

HEARST POWER DISTRIBUTION COMPANY LTD

DISTRIBUTION SYSTEM PLAN 2025-2030

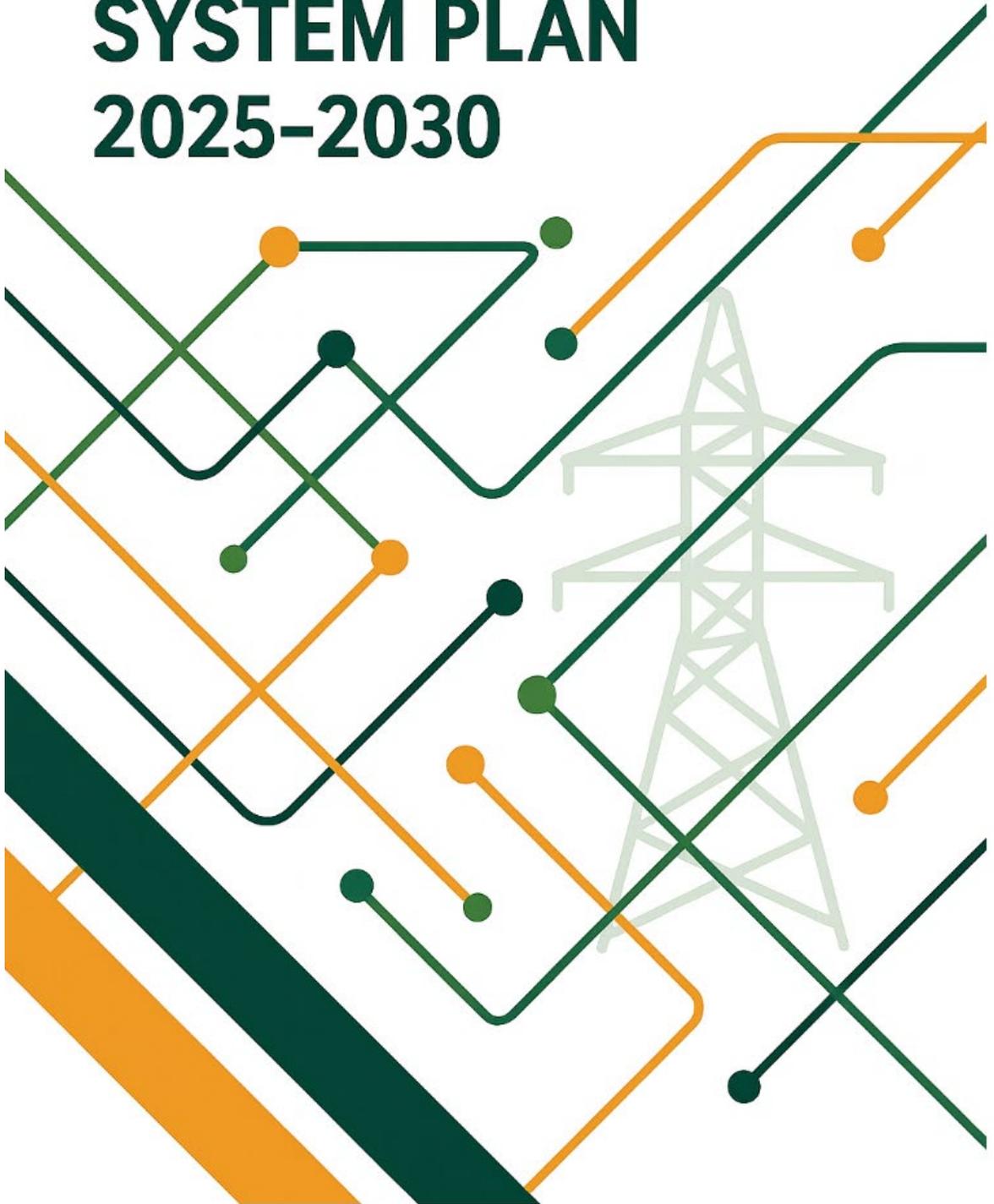


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1.

1. DISTRIBUTION SYSTEM PLAN

This Distribution System Plan (DSP, “the Plan”) has been prepared by Hearst Power Distribution Company Limited (HPDCL) in accordance with Ontario Energy Board (OEB) requirements. The Plan describes the utility’s asset management practices, investment priorities, and capital expenditure approach over the planning horizon. It is intended to demonstrate that HPDCL’s decisions are prudent, cost-effective, and aligned with its corporate objectives, while providing transparency to stakeholders. The Plan is updated as new information becomes available and as the operating context evolves, reflecting HPDCL’s commitment to continuous improvement in system planning and reliability management.

1.1.1. How to Read this Document

Section 1. Distribution System Plan

This opening section establishes the plan’s purpose, regulatory alignment, and planning horizon. It introduces HPDCL’s corporate objectives, customer engagement, asset management approach, and readiness for modernization and climate change.

- *Together, these elements set the foundation for all subsequent analysis and investment decisions.*

Section 2. Maintenance and Planning Approaches

The DSP explains how HPDCL maintains and optimizes its system across asset lifecycles. It outlines expected asset lives, preventive practices, and planning methods, showing how day-to-day reliability is sustained while preparing for longer-term renewal needs.

- *This section bridges broad strategy with practical system care.*

Section 3. Asset Categories and Management

This section presents HPDCL’s major asset classes in detail—transformers, poles, conductors, switches, metering, and fleet. For each category, the DSP describes current condition, inspection practices, and maintenance programs.

- *The consistent structure allows readers to compare how different assets are managed within a planning framework.*

Section 4. Performance Measurement for Continuous Improvement

HPDCL tracks results using reliability indices (SAIDI, SAIFI), safety metrics, ESA compliance, and responses to major events. These measures demonstrate whether strategies are working and provide feedback to refine future planning.

- The section connects asset management outcomes with accountability and continuous improvement in system performance.
-

5. Coordinated Planning with Third Parties

No utility operates in isolation. This section highlights HPDCL's collaboration with customers, commercial users, Hydro One, the IESO, municipalities, and telecom providers.

- *These partnerships ensure the DSP aligns with broader system and community needs, reinforcing transparency and supporting coordinated infrastructure development across the electricity sector.*

6. Capital Expenditure Plan

The DSP concludes with a past and forward-looking capital plan. It consolidates insights from earlier sections—system context, asset conditions, strategies, maintenance practices, and performance results into a prioritized list of projects and programs.

