

Oshawa PUC Networks Inc. (Oshawa Power)

2026 Rates

EB-2025-0014

Consumers Council of Canada

Oral Hearing Compendium

Exhibit 2 – Rate Base Interrogatory Responses

2-Staff/CCC/CCMBC/AMPCO-35

Ref. 1: Chapter 2 Appendices

Ref. 2: Distribution System Plan, p. 132

Question(s):

- a) Please provide a revised version of Chapter 2 Appendix 2-AA. As part of this revised version, please provide an update to the 2025 (and 2026-2030 as necessary) capital expenditures using the most up-to-date information available (including that of the new Administrative Building). In addition, instead of including the capital contributions only at the major category level (e.g., system access, system renewal, etc.), please also provide the capital contributions at the program level (e.g., connections, expansions, etc.).
 - a. As part of the revised Chapter 2 Appendix 2-AA, please add two additional columns that show the first six-month spending for 2024 by program and the last six-month spending for 2024.
 - b. Please also include two additional columns showing the first six-month spending for 2025 by program and the forecasted last six-month spending for 2025.
 - c. Please note how many months of actuals are included in the revised 2025 forecast if it is not six months.
 - d. Please provide explanations for any material changes to the 2025 and 2026 forecasts compared to the original application.
- b) Please provide a separate revised version of Chapter 2 Appendix 2-AA. Similar to the revisions requested above, please provide an update to the 2025 (and 2026-2030 as necessary) capital expenditures using the most up-to-date information available. In addition, instead of including the capital contributions only at the major category level (e.g., system access, system renewal, etc.), please also provide the capital contributions at the program level (e.g.,

connections, expansions, etc.). In this revised version, for any programs that have switched from one line item to another (as between the historic and forecast period), please restate with those programs shown as a continuation on one budget line across the entire 2021-2030 period.

- c) (DSP, P. 132) Oshawa PUC Networks notes that “for capital projects spanning multiple years, costs remain in construction work-in-progress (WIP) until the project is completed and energized.” For forecasting purposes, please discuss how Oshawa PUC Networks converts capital expenditures to in-service additions. More specifically, does Oshawa PUC Networks assume that all capital expenditures forecast for the test year will go into service in that year? If not, please explain the methodology applied to forecast the timing of in-service additions.
- d) With respect to the costs shown in Appendix 2-AA, 2-AB and the DSP, please advise whether Oshawa PUC Networks is showing capital expenditures or in-service additions for each year of the historical and forecast period.
- e) Please provide an example calculation using Oshawa PUC Networks’ cost of debt, ROE, and a weighted-average depreciation rate that highlights the company’s conversion of each of: (i) Rate Base to Revenue Requirement and; (ii) capital expenditures to in-service additions to rate base to revenue requirement.

Oshawa Power Response

- a) See revised Appendix 2-AA, as part of the Revised Chapter 2 Appendices - OPUCN_IRR_2026_Filing_Requirements_Chapter2_Appendices_1.0_20250730 , filed with these interrogatory responses. Changes to total in-service amounts for 2025 and 2026 are immaterial.
- b) Please refer to excel file Supplemental IR35b Revised Appendix 2AA Breakdown filed with these interrogatory responses.
- c) Oshawa Power assumes that all capital expenditures forecasts for the test year will go into service in that year.

- d) Oshawa Power is showing in-service additions each year of the historical and forecast period.
- e) Please see the following Table and assumptions in response to both i) and ii):

Assumptions:

- Long-Term Debt Rate: 3.41%
- Short-Term Debt Rate: 3.91%
- Return on Equity: 9.00%
- Capital Structure:
 - 56% Long-Term Debt
 - 4% Short-Term Debt
 - 40% Equity

$$\begin{aligned}\text{Weighted Average Cost of Capital} &= (.56 \times 3.41\%) + (.04 \times 3.91\%) + (.40 \times 9.00\%) \\ &= 5.666\%\end{aligned}$$

- Amount of Capital Expenditure Placed In-Service: \$1,000 (Asset #1)
- Depreciation Expense on Asset #1 Added in Test Year: \$20 (assumes a 50-year asset service life)
- Weighted Average Depreciation Rate: 2.0%
- No Income Tax or OM&A impact of asset addition

IRR Table 2-1: Illustrative Example Calculation

Illustrative Example			
	Bridge Year	Test Year	Reference
Closing Rate Base for Asset #1	0		(a)
Capital Expenditures *		1,000	(b)
Closing Rate Base for Asset #1		1,000	(c)
Average Rate Base in Test Year **		500	(d) = ((a)+(c))/2
Depreciation Expense - Annual		20	(e)
Depreciation Expense – Test Year **		10	(f) = (e)/2
<i>* Assumes all Capital Expenditures are in-service additions in the Test Year</i>			
<i>** Half-year rule for calculation of Test Year Revenue Requirement Impact</i>			

Return on Capital = Test Year Average Rate Base x Weighted Average Cost of Capital
= \$500 (d) x 5.666% = \$28.33

Test Year Revenue Requirement = Return on Capital + Test Year Depreciation Expense
= \$28.33 + \$10.00 (f)
= \$38.33

2-Staff/PP-36

Ref. 1: EB-2020-0048 Settlement Proposal, p.12

Question(s):

As part of its last settlement agreement, Oshawa PUC Networks committed to improving its ability to efficiently track the number of assets that it installs in a given year by major asset category. How has Oshawa PUC Networks improved its ability to efficiently track the number of assets it installs?

Oshawa Power Response

Oshawa Power has improved its ability to efficiently track with an update to its GIS system in 2023. This updated GIS system allows for better tracking and analysis of assets than the previous system by making installation dates mandatory for all new assets. Timely and accurate updates from as-constructed drawings into this system including in-service dates improves the ability to efficiently track the number of assets, not only by major asset category but also what was installed in any given year. The GIS system further allows field verification from office staff to improve installed asset tracking.

2-PP-37

Ref. 1: EB-2020-0048 Settlement Proposal, p. 12

Preamble:

As noted in the response to PP-1, Oshawa PUC Networks expects to achieve efficiencies and enhanced customer experience through coordination with the City of Oshawa (“Oshawa”) and the Regional Municipality of Durham (“Durham”) on their energy and emissions plans. Oshawa PUC Networks considers the goals, objectives, and targets of Oshawa and Durham energy and emissions plans and planning with a view to pursuing cost efficiencies and reduced emissions as outlined in Exhibit 2, Appendix 2-1 Distribution System Plan, Appendix K – Grid Modernization Plan, and

ERP system replacement with capital costs of \$500K (7.1%) associated with a cloud-based solution, enterprise server hardware and software upgrades for \$955K (13.6%) and cybersecurity enhancements for \$200K (2.8%) improve operational efficiency, security and compliance with evolving regulatory requirements.

SCADA hardware/software upgrades total \$140K (2.0%), OMS enhancements account for \$100K (1.4%) and MDM enhancements make up \$70K (1.0%). These operational technology upgrades improve outage management, monitoring and response, and data management to better support the distribution system.

Facilities upgrades total \$500K (7.1%), ensuring Oshawa Power's physical infrastructure remains functional and properly maintained for Oshawa Power's growing workforce.

Major tools and equipment investments account for \$650K (9.3%), providing field crews with necessary resources to perform daily operations safely and effectively.

System improvements such as records management for \$100K (1.4%), GIS upgrades for \$50K (0.7%), automation platform for \$125K (1.9%), system automation for \$150K (2.1%), end user hardware/software upgrades for \$782K (11.1%) and intranet upgrades for \$50K (0.7%) are intended to enhance data accuracy, streamline processes, and improve operational efficiency.

Customer interface related items include CIS enhancements for \$150K (21.4%), CRM software for \$50K (7.1%), website redesign for \$50K (7.1%) and customer communication redesign for \$100K (14.3%) to improve accessibility, engagement and service quality to Oshawa Power's customers.

Accounting Treatment – Project Life Cycle > 1 Year

For capital projects spanning multiple years, costs remain in construction Work-In-Progress (WIP) until the project is completed and energized. Once the project is in service, capitalization of assets occurs. Many of Oshawa Power's subdivision expansion projects follow this cycle, where the development may extend over multiple years. In such cases, all costs incurred remain in WIP each year and are capitalized in the year the project is considered energized (put in-service).

- b) At this time, Oshawa Power has not yet finalized the decision on which type of ERP solution it will use. This decision will be made upon completion of the RFP process, which has not yet concluded.
- c) As noted in b), the decision about which type of solution has not been made. The \$500K will be capitalized, which is an estimate of the costs associated with the interface of a cloud solution with existing on-premise systems. See Section 4.2 in the ERP Business Case in the Application (Appendix A of the Distribution System Plan in Exhibit 2), as well as the response to 9-Staff/CCMBC/CCC-218.

1-SEC/Staff/CCC/PP/CCMBC/VECC-9

Ref. 1: Exhibit 1, p.10

Ref. 2: Exhibit 2, p.53, 141

Question(s):

- a) Please provide all business cases, budgets, estimates, forecasts, presentations, plans, memoranda, or other documents relating to the “new operational & administrative building in the North of its service territory”, or to the land purchase for that purpose.
- b) The facilities administrative budget is \$871k in 2026. What are the estimated quantitative administrative expense savings as a result of the expected new facility (for example, savings from rent)? If quantitative estimates cannot be provided, what qualitative savings are expected? Given that Oshawa PUC Networks plans to file an ICM for the new facility, is it fair to say that Oshawa PUC Networks would not require \$871k annually for the facilities administrative budget over the entire IRM period?
- c) Please explain why Oshawa PUC Networks believes facilities capital expenditures will increase in 2025-2030 to \$100k, given the expenditure was \$25k in 2024 and given that Oshawa PUC Networks is preparing to relocate to a new facility in the coming years.

- d) Please confirm that the timing of the ICM request is expected to be in Oshawa PUC Networks' 2027 IRM application.
- e) Please advise whether the planned ICM request will occur after Oshawa PUC Networks has already invested significantly in its new administrative and operational facility.
- f) Please discuss what options Oshawa PUC Networks had considered before it purchased land for its new administrative and operational facility (e.g., new lease, purchase of an existing building, etc.).
- g) Please provide any benchmarking analysis completed for the proposed new administrative and operational facility relative to other recent similar facilities constructed by other LDCs.
- h) Please provide an estimate of the annual revenue requirement impact of the new administrative and operational facility and the related distribution bill impact for all rate classes after the asset is placed in service.
- i) Please confirm that the large CWIP balance that was accrued in 2024, as shown in Appendix 2-AB, is related to the land purchased for Oshawa PUC Networks' proposed new administrative and operational facilities. Please provide the value of the land purchased as reflected in the CWIP balance and discuss the assets the constitute the remaining balance in CWIP in 2025 and 2026.

Oshawa Power Response

- a) Pursuant to the decision of the OEB on Oshawa Power's motion for determination of threshold question related to issue 7.3, Oshawa Power is providing current estimated forecasts of its new building and land costs.

As attached as Attachment 1-2, Oshawa Power received a Class B Estimate from its independent consultant A.W. Hooker on June 4, 2025 (subsequent to the filing of this application) that estimates the construction costs based on design information received to date. The accuracy of the estimate is intended to be +/- 10% to 15%. A.W. Hooker independently estimates the total hard construction cost for the building to be approximately \$ [REDACTED]

Oshawa Power recognizes customer concerns regarding increasing electricity costs and remains committed to maintaining superior cost performance compared to other LDCs. Oshawa Power has been focused on value engineering the new building to manage costs closely, which is reflected in the fact that estimated building costs have been reduced since the preliminary figures used for Customer Engagement on the Distribution System Plan (see PDF page 282 of Exhibit 1). Oshawa Power notes that the tariff trade dispute between the United States in Canada may result in substantial increases to construction costs for some building components, especially as a result of 50% tariff of copper and 25% on steel and aluminum.

As attached as Attachment 1-3, Oshawa Power retained Cushman & Wakefield to assist with a market search and site analysis within the municipal Oshawa boundary to determine appropriate, cost effective and timely occupancy of a new location. Cushman & Wakefield evaluated a variety of options for land acquisition, including new construction with a land lease, renovating an existing facility, new construction with land purchase, and so on.

Cushman & Wakefield states that industrial property with office components are in high demand in the region with vacancy rates between 2-5%. The specific requirements for Oshawa Power operations, which include office, garage, warehouse and a significant amount of outdoor storage, made finding a suitable property that can be modified in a cost-effective manner to be extremely difficult. Significant demand for industrial property in this region is reflected in elevated purchase prices. The land for the building was purchased for approximately \$11.4M.

The above attachments reflect the best available information Oshawa Power has at this time with respect to the current capital construction expenditures for the new facility which exclude such costs as furniture & equipment, municipal fees, as well as consultants. Oshawa Power expects that total costs for the new facility will continue to change in advance of the ICM application, especially given the ongoing and rapidly evolving trade dispute between the United States and Canada. It is for this reason the estimated forecast costs of the new building are

to be considered preliminary and do not prejudice any updates or changes that may be incorporated into a future ICM application. Oshawa Power will file all required information to support a future ICM application at that time.

- b) As stated in Exhibit 4, p.60, the \$871k budget for 2026 covers general maintenance, repair and security of the Oshawa Power facilities, as well as lease paid for rental of the existing administrative and operational facility. It includes all subcontractor, labour expenses incurred to repair, test, inspect and document etc. any buildings, fixtures, furniture and equipment within the Oshawa Power facilities.

Given that design remains ongoing for the new building, operational costs of the new facility are not fully known at this time. While it may be true there could be savings from the elimination of rent, this needs to be balanced against potentially higher OM&A costs that result from Oshawa Power moving to a larger building to satisfy operational needs. Moreover, it is not a correct assumption that the entire \$871k will be solely allocated to OM&A for the new building. Oshawa Power has other facilities across its service territory that are within the scope of this budget. Oshawa Power disagrees with the statement that “Oshawa PUC Networks would not require \$871k annually for the facilities administrative budget over the entire IRM period.”

Therefore, to account for the variance in the amount budgeted and the actual spent on avoided rent and OM&A costs for the new building, Oshawa Power proposes two distributor-specific deferral accounts. Oshawa Power has included draft Accounting Orders as part of its proposal as Attachment 1-4 to this response; all of which are proposed as 1508, Other Regulatory Assets sub-accounts. These two accounts are contingent upon subsequent prudence decisions.

The OEB’s Test for the Establishment of New Deferral and Variance Accounts requires that distributor seeking to establish new deferral and variance accounts show causation, materiality and prudence.

Oshawa Power demonstrates this in the Table below.

IRR Table 1-5: Test for Establishment of New DVAs

	OEB Test	Oshawa Power Proposed Accounts
Causation	The forecast amount to be recorded in the proposed account must be clearly outside the base upon which rates were derived.	The amounts to be recorded in the two proposed accounts relate to the implementation of the New Facility which itself is not included in rate base.
Materiality	The annual forecast amounts to be recorded in the proposed account must exceed the OEB-defined materiality threshold and have a significant influence on the operation of the distributor.	The materiality threshold provided by the OEB is distributor specific. As a distributor with an approved base revenue requirement of greater than \$10 million, but less than \$200 million, Oshawa Power's materiality threshold is equal to 0.5% of the distribution base revenue requirement. This results in a materiality threshold of \$195,000 as shown in Exhibit 1, Table 1-46. The anticipated amounts in the new deferral and variance accounts meet the materiality threshold.
Prudence	The nature of the amounts and forecast quantum to be	The amounts to be recorded in the proposed deferral and

	recorded in the proposed account must be based on a plan that sets out how the amounts will be reasonably incurred, although the final determination of prudence will be made at the time of disposition.	variance accounts are based on the best available information for the new building provided through interrogatory responses.
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Oshawa Power submits that these deferral and variance accounts ensure that savings arising from the new building are recognized as soon as possible to the benefit of customers.

- c) For the reasons that follow, Oshawa Power is of the view that a capital budget of \$100,000 is prudent to be prepared and have a reasonable amount of capital funding available for unplanned replacement and failures that may occur during the period of the Cost of Service Application.

Note that Oshawa Power identified an error in Appendix 2-AA where 2024 facilities capital costs were incorrectly allocated to connections, and facilities costs should have been \$163,302. The budget of \$100,000 actually represents a decrease of approximately 39%.

The \$100,000 budget for 2025, 2026 and 2027 is well below actual historical OM&A costs for 2024 in an old 1931 building that Oshawa Power will remain in for this period. The capital reduction is based on a reactive strategy to capital expenditures and these expenditures are made only if absolutely necessary in order to keep the facility functioning until the new facility is available.

The \$100,000 budget for 2028, 2029 and 2030 is prudent to have a reasonable amount of capital funding available in order to be prepared for costs required for the larger building that can only be identified once the new facility is functional, occupied and being used by Oshawa Power employees. The facilities capital budget is also intended to cover buildings located at municipal substations that would require unplanned capital expenditures in order to remain functional and to

operate in a safe manner because these buildings house medium voltage electrical equipment as part of Oshawa Power's distribution system. Oshawa Power's facilities budget also remains unchanged from the \$100K ask in its 2021 test year (of the 2021 rate application). Material and labor cost inflations make the 2026 test year budget lower in comparison.

- d) Yes, subject to the best of Oshawa Power's knowledge and belief and any unforeseen circumstances that may arise during the construction of the building.
- e) Only the land has been purchased to date. While there may be committed costs at the time of ICM, it is unlikely Oshawa Power will "already invested significantly in its new administrative and operational facility."
- f) Please see the Cushman & Wakefield report provided in response to question a), Attachment 1-3. Options analysis relating to the building will be provided in the ICM application.
- g) Please see response to question a). Benchmarking analysis relating to the building will be provided in the ICM application.
- h) Please see response to a). Annual revenue requirement and bill impacts relating to the building will be provided in the ICM application. Moreover, Oshawa Power does not have adequate evidence at this time to provide fair and reasonable estimates of such annual revenue requirement and bill impacts.
- i) Confirmed. The value of the land (\$11.4M) is included within the 2024 CWIP balance (\$22.4M). Apart from land, the 2025 and 2026 CWIP amounts were estimated based on historical CWIP amounts and not on specific assets. The 2025 CWIP (\$17.8M) was calculated by adding the 2023 CWIP amount plus the land purchase, and the 2026 CWIP (\$18.2M) was an increase of 2% over the 2025 CWIP.

1-SEC/CCMBC-10

Ref. 1: Exhibit 1, p.18

Question(s):

- a) Please restate the table on this page replacing 2021 OEB Approved with 2021 Actuals.

File Number: EB-2025-0014
Exhibit: 2
Tab:
Schedule:
Page:
Date: 2025-04-29

Appendix 2-AA
Capital Projects Table

Projects	2021	2022	2023	2024	2025 Jan to June	2025 Jul to Dec	2025 Bridge Year	2025 Test Year	2027	2028	2029	2030	Comments
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
System Access													
Connections - Contributions	992,522	1,329,289	1,711,258	1,769,340	166,154	1,555,306	1,721,460	1,504,960	1,510,280	1,515,730	1,521,313	1,527,032	
Expansions	407,248	404,463	3,396,749	154,117	4,105,988	765,920	3,971,908	4,283,029	4,352,472	4,422,111	4,492,865	4,564,751	
Revenue Metering	245,073	184,096	426,505	415,861		303,881	303,881	496,414	506,730	517,270	528,038	539,039	
Third Party Relocations	2,187,565	1,454,892	1,216,706	4,032,730		1,492,027	1,750,000	2,900,800	2,900,800	2,900,800	2,900,800	2,900,800	
IT Contribution	7,343	31,652											
AMI System Upgrade	399,606	434,048	363,950	321,503		247,531	247,531						AMI System Upgrade has been consolidated into the Meter Replacement program. However it has not been restated as a single line item, as the investment categories have changed (from System Access to System Renewal)
System Access Gross Expenditures	4,219,356	3,838,940	7,105,169	6,693,551	4,272,143	4,364,665	7,994,780	9,186,103	9,270,283	9,355,912	9,443,016	9,531,621	
Connections - Contributions				1,373,465	141,970	993,330	1,165,389	975,685	979,724	982,359	986,211	989,542	
Expansions - Contributions				85,480	1,117,979	208,645	684,498	1,329,906	1,351,185	1,372,804	1,394,789	1,417,085	
Third Party Driven Relocation - contributions				2,973,595		350,000	350,000	709,575	709,575	709,575	709,575	709,575	
System Access Capital Contributions	1,350,389	896,396	2,445,933	4,432,544	1,259,949	1,521,875	2,139,798	2,916,196	2,940,544	2,965,338	2,990,544	3,016,202	
Sub-Total	2,868,967	2,972,554	4,659,236	2,261,008	3,012,194	2,842,789	5,854,983	6,269,937	6,329,739	6,390,874	6,452,462	6,515,415	
System Renewal													
Quick Sleeve Replacement Program	101,941	90,812						0	250,000	250,000	250,000	250,000	
Municipal Substation Switchgear Replace Program													
Municipal Substation Transformer Replace/Oil Containment Installation		47,053	3,111,322	-3,085		3,500,950	3,500,950	3,042,268	2,315,506	0	0	0	
Overhead System Rebuild Program (prev OH Line Renewal)	1,242,151	1,702,847	3,599,177	1,297,640		1,770,339	1,770,339	1,071,525	486,450	1,045,350	1,631,275	1,224,750	
Pole Replacement Program	430,861	374,627	412,233	310,723		500,000	500,000	300,000	600,000	491,583	491,583	491,583	
Porcelain Switch and Insulator Replacement Program	568,248	552,684	547,460	180,442		175,000	175,000	0	150,000	150,000	150,000	150,000	
Reactive	3,263,892	2,198,640	2,696,496	1,981,987	148,024	1,327,806	1,475,620	2,137,987	2,137,987	2,137,987	2,137,987	2,137,987	
Underground System Rebuild Program	827,384	1,412,737	1,634,070	817,503		364,140	364,140	393,036	54,211	1,184,765	726,766	1,663,130	
Relay replacement Program	35,913												
Vault Transformer Replacement Program	36,584	157,960	78,158			162,000	162,000						
UG Cable Injection Program									479,000	0	61,000	0	
Firer Switch Replacement Program									312,500	312,500	312,500	312,500	
Overloaded Transformer Replacement Program									267,131	267,131	267,131	267,131	
Distribution Switchgear Replacement									603,230	0	175,555	393,819	
Distribution System - Lock Replacement									0	116,067	116,067	116,067	
Metering - Meter Replacement Program								1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	
System Renewal Gross Expenditures	6,596,974	6,537,960	12,068,906	4,585,210	148,024	7,890,334	7,948,359	8,044,816	8,756,015	7,055,983	7,420,564	8,107,555	
System renewal reactive bucket - contributions				423,541	29,777	173,799	203,576	312,000	312,000	312,000	312,000	312,000	
Pole Replacement Program - contributions													
System Renewal Capital Contributions	578,152	323,925	124,268	423,541	29,777	173,799	203,576	312,000	312,000	312,000	312,000	312,000	
Sub-Total	5,928,822	6,214,035	11,944,638	4,161,669	118,247	7,626,536	7,744,783	7,732,816	8,444,015	6,743,983	7,108,564	7,795,555	
System Service													
OH Automated Self Healing Switches	302,402	337,688	180,557	202,902		200,000	200,000	0	0	565,000	565,000	565,000	
Ground Grid Upgrades	45,559												
Voltage Monitoring	632,000												
Municipal Substation Transformer Monitoring and Telemetry	334,691	146,179	80,090			237,000	237,000						
Operational Technology (GIS, OMS, ODS, SCADA)	19,984	24,644	711,091	4,329		376,000	376,000						
Municipal Substation Network Upgrades	41,519												
Repair, Improvements and Upgrades of OT and Smart Grid	60,760	13,769	90,263	97,282		40,000	40,000						
Smart Grid (SCADA operated 44kV OH Switches, SCADA inte	436,038	430,626	231,313	106,101	129,157	110,843	240,000						
44kV Line Expansion				1,394,141									
Asset Management Software								185,000	0	0	0	0	
Underground Fault Locators								0	0	12,956	12,956	12,956	
Scada Equipment Upgrades								0	0	0	350,000	0	
Non Wires Solutions (NWS)								171,094	300,000	200,000	33,907	10,000	
3 New Feeders MS 9								1,000,000	0	0	0	0	
Reliability Improvements	955,137												
System Service Gross Expenditures	2,828,089	953,306	1,294,215	1,804,754	129,157	963,843	1,093,090	1,336,094	300,000	777,956	961,863	587,956	
Ground Grid Upgrades													
Operational Technology													
System Service Capital Contributions	120,335	10,910	9,693										
Sub-Total	2,707,754	942,396	1,284,552	1,804,754	129,157	963,843	1,093,090	1,336,094	300,000	777,956	961,863	587,956	
General Plant													
Facilities	292,598	160,489	181,708	25,417		50,000	50,000	100,000	100,000	100,000	100,000	100,000	
Fleet	-3,651	438,294	767,520	60,978	37,475	112,528	150,000	500,000	600,000	500,000	460,000	240,000	
Information Technology General	231,996	454,529	225,225	209,255	347,137	43,863	531,000						
Major Tools & Equipment	283,655	101,402	102,535	98,534		100,000	100,000	130,000	130,000	130,000	130,000	130,000	
Office IT & Equipment Upgrades	241,898	93,048	136,640	88,617	244,326	0	130,000						
Customer Information System (CIS) Software and Enhancements						1,500,000	1,400,000	0	0	50,000	50,000	50,000	
Customer Self Serve Online Portal			100,660	708									
Mobile Workforce Mgmt Software				18,048		150,000	235,000						
Software-HR/Time-sheet		5,930	206,254	73,946									
CRM Software						0	50,000	50,000					
Financial Systems Enhancements		17,494			71,193	0	70,200						
Cyber Security Upgrades								40,000	40,000	40,000	40,000	40,000	
End User Hardware/Software Upgrades								196,400	146,400	146,400	146,400	146,400	
Enterprise Server Hardware/Software Upgrades								116,000	66,000	591,000	116,000	66,000	
ERP Software								0	500,000	0	0	0	
Scada Hardware/Software Upgrade								0	0	100,000	40,000	0	
Automation Platform								125,000	0	0	0	0	
System Automation								30,000	30,000	30,000	30,000	30,000	
Customer Communication Redesign								100,000	0	0	0	0	
GIS Upgrade								50,000	0	0	0	0	
Intranet Upgrade								50,000	0	0	0	0	
MDM Enhancements								17,500	17,500	17,500	17,500	17,500	
OMS Enhancements								25,000	25,000	25,000	25,000	25,000	
Records Management								100,000	0	0	0	0	
Website Redesign								50,000	0	0	0	0	
General Plant Gross Expenditures	1,046,293	1,271,176	1,720,543	576,494	700,132	1,956,388	2,716,209	1,679,900	1,654,900	1,729,900	1,154,900	802,400	
General Plant Capital Contributions	1,046,293	1,271,176	1,720,543	576,494	700,132	1,956,388	2,716,209	1,679,900	1,654,900	1,729,900	1,154,900	802,400	
Sub-Total													
Miscellaneous													
Total	12,551,836	11,400,161	19,608,969	8,803,835	3,959,729	13,389,555	17,408,965	17,018,746	16,728,654	15,642,413	15,677,788	15,701,334	
Less Renewable Generation Facility Assets and Other Non-Rate-Regulated Utility Assets (input as negative)													
Total	12,551,836	11,400,161	19,608,969	8,803,835	3,959,729	13,389,555	17,408,965	17,018,746	16,728,654	15,642,413	15,677,788	15,701,334	

Recategorized IT spend to be more specific. OPUC is no longer utilizing IT General in the 2026-2030 COS
Office & IT Equipment Upgrades have been recategorized to be more specific. OPUC is no longer utilizing 'Office IT & Equipment Upgrades' in the 2026-2030 COS
2025 CRM Budget was a duplicate. Actual budget is for 2026

the “3 New Feeders from MS9” project. Please refer to Exhibit 2, DSP, Appendix B, pages 71-75.

- Non-Wires Solutions – Aimed to enhance the system’s flexibility and capacity, positioning it to keep future capital investments in traditional wires solutions deferred to beyond 2030 while mitigating impacts of a high scenario in electrification growth. Please refer to Exhibit 2, DSP, Appendix A, and Appendix B pages 85-89.

2-CCC/VECC-47

Ref. 1: Distribution System Plan, pp. 103, 107, 109, 110-112, 114, 117-118

Question(s):

- a) Please provide an update to the 2025 variance analysis for all capital categories (i.e., system access, system renewal, system service and general plant) using the most up-to-date information available.
- b) (PP. 107, 110) Based on the 2023 (actual) and 2025 (forecast) costs incurred, it appears that the Municipal Substation Switchgear Replacement Program experienced an approximate \$2.4M cost overrun. Please provide a detailed variance analysis with respect to the Municipal Substation Switchgear Replacement Program for each of 2023 and 2025 (and in total) between actual costs and forecast costs. As part of the response, please provide any internal documentation (e.g. change requests, project status updates, etc.) with respect to this program. Please also provide the evidence from Oshawa PUC Networks’ 2021 Rates application that discussed this project.
- c) (P. 111) Please provide additional information with respect to the 2021 reliability improvement project (reconfiguration in the Simcoe-Winchester area). As part of the response, please confirm that evidence with respect to this project was not provided in Oshawa PUC Networks’ 2021 Rates application (or if evidence was provided, please file excerpts of that evidence). In addition, please provide any

internal documentation that launched the project (and documentation with respect to the project as it was underway).

- d) (P. 112) With respect to the 2022 overhead automated self-healing switches and smart grid program, please provide a detailed variance analysis between actual costs and forecast costs. As part of the response, please provide any internal documentation (e.g. change requests, project status updates, etc.) with respect to this program. Please also provide the evidence from Oshawa PUC Networks' 2021 Rates application that discussed this project.
- e) (P. 114) With respect to the 2024 44kV Line Extension program, please provide a detailed variance analysis between actual costs and forecast costs. As part of the response, please provide any internal documentation (e.g. change requests, project status updates, etc.) with respect to this program. Please also provide the evidence from Oshawa PUC Networks' 2021 Rates application that discussed this project.
- f) (P. 117) With respect to the 2022 Information Technology General program, please provide a detailed variance analysis between actual costs and forecast costs. As part of the response, please provide any internal documentation (e.g. change requests, project status updates, etc.) with respect to this program. Please also provide the evidence from Oshawa PUC Networks' 2021 Rates application that discussed this project. In addition, please discuss the alternatives that Oshawa PUC Networks considered relative to a server upgrade in the context of rising server costs.

Oshawa Power Response

- a) Please find variance analysis based on the revised Appendix 2-AA.

System Access

- Expansions resulting from residential development have significantly ramped up in 2025. YTD in-service amounts are already \$134K over the full year forecast. New year-end forecast is expected to be 900K higher than the initial forecast. Higher contributions help offset the overall impact.

- Third party relocation is expected to be \$350K lower than initial forecast due to deferral of a region driven road widening project.
- Overall variance under system access from initial forecast is immaterial.

System Renewal

- No significant variances anticipated from initial forecast.

System Service

- No significant variances anticipated from initial forecast.

General Plant

- Automation Platform – capitalized in 2025 vs 2024.
- CIS over budget by \$100k.
- CRM removed – duplicate.
- MWFM reduced to \$150k.

b) Please find variance explanations in the tables below.

IRR Table 2-9: 2023 Municipal Substation Switchgear Replacement Program Variance Analysis

MS2 (2023)					
Items	Description	Amount (per Switchgear)	Revised Amount	Difference	Explanation
1	As filed	\$ 1,800,000.00			
2	Post settlement	\$ 1,800,000.00	\$ 2,125,000.00	\$ 325,000.00	Acknowledging that the amount set was preliminary and additional scope changes were necessary prior to RFP, Oshawa Power revised the value of each switchgear revised to \$2.125M. This is the amount that the variance analysis is based on.
3	RFP Finalization / Base Bid	\$ 2,125,000.00	\$ 2,230,750.00	\$ 105,750.00	Final Base bid was more expensive than the initially anticipated amount of \$2.125M
4	Change orders	\$ 2,230,750.00	\$ 2,658,053.00	\$ 427,303.00	The approved additional costs along with descriptions can be seen in final MS2 invoice 42-1624293 that released holdback
5	Internal costs	\$ 2,658,053.00	\$ 3,111,322.00	\$ 453,269.00	Since the egress cables were being upgraded in order to prepare for future demand growth from 500MCM to 1000MCM cable, pole calculations needed to remodelled in order to meet Ontario Reg 22/04 and the decision was made to replace riser poles as per industry best practice and prudent system planning. This work was performed internally. Internal costs also included supply of material such as insulation boots, station transformer, base, duct, and cable along with inspection of work performed by the third-party contractor.

IRR Table 2-10: 2025 Municipal Substation Switchgear Replacement Program Variance Analysis

MS7 (2025)						
Items	Description	Amount (per Switchgear)	Revised Amount	Difference	Explanation	
1	All costs associated with items 1-5 above	\$ 3,111,322.00				
2	Cable	\$ 3,111,322.00	\$ 3,328,197.00	\$ 216,875.00	Additional cable requirements	
3	Location complexities	\$ 3,328,197.00	\$ 3,500,950.00	\$ 172,753.00	Estimated costs to account for location specific complexities. Expected to incur additional costs for traffic control and removal/replacement of the substation fencing for the crane.	

Please refer to Attachment 2-3 for Final Invoice that includes description of work with associated costs, including those resulting from change orders, as well as material justification sheet filed in the 2021 rate application discussing this project.

- c) Oshawa Power was receiving complaints from customers situated in subdivisions on Simcoe Street North between Conlin Road East and Winchester Road East. As a result, this project that was a continuation of the strategy adopted in a 2013 intersection rebuild job (Winchester and Simcoe Intersection) was proposed, with the following objectives in mind:
- Improve reliability: Via introduction of better switching capabilities
 - Alleviate loading at MS7 via load transfers to MS9
 - Reduce number of customers on Feeder 7F4 and create an express feeder to serv rural Oshawa.

Please refer to Attachment 2-4 for change order notice with relevant info. Confirmed that evidence for this project was not provided in the 2021 rate application.

- d) The Expansion of Overhead Automated Switching, SCADA operated 44kV OH switches, and SCADA Integration and Deployment of Automation Controllers and Network Connected Devices (projects SS-02, SS-03, and SS-04) were delivered in close coordination with each other and are noted in Oshawa Power's 2021 rate applications. Their combined approved budget was \$400K, while actual spending totaled \$769K. See variance details below:

Please find a detailed variance analysis between actual costs and forecast costs in the following table.

IRR Table 2-11: Expansion of Overhead Automated Switching and SCADA Variance Analysis

Description	Anticipated costs	Actual Costs	Overspend	Explanation
Installation of Smart Switches	\$ 300,000.00	\$ 440,395.00	\$ 140,395.00	\$440K - The forecast assumed installation of 13.8 kV switches. In 2022, Oshawa Power instead installed 44 kV switches, to better align with concurrent distribution automation upgrades.
Centralized automation controller integration and deployment of network devices	\$ 100,000.00	\$ 328,318.00	\$ 228,318.00	\$159K - Contractor services (G&W / Survalent) and internal costs to configure the centralized FLISR platform and establish communication between field IEDs and the control system. 169K - Contractor and internal costs associated with station network upgrades, including replacement of GE relays and SEL RTACs, to integrate with the centralized FLISR system.
TOTAL	\$ 400,000.00	\$ 768,713.00	\$ 368,713.00	

Change orders are not available for this project. Please refer to Attachment 2-5 for Material Justification Sheets filed as part of Oshawa Power's 2021 rate application. Please refer to Attachment 2-6 for works instructions to install 44kV switches.

- e) The 2024 44kV Line Extension Project is not the same as the planned 44kV line extension project included in Oshawa Power's 2021 rate application. As mentioned in page 113 of the DSP, the 44KV Line extension (Ritson Road – Winchester Road East and Conlin Road East) project that was part of the 2021 rate application was deferred to align with a regional road widening project that affects the poles within the same project scope area. As of 2025, this work is still in the design phase.

The 44KV line Extension project in 2024 extended the 165M7 feeder (fed from Enfield TS) west along Conlin Road West to its intersection with Thornton Road North, enabling timely connections of multiple large industrial and commercial loads in the rapidly developing Northwood Business Park area.

Therefore, a variance analysis between the planned 2023 44kV line extension to the 2024 unplanned 44kV line extension would not be beneficial as the project scope and location are entirely different.

There was no evidence filed in the 2021 rate application regarding the 2024 44kV line extension project.

- f) The 2022 Technology program details are as shown below:

IRR Table 2-12: 2022 Technology Program Forecast and Actual Spend

Project	Spend	Budget
End User Hardware	\$139,492.04	\$120,000
Mobile Hardware Replacements	\$17,837.32	\$20,000
Server Refresh	\$259,886.34	-
Cyber Security	\$37,313.31	
Total	\$454,529.03	\$140,000

As outlined on page 117 of the DSP, the majority of the \$314k overage is due to a server refresh that was purchased in 2022 though it was scheduled in 2023. This was due to very favourable pricing provided by a vendor at a time of considerable pricing uncertainty in the market. This server upgrade was part of

Project number GP-06 on page 201 in Exhibit 2 of the 2021 rate application as described in the project summary:

“Upgrade and planned refresh of retired hardware including laptops, desktops, networking gears, storage capacity, UPS and battery systems, phone systems, data back-up and the server infrastructure”

Please refer to Attachment 2-7 for evidence filed in the 2021 rate application, discussing this project.

An alternative to the server upgrades would have been to transfer to cloud-hosted infrastructure, however Oshawa Power was not ready at the time to entertain this possibility due to the following reasons:

- 1) Cyber Security: Oshawa Power was in the process of implementing various cyber security controls in alignment with the OEB Cyber Security Framework (OEB CSF). Moving to Infrastructure as a Service would have required a fresh start on many of the controls and would have delayed the effort significantly. This delay would present an unacceptable risk to the organization.
- 2) Cost: Given that Oshawa Power must maintain a minimum amount of physical infrastructure (to support applications that cannot be cloud-hosted, such as SCADA, the Outage Management System and, at the time, the meter data management software, the incremental cost of adding physical server infrastructure for hosting, as opposed to using Infrastructure As A Service (IaaS) is relatively much lower.
- 3) Operational ability to transition: Many of Oshawa Power's applications are somewhat legacy applications, such as the Great Plains financial system, and would require extensive testing and likely vendor support to function in an IaaS environment. Given

the current infrastructure and the risks of maintaining those past their end of support, it would not have been prudent to engage in such an effort, that likely would have costed much more than the server infrastructure.

As Oshawa Power enacts its business transformation plan and modernizes much of its software (ERP, GIS, CIS, etc.), cloud-first may become a more viable strategy. Oshawa Power will continue to assess its options and select the most prudent path moving forward.

2-CCC/VECC-48

Ref. 1: Distribution System Plan, pp. 121, 138

Question(s):

- a) Please provide a table the same as Table 24 (P. 121) which shows the same information (i.e. contributions & gross/net for the four categories of system access) for the historical and bridge (2025) years.
- b) (P. 121) Please confirm that the total actual/forecast gross capital cost for the 2021-2025 period was \$82.3 million and confirm that this figure is comparable to the \$97.1 million shown in Table 23.
- c) (P. 121) Please confirm that the total actual/forecast net capital cost for the 2021-2025 period was \$69.8 million and confirm that this figure is comparable to the \$80.8 million shown in Table 23.
- d) (P. 138) Please explain why a replaced asset (i.e., a new asset that replaces a more deteriorated asset) would not lead to operation cost savings.

