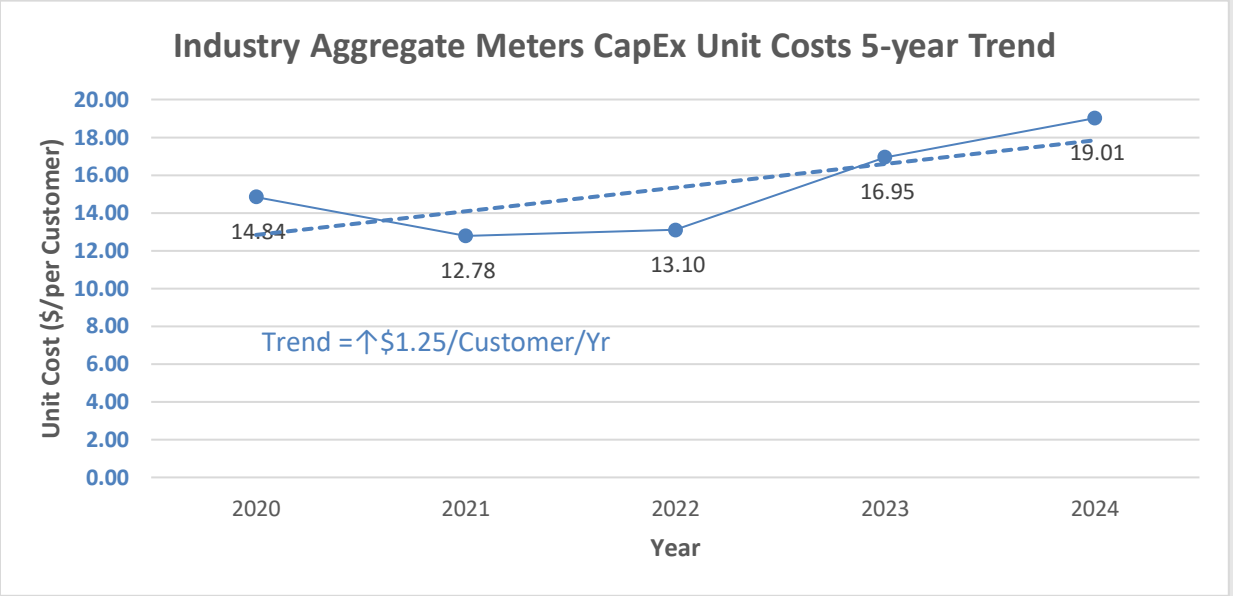


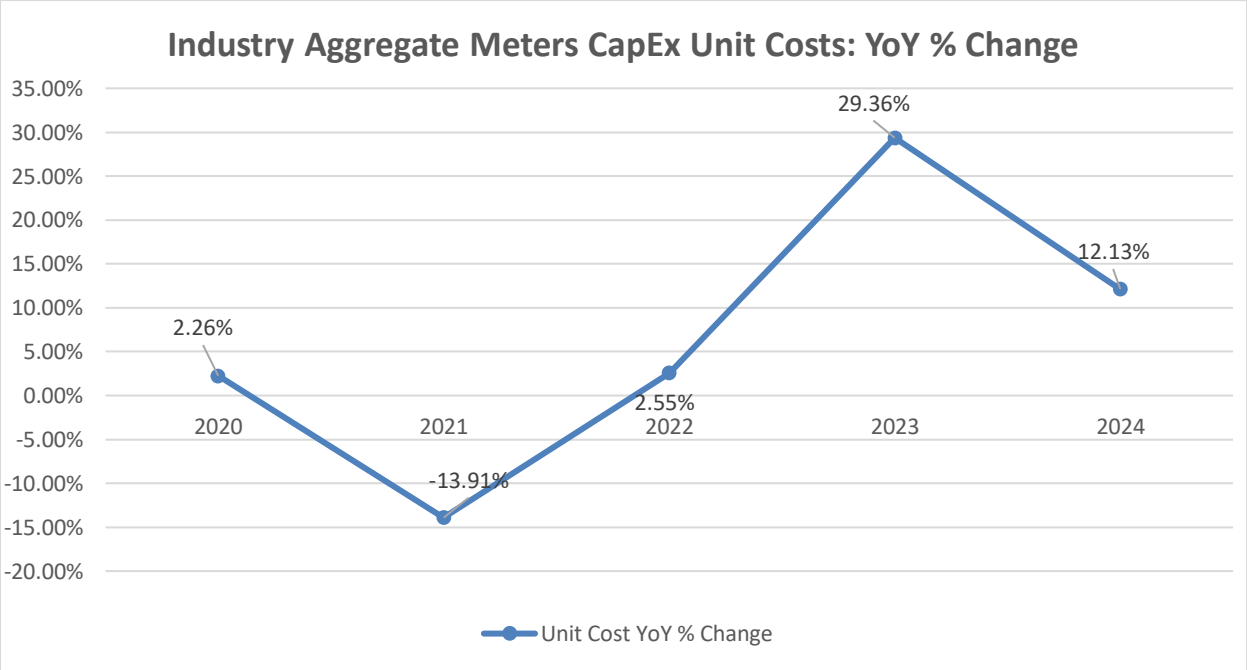

The unit cost for this metric is calculated by dividing the meters CapEx, by the total number of customers.

$$\text{Unit Cost (\$/Customer)} = \frac{\text{USoA 1860 (\$) Capital Additions}}{\text{Total Number of Customers}}$$

[51] Combined for 51 distributors: Hydro One Networks Inc and Rideau