- *This section translates analysis into action, showing how HPDCL will invest to meet future needs.*

1.1.2. Alignment with OEB Filing Requirements

This DSP follows the section headers and sequence outlined in Chapter 5 of the OEB Filing Requirements for Electricity Transmission and Distribution Applications. When numbering differs, the Chapter 5 reference numbers are provided in each heading. HPDCL has continued to categorize investments according to the OEB's four investment categories:

- System Access,
- System Renewal,
- System Service, and
- General Plant.

This alignment allows HPDCL to maintain consistency between its internal planning processes and regulatory reporting obligations. It also provides stakeholders with a clear framework for understanding the basis of investment decisions. By structuring the DSP in this manner, HPDCL ensures that its planning remains transparent, measurable, and aligned with the broader expectations of the sector.

1.1.3. DSP Time Horizon

The DSP covers a ten-year period:

- Historical: 2020 through 2024
- Forecast: 2026 through 2030

The plan reflects capital and operational activities based on HPDCL's materiality threshold and is presented consistently across investment categories.

1.1.4. Context and Corporate Objectives

HPDCL is a municipally owned distributor, fully owned by the Town of Hearst and governed by a Council-appointed Board. The licensed service area covers 98.67 km², serving approximately 2,700 customers within the Town (population ~5,600, ~85% francophone).

The local economy is anchored by forestry, with secondary contributions from manufacturing, transportation, education, healthcare, and hospitality. While regional mineral reserves (e.g., Ring of Fire) may create long-term opportunities, HPDCL does not expect material load growth or major customer additions within this DSP horizon. HPDCL's corporate objectives align with the Renewed Regulatory Framework for Electricity (RRFE):

- Customer Focus – affordable service and direct customer engagement.
- Operational Effectiveness – efficient use of resources and lean staffing.
- Public Policy Responsiveness – compliance with codes and regional planning, readiness to integrate renewable generation.
- Financial Performance – sustainable operations with moderated customer rate impacts.

1.1.5. Planning Inputs

HPDCL's capital and maintenance planning is informed by several key inputs, including the utility's asset inventory, periodic inspections, compliance requirements, customer surveys, and coordination with both Hydro One and municipal governments. Strategic objectives, such as sustaining service reliability and moderating rate impacts, also influence decision-making. A major input during this cycle was the 2025 pole and transformer inspection, which provided improved lifecycle condition data and allowed HPDCL to refine its prioritization of renewal projects. These planning inputs ensure that investments are guided by a combination of technical evidence, customer needs, and regional system requirements.

1.1.6. Customer Engagement

Customer feedback plays a central role in shaping HPDCL's investment planning. Regular surveys and discussions with municipal officials consistently identify affordability as the top concern, while overall satisfaction with reliability remains strong. HPDCL uses this feedback to pace capital investments, smoothing expenditures to avoid sudden rate increases while continuing to maintain service performance. Engagement extends beyond surveys and includes participation in regional planning

forums with Hydro One and the IESO, where Hearst's unique system configuration is represented. This combination of direct customer input and regional coordination ensures that HPDCL's capital plan reflects both local expectations and broader system needs. Specifics are discussed at Section 5 of this document.

1.1.7. Preventive Maintenance Program

In 2021, HPDCL established a formal Preventive Maintenance Program. This initiative encompasses pole testing, line inspections, vegetation management, and the targeted replacement of high-risk assets. Preventative maintenance is now integrated into HPDCL's asset management process and serves as a key element of ensuring long-term system reliability.

The program has allowed HPDCL to extend the useful life of assets, minimise unplanned outages, and enhance cost efficiency. Consequently, asset management decisions are now guided not only by age but also by assessed condition and performance.

1.1.8. Capital Expenditure Trends

HPDCL's capital program is shaped by the stability of its customer base and the maturity of its system. In consideration of its needs, the utility's focus is on sustainment and innovations rather than expansion, with investments directed toward renewing aging poles and transformers, installing innovated product to help with reliability and undertaking general plant upgrades such as IT systems, office equipment, and vehicle replacement. Each project is prioritized using a structured process that weighs cost, risk, benefit, and the impact of deferral. This disciplined approach allows HPDCL to manage expenditures in a way that sustains safe and reliable service while moderating the impact on customer rates.

1.1.9. Asset Management and Condition Assessment

HPDCL maintains a comprehensive asset condition assessment database that supports lifecycle planning. A major focus has been addressing its aging overhead plant, particularly wood poles installed between the 1950s and 1970s. In 2020, HPDCL launched a five-year pole replacement program targeting more than 220 deteriorated poles. By 2025, the program had installed 236 poles, including 221 from the original replacement list. Reliability-focused investments have also been made in animal protection devices, in-line fault locators, and Tripsaver® II reclosers, all of which reduce outage frequency and duration. Enhanced pole testing methods now provide more objective data, improving renewal decisions and reducing the risk of in-service failures, especially during severe weather events.

1.1.10. *Asset Management and Condition Assessment*

HPDCL does not currently plan to invest in a SCADA system, as such an investment would not be cost-justified given its size and reliance on a Hydro One supply station. However, the utility maintains a comprehensive GIS database that includes pole and transformer information for both overhead and underground assets. The Hydro One transformer station has sufficient capacity to accommodate additional renewable generation connections of more than 2,000 kVA on each feeder. Projects larger than 10 kW are carefully reviewed with Hydro One. HPDCL's climate readiness focuses on storm preparedness, vegetation management, and close coordination with municipal emergency services to ensure rapid restoration during severe weather events.

1.2. *Utility Overview and System Configuration*

1.2.1. *Utility Overview*

HPDCL operates with a small, dedicated workforce comprising a General Manager, a Senior Administrator, a Billing and Customer Service Clerk, a Lead Hand, and four linemen. The General Manager provides business and administrative leadership, while the Lead Hand delivers most of the operational and technical input for system management and field activities.

The utility receives its electricity supply from Hydro One Networks Inc. and the IESO through a single transformer station located at the end of a radial transmission line. Power is distributed via three feeders: two are owned by Hydro One and supply both HPDCL and Hydro One customers beyond the Town's boundary, while one feeder is owned by HPDCL and serves only customers located within its geographical territory. This configuration offers limited flexibility for reconfiguration, with approximately 1,900 of HPDCL's customers served by a single shared feeder. As a result, interruptions on this feeder continue to have a significant impact on overall system reliability.