Oshawa Power Response

- a) Please refer to the revised Appendix 2-AA for this information.
- b) Confirmed.
- c) Confirmed.
- d) In the majority of cases, a new asset will still operate under the same conditions and in the same function as a more deteriorated asset, therefore Oshawa Power

Appendix 2-AA Capital Projects Table														
	2021	2022	2023	2024	2025 Jan to June	2025 Jul to Dec	2025 Bridge Year	2026 Test Year	2027	2028	2029	2030	Comments	
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS		
System Access														
Connections	992,522	1,329,289	1,711,258	1,769,340	166,154	1,555,306	1,721,460	1,504,960	1,510,280	1,515,730	1,521,313	1,527,033		
Expansions	407,246	404,463	3,396,749	154,117	4,105,988	765,920	3,971,908	4,283,929	4,352,472	4,422,111	4,492,865	4,564,751		
Revenue Metering	245,073	184,596	426,506	415,861		303,881	303,881	496,414	506,790	517,700	528,038	539,039		
Third Party Relocations	2,167,565	1,454,892	1,216,706	4,032,730		1,492,027	1,750,000	2,900,800	2,900,800	2,900,800	2,900,800	2,900,800		
JH Contribution	7,343	31,652												
													AMI System Upgrade has been consolidated into the Meter Replacement program. However it has not been restated as a single line item, as the investment categories have changed (from System Access to System Renewal)	
AMI System Upgrade	399,606	434,048	353,950	321,503		247,531	247,531							
System Access Gross Expenditures	4,218,396	3,838,940	7,165,189	6,693,551	4,272,143	4,364,665	7,964,780	9,186,103	9,270,283	9,385,912	9,443,916	9,531,621		
Connections - Contributions	766,257	801,204	298,840	1,373,468	141,878	963,330	1,105,300	875,685	879,734	882,859	886,211	888,640		
Expansions - Contributions	-39,824	229,099	1,829,385	85,480	1,117,979	208,545	684,498	1,329,906	1,351,185	1,372,804	1,394,789	1,417,685		
Third Party Driven Relocation - contributions	630,058	136,082	617,708	2,973,995		350,000	350,000	709,575	709,575	709,575	709,575	709,575		
System Access Capital Contributions	1,950,389	866,386	2,445,933	4,432,544	1,250,949	1,521,873	2,139,798	2,916,166	2,940,544	2,965,338	2,990,524	3,016,202		
Sub-Total	2,868,967	2,972,656	4,669,236	2,261,008	3,012,194	2,844,789	6,654,983	6,269,937	6,329,739	6,390,574	6,462,462	6,516,419		
System Renewal														
Quick Sleeve Replacement Program	101,941	90,812						0	250,000	250,000	250,000	250,000		
Municipal Substation Switchgear Replace Program			3,111,322	-3,085		3,500,950	3,500,950	3,042,268	2,315,506	0	0	0		
Municipal Substation Transformer Replace/Oil Containment Installation		47,053												
Overhead System Rebuild Program (prev OH Pole Replacement Program	1,242,151	1,702,847	3,599,177	1,297,640		1,770,339	1,770,339	1,071,525	486,450	1,045,350	1,631,275	1,224,750		
Pole Replacement Program	430,861	374,627	412,233	310,723		500,000	500,000	300,000	600,000	491,583	491,583	491,583		
Porcelain Switch and Insulator Replacement Program	568,348	552,084	547,460	180,442		175,000	175,000	0	150,000	150,000	150,000	150,000		
Underground System Rebuild Program	827,384	1,412,737	1,634,070	817,503	148,024	1,127,926	1,475,930	2,137,967	2,137,967	2,137,967	2,137,967	2,137,967		
Relay replacement Program	35,913					364,140	364,140	393,036	54,211	1,184,765	726,766	1,663,130		
Vault Transformer Replacement Program	36,584	157,560	78,158			162,000	162,000							
UG Cable Injection Program								0	479,000	0	61,000			
Firon Switch Replacement Program								0	312,500	312,500	312,500	312,500		
Overloaded Transformer Replacement Program								0	267,131	267,131	267,131	267,131		
Distribution Switchgear Replacement								0	603,230	0	175,655	393,810		
Distribution System - Lock Replacement								0	0	116,667	116,667	116,667		
Metering - Meter Replacement Program								1,100,000	1,100,000	1,100,000	1,100,000	1,100,000		
System Renewal Gross Expenditures	6,606,974	6,537,960	12,068,906	4,885,210	148,024	7,800,334	7,946,369	8,044,816	8,796,015	7,065,983	7,420,864	8,107,588		
Connections - Contributions	578,153	323,926	124,260	423,541	29,777	173,799	260,576	312,000	312,000	312,000	312,000	312,000		
Pole Replacement Program - contributions														
Sub-Total	7,185,127	7,142,039	12,246,426	4,341,561	29,777	173,799	203,576	312,000	312,000	312,000	312,000	312,000		
System Service	8,928,022	6,214,035	11,944,639	4,161,669	116,347	7,626,536	7,744,783	7,732,818	8,444,919	6,743,983	7,188,864	7,796,558		
OH Automated Self Healing Switches	302,402	337,888	180,557	202,902		200,000	200,000	0	0	565,000	565,000	565,000		
Ground Grid Upgrades	45,559													
Voltage Monitoring	632,000													
Municipal Substation Transformer Monitoring and Telemetry	334,691	146,179	80,990			237,000	237,000							
Operational Technology (GIS,OMS,ODS,SCADA)	19,984	24,644	711,091	4,329		376,000	376,000							
Municipal Substation Network Upgrades	41,519													
Repair, Improvements and Upgrades of OT and Smart Grid Infrastructure	60,760	13,769	90,263	97,282		40,000	40,000							
Smart Grid (SCADA operated 44kV OH Switches, SCADA Integration and Deploy of Automation Controllers and Network Connected Devices)	436,038	430,826	231,313	106,101	129,157	110,843	240,000							
44kV Line Expansion				1,394,141										
Asset Management Software								165,000	0	0	0	0		
Underground Fault Locators								0	0	12,956	12,956	12,956		
Scada Equipment Upgrade								0	0	350,000				
Non Wires Solutions (NWS)								177,094	300,000	200,000	33,907	10,000		
3 New Feeders MS 9								1,000,000	0	0	0	0		
Reliability Improvements	955,137													
System Service Gross Expenditures	2,828,089	953,306	1,294,216	1,804,754	129,157	963,843	1,093,000	1,336,094	300,000	777,956	961,663	587,556		
Ground Grid Upgrades	100,335	0	0											
Operational Technology	26,000	16,910	9,663											
System Service Capital Contributions	120,335	16,910	9,663											
Sub-Total	2,707,754	942,396	1,284,662	1,804,754	128,157	963,843	1,093,000	1,336,094	300,000	777,956	961,663	587,556		
General Plant														
Facilities	292,598	160,489	181,708	25,417		50,000	50,000	100,000	100,000	100,000	100,000	100,000		
Fleet	-3,851	438,284	767,520	60,978	37,475	112,525	150,000	500,000	600,000	500,000	460,000	240,000		
Information Technology General	231,996	454,529	225,226	209,255	347,137	43,863	531,000							
Major Tools & Equipment	283,652	101,402	102,535	99,534		100,000	100,000	130,000	130,000	130,000	130,000	130,000		
													Recategorized IT spend to be more specific. OPUC is no longer utilizing IT General in the 2026-2030 CDS	
Office IT & Equipment Upgrades	241,898	93,048	136,640	88,617	244,326	0	130,000						Office & IT Equipment Upgrades have been recategorized to be more specific. OPUC is no longer utilizing 'Office IT & Equipment Upgrades' in the 2026-2030 CDS	
Customer Information System (CIS) Software and Enhancements				708		1,500,000	1,400,000	0	0	50,000	50,000	50,000		
Customer Self Serve Online Portal			100,660											
Mobile Workforce Mgmt Software				18,048		150,000	235,000							
Software-HR/TimeSheet		5,930	206,254	73,848										
CRM Software						0	50,000						2025 CRM Budget was a duplicate. Actual budget is for 2026	
Financial Systems Enhancements		17,494			71,193	0	70,200							
Cyber Security Upgrades								40,000	40,000	40,000	40,000	40,000		
End User Hardware/Software Upgrades								116,000	145,400	145,400	145,400	145,400		
Enerprise Server Hardware/Software Upgrades								116,000	66,000	591,000	116,000	66,000		
ERP Software								0	500,000	0	0	0		
Scada Hardware/Software Upgrade								0	0	100,000	40,000	0		
Automation Platform								125,000	0	0	0	0		
System Automation								30,000	30,000	30,000	30,000	30,000		
CRM Software								50,000	0	0	0	0		
Customer Communication Redesign								100,000	0	0	0	0	2025 CRM Budget was a duplicate. Actual budget is for 2026	
GIS Upgrade								50,000	0	0	0	0		
Intranet Upgrade								50,000	0	0	0	0		
MDM Enhancements								17,500	17,500	17,500	17,500	0		
OMS Enhancements								25,000	25,000	25,000	25,000	0		
Records Management								100,000	0	0	0	0		
Website Redesign								50,000	0	0	0	0		
General Plant Gross Expenditures	1,046,293	1,271,176	1,720,543	576,004	706,132	1,956,388	2,716,200	1,679,900	1,654,900	1,729,900	1,154,900	802,400		
General Plant Capital Contributions														
Sub-Total	1,046,293	1,271,176	1,720,543	576,004	706,132	1,956,388	2,716,200	1,679,900	1,654,900	1,729,900	1,154,900	802,400		
Miscellaneous														
Total	12,551,836	11,400,161	19,608,969	8,803,835	3,959,729	13,389,555	17,408,965	17,018,746	16,728,654	15,642,413	15,677,788	15,701,334		
Less Renewable Generation Facility Assets and Other Non-Rate-Regulated Utility Assets (shown as negative)														
Total	12,551,836	11,400,161	19,608,969	8,803,835	3,959,729	13,389,555	17,408,965	17,018,746	16,728,654	15,642,413	15,677,788	15,701,334		

2-Staff/CCC/CCMBC/VECC/AMPCO-51

Ref. 1: Distribution System Plan, Appendix B – Material Justification Sheets, pp.1-3

Question(s):

- a) Have all third-party relocation projects been confirmed for 2025 and 2026? If not, at what stage are the listed third-party relocation projects?
- b) What cost estimation class has been used for third-party relocation projects in 2025 and 2026?
- c) (P. 1) Please explain how the capital contributions for the 2025 bridge year and forecast period (2026-2030) were estimated. As part of the response, please explain how historical actual contributions (which were approx. 50% of gross capital over the 2021-2024 period) were considered in the forecasting methodology.
- d) (P. 3) Please provide the in-service dates for the projects shown in the table at page 3.
- e) (P. 3) Please provide the km of line relocation for the projects shown in the table at page 3.
- f) (P. 1) Please provide the forecast/planned capital (gross) and capital (net) amounts for each of the years 2021 to 2024.
- g) (P. 1) Please provide the total planned and actual km of line relocated in each of the years 2021 to 2024.

Oshawa Power Response

- a) Oshawa Power has two third party driven relocation projects confirmed for 2025
 - (i) Conlin Rd. E from Harmony to Grandview, and ii) and the intersection of Wilson Rd and the 401, of which both are currently under construction.Oshawa Power has no third party driven relocation projects confirmed for 2026. Projects for 2026 and onwards are only in the conceptual / coordination stage.
- b) Estimates for third-party relocation assumes all poles in the identified area will be affected. Projected costs and expected contributions are derived from historical

data. In AACE terms, the estimate can be considered Class 5 (Conceptual estimate).

- c) For third-party relocations, capital contributions for the forecast years were calculated based on the cost sharing precedent between Oshawa Power and regional / municipal governing bodies (third party), where the third party pays for 50% of the labor- and labor-saving devices. A sample of historical projects were chosen to find the average contribution received which was approximately 24.5%.

Historical contributions – In 2024, the Hydro One Wilson TS feeder relocation project should be considered an outlier where the full cost was recovered from Hydro One (as mentioned in Exhibit 2, DSP, page 103). When this number is removed from the calculation, the contribution percentage is 22.6% which aligns closer to the forecast assumption of 24.5%.

- d) Please see Attachment 2-8 for additional Third-Party Relocation Details.
- e) See d).
- f) Excerpt from Oshawa Power's 2021 rate application (EB-2020-0048, Exhibit 2, DSP, Appendix A, page 1) showing forecast/planned capital (gross) and capital (net) amounts:

IRR Table 2-13: Third-Party Relocation Forecast Gros and Net Amounts (2021-2024)

	2021	2022	2023	2024
Capital Cost	\$1,820,000	\$900,000	\$520,000	\$600,000
Capital Contribution	\$455,000	\$225,000	\$130,000	\$150,000
Net Cost	\$1,365,000	\$675,000	\$390,000	\$450,000

- g) As noted in response a), scope of work for third-party relocations are not known in advance. Third-party relocations typically see large variances in scope during the design stages making the preliminary km assumptions unreliable. Oshawa Power did not have a planned km assumption for third-party driven line relocations in each of the years 2021 to 2024. Actual km of lines relocated for the years 2021 to 2024 do not provide a clear picture of the work performed. The

projects completed varied in scope, with several resulting in zero kms of line relocation. For example, a relocation in 2021 involved adjusting multiple anchors around a new multi-use path. Although there was significant work, it is not reflected in km of line.

2-Staff-52

Ref. 1: Distribution System Plan, Appendix B – Material Justification Sheets, pp.6-7

Question(s):

- a) In reference 1, Oshawa PUC Networks provided a graph outlining the cost per connection per year. Why were costs per connection in 2021 and 2024 lower than in other historical years, and why were contributions for connections lower in 2023?
- b) Please provide an updated forecast for the number of connections and net cost in 2025 and 2026.

Oshawa Power Response

- a) As referenced in Exhibit 2, DSP, Appendix B - Material Justification sheets, page 6, the cost per service can vary widely due to the nature of work involved in connecting or upgrading the customer.

The nature of the connection / upgrade also dictates the cost allocation between the customer and Oshawa Power. For example, a customer upgrade from a 100A to a 200A service could involve no additional work from the distributor other than providing a disconnect / reconnect or could involve upgrading the overhead / underground service conductors, service bus, and the supply transformer. As clarified by the OEB staff bulletin RE: Residential Customer Connections & Service Upgrades dated August 24, 2023, such upgrades are to be treated as enhancements and as such the cost is to be borne by the distributor.

The connections program is made up of several of these individual instances. As a result, the cumulative effect in 2021 and 2024 was that majority of the projects

A. General Project Information

Project Name	3 New Feeders from MS9	Project Number	SS-01
Investment Category	System Service	Project Year	2026
Project Description	This project involves the installation of three (3) new 13.8kV feeders from the MS9 station. The scope of work includes all associated costs for setting up riser poles, duct work (including road crossings), egress, and cable installation. Approximately 1.16 km of feeder egress cable will be installed as part of this project. The project timeline must align with the City of Oshawa's planned road-widening project on Conlin Road, which will require pole line relocations. The new poles along Conlin Road are designed to accommodate the additional feeders from MS9, ensuring compatibility with the expanded infrastructure. The project addresses multiple key needs: Alleviation of Existing Burdened Assets Currently, most of the load in North Oshawa is distributed between MS7 and MS9. MS7 is operating at near-capacity levels, requiring the auto-transfer at the station to be disabled during certain peak periods to avoid station transformer overloading. This compromises system redundancy and operational flexibility. By introducing new feeders from MS9, the system will be better positioned to offload MS7 and enhance overall capacity distribution. Meeting New Load Requirements North Oshawa is experiencing rapid growth, with significant planned developments such as the Kedron development (refer to Figure 1) and the upcoming Columbus community (refer to Figure 1). These new feeders will ensure that the distribution system can accommodate the increasing demand from these new residential and commercial developments. Capacity Optimization Both station transformers at MS9 are fed by 44kV feeders (165M7 and 165M8) from Hydro One's Enfield TS (refer to Figure 2 for location and interconnectivity). Oshawa Power contributed capital during the construction and commissioning of this station to secure capacity for supporting Oshawa's growth. These new feeders will maximize the utilization of the allocated capacity at Enfield TS, ensuring efficient use of resources and supporting long-term growth in the region.		

	By addressing these needs, this project will enhance system reliability, accommodate growth, and optimize existing infrastructure to meet the increasing energy demands of North Oshawa.									
Start Date	Jan 2026				Expected In-Service Date			Dec 2026		
Estimated Expenditure Timing	Q1				Q2		Q3		Q4	
	2026	\$0		\$0		\$500,000		\$500,000		
	2027	\$0		\$0		\$0		\$0		
	2028	\$0		\$0		\$0		\$0		
	2029	\$0		\$0		\$0		\$0		
	2030	\$0		\$0		\$0		\$0		
Historical and Forecast Capital Expenditures	Historical and Forecast Program expenditures (\$,000) are shown below.									
Category	Historical Period				Bridge Year	Test Year	Forecast Period			
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Capital (Gross)	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0
Economic Evaluations	Not applicable									
Historical Comparative Projects	Not Applicable									
Investment Priority	This investment has been given a priority of 6 of the 17 ranked material capital expenditures. The project has been determined as a high priority due to capacity needs from new developments and to alleviate load on MS7. It will also address the need of maintaining system redundancy and operating efficiencies in the north Oshawa area.									
Alternatives Analysis	The alternative is to do nothing. This can potentially impede Oshawa Power’s ability to connect new developments. MS7 will also continue to remain in capacity constrained state thus compromising on system redundancy. This will result in continued equipment and reliability risk.									
Innovative Nature of the Project	Not applicable									

Leave to
Construct

This project is below 50 kV and therefore Leave to Construct is not required, as per OEB Reg. 161/99.

Images, Drawings, Maps, & Other Reference Material

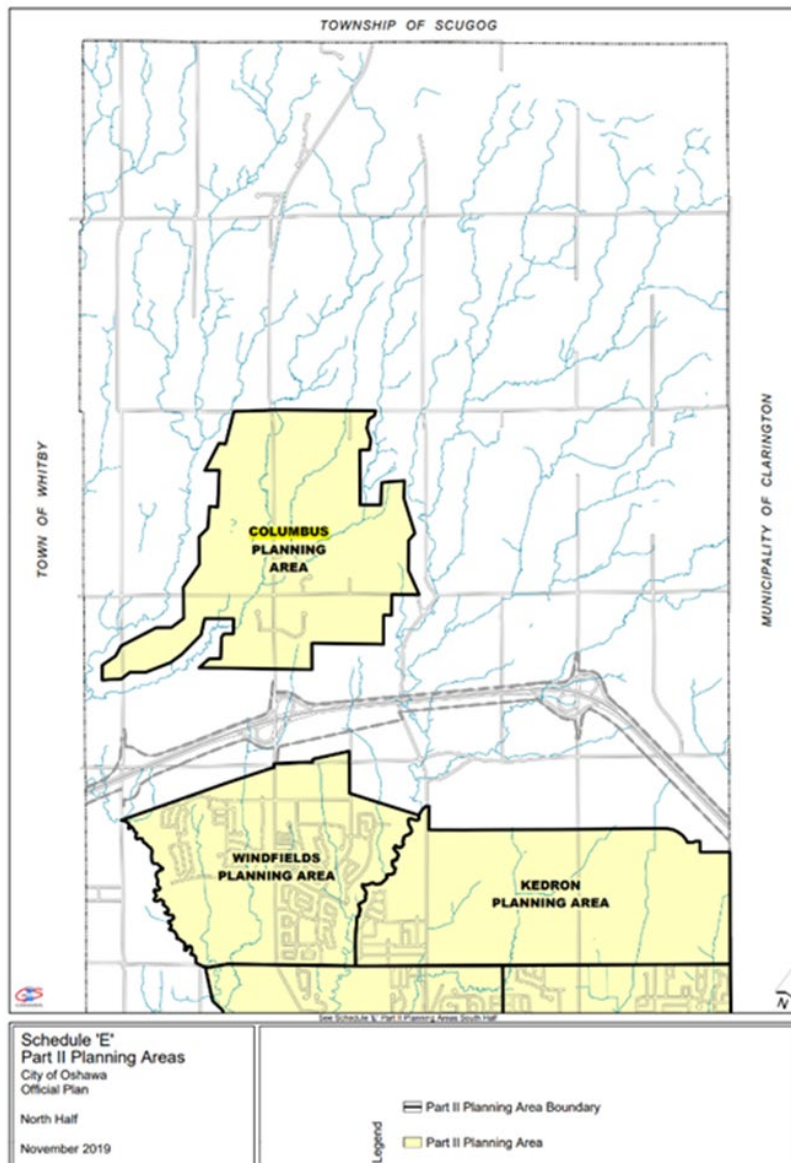


Figure 1: Kedron and Columbus Planning Areas

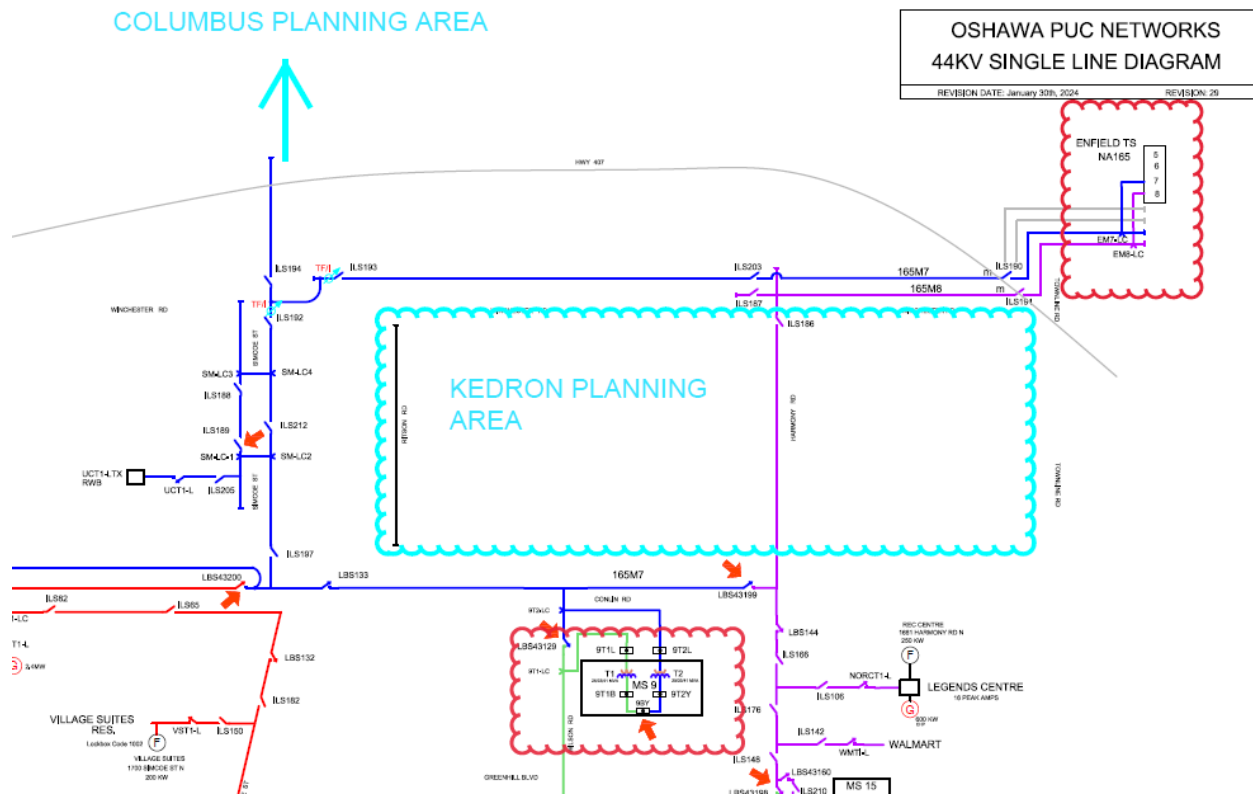


Figure 2: MS9 Network Connectivity & Location w.r.t Planning Areas

B. Evaluation Criteria and Information Requirements

Efficiency, Customer Value, Reliability and Safety

Efficiency	The investment objectives are to ensure capacity availability, mitigate the risk of equipment overloading and service redundancy for MS7 and the north Oshawa area.
Customer Value	The net benefits accruing to Customers will be reduced risk to service reliability and improved operational efficiencies.
Reliability	The installation of three (3) new feeders will enhance operational reliability to the north Oshawa area and reduce loading risk on MS7.
Safety	Feeders will return loading on MS7 to below normal loading levels. Feeders will be installed in compliance with O. Reg. 22/04 and new standards to ensure safety for the general public.

Investment Need

Primary Driver	Ensuring Capacity is available to accommodate customer connection due to growth in North Oshawa is the main driver for this project.
Secondary Driver	System reliability & operational efficiency are the secondary drivers for this project.
Information Used to Justify the Investment	Published population growth studies and reports on new developments by the City of Oshawa, coordinated planning with developers on demand requirements, capacity monitoring on existing assets such as MS7 support the justification of this investments.

Investment Justification

Demonstrated Utility Practice	The project will address the need to plan for future growth and manage load on MS7 and addressing reliability risks in the North Oshawa area.
Cost-Benefit Analysis	This program will improve system capacity, reduce reliability risk and maintain customer service performance levels in the North Oshawa area.
Historical Outcomes	This program is similar to previous capacity addressing works and will result in grid reconfiguration that reduces reliability risk, reduces overloading on equipment and improves grid operational flexibility.

Conservation and Demand Management

Not applicable

D. Project Sign Off

Prepared by		Authorized by	
Date		Date	
		Completion Date	

Oshawa Power Response

a) See updated Table below.

IRR Table 1-6: Restated Table 1-4 – 2026 vs. 2021 Revenue Requirement

Revenue Requirement Components	2021 Actuals	2026 Test Year	Variance 2026 to 2021	% Variance 2021 to 2026
RATE BASE CALCULATION				
Fixed Assets Opening Balance	\$131,135,061	\$167,647,493	\$36,512,433	28%
Fixed Assets Closing Balance	\$137,696,393	\$176,674,454	\$38,978,061	28%
Average Fixed Asset Balance for Year	\$134,415,727	\$172,160,974	\$37,745,247	28%
Working Capital Allowance	\$7,432,848	\$11,797,711	\$4,364,864	59%
Rate Base	\$141,848,574	\$183,958,685	\$42,110,111	30%
COST OF CAPITAL				
Cost of Debt	\$2,637,135	\$3,800,586	\$1,163,451	44%
Return on Equity	\$5,067,000	\$6,622,513	\$1,555,513	31%
Regulated Return on Capital	\$7,704,135	\$10,423,099	\$2,718,964	35%
REVENUE REQUIREMENT				
OM&A	\$13,300,173	\$22,271,990	\$8,971,817	67%
Property Taxes	\$135,660	\$164,562	\$28,902	21%
Depreciation	\$6,876,345	\$9,467,348	\$2,591,003	38%
Payments in Lieu of Taxes (PILs)	\$0	\$0	\$0	No change
Service Revenue Requirement	\$28,016,313	\$42,326,999	\$14,310,686	51%
Revenue Offsets	(\$2,773,173)	(\$3,478,107)	(\$704,934)	25%
Base Revenue Requirement	\$25,243,140	\$38,848,892	\$13,605,752	54%

1-SEC/PP-11

Ref. 1: Exhibit 1, p.24

Question(s):

Please provide a summary of all changes that will be required to forecast investments in system infrastructure currently in the Application to comply with the OEB's recently announced changes to the Distribution System Code to implement the Cost Allocation Model (CAM). Without limiting the generality of the question, please estimate the increase in customer contributions, if any, expected for each year of the DSP as a result of the CAM.

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		
Administrative																	
Construction																	
Equipment																	
Information Technology																	
Medical																	
Programs																	
Real Estate																	
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

- Assisting with the development of resilience communications with respect to energy security.

Oshawa Power is actively in talks with Durham and the City of Oshawa with respect to supporting these plans going forward and expects to find new areas of shared value with the implementation of the LDC eDSM, NWS and ESG strategies. In terms of efficiencies, one example would be sharing communications efforts for the Durham Greener Homes program, which offers individualized home energy coaching, including detailed information about the Save On Energy programs. Oshawa Power is currently proposing to leverage eDSM funding to augment these services in the City of Oshawa, to drive cost-efficient participation through a one-stop-shop for customers.

2-Staff-38

Ref. 1: Chapter 2 Appendices, 2-G SQI

Question(s):

- a) Did Oshawa PUC Networks miss its targets for telephone accessibility and telephone call abandonment metrics in 2024 due to increased call volumes and a new outsourced call centre in 2024? If so, has increased investments in outsourced call centres in 2025 improved this metric thus far in the year? If not, what has caused these missed metrics?
- b) What does Oshawa PUC Networks attribute to its improved 2024 SAIDI and SAIFI reliability figures (0.3 and 0.29 respectively), and is a similar trend occurring in 2025?

Oshawa Power Response

- a) The low performance in 2024 was primarily due to increased call volumes that couldn't be quickly accommodated by the call centre. This metric has been greatly improved in 2025.
- b) The improvements to 2024 SAIDI and SAIFI figures are a cumulative effect and

as a result of Oshawa Power's commitment to continuously monitoring reliability and making system improvements as mentioned on pages 39 to 41 of Exhibit 2, DSP.

Key improvements include:

- Implementation of Fault Location, Isolation, and Service Restoration (FLISR) to improve fault location and service restoration capabilities
- Continued effort to remove porcelain insulators from the distribution system
- Installation of animal protection devices
- A solid approach to asset replacement focused on system planning and efficiency

For 2025 Oshawa Power is currently trending toward 0.39 SAIDI and 0.43 SAIFI reliability figures - slightly higher than 2024 but still well below target.

2-CCC/CCMBC-39

Ref. 1: Exhibit 2, p.55

Ref. 2: Chapter 2 Appendices, 2-D

Question(s):

Please discuss how Oshawa PUC Networks determines the appropriate capitalization of each of: (i) labour and benefits; (ii) material handling; and (iii) vehicle and related costs. As part of the response, please explain the decline in capitalization of OM&A between 2021 and 2026 (on a percentage basis).

Oshawa Power Response

Oshawa Power determines the appropriate capitalization treatment as follows:

- I. **Labour and benefits** – Labour pertaining to engineering and construction work directly related to asset preparation is capitalized.
- II. **Material handling** – The transport and handling and related costs of

3. 347/600V, 3-ph circuits to serve commercial and industrial customers

The table below provides the number and length of circuits by primary voltage level.

Table 14 - Number and Length of Circuits by Primary Voltage Level

Primary Voltage	Number of Circuits	Overhead System (km)	Underground System (km)
44kV	14	119	4
13.8kV	54	423	484

5.3.2.3 Asset Demographics and Asset Condition Assessment

The most recent ACA was prepared to assess the condition of assets in-service by determining health indices using available condition data (refer to Appendix C for the full ACA report). This ACA provides demographic and asset condition information on fixed assets employed in Oshawa Power's stations, overhead and underground systems.

The ACA report documents the condition of all major assets in units of health indices and provides ranking of assets in designations rated as "very good", "good", "fair", "poor" or "very poor". In determining the health indices of assets, all available information relevant to the assets' health, including age, results of visual inspections and results of diagnostic testing when available, have been utilized. Figures 18 and 19, and Table 15 present the asset demographics and summary results of the ACA.

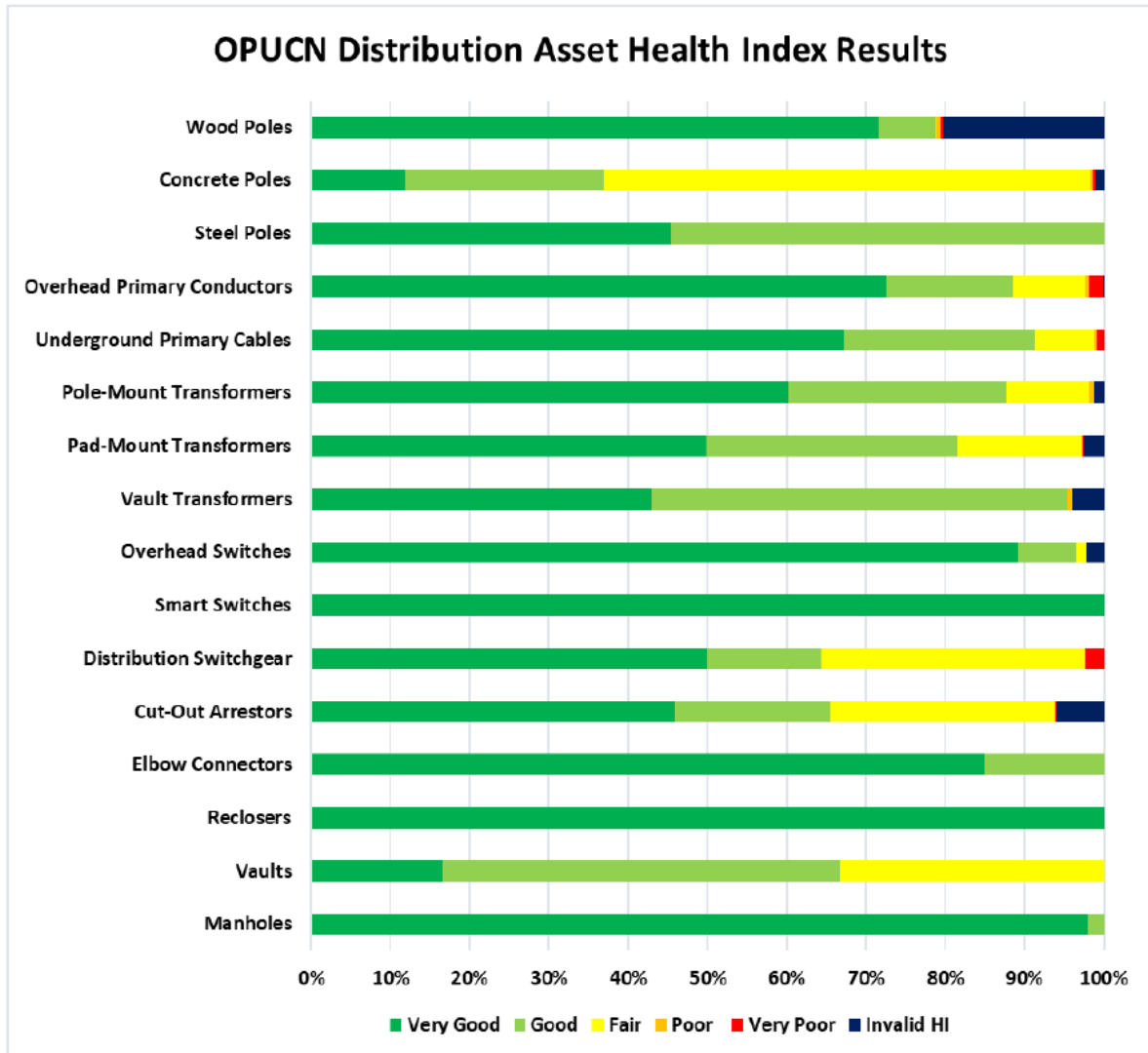


Figure 18 – Distribution ACA Results

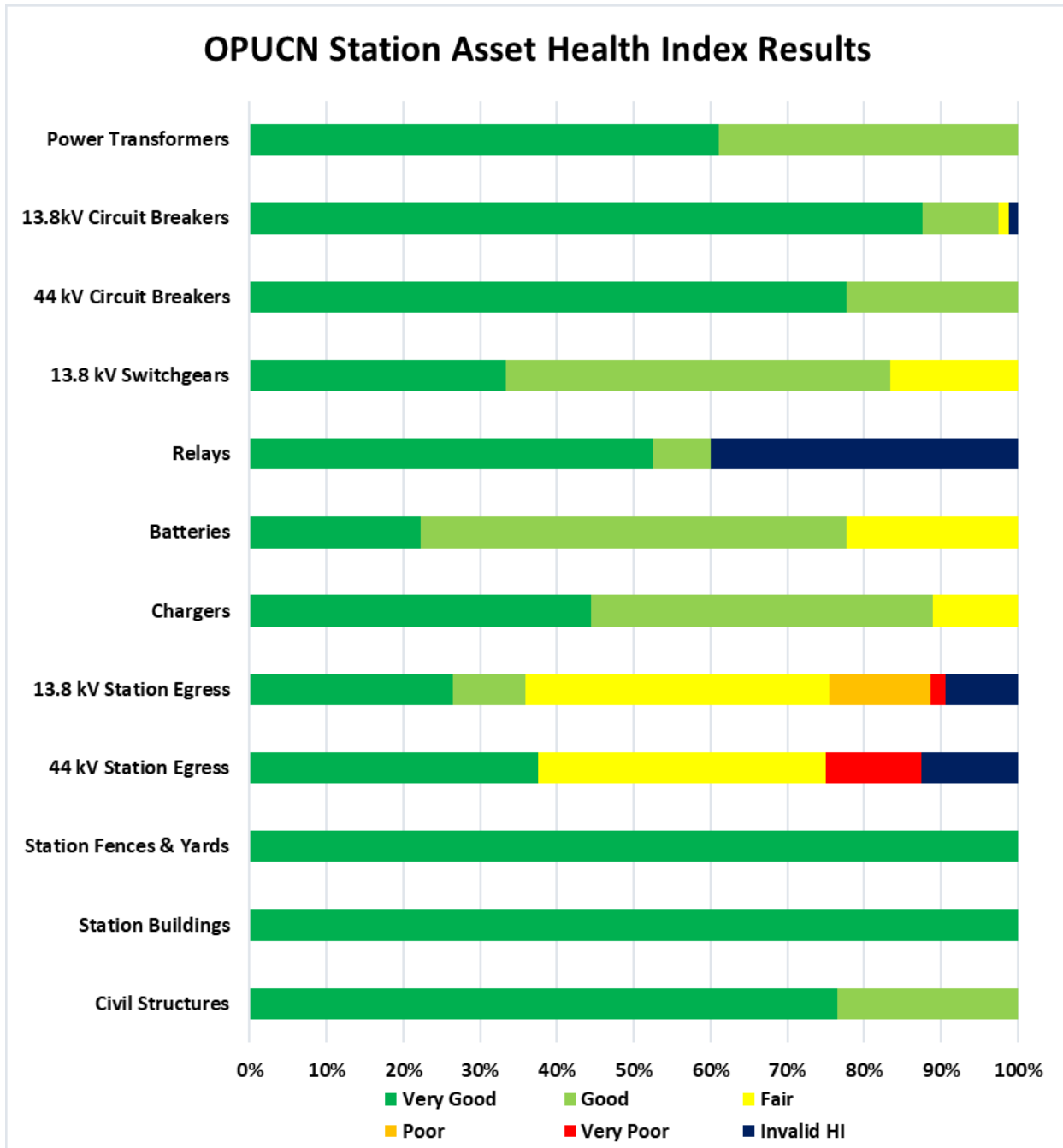


Figure 19 – Station ACA Results

Table 15 - ACA Overall Results

Asset Category	Population – Note 1	HI Distribution					Invalid HI	DAI
		Very Good	Good	Fair	Poor	Very Poor		
Distribution Assets								
Wood Poles	9,435	6,762	663	12	50	39	1,909	83%
Concrete Poles	370	44	93	227	1	1	4	96%
Steel Poles	11	5	6	0	0	0	0	100%
Overhead Primary Conductors (m)	534,458	387,632	85,800	48,164	2,585	10,218	59	100%
Underground Primary Cables (m)	463,792	311,709	111,550	34,893	1,318	4,322	0	100%
Pole-Mount Transformers	2,250	1,356	619	231	15	2	27	100%
Pad-Mount Transformers	3,953	1,973	1,250	618	7	3	102	99%
Vault Transformers	151	65	79	0	1	0	6	97%
Overhead Switches	718	640	53	9	0	0	16	95%
Smart Switches	31	31	0	0	0	0	0	100%
Distribution Switchgear	42	21	6	14	0	1	0	100%
Cut-Out Arrestors	1,761	807	347	498	2	3	104	97%
Elbow Connectors	7,114	6,048	1,066	0	0	0	0	99%
Reclosers	3	3	0	0	0	0	0	100%
Vaults	6	1	3	2	0	0	0	100%
Manholes	49	48	1	0	0	0	0	54%
Station Assets								
Power Transformers	18	11	7	0	0	0	0	99%
13.8kV Circuit Breakers	81	71	8	1	0	0	1	99%
44 kV Circuit Breakers	18	14	4	0	0	0	0	97%
13.8 kV Switchgear Buses	18	6	9	3	0	0	0	100%
Relays	80	42	6	0	0	0	32	70%
Batteries	9	2	5	2	0	0	0	100%
Chargers	9	4	4	1	0	0	0	100%
13.8 kV Station Egress	53	14	5	21	7	1	5	96%
44 kV Station Egress	8	3	0	3	0	1	1	97%

Asset Category	Population – Note 1	HI Distribution					Invalid HI	DAI
		Very Good	Good	Fair	Poor	Very Poor		
<i>Station Fences & Yards</i>	9	9	0	0	0	0	0	100%
<i>Station Buildings</i>	9	9	0	0	0	0	0	100%
<i>Bus Structures</i>	17	13	4	0	0	0	0	94%

The assets have been assessed to be in one of five Health Index conditions: Very Good, Good, Fair, Poor, or Very Poor. For most of the asset classes, the Health Index Formulation (HIF) was previously developed in the 2018 ACA. Where applicable, these HIFs were modified based on the most recent industry best practices and Oshawa Power specific data availability. Most notably the weighting of the service age has decreased for some assets as the industry has moved away from purely age-driven asset management plans. As such, the HI results of these asset classes may have improved since the last ACA as newly available data has shown the assets to be in good condition despite their age being near or past the Typical Useful Life (TUL). If an asset has an invalid HI, then a ratio of age over TUL is used to determine the probability of failure. As part of its commitment to continuous improvement, Oshawa Power will continue collecting asset condition input data during its annual maintenance and inspection cycles. Given that asset evaluations vary by type, please refer to the Asset Condition Assessment (Appendix C) for the criteria used in asset-specific Health Index formulations.

ACA results show that the majority of Oshawa Power's assets are in Very Good or Good condition. For each asset class, the ACA report also provided a remaining life evaluation based on TUL and a risk evaluation based on asset HI and a variety of impact factors.

The purpose of the risk evaluation is to first assess and quantify (or qualify) the potential risks to both Oshawa Power and its customers in the event of a capacity deficit, and then outline potential mitigation measures that could partially or completely mitigate these risks. To provide clarity, the following definitions are provided:

- Probability is the likelihood of an event occurring;
- Consequence is the outcome or impact of that event; and
- Risk is the product of the probability that an event will materialize multiplied by the consequence of that event.

First the impact is calculated in for each asset using risk factors. Three risk categories are included in the analysis; reliability, safety and environmental. These risk categories have relative weighting that is consistent across all asset classes (Reliability 40%, Safety 40%, and Environment 20%). Within each risk category are individual risk factors which are specific and uniquely graded for each asset class. Risk scores can range from Low to Extreme.

The ACA report provides a recommended replacement plan for assets with Very Poor, Poor or Fair condition, assets classified as high or extreme risk, and assets that are past their economic end of life. The replacement plan is used as a preliminary baseline for Oshawa Power to identify how many assets should be replaced to maintain the overall system health. The recommended assets are further evaluated through Oshawa Power's planning process, as outlined in Section 5.3.1.1, which considers alternative solutions, consolidation of renewal efforts, alignment with other initiatives, and broader system planning needs. Proactive replacement plans have been prepared for the following distribution assets over the 2026 – 2030 forecast period and can be found in the table below.

Table 16 - 2030 Distribution Asset Replacement Plan

Asset Class	Unit	2026	2027	2028	2029	2030
Poles	#	69	55	86	84	79
Overhead Conductors	m	2600	1050	2900	2800	2550
Underground Cables	m	724	1350	2631	1542	4061
Pole-Mount Transformers	#	11	9	40	31	46
Padmount Transformers	#	9	2	25	23	33
Firon Overhead Switches	#	0	99	99	99	99
Porcelain Switches and Insulators	#	0	233	233	233	233
Quick Sleeves	#	0	141	141	141	141
Distribution Switchgear	#	0	2	0	1	2
Meters	#	2800	2800	2800	2800	2800
Locks	#	1555	1555	1555	1555	1555

Proactive replacement of these assets is carried out through targeted system renewal initiatives, including the Pole Replacement Program, Overhead and Underground Renewal Programs, Station Switchgear Replacement Program, and Meter Replacement Program, among others. The station power transformers and switchgear assessment was supplemented by a Lifecycle Risk and Options Analysis report (included in Appendix C) that recommended a replace, refurbish or operate as normal choice for these major station assets. Proactive replacement plans have been prepared for the MS5 station switchgear in 2026 and the MS11 station switchgear in 2027. As part of this program, new riser poles and related underground work will also be carried out at MS5.

Oshawa Power's AM strategy covers the full life cycle of a fixed asset, from the preparation of the asset specification and installation standards to the scope and frequency of preventative maintenance during the asset's service life and finally to the determination of the assets end-of-life and retirement from service. At each stage of an asset's life cycle, decisions are made to achieve the optimum balance between achieving maximum life expectancy, highest operating performance, lowest initial investment (capital costs), and lowest operating costs.

Asset risks (probability of failure x consequence of failure) are considered as part of Oshawa Power's prioritization process and are ultimately used to determine the prioritized list of capital projects and programs over the forecast period.