St. Lawrence has been excluded since their Meters CapEx is not available for year 2020.

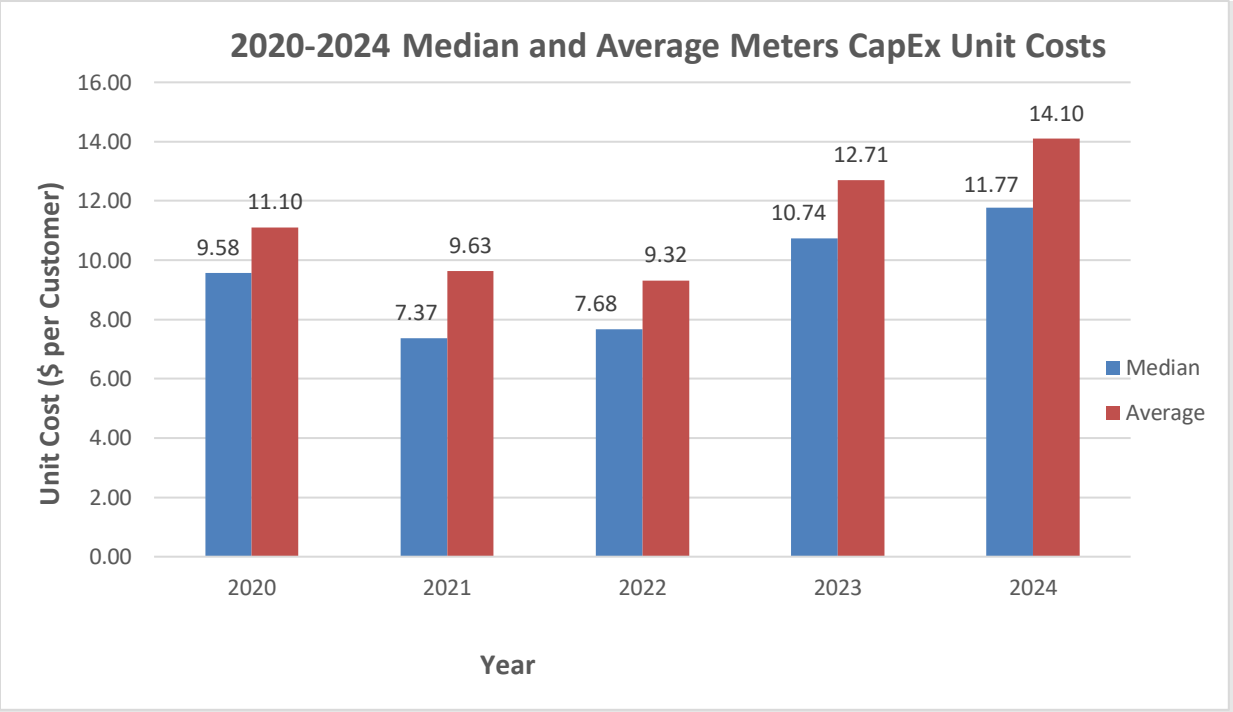
The industry aggregate unit cost shown in the following chart is derived by dividing the total meters CapEx costs[52], by the total number of customers. Aggregated at the industry level, the unit cost increased by $1.25 per customer, per year.