Most of HPDCL's overhead plant is more than 40 years old and is comprised of 1563 distributor owned poles and 625 distributor owned transformers. Following a 2019 condition assessment, HPDCL undertook a major pole replacement program between 2020 and 2024. This program targeted the renewal of more than 220 deteriorated poles and represented the primary material capital investment during that period, reflecting the stable load and HPDCL's focus on system sustainment. During this five-year period, HPDC was able to successfully plan and replace 221 of these deteriorated poles and add another 15 new poles to service new customers within its geographical territory for a total of 236 poles installed between 2020 and 2024.

In 2025, HPDCL has conducted a new Pole Condition Assessment Survey and well as a new Transformer Condition Assessment Survey using its internal workforce and process in order to build this 2026-2030 DSP. These new condition assessment survey builds on prior work by incorporating asset condition data and updated field inspections. (Checklist Ref: #3, #4, #25, #26).

**Table 1 - Service Area
(where current HPDCL service is currently available)**

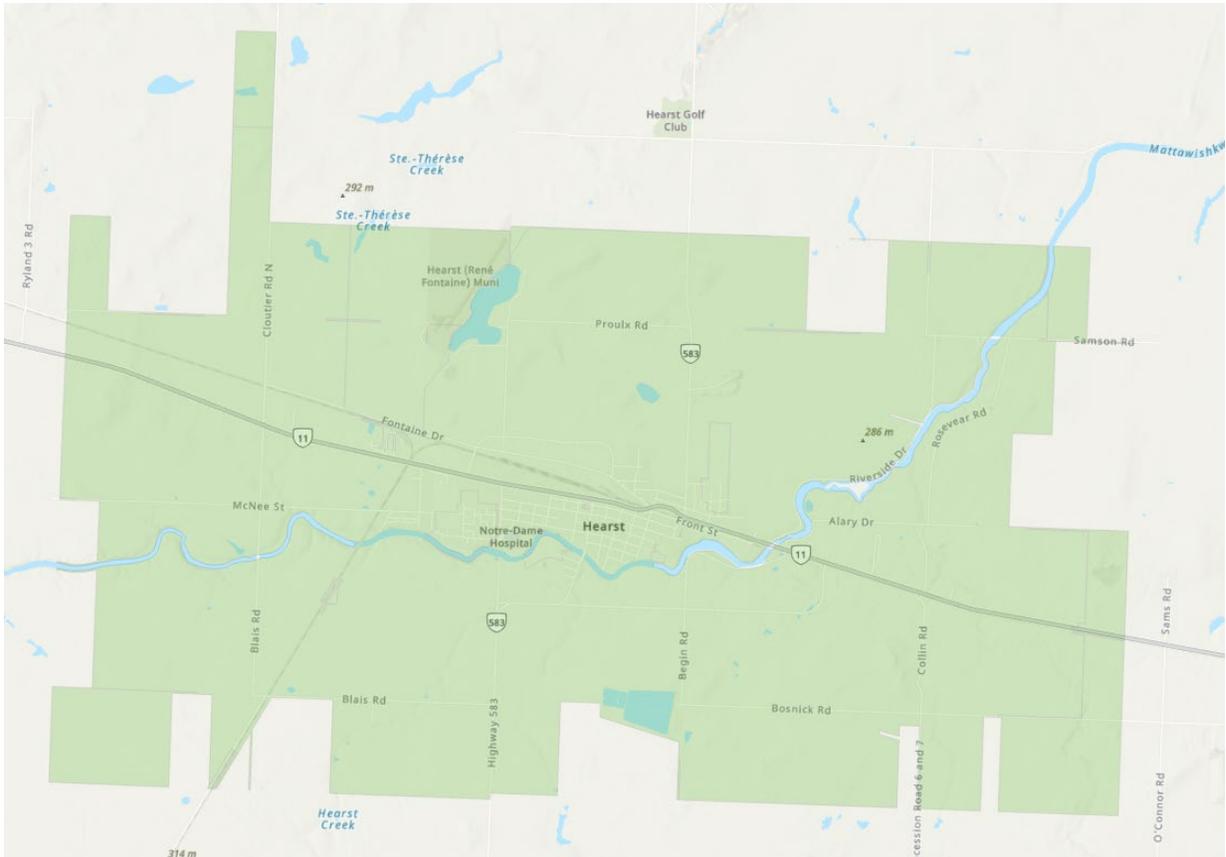


Table 2 - Customer, Load, and Energy Data (2021–2024)

	2021	2022	2023	2024
Population Served				
Municipal Population	4794*	~4794	~4794	~4794
Seasonal Population				
Total Customers	3680	3686	3653	3656
Residential Customers	2259	2260	2234	2238
General Service <50 kW	418	423	409	408
General Service >50 kW	38	37	35	34
Other Customers and Connect.	965	965	965	966
Total Service Area (km ²)	93.00	93.00	93.00	93.00
Total kWh Sold (excluding	74,048,232.00	75,770,633.00	74,530,558.00	73,769,131.00
Total Distribution Losses (kWh)	2,815,712.98	2,996,802.41	2,678,055.36	3,140,179.67
Total kWh Purchased	63,809,600.15	65,682,006.77	62,685,335.62	62,514,619.28
Embedded Generation	13,078,213.83	13,108,181.64	14,544,895.74	14,394,691.39
Winter Peak (kW)	14,926	15,372	15,198	15,027
Summer Peak (kW)	11,736	12,418	11,914	12,237
Average Peak (kW)	12,541	12,662	12,499	12,724

*Source: 2021 Census of Population conducted by Statistics Canada

1.2.2. Overview of System Configuration

Hearst Power Distribution Company Limited (HPDCL) distributes electricity at 14.4 kV through a combination of three-phase and single-phase primary overhead and underground circuits. Supply is received from the Hearst Transformer Station (TS), a Hydro One-owned and operated facility. Three feeders serve HPDCL's system:

Shared feeders (M1 & M2):

Two feeders are owned by Hydro One with respect to poles, structures, and primary conductors, as they extend beyond HPDCL's service area to supply Hydro One customers. HPDCL owns and maintains all distribution equipment installed on these feeders within its service area, including transformers, secondary conductors, laterals, and non-main feeder segments. Primary metering units are installed at the entry and exit points to ensure accurate measurement of HPDCL's load. The distribution system is predominantly overhead, with some underground infrastructure installed between the 1970s and 1990s in urban locations.

LDC solely owned feeder (M3):

One feeder is wholly owned by HPDCL from the station outward. This feeder serves a small area within the Town of Hearst and connects one of its largest customers. This feeder is serviced by overhead lines and can be interconnected with any of the 2 shared feeders using installed tie-points.