5.3.2.4 Capacity Assessment of Existing System

Oshawa Power is supplied by three (3) Hydro One- owned Transformers Stations (TSs): Wilson TS, Thornton TS and Enfield TS. Each of these TS's capacity and utilization is reviewed through the Regional Planning Process in conjunction with the IESO, Hydro One and any other LDCs that are supplied from these TSs.

Recent feeder rebuilds and load transfers have optimized the capacity utilization between the three (3) Hydro One TS points of supply.

Oshawa Power stations are planned and configured to be loaded to 100% of their normal or base rating. These stations are designed with a primary loop distribution system to allow for the station to be backed up from one or more adjacent stations. This configuration offers flexibility in switching operations to minimize outage durations, maintain reliability of the distribution system and reduce restoration times during outages. Table 17 provides the capacity utilization at each station. It should be noted that the information in the table below represents the non-coincidental station peak loading. Temporary load transfer can also affect the station load during facilitation of a planned or emergency work.

**Ontario Energy Board (OEB) Staff's
Pre-Settlement Conference Clarification Questions
2026 Electricity Distribution Rates Application
Oshawa PUC Networks Inc. (Oshawa PUC Networks)
EB-2025-0014
August 12, 2025**

1-StaffCQ-1

Ref 1: OPUCN_IRR_2026_Filing_Requirements_Chapter2_Appendices_1.0_20250730

Ref 2: 1-SEC/Staff/CCC/PP/CCMBC/VECC-9c

Preamble:

In reference 1, tab 2-AA, Oshawa PUC Networks divided its 2025 bridge year budget for January to June and July to December.

Question(s):

- a) Please confirm that Oshawa PUC Networks has not updated its 2025 budget in 2-AA column R, 2-AB, and 2-BA as part of interrogatory responses, and confirm that it will update these models following the settlement conference.
- b) In reference 2, Oshawa PUC Networks noted that there was an error in the Chapter 2 Appendices from the initial application, and that the facilities budget in 2024 should have been \$163k. Please correct the Chapter 2 Appendices accordingly following the settlement conference.

Response:

- a) 2-AA was updated in external attachment (Supplemental IRR 35b Revised Appendix AA breakdown) but not in Appendices, 2025 column will be updated post-settlement. Updates to 2-AB and 2-BA have not happened yet and will be done post-settlement in an updated version of the appendices.
- b) Oshawa Power does not intend to make this correction to 2024 given the results have been audited, it is not material and the omission is to the advantage of customers (lower depreciation in 2024).

1-StaffCQ-2

Ref 1: 1-SEC/Staff/CCC/PP/CCMBC/VECC-9a

Ref 2: 1-SEC/CCMBC/VECC-12

Question(s):

- a) Please reconcile the land cost for the new facility in reference 1 with that in the table produced in reference 2 for 2024.

Response:

The land cost noted in IR 9a) (\$11.4M) and the cost in IR 12 (\$12.6M) is reconciled as follows:

Land	
Acquisition	11,425,120
Consultant and advisory	578,059
Land transfer tax and insurance	278,732
Interests	270,676
Engineering/Signage	84,501
	12,637,088

1-StaffCQ-3

Ref 1: 1-SEC/Staff/CCC/PP/CCMBC/VECC-9

Ref 2: ERTN 2025 IRM, EB-2024-0021, [Decision and Order](#), pp. 17-18

Preamble:

Oshawa PUC Networks proposed to account for the variance in the amount budgeted and the actual spent on avoided rent and OM&A costs for the new building by requesting to establish two distributor-specific deferral accounts: Account 1508 – Other Regulatory Assets, Sub-account Oshawa Power Avoided Rent Deferral and Account 1508 – Other Regulatory Assets, Oshawa Power New Facility OM&A Cost Variance.

OEB staff provides the above Reference 2 relating to OEB's previous decision on DVA requests for OM&A costs in ICM requests, in which the OEB denied the utility's request of three DVAs related to a new facility.

Question(s):

- a) Please comment on the differences between the precedent case in Reference 2 and Oshawa PUC Networks' requests for new facility related DVAs in this proceeding.
- b) Has Oshawa PUC Networks considered alternative approaches to reflecting OM&A cost savings, including, but not limited to a reduction in its ICM revenue requirement and providing relevant documentation at the time of its ICM request. If not, why not.

Response:

- a) This is a Cost of Service proceeding which includes review and discussion of OM&A and may include establishment of new Group 2 deferral accounts. The precedent case noted was an ICM application which does not include

examination of OM&A-related cost recovery in its scope, which Oshawa Power understands was the reason for denying the applicant's request for the new OM&A-related deferral accounts.

- b) Yes, a number of alternatives are being considered to reflect changes in OM&A spending resulting from the new building, depending what approvals are provided on the deferral accounts requested in the OEB's final decision in this proceeding. Oshawa Power will provide relevant documentation on approaches considered at the time of its ICM request.

2-StaffCQ-4

Ref 1: 1-SEC/Staff/CCMBC-15

Preamble:

In the interrogatory responses, the provided funding value from Natural Resources Canada (NRCan) for the DSO project, *Empowering Energy Transition: A Distribution System Operator Enabled Demand Response Program*, is \$400,000 and the total project cost is \$455,000. Oshawa PUC Networks notes that its financial contribution will go toward primary consultant fees and local indigenous consultation.

Oshawa PUC Networks also mentions that the cost savings associated with sharing resources between the NRCan-supported DSO project and the proposed NWS projects have already been incorporated.

Question(s):

- a) What is the total value of Oshawa PUC Networks' financial contribution to the NRCan-supported DSO project (e.g., \$55,000)?
- b) Is Oshawa PUC Networks' financial contribution to the NRCan-supported DSO project dependent on rate-funding? If not, please clarify the funding source of this financial contribution.

Response:

- a) The total value of Oshawa Power's financial contribution to the NRCan-supported DSO project is \$55,000.
- b) No, the financial contribution was committed prior to the rate case being filed and is coming from shareholder investment.

2-StaffCQ-5

Ref 1: 2-Staff/CCMBC-65

Ref 2: EB-2025-0014, Exhibit 2 – Rate Base, Distribution System Plan, Appendix A – “NWS-Business Case”, Page 17

Preamble:

In its interrogatory response, Oshawa PUC Networks mentions that the four NWS project costs are provided for budgetary purposes and will be finalized using the approved benefit cost analysis. In the NWS Business Case, Oshawa Power proposes to report on NWS implementation as part of its annual IRM filing.

Oshawa PUC Networks also mentions the four NWS project costs represent a meaningful level of investment that will need to be categorized as O&M or Capital once agreements with suppliers are developed and after the completion of the BCA. In the NWS Business Case (Appendix A), Oshawa also mentions proposed project activities for each of the four NWS projects.

Question(s):

- a) Please complete the following table for each of the four proposed NWS projects, adding any additional type of cost expected, the value associated with each type of cost, and cost category of each type of cost. The types of costs and cost values included have been imported from Oshawa PUC Networks’ NWS Business Case.
- b) Please explain how Oshawa PUC Networks intends to determine whether a payment to a third party qualifies for capitalization.
 - a. Will payments to third parties that own and control the asset be treated as capital or OM&A?

Project	Type of Cost	Expected Value of Cost	Cost Category (Capital or OM&A)
Managed Residential EV Charging	Ongoing charging Management	\$34,000	
	Advertising	\$20,000	
	One-time set-up fee	\$100,000	
	Incentives	\$50,000	
	Staff Time	\$74,000	
	[add as needed]		
Northwood Business	One-time investment of 5% in 1MW Battery Energy Storage	\$130,000	

Park and Thornton	One-time investment of 10% in Solar PV installations	\$125,000	
Transit Electrification	[add as needed]		
Embedded Low Carbon			
Smart Grids			
Incremental Incentives	Battery Energy Storage	\$25,000	
for Save On Energy	Capacity Incentive		
	Staff Time	\$907	
Solar Energy Management Systems	[add as needed]		
Port of Oshawa Battery	One time 6% investment in a 1.5 MW battery energy storage project hosted by third party stakeholders	\$156,000	
Energy Storage Solution	[add as needed]		

Response:

- a) Oshawa Power is of the view that all costs identified above and in the NWS business case should be treated as capital expenditures given they are alternatives in the DSP to replace traditional infrastructure. Oshawa Power is not expecting any material OM&A costs associated with these investments, and therefore has not included any NWS-related costs in its 2026 OM&A budget.
- b) Payments to third parties that own and control the asset will be treated as capital, in alignment with Oshawa Power's capitalization policy (Exhibit 2, p. 52, line 22), which provides for the capitalization of third party costs to bring an asset into service and ensure it is capable of operating in the manner intended by management.

2-StaffCQ-6

Ref 1: 2-Staff/CCMBC-65

Preamble:

In its interrogatory response to reference 1, Oshawa PUC Networks stated that NWS project costs are categorized as capital in the context of the DSP because they are intended to replace traditional DSP investment.

Question(s):

- a) Please confirm that inclusion in a DSP, on its own, does not justify capitalization under IFRS. If not confirmed, please explain how this rationale aligns with the recognition criteria for capital assets under IAS 16 of IFRS.

Response:

Confirmed.

2-StaffCQ-7

Ref 1: 2-Staff/CCC/CCMBC/AMPCO-35a

Question(s):

- a) Oshawa PUC Networks did not include a breakdown of 2024 spending for January to June and July to December as per reference 1. Please refile the Chapter 2 Appendices with this breakdown or provide an explanation as to why this is not possible.

Response:

This breakdown was missing from the original IRR has been completed in a separate attachment (OPUCN_Appendix 2AA_2024 Breakdown_Partial Settlement_20250902). The Chapter 2 Appendices will be updated post-settlement with the updated noted in response to 1-StaffCQ-1.

2-StaffCQ-8

Ref 1: 2-Staff/CCMBC-70

Preamble:

In reference 1, Oshawa PUC Networks noted that its new CIS expenditure would offset the need for new staff by increasing internal staffing capacity.

Question(s):

- a) Was the study done by the Resource Optimization Review completed with the CIS expenditure in mind? How did Oshawa PUC Networks take into account its CIS expenditure when developing its staffing plan for 2026?

Response:

The CIS project was not factored explicitly into the Resource Optimization Review as it compared staffing levels on a high level and did not review each task in detail, and did not consider internal staffing needs for outsourced tasks such as billing and customer service.

The CIS project was however considered when considering staffing plans. For example, Oshawa Power has required much effort to organize and coordinate collections with the current configuration. Continuing this effort was unsustainable (as evidenced by high turnover in that area in 2024), and would have required more staff to manage, however we have not requested an increase in staff due to the anticipated optimization in the new system. In short, the assumption was made that we could improve metrics and increase front-line contracted staff while maintaining the requested compliment of in-house staff.

4-StaffCQ-9

Ref 1: 4-CCC/CCMBC/VECC-120

Preamble:

As per reference 1: (Ex. 4, p. 32 and Ex. 9, p. 22) Please reconcile the 2024 actual locate costs of \$534,888 cited at Exhibit 4, p. 32 and the 2024 actual locate costs of \$575,001 shown in Table 9-11 at Exhibit 9, p. 22.

Question(s):

- a) It appears that Oshawa PUC Networks did not respond to this question in reference 1. Please reconcile and explain the difference in 2024 actual locate costs between the references. Please confirm whether the impact on the balance of the GOCA variance account for disposition.

Response:

The locate costs of \$534,888 cited at Exhibit 4, p. 32 did not represent the total locate costs for 2024 as outlined in the table below.

Cost Category	Time Period	Amount
Third-party locators	January-November 2024 (Ex 4, p.32)	\$534,998
Third-party locators	December 2024	\$17,956
Third-party call centre service	January-December 2024	\$19,071

Third-party GIS charges	January-December 2024	\$2,976
Total Third-party locate costs	(Ex 9, p.22)	\$575,001

9-StaffCQ-10

Ref 1: 9-Staff/CCMBC/CCC-218

Preamble:

Oshawa PUC Networks indicated an estimate of OM&A costs associated with a cloud-based ERP solution for the years 2027-2031.

Oshawa PUC Networks indicated in Exhibit 4, page 22 a forecast of \$1.921 million for IT expenses.

Question(s):

- a) Please confirm if, and in what amount, any maintenance, software licenses and environment costs associated with the cloud-based solution have been embedded in the OM&A test year forecast.
- b) Please provide a breakdown of the costs by nature and amount associated with Microsoft Great Plains in the IT OM&A test year forecast of \$1,921,339 and provide a reconciliation.
 - a. Please confirm, to best estimate, that Oshawa PUC Networks will not incur some or all of these amounts once its new ERP system is ready for use. Please provide an explanation if any Microsoft Great Plains costs are expected to be maintained after implementation of its new ERP.
 - b. Please confirm that Oshawa PUC Networks will deduct embedded Microsoft GP costs from any costs booked to the cloud computing implementation deferral account. If not confirmed, please explain.

Response:

- a) There are no expenses associated with the cloud-based ERP included in the 2026 OM&A budget.
- b) The 2026 budget for Great Plains, its auxiliary software, vendor support and maintenance is approximately \$60.9K. The \$1.9M is the whole IT program which includes labour and benefits, communication costs, and software expenses.
 - a. Confirmed.
 - b. Confirmed.

**Vulnerable Energy Consumers Coalition (VECC)
PRE-SETTLEMENT FOLLOW-UP AND CLARIFICATION QUESTIONS
OSHAWA PUC NETWORKS INC.
2026 RATE APPLICATION (EB-2025-0014)**

VECC-CQ #1

REFERENCE: OPUCN_IRR_2026 Load Forecast Model_20250730

- a) With respect to the Customer Count Tab (Row 47), please explain the basis for the January 2026 forecast customer count for each rate class.

Response:

The formula in row 47 for January 2026 customers counts calculates the appropriate starting point such that the monthly geometric growth rate applied to this count in each subsequent month of 2026 produces a monthly average customer count that is consistent with the count calculated in the annual customer count table (row 15).

For clarity, the calculation of annual customer counts in rows 2 to 15 is the basis for the forecast number of customers in 2026. The calculations in rows 23 to 58 provide monthly counts in case monthly forecast counts are required because the customer count variable is used in a class's regression model. This is used for the General Service < 50 kW class.

Using the same formula for all months would produce a different monthly forecast than annual forecast because the monthly forecast would be based on growth from customer counts only in the latest month with actual data while the annual forecast is based on average January-December counts.

VECC-CQ #2

REFERENCE: OPUCN_IRR_2026 Load Forecast Model_20250730

- a) With respect to the Customer Count Tab, what are the reasons for the significant drop in GS<50 customers in December 2024 (e.g., is it all due to customers closing and going out of business)?

Response:

Following a review of the customer count data, Oshawa Power has revised the customer counts for all classes, except Large Use and Sentinel Lights. There has not been a decrease in GS<50 kW customer counts in December 2024.

Customer count data for all classes, except Large Use and Sentinel Lights, has been revised in OPUCN_2026_Load Forecast Model_Partial Settlement_20250922 . A summary of the updated customer counts and change from the load forecast filed with interrogatories is provided below.

OPUCN_IRR_2026 Load Forecast Model_20250730												
Customers	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast
Residential	48,572	49,247	52,736	53,780	54,577	54,549	55,127	55,762	56,981	57,937	58,387	59,177
GS < 50	4,020	4,150	4,162	4,199	4,195	4,212	4,271	4,305	4,393	4,427	4,325	4,372
GS 50-999	509	518	524	515	525	538	538	543	521	517	515	515
GS 1,000-4,999	13	13	12	12	14	15	17	18	18	17	17	18
Large Use	1	1	1	1	1	1	1	1	1	1	1	1
Street Light	12,676	12,955	13,171	13,828	13,934	13,979	14,038	14,204	14,384	14,446	14,529	14,728
Sentinel Lights	25	23	23	23	19	19	19	19	19	19	19	19
USL	258	246	246	248	247	253	251	253	259	260	264	266
Total	66,073	67,153	70,875	72,606	73,511	73,565	74,263	75,104	76,577	77,624	78,057	79,096

OPUCN_CQ_Load_Forecast_Model_CQ-VECC-2												
Customers	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast
Residential	51,121	52,140	52,923	54,033	54,652	54,890	55,425	56,095	57,160	58,026	58,688	59,464
GS < 50	4,020	4,150	4,162	4,199	4,195	4,212	4,271	4,305	4,393	4,442	4,495	4,545
GS 50-999	509	518	524	519	535	543	547	553	533	524	528	530
GS 1,000-4,999	12	13	13	13	13	12	12	13	12	12	12	12
Large Use	1	1	1	1	1	1	1	1	1	1	1	1
Street Light	12,676	12,955	13,171	13,828	13,934	13,979	14,038	14,204	14,384	14,452	14,554	14,755
Sentinel Lights	25	23	23	23	19	19	19	19	19	19	19	19
USL	286	274	274	276	278	283	283	285	292	291	294	296
Total	68,651	70,074	71,091	72,892	73,627	73,939	74,597	75,474	76,795	77,766	78,591	79,622

Difference												
Customers	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast
Residential	2,550	2,892	188	253	76	342	298	333	179	89	300	287
GS < 50	0	0	0	0	0	0	0	0	0	14	170	173
GS 50-999	0	0	0	4	10	5	9	10	12	7	13	14
GS 1,000-4,999	0	0	1	1	-1	-3	-5	-6	-6	-5	-5	-6
Large Use	0	0	0	0	0	0	0	0	0	0	0	0
Street Light	0	0	0	0	0	0	0	0	0	6	25	27
Sentinel Lights	0	0	0	0	0	0	0	0	0	0	0	0
USL	28	28	28	28	31	30	32	32	33	31	30	31
Total	2,578	2,921	217	286	115	374	334	370	218	142	534	526

The GS<50 kW regression has been rerun since the customer count is a variable used in that class's regression model. Instead of applying the geometric mean customer count growth rate for the GS 1,000 to 4,999kW (99.62% resulting in 11.95 customers), the growth rate is set at 100% resulting in 12 GS 1,000 to 4,999 kW customers in 2026.

An updated set of models with this change is provided with CQ responses. The attachments provided for VECC-CQ-5 and VECC-CQ 7&9 include the updated customer counts.

VECC-CQ #3

REFERENCE: OPUCN_IRR_2026 Load Forecast Model_20250730

- a) With respect to the Monthly Data Tab, please explain why the updated Load Forecast includes actual customer counts through to June 2025 but no actual volume (i.e., kWh) values for any of the months in 2025.

Response:

The load forecast was updated with data that was requested in interrogatories. Actual volumes were not included because volumes were not requested.

VECC-CQ #4

REFERENCE: OPUCN_IRR_2026 Load Forecast Model_20250730

- a) With respect to the Normalized Annual Summary Tab, please explain why the 2024 actual consumption values have changed from those in the original Application for some of the customer classes (e.g., Residential, GS<50, GS 50-999, Street Light, Sentinel and USL).

Response:

Actual 2024 volumes were adjusted to be consistent with the RRR volumes that are included in the RTSR model. Please see 8-VECC-207.

VECC-CQ #5

REFERENCE: OPUCN_IRR_2026 Load Forecast Model_20250730

- a) With respect to the Economic Tab, it is noted that the updated Load Forecast uses the same economic forecast as the original Application. Are there more recent economic forecasts available from any of the sources used?
- b) With respect to the Economic Tab, it is noted that there were no updates (for more recent actual economic data) made in the updated Load Forecast. Is more recent actual data now available for any of the variables used?
- c) If more recent economic forecasts or actual economic data are now available please update the Load Forecast accordingly.

Response:

- a) Yes.
- b) Yes.
- c) The economic variables have been updated in load forecast model provided as OPUCN_2026_Load Forecast Model_Partial Settlement_20250922. The regressions for the classes that use economic variables have been rerun because actual 2024 data has changed and there are some minor revisions to earlier historic data. This model includes the customer count revisions noted in CQ-VECC-2.

VECC-CQ #6

REFERENCE: OPUCN_IRR_2026 Load Forecast Model_20250730

- a) With respect to the Heating Tab and the Total Additional-Lost Loads Tab, was the only change in the additional heating load forecast the change in the forecast customer counts for 2025 and 2026?

Response:

Yes.

VECC-CQ#7

REFERENCE: OPUCN_IRR_2026 Cost Allocation Model_20250730
7-VECC/CCMBC-198

- a) With respect to 7-VECC/CCMBC-198 a), for each of the customer classes please indicate how many customers have more than one meter that is owned and/or read by OPUCN and the resulting total number of additional meter and meter reads.
- b) In the update Cost Allocation Model the 2026 customer counts by class (Tab I6.2) match the number of meters (Tab I7.1) and the number of meter reads (I7.2). However, the response to 7-VECC/CCMBC-198 a) indicates the some customers have more than one meter. Please update the Cost Allocation model accordingly.

Response:

- a) A summary of the additional meters by rate class are provided below.

Rate Class	Customers	Additional Meters	Meters
Residential	59,464	263	59,727
GS < 50	4,545		4,545
GS 50-999	530	7	537
GS 1,000-4,999	12	1	13
Large Use	1	1	2

- b) Tab I7.1 and Tab I7.2 have been revised in the updated cost allocation model to match the number of meters provided in the above table.

VECC-CQ#8

REFERENCE: 7-VECC-201

- a) With respect to New York utilities' TOU rates, what hours of the weekday are considered to be on-peak?

Response:

Peak hours differ by utility. Con Edison on peak hours are from 8:00am to midnight and super peak hours are 2:00pm to 6:00pm. Central Hudson on-peak hours are from 2:00pm to 7:00pm. National Grid ON-Peak hours are 5:00pm to 8:00pm in the winter months and 11:00am to 5:00pm in the summer months.

VECC-CQ#9

REFERENCE: OPUCN_IRR_2026 Cost Allocation Model_20250730
7-VECC-203

- a) With respect to the GS 50-999 class, Tab I6.1 shows that some of the customers received the TOA. However, in Tab I6.2 the customer counts for Primary, Line Transformer and Secondary are all the same and in Tab I7 while the Primary, Line Transformer and Secondary CP values are all the same, the Primary NCP values are higher than the corresponding Line Transformer and Secondary NCP values. Please reconcile and revise the Cost Allocation model as required.

Response:

There are 16 customers in the GS 50-999 kW class that take primary service. Changes to the R/C ratio of all classes are within 0.01%. This revision is included in the updated cost allocation model.

VECC-CQ#10

REFERENCE: 7-CCMBC-205

- a) Does OPUCN have any customers with generation such that OPUCN is subject to gross load billing by the IESO for its Line Connection and Transformation Connection charges?
- b) If yes, does OPUCN apply gross load billing to these customers for purposes of its RTSRs?

Response:

- a) Yes, there are two customers with generation subject to gross load billing.
- b) No.

VECC-CQ#11

REFERENCE: OPUCN_IRR_2026 Cost Allocation Model_20250730

- a) With respect to the O2 Tab, why is the Customer Unit Cost per month - Minimum System with PLCC Adjustment value for the Sentinel class now negative. It is noted that in the original Application the value was positive.

Response:

A negative Customer Unit Cost per month - Minimum System with PLCC Adjustment value occurs when the 4NCP demand is only slightly higher than four times the PLCC value. The total Minimum System with PLCC Adjustment amount for each class is calculated as customer-classified operating, maintenance, administrative, general, and billing costs, plus customer-classified asset-related amortization, PILs, and return on capital costs (collectively the "minimum system"), less the PLCC Adjustment amount for line transformer, primary, and secondary costs. The PLCC Adjustment costs are calculated separately in tabs O2.1, O2.2, and O2.3 and divided by the PLCC non-coincident peak, as determined in the E3 PLCC tab. If the PLCC non-coincident peak is

0 the PLCC cost adjustment is \$0. This is the case for the Street Light rate class, so no PLCC cost is subtracted from the minimum system costs.

The Sentinel Light PLCC non-coincident peak is 0.52 because the 4NCP (30.9 kW) is only slightly higher than four times the PLCC load of the class (which is the number of connections in the class times 0.4 kW = 30.4 kW). In the O2.1, O2.2, and O2.3 tabs, the amount that is four times the PLCC load (30.4 kW) is divided by the PLCC non-coincident peak value (0.52 kW) and multiplied by the costs attributable to the Sentinel Light class. For example, the secondary PLCC calculation in O2.3 is calculated as secondary costs of \$129 multiplied by 59 (=30.4/0.52) which results in \$7,628 in secondary PLCC costs attributed to Sentinel Lighting. This is more than twice the total revenue requirement allocated to the Sentinel Light rate class.

The PLCC adjustments are sufficiently high that the total is substantially more than the minimum system costs, and the Minimum System with PLCC Adjustment for the class is -\$4,413, or -\$19.36 per customer. The Minimum System with PLCC Adjustment per customer is volatile at PLCC values just above 1. If the class's 4NCP demand was 1 kW lower then the Minimum System with PLCC Adjustment per customer would be \$15.52, if the class's 4NCP was 1 kW higher the Minimum System with PLCC Adjustment per customer would be \$1.92.

VECC-CQ#12

REFERENCE: 8-Staff-211

- a) Staff-211 states: "The loss factors were calculated by pro-rating the >5,000kW loss factors from Oshawa Power's 2025 tariff schedule so the weighted average of losses among all rate classes is equal to the total loss factor as per Table 8-10 (Appendix 2-R) of OPUCN_Exhibit 8 – Rate Design_20250429" (emphasis added). However, in Table 8-4 it is the <5000kW loss factors that are pro-rated. Please reconcile.
- b) Please re-do the response to 8-Staff-211 using the updated load forecast and Appendix 2-R.

Response:

- a) The calculation is on loss factors lower than 5,000 kW, and Staff-211 should state: "The loss factors were calculated by pro-rating the <5,000kW loss factors from Oshawa Power's 2025 tariff schedule so the weighted average of losses among all rate classes is equal to the total loss factor as per Table 8-10 (Appendix 2-R) of OPUCN_Exhibit 8 – Rate Design_20250429".
- b) The updated calculations for Staff-211 are provided below, based on the updated load forecast filed with CQ responses. The updated calculation does not result in changes to the loss factors at the 4th decimal place.

Rate Class	2026 Load Forecast	2021 Settlement Total Loss Factor	Loss-Adjusted
Residential	550,418,823	1.0432	574,196,916
GS < 50	130,408,181	1.0432	136,041,814
GS 50-999	332,202,872	1.0428	346,404,744
GS 1,000-4,999	74,397,150	1.0392	77,312,700
Street Light	4,602,783	1.0432	4,801,623
Sentinel Lights	25,474	1.0432	26,575
USL	2,874,357	1.0432	2,998,529
Total	1,094,929,639	1.0428	1,141,782,900
Large Use	34,965,500	1.0140	35,455,017

Description	Value	Calculation
Total billed kWh (2026 Forecast) excluding Large Use	1,094,929,639	A
Loss-adjusted 2021 COS Loss Factors (excluding Large Use)	1,141,782,900	B
Implicit 2025 Weighted-Average Loss Factor	1.0428	C = (B/A)
2026 Loss Factor (App2-R)	1.0407	D
Adjustment	0.99803	E = D/C)

Large Use Loss Factor Calculation	Values
Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)	35,587,372
Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)	35,215,220
Distribution Loss Factor - Secondary Metered Customers > 5,000kW	1.0106
Supply Facilities Loss Factor	1.0045
Total Loss Factor - Secondary Metered Customers > 5,000kW	1.0151

Description	2025 Tariff Schedule	2021 COS Settlement Submission	Adjustment	2026 Loss Factors
Total Loss Factor - Secondary Metered Customers < 5,000kW	1.0432	1.0432	0.99803	1.0411
Total Loss Factor - Secondary Metered Customers > 5,000kW	1.0145	1.0140		1.0151
Total Loss Factor - Primary Metered Customers < 5,000kW	1.0440	1.0390	0.99803	1.0370
Total Loss Factor - Primary Metered Customers > 5,000kW	1.0045	1.0040	0.99803	1.0020

Rate Class	2026 Load Forecast	2026 Total Loss Factor	Loss-Adjusted
Residential	550,418,823	1.0411	573,045,572
GS < 50	130,408,181	1.0411	135,769,032
GS 50-999	332,202,872	1.0407	345,710,155
GS 1,000-4,999	74,397,150	1.0371	77,157,677
Street Light	74,397,150	1.0411	77,455,486
Sentinel Lights	34,965,500	1.0407	36,387,189
USL	4,602,783	1.0371	4,773,570
Total	1,201,392,458	1.0407	1,250,298,681
Large Use	34,965,500	1.0151	35,495,147

Description	Original Loss Factor	Revised Loss Factor
Supply Facilities Loss Factor	1.0450	1.0045
Distribution Loss Factor - Secondary Metered Customers < 5,000kW	1.0372	1.0365
Distribution Loss Factor - Secondary Metered Customers > 5,000kW	1.0100	1.0106
Distribution Loss Factor - Primary Metered Customers < 5,000kW	1.0380	1.0323
Distribution Loss Factor - Primary Metered Customers > 5,000kW	1.0000	1.0000
Total Loss Factor - Secondary Metered Customers < 5,000kW	1.0419	1.0411
Total Loss Factor - Secondary Metered Customers > 5,000kW	1.0145	1.0151
Total Loss Factor - Primary Metered Customers < 5,000kW	1.0427	1.0370
Total Loss Factor - Primary Metered Customers > 5,000kW	1.0045	1.0045

Rate Class	2026 Load Forecast	2026 Total Loss Factor	Loss-Adjusted
Residential	550,418,823	1.0411	573,065,484
GS < 50	130,408,181	1.0411	135,773,749
GS 50-999	332,202,872	1.0407	345,722,167
GS 1,000-4,999	74,397,150	1.0371	77,160,358
Street Light	4,602,783	1.0411	4,792,161
Sentinel Lights	25,474	1.0407	26,511
USL	2,874,357	1.0371	2,981,114
Total	1,094,929,639	1.0407	1,139,521,545
Large Use	34,965,500	1.0151	35,495,147

VECC-CQ#13

REFERENCE: 8-Staff-212

- a) With respect to OPUCN's mitigation proposal, what is the R/C ratio for the Sentinel class consistent with a bill impact of 10% and how much revenue is shifted to the Residential class?

Response:

As of the IRR versions of the rate calculations, the Sentinel Light class R/C ratio is 92.69% when rates are set to achieve a 10% total bill impact (from 96.69% without mitigation), shifting \$143 from the Sentinel Light rate class to the Residential rate class.

Following revisions to the models provided with CQ responses, the Sentinel Light class R/C ratio is 93.30% when rates are set to achieve a 10% total bill impact (from 96.73% without mitigation), shifting \$122 from the Sentinel Light rate class to the GS 1,000 to 4,999 kW rate class. This shift would increase the GS 1,000 to 4,999 kW variable charge from \$4.0366/kW to \$4.0373/kW (+\$0.0007).

**ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO (AMPCO)
PRE-SETTLEMENT FOLLOW-UP AND CLARIFICATION QUESTIONS
OSHAWA PUC NETWORKS INC.
2026 RATE APPLICATION (EB-2025-0014)**

SC-AMPCO-1

Ref: SC-CCC-6; 4-AMPCO-145(b)

In addition to providing the FTE count broken out between executive, management, non-union and union, please provide an excel version of the revised Appendix 2-K.

Response:

An updated of Appendix 2-K reflecting the FTE count breakdown is attached as an excel file (OPUCN_Appendix 2K Breakdown_Partial Settlement_20250902).

**CONSUMERS COUNCIL OF CANADA (CCC)
PRE-SETTLEMENT FOLLOW-UP AND CLARIFICATION QUESTIONS
OSHAWA PUC NETWORKS INC.
2026 RATE APPLICATION (EB-2025-0014)**

SC-CCC-1

Ref: Attachment 1-4

For each of the two proposed new deferral accounts, please provide the annual baseline cost against which variances will be measured. Please provide references to the evidence, and any supporting calculations, for the baseline figures provided.

Response:

See table below, which revises the response to 4-CCC/CCMBC-138b) and provides additional clarity with respect to the split between facilities costs associated with the current buildings at 100 Simcoe and other buildings (stations). The costs for the current buildings at 100 Simcoe form the annual baseline cost against which variances will be measured.

Category	New Building	Current Buildings at 100 Simcoe Street	Other Buildings	Total
Rent		\$425,000		\$425,000
Maintenance	\$500,000	\$193,795	\$16,760	\$210,555
Utilities		\$104,971	\$9,829	\$114,800
Phone System		\$30,317	\$2,622	\$32,939
Other		\$81,167	\$6,148	\$87,315
Total	\$500,000	\$835,251	\$35,359	\$870,610

Preliminary Building Operation Costs were provided by Oshawa Power's owner's representative. 2026 OM&A costs are forecast based on current actuals.

SC-CCC-2

Ref: 2-CCC/VECC/AMPCO-44 (e) and (f)

We acknowledge Oshawa Power's position that "Adding asset condition numbers to Table 16 would detract from Oshawa Power's approach to asset replacement focused on overall system planning and efficiency." However, we ask that Oshawa Power provide the information requested in 2-CCC/VECC/AMPCO-44, parts (e) and (f) as it appears to be available.

Response:

e) Please see table below with addition of columns for totals over the forecast period and assets in poor or very poor condition as per Table 15 of the ACA.

As previously stated in response to 2-CCC/VECC/AMPCO-44 (e) and (f), ACA recommendations for replacements are indicated in Table E-4 of the ACA, and Table 15 is an intermediary output of the ACA.

For asset groups below, that are not part of the ACA, please refer to their corresponding justifications in Exhibit 2, DSP.

- Firon overhead switches - Exhibit 2, DSP, Appendix B, pages 43-45
- Porcelain switches and insulators - Exhibit 2, DSP, page 40
- Quick sleeves - Exhibit 2, DSP, Appendix B, pages 46-49
- Meters - Exhibit 2, DSP, Appendix B, pages 67-70
- Locks - Replacement to safeguard distribution equipment from hazardous access by public via installation of higher quality locks

Asset Class	Unit	Table 16					Total (Forecast Period)	Table 15 (Intermediate output of ACA - Asset Condition Only) – Poor or Very Poor
		2026	2027	2028	2029	2030		
Poles	#	69	55	86	84	79	373	91
Overhead Conductors	m	2600	1050	2900	2800	2550	11900	12803
Underground Cables	m	724	1350	2631	1542	4061	10308	5640
Pole-Mount Transformers	#	11	9	40	31	46	137	17
Pad mount Transformers	#	9	2	25	23	33	92	10
Firon Overhead Switches	#	0	99	99	99	99	396	Not part of ACA
Porcelain Switches and Insulators	#	0	233	233	233	233	932	Not part of ACA
Quick Sleeves	#	0	141	141	141	141	564	Not part of ACA
Distribution Switchgear	#	0	2	0	1	2	5	1
Meters	#	2800	2800	2800	2800	2800	14000	Not part of ACA
Locks	#	1555	1555	1555	1555	1555	7775	Not part of ACA

f) Please see table below with addition of columns for totals over the forecast period, assets in poor, very poor or fair condition as per Table 15 of the ACA, and fair assets planned for replacement.

As previously stated in response to 2-CCC/VECC/AMPCO-44 (e) and (f), ACA recommendations for replacements are indicated in Table E-4 of the ACA, and Table 15 is an intermediary output of the ACA.

For asset groups below, that are not part of the ACA, please refer to their corresponding justifications in Exhibit 2, DSP.

- Firon overhead switches - Exhibit 2, DSP, Appendix B, pages 43-45
- Porcelain switches and insulators - Exhibit 2, DSP, page 40

- Quick sleeves - Exhibit 2, DSP, Appendix B, pages 46-49
- Meters - Exhibit 2, DSP, Appendix B, pages 67-70
- Locks - Replacement to safeguard distribution equipment from hazardous access by public via installation of higher quality locks

Asset Class	Unit	Table 16					Total (Forecast Period)	Table 15 (Intermediate output of ACA - Asset Condition Only) – Poor, Very Poor, or Fair	"Fair" assets being replaced
		2026	2027	2028	2029	2030			
Poles	#	69	55	86	84	79	373	330	122
Overhead Conductors	m	2600	1050	2900	2800	2550	11900	60967	0
Underground Cables	m	724	1350	2631	1542	4061	10308	40533	5148
Pole-Mount Transformers	#	11	9	40	31	46	137	248	8
Pad-mount Transformers	#	9	2	25	23	33	92	628	26
Firon Overhead Switches	#	0	99	99	99	99	396	Not part of ACA	Not part of ACA
Porcelain Switches and Insulators	#	0	233	233	233	233	932	Not part of ACA	Not part of ACA
Quick Sleeves	#	0	141	141	141	141	564	Not part of ACA	Not part of ACA
Distribution Switchgear	#	0	2	0	1	2	5	15	4
Meters	#	2800	2800	2800	2800	2800	14000	Not part of ACA	Not part of ACA
Locks	#	1555	1555	1555	1555	1555	7775	Not part of ACA	Not part of ACA

SC-CCC-3

Ref: 2-CCC/VECC-47(b)

- a) Please advise whether the “Post-settlement” (Item 2) is referring to a settled amount within the context of the 2021 rebasing proceeding for the Municipal Substation Switchgear Replacement Program or a change to the forecast budget after the proceeding concluded.
- b) Please further discuss the decision to replace riser poles (Item 5) as part of the Municipal Substation Switchgear Replacement Program.

Response:

- a) “Post settlement” is referring to the settled amount within the context of the 2021 rebasing.
- b) Riser poles are critical structural assets supporting the egress cables and main backbone feeder sections. The integrity of these poles is essential, as the failure of any one of the six riser poles would result in a complete outage for all customers served by the feeder supported by that pole.

As part of the program, the existing 500MCM cable was prudently replaced with 1000MCM to account for organic load growth. This constitutes a non-like-for-like replacement, and under the requirements of Ontario’s Electrical Distribution Safety Regulation O. REG 22/04, any associated infrastructure must be upgraded to meet current safety standards. This includes pole loading analysis, reframing to current design requirements, and redesign based on industry best practices.

All existing riser poles were approximately 38 years old or older, which is at the far end of a pole’s typical useful life (TUL). Due to the presence of large egress cables occupying most of the pole’s surface area, resistograph testing typically performed to assess pole condition, could not be completed safely without the risk of test equipment making contact with energized conductors. As a result, replacement decisions were based on visual inspection and asset age. Poles already exhibited visible cracking (See image below).



One existing pole (Pole 7684) supported two egress cable risers, which is no longer considered best practice due to the increased reliability (animal contact, pole failure) and safety (clearance issues) risk posed by a single point of failure affecting two main feeders. This pole was replaced, and an additional dedicated pole was installed to separate the feeders.

As part of the redesign, four new riser poles, one per egress cable, were installed closer to the station as opposed to using the existing poles further away from the station. These were engineered to current standards by an internal subject matter expert, representing a financially and operationally efficient solution that avoided the need for extensive trenching and concrete-encased duct installation to the original riser locations, as the existing cables were direct buried (which is also no longer considered best practice as per current standards).

SC-CCC-4

Ref: 2-CCC/AMPCO-55(c)

If available, please provide an estimate of the cost difference between pole replacement and pole reinforcement.

Response:

Oshawa power does not have an estimate of the cost difference between pole replacement and pole enforcement as it was not considered as an option as previously stated in response to 2-CCC/AMPCO-55(c).

SC-CCC-5

Ref: 2-CCC-74(d)

With respect to the “1x50’ Aerial Device” (p. 102 of Material Justification Sheet), please confirm, or correct, the following understanding:

- i) The total cost of the vehicle is \$600k
- ii) The in-service date is 2027
- iii) Oshawa Power has treated the \$200k spend in 2026 as an in-service addition for ratemaking purposes (as reflected as part of the \$500k Fleet in-service additions for 2026 in Appendix 2-AA).

Response:

With respect to the “1x50’ Aerial Device” (p. 102 of Material Justification Sheet), please confirm, or correct, the following understanding:

- i) Confirmed.
- ii) Confirmed.
- iii) Based on updates from the fleet supplier, Oshawa Power expects \$600K planned in-service for one large vehicle for each year in 2026 and in 2027, but is not adjusting the proposed total \$500K capital expenditure in 2026. The previously planned 2026 in-service of \$150K for the panel van, and \$150K for the trailer, have been moved to 2028 to smooth expenditures.

SC-CCC-6

Ref: 4-AMPCO-145(b)

Please provide the FTE count broken out between executive, management, non-union and union.

Response:

	2021 Test Year	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Executive	4	4	3	6	7	7	7
Management	15	9	13	13	15	15	17
Non-Union	10	13	14	20	29	29	42
Union	62	44	43	48	35	37	39
Total	91	70	73	87	86	88	105

SC-CCC-7

Ref: 4-CCC/VECC-136

For the contracted labour and “other” line items in the HR & Safety program, please discuss the increase between the 2026 forecast and 2024 actuals.

Response:

Other Costs	2026	2025	2024
Misc	(18,720)	(18,139)	9,450
Corp membership	5,442	5,309	7,387
Other Training	96,000	80,000	3,461
Payroll service charges	33,190	32,381	3,411
Total	115,912	99,551	23,708

Oshawa Power notes that the increase between the 2026 forecast and 2024 actuals for the Other line includes the following:

1. Training has been centralized and Oshawa Power also implemented a new policy to include tuition reimbursement.
2. Oshawa Power implemented a new payroll processing application (Dayforce) and the service charges have increased.

Oshawa Power notes that the increase between the 2026 forecast and 2024 actuals for the Contracted Labour line includes the following:

1. The additional costs are for new reports and support with other Dayforce modules.

2-Intervenor-62

Reference: **Ex. 2, Appendix A – Distribution System Plan, p. 37 and Material Investment Summary Documents, pp. 57-60**

Question(s):

a) Please confirm, or correct, and complete the following table.

	2021	2022	2023	2024 Actual	2025 Bridge Year	2026 Test Year	2027	2028	2029	2030
Pole Replace (\$)	\$ 1,117,942.43	\$ 1,092,660.49	\$ 1,390,654.69	\$ 1,631,007.20	\$ 1,050,000.00	\$ 1,581,000.00	\$ 1,612,000.00	\$ 1,644,550.00	\$ 1,677,100.00	\$ 1,711,200.00
Pole Replace Proactive (\$)	\$ 915,000.00	\$ 711,000.00	\$ 1,032,000.00	\$ 1,130,000.00						
Pole Replace Proactive (Unit)	69	51	77	75						
Pole Replace Proactive (\$/Unit)	\$ 13,260.87	\$ 13,941.18	\$ 13,402.60	\$ 15,066.67						
Pole Replace Reactive (\$)	\$ 203,000.00	\$ 421,000.00	\$ 340,000.00	\$ 302,000.00						
Pole Replace Reactive (Unit)	15	26	32	18						
Pole Replace Reactive (\$/Unit)	\$ 13,533.33	\$ 16,192.31	\$ 10,625.00	\$ 16,777.78						
	2021	2022	2023	2024 Actual	2025 Bridge Year	2026 Test Year	2027	2028	2029	2030
Pole Replacement (\$)										
Pole Replacement (Unit)										
Pole Replacement (\$/Unit)										
Pole Enforced (\$)										
Pole Enforced (Unit)										
Pole Enforced (\$/Unit)										

b) Please provide the number of pole failures for each of the years 2015 to 2024 and 2025 to date.

