

STAKEHOLDER EXPECTATIONS



- Oshawa Power's shareholder, the City of Oshawa, expects to receive greater value for its investment in the company – **higher ROI**
- Like all municipalities in the province, the City of Oshawa has financial challenges. **Larger future dividends** are expected as a revenue source for the City to help meet its budget requirements
- As most of the world is embarking on a journey to decarbonize their energy, the City of Oshawa is looking for Oshawa Power to be a key **resource** to help support customers navigate through the **energy transition**



- As electricity rates are expected to continue to increase as a result of greater electrification and growth, there will be more pressure from the Regulator (Ontario Energy Board) to demonstrate and achieve **greater productivity and efficiency** in Oshawa Power's operations to partially offset some of those increases



- The customer interaction experience is very important for **customer satisfaction** and **brand reputation**; thus, B2C businesses continually invest heavily to enhance it. Oshawa Power's customers have similar expectations, and therefore it must find ways to make it "easy to do business with"

The table below presents Oshawa Power's historical actuals and forecast expenditures for both capital and O&M categories. Note that 2025 figures are forecast spending.

Table 1 - Historical and Forecast Capital Expenditures and System O&M (\$,000)

Category	HISTORICAL (\$ '000)					FORECAST (\$ '000)				
	2021	2022	2023	2024	2025 - Bridge Year	2026 - Test Year	2027	2028	2029	2030
System Access (Gross)	4,219	3,839	7,105	6,694	7,995	9,186	9,270	9,356	9,443	9,532
System Renewal (Gross)	6,507	6,538	12,069	4,585	7,948	8,045	8,756	7,056	7,421	8,108
System Service (Gross)	2,828	953	1,294	1,805	1,093	1,336	300	778	962	588
General Plant (Gross)	1,046	1,271	1,721	576	2,716	1,680	1,655	1,730	1,155	802
Total Capital	14,601	12,601	22,189	13,660	19,752	20,247	19,981	18,920	18,980	19,030
Contributed Capital	-2,049	-1,201	-2,580	-4,856	-2,343	-3,228	-3,253	-3,277	-3,303	-3,328
Net Capital	12,552	11,400	19,609	8,804	17,409	17,019	16,728	15,643	15,677	15,702
System O&M	3,425	3,717	4,319	4,276	3,861	\$5,353	\$5,487	\$5,624	\$5,765	\$5,909

Oshawa Power's historical net capital expenditure from 2021 through 2025 had an average annual expenditure of approximately \$13.95M primarily driven by System Access and System Renewal requirements in order to address customer connections and load growth within the service territory, facilitate community infrastructure improvements through asset relocations, and to address the required replacement of equipment at or approaching the end of their useful life.

In 2024, Oshawa Power reported lower in-service amounts in three of the four investment categories—System Access, System Renewal, and General Plant. This was primarily due to strategic reallocation of budget toward the acquisition of land for Oshawa Power's new Operational and Administrative Building. Deferral of subdivision energizations to 2025 due to delays in developer constructed subdivisions was a significant contributor to lower system access expenditures. The land purchase was a necessary and reactive investment following the City of Oshawa's notice to vacate the current leased facility. Oshawa Power acted prudently, securing the property below market average value as confirmed by Cushman & Wakefield. As the investment remains in Work in Progress until 2027 when the building is anticipated to be placed in service, it is not reflected in the in-service amounts presented in the table above.

Oshawa Power Response

Oshawa Power is not expecting the OEB's implementation of the cost allocation model to increase customer contributions within the 2026-2030 period and thus does not expect any changes to its forecast investment currently in the Application.

1-SEC/CCMBC/VECC-12

Ref. 1: Exhibit 1, p.26

Question(s):

Please restate Table 1-7 to include all capital investments related to the new operational and administrative building, including but not limited to land, buildings, improvements, furniture, equipment, and intangibles. Please use the most recent estimates of the costs of those items, and provide the source of those estimates.

Oshawa Power Response

Please see Table below.