System Capacity and Load Characteristics

The Hydro One transformer station as well as the HPDCL distribution system have sufficient capacity to meet existing and forecasted demand. The average peak load is approximately 12.7 MW, and each of the three feeders maintains a minimum available capacity of 2,000 kVA to accommodate distributed energy resource (DER) connections. Delivered energy has declined over time, from approximately 115 GWh annually prior to 2008 to about 75 GWh in recent years. This reduction reflects the closure of a major forest products facility in 2008 as well as the impacts of the Conservation and Demand Management (CDM) programs.

Operational Flexibility and Reliability

The system is designed to support operational flexibility and reliability. It provides:

- Load transfers to facilitate emergency work. While inter-feeder transfers can result in “double-peak” billing, HPDCL performs such transfers only when necessary to maintain service continuity.
- Sectionalizing capability to restore service during outages or planned capital work.
- Voltage control to ensure compliance with applicable standards across the service area.

System Capacity

Given the stable load profile and prevailing economic conditions, no additional system capacity expansion is required at present or in the foreseeable planning horizon (Checklist Ref: #26, #28)..

Table 3 - Key Characteristics of HPDCL's System

The HPDCL DSP primarily focuses on the assets summarized in Table 4 below. These assets represent the major equipment as defined by the ESA Technical Guideline for Approval of Electrical Equipment v1.2, Section 2.1.2.

Table 4 - Major Equipment (2024)

Major Equipment	Qty
Maximum Winter Monthly Peak (KW) with embedded generation	15,027
Maximum Summer Monthly Peak (KW) with embedded generation	12,237
Maximum Winter Monthly Peak (KW) w/o embedded generation	15,343
Maximum Summer Monthly Peak (KW) w/o embedded generation	17,990
Service Area (Urban SQ. KM.)	93.0
Primary Lines (km)	
- Overhead	64
- Underground	7
Secondary Lines (km)	
- Overhead	17
- Underground	9
Total circuit lines (km)	97
2024 Total Customer (metered)	
Residential	2238
GS<50	408
GS50-4999	<u>34</u>
Total Number of Metered Accounts	2680
2024 Unmetered connections	
Sentinel	12
Street Lighting	<u>964</u>
Total Number of USL Connections	976
Annual Consumption Delivered to Customers (MWh)	73,769
Annual Generation (Total KW of FIT & MicroFit generators)	10,480
DERs connected (Total KW of net metering & load displacement)	257
Number of Substation	0
Wholesale Meter Points	0
Poles	1563
Transformers (Total)	624
- Overhead (Pole mount)	558
- Underground (Pad mount)	66
Primary Line Load Break Switches Locations (14.4 Kv)	9
Primary Line In-line Switches Locations (14.4 Kv)	11

1.3. Asset Management Drivers, Strategy and Objectives

1.3.1. Overview

HPDCL's Asset Management Plan has been developed in accordance with the OEB's Distribution System Code (DSC) and recognized good utility practices, ensuring consistency with the OEB's Renewed Regulatory Framework for Electricity (RRFE). The Plan sets out HPDCL's asset management philosophy and the key elements of the process that influence capital investment decisions, aligning with corporate goals, regulatory requirements, and stakeholder expectations.

The asset management process incorporates HPDCL's asset inventory, condition information derived from inspections and maintenance activities, existing capital expenditure programs, and accepted industry practices. This structured approach supports the utility's mission to deliver reliable and affordable power while balancing long-term financial stability, customer rate impacts, and environmental responsibility.

HPDCL's Capital Investment Process is anchored in eight core commitments: safety for staff, contractors, and the public; balancing system investments with reliability performance; alignment with customer expectations for cost, reliability, and service; sustainable cost efficiencies in deployment, operations, and maintenance; responsible management of investments to level rate impacts over time; environmental responsibility in design and operation; capacity and utilization management to meet current and future needs; and the integration of new technologies where appropriate.

To improve program effectiveness, HPDCL continues to apply preventive maintenance practices and targeted condition monitoring of distribution assets. Annual investments are directed primarily toward system renewal, including the replacement of deteriorated poles and other critical distribution equipment, ensuring continued reliability and public safety.

Looking ahead, HPDCL intends to refine its assessment methodologies and leverage partnerships with other utilities, new technologies, and evolving sector practices to strengthen project prioritization and long-term planning.

1.3.2. Business and Sector Drivers

HPDCL's asset management activities are influenced by a combination of internal system requirements and external sector drivers. Internally, the principal considerations include maintaining system reliability, ensuring public and worker safety, and sustaining operational efficiency. The renewal of aging infrastructure is an

ongoing requirement, particularly with respect to overhead distribution assets such as poles and line hardware, which represent a significant portion of the system's capital base.

Externally, third party-initiated projects, customer connections, and incremental capacity needs drive additional investment. Although customer growth in Hearst is near zero, new residential and commercial activities and needs continue to shape the timing and scale of certain projects. Compliance with regulatory and legislative obligations, including those arising from the OEB's Renewed Regulatory Framework for Electricity (RRFE) and Distribution System Code (DSC), also plays a central role in defining HPDCL's capital requirements.

Sector-wide technological developments, including the integration of smart metering and other modern utility tools, are becoming increasingly relevant in shaping asset management direction. HPDCL monitors municipal planning initiatives to ensure alignment of its capital investments with local growth and broader infrastructure development objectives.

1.3.3. Strategy

HPDCL's asset management strategy provides the framework for prioritizing and staging capital investments in a manner that balances system needs, regulatory obligations, and financial sustainability. The strategy is risk-based and places primary emphasis on public and worker safety, compliance with regulatory requirements, increasing reliability and the renewal of aging infrastructure. Reliability and power quality are monitored to ensure that service levels are maintained; investments are not directed toward improvement for its own sake, but rather to prevent degradation or to restore performance when required.

Capital planning also considers environmental impacts, lifecycle costs, maintainability, and operability in the evaluation of alternatives. Where appropriate, new technologies are integrated to improve system operability, enhance monitoring, or support restoration during contingencies. HPDCL applies multi-year staging to optimize project execution and to mitigate rate impacts, with flexibility to adapt to emerging conditions.

The overall approach reflects a pragmatic balance between immediate non-discretionary requirements, such as customer connections or mandated relocations, and discretionary renewal projects that can be sequenced to maintain system integrity while controlling cost impacts for customers.