Response:

a) BHI confirms, corrects where applicable and completes the information in Table 1 below.

BHI has updated its capital forecast for 2025 and 2026 in response to interrogatory 1-Staff-1 and provides the information based on the updated forecast.

BHI has also corrected previously provided Proactive \$ for wood poles in table 5.2.6 of the DSP in Table 1 below.



Table 1

	2021	2022	2023	2024 Actual	2025 Bridge Year	2026 Test Year	2027	2028	2029	2030
Pole Replace (\$)	\$1,117,942	\$1,092,660	\$1,390,655	\$1,631,007	\$2,292,647	\$1,581,000	\$1,612,000	\$1,644,550	\$1,677,100	\$1,711,200
Pole Replace Proactive (\$)	\$915,383	\$671,591	\$1,050,265	\$1,328,642	\$1,615,000	\$1,581,000	\$1,612,000	\$1,644,550	\$1,677,100	\$1,711,200
Pole Replace Proactive (Unit)	69	51	77	75	96	154	154	154	154	154
Pole Replace Proactive (\$/Unit)	\$13,261	\$13,941	\$13,403	\$15,067	\$16,823	\$10,266	\$10,468	\$10,679	\$10,890	\$11,112
Pole Replace Reactive (\$)	\$202,559	\$421,069	\$340,390	\$302,365	\$677,647					
Pole Replace Reactive (Unit)	15	26	32	18	24					
Pole Replace Reactive (\$/Unit)	\$13,533	\$16,192	\$10,625	\$16,778	\$28,235					
	2021	2022	2023	2024 Actual	2025 Bridge Year	2026 Test Year	2027	2028	2029	2030
Pole Replacement (\$)	\$1,117,942	\$1,092,660	\$1,390,655	\$1,631,007	\$2,255,147	\$1,504,500	\$1,534,000	\$1,564,975	\$1,595,950	\$1,628,400
Pole Replacement (Unit)	84	77	109	93	95	104	104	104	104	104
Pole Replacement (\$/Unit)	\$13,309	\$14,190	\$12,758	\$17,538	\$23,738	\$14,466	\$14,750	\$15,048	\$15,346	\$15,658
Pole Enforced (\$)					\$37,500	\$76,500	\$78,000	\$79,575	\$81,150	\$82,800
Pole Enforced (Unit)					25	50	50	50	50	50
Pole Enforced (\$/Unit)					\$1,500	\$1,530	\$1,560	\$1,592	\$1,623	\$1,656

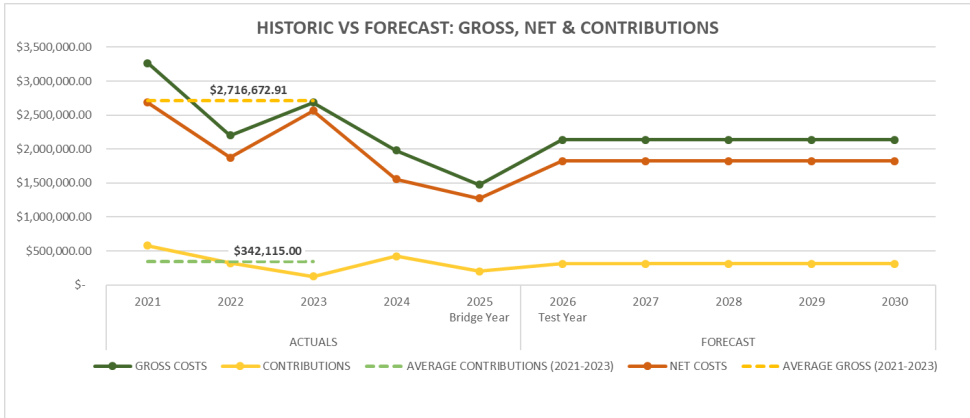
- b) BHI provides the number of pole failures for each of the years 2021 to 2024 and 2025 to date in Table 2 below. BHI did not track the number of pole failures prior to 2021.

Table 2

Description	2021	2022	2023	2024	2025 (YTD May)
Pole Failures	8	6	5	7	11

A. General Project Information

Project Name	Reactive Replacement Program				Project Number		SR-12			
Investment Category	System Renewal				Project Year		2026-2030			
Project Description	Reactive renewal projects represent unplanned projects that consist of assets that are failed, are about to fail, or present a safety hazard to the public. These projects typically arise from trouble calls, storm damage, equipment failures, dig-in damage, accidents, fires as well as information provided from third parties (ESA, customers, communication companies, etc.)									
Start Date	2026-2030				Expected In-Service Date		2026-2030			
Estimated Expenditure Timing	Q1		Q2		Q3		Q4			
	2026	\$535,000	\$543,000	\$543,000	\$543,000	\$535,000				
	2027	\$535,000	\$543,000	\$543,000	\$543,000	\$535,000				
	2028	\$535,000	\$543,000	\$543,000	\$543,000	\$535,000				
	2029	\$535,000	\$543,000	\$543,000	\$543,000	\$535,000				
	2030	\$535,000	\$543,000	\$543,000	\$543,000	\$535,000				
Historical and Forecast Capital Expenditures	Historical and Forecast Program expenditures (\$,000) are shown below.									
Category	Historical Period				Bridge Year	Test Year	Forecast Period			
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Capital (Gross)	\$3,264	\$2,200	\$2,686	\$1,982	\$1,476	\$2,138	\$2,138	\$2,138	\$2,138	\$2,138
Contributions	\$578	\$324	\$124	\$424	\$204	\$312	\$312	\$312	\$312	\$312
Capital (Net)	\$2,686	\$1,876	\$2,562	\$1,559	\$1,272	\$1,826	\$1,826	\$1,826	\$1,826	\$1,826

Economic Evaluations	Not applicable
Historical Comparative Projects	The proposed budget is based on average historical expenditures. However, as this budget is influenced by external factors such as weather conditions and traffic accidents, and generally unplanned, unexpected and uncontrollable events, expenditures are assessed on an annual basis and are inherently difficult to predict. A reduced budget, approximately 20% lower than historical levels (2021-2023), has been allocated for the forecast period. This reduction reflects increased focus on proactive replacement programs, including but not limited to quick sleeve, porcelain insulator replacements, and overloaded transformer replacements. The contribution amount remains relatively consistent with historical levels, as reactive costs associated with asset failures do not generate contributed capital. Consequently, billable items arising from events such as dig-ins and accidents are forecasted to follow historical trends.  Figure 1 – Historic vs Forecast spend amounts
Investment Priority	Mandatory priority. This project/program deals with addressing system outages and safety concerns. Tasks are typically considered emergency in nature.
Alternatives Analysis	There are no other practical and cost-effective alternatives to this project. This project is a reactive based project that receives a very high priority when tasks arise.
Innovative Nature of the Project	Not applicable.

Leave to Construct	This project is below 50 kV and therefore Leave to Construct is not required, as per O.Reg. 161/99.
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Images, Drawings, Maps, & Other Reference Material
B. Evaluation Criteria and Information Requirements
Efficiency, Customer Value, Reliability and Safety

Efficiency	The investment objectives are to continue safe operation of the electrical system and maintain Oshawa Power's reliability by limiting the duration of outages. Emergency replacements are typically constructed like-for-like, but when practical, they are constructed to USF and/or Oshawa Power standards.
Customer Value	Customers benefit from this project is having outage times reduced and safety concerns managed in a timely fashion.
Reliability	This project does not have a direct impact on frequency and duration of outages; however, the reactive work will reduce the probability of future outages at the same location.
Safety	Public and worker safety is a primary purpose in this project. Attending the site, making it safe and replacing the failed infrastructure reduces hazards for both the public and workers. Final installations are completed as per CSA, USF and/or Oshawa Power specific standards which adhere to a high level of safety standards and in compliance with O. Reg. 22/04.

Investment Need

Primary Driver	This program falls under the System Renewal Investment driver and addresses safety to the public and workers when assets fail and need to be repaired/refurbished and also is needed to maintain system reliability and provide customer service.
Secondary Driver	There are no secondary drivers.

Information Used to Justify the Investment	Historical expenditures have been analyzed in conjunction with age and condition of existing infrastructure. Emergency service restoration is an OEB-mandated activity.
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Investment Justification

Demonstrated Utility Practice	Failed assets, if not replaced/repared immediately, pose system reliability hazards. Replacement of failed assets is needed to maintain system reliability. Like- for- like replacements are typical for majority of tasks that arise from outages or safety concerns due to typical timing of tasks.
Cost-Benefit Analysis	This project has a neutral effect on O&M costs.
Historical Outcomes	Replacements constructed using the latest standards and industry standards and practices.

Conservation and Demand Management

Not Applicable

- h) Please refer to the methodology in section 3 of the “Substation transformer and switchgear lifecycle risk and options analysis report 2023” in Exhibit 2, DSP, Appendix C – Asset Condition Assessment and Options Analysis Report.
- i) Oshawa Power already had a contract with a third-party for the replacement of the switchgears MS2, MS5, MS7, and MS11. This contract was legally binding, and if Oshawa Power decided not to replace these assets, financial penalties would be incurred. Therefore, the cost of these penalties was taken into account when METSCO was carrying out its analysis.
- j) The current regulated return on rate base is 5.67% (refer to Exhibit 6, page 7). The difference in rates used is 0.02%, and immaterial to the calculation.
- k) The methodology and calculation are explained in beginning of section 4 of the “Substation transformer and switchgear lifecycle risk and options analysis report 2023” in Exhibit 2, DSP, Appendix C – Asset Condition Assessment and Options Analysis Report.
- l) Lower preventative maintenance costs have not been considered in the OM&A budget because this project is not complete as only 1 of 4 MS switchgear have been replaced at this time.

2-Staff-62

Ref. 1: Distribution System Plan, Appendix B – Material Justification Sheets, p.63

Question(s):

To what does Oshawa PUC Networks attribute its lowered reactive system renewal budgets in 2024 (\$1.6 million) and 2025 (\$1.3 million), and why is a similar expenditure not expected for 2026?

Oshawa Power Response

Collective impacts of targeted proactive renewal programs, and introduction of distribution automation since 2021 removed a portion of the reactive work that occurred in historical high-cost years like 2021. 2024 actuals had low reactive costs (was the best

case - anomaly) reflected in strong 2024 SAIDI SAIFI scores of 0.3 and 0.29 respectively.

Oshawa Power anticipated the same trend may continue for some or all of 2025 based on its set reliability targets and unusually favourable weather, and set the 2025 reactive system renewal budget on this basis. The 2026 Test Year budget was increased to \$1.8M to reflect a more typical, sustainable mid-range that recognizes year-to-year weather volatility. The proposed 2026-2030 budget reflects an 8% reduction from the 2021-2025 historical average.

2-CCC-63

Ref. 1: Distribution System Plan, Appendix B – Material Justification Sheets, pp.63-66

Question(s):

- a) (P. 64) Please confirm that the proposed 2026-2030 reactive replacement budget reflects an 8% reduction relative to the 2021-2025 budget.
- b) (P. 64) Please provide the basis for the 20% reduction for the 2026-2030 reactive replacement budget relative to the 2021-2023 historical period (instead of the entire period). Please confirm that the same logic regarding increased proactive replacement would support a reduction to reactive replacement relative to the entire 2021-2025 historical period.
- c) (P. 64) Please further discuss the historical capital contributions paid on reactive capital (i.e., what types of work attract capital contributions).

Oshawa Power Response

- a) Confirmed.
- b) The 2026-2030 reactive program budget was developed before 2024 actuals were available and so the comparison in the application measures the 2026-2030 total budget against the 2021-2023 historical average. However, Oshawa Power did qualitatively factor in expectations of lower reactive costs in 2024 and 2025

to secure more competitive rates and benefits adjusted to meet labour market expectations.

4-CCC/VECC-154

Ref. 1: Exhibit 4, p. 89-100

Question(s):

- a) Please provide a table that shows the relative contribution to Oshawa PUC Networks' increased compensation costs for the 2021-2026 period between changes in FTEs relative to increases to salaries & benefits.
- b) (P. 89) Please provide any third-party compensation benchmarking studies (Union and/or Non-Union) that were completed by Oshawa PUC Networks in advance of the current application to support its statement that it "ensures compensation levels are in alignment with industry averages, based on the P50 market position referred to in the survey." If no third-party studies were completed in advance of the application, please explain why. In the case that Oshawa PUC Networks performed its own internal benchmarking review, please provide that review.
- c) (P. 90) Please provide any analysis completed with respect to the wage increases set out in Oshawa PUC Networks' collective bargaining agreement relative to other LDCs.

Oshawa Power Response

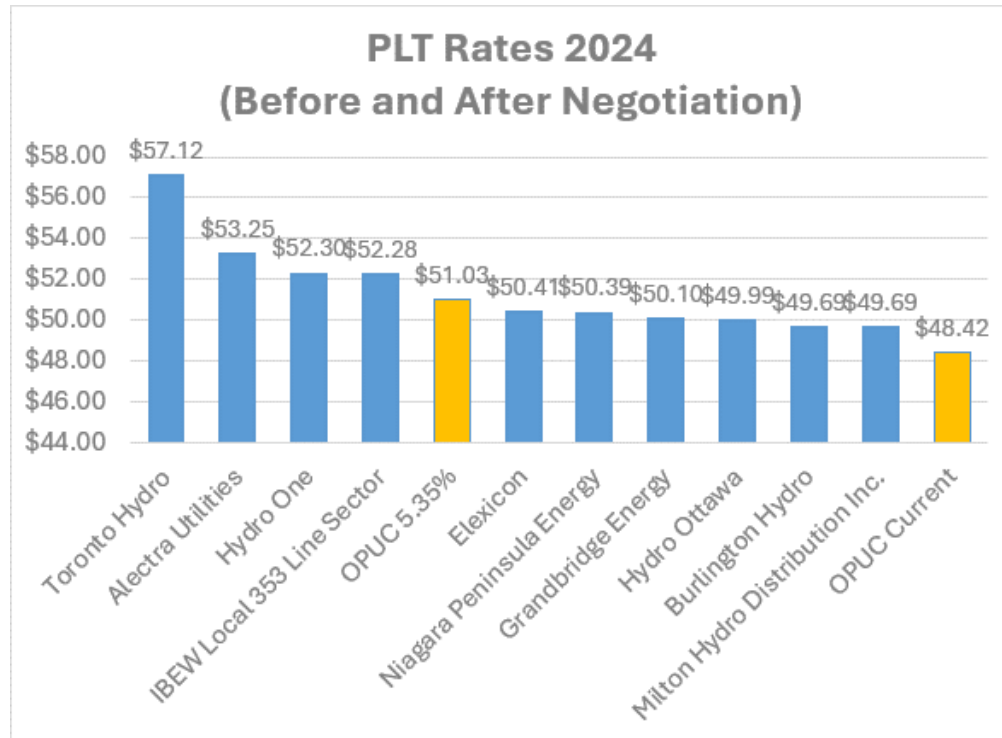
- a) See Table below and refer to Exhibit 4, pages 89-100.

IRR Table 4-63: Compensation Costs and End-of-Year FTEs (2021-2026)

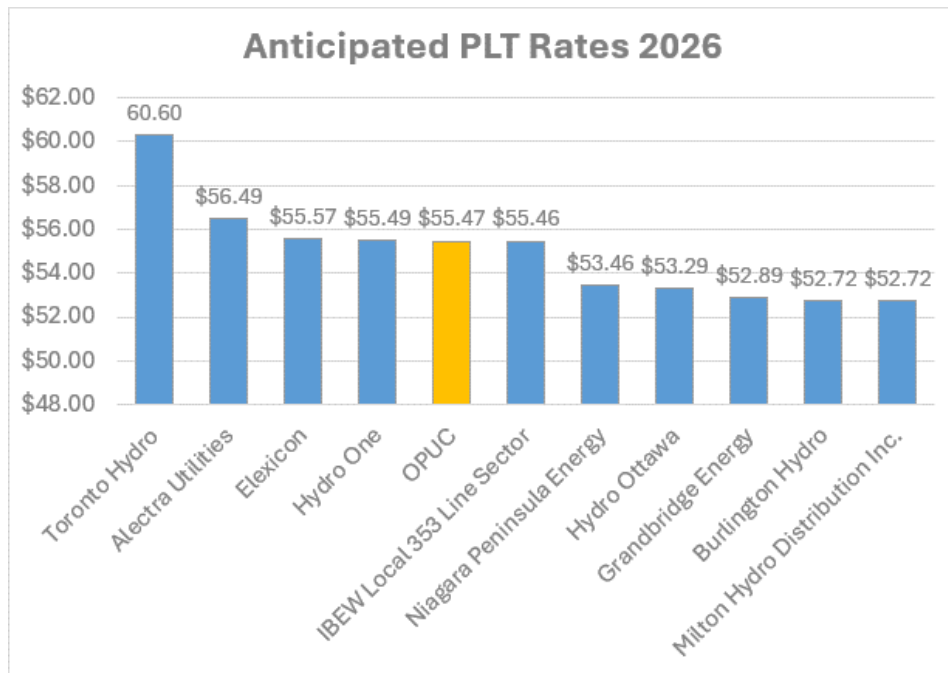
	2021 OEB - Approved	2021 Actuals	Var (2021 OEB & 2021 Actuals)	2022 Actuals	Var (2021 & 2022 Actuals)	2023 Actuals	Var (2022 & 2023 Actuals)	2024 Actuals	Var (2023 & 2024 Actuals)	2025 Bridge Year	Var (2024 Actuals & 2025 Bridge Year)	2026 Test Year	Var (2025 Bridge Year & 2026 Test Year)
FTEs	91.4	70.3	-21.1	73.5	3.2	87.0	13.5	85.7	-1.3	87.9	2.2	105.2	17.3
Compensation	11,966,740	10,643,046	-1,323,694	11,017,657	374,611	12,036,598	1,018,941	13,948,381	1,911,783	15,468,506	1,520,125	18,029,194	2,560,688

- b) The Korn Ferry Compensation Market Analysis and Salary Structure Study is the primary compensation reference used by Oshawa Power. It has been filed in response to 4-SEC-166 as Attachment 4-5. Oshawa Power also leveraged the 2023 MEARIE Management Salary Survey as a secondary reference. It has been previously filed by another LDC and is publicly available on the OEB's webpage (Interrogatory Responses of Festival Hydro dated July 25, 2024, EB-2025-0023, Attachment 3 in response to 4-Staff-21).
- c) See Figures below for benchmarking analysis on increases for PLTs.

IRR Figure 4-6: PLT Rate Benchmarking (Before and After Negotiation)



IRR Figure 4-7: Forecast PLT Rate Benchmarking (2026)



4-Staff/CCMBC-155

Ref. 1: Exhibit 4, p.99

Ref. 2: Chapter 2 Appendices – 2-K

Preamble:

Oshawa PUC Networks noted in reference 1 that net FTEs are increasing by 2% in 2025 but compensation is increasing by 11%.

According to reference 2, management total compensation are increasing 15.4% in 2024, 19.1% in 2025 and 10.9% in 2026 on a per FTE basis.

Question(s):

- Please explain how Oshawa PUC Networks estimated a compensation increase of 11% given only a 2% increase to FTEs as noted in reference 1.
- Please explain how Oshawa PUC Networks estimated a 19.1% increase in compensation per FTE for 2025 and 10.9% in 2026 as per reference 2,

Attachment 4 – 5

Korn Ferry Compensation Market Analysis

Oshawa Power and Utilities Corporation (OPUC)

Compensation Market Analysis and Salary Structure Recommendations

February 24, 2023



Content

- 1 PROJECT SCOPE
- 2 JOB EVALUATION
- 3 METHODOLOGY AND APPROACH
- 4 MARKET ANALYSIS SNAPSHOT
- 5 PROPOSED SALARY STRUCTURE
- 6 NEXT STEPS – OPUC

Project Scope

Oshawa Power & Utilities Corporation (OPUC) contracted Korn Ferry Hay Group (KFHG) to evaluate selected non-executive/non-union positions and complete a market pricing review against two comparator markets. OPUC selected the comparator organizations from the KFHG compensation database in the following two markets:

- All public & private sector organizations in Ontario
- All public & private sector organizations in the GTA

The compensation elements included in this review are Annual Base Salary and Target Total Cash (i.e., actual base salary plus annual target bonus). In addition, the OPUC positions are compared to the market based on Hay Job Evaluation Points.

This presentation outlines the evaluations of the jobs and how OPUC compensation – actual base salary and annual target bonus compared to the two markets.

Job Evaluation

Thirty-five OPUC positions were evaluated using the KFHG Guide Chart-Profile Method for job evaluation. A summary of the evaluation method is provided in the next slide.

While similar work was completed for OPUC in 2008 and 2017, changes have since occurred to several positions, new positions have been added and some positions eliminated. OPUC wanted to re-evaluate any existing jobs and evaluate new jobs.

OPUC provided updated job descriptions and organization structure to KFHG to help ensure each job was evaluated accurately based on job function, scope and reporting structure. We also used the work completed in 2017 as a reference. KFHG discussed with OPUC's project team, the current composition of the organization, and information regarding each of the roles, including any changes.

All jobs were evaluated, and their respective grade level identified.

Evaluations were reviewed and confirmed with the project team to ensure that KFHG's understanding of these roles was consistent with that of OPUC.

Full Evaluations

Job Title	Department	Total Pts	KF Level
CEO			
Business Analyst (on hold)↑	Information Technology		
Communication Coordinator	Communications		
Corporate Communication specialist	Communications		
Coordinator, Health and Safety	Health and Safety		
Director, Engineering Services	Engineering		
Director, Technology & Project Management	Executive		
Distribution Engineering in training (EIT)	Engineering		
Executive Assistant & Corporate Secretary	Corporate		
Financial Analyst - FP&A	Finance		
Financial Analyst	Finance		
Information Technology Specialist	Information Technology		
Manager, Customer Service	Customer Service		
Manager, Finance & Regulatory Compliance	Finance		
Manager, Corporate Communications	Communications		
Manager, Human Resources and Health & Safety	Human Resources		
Manager, Supply Chain	Supply Chain		
VP Finance, Business and Corporate Services	Finance		
Managing Director – Oshawa Power	Oshawa Power		
IT Network Analyst	Information Technology		
Operational Technology Specialist (GIS)	Information Technology		
Project Lead	Information Technology & Project Management		
Senior Distribution Engineer	Distribution		
Senior Financial Analyst - FP&A	Finance		
Senior Financial Analyst – Regulatory Compliance	Finance		
Field Supervisor, Health and Safety	Health and Safety		
Supervisor, Distribution Construction	Distribution		
Manager, Distribution Construction	Distribution		
Senior Manager, Financial Accounting	Finance		
Manager of Financial Planning, Analysis & Reporting	Finance		

Methodology and Approach

Comparator Market

- In alignment with OPUC's operations and talent strategy, the following peer group (PG) was used for benchmarking:
 - **Custom Peer Group Ontario (352 organizations)**
 - **Custom Peer Group GTA (225 organizations)**

Job Size Approach

- Compensation levels for a given position are **compared to positions of similar size** (KF JE points) within the selected market
- All jobs in the KF proprietary compensation database have KF job evaluation points associated with them

Target Market Level

- Comparisons between OPUC's pay levels and the selected **market P25, P50 and P75** are illustrated in the market analysis section
- While the overall philosophy is understood to be targeting the P50 of the market, **P25 and P75 have been provided for reference especially for roles that may require differentiated positioning**

Market Analysis Snapshot (GTA and Ontario) – Base Salary

	OPUC Base Salary (BS)	GTA Market Base Salary (BS)			GTA Market (BS) vs. OPUC (BS)			Ontario Market Base Salary (BS)			Ontario Market (BS) vs. OPUC (BS)		
KF Grade	P50	P25	P50	P75	P25	P50	P75	P25	P50	P75	P25	P50	P75
23													
22													
21													
20													
19													
18													
17													
16													
15													
14													
13													
12													
		Average						Average					

- Overall, the average base salaries for OPUC are seen to be aligned for the lower levels and lagging for the higher levels in comparison to the market P50 (GTA and ON)
- The average gap (% increase/decrease required in the current salary to reach the specific market percentile) P50 is approximately [REDACTED], respectively
- We observed that there is some inconsistency with respect to base salaries between levels (e.g; at [REDACTED])
- Recommendations have been made to address this issue in the slides on the following pages

Market Analysis Snapshot (GTA and Ontario) – Total Cash

	OPUC Total Cash (TC)	GTA Market Total Cash (TC)			GTA Market (TC) vs. OPUC (TC)			Ontario Market Total Cash (TC)			Ontario Market (TC) vs. OPUC (TC)		
KF Grade	P50	P25	P50	P75	P25	P50	P75	P25	P50	P75	P25	P50	P75
23													
22													
21													
20													
19													
18													
17													
16													
15													
14													
13													
12													
Average					Average								

- Overall, the average Total Cash for OPUC is [redacted] in comparison to the GTA Market P50
- Overall, the average Total Cash for OPUC is [redacted]

Proposed Salary Structure

	Proposed Salary Structure							Proposed Incentive Structure	
KF Grade	Mkt P50 Base Salary	Min	Min vs Mid	Mid	Max vs Mid	Max	Midpoint progression	Mkt P50 Target incentive	Proposed Target Incentive
23									
22									
21									
20									
19									
18									
17									
16									
15									
14									
13									
12									

- Above is our proposed base salary structure that consists of the minimum and maximum salary ranges based on the Ontario Market P50
- Midpoint progression is more consistent and addresses the issues identified in your current base salary structure outlined on slide 7
- We have proposed the above incentive structure to be more aligned with the market as your current incentive structure is lagging in comparison to the Ontario Market P50

Next Steps – OPUC

- Review overall gap and decide mitigation steps based on budget availability
- Focus on specific positions/levels that are considered critical/high flight risk
- Initiate work towards streamlining internal compensation progression considering the leveling of jobs (may require some re-evaluation/re-mapping)
- Implementing the new salary structure and the incentive program plan for OPUC
- We have created a new grading structure that accommodates all the roles within OPUC and allows for greater flexibility and consistency in progressing from one grade to the next

Thank You



Appendix 2K – Partial Settlement Version

		2021 OEB Approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget	2026 Budget
Total Salary and Wages								
Executive		514,838	1,548,463	1,894,364	1,125,299	1,971,806	2,640,313	2,960,381
Salary		468,034	1,381,135	1,729,012	809,950	1,688,635	2,392,624	2,464,673
Incentive		46,803	167,328	165,351	315,349	283,170	247,688	495,709
Management		2,772,187	1,167,649	1,103,146	1,383,183	1,483,295	1,774,945	2,176,861
Salary		2,563,224	888,851	824,348	1,222,290	1,309,531	1,526,289	1,824,544
Incentive		208,963	278,798	278,798	160,892	173,764	248,656	352,317
Non-Union		158,003	896,617	992,339	1,841,335	2,054,530	2,101,154	2,470,352
Salary		158,003	697,197	792,919	1,674,007	1,867,895	1,691,732	2,047,042
Incentive			199,420	199,420	167,328	186,635	409,423	423,310
Union		5,755,478	4,610,382	4,626,075	4,978,732	5,276,742	5,273,313	6,178,111
Wages		4,956,039	3,951,072	3,806,366	4,208,632	4,572,499	4,608,937	5,497,126
Overtime		799,439	659,311	819,709	770,100	704,243	664,376	680,985
Total Salary and Wages		9,200,506	8,223,111	8,615,923	9,328,548	10,786,373	11,789,724	13,785,705
Total Benefits								
Executive		147,236	249,046	201,924	303,180	422,524	433,869	446,313
Management		797,734	286,440	308,704	351,587	375,842	526,667	691,586
Non-Union		711,974	928,955	951,777	1,055,468	1,260,487	1,587,077	1,737,716
Union		1,109,291	955,493	939,329	997,815	1,103,154	1,131,170	1,367,873
Total Benefits		2,766,235	2,419,934	2,401,734	2,708,050	3,162,008	3,678,782	4,243,488
Total Compensation								
Executive		615,270	1,797,509	2,096,288	1,428,478	2,394,330	3,074,182	3,406,694
Management		3,616,724	1,454,089	1,411,850	1,734,770	1,859,137	2,301,611	2,868,447
Non-Union		869,977	1,825,572	1,944,115	2,896,803	3,315,017	3,688,231	4,208,068
Union		6,864,769	5,565,875	5,565,404	5,976,548	6,379,897	6,404,482	7,545,984
Total Compensation		11,966,740	10,643,046	11,017,657	12,036,598	13,948,381	15,468,506	18,029,194
Employees Eligible for Incentive			14	24	37	40	45	52
Executive		4	4	3	6	7	7	7
Management		15	9	13	13	15	15	17
Non-Union		10	13	14	20	29	29	42
Union		62	44	43	48	35	37	39
Total		91	70	73	87	86	88	105

4.4.5 Employee Compensation Strategy

As noted earlier and addressed in the Review, Oshawa Power faces a competitive labour market for qualified staff for roles across the organization. Oshawa Power is committed to creating a high-performing workforce that is engaged, motivated, and equipped to meet both current and future organizational needs, and this includes development of a competitive compensation strategy that aligns with the available industry benchmarks. This approach has not changed significantly since the last cost of service application, although the benchmarking results have changed significantly since that time due to inflation and other constraints in the labour market.

Each year, Oshawa Power participates in the MEARIE Management Salary Survey for the LDC industry and the Utility Rate Comparison Survey for unionized salaries and benefit policies administered by the EDA Network. This annual process and review provides industry comparators to benchmark compensation policies and practices and ensure consistency. Oshawa Power ensures compensation levels are in alignment with industry averages, based on the P50² market position referred to in the survey.

In addition, in 2022 Oshawa Power engaged the Korn Ferry Group to review the management compensation system. This review provided an objective review of non-union job descriptions and adjustments of maximum salary rates for each position for purposes of internal equity and alignment with external industry benchmarks. Job rate (100%) is the rate at which a fully experienced and competent individuals is expected to operate at. Below Job Rate, the individual is either new to the role and/or considered to be developing.

Finally, Oshawa Power regularly compares compensation rates and policies to wage settlements and collective agreements available through the EDA. Oshawa Power benchmarks itself against recent settlements in the Utilities & Construction industries as filed on the Government of Canada - Employment & Social Development website: <https://www.canada.ca/en/employment-social-development/services/collective-bargaining-data/wages/wages-industry-sector.html>.

² 50th percentile.

Trades & Technical Staff

Oshawa Power's unionized employees are represented by the International Brotherhood of Electrical Workers (IBEW). The current Collective Bargaining Agreement is effective from November 1, 2024 and expires October 31, 2027, following the conclusion of a seven year agreement that resulted in Oshawa Power having the lowest wages for its unionized rates in the GTA and surrounding areas. The current agreement, which was entered into in 2024, includes annual wage increases of 3.25% for 2024, 2025 & 2026 and a \$1.00/hour increase for trades in 2024 and 2025. These annual wage increases reflect an in-depth analysis of market trends, industry settlements and improves the ability to retain and attract trades and technical workers to meet future growth and demands with nearly half of the sector's 34 core occupations projected to face labour shortages at the economy wide level. Benefits were also enhanced to better align with industry standards, as discussed in section 4.4.6 below.

Professional & Management Staff

Executive and management compensation plan consists of salaries and benefits. Each position within the Organization has been placed on a pay scale which is reviewed annually by the Executive team and the Board of Directors' HR Committee. Each employee's position within their respective range is reviewed based on performance, an inflationary adjustment and is regularly benchmarked against industry comparators. Changes to senior management compensation, if any, are approved by the Board of Directors. From review of industry benchmarks since 2023, it was determined that professional and management salary and benefits needed to be improved in order to remain competitive with other employers the GTA.

Performance Management

Oshawa Power has strengthened its performance management systems to ensure accountability and continuous improvement for all employees. In particular, Oshawa Power's management team has many new managers with less than five years of service and leadership is assessing developmental opportunities, and is focused on building its leadership pipeline. In 2023 and 2024, Oshawa Power put specific individual development plans in place to harness the knowledge of retiring professionals and provide mentorship

and knowledge transfer to junior staff employees, ensuring corporate knowledge is retained and passed on. These programs will continue over the next five years as we on board more employees and identify high potential staff.

Incentive Based Pay

Oshawa Power offers a variable incentive plan to management and non-union staff which ranges between 10% and 20% of base salary, the final payout being made based on performance compared to targets set at the beginning of each year that align with the OEB Scorecard. The Oshawa Power management at-risk compensation plan has been updated to more strategically align corporate and individual performance outcomes 2026, as well as to better align with industry standards in order to be able to attract and retain staff within the competitive GTA employment market, based on the MEARIE Management Salary Survey.

4.4.6 Benefit Program Costs

Oshawa Power utilizes the default accrual basis for recovery of pension and Other Post-Employment Retirement Benefits (OPEB) costs and is not proposing any change in this application.

Oshawa Power offers its employees comprehensive and competitive benefits package which includes medical insurance, life insurance, long-term disability insurance, vacation, non-pension post-retirement benefits, and matching contributions to the OMERS pension plan. Oshawa Power marketed its benefit plan in 2024 to ensure that Oshawa Power has secured the most competitive rate available in the market for benefit obligations and switched the health and dental plan from Greenshield to Canada Life. As part of the Collecting Bargaining Agreement, Oshawa enhanced its benefits to meet current labour market expectations for unionized staff. Accordingly, Oshawa Power also enhanced its benefits for professional and management staff to remain competitive for those positions.

Oshawa Power has included its most recent actuarial report, effective December 31, 2024, in Attachment 4-3. This data has been used to forecast 2025 Bridge Year and 2026 Test Year post-employment benefits. This agrees with the tax analysis in Exhibit 6.



Attachment 3

4-Staff-21 – 2023 Mearie Management Survey

The MEARIE Group

2023 Management Salary Survey of Local Distribution Companies

September 2023

Survey Administrators: Eckler Ltd.
Confidential and Proprietary

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Introduction

The MEARIE Group is pleased to present this report of the 2023 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, Local Distribution Companies (LDCs) are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. High inflation and changing workplaces in response to the COVID-19 pandemic have also further impacted compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's LDCs to assist you and in understanding the competitive landscape and support your efforts in developing pay practices that attract, motivate, and retain high quality, high performing employees.

The survey was administered in 2023 in partnership with Eckler Ltd., who are experts in developing and managing salary surveys across all sectors of the economy. There were no significant changes to the survey for 2023. The survey was launched in May 2023 and 37 organizations provided completed survey materials to inform this report. The report is divided into two parts:

Part 1 – Study Report (this document)

- Profile of survey participants
- Overview of salary projections for 2024 salary planning, and other market trends and programs
- Information on benefits programs and offerings
- Summary of the survey methodology and definitions of terms
- Job descriptions for the 56 benchmark jobs

Part 2 – Benchmark Job Tables (provided as a separate Excel file)

- Reporting based on number of customers, number of employees, region, and revenue
- Reporting up to total cash compensation, including annual incentive or variable pay information

Confidentiality Policy

The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Management Salary Survey and the Survey on Board of Director Compensation (each, a “Survey”), as well as the Survey Administrator and The MEARIE Group.

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g., by geography or size).

All of the information obtained through this Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither the Survey Administrator nor The MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or the Survey Administrator or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey will also be included in the Survey Administrator’s compensation database. Information in the Survey Administrator’s database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed.

The obligations of confidentiality set out in this policy are subject to the requirements of applicable law. However, LDCs may not disclose the existence or results of a Survey to any regulatory body (or other person) unless compelled by law to do so, and if an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required. In such circumstances, the LDC will take such steps as The MEARIE Group reasonably requests, or will co-operate with respect to any steps The MEARIE Group and/or Survey Administrator reasonably wishes to take, to contest or limit the scope of the disclosure.

The MEARIE Group will not be liable for breaches by participating LDCs or the Survey Administrator of this Confidentiality Policy.

Survey Overview

Benchmark Positions

This survey covers 56 benchmark jobs that are representative of the functions within The MEARIE Group's member organizations. No changes were made to the benchmark jobs in 2023. The job descriptions for each benchmark are provided in **Appendix C**.

Job Family	Job Code	Job Title
Executives	0000	President & Chief Executive Officer
Executives	0001	Chief Operating Officer
Executives	0002	Head of Operations and/or Engineering
Executives	0003	Chief Financial Officer / Head of Finance
Executives	0004	Head of Customer Service
Executives	0005	Head of Regulatory Affairs
Executives	0006	Head of Human Resources
Executives	0007	Head of Information Technology / Information Services
Administration	1000	Executive Assistant
Administration	1001	Administrative Assistant
Engineering	2000	Director, Engineering
Engineering	2001	Engineering Manager / Distribution Engineer
Engineering	2002	Project Engineer
Engineering	2003	Supervisor, Engineering
Operations	2500	Director, Operations
Operations	2501	Manager, Operations
Operations	2502	Manager, Control Centre
Operations	2503	Supervisor, Control Centre
Operations	2504	Supervisor, Protection and Control
Operations	2505	Supervisor, Station Maintenance
Operations	2506	Line Supervisor
Operations	2507	Manager, Meter Department
Operations	2508	Supervisor, Meter Department
Operations	2509	Manager, Continuous Improvement
Supply Chain / Procurement	3000	Director, Supply Chain Management

Supply Chain / Procurement	3001	Manager, Procurement and/or Inventory and/or Facilities and/or Fleet
Supply Chain / Procurement	3002	Supervisor, Stores/Inventory/Warehouse
Accounting/Finance	4000	Controller / Director, Finance
Accounting/Finance	4001	Manager, Accounting
Accounting/Finance	4002	Manager, Risk Management
Accounting/Finance	4003	Supervisor Accounting
Accounting/Finance	4004	Financial or Business Analyst
Accounting/Finance	4005	Accountant
Customer Service	5000	Director, Customer Service
Customer Service	5001	Manager, Customer Service and/or Billing
Customer Service	5002	Supervisor, Customer Service and/or Billing and/or Collections
Customer Service	5003	Key Account Specialist
Communications	5500	Director, Communications
Communications	5501	Manager, Communications
Communications	5502	Communications Specialist
Regulatory Affairs	6000	Director, Regulatory Affairs
Regulatory Affairs	6001	Manager, Regulatory Affairs
Regulatory Affairs	6002	Regulatory Accountant
Conservation/Demand	7000	Settlement or Rate Analyst
Information Systems/Technology	8000	Director, Information Systems
Information Systems/Technology	8001	Manager, Information Systems
Information Systems/Technology	8002	Systems and/or Program Administrator / Applications and/or Systems Support Professional
Information Systems/Technology	8003	Manager Information Security
Information Systems/Technology	8004	Network Specialist/Manager/Engineer
Human Resources	9000	Human Resources Manager
Human Resources	9001	Human Resources Generalist
Human Resources	9002	Human Resources Coordinator

Human Resources	9003	Payroll
Human Resources	9004	Manager, Health & Safety
Non-Regulated Business - Business Development Roles	N001	Executive Role - Non-Regulated Business
Non-Regulated Business - Business Development Roles	N002	Non-Executive Role - Non-Regulated Business

List of Participants

All Ontario LDC MEARIE members were invited to participate in the survey, and 37 organizations submitted completed survey materials:

Alectra Utilities Inc	Kingston Hydro
Bluewater Power Distribution	Lakeland Power Distribution Ltd
Burlington Hydro Inc	London Hydro Inc
Centre Wellington Hydro Ltd	Milton Hydro Distribution Inc
E.L.K. Energy Inc	Newmarket-Tay Power Distribution Limited
Elexicon Energy Inc	Niagara Peninsula Energy Inc
Enova Power Corp	North Bay Hydro Distribution Limited
Entegrus Inc	Northern Ontario Wires Inc
ENWIN Utilities Ltd	Orangeville Hydro Limited
EPCOR Electricity Distribution Ontario Inc	Oshawa PUC Networks Inc
ERTH Power Corporation	Ottawa River Power Corporation
Essex Powerlines	Peterborough Utilities Group
Festival Hydro Inc	PUC Services Inc
Fort Frances Power Corporation	Rideau St. Lawrence Distribution
GrandBridge Energy	Sioux Lookout Hydro Inc
Greater Sudbury Utilities	Synergy North
Grimsby Power Inc	Wasaga Distribution Inc
Halton Hills Hydro Inc	Welland Hydro-Electric System Corp
InnPower Corporation	

Participant Profile

The profile of the 37 participants is summarized in the tables below. The figures are reported as provided by the participants and have not been verified.

LDC Profile (N = 37)	P25	P50	P75	Average ¹
Operating Budget, excluding cost of energy (millions)	\$6.8	\$14.2	\$28.3	\$37.6
Operating Budget, including cost of energy (millions)	\$35.6	\$85.6	\$177.9	\$254.8
Number of Employees (full-time equivalent)	25.0	55.0	122.0	120.5
Number of Union Employees (full-time equivalent)	12.0	36.0	83.0	68.0
Number of Non-Union Employees (full-time equivalent)	10.0	24.0	41.0	52.5
Number of Customers	14,423	28,324	58,421	72,171
Gross Revenue, including cost of energy (millions)	\$37.2	\$87.7	\$191.3	\$263.8
Gross Revenue, excluding cost of energy (millions)	\$8.8	\$19.6	\$38.2	\$55.5
Regulated Gross Revenue ²	97.0%	98.6%	99.0%	96.3%
Unregulated Gross Revenue ²	1.0%	1.4%	3.0%	3.7%

1. Where averages are significantly higher than the median (or P75) of the market, this indicates a small number of observations with a large number which skew the average data high.
2. Twenty-five (25) of the 37 participants indicated there is a split between regulated and unregulated gross revenue; the data provided for this statistic is only the organizations indicating the split. Twelve organizations are not reporting blended revenue.

All organizations that responded reported that their fiscal year end is December.

Participants were also asked to report any sister company revenue and number of employees information, if applicable. Overall, 16 organizations reported some revenue from sister companies. Where organizations did not have direct employees generating the revenue, this was due to administration of non-employee contractors, or, overseeing other staff not within the LDC and revenue sharing arrangements.