IRR Table 1-7: Restated Table 1-7 – Historical and Forecast Capital Expenditures

DSP Category	OEB-Approved	Actuals (\$000's)					Forecast (\$000's)											
	2021 Test Year	2021	2022	2023	2024	Land	2025	Building ¹	2026	Building ¹	2027	Building ¹	2028	2029	2030			
2021 Actuals to 2026 Test Year Change														\$4,070	31%			
NET DSP EXPENDITURES		\$69,774					\$80,769											
DSP Expenditures Change																	\$10,995	16%

Sources:

- Land Purchase – Actuals
- Building Construction – A.W. Hooker Class B Estimate

industry best practices, quantitative risk assessments and strategic asset management frameworks to ensure investments are aligned with key organizational objectives.

A multi-layered prioritization process is embedded within Oshawa Power's planning framework. At the individual asset level, investments are evaluated through Asset Condition Assessments and Option Analysis to determine the optimal intervention strategy. At the project and program level, the quantified Risk Prioritization methodology, guided by the Strategic Asset Management Plan, is leveraged to ensure the most critical investments are addressed first while balancing long-term system needs, reliability and cost-effectiveness, and maintaining high service quality standards.

Additionally, prudently pacing investments is a key component of Oshawa Power's capital planning strategy. Efforts are made to minimize significant year-over-year variances in expenditures, ensuring a balanced allocation of resources while aligning project timelines with system needs. This disciplined approach prevents cost volatility and supports long-term financial sustainability, ultimately delivering stable and predictable outcomes for customers.

These key principles and processes are further elaborated on, providing a breakdown of the analytical methods used, the decision-making frameworks guiding investment selection, and how Oshawa Power optimizes its capital expenditures to meet both present and future demands.

Capital Planning Approach - Identification, Optimization, Prioritization, and Pacing

As described in Section 5.3.1.1 Process and illustrated in Figure 8 (Asset Management Process), Oshawa Power adopts a structured approach to capital planning that balances the needs of both internal and external stakeholders. This process ensures that capital investments are systematically identified, analyzed, and optimized to align with operational objectives, regulatory requirements, and customer expectations.

Internal Stakeholder Input

Needs are identified through consultations with various departments, including IT, Fleet and Facilities and Operations. These discussions highlight investments required for both the distribution system—ensuring safety and reliability—and organizational infrastructure that supports the efficient delivery of services to the public.

Additionally, historical data is analyzed to identify trends in reactive maintenance needs, enabling proactive planning for future expenditures. Once these needs are compiled, comprehensive analyses are conducted to substantiate investment requirements and ensure alignment with Oshawa Power's strategic priorities.

replacements into an overhead rebuild project) and aligning capital programs with external initiatives to optimize costs and scheduling.

Prioritization & Justification of Investments

Once investments are optimized, they undergo a structured prioritization process using quantified risk prioritization methodologies. This ensures that each project is ranked based on a multifaceted evaluation of risk, system impact, and alignment with Oshawa Power's corporate objectives, Asset Management (AM) strategy and the Renewed Regulatory Framework For Electricity (RRFE) outcomes. (Section 5.3 and subsections & SAMP – Appendix H)

Additionally, investment proposals are substantiated through supporting documents, including:

- Business Cases: Such as the ERP (Appendix A) and Non-Wires Solutions (Appendix A).
- Material Justification Sheets: Demonstrating the need and cost-effectiveness of planned expenditures.
- Strategic Alignment Documents: Ensuring projects align with Oshawa Power's Strategic Plan (Attachment 1-2 in Exhibit 1) and IT Strategy (Attachment 1-4 in Exhibit 1), keeping pace with evolving industry trends and technology.

By maintaining a rigorous and structured planning approach, Oshawa Power ensures that all capital investments are well-justified, strategically aligned and focused on delivering long-term value to customers.

Technological Changes and Cost-effective Innovative Investments

Oshawa Power is focused on keeping up with technological advancements and implementing cost-effective investments to improve system reliability, response times and resilience. A key initiative is the expansion of automated systems, such as Overhead Self-Healing Switches that allow the system to quickly isolate faults and restore power, reducing outage durations and improving safety by minimizing the need for manual intervention.

Investments in underground faulted circuit indicators, SCADA system upgrades and Automation Controllers (RTACs) at stations provide better system visibility and help improve operational efficiency. These technologies enable faster response times and reduce maintenance costs, contributing to overall reliability.