1.3.4. Objective

HPDCL's asset management objectives provide the framework for its capital program and reflect the utility's mission to deliver safe, reliable, and cost-effective electricity service. The primary objectives are to:

- Ensure the safety of staff, contractors, and the public in the construction, operation, and renewal of distribution assets.
- Maintain system reliability and power quality at levels consistent with regulatory standards and customer expectations, with a focus on preventing degradation and restoring service performance when necessary.
- Align investment decisions with customer expectations for cost and service, balancing affordability with the long-term sustainability of the distribution system.
- Manage the pace and magnitude of capital investments to minimize volatility in customer rates while maintaining financial stability.
- Integrate environmental responsibility into the design, construction, and operation of distribution assets, consistent with evolving standards and community priorities.
- Address capacity and utilization requirements to ensure that the system can accommodate current and future load growth and provide flexibility for faster restoration during contingencies.
- Incorporate new technologies where their application enhances efficiency, operability, or reliability, and supports modernization of the distribution system.

These objectives are operationalized through HPDCL's Capital Investment Process, which integrates bottom-up asset condition assessments with top-down financial and regulatory considerations. The process is reviewed on an ongoing basis to ensure alignment with corporate goals, regulatory requirements, and sector best practices.

1.4. Asset Management Planning Process

1.4.1. Planning Methodology

HPDCL's asset management framework is built on a structured cycle of predictive, preventative, and condition-based maintenance. Assets are categorized as overhead or underground, with planning methods tailored to each category. The methodology emphasizes risk management, compliance with the Distribution System Code (DSC), Ontario Regulation 22/04, and environmental standards, while ensuring public and worker safety.

Inspections and maintenance follow systematic cycles: visual patrols are performed across the entire distribution system twice per year, ESA inspections at least once annually, and more detailed testing on a five-year cycle. Predefined inspection zones and vegetation cycles ensure that all system components are monitored regularly. Deficiency reports are collected after inspections, processed, and converted into action items to guarantee timely follow-up.

1.4.2. Data Inputs and Planning Criteria

HPDCL relies on multiple data sources to inform planning:

- Asset Databases – including GIS, Excel spreadsheets, and pdf maps, with details on poles, transformers, switches, and nameplate characteristics.
- Inspection Records – documenting completion dates, inspector names, asset condition, and required follow-up.
- Vegetation Monitoring – staff monitor growth annually and record tree-trimming needs.
- Deficiency Reports – produced during inspections and processed into actionable items.

Planning criteria align with DSC Appendix C “Minimum Inspection Requirements” and ESA standards, prioritizing compliance, safety, and cost-efficiency. This information provides sufficient lead time to align maintenance activities with capital investment decisions.

1.4.3. Project Rating and Prioritization

Deficiencies identified during inspections or testing are prioritized according to safety and reliability risk.

- Critical Issues – immediately scheduled for repair or replacement.
- Moderate Issues – scheduled for maintenance in alignment with inspection or vegetation cycles.
- Low-Risk Issues – tracked and addressed when cost-effective.

Line patrols and systematic inspections also support early detection, enabling HPDCL to convert potential unplanned outages into shorter planned outages, or eliminate outages altogether. This proactive prioritization approach ensures that critical assets receive timely attention, while extending asset life in a cost-efficient manner.

1.4.4. Capital Planning and Budgeting

Routine inspections, vegetation management, and condition assessments generate a pipeline of capital needs. These are assessed alongside regulatory requirements and system growth forecasts to inform capital planning.

- Vegetation Management operates on a three-year cycle, with one-third of the system addressed annually.
- Pole Replacements and Transformer Upgrades are scheduled based on inspection results, testing, and system reliability considerations.
- Underground Assets (pad-mounted transformers, switches, cables) are inspected on a three-year cycle, with deficiencies such as oil leaks, paint damage, or base deterioration factored into capital programs.

Capital budgeting integrates these needs with long-term investment planning, ensuring reliability while maintaining cost discipline for ratepayers.

1.4.5. Continuous Improvement and Collaboration

HPDCL reviews and refines its asset management practices during each DSP cycle (every 5 years). More in-depth analysis of major assets is conducted at these points to support longer-term planning. Continuous improvement is achieved by:

- Tracking inspection and maintenance results in accessible databases.
- Adjusting inspection cycles or asset management approaches based on field experience.
- Collaborating with regulatory bodies (OEB, ESA) to ensure compliance and alignment with provincial expectations.
- Responding to customer requests related to vegetation management and service reliability.

1.5. Investment by Category

In developing its long-term DSP, HPDCL's objective is to make timely investments in infrastructure to ensure its distribution system continues to deliver power at the quality and reliability levels required by its customers. Details of the forecast for capital expenses can be seen in Section 6.

HPDCL tracks its capital spending in both the traditional system USoA and the RRFE categories (System Access, System Renewal, System Service, and General Plant).

The table below provides the Historical Investments as reported in its last DSP up to projected investments HPDCL has made since 2021 up to projected investments for 2025.

Table 5 - Planned Capital Investment: 2021 DSP to 2025 DSP

Category	2021	2022	2023	2024	2025	5-Yr Total
	Actual	Actual	Actual	Actual	Forecast	
System Access	\$0	\$0	\$0	\$0	\$0	
<i>Planned 2021DSP</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$15,000</i>	
System Renewal	\$156,001	\$181,197	\$167,340	\$205,907	\$185,000	
<i>Planned 2021DSP</i>	<i>\$115,000</i>	<i>\$147,000</i>	<i>\$150,000</i>	<i>\$153,000</i>	<i>\$158,000</i>	
System Service	\$8,935	\$14,774	\$217	\$922	\$25,000	
<i>Planned 2021DSP</i>	<i>\$8,000</i>	<i>\$18,000</i>	<i>\$19,000</i>	<i>\$20,000</i>	<i>\$20,000</i>	
General Plant	\$251,156	\$152,137	\$74,435	\$18,364	\$134,800	
<i>Planned 2021DSP</i>	<i>\$265,000</i>	<i>\$30,000</i>	<i>\$25,000</i>	<i>\$28,000</i>	<i>\$25,000</i>	
Capital Contributions	\$0	-\$24,884	\$0	\$0	\$0	
<i>Planned 2021DSP</i>	<i>-\$15,000</i>	<i>-\$15,000</i>	<i>-\$15,000</i>	<i>-\$15,000</i>	<i>-\$15,000</i>	
Net Capital Expenditures	\$416,093	\$323,224	\$241,991	\$225,203	\$344,800	\$1,551,311
<i>Planned 2021DSP</i>	<i>\$388,000</i>	<i>\$195,000</i>	<i>\$194,000</i>	<i>\$201,000</i>	<i>\$203,000</i>	<i>\$1,181,000</i>
O & M	\$474,712	\$490,758	\$562,132	\$639,781	\$653,050	\$2,820,433
<i>Planned 2021DSP</i>	<i>\$543,000</i>	<i>\$564,000</i>	<i>\$587,000</i>	<i>\$583,000</i>	<i>\$600,000</i>	<i>\$2,877,000</i>