Sister Profile (N = 16)	P25	P50	P75	Average
Total Revenue (millions)	\$0.3	\$1.8	\$13.7	\$10.5
Number of Employees (full-time equivalent)	0.0	4.3	29.0	30.0

Salary Administration

Salary Adjustments

Compensation ranges, also known as salary frameworks or salary structures, are the guidelines by which companies administer compensation. These frameworks may be single job rates, step rate systems, salary ranges, or broad bands. Typically, compensation ranges are adjusted based on economic factors on a regular basis (annually). Actual compensation, or salaries paid, is the actual amount paid to employees within the role. The actual compensation of an incumbent is typically within the salary range and their position in the range/steps varies with tenure, experience and often, performance.

Organizations were asked how they adjusted salary ranges and actual salaries in 2022 and 2023, what they are forecasting for 2024.

Salary Range Adjustments

The most common month of salary range adjustments is January, followed by April. The below table shows the average salary range adjustments, excluding zeros. Survey participants are planning to increase salary ranges in 2024 by an average of 2.98%.

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2022							
(N=35)	3.86%	3.62%	3.50%	3.00%	3.05%	3.00%	3.35%
2023							
(N=30)	3.53%	3.24%	3.19%	3.05%	3.14%	3.08%	3.20%
2024							
(N=13)	3.27%	3.27%	3.00%	2.77%	2.77%	2.77%	2.98%

The salary range adjustment predictions have trended below what is implemented in the coming year. Given higher and sustained inflation than forecasts indicated, organizations adjusted at a higher percentage. Eckler's 2022 Salary Forecast survey also indicated that close to one-third of organizations also made a mid-year adjustment to ranges in addition to annual adjustment to attempt to maintain market position and mitigate talent loss. Historically organizations have adjusted ranges annually, or even less periodically (i.e., every 2 or 3 years with market review).

Actual Salary Increases

The most common month of actual salary increases is January, followed by April. The below table shows the average actual salary increases, excluding zeros. Survey participants are planning to increase salaries in 2024 by an average of 3.19%.

Year	CEO	Executive	Director	Management	Professional/ Technical	Admin	Overall
2022							
(N=35)	2.87%	3.04%	3.05%	3.11%	3.04%	2.98%	3.07%
2023							
(N=32)	3.66%	3.67%	3.63%	3.51%	3.49%	3.39%	3.57%
2024							
(N=14)	2.98%	3.33%	3.22%	3.18%	3.12%	3.10%	3.19%

Similar to salary range movement, actual salary increases in 2022/2023 are higher than the predicted values in 2021/2022.

Incentive Programs

Performance Factors

For organizations that have a broad-based annual incentive plan in place, participants were asked to provide the weighting of factors that are used to determine actual bonus payouts. The below table reports the average weighting of each performance metric, by employee category. Executives and Senior Management are typically more heavily weighted toward corporate performance, while Middle Management, Professional, and Administrative jobs are typically more heavily weighted toward individual performance. Team/Department factors are not commonly used, with only five participants reporting a weighting for Team/Department performance.

Performance Factor	CEO (N=24)	Executive (N=22)	Director (N=18)	Management (N=20)	Professional/ Technical (N=15)	Admin (N=17)
Corporate	67.9%	55.9%	50.5%	40.8%	30.9%	37.5%
Individual	28.7%	36.3%	45.4%	49.4%	64.9%	60.6%
Team/ Department	2.4%	6.7%	4.1%	8.5%	4.3%	1.9%

The most common plan for management roles is 50% equal weighting between corporate and individual performance, and the most common plan for professional/technical and administrative staff is 100% individual performance.

Incentive Opportunity Range

Target-based incentive programs typically have a minimum level of performance that must be achieved to receive an incentive payout. If that threshold level of performance is not achieved, then there is no payout. Conversely, target-based incentive programs typically also have a maximum level of payout, where regardless of how much an employee exceeds their performance targets, the payout will not be any higher than the maximum. Between the payout at threshold performance and the maximum payout, incentive plans typically increase the level of payout as the performance levels also increase.

For example, if a job has an incentive target of 20% of base salary and the payout at the threshold level of performance is half of the target, then the threshold level of performance is achieved, the payout will be 10% of base salary. If the maximum incentive is 2X the target, then the payout will be capped at 40% of base salary.

The below table reports the average maximum incentive and average incentive at the threshold level of performance, as a multiple of target, by employee category. The typical maximum payout is 1X target, and

the typical payout at the threshold level of performance is 0.5X target. In the broader market, it is more common to see higher maximum bonus levels as a multiple of target, especially at the Senior Management and Executive levels.

Incentive Payout Range	CEO (N=20)	Executive (N=19)	Director (N=19)	Management (N=18)	Professional/ Technical (N=15)	Admin (N=16)
Maximum Payout	1.40X	1.39X	1.31X	1.33X	1.29X	1.35X
Payout at Threshold Level of Performance	0.55X	0.54X	0.52X	0.56X	0.47X	0.50X

Compression Policies

Participants were asked if they have a formal salary compression program in place. Only 8% of participants (N=37) reported that they do have a formal program. Jobs affected include Line Supervisor and Operations Manager.

Line Supervisors

The direct supervisor of unionized staff is typically called the “Line Supervisor”. Most organizations (60%) (21 of 35 respondents) reported that Line Supervisors receive overtime compensation. The organizations that do not offer overtime to Line Supervisors typically do offer other compensation, most commonly time in lieu, but may also be a bonus or on call premiums.

The below table reports the average annual amount of overtime paid to the Line Supervisors and average union staff incumbent reporting to the Line Supervisor; 11 organizations were able to provide average annual overtime dollar amounts.

Position (N=11)	P25	P50	P75	Average
Line Supervisor	\$7,350	\$15,000	\$23,500	\$16,357
Union Staff	\$10,250	\$14,000	\$18,966	\$18,272

Both the Line Supervisor (N=21) and the union staff (N=25) roles typically have an overtime and/or on call compensation rate of 2X regular base salary.

Participants were asked if any additional staff other than front-line supervisor roles are eligible for overtime. Out of the 22 organizations that responded, 50% do offer overtime to other roles. Typically, only roles below the Supervisor or Manager level are eligible for overtime.

The below table shows the team sizes for field teams, i.e., the number of union roles per supervisor.

Team Size (N=33)	P25	P50	P75	Average
Union Roles per Supervisor	7	9	11	9

72% of LDCs (26 of 36 respondents) indicated that a company owned or leased car is provided to supervisors for work purposes.

- 23 organizations provided information about car storage. 74% of these organizations indicated that company cars can be stored at the employee's home and 26% indicated that company cars are stored at their work location.
- 25 organizations provided information about personal use of company cars. 64% of these organizations allow some level of personal use of company cars.
 - o Of these 16 organizations, 81% have a mileage tracking system in place for personal use of company cars. The most common method used to track mileage of personal use of company cars is a logbook.
 - o 14 organizations provided details on limitations of personal use of company cars. 43% indicated that employees can use company cars for personal use with no limitations, 29% indicated that employees can use company cars for commuting only, 14% indicated that employees can use company cars for personal use within reason, 7% indicated the employees can use company cars for personal use by exception only, and 7% indicated that only the employee can drive the company car.
- Seven organizations provided taxable benefit amounts for company cars. The median amount reported was \$5,500.00, and the average amount reported was \$8,081.14.

Non-Regulated Operations

Some participants in this survey earn additional revenue via non-regulated revenue channels. This section discusses the details of these non-regulated operations.

Non-Regulated Revenue

32% of organizations (N=37) indicated that they do not have any non-regulated revenue, 38% of organizations indicated that the non-regulated revenue is structured as a separate company, and 30% indicated that non-regulated revenue is embedded within the organization.

Of the organizations that have some non-regulated revenue, 20 provided details around the non-regulated revenue is supported.

Non-Regulated Revenue	Yes	No
Full time dedicated sales staff	30%	70%
Full time dedicated non-sales staff	45%	55%
Regulated company provides corporate services for a fee	75%	25%
Shared staffing arrangement with regulated company	70%	30%

Key Performance Indicators

Participants that have non-regulated sources of income were asked what the Key Performance Indicators (KPIs) for the business are, as well as proportion of each used in incentive and/or performance measurement. The below table summarizes the prevalence and average scorecard weighting of each KPI.

Key Performance Indicator	KPI Used (% Yes) (N=13)	Average Scorecard Weighting ¹ (N=7)
Earnings / Net Income	62%	42.7%
Other Financial Metric	54%	36.9%
Innovation: New Product / Service Offering / Development	31%	*
Customer: Retention/New	15%	*
Other	46%	30.0%

**Insufficient data to report*

1. Average scorecard weighting is based upon organizations only where the KPI = Yes.

Of the organizations that responded “other”, common descriptions were health and safety, system reliability, and individual goals.

Of the eleven organizations provided information, 45% of organizations are seeking to grow their non-regulated business 10-20% in the next three years, 36% are looking to maintain, 9% are seeking to grow 5-10%, and 9% are seeking to grow 30%.

Engineer Compensation

Many organizations (43%, N=35) differentiate compensation for engineers-in-training / P.Eng candidates. Generally, engineers can expect a pay increase once they have achieved the designation. Most commonly, engineers-in-training are paid on different salary grids/ranges than engineers with their P.Eng designation, so once the designation is achieved, the engineer moves to the licensed engineer grid/range, which is higher than the engineer-in-training grid/range. In some other cases, engineers-in-training and licensed engineers are on the same pay band, however engineers-in-training cannot achieve full job rate until they have achieved the P.Eng designation.

COVID-19 Strategies

COVID-19 Impact

Participants were asked if COVID-19 impacted different aspects of their salary administration programs.

- 5% of organizations (N=37) reported that salary range and/or actual salary increases were affected by COVID-19.
- No organizations (N=37) reported that promotions and/or salary increases were delayed due to COVID-19.
- 5% of organizations (N=37) reported that merit increase budgets were higher or lower due to COVID-19 (though this is also due to broader economic pressure beyond COVID-19).
- 7% of organizations (N=30) reported that adjustments were made mid-year to short-term variable pay programs due to COVID-19.
- 7% of organizations (N=28) reported that incentive programs were affected by COVID-19, for example adjusting key performance indicators.
- 3% of organizations (N=37) reported that pay premiums were adopted for front-line roles due to COVID-19.

COVID-19 Strategies

Organizations were asked what strategies were utilized to combat the labour challenges faced since the onset of the COVID-19 pandemic, and, if those strategies were temporary measures or have become continuous measures. The prevalence of “yes” responses overall is reported below.

Tactic (N=36)	Tactic Used: % Yes	Temporary Measure %	Continuous Measure %
Increase or introduction of employee wellness allowances	11%	0%	100%
Optional leave	8%	100%	0%
Stipends, home allowances, or other compensation allowances	8%	67%	33%

Increased benefits, including expanded EAP coverage	8%	0%	100%
Early retirement provision	6%	*	*
Permanent position eliminations/ terminations	6%	*	*
Bonus / discretionary compensation reduction	6%	*	*
Pay premiums / hazard pay	6%	*	*
Retention awards	6%	*	*
Introduction of new benefits	6%	*	*
Temporary layoffs / furloughs	3%	*	*
Spot / recognition bonuses	3%	*	*
Base salary freeze	0%	*	*
Temporary pay reduction with no hours/duties adjustment	0%	*	*
Temporary pay reduction with hours/duties also reduced	0%	*	*
Work-sharing program	0%	*	*
Amendments to car allowances	0%	*	*

**Insufficient data to report*

Details are provided for the following commonly used tactics:

- The most utilized tactic was increasing or introducing employee wellness allowances, which is a measure that continues to be in place for all organizations that offer it. Organizations increased the value of their wellness benefits and added at-home exercise equipment to their employee purchase plan program. This combined with increased benefits, including expanded EAP coverage

and increased values of health care spending accounts indicate a higher concentration on employee health and wellness and building that into total rewards.

- Optional leave was temporarily offered, where employees were unable to find childcare / dependent care and could not work from home, or where employees exhausted vacation time.
- Stipends, home allowances, and other compensation allowances were typically offered on a temporary basis. For example, employees were allowed to claim workspace items through existing allowance accounts.

Remote Work

Participants were asked to provide details on their remote work policies. All respondents (N=27) indicated that they have not, nor will they be changing compensation policies for remote roles versus office-based roles.

Four organizations indicated that there are no remote employees, and all employees are in the office five days a week. Two organizations have no minimum in-office requirement and 11 organizations indicated that have a hybrid model:

- 13 organizations require employees to be in the office on occasion or on an ad-hoc basis, depending on meetings and events happening.
- Three organizations require employees to be in the office two days a week.
- Four organizations require employees to be in the office three days a week.
- Two organizations require employees to be in the office four days a week.
- One organization's hybrid model varies depending on the department.

Three organizations indicated that there are no limits to where an employee resides. Most organizations (N=26) do have a policy about employee geography limitations where:

- 12 organizations require employees to be able to meet in-office day requirements or be close to service their service territory.
- Four organizations require employees to be located in Ontario, and one additional organization indicated a preference for employees to be located in Ontario.
- Two organizations require employees to be in Canada.
- Two organization require employees to be within reasonable commute of their office / in the municipality.

Employee Engagement

Participants were asked to provide details on their employee engagement strategies. Common measures employed to keep employees engaged included:

- Increased communications reported by 11 organizations, including online check-ins, team meetings, and town halls.
- Virtual company lunches and other events, or in-person if restrictions allowed reported by six organizations.
- Wellness programs/initiatives and/or awareness training reported by four organizations.
- Employee recognition initiatives reported by four organizations.

30% of organizations (N=33) experienced higher than usual voluntary turnover during the COVID-19 pandemic. Accommodations that HR made to retain employees that were subject to added pressures due to the pandemic included:

- Work from home allowances reported by 13 organizations.
- Flexible/modified work schedules reported by eight organizations.
- Unpaid leave where work from home was not possible was reported by four organizations.
- Enhanced sick leave provisions to cover COVID-related absences were reported by two organizations.

Five organizations indicated that no formal accommodations were made.

Benefits Policies

Company Cars

Company-Owned Cars and Car Allowances

Where organizations provide a car allowance or company car as a perquisite (i.e., not cars provided for business use only), they are most commonly offered as a monthly allowance. The below table shows the monthly allowance amounts reported, by employee category.

Monthly Car Allowance	P25	P50	P75	Average
CEO (N=16)	\$692	\$850	\$1,000	\$1,076
Executive (N=13)	\$584	\$750	\$750	\$715
Director (N=5)	*	\$450	*	\$430
Management (N=1)	*	*	*	*

**Insufficient data to report*

Monthly leases are also offered to CEOs by three organizations. The average monthly lease reported was \$1,072. Two organizations provide the CEO with a company owned car.

Reimbursement Rates

The below table shows the reimbursement rates reported for using a personal automobile for business purposes. The typical rate is 68 cents per kilometer, reported by 20 organizations and is aligned with the Canada Revenue Agency mileage rate for 2023.

Mileage (N=37)	P25	P50	P75	Average
Reimbursement Rate (\$/km)	\$0.61	\$0.68	\$0.68	\$0.64

Participants were also asked to provide details regarding reimbursement for travel, meals, or other allowance coverage. Common themes identified are:

- 16 organizations provided information on meal allowances. The average daily meal allowance reported was \$81.35 (N=12). Two organizations reported that meals are reimbursed based on the actual costs incurred, excluding alcohol.
- 11 organizations reported that employees must submit an expense reimbursement form and provide receipts.
- Six organizations reported that hotel and ground transportation expenses are reimbursed based on the actual costs incurred.
- Three organizations reported that they pay for highway tolls and parking, in addition to their mileage reimbursement policy.

Perquisites

Additional Benefit Level

Participants were asked to provide the basic and supplemental life insurance coverage offered to senior management, where the organization pays the premium. Generally, more organizations are providing a higher level of life insurance coverage to senior level roles.

Employee Level	Basic Coverage	Supplemental Coverage
CEO	1.5X N=17	2 – 3X N=9
Executive	1.5X N=16	2 – 3X N=9
Director	1.5X N=13	2X N=8
Management	1.5X N=13	2X N=7

Education Reimbursement

24 organizations reported having a policy for post graduate programs. Common themes in the details of these plans included:

- Six organizations report that the program must be beneficial and add value to the organization.
- Three organizations reported that employees must be pre-approved for post graduate education programs.
- Three organizations reported that their post graduate programs policy covers all employees, while one organization reported that it is only offered to management and executives.

23 organizations provided information on the qualification criteria in their policy for post graduate programs:

- Nine organizations reported that the post graduate program must be a job requirement and/or beneficial for the employee's current or future position.
- Seven organizations reported that post graduate program must be pre-approved.
- Seven organizations reported that the policy applies to all permanent employees that have completed their probationary period.
- Three organizations reported that to be eligible, the employee must be a high performer or noted as a potential leader.

Five organizations reported that there is no maximum amount that will be reimbursed for post graduate programs. Twelve organizations reported specific annual maximum reimbursement amounts.

Education Reimbursement (N=12)	P25	P50	P75	Average
Annual Maximum	\$1,875	\$2,500	\$10,000	\$6,083

24 organizations provided information on any conditions of the subsidy for the employee to repay all or part of the subsidy if they leave the company within a specified time period:

- Five organizations reported that there is no formal policy in place.
- Eight organizations reported that their repayment policy requires different percentages of repayment based on years of service.
- Where the policy has a flat pay back percentage, it is most commonly either 50% or 100% of the amount reimbursed.

Club Membership – Fitness/Wellness

The below table reports the annual value of fitness/wellness club membership fees per employee, by employee category.

Employee Category	P25	P50	P75	Average
CEO (N=19)	\$200	\$300	\$400	\$382
Executive (N=19)	\$200	\$300	\$400	\$317
Director (N=19)	\$190	\$300	\$400	\$304
Management (N=19)	\$200	\$300	\$400	\$302
Professional/ Technical (N=17)	\$200	\$300	\$400	\$296

Health Care Spending Account

The below table reports the annual value of health care spending accounts per employee, by employee category.

Employee Category	P25	P50	P75	Average
CEO (N=13)	\$680	\$1,700	\$2,000	\$1,625
Executive (N=13)	\$565	\$1,600	\$2,000	\$1,393
Director (N=12)	\$500	\$725	\$1,263	\$1,054
Management (N=10)	\$500	\$725	\$1,263	\$960
Professional/ Technical (N=9)	\$500	\$700	\$1,350	\$952

Executive Medical Plan

The below table reports the annual value of executive medical plans per employee, by employee category.

Employee Category	P25	P50	P75	Average
CEO (N=8)	\$1,150	\$2,713	\$3,125	\$2,283
Executive (N=8)	\$1,150	\$2,713	\$3,125	\$2,283
Director (N=4)	*	\$3,250	*	\$2,809
Management (N=0)	*	*	*	*
Professional/ Technical (N=0)	*	*	*	*

**Insufficient data to report*

Personal Computer / Internet Connection for Home Use

The below table reports the annual value of personal computers and/or internet connection for home use per employee, by employee category.

Employee Category	P25	P50	P75	Average
CEO (N=4)	*	\$1,100	*	\$1,024
Executive (N=4)	*	\$1,100	*	\$1,032
Director (N=4)	*	\$1,100	*	\$1,032
Management (N=3)	*	*	*	\$933
Professional/ Technical (N=3)	*	*	*	\$933

**Insufficient data to report*

Other Perquisites

Participants were also asked about other perquisites that were not reported as commonly offered.

- Five organizations pay for employees' membership/professional dues. At the Management level, the average annual dues paid per employee is \$1,100.00.
- Social club memberships are only offered by two organizations to the CEO and Executive levels, and only one organization to other employee levels.
- One organization offers second opinion medical advice to the CEO only.

Vacation

Vacation Entitlement – CEO

The below table reports the years of service required to be eligible for the number of vacation weeks indicated for CEOs.

CEO	2 Weeks (N=11)	3 Weeks (N=20)	4 Weeks (N=28)	5 Weeks (N=31)	6+ Weeks (N=35)
Average	Start	2	5	12	16
Median	Start	2	7	14	20
Most Common	Start	Start	Start	17	25

Vacation Entitlement – Executives

The below table reports the years of service required to be eligible for the number of vacation weeks indicated for Executives.

Executives	2 Weeks (N=9)	3 Weeks (N=18)	4 Weeks (N=27)	5 Weeks (N=29)	6+ Weeks (N=31)
Average	Start	1	5	12	17
Median	Start	1	6	14	20
Most Common	Start	Start	Start	17	25

Vacation Entitlement – Directors

The below table reports the years of service required to be eligible for the number of vacation weeks indicated for Directors.

Directors	2 Weeks (N=8)	3 Weeks (N=19)	4 Weeks (N=27)	5 Weeks (N=27)	6+ Weeks (N=28)
Average	Start	1	5	13	19
Median	Start	Start	6	15	21
Most Common	Start	Start	Start	15	25

Vacation Entitlement – Management

The below table reports the years of service required to be eligible for the number of vacation weeks indicated for Management.

Management	2 Weeks (N=13)	3 Weeks (N=33)	4 Weeks (N=36)	5 Weeks (N=36)	6+ Weeks (N=36)
Average	Start	1	6	13	20
Median	Start	Start	7	14	21
Most Common	Start	Start	9	15	25

Vacation Entitlement – Professional/Technical

The below table reports the years of service required to be eligible for the number of vacation weeks indicated for Professional/Technical roles.

Professional/ Technical	2 Weeks (N=16)	3 Weeks (N=30)	4 Weeks (N=32)	5 Weeks (N=32)	6+ Weeks (N=32)
Average	Start	2	7	15	22
Median	Start	2	8	15	24
Most Common	Start	Start	9	15	25

Unused Vacation

Participants were asked about their policy on annual vacation entitlement that is not fully utilized before the end of the year. All 37 survey participants responded to this question.

- 51% of organizations reported that a maximum amount of unused vacation can be carried over.
- 32% of organizations reported that unused vacation entitlement may be carried over, subject to a maximum total accumulated balance.
- 14% of organizations reported that all unused vacation entitlement may be carried over with no restrictions.
- 3% of organizations reported that unused vacation entitlement cannot be carried over to the next year.

Of the organizations that allow unused vacation entitlement to be carried over with restrictions, five organizations allow the full annual entitlement to be carried over. 24 organizations have a specified number of days in their carry over policy, which is most commonly five days, or eight days on average.

- 10 organizations have no time limits within outstanding vacation days must be used.
- 14 organizations require employees to use carried over vacation days within six months or less.
- 12 organizations require employees to use carried over vacation days within 12 months.

Participants were asked to provide details on any variations in vacation carry over policies by level or length of service:

- Six organizations reported that there are no variations by level or length of service.
- Three organizations reported that under special circumstances, the Board and/or President may approve an employee to carry over more than the regular carry over policy.
- One organization reported that under special circumstances, Management positions and above may be able to have unused vacation days paid out.
- One organization reported different numbers of days based on years of service, where the longer employees have been with the company, the more days they are entitled to carry over.

Benchmark Positions Survey Results

The benchmark job tables are provided as a separate Excel file. The file includes the statistical data for the survey benchmark jobs for up to total cash compensation, including annual incentive or variable pay information.

Reporting is available based on number of customers, number of employees, region, and revenue.

Market fluctuations can occur due to a variety of reasons, including true market movements, as well as changes in sample. Statistics derived from small sample sizes are particularly vulnerable to variations.

The table below shows the median values from the “All” data cut. The other percentiles and data cuts are available in the Excel file, where there is sufficient data to report.

Job Code	Job Title	Nb. of Incumbents	Base Salary	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Incentive %	Actual Total Cash	Total Cash Design
			P50	P50	P50	P50	P50	P50	P50
0000	President & Chief Executive Officer	31	\$265,000	\$207,500	\$251,000	\$267,800	26.25%	\$314,000	\$311,500
0001	Chief Operating Officer	8	\$184,700	\$158,200	\$192,500	\$205,400	12.43%	\$206,000	\$204,600
0002	Head of Operations and/or Engineering	22	\$191,000	\$151,700	\$179,900	\$200,100	15.44%	\$207,500	\$207,000
0003	Chief Financial Officer / Head of Finance	32	\$182,300	\$144,300	\$176,400	\$186,200	15.47%	\$207,500	\$202,700
0004	Head of Customer Service	7	\$164,000	\$127,100	\$171,100	\$182,000	14.56%	\$183,700	\$198,400
0005	Head of Regulatory Affairs	8	\$184,200	\$149,900	\$176,500	\$202,200	21.10%	\$232,100	\$208,100
0006	Head of Human Resources	17	\$160,100	\$135,600	\$157,200	\$173,400	14.95%	\$177,000	\$180,500
0007	Head of Information Technology / Information Services	13	\$165,600	\$140,100	\$164,800	\$179,300	17.83%	\$203,500	\$188,000
1000	Executive Assistant	25	\$85,000	\$71,500	\$84,700	\$97,100	5.45%	\$89,800	\$89,300
1001	Administrative Assistant	15	\$73,300	\$61,200	\$70,400	\$75,300	4.54%	\$75,300	\$73,800
2000	Director, Engineering	10	\$152,300	\$124,700	\$156,600	\$172,800	14.18%	\$165,400	\$174,000
2001	Engineering Manager / Distribution Engineer	28	\$133,500	\$112,400	\$132,400	\$144,900	6.75%	\$139,400	\$140,600
2002	Project Engineer	14	\$105,500	\$89,200	\$109,700	\$118,800	5.18%	\$111,800	\$112,700
2003	Supervisor, Engineering	14	\$118,800	\$95,600	\$116,600	\$134,800	5.00%	\$124,900	\$124,900
2500	Director, Operations	12	\$149,300	\$118,400	\$143,200	\$158,100	13.43%	\$162,700	\$157,500
2501	Manager, Operations	25	\$135,000	\$110,600	\$130,300	\$138,600	7.28%	\$142,100	\$137,600
2502	Manager, Control Centre	5	\$150,000	\$117,000	\$130,800	\$150,200	9.69%	\$158,200	\$150,200
2503	Supervisor, Control Centre	8	\$118,700	\$97,500	\$112,100	\$121,900	5.00%	\$118,700	\$118,400
2504	Supervisor, Protection and Control	6	\$121,000	\$96,100	\$116,100	\$124,900	4.67%	\$126,300	\$125,100
2505	Supervisor, Station Maintenance	7	\$119,300	\$96,000	\$112,500	\$120,000	-	\$120,000	\$118,900
2506	Line Supervisor	26	\$117,100	\$96,100	\$113,400	\$122,400	5.39%	\$122,000	\$118,800
2507	Manager, Meter Department	8	\$126,300	\$99,600	\$120,300	\$133,300	8.24%	\$135,100	\$129,200
2508	Supervisor, Meter Department	10	\$111,200	\$94,200	\$110,700	\$119,500	6.09%	\$117,900	\$119,000

Job Code	Job Title	Nb. of Incumbents	Base Salary	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Incentive %	Actual Total Cash	Total Cash Design
			P50	P50	P50	P50	P50	P50	P50
2509	Manager, Continuous Improvement	5	\$129,600	\$111,800	\$134,000	\$154,100	9.17%	\$140,600	\$147,000
3000	Director, Supply Chain Management	5	\$147,400	\$108,400	\$130,800	\$156,500	10.79%	\$167,600	\$152,900
3001	Manager, Procurement and/or Inventory and/or Facilities and/or Fleet	15	\$120,300	\$98,300	\$118,200	\$131,100	7.00%	\$123,700	\$122,800
3002	Supervisor, Stores/Inventory/Warehouse	10	\$105,100	\$88,900	\$108,100	\$114,300	4.56%	\$114,400	\$111,700
4000	Controller / Director, Finance	13	\$144,200	\$115,000	\$142,800	\$164,300	10.19%	\$160,600	\$162,600
4001	Manager, Accounting	13	\$130,300	\$98,400	\$121,400	\$133,600	8.60%	\$132,100	\$131,200
4002	Manager, Risk Management	4	\$130,000	\$99,100	\$128,200	\$143,100	-	\$145,400	\$137,900
4003	Supervisor Accounting	13	\$108,500	\$91,500	\$107,700	\$118,900	5.47%	\$114,600	\$111,300
4004	Financial or Business Analyst	21	\$95,600	\$80,300	\$96,800	\$106,900	4.27%	\$97,600	\$102,500
4005	Accountant	8	\$94,100	\$77,200	\$90,600	\$102,100	7.00%	\$95,400	\$90,600
5000	Director, Customer Service	10	\$146,300	\$125,400	\$145,200	\$169,700	12.38%	\$163,700	\$164,100
5001	Manager, Customer Service and/or Billing	23	\$113,400	\$96,200	\$117,400	\$125,400	7.78%	\$118,400	\$119,100
5002	Supervisor, Customer Service and/or Billing and/or Collections	22	\$98,800	\$88,900	\$103,500	\$112,500	5.36%	\$105,200	\$106,100
5003	Key Account Specialist	4	\$110,400	\$88,000	\$110,000	\$123,900	-	\$110,900	\$120,800
5500	Director, Communications	5	\$147,000	\$114,100	\$142,700	\$150,500	11.06%	\$155,000	\$145,700
5501	Manager, Communications	9	\$118,200	\$100,900	\$119,600	\$128,500	6.18%	\$119,100	\$127,100
5502	Communications Specialist	18	\$82,100	\$71,600	\$84,800	\$94,000	4.80%	\$84,900	\$88,600
6000	Director, Regulatory Affairs	8	\$144,300	\$119,000	\$142,700	\$162,800	12.99%	\$161,300	\$161,100
6001	Manager, Regulatory Affairs	12	\$126,700	\$105,700	\$119,600	\$131,700	5.13%	\$130,600	\$124,900
6002	Regulatory Accountant	11	\$97,300	\$80,800	\$97,000	\$111,500	6.36%	\$100,000	\$103,600
7000	Settlement or Rate Analyst	5	\$97,300	\$84,200	\$100,000	\$114,900	4.05%	\$108,100	\$105,200
8000	Director, Information Systems	9	\$150,200	\$120,200	\$150,200	\$173,400	10.57%	\$162,200	\$173,900
8001	Manager, Information Systems	18	\$132,600	\$107,200	\$127,300	\$135,300	6.81%	\$137,600	\$130,700
8002	Systems and/or Program Administrator / Applications and/or Systems Support Professional	19	\$104,900	\$79,400	\$101,400	\$108,100	6.59%	\$104,900	\$103,200
8003	Manager Information Security	10	\$129,400	\$104,400	\$129,600	\$133,000	8.00%	\$134,100	\$137,100
8004	Network Specialist/Manager/Engineer	10	\$108,000	\$81,000	\$99,800	\$112,800	5.51%	\$113,500	\$106,900
9000	Human Resources Manager	13	\$126,200	\$108,400	\$121,900	\$135,500	7.61%	\$126,200	\$127,400
9001	Human Resources Generalist	14	\$93,500	\$82,300	\$98,200	\$105,100	3.32%	\$96,700	\$104,000
9002	Human Resources Coordinator	10	\$76,500	\$67,000	\$80,800	\$89,600	4.02%	\$78,900	\$85,200
9003	Payroll	14	\$88,600	\$72,200	\$89,800	\$98,500	5.00%	\$92,100	\$93,200

			Base Salary	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Incentive %	Actual Total Cash	Total Cash Design
Job Code	Job Title	Nb. of Incumbents	P50	P50	P50	P50	P50	P50	P50
9004	Manager, Health & Safety	19	\$128,500	\$100,900	\$121,900	\$133,600	8.20%	\$134,500	\$128,500
N001	Executive Role - Non Regulated Business	5	\$198,000	\$158,400	\$200,500	\$211,100	14.42%	\$208,500	\$236,600
N002	Non-Executive Role - Non Regulated Business	4	\$110,400	\$97,500	\$112,200	\$126,900	-	\$112,200	\$117,200

Appendix A: Survey Methodology

To formulate the information in this report, Eckler collected data, conducted quality assurance, and aggregated information to publish statistics.

A survey package was distributed to each participant that collected jobs data for the survey benchmark roles, as well as information on the organization's profile, salary administration policies, and benefits policies. Participants matched their jobs to the benchmark job profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, each unique data point was reviewed to ensure that all matches were accurate and should all be included. If all are valid, then each unique data point was used for that organization.

Eckler reviewed all submitted survey packages and contacted participants to verify the data provided, as necessary. Space was provided for additional comments with respect to the reported data for the role as well to ensure participants were able to provide any important context to the data of special circumstances that would influence the pay for an incumbent or position. If any of the submitted matches to the benchmark roles were deemed incorrect or not representative of the market, those outlier data points were removed from the aggregated survey results.

Appendix B: Terms and Definitions

For collecting compensation data, Eckler provided definitions for various compensation elements which form both compensation design – the intended range of pay for a position, as well as actual compensation – what an incumbent is currently being paid in the role.

Job Match Information

Data Collection Field	Description
Job Title within your Organization	The title used in your organization for the position you have matched to the benchmark.
Quality of Match	Your assessment of the "size" (scope/complexity) of the job in your organization compared the benchmark job description provided. For some positions, indicators of scope are discussed in the description; for others it will be a matter of subjective assessment. + The position in your organization has greater scope and/or complexity than the benchmark. Typically, the job would be perceived as at least 15% larger. For people managers, greater scope may include a larger than "typical" number of staff and/or wider range of activities/functions being managed or supervised. At senior management & executive levels, greater scope may also include additional functions reporting into this position (e.g., IT and Customer Service reporting to the CFO would make the job "wider" than the CFO in the benchmark description). = The position in your organization is of similar scope and/or complexity as the benchmark. Typically, the job would be perceived as within +/- 15% of the benchmark. - The position in your organization has smaller scope and/or complexity than the benchmark. Typically, the job would be perceived as at least 15% smaller (i.e., less than 85% of the scope/complexity of the benchmark). For people managers, scope may include a smaller than "typical" number of staff and/or narrower range of activities/functions being managed or supervised. At senior management & executive levels, smaller scope may include functions that would normally be expected to report into this position reporting elsewhere.
Work Location	The postal code of the work location for this position.
Standard Hours of Work	The standard hours of work per week.

Number of Incumbents The number of incumbents in the position you have matched.

Pay Grade	The pay grade / job grade / grade level used within your organization to designate the level of the job.
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Design Compensation: Salary Range

Data Collection Field	Description
Minimum	The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.
Job Rate / Control Point	The salary your organization is prepared to pay for competent performance by a fully trained incumbent. This is typically the midpoint of a salary range or the highest step of a step structure.
Maximum	The highest point in the salary range or the highest step of a step structure.

Design Compensation: Short Term (Annual Incentive)

Data Collection Field	Description
Eligible? (Y/N)	Is the position typically eligible to participate in a defined incentive plan designed to reward the individual for performance/results achieved during a period of one year or less?
Target (%)	If the position is eligible, record the target bonus rate for the position if the target bonus is communicated as a percentage of base salary. Target bonus is the level of award that an employee in this position would expect to receive if all corporate, team and individual performance goals are met.
Target (\$)	If the position is eligible, record the target bonus rate for the position if the target bonus is communicated as a dollar amount. Target bonus is the level of award that an employee in this position would expect to receive if all corporate, team and individual performance goals are met.

Discretionary	If the position is eligible and the bonus plan is "discretionary". Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executives / the board.
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Actual Compensation

Data Collection Field	Description
Base Salary (\$)	This is the annualized amount paid for work performed on a regular, ongoing basis. It does NOT include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments. Record on an annual, full time equivalent basis, as of April 1, 2023.
Bonus Paid (\$)	Total of all short-term incentive awards paid to the incumbent(s) for performance/results over the previous year. If the incumbent joined the organization and/or became eligible for incentive pay during the year, and the actual bonus paid was on a pro-rated basis, please advise the annualized amount (before pro-rating).

Additional Information

Data Collection Field	Description
Comments / Additional Information	Record any information which you feel may assist in validating position matching or explaining special circumstances that influence pay.

Aggregated Statistics

Aggregated statistics are compiled by summing compensation elements; specifically, Eckler has prepared two aggregated statistics which provide a more holistic view of an incumbent's annual compensation.

- Total Cash Design: Salary Control Point or Job Rate + Incentive Target
- Actual Total Cash: Base Salary + Bonus Paid

Where a role is not provided with an incentive, Total Cash Design is equal to the Salary Control Point or Job Rate, and Actual Total Cash is equal to Base Salary.

Information surveyed is provided in aggregated form only to ensure that (1) data for individual organizations or incumbents is not disclosed and (2) to ensure a statistically relevant sample. Eckler requires a minimum number of observations to publish compensation statistics as follows:

Statistic	Definition	Minimum Number of Data Observations
P90	90th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90th percentile and 90% would fall below.	12
P75	75th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below.	8
P50	50 th percentile, also referred to as “median” If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below.	4
P25	25th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below.	8
P10	10th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below.	12
Average	Average The arithmetic mean of all values, calculated by adding up all the values and dividing by the number of observations.	3

Appendix C: Benchmark Job Models

Executives

Job Code	Job Title	Description
0000	President & Chief Executive Officer	Directs the development of short- and long-term strategic plans, operational objectives, policies, budgets, and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures, and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
0001	Chief Operating Officer	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering, and information technology. Develops the short- and long-term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
0002	Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short- and long-term strategic plans, formulates and implements plans, budgets, policies, and procedures to facilitate and improve processes. Establishes clear controls, objectives, and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
0003	Chief Financial Officer / Head of Finance	Highest ranking financially oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders, and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
0004	Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services, and practices, including customer care/call centre, billing, credit, and collections. Accountable for the development, implementation, and integration of all customer service-related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies, and procedures; manages and coordinates budgets.

0005	Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally, reports to President & CEO or a senior executive.
0006	Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision, and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.
0007	Head of Information Technology / Information Services	The top information technology related position in the organization. Provides direction, support and alignment of organization-wide information technology practices and systems with the business in terms of mission, vision, and the strategic imperatives. Ensures that existing needs and future demands of internal and external customers are met through operationally secure and well-designed technology solutions. Directs staff/vendors in the development and implementation of information technology strategy & policies. This role will oversee software development, infrastructure development, end users support, data management, cyber security, project management, IT processes and business applications.

Administration

Job Code	Job Title	Description
1000	Executive Assistant	Performs advanced, diversified, and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings, and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares, and distributes minutes of meetings, including Board of

Director minutes. Reports to the President & CEO and may provide support to other executives.

1001	Administrative Assistant	Performs advanced, diversified, and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings, and travel itineraries. Reports to a senior executive or executive team.
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Engineering

Job Code	Job Title	Description
2000	Director, Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies, and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
2001	Engineering Manager / Distribution Engineer	"Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications, and designs, including the supervision, planning, and scheduling of work within the division – Requires a P. Eng. OR Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction, and maintenance of distribution systems. Consults with other department management on plant design, construction, and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.

2002 Project Engineer Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.

2003	Supervisor, Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores, and maintains the integrity of hard copy file records, digital formats, and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.
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Operations

Job Code	Job Title	Description
2500	Director, Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies, and procedures to facilitate and improve processes and establishes clear controls, objectives, and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
2501	Manager, Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules, and controls the construction, maintenance, and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance, and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
2502	Manager, Control Centre	Supervises, co-ordinates, directs, schedules, and controls the control centre and technical staff. Provide leadership in the planning and coordination of the control centre relative to safety, reliability, and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.

2503	Supervisor, Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
2504	Supervisor, Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance, and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
2505	Supervisor, Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinate and schedule the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports, and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work, and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
2506	Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications, and managing construction.
2507	Manager, Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions

		with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.
2508	Supervisor, Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors, and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.
2509	Manager, Continuous Improvement	Responsible for defining, measuring, and testing procedures in a company with an eye to improving operations/production/products/services efficiency. Analyzes maintains and/or improves organizational performance, using a variety of skills, such as project design, leadership, and management to ensure performance and process development and ultimately optimization. Qualifications: Engineering background.

Supply Chain / Procurement

Job Code	Job Title	Description
3000	Director, Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies, and procedures to facilitate and improve processes and establishes clear controls, objectives, and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements and provides contract management expertise and acts as a resource for contract negotiation, review, and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organization's facilities and assets.

3001	Manager, Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
3002	Supervisor, Stores/Inventory/ Warehouse	Supervises inventory control, records, and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

Accounting/Finance

Job Code	Job Title	Description
4000	Controller / Director, Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices, and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends, and increased profit opportunities. Reports to a CFO/VP Finance.
4001	Manager, Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.

4002	Manager, Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for Ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
4003	Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries, and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
4004	Financial or Business Analyst	Conducts analysis of information for budgeting, investment, and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; Process and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
4005	Accountant	Supports the organization decisions through financial information and relevant analysis. Ensure the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collect and combine information for the decision-making process by management, including financial statements and special projects as assigned (e.g., preparation of rate submission supplemental information).

Customer Service

Job Code	Job Title	Description
5000	Director, Customer Service	NOT the head of function. Provides direction for all departmental activities, services, and practices, including customer care/call centre, billing, credit, and collections. Accountable for the implementation and integration of all customer service-related activities. Oversees the implementation of customer service standards, policies, and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
5001	Manager, Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving, and responding to customer inquiries, complaint, or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits, and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational, and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
5002	Supervisor, Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.
5003	Key Account Specialist	Works the organizations' largest customers to ensure customer satisfaction as well as retain top customers and nurture those key relationships over time. Acts as a strategic partner and advisor to the client, providing services, resolving complaints and where appropriate discovering new opportunities, growing the business, and meeting customer needs.

Communications

Job Code	Job Title	Description
5500	Director, Communications	Directs the development, management, and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
5501	Manager, Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the customer communications. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.
5502	Communications Specialist	Responsible for providing communications support for internal and external communications. Evaluates and utilizes best platform for communication, including social media. Keeps current of industry and communication trends, monitoring communication efficacy and data as available to support the communications team by providing input to the overall communications plan. Assists in the development of key messages, composing press releases and preparing other communications materials (including website).

Regulatory Affairs

Job Code	Job Title	Description
6000	Director, Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
6001	Manager, Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs, and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
6002	Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e., conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.

Conservation/Demand

Job Code	Job Title	Description
7000	Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating, and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.

Information Systems/Technology

Job Code	Job Title	Description
8000	Director, Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming, and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets, and resource requirements. Typically reports to the Chief IT role or may report directly to the CEO and/or CFO.
8001	Manager, Information Systems	Manages and directs staff in areas of computer operations, systems planning, design, programming, and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets, and resource requirements.