Expanding feeders ensures the system can meet future customer demand while optimizing existing assets and capacity, MS9 with the Columbus development as an example, especially with

4.2 OM&A SUMMARY AND COST DRIVERS

4.2.1 Summary of Recoverable OM&A Expenses

Oshawa Power's total recoverable OM&A expenses, excluding property taxes, are provided in Table 4-3 below, with 2021 OEB Approved 2021 to 2024 Actuals, 2025 Bridge Year and 2026 Test Year per major function are provided with in Appendix 2-JA.

Table 4-3: Summary of Recoverable OM&A Expenses 2021 – 2026 (Appendix 2-JA)

	2021 Last Rebasing Year OEB Approved	2021 Last Rebasing Year Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Reporting Basis							
Operations	\$ 2,891,000	\$ 2,427,693	\$ 2,613,290	\$ 3,143,980	\$ 2,833,190	\$ 2,565,658	\$ 4,003,063
Maintenance	\$ 1,349,949	\$ 996,991	\$ 1,103,692	\$ 1,175,488	\$ 1,442,317	\$ 1,295,390	\$ 1,349,796
SubTotal	\$ 4,240,949	\$ 3,424,684	\$ 3,716,982	\$ 4,319,468	\$ 4,275,507	\$ 3,861,048	\$ 5,352,859
%Change (year over year)		54.0%	8.5%	16.2%	-1.0%	-9.7%	38.6%
%Change (Test Year vs Last Rebasing Year - Actual)							26.2%
Billing and Collecting	\$ 3,500,467	\$ 2,862,727	\$ 3,254,066	\$ 3,949,857	\$ 4,899,646	\$ 4,767,079	\$ 5,247,373
Community Relations	\$ 239,216	\$ 230,409	\$ 297,797	\$ 422,398	\$ 270,588	\$ 335,661	\$ 394,033
Administrative and General	\$ 5,885,460	\$ 6,782,354	\$ 7,110,887	\$ 7,072,385	\$ 9,354,202	\$ 10,261,426	\$ 11,277,725
SubTotal	\$ 9,625,144	\$ 9,875,490	\$ 10,662,750	\$ 11,444,640	\$ 14,524,435	\$ 15,364,167	\$ 16,919,131
%Change (year over year)		-15.6%	8.0%	7.3%	26.9%	5.8%	10.1%
%Change (Test Year vs Last Rebasing Year - Actual)							75.8%
Total	\$ 13,866,092	\$ 13,300,173	\$ 14,379,731	\$ 15,764,108	\$ 18,799,942	\$ 19,225,214	\$ 22,271,990
%Change (year over year)		-4.5%	8.1%	9.6%	19.3%	2.3%	15.8%

Table 4-4 below provides a variance analysis on major functions as per Appendix 2-JA.

Corporate Cost Allocation

Oshawa Power & Utility Corporation (OPUC) is the parent company of Oshawa Power and charges Oshawa Power a management fee. There are no Board of Directors-related cost for affiliates included in Oshawa Power's own costs.

A summary of shared services and corporate cost allocation for each year is provided in Tables 4-35 to 4-40 below, corresponding to the OEB's Appendix 2-N. Oshawa Power has provided Appendix 2-N for 2021 to 2024 Actuals, as well as a forecast for the 2025 Bridge and 2026 Test Year.

Table 4-35: 2021 Shared Services & Corporate Cost Allocation (Appendix 2-N)

Year:

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Oshawa Power	OPUCES	Strategic Oversight	Fully Allocated Costs	\$218,009	\$218,009
Oshawa Power	OPUCES	Shared Finance Services	Fully Allocated Costs	\$128,855	\$128,855
Oshawa Power	OPUCES	Other Shared Services	Fully Allocated Costs	\$205,726	\$205,726
Oshawa Power	OPUCS	Strategic Oversight	Fully Allocated Costs	\$70,226	\$70,226
Oshawa Power	OPUCS	Shared Finance Services	Fully Allocated Costs	\$41,507	\$41,507
Oshawa Power	OPUCS	Other Shared Services	Fully Allocated Costs	\$66,269	\$66,269
Oshawa Power	OPUC	Strategic Oversight	Fully Allocated Costs	\$23,315	\$23,315
Oshawa Power	OPUC	Shared Finance Services	Fully Allocated Costs	\$13,780	\$13,780
Oshawa Power	OPUC	Other Shared Services	Fully Allocated Costs	\$22,001	\$22,001
Oshawa Power	2252112 Ontario Inc.	Admin Fees	Fully Allocated Costs	\$26,049	\$26,049
Oshawa Power	OPUCS	Joint Use Pole Rental	Market	\$57,272	\$57,272
Oshawa Power	OPUCS	Duct Fibre Optic Rental	Market	\$25,723	\$25,723