Observations:

HPDCL has a planning process and controls in place that are adequate and sufficient for the size of the utility. HPDCL's General Plant capital investments were higher than forecast in the 2020 DSP due to 3 specific purchases:

- In 2022: Purchase of a large outdoor storage shelter to store transformers and other assets following a significant snowstorm in the previous year.
- In 2023: Purchase of a new vehicle specifically to complete increased number of locate requests, as well as third-party locates, caused by change in Provincial regulations.
- In 2025: Order of a derrick digger truck to be constructed and delivered in early 2026 (Truck purchased in 2025 = \$127k, Body and installation in 2026 = \$383k)

HPDCL's total capital expenditure for the forward looking 5 years of 2026-2031 is higher due to 2 major capital projects when compared to the actual capital expenditure spent for the historical period of 2021 to 2025, more specifically, the derrick digger replacement over the years 2025 + 2026 (total \$510k) and a pickup replacement in 2028.

- Project 1 (2026) – Derrick Digger replacement + \$383,175
- Project 2 (2028) – Pickup replacement + \$75,000

No capital investment is required to address reliability concerns or capacity as articulated in the sections of "Performance Measurement for Continuous Improvement" and "System Capability Assessment for Renewable Energy Generation".

Table 6 - Planned Capital Investment: 2026 DSP to 2030 DSP

	2026	2027	2028	2029	2030
System Access	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Capital Contributions	-\$15,000	-\$15,000	-\$15,000	-\$15,000	-\$15,000
Net Total	\$0	\$0	\$0	\$0	\$0
System Renewal	\$191,500	\$198,000	\$204,750	\$212,000	\$219,500
System Service	\$10,000	\$30,000	\$32,000	\$34,000	\$36,000
General Plant	\$378,175	\$20,000	\$82,000	\$80,000	\$12,500
Net Capex	\$579,675	\$248,000	\$318,750	\$326,000	\$268,000

2. MAINTENANCE AND PLANNING APPROACHES

Hearst Power Distribution Company Limited (HPDCL) maintains its distribution system with a structured approach grounded in safety, regulatory compliance, cost-effectiveness, and long-term asset sustainability. The company's planning and maintenance practices ensure that each asset remains safe for staff and the public, operates within design specifications, and provides reliable service throughout its useful life.

System-Wide Inspection and Maintenance Practices

HPDCL fulfills its responsibilities under the Distribution System Code (DSC), Ontario Regulation 22/04, and applicable environmental standards. The entire distribution system is patrolled at least twice annually, with Electrical Safety Authority (ESA) inspections completed every year. More detailed condition testing is conducted on a five-year cycle, with targeted testing triggered by field observations.

Inspection records capture asset condition, location, inspector identification, and follow-up requirements. Deficiencies are processed into work orders, prioritized by risk and safety, and tracked through to completion. Urgent issues are escalated for immediate response, while less critical issues are bundled into planned work.

Vegetation management is completed on a three-year cycle, with one-third of the system addressed annually. Staff also monitor growth throughout the year and respond to customer requests where trees present safety or reliability concerns.

Integration with Planning

Inspection and maintenance data are systematically recorded in HPDCL's internal databases, which include spreadsheets, mapped records, and inspection reports. Hearst does maintain a full GIS inventory and its inspection program provides a consistent and reliable evidence base for planning. This ensures that renewal decisions, such as pole replacement programs or transformer refurbishments, are based on documented condition assessment, age, and utilization. Each new Distribution System Plan incorporates the most recent inspection results to identify priorities for the next planning horizon.

Asset Class Considerations

HPDCL applies these practices consistently across all major distribution assets:

- Transformers are reviewed through visual patrols, targeted inspections, and periodic condition testing. Records support renewal planning and confirm compliance with regulations. Detailed assessment, inventory, and health scoring are presented in Section 3.1.
- Poles are inspected for structural integrity, hardware condition, and compliance with clearance standards. Identified deficiencies are prioritized for repair or replacement. Detailed assessment and age profile information is presented in Section 3.2.
- Conductors are patrolled annually for sag, wear, and clearance issues, with vegetation management integrated into the same cycle. Further details are provided in Section 3.3.

- Switches and Protective Devices are inspected for wear, corrosion, and operational readiness, with underground switchgear included in the same cycle. See Section 3.4 for detailed analysis.
- Underground Cables are inspected at accessible terminations and otherwise operated on a run-to-failure basis unless conditions suggest closer monitoring is required. See Section 3.5.
- Meters and General Plant are managed in accordance with ESA standards and internal programs, with deficiencies corrected promptly and data retained for planning. See Section 3.6.

2.1. Asset Lifecycle Optimization and Practices

Hearst Power Distribution Company Limited (HPDCL) maintains its distribution system with a focus on safety, reliability, and cost-effectiveness. Asset conditions are evaluated to ensure safe operation, compliance with specifications, and secure performance. HPDCL owns most of the distribution assets within its service area, while Hydro One retains ownership of the local transformer station and certain shared feeders. A mutual work and assistance agreement governs shared equipment, including utility-owned transformers installed on Hydro One poles

Maintenance Philosophy

HPDCL applies three complementary maintenance approaches across all asset classes:

- Predictive maintenance (inspections, testing) anticipates deterioration and informs long-term planning. HPDCL patrols its entire system twice annually, conducts ESA inspections once per year, and performs targeted or system-wide testing on a five-year cycle.
- Preventative maintenance (cyclical programs) extends useful life and minimizes unplanned outages. Programs include vegetation management on a three-year cycle, annual review of spreadsheets by asset class, and scheduled patrols to detect emerging issues.
- Condition-based maintenance (reactive intervention) addresses deficiencies as they occur, restoring safe and reliable service. Deficiencies identified in inspections are prioritized, scheduled, and tracked until resolved.

Together, these approaches ensure assets are actively monitored, maintained, and restored in a manner that balances short-term performance with long-term sustainability.

Replacement Strategies

When assets reach the end of useful life, or when failures occur, HPDCL applies to one of several replacement strategies. The choice of strategy depends on asset characteristics, regulatory requirements, and risk profile.