8002	Systems and/or Program Administrator / Applications and/or Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates, and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.
8003	Manager Information Security	Oversees all initiatives that concern the overall security of an organization's technology assets and information. Defines strategies, policies, and procedures to ensure the integrity, confidentiality, and availability of the organization's information. Manages and maintains the organization's cyber security systems and infrastructure as well as the organization's IT systems and computer networks against cyber-attacks, intrusions, malware, and various types of data breaches. Oversees the implementation of continued security improvements. Initiates auditing of current systems and risk assessments.
8004	Network Specialist/Manager/Engineer	Designs integrated IT infrastructure systems to support the organization's business needs. Analyzes and interprets business needs and delivers network solutions. Designs, installs, configures, and supports IT networks, including maintenance and troubleshooting. Develops and maintains documentation/policy relating to procedures, processes, and standards. Plans, tests, and implements upgrades and patches for networking equipment. Tunes network hardware and software to ensure optimum performance, resource utilization, and capabilities enhancement (technology strategy and road maps).

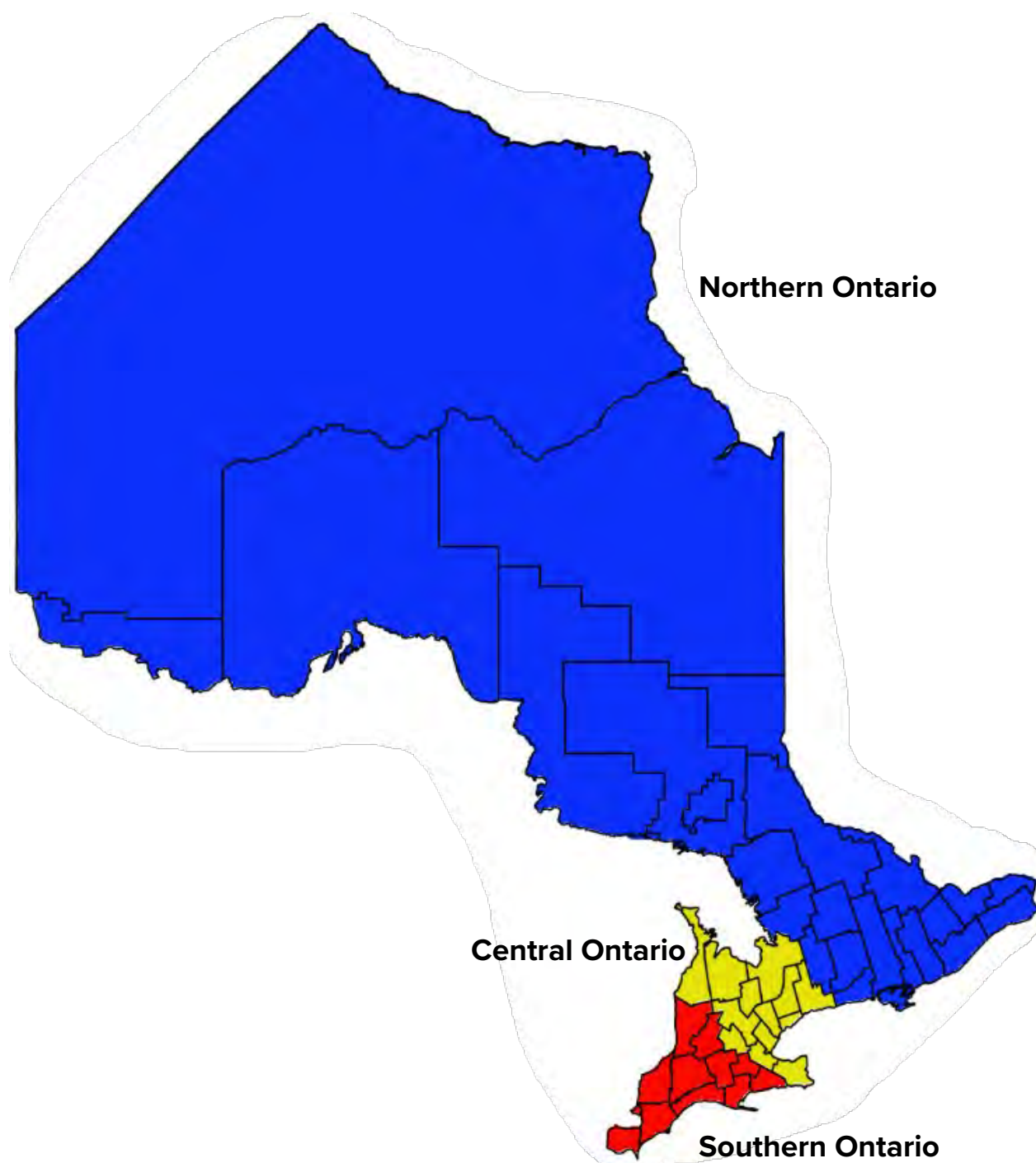
Human Resources

Job Code	Job Title	Description
9000	Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training, and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
9001	Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
9002	Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates, and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
9003	Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and respond to inquiries from employees and pensioners regarding the pension plan.
9004	Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety, and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

Non-Regulated Business – Business Development Roles

Job Code	Job Title	Description
N001	Executive Role - Non-Regulated Business	Reporting to either/or the CEO or the Board, this role is responsible for non-regulated revenue streams, and achieving growth/revenue targets for the organization. This includes the development of new offerings, enhancing existing offerings or creating value for clients by diversifying the organization's services. They are responsible for maintaining and growing client relationships as well as building relationships with additional clients in the market. May be supported by analytical staff or more junior business development roles.
N002	Non-Executive Role - Non-Regulated Business	Reporting to an executive within an LDC or an executive in a sister/nonregulated company, this role is responsible for non-regulated revenue generation. They will have growth/revenue targets for the organization and are focused on maintaining/growing relationships with clients by enhancing existing offerings or creating value by diversifying the organization's services. They may also support the development of additional market offerings.

Appendix D: Region Map



Appendix E: About Eckler

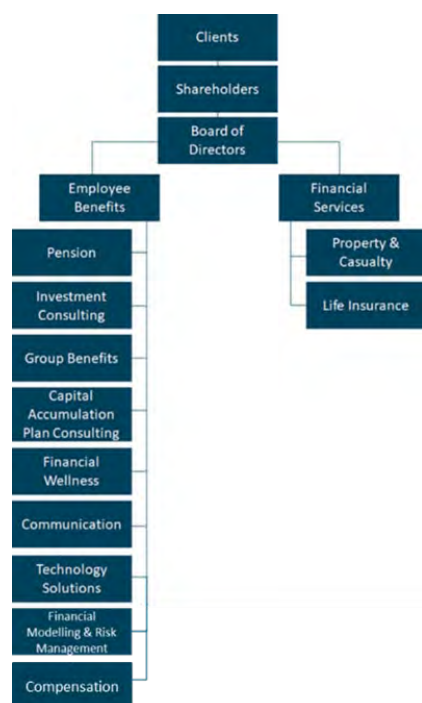
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We have evolved from a strictly actuarial firm to a fully integrated consulting practice, offering a complete range of employee benefit services including group benefits consulting, investment consulting, asset/liability modelling, technology solutions, communication and change management consulting, defined contribution plan consulting, compensation consulting, as well as financial wellbeing education.

We are a privately-owned company with Principal Shareholders who are actively involved in our consulting practice. Each Shareholder owns an equal number of shares in the firm, which ensures a highly democratic and equitable distribution of authority and responsibility. This operational structure helps us to maintain a strong entrepreneurial culture while ensuring stability.

Eckler has a unique organizational structure that consists of two distinct business units:

- Employee benefits which provides consulting services primarily to sponsors of pension and benefits plans; and
- Financial services, which consults primarily to insurance and other financial services companies.



Compensation Experience with Surveys

Understanding compensation, and specialized fields and industries can be very challenging. As a result, many sectors opt to conduct surveys that are specific to their own sector to obtain a clearer picture of the available talent in the market, and the cost of that talent. With high inflation, and a shrinking labour pool in Canada for many professions, and a growing trend of needing to compete on a regional or even national level when work is remote/hybrid enabled, organizations are facing unprecedented challenges to attract, recruit, and retain talent.

We have supported many organizations in developing programs that recognize workforces being a significant asset, and designing total rewards programs and communications plans that better position their total rewards strategically. In all our projects, our insights and program development are based upon reliable industry data which is a core deliverable of this project.

Our compensation team is located in Toronto, Vancouver, and Montreal, with several of the staff members having experience in running large scale national surveys, as well as specific industry or profession surveys. In addition to our core consulting team, we also have communications and technology solutions that may be useful to leverage for communicating data insights, and assisting in how the data should be published.

Examples of surveys led by our consulting staff previously:

- National Compensation Database – over 700 organizations, including multinational corporations and 600,000+ incumbents
- Canadian post secondary institutions survey – over 50 participants focused on executive compensation data
- Wealth Management survey – approximately 30 participants annually with a focus on 40 jobs, specializing in mutual fund sales
- Credit Union Surveys
- Healthcare surveys – focusing on several benchmark roles specific to primary care delivery and organizations in Ontario but also some nationally

Need more information about Eckler or have a question about this report?

Contact compconsulting@eckler.ca and an Eckler colleague will respond to you.

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4-Staff/CCMBC-141

Ref. 1: Exhibit 4, p.34

Question(s):

Has Oshawa PUC Networks allocated all engineering administrative costs to OM&A or the respective capital programs?

Oshawa Power Response

Oshawa Power allocates Technical Services Technicians and Engineers labour and benefits for work performed directly attributable to a capital project or O&M project. Labour that is administrative or supervisory in nature will remain within O&M under the program Engineering Administration.

4-CCC/VECC-142

Ref. 1: Exhibit 4, pp. 26, 41, 54, 63, 67

Question(s):

The combined year-end FTE count from each of Tables 4-13, 4-17 and 4-19 is set out in the table below. Please confirm, or correct, the below table that sets out FTE at the program/department level.

O&M Program FTEs	2021 OEB-approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Operations							
Distribution	29.0	22.0	22.0	25.5	23.4	24.0	30.0
Metering Service - Technicians	3.0	2.0	2.0	2.3	2.7	3.0	3.0
System Control - Operators	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering	4.0	2.0	1.0	4.0	4.3	4.0	5.0
Technical Services	5.0	6.0	6.0	6.0	7.7	8.0	8.7
Operations Management	7.0	4.0	3.0	2.0	2.0	2.0	3.0
Sub-Total	50.0	38.0	36.0	41.8	42.0	43.0	51.7
Customer Service							
Communications	1.0	0.0	2.0	1.5	1.0	2.0	2.3
Customer Service	15.5	8.0	9.5	7.5	3.2	3.0	4.0
Metering / Reading	3.3	1.0	1.0	2.0	2.5	3.0	4.0
Sub-Total	19.8	9.0	12.5	11.0	6.7	8.0	10.3
Admin & General							
Corporate	4.0	7.0	4.0	7.2	8.6	8.8	9.0
Finance & Regulatory	7.3	7.9	9.5	14.3	13.8	13.5	15.6
Supply Chain	3.3	2.0	3.0	3.0	3.2	3.0	4.3
IT Operations	3.0	2.4	4.0	5.5	7.6	8.0	10.3
Human Resources	2.0	2.0	2.5	2.2	1.9	1.6	1.9
Health & Safety	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sub-Total	21.6	23.3	25.0	34.2	37.0	36.9	43.2
Total	91.4	70.3	73.5	87.0	85.7	87.9	105.2

Please explain the difference in total FTEs in the above table and the number of FTEs provided in Table 4-20. Please also re-state the above table showing FTEs by program/department on the same basis as Table 4-20.

- a) Please provide an update to the above table on the same basis as Table 4-20 that reflects the best available information regarding the 2025 FTE count. As part of this response, please discuss any implications of the 2025 updated FTE count on the 2026 forecast.

- b) Please explain the differences between Table 4-20 and Table 4-26. For example, Table 4-20 shows a reduction of 9 FTEs between 2021 actual and 2022 actual. In contrast, Table 4-26 shows an increase of 5 staff. To the extent possible, please provide Table 4-26 on the same basis as Table 4-20.
- c) Please provide a full listing of all position titles (broken out by program/department) for each of 2024 actual, 2025 forecast and 2026 forecast in table format (similar to Table 4-26 but for all positions instead of only positions that had additions or eliminations). As part of the response, please include the number of FTEs that are in each position (same basis as Table 4-20) and highlight which positions are proposed to be created between 2024 and 2026.
- d) Please provide a similar table as requested above (i.e., full listing of positions broken out by program/department) that highlights the following:
 - i. The positions that were in place at the time that the Resource Optimization Review was completed.
 - ii. The positions that Oshawa PUC Networks proposes to create / fill (or has already created/filled) resulting from the Resource Optimization Review
 - iii. Other positions that Oshawa PUC Networks proposes to create / fill (or has already created / filled) that were not recommended as part of the Resource Optimization Review.

Oshawa Power Response

- a) The values in shown in the table above reflecting Tables 4-13, 4-17 and 4-19 are confirmed. The combined FTEs per year reflects end of year FTE counts for each year, with the 2021 to 2024 actuals aligning with Oshawa Power's Reporting and Record-keeping requirements (RRR) filings for those years.
- b) The FTE counts provided in Table 4-20 (Appendix 2-K) reflect calculated mid-year FTE counts for all years, based on an average of end of year FTE counts and previous end of year FTE counts. For the 2021 Test Year, 2021 OEB-approved FTE counts are shown. The mid-year averages were calculated in Appendix 2-K following the direction provided in Note 4 in Appendix 2-L. Appendix 2-L automatically populates FTE values from Appendix 2-K.

The table above reflecting Tables 4-13, 4-17 and 4-19 has been restated below to reflect mid-year values calculated using an average of prior year and end of year FTE values.

IRR Table 4-48: 2021 to 2026 Mid-Year FTE values by Program (Application)

Program Mid-Year FTEs	2021 OEB-approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Operations & Maintenance							
Distribution	29.0	25.5	22.0	23.8	24.4	23.7	27.0
Metering Service - Technicians	3.0	2.5	2.0	2.2	2.5	2.8	3.0
System Control - Operators	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering	4.0	3.0	1.5	2.5	4.2	4.2	4.5
Technical Services	5.0	5.5	6.0	6.0	6.8	7.8	8.3
Operations Management	7.0	5.5	3.5	2.5	2.0	2.0	2.5
Sub-Total	50.0	44.0	37.0	38.9	41.9	42.5	47.3
Customer Service							
Communications	1.0	0.5	1.0	1.8	1.3	1.5	2.2
Customer Service	15.5	11.8	8.8	8.5	5.3	3.1	3.5
Metering / Reading	3.3	2.2	1.0	1.5	2.3	2.8	3.5
Sub-Total	19.8	14.4	10.8	11.8	8.8	7.3	9.2
Administrative & General							
Corporate	4.0	5.5	5.5	5.6	7.9	8.7	8.9
Finance & Regulatory	7.3	7.6	8.7	11.9	14.0	13.6	14.6
Supply Chain	3.3	2.7	2.5	3.0	3.1	3.1	3.7
IT Operations	3.0	2.7	3.2	4.8	6.5	7.8	9.2
Human Resources	2.0	2.0	2.3	2.4	2.1	1.8	1.8
Health & Safety	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sub-Total	21.6	22.4	24.1	29.6	35.6	36.9	40.0
Total	91.4	80.8	71.9	80.2	86.4	86.8	96.5

- c) The Table below discussed the changes to roles and vacancies in 2025 and implications on the 2026 Test Year forecast.

IRR Table 4-49: Changes to 2025 FTEs and Implications on 2026 Test Year

Role	Department	Update to 2025 Bridge Year	Application	Update July 1rs	Change	Implication on 2026 Test Year
Operations & Maintenance						
Meter Technician	Meter Service - Technician	Following a 2024 departure, vacant role was not filled in early 2025 as anticipated, new technician to start in September 2025.	1.0	0.3	-0.7	No change to roles requested in 2026.
Manager Stations and P&C	Engineering	Following a February 2025 departure, vacant role has not yet been filled. Plan to re-hire in September 2025.	1.0	0.5	-0.5	No change to roles requested in 2026.
Director Engineering and Operations	Operations Management	Role was hired in April 2025 instead of 2026 to support demand realizing more quickly than anticipated.	0.0	0.8	0.8	No change to roles requested in 2026.
Program sub-total					-0.4	
Customer Service						
Manager, Customer Services	Customer Service	Filled in June 2025 instead of 2026 to address demand arising from increased collections activity, with a change in title to Customer Excellence Program Manager.	0.0	0.6	0.6	No change to roles requested in 2026.
Program sub-total					0.6	
Total					0.2	

For clarity, updates to both end of year FTEs, and mid-year FTEs (based on an average of end of year and previous end of year counts) are provided, with updates to 2025 Bridge and 2026 Test Year FTE forecasts. While only 2025 Bridge Year FTEs have changed, because of how mid-year FTEs are calculated using previous year FTEs, 2026 mid-year FTEs are also updated.

IRR Table 4-50: Update to 2021 to 2026 End of Year FTE values by Program (July 2025)

Program/Department	2021 OEB-approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year (Application)	2025 Bridge Year (July 2025)	2026 Test Year
Operations & Maintenance								
Distribution	29.0	22.0	22.0	25.5	23.4	24.0	24.0	30.0
Metering Service - Technicians	3.0	2.0	2.0	2.3	2.7	3.0	2.3	3.0
System Control - Operators	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering	4.0	2.0	1.0	4.0	4.3	4.0	3.5	5.0
Technical Services	5.0	6.0	6.0	6.0	7.7	8.0	8.0	8.7
Operations Management	7.0	4.0	3.0	2.0	2.0	2.0	2.8	3.0
O&M Program Total	50.0	38.0	36.0	41.8	42.0	43.0	42.6	51.7
Customer Service	0	0	0	0	0	0	0	0
Communications	1.0	0.0	2.0	1.5	1.0	2.0	2.0	2.3
Customer Service	15.5	8.0	9.5	7.5	3.2	3.0	3.6	4.0
Metering / Reading	3.3	1.0	1.0	2.0	2.5	3.0	3.0	4.0
Customer Service Program Total	19.8	9.0	12.5	11.0	6.7	8.0	8.6	10.3
Administrative & General								
Corporate	5.0	8.0	5.0	7.2	8.6	8.8	8.8	9.0
Finance & Regulatory	7.3	7.9	9.5	14.3	13.8	13.5	13.5	15.6
Supply Chain	3.3	2.0	3.0	3.0	3.2	3.0	3.0	4.3
IT Operations	3.0	2.4	4.0	5.5	7.6	8.0	8.0	10.3
Human Resources	1.0	1.0	1.5	2.2	1.9	1.6	1.6	1.9
Health & Safety	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative & General Total	21.6	23.3	25.0	34.2	37.0	36.9	36.9	43.2
Total	91.4	70.3	73.5	87.0	85.7	87.9	88.0	105.2

IRR Table 4-51: Update to 2021 to 2026 Mid-Year FTE values by Program (July 2025)

Program/Department	2021 OEB-approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year (Application)	Updated 2025 Bridge Year (July IR Update)	2026 Test Year (Application)	Updated 2026 Test Year (July IR Update)
Operations & Maintenance									
Distribution	29.0	25.5	22.0	23.8	24.4	23.7	23.7	27.0	27.0
Metering Service - Technicians	3.0	2.5	2.0	2.2	2.5	2.8	2.5	3.0	2.7
System Control - Operators	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering	4.0	3.0	1.5	2.5	4.2	4.2	3.9	4.5	4.3
Technical Services	5.0	5.5	6.0	6.0	6.8	7.8	7.8	8.3	8.3
Operations Management	7.0	5.5	3.5	2.5	2.0	2.0	2.4	2.5	2.9
O&M Program Total	50.0	44.0	37.0	38.9	41.9	42.5	42.3	47.3	47.1
Customer Service	0	0	0	0	0	0	0	0	0
Communications	1.0	0.5	1.0	1.8	1.3	1.5	1.5	2.2	2.2
Customer Service	15.5	11.8	8.8	8.5	5.3	3.1	3.4	3.5	3.8
Metering / Reading	3.3	2.2	1.0	1.5	2.3	2.8	2.8	3.5	3.5
Customer Service Program Total	19.8	14.4	10.8	11.8	8.8	7.3	7.6	9.2	9.5
Administrative & General									
Corporate	5.0	6.5	6.5	6.1	7.9	8.7	8.7	8.9	8.9
Finance & Regulatory	7.3	7.6	8.7	11.9	14.0	13.6	13.6	14.6	14.6
Supply Chain	3.3	2.7	2.5	3.0	3.1	3.1	3.1	3.7	3.7
IT Operations	3.0	2.7	3.2	4.8	6.5	7.8	7.8	9.2	9.2
Human Resources	1.0	1.0	1.3	1.9	2.1	1.8	1.8	1.8	1.8
Health & Safety	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative & General Total	21.6	22.4	24.1	29.6	35.6	36.9	36.9	40.0	40.0
Total	91.4	80.8	71.9	80.2	86.4	86.8	86.9	96.5	96.6

d) Table 4-26 in Exhibit 4 has been updated to reflect corrections and updates to

roles and vacancies in 2025 and implications on 2026. See 4-Staff/CCC/VECC/AMPCO-109 b), IRR Table 4-1.

Table 4-20 in Exhibit 4 reflects mid-year FTEs based on actual end of year staffing counts whereas Table 4-26 reflects changes in the roles that exist in each year, measured at the end of the year, whether or not they were vacant for all or part of that year. Table 4-26 also excludes student and other temporary roles, whereas Table 4-20 includes all FTEs.

For example, for 2022 actuals, Table 4-20 reflects a 9 FTE decrease from 2021. This was calculated as follows:

- Mid-Year 2021 FTEs (81) = Average of 2021 OEB-approved FTEs (91.4) and 2021 end of year FTEs (70.3)
- Mid-Year 2022 FTEs (72) = Average of 2021 end of year FTEs (70.3) and 2022 end of year FTEs (73.5)

The change in FTEs between the end of 2021 (70.3) and the end of 2022 (73.5) was an increase of 3.2 FTEs.

Table 4-26 reflects the change between the end of 2021 and 2022 only changes in roles (+6.0), whereas the FTE decrease between the end of 2021 and the end of 2022 is also impacted by vacancies created by retirements, moves within the organization, and other departures (-13.4) offset by new arrivals in existing roles and students (+10.6).

See below Table showing all 60 roles shown in the updated Table 4-26 with mid-year FTE counts in alignment with Appendix 2-K.

IRR Table 4-52: Updated New/Eliminated Roles Table by Mid-Year FTEs

Roles by Program/Department	2021 OEB-approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year (Application)	Updated 2025 Bridge Year (July IR Update)	2026 Test Year (Application)	Updated 2026 Test Year (July IR Update)
Operations & Maintenance									
PLTs	19.0	15.0	10.0	12.3	14.2	13.0	13.0	13.5	13.5
PLT sub-foreperson	1.0	1.0	1.0	2.0	2.3	1.8	1.8	2.0	2.0
PLT apprentice	3.0	3.0	4.0	2.5	0.2	0.7	0.7	1.5	1.5
PME sub-foreperson	0.0	0.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0
PME apprentice	0.0	0.5	1.0	0.5	0.0	0.0	0.0	1.0	1.0
Operations Coordinator	1.0	1.0	1.0	1.0	1.7	2.2	2.2	2.0	2.0
Manager Distribution Design & System Planning	0.0	0.0	0.0	0.0	0.5	1.0	1.0	1.0	1.0
Manager Stations and P&C	0.0	0.0	0.0	0.5	1.0	1.0	0.8	1.0	0.8
Engineer in Training	0.0	0.0	0.5	1.5	1.2	0.2	0.2	0.0	0.0
P&C/SCADA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Technical Services Technician	3.0	3.0	3.0	3.5	4.5	5.5	5.5	6.0	6.0
Engineering Intern	0.0	1.0	2.0	2.0	2.3	2.3	2.3	2.3	2.3
Manager Metering & Operations	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Distribution Supervisor	2.0	2.0	2.0	1.5	1.0	1.0	1.0	1.0	1.0
Technical Services Supervisor	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operational Systems Specialist (GIS)	1.0	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance Planner	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Director Engineering and Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.5	0.9
Customer Service	0	0	0	0					
Manager, Communications	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Communications Coordinator	0.0	0.0	0.0	0.3	0.3	0.5	0.5	1.0	1.0
Supervisor, Customer Service / Services & Escalation	1.0	0.5	0.0	0.0	0.3	0.8	0.8	1.0	1.0
Quality Assurance Specialist	0.0	0.0	0.0	0.3	0.6	0.4	0.4	0.0	0.0
Business Analyst, Customer Service	0.0	0.5	1.0	0.5	0.3	0.8	0.8	1.0	1.0
Director Meter to Cash	0.0	0.0	0.0	0.0	0.0	0.5	0.5	1.0	1.0
Customer Service Representatives	12.5	9.3	6.3	6.0	3.1	0.3	0.3	0.0	0.0
Meter Operator / Meter Data Operator	1.0	1.0	1.0	1.0	1.3	1.8	1.8	2.0	2.0
Operations Developer	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manager, Metering & Operational Data	0.0	0.0	0.0	0.5	1.0	1.0	1.0	1.0	1.0
GIS Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Administrative & General									
Executive / Administrative Assistant	1.0	1.0	1.0	1.4	1.9	2.0	2.0	2.0	2.0
VP, Engineering & Operations	1.0	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Managing Director	0.0	0.0	0.0	0.5	1.0	1.0	1.0	1.0	1.0
VP Finance, Business & Corporate Services / CFO	0.0	0.5	1.0	1.0	0.9	0.8	0.8	0.9	0.9
CTO, Director of Business Transformation	0.0	0.0	0.0	0.4	0.9	1.0	1.0	1.0	1.0
Director, Communications & Marketing	0.0	0.0	0.0	0.4	0.9	1.0	1.0	1.0	1.0
Director, Regulatory & Commercial Affairs	0.0	0.0	0.0	0.0	0.4	0.9	0.9	1.0	1.0
Senior Contracts Specialist & Privacy Officer	0.0	0.0	0.0	0.4	0.9	1.0	1.0	1.0	1.0
Senior Regulatory Analyst / Supervisor, Regulatory Affairs	0.0	0.0	0.0	0.4	0.9	1.0	1.0	1.0	1.0
Regulatory Coordinator / Analyst	0.0	0.0	0.0	0.0	0.5	1.0	1.0	1.0	1.0
Corporate Controller	1.0	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Manager, Financial Reporting	1.0	1.0	1.0	1.0	0.7	0.2	0.2	0.0	0.0
Manager, Governance	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.8	0.8
Senior Manager, Financial Accounting	0.0	0.0	0.5	1.0	1.0	0.5	0.5	0.0	0.0
Director of Finance	0.0	0.0	0.0	0.0	0.1	0.6	0.6	1.0	1.0
Supervisor, Financial Analysis & Reporting	0.0	0.0	0.0	0.0	0.1	0.6	0.6	1.0	1.0
Supervisor/Manager, Accounting	0.0	0.0	0.0	0.0	0.0	0.5	0.5	1.0	1.0
Financial Analyst / Senior FA	1.0	1.5	2.5	3.7	3.5	2.3	2.3	2.5	2.5
Buyer	2.0	1.5	1.0	1.0	0.9	0.9	0.9	1.0	1.0
Inventory & Procurement Clerk / Stockkeeper	0.0	0.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0
Supply Chain Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
IT Analyst	2.0	2.0	2.0	2.0	2.4	2.9	2.9	3.0	3.0
Operational Technology Specialist (GIS)	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Project Lead/Operations Excellence Manager	0.0	0.0	0.0	0.5	1.0	0.5	0.5	0.0	0.0
Integration and Automation Architect	0.0	0.0	0.0	0.4	0.9	1.0	1.0	1.0	1.0
Project Manager	0.0	0.0	0.0	0.4	1.0	1.6	1.6	2.0	2.0
Senior Network Engineer	0.0	0.0	0.0	0.5	1.0	1.0	1.0	1.0	1.0
Cyber Security Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Business Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Manager, Human Resources and Health & Safety	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Senior Payroll Specialist	0.0	0.0	0.0	0.4	0.9	0.8	0.8	0.6	0.6
Total	57.5	50.3	45.7	54.6	59.3	59.9	60.0	68.1	68.2

e) See tables by program below showing 2024-2026 roles, timing of creation with respect to the Resource Optimization Review (ROR).

IRR Table 4-53: 2024-2026 Roles (Mid-Year FTE, Timing w.r.t. RoR) – O&M

Program/Department	2024 Actuals	2025 Bridge Year (Application)	Updated 2025 Bridge Year (July IR Update)	2026 Test Year (Application)	Updated 2026 Test Year (July IR Update)	New 2024 Role	New 2025 Role	New 2026 Role	Timing of Role Creation/Filling w.r.t. ROR
Operations & Maintenance									
PLTs	14.2	13.0	13.0	13.5	13.5				1 (ii) Created due to ROR
PLT sub-foreperson	2.3	1.8	1.8	2.0	2.0				(i) In place before ROR
PLT apprentice	0.2	0.7	0.7	1.5	1.5	1		1	(ii) Created due to ROR
PMEs	3.0	3.0	3.0	3.0	3.0				(i) In place before ROR
PME sub-foreperson	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
PME apprentice	0.0	0.0	0.0	1.0	1.0			2	(ii) Created due to ROR
Distribution Inspection Coordinator	2.0	2.0	2.0	2.0	2.0				(i) In place before ROR
Operations Coordinator	1.7	2.2	2.2	2.0	2.0	1			(i) In place before ROR
Distribution student	0.0	0.0	0.0	1.0	1.0			2	(iii) Created outside RoR
Sub-Foreperson Meter Technician	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Meter Technician	1.0	0.8	0.5	1.0	0.7				(i) In place before ROR
Meter Technician Apprentice	0.5	1.0	1.0	1.0	1.0				(i) In place before ROR
Operations Technicians	2.0	2.0	2.0	2.0	2.0				(i) In place before ROR
Manager Distribution Design & System Planning	0.5	1.0	1.0	1.0	1.0	1			(i) In place before ROR
Manager Stations and P&C	1.0	1.0	0.8	1.0	0.8				(i) In place before ROR
Senior Engineer	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Engineer in Training	1.2	0.2	0.2	0.0	0.0				(i) In place before ROR
Distribution Engineer	0.5	1.0	1.0	1.0	1.0				(i) In place before ROR
P&C/SCADA	0.0	0.0	0.0	0.5	0.5			1	(iii) Created outside RoR
Technical Services Technician	4.5	5.5	5.5	6.0	6.0	1			(i) In place before ROR
Engineering Intern	2.3	2.3	2.3	2.3	2.3				(i) In place before ROR
Distribution Supervisor	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Manager Distribution Construction	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Director Engineering and Operations	0.0	0.0	0.4	0.5	0.9		1		(ii) Created due to ROR
O&M Program Total	41.9	42.5	42.3	47.3	47.1				

IRR Table 4-54: 2024-2026 Roles (Mid-Year FTE, Timing w.r.t. RoR) – Customer Service

Roles by Program/Department	2024 Actuals	2025 Bridge Year (Application)	Updated 2025 Bridge Year (July IR Update)	2026 Test Year (Application)	Updated 2026 Test Year (July IR Update)	New 2024 Role	New 2025 Role	New 2026 Role	Timing of Role Creation/Filling w.r.t. ROR
Customer Service									
Marketing & Communications	0.0	0.0	0.0	0.0	0.0				(i) In place before ROR
Manager, Communications	0.0	0.0	0.0	0.0	0.0				(i) In place before ROR
Corporate Communication Specialist	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Communications Coordinator	0.3	0.5	0.5	1.0	1.0				(i) In place before ROR
Comms Student	0.0	0.0	0.0	0.2	0.2				(i) In place before ROR
Supervisor, Customer Service / Services & Escalation	0.3	0.8	0.8	1.0	1.0	1			(ii) Created due to ROR
Quality Assurance Specialist	0.6	0.4	0.4	0.0	0.0				(i) In place before ROR
Business Analyst, Customer Service	0.3	0.8	0.8	1.0	1.0				(i) In place before ROR
Manager, Customer Service / Customer Excellence Program Manager	0.8	0.3	0.6	0.5	0.8				(i) In place before ROR
Director Meter to Cash	0.0	0.5	0.5	1.0	1.0		1		(iii) Created outside RoR
Customer Service Representatives	3.1	0.3	0.3	0.0	0.0				(i) In place before ROR
Temporary and Student Labour	0.3	0.1	0.1	0.0	0.0				(i) In place before ROR
Meter Operator / Meter Data Operator	1.3	1.8	1.8	2.0	2.0	1			(i) In place before ROR
Operations Developer	0.0	0.0	0.0	0.0	0.0				(i) In place before ROR
Temporary and Student Labour	0.0	0.0	0.0	0.0	0.0				(i) In place before ROR
Manager, Metering & Operational Data	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
GIS Analyst	0.0	0.0	0.0	0.5	0.5			1	(ii) Created due to ROR
Customer Service Program Total	8.8	7.3	7.6	9.2	9.5				

IRR Table 4-55: 2024-2026 Roles (Mid-Year FTE, Timing w.r.t. RoR) – Administrative & General

Roles by Program/Department	Mid-Year FTEs					New Roles Created?			Timing of Role Creation/Filling w.r.t. ROR
	2024 Actuals	Updated 2025 Bridge Year	2025 Bridge Year (July IR Update)	2026 Test Year (Application)	Updated 2026 Test Year	2024	2025	2026	
Administrative & General									
Exec / Admin Assistant	1.9	2.0	2.0	2.0	2.0				(i) In place before ROR
President & CEO	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Managing Director - Oshawa Power	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
VP Finance / CFO & CAO	0.9	0.8	0.8	0.9	0.9				(i) In place before ROR
CTO, Director of Business	0.9	1.0	1.0	1.0	1.0				(i) In place before ROR
Director, Communications	0.9	1.0	1.0	1.0	1.0				(i) In place before ROR
Director, People & Culture	0.9	1.0	1.0	1.0	1.0				(i) In place before ROR
Director, Regulatory & Commercial Affairs	0.4	0.9	0.9	1.0	1.0	1			(i) In place before ROR
Manager, Finance & Regulatory Compliance / Regulatory Affairs & Strategy	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Manager of Sustainability	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Senior Contracts Specialist & Privacy Officer	0.9	1.0	1.0	1.0	1.0				(i) In place before ROR
Senior Regulatory Analyst / Supervisor, Regulatory Affairs	0.9	1.0	1.0	1.0	1.0				(i) In place before ROR
Regulatory Coordinator / Analyst	0.5	1.0	1.0	1.0	1.0	1			(i) In place before ROR
Reg Student	0.0	0.0	0.0	0.2	0.2				(i) In place before ROR
Manager, Financial Reporting	0.7	0.2	0.2	0.0	0.0				(i) In place before ROR
Analysis	0.8	0.4	0.4	0.0	0.0				(i) In place before ROR
Manager, Governance	0.0	0.3	0.3	0.8	0.8		1	1	(iii) Created outside RoR
Senior Manager, Financial Accounting	1.0	0.5	0.5	0.0	0.0				(i) In place before ROR
Director of Finance	0.1	0.6	0.6	1.0	1.0	1			(i) In place before ROR
Supervisor, Financial Analysis & Reporting	0.1	0.6	0.6	1.0	1.0	1			(i) In place before ROR
Supervisor, Accounting	0.0	0.5	0.5	1.0	1.0	1			(i) In place before ROR
Senior Accounting Clerk	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Accounting Clerks (AP/AR Analysts)	2.0	2.0	2.0	2.0	2.0				(i) In place before ROR
Financial Advisor / Senior FA	3.5	2.3	2.3	2.5	2.5			1	(ii) Created due to ROR
Student	0.6	0.3	0.3	0.2	0.2				(iii) Created outside RoR
Buyer	0.9	0.9	0.9	1.0	1.0				(i) In place before ROR
Student or Temporary	0.2	0.2	0.2	0.2	0.2				(i) In place before ROR
Inventory & Procurement Clerk	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Supply Chain Analyst	0.0	0.0	0.0	0.5	0.5			1	(ii) Created due to ROR
Manager Technology	0.3	0.8	0.8	1.0	1.0				(i) In place before ROR
Network Analyst / IT Analyst / Specialist	2.4	2.9	2.9	3.0	3.0	1			(i) In place before ROR
Project Lead/Operations Excellence	1.0	0.5	0.5	0.0	0.0				(i) In place before ROR
Integration and Automation Architect	0.9	1.0	1.0	1.0	1.0				(i) In place before ROR
Project Manager	1.0	1.6	1.6	2.0	2.0	1			(ii) Created due to ROR
Senior Network Engineer	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Cyber Security Analyst	0.0	0.0	0.0	0.5	0.5			1	(ii) Created due to ROR
Business Analyst	0.0	0.0	0.0	0.5	0.5			1	(ii) Created due to ROR
IT Student	0.0	0.0	0.0	0.2	0.2			1	(iii) Created outside RoR
HR Consultant/Coordinator	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Senior Payroll Specialist	0.9	0.8	0.8	0.6	0.6				(i) In place before ROR
Coordinator, Health & Safety	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Manager, Safety Fleet and Facilities	1.0	1.0	1.0	1.0	1.0				(i) In place before ROR
Administrative & General Total	35.6	36.9	36.9	40.0	40.0				

f) Included in the response to e) above.

IRR Table 4-57: Call Centre Compensation Costs (2021-2023)

Year	Compensation Costs
2021	\$743,774
2022	\$745,432
2023	\$552,088
Average (2021-2023)	\$680,431

The average total compensation for the four sub-programs noted are as follows:

IRR Table 4-58: Change from 2021 to 2026 in Compensation Costs (Salaries & Benefits)

Sub-Program	2021 Labour	2026 Labour	Change
Overhead Lines Operations	\$ 362,868	\$ 728,209	\$ 365,341
Engineering Administration	\$ 346,911	\$ 756,214	\$ 409,303
Communications & Community Relations	\$ 96,736	\$ 166,379	\$ 69,642
General Administration	\$ 2,274,519	\$ 5,855,371	\$ 3,580,852
Total	\$ 3,081,034	\$ 7,506,173	\$ 4,425,139

4-CCC/CCMBC/VECC/AMPCO-144

Ref. 1: Exhibit 4, p. 63

Question(s):

- Please provide the average number of vacancies (vacancy rate) that Oshawa PUC Networks had each year during the 2021-2024 period.
- Please discuss how, if at all, staff vacancies are reflected in the 2026 FTE forecast. If vacancies are reflected, please provide the vacancy rate applied.

Oshawa Power Response

- Oshawa Power experienced the following vacancy rates from 2021 to 2024.

IRR Table 4-59: Vacancies & Vacancy Rate (2021-2024)

Year	Vacancies	Rate
2021	8	11%
2022	6	8%
2023	4	5%
2024	11	13%

- b) No vacancies have been included in the 2026 FTE forecast, as it expected all new roles will be filled.

4-AMPCO-145

Ref. 1 Exhibit 4, p. 63

Question(s):

- a) With respect to Appendix 2-K, please provide the number of employees, Total Salary and Wages, Total benefits and Compensation by the following categories: Executive, Management, Union, and Non-Union. In the response, please provide a further breakdown of overtime and incentive pay by the above. Please also provide the number of employees that are eligible for incentive pay in each year. Please include any updates to 2025 and 2026. Please provide an excel version of the response.
- b) Please provide the percentage salary increases for Executive, Management, Union and Non-Union for each of the years 2021 to 2026.
- c) Please provide a comprehensive Organizational Chart for 2021 actuals and 2026 plan.

Oshawa Power Response

- a) See below for table for breakdown of Total benefits and Compensation by the following categories: Executive, Management, Union, and Non-Union.

Chapter 2 Appendices – Appendix 2-K

Appendix 2-K Employee Costs

	2021 OEB Approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Jan-June 2024	July to Dec 2024	Jan-June 2025	July to Dec 2025
Number of Employees (FTEs including Part-Time)¹											
Management (including executive)	19	16	15	17	20	22	23	20	20	22	22
Non-Management (union and non-union)	72	65	57	63	66	65	74	66	66	65	65
Total	91	81	72	80	86	87	97	86	86	87	87
Total Salary and Wages including overtime and incentive pay											
Management (including executive)	\$ 3,287,025	\$ 2,716,112	\$ 2,997,510	\$ 2,508,481	\$ 3,455,101	\$ 4,438,426	\$ 5,137,242	\$ 1,673,573	\$ 1,781,528	\$ 2,173,264	\$ 2,265,162
Non-Management (union and non-union)	\$ 5,913,480	\$ 5,507,000	\$ 5,618,413	\$ 6,820,067	\$ 7,331,272	\$ 7,772,360	\$ 8,648,463	\$ 3,785,804	\$ 3,545,468	\$ 3,793,143	\$ 3,979,217
Total	\$ 9,200,505	\$ 8,223,111	\$ 8,615,923	\$ 9,328,548	\$ 10,786,373	\$ 12,210,786	\$ 13,785,705	\$ 5,459,377	\$ 5,326,996	\$ 5,966,407	\$ 6,244,379
Total Benefits (Current + Accrued)											
Management (including executive)	\$ 944,970	\$ 535,486	\$ 510,628	\$ 654,766	\$ 798,366	\$ 1,018,587	\$ 1,137,899	\$ 441,136	\$ 357,230	\$ 537,200	\$ 481,387
Non-Management (union and non-union)	\$ 1,821,265	\$ 1,884,448	\$ 1,891,106	\$ 2,053,284	\$ 2,363,641	\$ 2,547,516	\$ 3,105,589	\$ 1,401,086	\$ 962,555	\$ 1,246,223	\$ 1,301,293
Total	\$ 2,766,235	\$ 2,419,934	\$ 2,401,734	\$ 2,708,050	\$ 3,162,007	\$ 3,566,103	\$ 4,243,488	\$ 1,842,222	\$ 1,319,785	\$ 1,783,423	\$ 1,782,680
Total Compensation (Salary, Wages, & Benefits)											
Management (including executive)	\$ 4,231,995	\$ 3,251,598	\$ 3,508,138	\$ 3,163,248	\$ 4,253,467	\$ 5,457,013	\$ 6,275,142	\$ 2,114,709	\$ 2,138,758	\$ 2,710,464	\$ 2,746,549
Non-Management (union and non-union)	\$ 7,734,745	\$ 7,391,448	\$ 7,509,520	\$ 8,873,351	\$ 9,694,913	\$ 10,319,876	\$ 11,754,052	\$ 5,186,890	\$ 4,508,023	\$ 5,039,366	\$ 5,280,510
Total	\$ 11,966,740	\$ 10,643,046	\$ 11,017,657	\$ 12,036,598	\$ 13,948,380	\$ 15,776,889	\$ 18,029,194	\$ 7,301,599	\$ 6,646,781	\$ 7,749,830	\$ 8,027,059
Total Compensation Breakdown (Capital, OM&A)											
OM&A	\$ 9,122,833	\$ 7,565,659	\$ 8,228,864	\$ 8,551,676	\$ 10,343,014	\$ 11,644,108	\$ 13,489,209	\$ 5,478,809	\$ 4,864,205	\$ 5,552,301	\$ 6,091,807
Capital	\$ 2,843,907	\$ 3,077,387	\$ 2,788,793	\$ 3,484,922	\$ 3,605,366	\$ 4,132,781	\$ 4,539,985	\$ 1,822,791	\$ 1,782,575	\$ 2,197,529	\$ 1,935,252
Total	\$ 11,966,740	\$ 10,643,046	\$ 11,017,657	\$ 12,036,598	\$ 13,948,381	\$ 15,776,889	\$ 18,029,194	\$ 7,301,600	\$ 6,646,780	\$ 7,749,830	\$ 8,027,059

IRR Table 4-61: Percentage Salary Increases (2021-2026)

Year	Executive / Management / Non-Union	Union
2021	3%	2.1%
2022	2.5%	2.1%
2023	5%	2.1%
2024	4%	3.25% + \$1
2025	3%	3.25% + \$1
2026	2.5%	3.25%

b) See Attachments 4-1 and 4-2.