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
OPUC	Oshawa Power	Management Services	Cost Based	50.9%	\$245,139

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Table 4-36: 2022 Shared Services & Corporate Cost Allocation (Appendix 2-N)

Year: 2022

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Oshawa Power	OPUCES	Strategic Oversight	Fully Allocated Costs	\$223,049	\$223,049
Oshawa Power	OPUCES	Shared Finance Services	Fully Allocated Costs	\$266,862	\$266,862
Oshawa Power	OPUCES	Other Shared Services	Fully Allocated Costs	\$150,795	\$150,795
Oshawa Power	OPUCS	Strategic Oversight	Fully Allocated Costs	\$34,230	\$34,230
Oshawa Power	OPUCS	Shared Finance Services	Fully Allocated Costs	\$40,954	\$40,954
Oshawa Power	OPUCS	Other Shared Services	Fully Allocated Costs	\$23,142	\$23,142
Oshawa Power	OPUC	Strategic Oversight	Fully Allocated Costs	\$31,348	\$31,348
Oshawa Power	OPUC	Shared Finance Services	Fully Allocated Costs	\$37,506	\$37,506
Oshawa Power	OPUC	Other Shared Services	Fully Allocated Costs	\$21,193	\$21,193
Oshawa Power	2252112 Ontario Inc.	Admin Fees	Fully Allocated Costs	\$41,016	\$41,016
Oshawa Power	2825909 Ontario Inc	Admin Fees	Fully Allocated Costs	\$6,384	\$6,384
Oshawa Power	OPUCS	Joint Use Pole Rental	Market	\$45,848	\$45,848
Oshawa Power	OPUCS	Duct Fibre Optic Rental	Market	\$26,276	\$26,276

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
OPUC	Oshawa Power	Management Services	Cost Based	29.3%	\$267,804

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Table 4-37: 2023 Shared Services & Corporate Cost Allocation (Appendix 2-N)

Year: 2023

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Oshawa Power	OPUCES	Strategic Oversight	Fully Allocated Costs	\$144,087	\$144,087
Oshawa Power	OPUCES	Shared Finance Services	Fully Allocated Costs	\$379,390	\$379,390
Oshawa Power	OPUCES	Other Shared Services	Fully Allocated Costs	\$177,735	\$177,735
Oshawa Power	OPUCS	Strategic Oversight	Fully Allocated Costs	\$32,657	\$32,657
Oshawa Power	OPUCS	Shared Finance Services	Fully Allocated Costs	\$85,987	\$85,987
Oshawa Power	OPUCS	Other Shared Services	Fully Allocated Costs	\$40,283	\$40,283
Oshawa Power	OPUC	Strategic Oversight	Fully Allocated Costs	\$18,693	\$18,693
Oshawa Power	OPUC	Shared Finance Services	Fully Allocated Costs	\$49,220	\$49,220
Oshawa Power	OPUC	Other Shared Services	Fully Allocated Costs	\$23,059	\$23,059
Oshawa Power	2252112 Ontario Inc.	Admin Fees	Fully Allocated Costs	\$48,031	\$48,031
Oshawa Power	OPUCS	Joint Use Pole Rental	Market	\$47,550	\$47,550
Oshawa Power	OPUCS	Duct Fibre Optic Rental	Market	\$27,642	\$27,642
2825407 Ontario Inc.	Oshawa Power	Metering Services	Market	\$47,926	\$31,543
2825407 Ontario Inc.	Oshawa Power	Collection	Market	\$47,926	\$31,543

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
OPUC	Oshawa Power	Management Services	Cost Based	53.1%	\$292,560