In practice, multiple strategies may apply to the same asset, depending on the data available. Preventative and predictive maintenance reduce breakdowns and help ensure

assets can be replaced on a planned basis, while condition-based assessments provide targeted renewal for critical infrastructure.

Table 7 - Asset Replacement Strategy

Replacement Strategy	Description	Example	Relationship to Maintenance Approach
Breakdowns (Undesired)	Unplanned outage before end-of-life.	Pole damaged by a vehicle.	The outcome preventative/predictive programs seek to minimize.
Run-to-Failure	Assets operate until failure, with replacement plans in place.	Underground cables.	Applied where failure risk is low and inspection impractical.
Usage-Based	Replacement tied to operating hours, mileage, or cycles.	Line trucks.	Supported by preventative inspections that track usage and condition.
Time-Based	Replacement at fixed intervals tied to regulation or lifespan.	Smart meters.	Often complements preventative maintenance cycles
Condition-Based	Replacement triggered by inspection results or asset health.	Transformers (oil sampling, thermography).	Direct output of predictive and condition-based maintenance.

In practice, multiple strategies may apply to the same asset, depending on the data available. Preventative and predictive maintenance reduce breakdowns and help ensure assets can be replaced on a planned basis, while condition-based assessments provide targeted renewal for critical infrastructure.

2.2. Asset Life

HPDCL has adopted depreciation rates based on the Kinectrics Asset Depreciation Study. The utility is not proposing any changes to the depreciation rates for any assets.

3. ASSET CATEGORIES AND MANAGEMENT

Hearst Power Distribution Company Limited (HPDCL) services the Town of Hearst in Northeastern Ontario. The service area is compact and urban, with a single contiguous distribution zone. The distribution network includes one local transformer station owned by Hydro One Networks Inc. (HONI), along with interconnected feeders where equipment is shared under a mutual work and assistance agreement. HPDCL is responsible only for its own distribution assets serving its customers.

The system consists of approximately 16 km of underground lines, 81 km of overhead lines supported by 1,563 HPDCL-owned poles, and a fleet of 624 utility-owned transformers (558 pole-mounted and 66 pad-mounted). In addition, HPDCL owns and maintains approximately 2,780 active meters, with another 436 meters kept in inventory for replacements and upgrades.

At present, HPDCL maintains its distribution asset records in spreadsheets organized by asset type, capturing inspection dates, condition ratings, and technical specifications. Historical records are preserved through annual reviews, ensuring data continuity and accessibility..

This section summarizes the results of the Asset Condition Assessment study completed in 2025, with the objective of establishing the health and condition of fixed assets currently in service in HPDCL's system.

The assets covered by the report include:

- a) Distribution Transformers
- b) Poles
- c) Conductors
- d) Switches
- e) Meters
- f) General Plant

3.2. Transformers

3.2.1. Transformer Summary

Hearst Power Distribution Company Limited (HPDCL) owns and maintains a fleet of 624 distribution transformers, comprised of 558 pole-mounted and 66 pad-mounted units. These assets are critical to the safe and reliable operation of the network and are configured in both single-phase and three-phase installations to serve a mix of residential, commercial, and streetlight customers.

Transformers are distributed throughout HPDCL's service area, with detailed records maintained by type, quantity, and installation characteristics. The following tables summarize the number of pad-mounted and pole-mounted transformers currently in service by decade of manufacture.

**Table 8 –
Transformer
Unit Data**

Decade	Polemount	Padmount
2020–2024	32	1
2010–2019	55	3
2000–2009	37	6
1990–1999	39	11
1980–1989	115	20
1970–1979	222	25
<1960	58	0
Total	558	66

These transformers are monitored through HPDCL's structured inspection and condition assessment program, which combines visual inspections, thermal imaging, and health scoring to guide ongoing maintenance and replacement planning.

3.2.2. Transformer Inspection and Maintenance

Maintenance

Transformers undergo routine visual inspections during system patrols, with detailed reviews every five years. Inspections include checks for oil leaks, corrosion, bushing condition, grounding, and signs of overheating. Thermal imaging is used to detect hot spots and cooling issues. A structured condition rating system (scores of 2, 1, 0, or F) is applied to guide maintenance and replacement planning. HPDCL has eliminated all PCB-containing units in compliance with federal regulations.

Distribution Transformer Condition Assessment

HPDCL applies a structured condition rating process to evaluate transformer health and prioritize maintenance or replacement. Each transformer is scored across categories including age, paint condition, bushings, oil leaks, physical damage, and infrared test results. Scores range from F (fail/critical) to 2 (excellent), with a maximum possible score of 12 points. This standardized approach ensures consistency across inspections and supports evidence-based capital planning.

The assigned rating scale provides an overall health index:

- Excellent (2 points) – like new, no action required.
- Good/Fair (1 point) – minor age indicators, maintain and monitor.
- Poor (0 points) – significant deterioration, replacement planning required.
- Fail (F) – critical failure risk, immediate action required.

Inspection records capture both the health score and recommendations, ensuring urgent cases are flagged for immediate action.

Each of the following category are to be evaluated / scored:

<u>Category</u>	<u>Score</u> <u>(F, 0-2)</u>
Age	2
Paint	2
Bushing	2
Oil leaks	2
Dent/physical damage	2
Infrared testing	2
Total Score	/ 12

Additional information to consider:

Each transformer shall be evaluated to note the quantity of customers connected on a specific transformer as per the following classification:

<u>Customer(s) Connections</u>	<u>Classification</u>
1 or more commercial	C
1 to 4 residential	R1
5 or more residential	R2
Street or traffic light only	S

Age

HPDCL maintains detailed records of transformer age by decade of manufacture. The majority of its 558 pole-mounted units were installed between the 1970s and 1990s, while its 66 pad-mounted units are generally newer but represent a much smaller share of the system. Most installations are single-phase, with three-phase service provided through banked transformers; pad-mounted units are primarily used for larger commercial customers. With many assets now approaching or exceeding 40 years in service, age is a key driver in HPDCL's replacement planning as the age profile highlights the importance of continued monitoring and proactive renewal.

Table 9 – Transformer Age Rating

Age	Rating	Quantity
0 - 19	2	126
20 – 44	1	193
45 +	0	305

Visual Inspection

Field staff conduct visual inspections as part of system patrols and targeted maintenance activities. Inspections include checks for oil leaks, corrosion or paint damage, bushing integrity, grounding connections, and visible overheating or discoloration. Deficiencies are recorded, prioritized by severity, and scheduled for follow-up..