4-CCC/Staff-146

Ref. 1: Exhibit 4, p. 69-88

Question(s):

- a) (P. 69) Please explain the statement that Oshawa PUC Networks will focus “on hiring PLTs in tandem with anticipated retirees and ability to manage the 1:1 for apprentice development.”
- b) (P. 72) Please reconcile the statement that “Oshawa Power has hired one PLT and one PLT apprentice, and plans to hire an additional PLT and PLT apprentice in 2026 with Table 4-26 (which appears to show 1 PLT apprentice and no PLTs having been hired in 2025).
- c) (P. 73) Please explain why the financial analyst role is targeted for hiring in 2026 (instead of 2027) in the context of the ERP implementation timing. Please also advise which department this role will reside.
- d) (P. 73) Please discuss what position(s) are currently involved in, or responsible for, supply chain management and, more specifically, discuss what involvement the supply chain management analyst will have in the ERP implementation. Please also advise which department this role will reside.

- e) (P. 73) Please discuss what positions(s) currently maintain, test and oversee IT and act as a bridge between the IT and business teams. Please also confirm that the Business System Analyst role will be part of the IT department.
- f) (P. 73) Please advise whether the Director, Engineering and Operations position has already been filled.
 - a. Why has the need for this role materialized quicker than anticipated?
 - b. Is there any need to hire the Director of Engineering and Operations in 2025 besides knowledge transfer with the Managing Director?
- g) (PP. 73, 81) Please advise what position(s) are currently involved in, or responsible for, maintaining and managing GIS data. As part of the response, please discuss whether the Manager, Metering and Operational Data was the sole person that did this work or if that manager oversaw others who were completing this work. Please discuss the rationale for the hiring of the GIS Analyst role in 2026. Please also advise which department this role will reside.
- h) (P. 77) Please confirm that the SCADA/P&C Technician was not recommended as part of the Resource Optimization Review.
- i) (P. 77) Please explain what incremental skills a SCADA/P&C technician has relative to the staff that previously managed the P&C/SCADA programming & administration.
 - a. Please explain in more detail the need for the SCADA/P&C Technician hire in 2026 given that Oshawa PUC Networks' control room staff and PME staff have typically filled the requirements of this role and given that reliability has seen an improved trend over the historical period.
- j) (P. 77) Please confirm that the incremental Technical Services Technician was not recommended as part of the Resource Optimization Review. Please also advise whether the incremental Technical Services Technician has been hired in 2025.
 - a. Please explain the need for the additional technical service technician in 2025 given that the number of upgrades and new connections are expected to increase marginally from 2024 to 2026.

- k) (P. 78) Please confirm that the roles of Manager of Metering & Operations and Operation System Specialist (GIS) were fully eliminated from the organization (not simply eliminated in one department and moved to another department).
- l) (P. 78) Prior to the addition of the two new engineering manager roles (Stations and P&C and Distribution Design & System Planning) what role was responsible for this work. Please also confirm that the two new manager roles are at a significantly higher total compensation than the replaced engineers in training roles.
- m) (PP. 79, 82) Prior to the establishment of the Manager, Communications (later Director, Communications and Marketing) and Communication Coordinator roles, what position(s) were responsible for external and internal communications. Please advise how many FTEs Oshawa PUC Networks plans to have that are involved in communications & marketing for 2026.
- n) (P. 81) Please provide the savings resulting from insourcing some meter data reporting functions (including hiring a Meter Operator) that had previously been outsourced. As part of the response, please show where, in the application, these cost savings are reflected for the years 2024 to 2026.
- o) (P. 81) Please confirm that the CFO position does not reflect a net FTE addition as the previous roles that managed these responsibilities were eliminated.
- p) (P. 82) Please confirm that the CTO position reflects a net FTE addition. As part of the response, please confirm that the Senior Manager, Technology was backfilled.
- q) (P. 83) Please confirm that the Director, Regulatory and Commercial Affairs reflects a net FTE addition. Prior to this addition, please advise which position was responsible for the same responsibilities.
- r) (P. 84) Please confirm that the Regulatory Coordinator (later Regulatory Analyst) role reflects a net FTE addition.
- s) (PP. 84-85) Please provide the organizational structure for the Regulatory and Finance department before and after the 2024 restructuring of the finance department. As part of the response, please include the number of FTEs that supported regulatory & finance functions before and after restructuring.

- t) (P. 86) Please advise whether the manager of governance role has already been filled. Please also discuss what position in the organization was tasked with these same responsibilities currently (or prior to the hiring).
 - a. Please expand upon the need for to hire a Manager of Governance in mid-2025 and how it will improve processes. How have expected efficiencies from the Manager of Governance role been captured in the 2026 budget?
- u) (P. 86) Please advise when the Project Management Office (PMO) was created, how many FTEs are in the PMO, the total costs of the PMO, and the department that the PMO resides. Please also provide specific examples of the PMO increasing efficiency and lowering overall project costs.
- v) (PP. 86-87) Please provide the savings resulting from the automation and digitization of certain operational processes resulting from the addition of the Integration and Automation Architect (IAA) role. As part of the response, please show where, in the application, these cost savings are reflected for the years 2024 to 2026.

Oshawa Power Response

- a) In order to maintain adequate staffing levels and ensure continuity, Oshawa PUC Networks will focus on hiring PLTs at a rate that corresponds with retirements. The "1:1" refers to the ratio where one fully qualified PLT supervises one apprentice PLT.
- b) Following the submission of its Application, Oshawa Power was able to hire two fully qualified PLTs in June 2025 to fill vacancies and has further plans to hire one PLT and one apprentice in 2026.
- c) As indicated in Exhibit 1, Oshawa Power is planning to upgrade and implement an ERP system in 2027 to enhance Oshawa Power's data quality and analytical capabilities. For a large and critical project, it is critical to align a dedicated resource at the inception of the project to ensure alignment. The intention of this hire is twofold. As recommended in the Resource Optimization Review, this resource will add capacity to the existing Finance team in analytical capabilities, in financial planning and analysis, costs management and continuous

improvement. This role is then expected to expand and transition to support the ERP implementation as a functional expert in 2026/2027.

- d) Currently, Supply Chain Management is within Finance, reporting into the CFO. The team is led by Manager, Supply Chain and is supported by Assistant, Purchasing and (ii) Buyer, Purchasing. Supply Chain. The Supply Chain Analyst will assist with the existing supply chain management program, and is expected to expand to assist with ERP implementation as Oshawa Power plans to leverage the new system to incorporate process improvements and modernization of supply chain management.
- e) The activities within the scope of the Business Systems Analyst are currently divided among various other IT staff, including the CTO, the IT Manager, and vendors. However these functions are not being sufficiently performed as those resources do not have capacity to effectively fill the needs of the organization. The Business Systems Analyst, who will be part of the IT department and will report to the IT Manager, will provide the needed in-house ownership of business applications and line-of-business systems that is currently largely driven by vendors, which puts Oshawa Power at risk of not having its best interests provided for.
- f) Yes, this role has been filled.
 - a. Oshawa Power's Operations Management and Engineering teams are relatively inexperienced. To ensure proper development and growth, Oshawa Power incorporated overlapping time and effective transition by hiring a Director, Engineering & Operations. This role will be primarily focused on directing the annual and ongoing operations, planning, design, maintenance and construction of the distribution and sub-transmission systems. The Managing Director is providing coaching and knowledge transfer in order to implement a succession plan and ensure a smooth transition. Hiring a Director, Engineering & Operations at this stage is a strategic response to ensure stability, continuity, and growth in these departments.
 - b. No.

- g) The Manager of Meter and Operational data as well as engineering interns are currently maintaining and managing GIS data. The GIS Analyst was a role that was previously removed from the organization (the GIS Analyst was promoted to the Manager role to replace the previous exiting manager and was not replaced). The GIS system is one that is integral for proper asset management and Oshawa Power has found that it requires an FTE for proper management of the system and data. The GIS Analyst role will reside in the Metering and Operational Data department, reporting to the Manager.
- h) Confirmed.
- i) No incremental skills are required.
- a. As stated in Exhibit 4, page 77, Oshawa PUC Networks Inc. continues to expand its smart grid technologies to prepare for electrification and the anticipated increased demand on the grid. With this expansion, the current practice of utilizing PME and Control Room staff to manage all P&C/SCADA programming and administration has been deemed to no longer be realistic nor a prudent way to proceed. The number of SCADA points and the number of additional devices requiring programming, system administration, and other specialized expertise will be far greater than the Control Room staff and PME's can handle above their current day to day duties so the position will be required to handle these duties, removing them from the Control Room and PME's going forward and allow them to focus on their core duties.
- j) Confirmed. As noted in the response to 4-Staff/CCC/VECC/AMPCO-109 b), adding a new Technical Services Technician in 2025 was noted in error as an incremental position as this hire is a backfill for a retiring staff.
- a. See j).
- k) Yes, these roles were fully eliminated and combined into one role, Manager of Metering and Data operations. The new GIS analyst role will replace the Operation Technology Specialist (GIS) role removed in 2023.

- l) Prior to this addition, the role of Engineering Manager was responsible for this work. Correct, the additional roles come with a higher compensation than the EIT roles, however, they also come with a stronger skill-set and experience to meet the demands of Oshawa Power.
- m) Prior to the establishment of the Manager, Communications role, Oshawa Power had two roles dedicated to internal and external communications. Those roles included the Marketing & Communications Analyst and Marketing Analyst role. For 2026, there are three roles responsible for Communications and Marketing, they include: The Director, Communications & Marketing, a Corporate Communications Specialist and a Communications Coordinator.
- n) Savings resulting from insourcing of some meter data reporting functions was a total of \$122,400 for the 2024-2025 years. These numbers are reflected in the subcontractor cost reduction for this area in 2024, 2025 and 2026.
- o) Confirmed.
- p) Confirmed.
- q) Confirmed. Prior to this addition, the responsibilities were the CFO's.
- r) Confirmed.
- s) See Attachment 4-3 and Attachment 4-4. Before the restructuring, there were 14.3 FTEs in Finance & Regulatory (2023 end of year FTE count). After the restructuring, there were 13.8 FTEs (2024 end of year FTE count).
- t) No, the Manager of Governance role has not been filled as of July 2025. Governance is currently split between the Executive Assistant and the Senior Contract Specialist; policies are managed by departments who own each policy and risks are tracked by the IT department.
 - a. Hiring a Manager of Governance is critical to facilitate strong corporate governance, internal controls and risk management within the organization, and is considered an on-going priority for the organization.

- b. This hire is expected to enable a proactive approach to managing governance, which will improve efficacy and delivery efficiency by centralizing these responsibilities into a single role. The role is also described on p. 85 of Exhibit 4.
- u) The Project Management Office (PMO) was created in April 2023 when the first Project Manager (PM) was hired. There are currently two PMs employed by Oshawa Power. The PMO costs approximately \$326,000/year, mostly capitalized as part of projects and resides under the CTO & Director of Business Transformation.

With PMO oversight, resource allocations are more tightly aligned to an approved schedule that reflects organizational priorities. When timelines start to slip, an entire project is impacted, forcing the organization either to keep the full project team engaged longer or to onboard additional personnel – both of which inflate labour, overhead and vendor costs for the project. Such overruns also tie up shared resources, delaying other initiatives, and, in many cases, the possibility of triggering contractual penalties with external suppliers. By maintaining up-to-date visibility into milestones and adjusting staffing levels accordingly, the PMO releases resources as soon as their deliverables are complete, preventing unnecessary cost escalations. Additionally, keeping in-house project managers offsets project management costs from vendors and frees up capacity from internal staff allowing Oshawa Power to complete more projects in parallel than would be possible without the project managers.

An example of this is the CIS project: Normally for a project of that magnitude an organization would need to place staff under partial or full secondment to the project and hire temporary staff to fill the day-to-day needs of the organization. Because of the project managers' ability to carry much of the administrative and organizational burden, as well as helping with implementation, Oshawa Power staff have been able to continue performing their day-to-day work while working on the CIS project. This pattern has been repeated for several projects including the Phone system upgrade, the MDM upgrade, the Green Button customer portal implementation and others saving Oshawa Power from having to hire at least an

equivalent number of FTEs, not regarding the efficiency and reporting improvements gained from the PMO. As is the case with much of the Business Transformation Program, the PMO aims to create capacity at Oshawa Power to keep its Customer to Employee ratio much higher than its peers by operating as efficiently as possible and has successfully helped to so to date. The contribution has led to the hiring of a second, contract PM to help with additional large projects such as the ERP and the Building construction.

- v) One of the main purposes of the IAA role has been to create capacity by finding efficiencies and offsetting or deferring the need to hire additional FTEs. In addition, the IAA has been able to reduce capital project costs on projects such as the CIS project by providing in-house technical expertise that would have otherwise had to have been contracted.

A sample of projects and their benefits shown in the table below.

IRR Table 4-62: Sample Automation and Digitization Projects

Project	Description	Capacity Created	Offset Costs
Digital Service Orders/Collection Automation	Purchase Order digitization.	Having this process digitized has enabled better tracking and administration of the purchasing process.	A vendor quoted over \$80k for a solution integrated into the finance system. This would have been a sunk cost when moving to the new ERP.
Report Automation	Various reports that were previously manually created and maintained were digitized and automated.	This has created an estimated capacity of over 1 FTE/year since the IAA began in offset work, offsetting the need to hire.	We did not go out for quotations but Oshawa Power estimates about four months of effort from a third-party consultant.

Outage Communications	Using the automation platform to automatically send SMS outage notifications from the OMS to customers and to update the website.	N/A	We did not go out for quotations on this work, but Oshawa Power estimates at least \$30,000 for a thir-party consultant to have performed this work.
Welcome Package Automation	In order to drive up PAP enrollment, Oshawa Power now automatically sends a digital welcome package to customers upon move-in and securely processes the results.	N/A	We did not go out for quotations on this work, but Oshawa Power estimates at least \$10,000-\$20,000 for the vendor to perform this work.
Heat Alert Automation	Oshawa Power now sends automated heat alerts to field staff when the humidex or temperature reaches critical levels.	Unknown	We did not go out for quotations for this work, but it would have cost at least \$10,000.
Data Conversion from cloud-hosted file system	As part of the CIS project, we required the conversion of historical billing data. The IAA automated this programmatically		Vendor had quoted >\$30,000 to perform this work.

2-Staff/CCMBC-70

Ref. 1: Distribution System Plan, p.119

Question(s):

- a) Oshawa PUC Networks noted that the CIS software and enhancements (\$1.4 million) will advance business transformation efforts by facilitating a greater degree of automation, improved business processes, and integration with other systems. Please expand further upon the need for this project and how the software and enhancements will advance business transformation efforts. Please provide specific examples of how processes will be affected by this software and how systems will be integrated.
- b) What quantitative effect will the CIS software have on administrative expenses in the 2026 test year? If quantitative effects cannot be assumed, please provide a qualitative assessment.
- c) Please provide a breakdown of the costs for this project and the basis for the estimates. Please also note what part of the work was deferred from 2021.
- d) Please provide the spend amount to date for this project and the status of the project.
- e) What are the risks of not proceeding with this expenditure in 2025 and deferring the project to future years?

Oshawa Power Response

- a) As part of Oshawa Power's CIS upgrade, Oshawa Power has documented and optimized over seventy meter to cash business processes in conjunction with the incoming vendor. A selection of examples of processes that have been automated with the new software include:
 - Full automation and application of incoming payments from Paymentus and Banks
 - Automation of the billing cycles for 'one click' billing absent any errors.

- Automation of the entire delinquency process, managing and sending notices without any user intervention.
 - Automation of the Move-in/Move-out processes utilizing a new customer-facing move hub to minimize CSR intervention
 - An upcoming proof of concept for an Agent-assist AI integration using the software's native interfacing capabilities.
- b) Qualitatively, the new system, in alignment with the business transformation initiative, will increase internal staff capacity, allowing us to offset the need for more staff via streamlined workflows and automations as exemplified in part a. For example, Oshawa Power has had to invest significant resources into managing the day-to-day collections tasks which have been nearly fully automated by the new CIS, freeing up the existing resources to provide deeper analysis into arrears and to focus on executing collections tasks rather than administrative work.
- c) All work was deferred from 2021. See below a breakdown of the estimated project costs.

IRR Table 2-20: CIS Project Approximate Costs

Item	Approximate Cost
Software License Purchase	██████
Vendor implementation Costs	██████
Labour	██████

- d) As of June 30th total spend was \$1,471,926.
We are in final testing and expect to go live in Q3.
- e) Oshawa Power has already completed the majority of the work required and

would lose the entire investment if the project was cancelled. Had we not proceeded with the project and deferred it to future years, we would have not realized the benefits listed in part a).

2-Staff/CCMBC-71

Ref. 1: Distribution System Plan, p.119

Question(s):

- a) Please expand upon the need and benefits of the Mobile Workforce Management Software expenditure (\$235k in 2025). What processes will this expenditure digitize? How will this expense affect Oshawa PUC Networks 2026 administrative budget?
- b) Please provide the spend amount to date for this project and the status of the project.
- c) What are the risks of not proceeding with this expenditure in 2025 and deferring the project to future years?

Oshawa Power Response

- a) The Mobile Workforce Management software will enable Oshawa Power to move paper-based field operations to digital, improving efficiency, reducing errors, increasing the quality and granularity of data that can be collected and reducing administrative burdens.

The processes that will be digitized include, not exhaustively, equipment change out forms, asset inspection forms, metering workflows, new equipment data sheets and trouble call forms. These are all paper-based workflows to date.

This will result in a minor increase in the administrative budget due to software maintenance costs, but will increase capacity and improve efficiency by reducing overheads and errors.

- b) There has been no spend to date on this project.

Chapter 2 Appendices – Appendix 2-JC

**Appendix 2-JC
OM&A Programs Table**

Programs	2021 OEB Approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (Test Year vs. 2024 Actuals)	Variance (Test Year vs. 2021 OEB Approved)	Jan-June 2024 Actuals	July-Dec 2024 Actuals	Jan-June 2025 Actuals	July-Dec 2025 Fcst	2025 Revised Bridge Year Fcst	Variance 2025 Bridge Yr to Revised Bridge Yr
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Operation															
Operations Supervision	455,301	415,942	250,953	283,333	158,288	116,887	348,193	189,905	-107,108	90,951	67,337	32,891	71,165	104,056	12,831
Overhead Lines Operations	753,124	251,295	838,380	419,239	918,765	650,479	1,197,997	279,232	444,873	975,541	-56,775	480,606	742,472	1,223,078	-572,599
Underground Lines Operations	41,556	56,878	60,620	34,501	23,257	24,147	24,751	1,495	-16,805	17,459	5,798	11,250	4,801	16,051	8,097
Distribution Station Operations	92,323	100,650	149,088	314,557	378,281	233,060	238,181	-140,100	145,858	-70,976	449,258	281,879	56,958	338,838	-105,777
Vegetation Management	157,790	140,061	162,646	202,004	169,743	215,000	220,375	50,632	62,585	84,872	84,872	107,500	107,500	215,000	0
Underground Locates	321,070	433,389	340,520	457,350			484,343	484,343	163,273						0
System Control Operations	286,997	376,912	256,755	474,884	230,572	277,109	283,844	53,272	-3,153	27,360	203,212	199,176	182,968	382,144	-105,035
Metering	359,346	306,615	330,914	395,016	186,208	382,713	398,739	212,531	39,393	220,255	-34,047	122,299	349,107	471,407	-88,693
Engineering Administration	423,493	345,950	223,415	563,096	768,076	666,261	806,639	38,564	383,147	409,271	358,805	228,819	401,859	630,678	35,583
								0	0						
								0	0						
Sub-Total	2,891,000	2,427,693	2,613,290	3,143,980	2,833,190	2,565,658	4,003,063	1,169,873	1,112,063	1,754,732	1,078,458	1,464,421	1,916,831	3,381,252	-815,594
Maintenance															
Maintenance Supervision	409,281	95,690	211,261	229,137	147,232	101,704	128,717	-18,515	-280,564	89,853	57,378	52,785	50,852	103,637	-1,933
Overhead Lines Maintenance	424,896	326,471	245,980	283,019	461,115	559,679	574,046	112,930	149,150	298,389	162,726	280,200	127,820	408,020	151,659
Underground Lines Maintenance	313,830	172,232	203,391	236,107	311,791	194,467	199,328	-112,463	-114,501	88,048	223,744	113,764	118,478	232,241	-37,774
Distribution Station Maintenance	201,942	402,598	443,060	427,226	522,179	439,540	447,705	-74,474	245,763	261,586	260,593	339,088	292,237	631,325	-191,784
								0	0						0
								0	0						0
Sub-Total	1,349,949	996,991	1,103,692	1,175,488	1,442,317	1,295,390	1,349,796	-92,521	-152	737,876	704,441	785,836	589,386	1,375,222	-79,832
Billing and Collecting															
Meter Reading & Data Mgmt.	446,414	274,990	605,191	548,125	752,746	700,578	868,875	116,129	422,461	379,502	373,244	412,472	352,026	764,497	-63,919
Customer Billing	1,124,771	1,109,647	1,125,229	1,361,082	1,299,464	1,589,946	1,343,538	44,075	218,767	628,519	670,944	717,077	961,044	1,678,121	-88,175
Customer Success & Collecting	1,473,746	1,119,685	1,103,787	920,832	1,375,483	1,476,555	1,834,959	459,476	361,213	624,684	750,799	694,155	888,847	1,583,002	-106,446
Bad Debt Expense	455,536	358,406	419,859	1,119,818	1,471,952	1,000,000	1,200,000	-271,952	744,464	250,000	1,221,952	500,000	500,000	1,000,000	0
								0	0						0
								0	0						0
Sub-Total	3,500,467	2,862,727	3,254,066	3,949,857	4,899,646	4,767,079	5,247,373	347,727	1,746,906	1,882,706	3,016,939	2,323,703	2,701,917	5,025,619	-258,540
Community Relations															
Communications & Community R	239,216	230,409	297,797	422,398	270,588	335,661	394,033	123,445	154,817	157,894	112,694	118,509	164,277	282,786	52,875
								0	0						0
								0	0						0
Sub-Total	239,216	230,409	297,797	422,398	270,588	335,661	394,033	123,445	154,817	157,894	112,694	118,509	164,277	282,786	52,875
Administrative and General															
General Administration	2,610,949	3,377,547	3,552,454	3,144,238	4,651,081	5,637,225	6,294,835	1,643,754	3,683,886	2,569,301	2,081,780	2,587,531	2,786,045	5,373,576	263,649
Information Technology	744,509	1,095,997	817,258	1,118,633	1,519,265	1,745,262	1,921,339	402,074	1,176,830	687,602	831,663	591,221	762,173	1,353,395	391,868
Human Resources & Safety	429,508	444,171	453,197	529,014	550,902	459,274	507,210	-43,692	77,702	292,354	258,547	257,606	287,190	544,797	-85,522
Insurance	262,553	222,952	250,625	316,426	334,334	380,851	389,970	55,636	127,417	166,593	167,741	174,529	173,757	348,286	32,564
Audit Legal Consulting	278,018	347,760	513,301	457,363	580,984	231,784	241,814	-339,171	-36,204	163,719	417,266	140,944	190,291	331,235	-99,451
Facilities	769,344	686,659	836,866	780,080	754,168	807,876	870,610	116,442	101,266	382,837	371,331	396,224	431,950	828,175	-20,299
Regulatory Affairs (assessments, r	415,032	361,643	412,104	433,872	469,050	514,197	550,818	81,767	135,785	224,880	244,170	238,939	257,099	496,037	18,160
Board Expenses	375,547	245,625	275,080	292,758	494,418	484,957	501,129	6,712	125,582	210,184	284,234	242,479	293,961	536,440	-51,483
								0	0						0
								0	0						0
Sub-Total	5,885,460	6,782,354	7,110,887	7,072,385	9,354,202	10,261,426	11,277,725	1,923,523	5,392,264	4,697,470	4,656,732	4,629,474	5,182,467	9,811,940	449,486
Miscellaneous								0	0						
Total	13,866,092	13,300,173	14,379,731	15,764,108	18,799,942	19,225,214	22,271,990	3,472,048	8,405,897	9,230,678	9,569,264	9,321,942	10,554,878	19,876,820	-651,606

- d) At the time of response, Oshawa Power had 54.1% of customers on e-billing. Oshawa Power does not believe a reduction is warranted to reflect the updated 2026 e-billing subscriber estimate since the application was only filed 3 months ago.

4-CCC/VECC-130

Ref. 1: Exhibit 4, pp. 44-50, 75, 80

Question(s):

- a) (P. 47) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the customer success and collecting program.

Programs	Last Rebasings Year (2021 OEB- Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Customer Success and Collecting	1,473,746	1,119,685	1,103,787	920,832	1,375,483	1,476,555	1,834,959
Salaries / Benefits							
Contracted Labour							

- b) (P. 44) Please provide a summary of the key details with respect to the call centre contract. As part of this response, please provide the term of the contract (i.e., start date and end date), breakdown between fixed and variable pricing, and annual escalation clauses.
- c) Please explain the process Oshawa PUC Networks undertook to enter the call centre contract. As part of the response, please provide details about the RFP, the number of bidders, the selection process, etc.
- d) (P. 44) Please provide the FTE count for call centre employees before and after the outsourcing occurred in 2024. As part of the response, please also provide the proposed number of call center FTEs in 2026. Please also provide the average total direct compensation cost for call centre employees based on the 2026 forecast for these employees.

- e) (PP. 47-48) Please provide a financial analysis showing the total incremental costs/savings between the previous approach of staffing the call centre in-house relative to the contracting approach for each year 2024, 2025 and 2026. The analysis should reflect the incremental contracting costs and the reduced Oshawa PUC Networks labour costs.
- f) (PP. 46-47) Please provide the incremental costs incurred, or forecast to be incurred, related to the additional collection efforts for each year 2025 and 2026 relative to the period before the change in approach was implemented. As part of the response, please advise whether these additional collection efforts are handled by an affiliate of Oshawa PUC Networks (and are charged at a market price to the regulated utility).
- g) (P. 49) With respect to the insurance coverage, please:
- Advise whether there is only insurance coverage for large unpaid bills (i.e., \$2,500 or higher).
 - Explain how the claim payments are reflected in the forecast of bad debt.

Oshawa Power Response

- a) See completed Table below.

IRR Table 4-36: Customer Success and Collecting Program Cost Breakdown

Programs	Last Rebasing Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			
Customer Success and Collecting	1,473,746	1,119,685	1,103,787	920,832	1,375,483	1,476,555	1,834,959	361,213	-354,061	459,476
Labour and Benefits	1,239,878	912,033	846,263	695,335	550,060	484,260	655,048	-584,829	-327,845	104,988
Contracted Labour	110,809	95,706	89,630	105,872	641,036	906,725	1,091,893	981,084	-15,104	450,858
Licenses	12,179	17,414	55,072	45,334	83,675	26,191	26,846	14,667	5,235	-56,829
Materials	0	613	0	7,772	16,811	0	0	0	613	-16,811
Bank Charges	68,905	67,653	75,518	55,896	64,839	55,000	56,375	-12,530	-1,251	-8,464
Other	41,975	26,266	37,303	10,623	19,063	4,380	4,797	-37,178	-15,709	-14,266

- b) The contract with the call center is dated December 4, 2023, commencing on February 9, 2024. This contract is in effect for three years from the effective date

of December 4th 2023 ending on December 4th 2026. The current rates of pricing are as follows.

3. Fees and Billing Rates

3.1 The Services will be billed as follows:

Type of Billing	Rate (Pre GST)
Agent Training	
Agent Billing	
Senior Billing	
Set up	

- c) Oshawa Power performed a market assessment and selected the current vendor based on their existing experience with other utilities in Ontario, in order to minimize the impact to customers. Oshawa Power did not select through a formal RFP process because there are limited reputable vendors available with direct Ontario utility experience.
- d) Prior to outsource in 2024, Oshawa Power had three full time and six part time CSRs, as well as one full time team lead. Oshawa Power now has no call centre FTEs employed and will continue to have none in 2026. The entire function has been outsourced. The only FTEs involved with call centre functions are involved in management functions. These savings have been accounted for in the 2026 and ongoing budgets.
- e) A summary of the original analysis is shown below, with adjusted figures to account for increased call volumes seen in 2024/2025 that are expected to continue. The projected savings have been accounted for in the 2026 and ongoing budgets.

IRR Table 4-37: Call Centre Financial Analysis

	2024	2025	2026	2027	2028	2029	2030	Total 5 years
Projected Insourced Cost	\$603,766	\$621,879	\$640,535	\$659,751	\$679,544	\$699,930	\$720,928	\$4,022,569
Original Estimated Outsourced Cost	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810	\$1,332,492
Original Estimated Savings	\$403,766	\$415,879	\$428,355	\$441,206	\$454,442	\$468,076	\$482,118	\$2,690,076
Adjusted Estimated Insourced Cost*	\$905,649	\$932,819	\$960,803	\$989,627	\$1,019,316	\$1,049,896	\$1,081,392	\$6,033,853
Estimated Outsourced Cost*	\$435,000**	\$614,000***	\$675,000****	\$695,250	\$716,108	\$737,591	\$759,718	\$4,197,667
Adjusted Estimated Savings*	\$470,649	\$318,819	\$285,803	\$294,377	\$303,209	\$312,305	\$321,674	\$1,836,186

* Original estimates adjusted for increased call volumes (projected to continue) of about 150% in 2024 over previous years' typical volumes.

** Actual costs in 2024

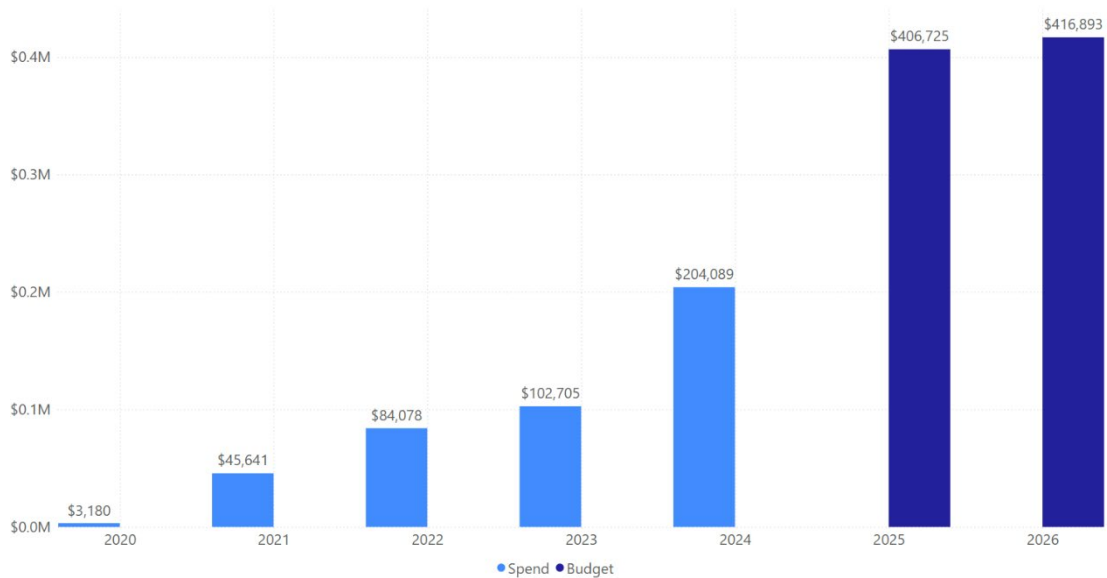
*** Projected costs in 2025, lower than expected due to contractor staffing shortage

**** Budgeted 2026 costs

- f) Collections activities have been contracted to an Oshawa Power affiliate since 2023 and are provided at market rate. The budget for 2025 is \$406,725 and for

2026 is \$416,893.

IRR Figure 4-1: Collections Costs



g) With respect to insurance coverage:

- i. Oshawa Power's insurance provider covers between 10% and 80% of the claim amount for commercial accounts with claims over \$2,500. The maximum payout for any single account is capped at \$70,000.
- ii. The forecast of bad debt factors in historical trends, which include insurance payouts. Dollars recovered from insurance are therefore factored into the bad debt forecast.

4-VECC-131

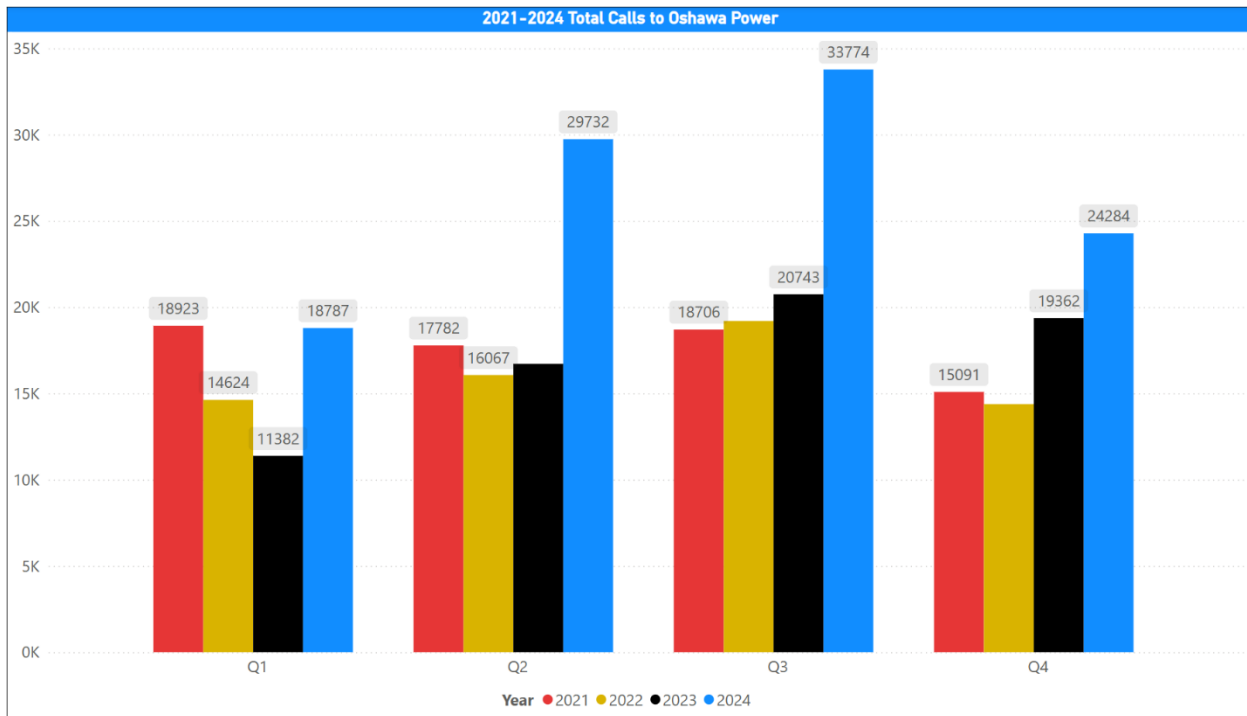
Ref. 1: Exhibit 4, pp. 44-50, 75, 80

Question(s):

- a) The evidence states: "Oshawa Power outsourced the call centre in 2024 and thus shifted 12.5 positions to subcontracted costs from the 2021 OEB Approved

1

Figure 4-9: 2021-2024 Calls to Oshawa Power's Call Centre



2 The increased call volumes can be attributed to two program changes: transition
3 challenges as the subcontractors' new agents were onboarded and increased collections
4 activity at the end of the winter disconnection moratorium in April 2024.

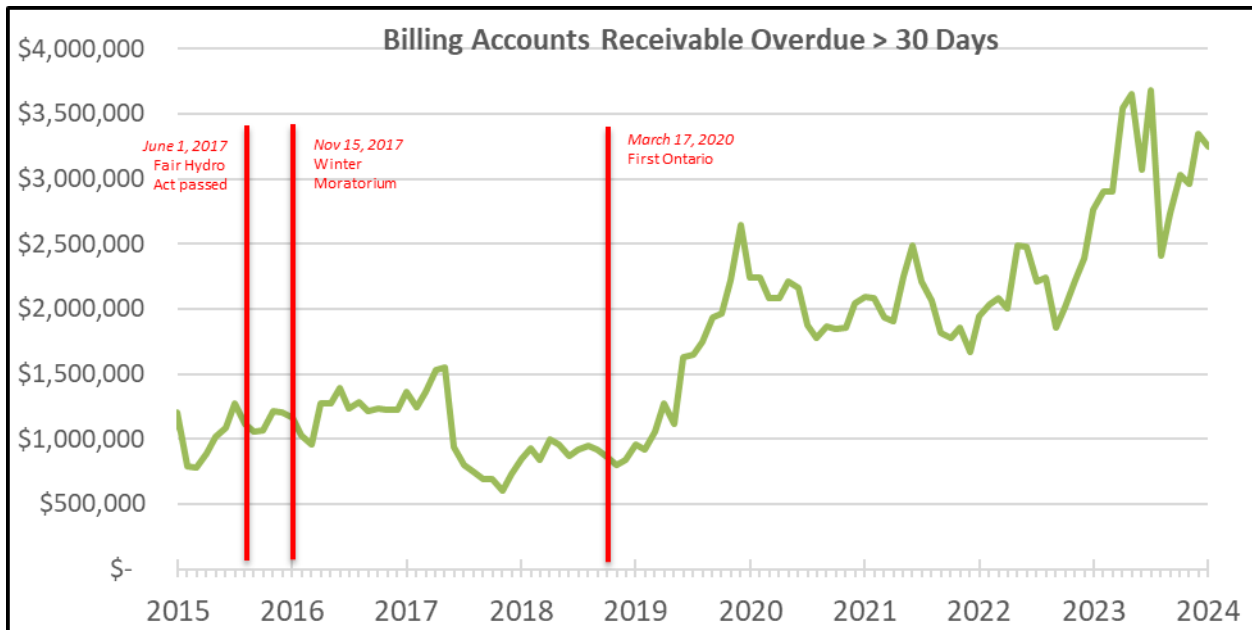
5 Given continued challenges with customer non-payment, as described below, Oshawa
6 Power is actively collecting outstanding customer debt, which involves disconnecting
7 customers following the processes outlined in the Distribution System Code. Calls from
8 affected customers tend to be longer and more complex, as they involve resolving
9 outstanding debts, setting up payment arrangements such as an arrears management
10 program (AMP), and educating customers about their invoice and available financial
11 assistance programs.

12 *Challenges with Outstanding Customer Debt*

13 Oshawa Power has faced significant financial challenges over the past five years with
14 respect to collecting outstanding debt from customers related to habitual non-payment
15 behaviours and lingering impacts of the COVID-19 pandemic.

1

Figure 4-10: Customer Accounts Receivable Greater than 30 Days



2 Oshawa Power has seen an increase in LEAP program uptake among qualifying
3 customers, as described in section 4.7 below. However, Oshawa Power has also seen
4 an increase in outstanding debt with more habitual non-payment. Addressing this
5 challenge requires ongoing evaluation and potential adjustments to the program to better
6 balance customer support and financial sustainability.

7 *Oshawa Power's Response*

8 Oshawa Power has strived for a balanced approach of being compassionate to customers
9 who are struggling to pay their bills for a variety of reasons while managing the bad debt
10 expense paid in the rates of all customers.

11 During COVID-19, Oshawa Power, like many other utilities, halted all disconnections for
12 both residential and commercial customers in 2020. In 2021, the focus shifted solely to
13 commercial non-payment, as residential disconnections remained a sensitive issue due
14 to ongoing lockdowns. Balancing these sensitivities in 2022 and 2023, Oshawa Power
15 resumed disconnections at reduced levels for both commercial and residential customers.

16 As a result of increasing outstanding customer debt despite these efforts, a backlog of
17 customer debt remains. Oshawa Power increased its collection efforts beginning in April
18 2024. This resulted in higher subcontractor costs to support collection of growing overdue

accounts. As a result, Oshawa Power increased third party field services resources to meet the collection workload. The concerted effort included the addition of dedicated debt collectors and meter technicians, and also referring qualifying customers to low-income support programs such as LEAP Emergency Financial Assistance. This focused effort resulted in \$2.4 million collected. If Oshawa Power had not invested in this high-touch in-person outsourced effort, the bad debt expense would be significantly higher.

Improved customer service and collection of outstanding customer debt remain priorities for Oshawa Power to increase customer satisfaction and also reduce the bad debt expense borne by the organization and its paying customers. While Oshawa Power continues to look for cost efficiencies in the Customer Success & Collecting program, Oshawa Power is increasing its investment in the outsourced call centre to increase the number of agents to respond to escalating call volumes beginning in 2025. Also in 2025, Oshawa Power is doubling its investment for dedicated debt collectors to reduce the bad debt to what it was before the pandemic, and investing in internal staff to support administration of the collections program. Oshawa Power is also proposing to increase its contributions to LEAP to support its low-income customers, as described in Communications & Community Relationships program variance analysis below and in section 4.7.