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Table 4-38: 2024 Shared Services & Corporate Cost Allocation (Appendix 2-N)

Year:

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Oshawa Power	OPUCES	Strategic Oversight	Fully Allocated Costs	\$136,162	\$136,162
Oshawa Power	OPUCES	Shared Finance Services	Fully Allocated Costs	\$165,842	\$165,842
Oshawa Power	OPUCES	Shared IT Services	Fully Allocated Costs	\$43,082	\$43,082
Oshawa Power	OPUCES	Other Shared Services	Fully Allocated Costs	\$57,572	\$57,572
Oshawa Power	OPUCS	Strategic Oversight	Fully Allocated Costs	\$68,338	\$68,338
Oshawa Power	OPUCS	Shared Finance Services	Fully Allocated Costs	\$41,257	\$41,257
Oshawa Power	OPUCS	Other Shared Services	Fully Allocated Costs	\$23,409	\$23,409
Oshawa Power	OPUC	Strategic Oversight	Fully Allocated Costs	\$132,305	\$132,305
Oshawa Power	OPUC	Shared Finance Services	Fully Allocated Costs	\$21,575	\$21,575
Oshawa Power	OPUC	Other Shared Services	Fully Allocated Costs	\$26,804	\$26,804
Oshawa Power	2252112 Ontario Inc.	Admin Fees	Fully Allocated Costs	\$16,162	\$16,162
Oshawa Power	2825407 Ontario Inc.	Management	Fully Allocated Costs	\$53,299	\$53,299
Oshawa Power	2825407 Ontario Inc.	Shared Finance Services	Fully Allocated Costs	\$14,197	\$14,197
Oshawa Power	2825407 Ontario Inc.	Other Shared Services	Fully Allocated Costs	\$34,998	\$34,998
Oshawa Power	2825407 Ontario Inc.	Operational Support	Fully Allocated Costs	\$38,945	\$38,945
Oshawa Power	OPUCS	Joint Use Pole Rental	Market	\$47,550	\$47,550
Oshawa Power	OPUCS	Duct Fibre Optic Rental	Market	\$27,642	\$27,642
2825407 Ontario Inc.	Oshawa Power	Metering Services	Market	\$214,029	\$136,067
2825407 Ontario Inc.	Oshawa Power	Collection	Market	\$222,778	\$148,632

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
OPUC	Oshawa Power	Management Services	Cost Based	64.0%	\$494,316

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Table 4-39: 2025 Shared Services & Corporate Cost Allocation (Appendix 2-N)

Year: 2025

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Oshawa Power	OPUCES	Strategic Oversight	Fully Allocated Costs	\$132,112	\$132,112
Oshawa Power	OPUCES	Shared Finance Services	Fully Allocated Costs	\$97,346	\$97,346
Oshawa Power	OPUCES	Business Development Support	Fully Allocated Costs	\$42,642	\$42,642
Oshawa Power	OPUCES	Other Shared Services	Fully Allocated Costs	\$64,911	\$64,911
Oshawa Power	OPUCS	Strategic Oversight	Fully Allocated Costs	\$81,542	\$81,542
Oshawa Power	OPUCS	Shared Finance Services	Fully Allocated Costs	\$20,402	\$20,402
Oshawa Power	OPUCS	Other Shared Services	Fully Allocated Costs	\$39,693	\$39,693
Oshawa Power	OPUC	Strategic Oversight	Fully Allocated Costs	\$135,622	\$135,622
Oshawa Power	OPUC	Shared Finance Services	Fully Allocated Costs	\$43,669	\$43,669
Oshawa Power	OPUC	Other Shared Services	Fully Allocated Costs	\$23,399	\$23,399
Oshawa Power	2252112 Ontario Inc.	Admin Fees	Fully Allocated Costs	\$21,996	\$21,996
Oshawa Power	2825407 Ontario Inc.	Strategic Oversight	Fully Allocated Costs	\$196,875	\$196,875
Oshawa Power	2825407 Ontario Inc.	Shared Finance Services	Fully Allocated Costs	\$83,561	\$83,561
Oshawa Power	2825407 Ontario Inc.	Other Shared Services	Fully Allocated Costs	\$65,292	\$65,292
Oshawa Power	2825407 Ontario Inc.	Operational Support	Fully Allocated Costs	\$172,932	\$172,932
Oshawa Power	OPUCS	Joint Use Pole Rental	Market	\$50,680	\$50,680
Oshawa Power	OPUCS	Duct Fibre Optic Rental	Market	\$27,642	\$27,642
2825407 Ontario Inc.	Oshawa Power	Metering Services	Market	\$150,675	\$95,790
2825407 Ontario Inc.	Oshawa Power	Collection	Market	\$406,725	\$271,357
OPUCES	Oshawa Power	Customer Support	Fully Allocated Costs	\$117,729	\$117,729