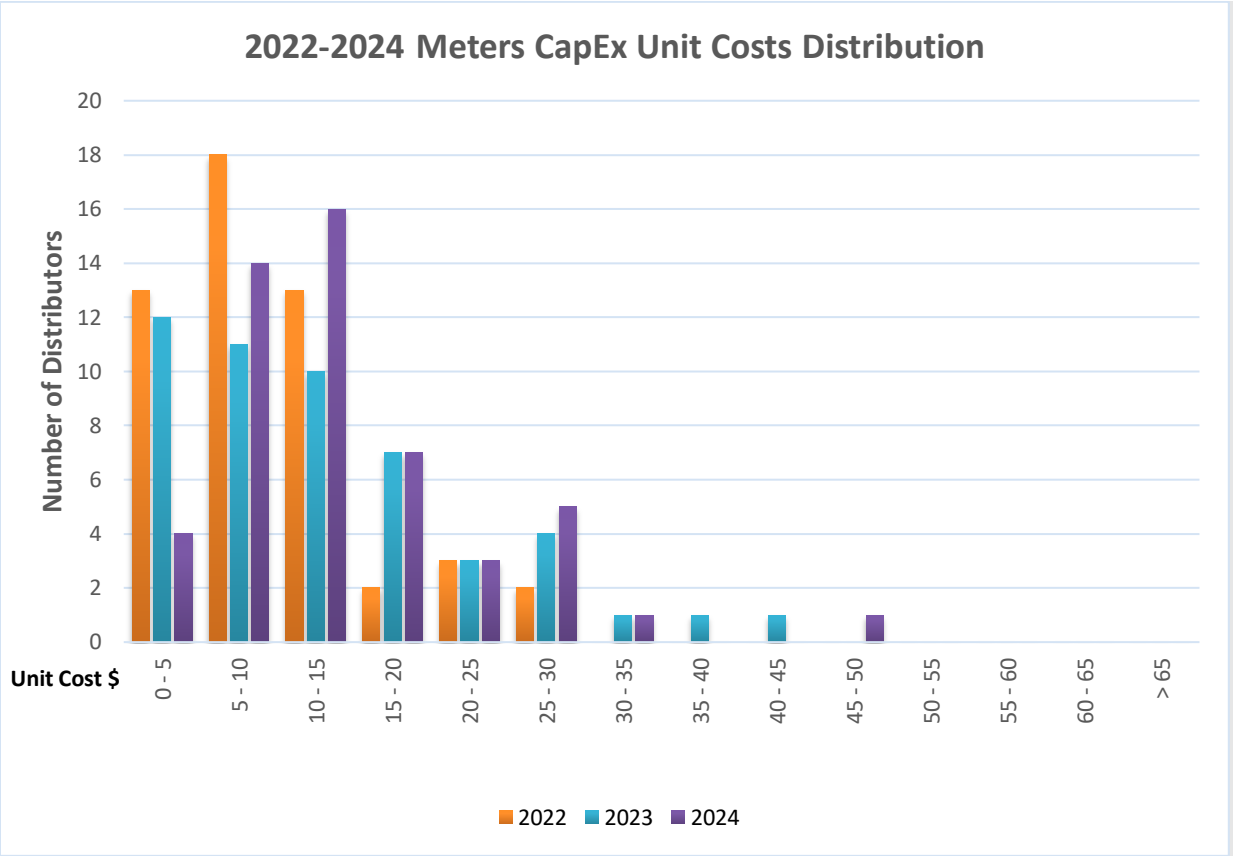

[52] Combined for 51 distributors: Hydro One Networks Inc and Rideau St. Lawrence has been excluded since their Meters CapEx is not available for year 2020.

The chart below summarizes the median and average[53] unit costs for meters CapEx from 2020 to 2024. The median unit cost for 2024 is $11.77 per customer and the average unit cost is $14.10 per customer.




[53] An average of unit costs across the 51 distributors. Zero values are excluded.

The chart below shows the distribution of meters CapEx unit costs from 2022 to 2024.




| Unit Cost $ | 0 - 5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40 - 45 | 45 - 50 | 50 - 55 | 55 - 60 | 60 - 65 | > 65 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | 13 | 18 | 13 | 2 | 3 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **2023** | 12 | 11 | 10 | 7 | 3 | 4 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| **2024** | 4 | 14 | 16 | 7 | 3 | 5 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |

## 3. Endnotes

i. All the O&M and CapEx amounts used in the calculations are as reported by the distributors and no inflation adjustments have been made.