Variance Explanations

Programs	Last Rebasing Year (2021 OEB-Approved)	Historical				2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals					
Customer Success and Collecting	1,473,746	1,119,685	1,103,787	920,832	1,375,483	1,476,555	1,834,959	361,213	-354,061	459,476

Test Year 2026 vs. 2021 OEB Approved

The 2026 Test Year increased by \$361,213 compared to 2021 OEB Approved. Oshawa Power outsourced the call centre in 2024 and thus shifted 12.5 positions to subcontracted costs from the 2021 OEB Approved to 2026 Test Year. As noted above, the increased collections activity beginning in 2024 led to higher subcontractor costs for both field collections and the call center, with further increases in 2025 and 2026 to address higher call demand and further decrease bad debt to pre-COVID levels. In addition, one FTE, the Director of Meter to Cash, was added in 2025 as part of a reorganization to strengthen

addition of a subcontractor to handle the wholesale meter work for Oshawa Power as the expertise for this requirement no longer existed in the Organization and was unable to be replaced.

Oshawa Power also had two additional FTEs in 2024, a Manager, Metering & Operational Data and an additional Meter Operator, with plans to hire a GIS Analyst in 2026. These new roles were partially offset by 1.3 FTE of temporary/student labour and an Operations Developer in the 2021 OEB Approved year that were eliminated following an unplanned departure. The details of the new positions can be found in section 4.4 Workforce Planning.

2021 Actuals vs. 2021 OEB Approved

2021 Actual costs have decreased compared to 2021 OEB Approved costs by (\$171,425). The decrease is primarily due to elimination of 2.3 FTEs as noted above.

Test Year 2026 vs. 2024 Actuals

No material variances were identified.

Customer Billing

Billing for Oshawa Power's customers was outsourced to a subcontractor. This includes all aspects of billing, cashiering, printing, mailing, and troubleshooting issues. They provide a vital service of hosting/maintaining and supporting the Customer Information System (CIS). The subcontractor ensures compliance with regulatory requirements and implements changes related to customer billing, including rate adjustments and annual rate classifications.

The subcontractor acts as the liaison between the customer and the Organization to support and resolve any issues that may arise and is responsible for:

- Ensuring bill batches are verified and invoiced as per schedule (daily/monthly)
- Testing all rate changes mandated by the OEB, now including ultra-low overnight electricity (ULO)
- Managing retailer functions and settlements with active retailers

- Account adjustments and corrections including cancel/re-bills
- Sending preauthorized banking payment files through our third party and CIS vendor
- Billing classification reviews – (Equal Billing, Security Deposit, Rate changes due to consumption)

As customer demographics change, customers are moving towards managing their bills and accounts digitally. Oshawa Power also has a portal managed by London Hydro that supports e-billing efforts and provides online account management for Oshawa Power customers. In fact, 50% of Oshawa Power customers are accessing the portal to view their account and bills. The other 50% of customers continue to access their bills and services via paper as indicated in surveys — preferring the traditional high-touch format of print, in-person service and phone. Conversion to digital is an ongoing focus. While Oshawa Power continues to promote digital channels, it will also look for other cost efficiencies in billing to support customers who prefer traditional channels.

Variance Explanations

	Last Rebasing Year (2021 OEB- Approved)	Historical				2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals					
Programs										
Customer Billing	1,124,771	1,109,647	1,125,229	1,361,082	1,299,464	1,589,946	1,343,538	218,767	-15,124	44,075

Test Year 2026 vs. 2021 OEB Approved

The 2026 Test Year increased by \$218,767 compared to 2021 OEB Approved. The annual increases in subcontractor expenses and billing costs, including postage and printing, have grown due to inflation, specifically 2022 to 2023 and 2024 to 2025. This was partially offset because e-billing subscribers have nearly tripled in 2024 (9,164) from 2023 (3,196). As of December 12, 2024, 49% of customers totaling 35,362 receive their bills electronically, with an increase of signups during the Canada Post strike.

2021 Actuals vs. 2021 OEB Approved

No material variances were identified.

Test Year 2026 vs. 2024 Actuals

No material variances were identified.

4-CCC/VECC-129

Ref. 1: Exhibit 4, pp. 42-43

Question(s):

- a) (P. 43) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the customer billing program.

		Historical					
Programs	Last Rebasings Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
Customer Billing	1,124,771	1,109,647	1,125,229	1,361,082	1,299,464	1,589,946	1,343,538
Salaries / Benefits							
Contracted Labour							

- b) (PP. 42-43) Please provide a summary of the key details with respect to the customer billing contract. As part of this response, please provide the term of the contract (i.e., start date and end date), breakdown between fixed and variable pricing, and annual escalation clauses.
- c) (PP. 42-43) Please explain the process that Oshawa PUC Networks undertook to enter the customer billing contract. As part of the response, please provide details about the RFP, the number of bidders, the selection process, etc.
- d) (PP. 43) Please provide the e-billing subscriber estimate (%) for 2026 based on the most up-to-date information. As part of the response, please provide the reduction (\$) that was included in the 2026 forecast to reflect the 2026 e-billing subscriber estimate.

Oshawa Power Response

- a) See completed Table below.

IRR Table 4-34: Customer Billing Program Cost Breakdown

Programs	Last Rebasement Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			
Customer Billing	1,124,771	1,109,647	1,125,229	1,361,082	1,299,464	1,589,946	1,343,538	218,767	-15,124	44,075
Labour and Benefits	0	0	0	0	0	0	0	0	0	0
Contracted Labour	625,052	582,141	604,660	726,752	689,987	1,014,090	753,286	128,234	-42,911	63,299
Postage and Printing	499,719	527,506	520,569	634,330	609,476	575,856	590,252	90,533	27,787	-19,224

- b) The initial contract was signed in 2005. The latest renewal was 2018 and contains no escalation amounts. The contract is currently year to year pending renegotiation with the vendor. Below is a summary of the contract details and the pricing model for each item. Prices have not been included at the request of the vendor.

IRR Table 4-35: Contract Detail and Pricing Model

Item	Pricing Model
Billing	Per Bill
Standard Billing Adjustments	Per Bill
New Service Setups	Per new service
eBilling	Monthly Fixed
Custom Report Writing	Per Hour
Training	Per Hour
Hosting – General	Monthly Fixed
Hosting – Licensing	Per User
Cashiering	Monthly Fixed
Billing & Sync Adjustment	Per Event

- c) Billing has been outsourced by Oshawa Power for over 20 years and has been with the same vendor, who had also been hosting and managing the billing software, until 2025. Oshawa Power does not have records of the selection process at that time.

- d) At the time of response, Oshawa Power had 54.1% of customers on e-billing. Oshawa Power does not believe a reduction is warranted to reflect the updated 2026 e-billing subscriber estimate since the application was only filed 3 months ago.

4-CCC/VECC-130

Ref. 1: Exhibit 4, pp. 44-50, 75, 80

Question(s):

- a) (P. 47) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the customer success and collecting program.

Programs	Last Rebasings Year (2021 OEB- Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Customer Success and Collecting	1,473,746	1,119,685	1,103,787	920,832	1,375,483	1,476,555	1,834,959
Salaries / Benefits							
Contracted Labour							

- b) (P. 44) Please provide a summary of the key details with respect to the call centre contract. As part of this response, please provide the term of the contract (i.e., start date and end date), breakdown between fixed and variable pricing, and annual escalation clauses.
- c) Please explain the process Oshawa PUC Networks undertook to enter the call centre contract. As part of the response, please provide details about the RFP, the number of bidders, the selection process, etc.
- d) (P. 44) Please provide the FTE count for call centre employees before and after the outsourcing occurred in 2024. As part of the response, please also provide the proposed number of call center FTEs in 2026. Please also provide the average total direct compensation cost for call centre employees based on the 2026 forecast for these employees.

Oshawa Power Response

a) See completed Table below.

IRR Table 4-17: Operations Supervision Program Cost Breakdown

Programs	Last Rebas ing Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Reporting Basis	MFRS	MFRS	MFRS	MFRS	MFRS	MFRS	MFRS			
Operations Supervision	455,301	415,942	250,953	283,333	158,288	116,887	348,193	-107,108	-39,359	189,905
Labour and Benefits	466,827	413,153	248,626	280,763	154,327	116,387	347,680	-119,147	-53,675	193,353
Contracted Labour	0	0	0	0	0	0	0	0	0	0
Other	-11,527	2,789	2,327	2,570	3,960	500	513	12,039	14,316	-3,448

b) Since 2021, a few positions were eliminated that were part of the Operations Supervision Costs (Manager, Metering and Operations, Operational System Specialist and one Distribution Supervisor. The eliminated positions form the decrease in costs between 2023 actual and 2024 and 2025.

4-CCC/VECC-117

Ref. 1: Exhibit 4, pp.27-28

Question(s):

(PP. 27-28) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the overhead line operations program.

Programs	Last Rebas ing Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Overhead Lines Operations	753,124	251,295	838,380	419,239	918,765	650,479	1,197,997	444,873	-501,829	279,232
Salaries / Benefits										
Contracted Labour										

Oshawa Power Response

See updated chart below.

IRR Table 4-18: Overhead Line Operations Program Cost Breakdown

Programs	Last Rebasement Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Reporting Basis	MFRS	MFRS	MFRS	MFRS	MFRS	MFRS	MFRS			
Overhead Lines Operations	753,124	251,295	838,380	419,239	918,765	650,479	1,197,997	444,873	-501,829	279,232
Labour and Benefits	362,868	-80,580	386,794	-50,201	518,797	204,635	728,209	365,341	-443,448	209,412
Contracted Labour	85,512	12,061	95,463	70,431	72,074	59,220	73,124	-12,388	-73,451	1,049
Materials	109,887	125,711	129,394	176,399	190,201	203,264	208,345	98,458	15,824	18,144
Repairs and Mtce	86,904	73,727	63,365	57,410	49,294	70,012	71,763	-15,141	-13,177	22,468
Other	107,953	120,375	163,363	165,200	88,399	113,348	116,557	8,604	12,422	28,158

4-CCC/VECC-118

Ref. 1: Exhibit 4, p. 29

Question(s):

- a) (P. 29) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the distribution station operations program.

Programs	Last Rebasement Year (2021 OEB- Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Distribution Station Operations	92,323	100,650	149,088	314,557	378,281	233,060	238,181
Salaries / Benefits							
Contracted Labour							
Security Measures							

- b) (P. 29) Please further discuss the security measures installed and how the costs of the technology associated with those measures is proposed to be recovered (capital or operational).

Oshawa Power Response

- a) See completed Table below.

included in their individual programs within the Administrative and General category. See Table below for reconciliation.

IRR Table 4-41: Reconciliation of Exhibit 4, Tables 4-18 and 4-19

Administrative & General FTEs	2021 OEB-approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
General Administration	14.6	16.9	16.5	24.5	25.5	25.3	28.9
Information Technology	3.0	2.4	4.0	5.5	7.6	8.0	10.3
Human Resources and Safety	3.0	3.0	3.5	3.2	2.9	2.6	2.9
Insurance							
Audit Legal Consulting							
Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Regulatory Affairs							
Board Expenses							
Total	21.6	23.3	25.0	34.2	37.0	36.9	43.2

4-CCC/VECC/AMPCO/Staff-135

Ref. 1: Exhibit 4, pp. 54, 56-58, 73

Question(s):

- (P. 54) Please provide a detailed job description for each of the 10.3 positions (FTEs) included as part of the Information Technology program budget. As part of the response, please highlight the roles that were created during the 2021-2025 period.
- (P. 57) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the IT operations program.

Programs	Last Rebasement Year (2021 OEB-Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Information Technology	744,509	1,095,997	817,258	1,118,633	1,519,265	1,745,262	1,921,339
Salaries / Benefits							
Contracted Labour							
Software Subscriptions							

- c) (P. 57) Please advise whether Oshawa PUC Networks has undertaken a benchmarking exercise with respect to its IT cost relative to other similar businesses. If so, please provide this study.
- d) (P. 57) Please discuss the extent to which the software licenses include support to Oshawa PUC Networks for the installation, use, troubleshooting, etc. of the software.
- e) (P. 57, 73) Please further explain the need for an in-house cyber security analyst. As part of the response, please discuss whether the systems/software that Oshawa PUC Networks purchases already include cyber security tools (and assistance from the vendor(s)).
- f) (P. 57) Please advise whether Oshawa PUC Networks has collaborated with other LDCs to negotiate software license discounts.
- g) (P. 58) Please provide a quantification of the capital savings included in the IT-related capital budget (with reference to where these savings can be found in the application) resulting from the “migration from traditional capital purchases to subscriptions...”
- h) Please differentiate costs for new GIS tools, automation tools, and OMS that are in both the OM&A and capital programs.

Oshawa Power Response

- a) See below for descriptions of each role.

2021 Test Year

IT/Network Analyst

This role was included in the 2021 Test Year as continuing role from the last rate period to support the implementation of new technology systems and ensure the stability, security, and scalability of the organization’s IT infrastructure. As the organization expanded and digital operations became more complex, reliance on manual support processes and legacy systems led to inefficiencies, increased downtime, and greater security risks. This role was to ensure the smooth deployment and support of critical IT systems, including endpoint management, user support, hardware upgrades, and cybersecurity controls. The specialized

technical knowledge required to support these initiatives extended beyond the capacity of the existing team. This role was previously outsourced, however ownership inside the organization was required to maintain security and organization in the best interests of Oshawa Power and its customers.

Manager IT

This role was included in the 2021 Test Year but in 2024, this role was enhanced to lead the modernization and optimization of the organization's technology infrastructure to support business growth, improve cybersecurity posture, and align systems with industry best practices. This role was a strategic investment to ensure successful delivery of critical IT initiatives, including cloud migration, cybersecurity enhancements, and enterprise application upgrades. The expertise required for these projects exceeded the current capabilities of the internal team, necessitating leadership with deep technical knowledge and project management experience.

2021-2025

IT Specialist / IT Analyst (2)

In 2021, an IT Specialist was added to support the IT/Network Analyst. In 2024, another role was added to enhance frontline technical support during a period of significant organizational and technological growth. As new systems were implemented and the number of end users increased, the demand for timely, effective IT support outpaced the capabilities of the existing team, leading to delays, inefficiencies, and increased user frustration.

Project Manager (2)

In 2023, this role was established to create and support the Project Management Office (PMO) to manage organizational projects across all areas including the ERP and CIS projects, as well as other business transformation efforts. A second role was created in 2024. Please refer to 4-CCC/Staff-146 u) for more details.

Integration and Automation Architect

In 2023, this role was added to improve operational efficiency, create capacity among existing staff, and work across departments to identify and implement cost-saving automation, digitization, and modernization initiatives. This included projects such as purchase order and invoicing digitization, as well as mobile field solutions. Please refer to 4-CCC/Staff-146 v) for more details.

Senior Network Engineer

In 2023, this role was established to lead the modernization of the organization's network infrastructure in alignment with its strategic growth and evolving cybersecurity requirements. As the company expanded and introduced more cloud-based services, legacy network systems presented limitations in performance, scalability, and security, posing operational and compliance risks. This role reflected Oshawa Power's focus on modernizing its IT infrastructure, cybersecurity, and business transformation initiatives. This role has performed tasks such as introducing network layering and segmentation, replacing out of support infrastructure, and adding Network Access Controls – all critical to maintaining good cyber security posture.

2026

Cyber Security Analyst

This role will collaborate with external vendors to address increasing cyber risks, strengthen network and system security, manage risk, status reporting, security audits, and vulnerability assessments. Please refer to 4-CCC/VECC/AMPCO/Staff-135 e) for more details.

Business Analyst

This role will design, maintain, test, and oversee IT applications; act as a bridge between IT and business teams; support internal applications such as CIS, ERP, customer portal, and phone system. Please refer to 4-Staff/CCMBC-152 a) for more details.

IT Student (0.3)

To support the team and invest in student learning within the industry.

b) See completed Table below.

IRR Table 4-42: Information Technology Program Cost Breakdown

	Last Rebas- ing Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Programs	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			
Reporting Basis										
Information Technology	744,509	1,095,997	817,258	1,118,633	1,519,265	1,745,262	1,921,339	1,176,830	351,488	402,074
Labour and Benefits	318,375	314,059	461,916	609,471	712,287	664,558	792,554	474,178	-4,317	80,267
Contracted Labour	40,000	0	14,330	51,626	18,655	0	0	-40,000	-40,000	-18,655
Software Mtoe Fees	163,417	587,119	107,556	287,885	586,639	831,796	893,654	730,237	423,701	307,015
Hardware Mtoe Fees	141,695	30,044	44,586	72,488	115,489	59,045	60,521	-81,174	-111,651	-54,968
Communications	74,637	126,979	148,181	78,307	74,499	186,624	171,289	96,652	52,342	96,790
Other	6,385	37,797	40,689	18,856	11,695	3,240	3,321	-3,064	31,412	-8,374

c) Oshawa Power engaged a consultant to perform a Resource Optimization Review, which included reviewing its technical staff compliment against seven of Oshawa Power's peers (see Exhibit 4, Attachment 4-1). The results of the review helped inform the staffing compliment outlined in Exhibit 4, section 4.3.5. Not limited to technology staff, the study found that Oshawa Power had a significantly higher Customer to Employee ratio than other comparable Ontario utilities, meaning that Oshawa Power operates much leaner than its peers.

Additionally, including the technology spend accounted for in this Application, Oshawa Power will remain one of the lowest cost utilities in the province, and the lowest in its area. Informal and anecdotal assessments of technology staff compliments and technology spending were also performed with neighbouring utilities, reenforcing the results of the review. Oshawa Power remains confident that our technology spend is lean and prudent, especially when compared to similar utilities.

d) The extent of support provided as part of licensing or maintenance fees differs between vendors and products, however typical support contracts include basic troubleshooting and support for potential software defects, specialized tasks, and system downtime. Typically, support and maintenance does not cover routine tasks that can be executed by a trained and competent individual, or configuration of the product, though some support contracts include a number of

labour hours for these purposes. The extent of support vendors will provide for routine tasks often depends on the relationship with the vendor and the amount of good will support they are willing to provide before producing a statement of work for paid services.

- e) As cyber security becomes an increasing item of focus for Oshawa Power, and as Oshawa Power continues to implement the controls and monitors recommended by the OEB Cyber Security and other frameworks, the associated volume of work in sifting through alerts and events has also increased. This is new work in the upcoming cost-of-service period that has become necessary since the rapid maturity of Oshawa Power's Cyber Security posture in following the aforementioned frameworks, thus requiring the new role.

Oshawa Power does not expect to maintain the in-house expertise to forgo the need for a third-party security services, such as a Security Operations Centre (SOC), as these require highly available (24/7), highly specialized and continually adapting resources that we do not have the scale to satisfy. As such, Oshawa Power currently utilizes, and expects to continue utilizing, third party services, such as a SOC, for the monitoring and management of many of its security tools such as System Incident and Event Management (SIEM) and Endpoint Detection and Response (EDR).

Consequently, because of this requirement for more granular and constant monitoring and alerting, there is much work required from the Oshawa Power team. There are dozens to hundreds of daily alerts from various sources including third party information services, the SOC, and various other monitoring systems that by nature often produce many false-positives as well as legitimate alerts. The cyber security analyst will work together with the third party SOC, internal staff, third party security auditors, and other specialists and systems to monitor, respond to and sort through the many various incidents, reports and alerts to ensure that Oshawa Power appropriately addresses Cyber-security concerns in a timely manner. Additionally, this role will be responsible for reviewing the security posture and recommending changes or updates to address any potential vulnerabilities, managing the cyber-risk management

program and vulnerability management program's day-to-day tasks. This role is best served by internal staff rather than external services due to the close and constant collaboration required with technology staff, vendors and other staff and partners, as well as due to the broad access requirements for this role.

- f) Oshawa Power is part of the Utilities Standards Forum and has taken advantage of its group rates and vendors when applicable. Oshawa Power has also participated in buying groups such Kinetic GPO to secure negotiated group pricing.
- g) Changing to subscription-based software would decrease capital spend for that item and increase OM&A spend. An example of this would be Microsoft Exchange Server: Until version 2025 Oshawa Power was using an on-premise version of this email server. In 2025, Oshawa Power changed to a hosted subscription-based version of this email server and will no longer purchase the licensing as a capital expense. The capital dollars that were previously used to purchase this software would not show as a reduction in the capital budget directly but in aggregate would allow capital spend to be redirected to other high-value efforts such as automation and digitization which would lead to an increase in labour capacity and reduce the new staff required to run the business. Oshawa Power does not have an exhaustive list of all software that has changed from capital to operating and how those dollars were reallocated as it is often not a one-to-one exchange. For example, Oshawa Power previously used Microsoft System Centre for various management functions, which was on-premise software purchased with capital dollars, and has recently eliminated the need to continue to purchase System Centre due to various existing subscription-based tools being able to substitute its functionality. Those dollars were not 'reallocated' or 'reduced', because Oshawa Power determines capital projects and spend on a case-by-case basis. Consequently, the sum of the capital requirement is determined by the sum of the needs evaluated rather than an accounting of what is being added or removed from the previous years and the specific dollars cannot be traced that way.

- h) The purchase and implementation of the new tools, such as GIS software, would be capitalized. The ongoing support and maintenance of these same tools would be captured in subsequent years under OM&A.

4-CCC/VECC-136

Ref. 1: Exhibit 4, pp. 58-59

Question(s):

- a) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the Human Resources & Safety program.

Programs	Last Rebasing Year (2021 OEB-Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Human Resources & Safety	429,508	444,171	453,197	529,014	550,902	459,274	507,210
Salaries / Benefits							
Contracted Labour							

Oshawa Power Response

See completed Table below.

IRR Table 4-43: Human Resources & Safety Program Cost Breakdown

Programs	Last Rebasing Year (2021 OEB-Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			
Human Resources & Safety	429,508	444,171	453,197	529,014	550,902	459,274	507,210	77,702	14,663	-43,692
Labour and Benefits	307,509	365,558	371,974	434,096	265,997	225,557	245,778	-61,731	58,049	-20,219
Contracted Labour	1,400	1,228	16,328	1,478	1,621	40,562	41,576	40,176	-172	39,955
Safety Supplies	21,405	4,931	19,375	34,997	206,453	64,497	74,109	52,705	-16,473	-132,344
Trades Training	79,382	29,923	43,388	66,682	53,122	29,107	29,835	-49,546	-49,459	-23,287
Other	19,813	42,530	2,132	-8,239	23,708	99,551	115,912	96,099	22,718	92,203

Programs	Last Rebasing Year (2021 OEB- Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Communications & Community Relati	239,216	230,409	297,797	422,398	270,588	335,661	394,033
Salaries / Benefits							
Contracted Labour							
LEAP Funding							

Oshawa Power Response

See completed Table below.

IRR Table 4-39: Communications & Community Relations Program Cost Breakdown

Programs	Last Rebasing Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			
Communications & Community Relations	239,216	230,409	297,797	422,398	270,588	335,661	394,033	154,817	-8,807	123,445
Salaries and Benefits	96,736	98,527	173,128	201,997	106,047	147,693	166,379	69,642	1,791	60,332
Contracted Labour	38,297	38,459	43,008	64,921	40,285	50,000	51,125	12,828	162	10,840
Leap funding	33,542	33,542	34,470	35,992	37,396	38,518	99,793	66,251	0	62,397
Comm Relations	21,228	34,296	18,389	42,529	60,648	74,550	56,414	35,185	13,068	-4,234
Other	49,413	25,585	28,802	76,959	26,212	24,900	20,323	-29,090	-23,828	-5,889

4-CCC/VECC-134

Ref. 1: Exhibit 4, pp. 53-55

Question(s):

- a) (PP. 54-55) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the general administration program. In the context of the broad range of activities included in the general administration program, please link the various line items that are added to the table to the related activity (e.g, supply chain, IT, HR, etc.).

Programs	Last Rebasings Year (2021 OEB- Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
General Administration	2,610,949	3,377,547	3,552,454	3,144,238	4,651,081	5,637,225	6,294,835
Salaries / Benefits							
Contracted Labour							

b) (PP. 53-54) Please explain whether the entirety of the labour and benefit costs associated with corporate, finance, regulatory, supply chain, IT and HR departments are included in the general administration budget (or is it only executive compensation that is included). Please provide a detailed discussion of which labour costs are part of the general administration program relative to the other programs in the Administrative & General category. As part of the response, please reconcile the FTEs shown in Table 4-19 (on page 54) to the program categories shown in Table 4-18 (on page 53).

Oshawa Power Response

a) See completed Table below.

IRR Table 4-40: General Administration Program Cost Breakdown

Programs	Last Rebasings Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			
General Administration	2,610,949	3,377,547	3,552,454	3,144,238	4,651,081	5,637,225	6,294,835	3,683,886	766,598	1,643,754
Salaries and Benefits All Depts	2,274,519	2,824,978	2,955,955	2,654,575	4,251,202	5,208,187	5,855,371	3,580,852	550,459	1,604,170
Contracted Labour Finance and Reg	40,211	128,264	196,674	114,334	15,286	10,000	10,250	-29,961	88,053	-5,036
Corp Memberships	87,502	89,740	88,363	89,930	112,080	118,450	121,411	33,909	2,238	9,331
Bank Charges	79,033	79,874	69,815	80,933	66,341	72,445	74,256	-4,776	841	7,915
Materials	40,711	58,875	-85,357	68,144	63,853	66,988	68,663	27,952	18,164	4,809
Travel and Training All Depts	77,071	46,753	40,213	42,465	133,692	123,270	126,052	48,981	-30,318	-7,640
Other	11,903	149,063	286,791	93,857	8,626	37,884	38,832	26,929	137,161	30,205

b) Oshawa Power confirms that all union, non union and management for Corporate, Finance, Regulatory, Supply Chain and Retiree labour and benefits are included General Administration program. Short term pay incentive for all non-union staff is included in the General Administration program. Facilities, Information Technology, Human Resources and Safety labour and benefits are

included in their individual programs within the Administrative and General category. See Table below for reconciliation.

IRR Table 4-41: Reconciliation of Exhibit 4, Tables 4-18 and 4-19

Administrative & General FTEs	2021 OEB-approved	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year
General Administration	14.6	16.9	16.5	24.5	25.5	25.3	28.9
Information Technology	3.0	2.4	4.0	5.5	7.6	8.0	10.3
Human Resources and Safety	3.0	3.0	3.5	3.2	2.9	2.6	2.9
Insurance							
Audit Legal Consulting							
Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Regulatory Affairs							
Board Expenses							
Total	21.6	23.3	25.0	34.2	37.0	36.9	43.2

4-CCC/VECC/AMPCO/Staff-135

Ref. 1: Exhibit 4, pp. 54, 56-58, 73

Question(s):

- a) (P. 54) Please provide a detailed job description for each of the 10.3 positions (FTEs) included as part of the Information Technology program budget. As part of the response, please highlight the roles that were created during the 2021-2025 period.
- b) (P. 57) Please complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the IT operations program.

Programs	Last Rebasing Year (2021 OEB-Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Information Technology	744,509	1,095,997	817,258	1,118,633	1,519,265	1,745,262	1,921,339
Salaries / Benefits							
Contracted Labour							
Software Subscriptions							

4-CCC/CCMBC/VECC-120

Ref. 1: Exhibit 4, pp. 31-32

Ref. 2: Exhibit 9, pp. 21-23

Question(s):

- a) Please confirm, complete and expand by adding additional lines (as necessary) the following table to show a more detailed breakout of the costs associated with the underground locates program.

Programs	Last Rebasing Year (2021 OEB-Approved)	Historical				2025 Bridge Year	2026 Test Year
		2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals		
Underground Locates	321,070	433,389	340,520	457,350	575,001	586,194	484,343
Salaries / Benefits							
Contracted Labour							

- b) (Ex. 9, p. 22) Please complete the following table to include the 2026 forecast number of locates and unit cost per locate.

Locate Costs	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Forecast	2026 Forecast
Locate Costs	\$433,389	\$340,520	\$457,350	\$575,001	\$586,194	\$ 484,343.00
Number of locates	10,289	6,853	6,462	7,051	6,697	
Unit cost per locate	\$42.12	\$49.69	\$70.78	\$81.55	\$87.53	

- c) (Ex. 9, p. 22) Please provide a reference to Oshawa PUC Networks' 2021 rebasing proceeding showing where the OEB approved locate costs of \$321k for the 2021 test year.

(Ex. 4, p. 32 and Ex. 9, p. 22) Please reconcile the 2024 actual locate costs of \$534,888 cited at Exhibit 4, p. 32 and the 2024 actual locate costs of \$575,001 shown in Table 9-11 at Exhibit 9, p. 22.

- d) (Ex. 4, p. 32) Oshawa PUC Networks states that the increased locate costs between 2021 and 2026 were beyond its control (due to increased staffing costs for locate sub-contractors). Please:

- i) Provide the term of the existing contract (e.g., 2024-2026, 2023-2027, etc.)
 - ii) Explain the process that Oshawa PUC Networks undertook to enter the locates contract. As part of the response, please provide details about the RFP, the number of bidders, the selection process, etc.
 - iii) Discuss what happened with respect to the locates-related contract after Bill 93 was implemented.
- e) (Ex. 9, p. 21-22) Please advise whether it is Oshawa PUC Networks' position that the entire increase in locate costs (relative to OEB approved and escalated by the IRM adjustment factor) in 2024 and 2025 is a direct result of Bill 93. If not, please show which costs were excluded from the balance in the GOCA account.
- f) (Ex. 9, P. 22) Please advise whether the locate costs recorded in the GOCA are entirely contractor costs or are Oshawa PUC Networks administrative costs also reflected.
- g) (Ex. 9, p. 22) Please explain the significant decline in the number of locates between 2021 and 2025.

Oshawa Power Response

- a) See completed Table below.

IRR Table 4-23: Underground Locations Program Cost Breakdown

Programs	Last Rebasing Year (2021 OEB- Approved)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Bridge Year	2026 Test Year	Variance (2026 Test Year vs. 2021 OEB Approved)	Variance (2021 Actuals vs. 2021 OEB Approved)	Variance (2026 Test Year vs. 2024 Actuals)
Reporting Basis	MFRS	MFRS	MFRS	MFRS	MFRS	MFRS	MFRS			
Underground Locates	321,070	433,389	340,520	457,350	0	0	484,343	163,273	112,319	484,343
Labour and Benefits	0	0	0	0	0	0	0	0	0	0
Contracted Labour	321,070	433,389	340,520	457,350	0	0	484,343	163,273	112,319	484,343

- b) See Table below.

IRR Table 4-24: 2025 Bridge Year and 2026 Test Year Forecast for Locates

Locate Costs	2025 Forecast	2026 Forecast
Locate Costs	\$586,194	\$484,343
Number of locates	6,697	5,425
Unit cost per locate	\$87.53	\$89.28

- c) See Oshawa Power's 2021 Cost of Service Application (EB-2020-0048), Exhibit 4, Table 4-15 – Chapter 2 Filing Requirement Appendix 2-JC – OM&A Cost by Program 2015-2021, Page 28.
- d) See details below.
 - i) Current contract term is February 1, 2023 – January 31, 2026
 - ii) Oshawa Power is a member of the Locate Alliance Consortium (LAC). The LAC works with a Locate Service Provider (LSP) to provide locates on behalf the member utilities. The LAC, alongside the member utilities conduct an RFP process using standardized terms and conditions get a cost-effective service for all members.
 - iii) Increased staffing costs from the locate provider to meet increased demand and reduce late locates due to Bill 93.
- e) Oshawa Power's position is not that the entire increase in locate costs is a direct result of Bill 93. However, the large majority of our locate costs (approx. 96%) are directly impacted as a result of Bill 93.

Oshawa Power follows the proposed accounting entries for recording balances in the GOCA Variance Account as outlined in the OEB Decision and Order EB-2023-0143 Getting Ontario Connected Act Variance Account dated October 31, 2023. The proposed entries/methodology captures the entire increase in all locate costs and removes the OEB approved escalated by IRM adjustment factor (Revenue Requirement).

Oshawa Power's analysis indicates: If only Promark (LSP) costs were considered (the costs directly impacted by Bill 93), there would have been a slightly higher

balance in our GOCA variance account. This is because the minimal costs attributed to Ontario One Call and Planview have not escalated at the same rate received in rates. This is helping to lower the impact of the Promark costs on the GOCA variance account balance.

IRR Table 4-25: 2024 Actuals and 2025 Bridge Year Forecast Locate Costs

Description	2024 Actuals	2025 Forecast
Promark	\$552,954	\$563,686
Ontario One Call	\$19,071	\$19,458
Planview	\$2,976	\$3,050
Total	\$575,001	\$586,194
Less: Rev Req (IRM)	\$358,887	\$371,269
1508 GOCA Variance	\$216,114	\$214,924

- f) The locate cost recorded in GOCA are entirely contractor related costs. Costs recorded in the GOCA account are entirely contractor costs
- g) Oshawa Power has determined that during the months of May – August 2021, there was a 40% increase in locate requests compared to the same period in 2022, 2023 & 2024. Data shows that this period is when customers were in COVID lockdown and therefore speculation is that many customers were at home and conducting home renovation projects (decks, fences etc.) which increased the number of locate requests, hence the decline from 2021 to 2025.

Sub-account ULO Implementation Cost

On March 2, 2023, the OEB issued a letter entitled “Accounting Order (001-2023) for the Establishment of a Deferral Account to Record Impacts Arising from Implementing the Ultra-Low Overnight (ULO) Regulated Price Plan Option” (EB-2022-0160). This letter sets out the accounting order that establishes a generic deferral account for distributors to track the revenue requirement impacts of their material costs of implementing the ULO option.

Oshawa Power recorded incremental one-time implementation costs directly attributable to the costs in implementing the ULO option. As at December 31, 2024, Oshawa Power has recorded a debit balance of \$16,825 principal and \$1,042 in interest. Oshawa Power forecast interest of \$552 for the full year 2025.

Oshawa Power requests in this Application disposition of a debit balance of \$18,419 of Account 1508: Sub-account ULO Implementation Cost as a collection from customers, including forecast interest to December 31, 2025.

Sub-account GOCA Variance Account

On October 31, 2023, the OEB issued its Decision and Order Getting Ontario Connected Act Variance Account (EB-2023-0143) to establish a generic, sector-wide variance account to record the incremental costs of locates arising from the implementation of provincial legislation Bill 93 (the *Getting Ontario Connected Act, 2022*) with an effective date of April 1, 2023.

Oshawa Power has followed the accounting entries as outlined in “Schedule A Electricity Accounting Order” of the above Decision and Order resulting in the recording of incremental costs of locates for the period of January 1, 2024 to December 31, 2024. In addition, Oshawa Power has forecast the incremental costs of locates for the period of January 1, 2025 to December 31, 2025 using an estimated number of locates that closely aligns with historical volumes and per unit costs per locate established for the period. While the 2025 forecast amount has not been audited, it can be determined with reasonable accuracy and Oshawa Power submits this balance to be disposed of in this Application.

Table 9-11 GOCA Variance and Balance Calculation below provides an analysis of actual locate costs for the period of 2021 to 2024, a forecast of locate costs for the 2025 calendar year, Revenue Requirement related to locate costs approved in base rates escalated by annual rate adjustments in Oshawa Power's IRM decisions and orders, and the resulting balances recorded in OM&A Underground Locates Program, Account 4305 – Regulatory Debits and Account 1508 GOCA Variance Account.

Table 9-11: GOCA Variance Account Balance Calculation

Locate Costs Analysis 2021-2025

Locate Costs	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Forecast
Locate Costs	\$433,389	\$340,520	\$457,350	\$575,001	\$586,194
Number of locates	10,289	6,853	6,462	7,051	6,697
Unit cost per locate	\$42.12	\$49.69	\$70.78	\$81.55	\$87.53

Locate Costs approved in base rates 2021-2025

Revenue Requirement	2021 OEB Approved	2022 IRM	2023 IRM	2024 IRM	2025 IRM
IRM Inflation Factor		3.15%	3.55%	4.65%	3.45%
Locate Costs	\$321,070	\$331,184	\$342,941	\$358,887	\$371,269

Locate Balances USoA Accounts

Locate Costs	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Forecast
OM&A - Underground Locates Program	\$433,389	\$340,520	\$457,350	\$0	\$0
4305 - Regulatory Debits	\$0	\$0	\$0	\$358,887	\$371,269
1508 - GOCA Variance Account (Principal)	\$0	\$0	\$0	\$216,114	\$214,924
Total Locate Costs	\$433,389	\$340,520	\$457,350	\$575,001	\$586,194

1508 - GOCA Variance Account Balance

Activity	Principal	Interest	Total	Note
2023 Closing Balance	\$0	\$0	\$0	n/a
2024 Variance Amount & Interest	\$216,114	\$4,576	\$220,690	actual
2025 Variance Amount & Interest	\$214,924	\$14,138	\$229,063	forecast
Total Balance requested for disposition	\$431,038	\$18,714	\$449,753	

Locate costs for the period of 2021 to 2023 have been recorded in the OM&A Underground Locates Program. As per the proposed accounting entries for the GOCA Variance Account, the portion of locate costs approved in base rates has been recorded

in Account 4305 – Regulatory Debits and the incremental costs of locates has been recorded in Account 1508 GOCA Variance Account for the period of 2024 to 2025.

Oshawa Power has recorded a debit balance of \$431,038 principal and \$4,576 in interest. Oshawa Power forecast interest of \$14,138 for the full year 2025.

Oshawa Power requests in this Application disposition of a debit balance of \$449,753 of Account 1508: Sub-account GOCA Variance Account as a collection from customers, including forecast interest to December 31, 2025.

Sub-account LEAP EFA Funding Deferral

On February 12, 2024, the OEB released a letter titled Changes to the Low-income Energy Assistance Program Emergency Financial Assistance and Accounting Orders (EB-2023-0135). This letter and Rate Order announced changes to the Low-income Energy Assistance Program Emergency Financial Assistance (LEAP EFA) to provide an appropriate level of assistance to vulnerable consumers and to establish a generic deferral account to record incremental LEAP EFA contributions beyond the amounts embedded in distribution rates effective March 1, 2024.

Table 9-12 below outlines the incremental contributions for the period of 2024 and 2025. While the 2025 forecast amount has not been audited, Oshawa Power has calculated this forecast based upon a demonstrated historical need for this funding including an escalation in 2025 to reflect a full year of program changes.

Table: 9-12 LEAP EFA Funding Deferral Balance Calculation

Incremental LEAP Contributions

LEAP EFA Contributions	2024 Actuals	2025 Forecast
LEAP Funds Disbursed	\$81,744	\$90,187
LEAP Contributions (in rates)	\$37,396	\$38,786
LEAP Contributions to Deferral Account	\$44,348	\$51,401

1508 - LEAP EFA Deferral Account Balance

Activity	Principal	Interest	Total	Note
2023 Closing Balance	\$0	\$0	\$0	n/a
2024 Variance Amount & Interest	\$44,348	\$447	\$44,795	actual
2025 Variance Amount & Interest	\$51,401	\$3,141	\$54,541	forecast
Total Balance requested for disposition	\$95,749	\$3,587	\$99,336	

Attachment 1 – 4

Draft Accounting Orders

Oshawa PUC Networks Inc.

Draft Accounting Order

Account 1508 – Other Regulatory Assets, Sub-account Oshawa Power Avoided Rent Deferral

Account (“OPARDA”)

Oshawa PUC Networks Inc. (Oshawa Power) shall establish the new deferral account, “Oshawa Power Avoided Rent Deferral Account”, effective January 1, 2027, to record avoided rent costs resulting from its conclusion and/or reduction of lease arrangements as it transitions from existing operational spaces to occupy a New Facility in 2027. Amounts entered in the OPARDA will be credit entries to the benefit of ratepayers, calculated based on Oshawa Power’s most recent Cost of Service rent costs for facilities no longer leased, escalated by Oshawa Power’s Price Cap Index up to the year 2027, which will be further inflated by IRM increases until Oshawa Power’s next rebasing, and pro-rated for any partial years. Amounts will be credited to the OPARDA on an annual basis. Carrying charges will be applied to the OPARDA on a monthly basis at the Ontario Energy Board’s (OEB) prescribed rates.

Balances in the OPARDA sought for disposition are subject to an OEB prudence review, which will require the presentation of appropriate supporting documentation. Oshawa Power will make credit entries to the OPARDA from 2027 through to its next Cost of Service application, at which time Oshawa Power will recommend either the continuance or discontinuance of the Sub-Account, and the OEB will make a determination in that matter.

Annual Entries:

Cr: 1508	Sub-Account OPARDA
Dr: 4080	Distribution Services Revenue
To record the rent costs included in distribution rates which are no longer incurred on an actual basis	
Cr: 1508	Sub-Account OPARDA
Cr: 4405	Interest Income
To record Carrying Charges associated with amounts recorded in Sub-Account OPARDA	

Oshawa PUC Networks Inc.

Draft Accounting Order

Account 1508 – Other Regulatory Assets, Oshawa Power New Facility OM&A Cost Variance

Account (“OPNFOCVA”)

Oshawa PUC Networks Inc. (Oshawa Power) shall establish the new deferral account, “Oshawa Power New Facility OM&A Cost Variance Account”, effective January 1, 2027, to record variances in Operating, Maintenance and Administration (OM&A) costs resulting from its transition to a New Facility in 2027. Accounts 5670 – Rent and 4385 – Non-Utility Rental Income will be excluded from the recording of variances in the OPNFOCVA. Amounts entered in the OPNFOCVA can be debit or credit entries, and will be equal to variances between actual OM&A costs and OM&A costs included in distribution rates, where such variances are directly attributable to Oshawa Power’s transition to a New Facility in 2027. Amounts will be debited or credited to the OPNFOCVA on an annual basis. Carrying charges will be applied to the OPNFOCVA on a monthly basis at the Ontario Energy Board’s (OEB) prescribed rates.

Balances in the OPNFOCVA sought for disposition are subject to an OEB prudence review, which will require the presentation of appropriate supporting documentation. Oshawa Power will make debit and/or credit entries to the OPNFOCVA from 2027 through to its next Cost of Service application, at which time Oshawa Power will recommend either the continuance or discontinuance of the Sub- Account, and the OEB will make a determination in that matter.

Annual Entries:

Cr/Dr: 1508	Sub-Account OPNFOCVA
Cr/Dr: Various	Various Operations, Maintenance and Administration Accounts
To record variances in Operations, Maintenance and Administration costs directly resulting from Oshawa Power’s transition to a New Facility	
Cr/Dr: 1508	Sub-Account OPNFOCVA
Cr/Dr: 4405	Interest Income
To record Carrying Charges associated with amounts recorded in Sub-Account OPNFOCVA	