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
OPUC	Oshawa Power	Management Services	Cost Based	70.5%	\$484,957

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Table 4-40: 2026 Shared Services & Corporate Cost Allocation (Appendix 2-N)

Year:

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Oshawa Power	OPUCES	Strategic Oversight	Fully Allocated Costs	\$137,533	\$137,533
Oshawa Power	OPUCES	Shared Finance Services	Fully Allocated Costs	\$100,127	\$100,127
Oshawa Power	OPUCES	Business Development Support	Fully Allocated Costs	\$43,921	\$43,921
Oshawa Power	OPUCES	Other Shared Services	Fully Allocated Costs	\$66,858	\$66,858
Oshawa Power	OPUCS	Strategic Oversight	Fully Allocated Costs	\$84,718	\$84,718
Oshawa Power	OPUCS	Shared Finance Services	Fully Allocated Costs	\$20,967	\$20,967
Oshawa Power	OPUCS	Other Shared Services	Fully Allocated Costs	\$40,883	\$40,883
Oshawa Power	OPUC	Strategic Oversight	Fully Allocated Costs	\$142,914	\$142,914
Oshawa Power	OPUC	Shared Finance Services	Fully Allocated Costs	\$44,427	\$44,427
Oshawa Power	OPUC	Other Shared Services	Fully Allocated Costs	\$22,335	\$22,335
Oshawa Power	2252112 Ontario Inc.	Admin Fees	Fully Allocated Costs	\$22,633	\$22,633
Oshawa Power	2825407 Ontario Inc.	Strategic Oversight	Fully Allocated Costs	\$173,516	\$173,516
Oshawa Power	2825407 Ontario Inc.	Shared Finance Services	Fully Allocated Costs	\$85,952	\$85,952
Oshawa Power	2825407 Ontario Inc.	Other Shared Services	Fully Allocated Costs	\$111,938	\$111,938
Oshawa Power	2825407 Ontario Inc.	Operational Support	Fully Allocated Costs	\$274,660	\$274,660
Oshawa Power	OPUCS	Joint Use Pole Rental	Market	\$50,680	\$50,680
Oshawa Power	OPUCS	Duct Fibre Optic Rental	Market	\$27,642	\$27,642
2825407 Ontario Inc.	Oshawa Power	Metering Services	Market	\$154,442	\$98,185
2825407 Ontario Inc.	Oshawa Power	Collection	Market	\$416,893	\$278,140
OPUCES	Oshawa Power	Customer Support	Fully Allocated Costs	\$121,261	\$121,261

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
OPUC	Oshawa Power	Management Services	Cost Based	73.0%	\$501,129

2 **Variance Analysis**

3 *Test Year 2026 vs. 2021 OEB Approved*

4 Oshawa Power has seen an increase in spending on services to affiliates in the 2026
5 Test Year since the 2021 OEB Approved amounts, with explanation for material variances
6 in Table 4-41 below.

7 **Table 4-41: Variance Analysis for 2026 Test Year vs. 2021 OEB Approved**

Name of Company		Service Offered	2026 Test Year	2021 OEB-Approved	Variance	Explanation
From	To					
Oshawa Power	2825407 Ontario Inc.	Operational Support	274,660	0	274,660	2825407 Ontario Inc. was established in 2023, with Oshawa Power staff to provide increasing operational support execution of new affiliate strategy.
2825407 Ontario Inc.	Oshawa Power	Collection	416,893	0	416,893	2825407 Ontario Inc. was established in 2023, with affiliate undertaking collections activity following an increase in bad debt since the pandemic.
Totals			691,553	0	691,553	