The Health Score assigned for issues identified on inspection are identified in.

Overall, Health

By combining condition ratings, age data, visual inspection results, HPDCL establishes a comprehensive picture of transformer health. This integrated assessment identifies critical units for immediate replacement, supports planned refurbishment of aging but serviceable units, and assures the distribution system can continue operating reliably with routine monitoring.

PCB Compliance

In accordance with PCB Regulations SOR/2008-273, HPDCL tested all transformers manufactured before 1980. All PCB-containing units have been removed from service.

3.3.Poles

3.3.1. Pole Summary

HPDCL currently has 1563 distributor owned poles across its service area. Poles regularly undergo visual inspection during regular line patrol inspections and every 5 years, every pole received a complete pole assessment and testing to be considered in the development of the 5-year Distribution System Plan. This condition assessment is correlated with risk parameters based on the location and use of the pole to determine which poles require replacement in a year.

The charts below show the result of the date installed and the replacement due date expected.

Table 10 – Pole Conditions Assessment Rating by Year

Year Installed by Decade	# Poles	Year 2025 Average pole condition assessment rating / 29
<1960	510	20.12
1960s	113	18.88
1970s	127	20.98
1980s	104	23.44
1990s	118	25.82
2000s	112	27.11
2010s	261	28.49
2020s	205	28.71

3.3.2. Pole Inspection and Maintenance

Hearst Power Distribution Company Limited (HPDCL) manages a significant population of wood poles that form the backbone of its overhead distribution system. These poles not only support conductors and transformers but also play a critical role in overall system reliability and safety. To ensure the ongoing integrity of this asset class, HPDCL has implemented a structured program of inspections, maintenance, and replacements.

Inspection

Pole condition is monitored through three complementary approaches:

- Routine visual patrols, which identify leaning poles, broken attachments, woodpecker holes, or other visible concerns;
- Scheduled inspections, conducted by line staff in accordance with established procedures; and
- Five-year condition testing, performed systematically across the system by a dedicated HPDCL employee. This ensures consistency in grading and comparability across all poles.

The assessment process combines visual observation with mechanical testing to evaluate strength and integrity. Poles identified as critical are scheduled for immediate replacement, while others are prioritized within the broader replacement plan.

Maintenance

Maintenance activities are carried out in response to issues identified through inspections or patrols. Typical activities include straightening leaning poles, resecuring guy wires and guards, tightening conductor attachments, and repairing localized damages like woodpecker holes. Where poles are found to be unsafe to the public or staff, they are given the highest priority for replacement.

Capital Renewal and Replacement Planning

The results of inspection and testing feed into HPDCL's five-year pole replacement plan. This plan prioritizes poles based on condition and criticality, with particular attention given to structures supporting transformers, dead-end spans, or large angles, as these are subject to higher mechanical stresses. HPDCL also groups replacements within a feeder when multiple poles of similar age and condition are identified, thereby improving overall feeder health and efficiency of capital programs.

HPDCL's standard is to install approved treated wood poles in all replacements, aligning with industry practice for durability and longevity. Based on available data and industry benchmarks, HPDCL anticipates the need to replace approximately 2.5% to 3% of the pole population annually, for the next five years.

Condition Assessment Approach

HPDCL applies consistent grading to classify poles by condition. These grades support prioritization of renewal activities and provide a transparent framework for future planning. As part of its continuous improvement efforts, HPDCL intends to enhance its asset database to include more complete records of pole age,

installation year, and utilization characteristics. This will allow for more advanced prioritization methods in future DSP cycles.

3.4. Conductors, Switches and Metering

3.4.1. Primary and Secondary Overhead Wires

HPDCL's distribution system includes both overhead and underground conductors that deliver electricity across its service area. The overhead network is composed primarily of aluminum-steel reinforced (ACSR) conductor. These conductors are evaluated for adequacy in terms of loading, line losses, and voltage performance. Where deficiencies are identified, reconductoring is coordinated with pole and transformer renewal programs to minimize customer disruption and ensure consistency with current design standards.

Underground secondary cables are also reviewed as part of this process. While not always replaced when individual customers upgrade their service, secondary lines are assessed and renewed when multiple upgrades occur within the same area, ensuring compliance with current standards.

Inspection Practices

HPDCL conducts line patrols throughout the year, with the entire system inspected at least annually and in line with Distribution System Code requirements. These patrols serve as the primary means of identifying emerging issues affecting safety, reliability, or performance.

Conductors and Cables: broken or frayed wires, damaged or loose tie wires, exposed or broken ground conductors, broken strands, bird-caging, and evidence of excessive or inadequate sag.

Hardware and Attachments: missing or damaged hardware, deteriorated or contaminated insulators, and situations where conductors have become detached from insulators. Grounding systems are assessed for continuity, with broken or removed ground wires and guards noted.

General Conditions and Right-of-Way: leaning or broken poles, grading or ground changes that could expose cables, and accessibility concerns. Vegetation encroachment is monitored closely, including climbing plants, vines, or brush growth that may compromise safety clearances or equipment reliability.

In addition to formal inspections, HPDCL's small size allows staff to identify and report issues informally during daily operations, which are then addressed or scheduled for follow-up based on severity.

Maintenance and Vegetation Management

Corrective maintenance is performed promptly where deficiencies are found, and proactive renewal is scheduled for assets showing signs of deterioration. Vegetation management is completed on a three-year cycle, with one-third of the system addressed each year. This work mitigates risks of outages caused by tree contact, which can damage conductors, hardware, and poles, or present a safety hazard to the public. HPDCL also responds to customer requests for tree trimming where vegetation is near power lines.

3.4.2. Switches

Switches and protective devices are a critical part of HPDCL's distribution system, enabling the utility to sectionalize circuits, isolate faults, and restore service with minimal customer interruption. The fleet includes overhead air-break switches, fused cutouts, and a smaller number of underground pad-mounted switchgear units, primarily serving commercial customers.

Most switches are located on overhead feeders at key sectionalizing points or paired with protective fuses. These assets are inspected as part of routine patrols and replaced as needed, often in coordination with pole or conductor renewal programs. Units that show deterioration or no longer operate safely are prioritized for replacement to ensure compliance with current standards and maintain system reliability.

Inspection Practices

Switches are inspected during routine line patrols and as part of the five-year detailed inspection program. Patrols include checks for:

- Overhead switches and fused cutouts: corrosion, broken or worn hardware, damaged bushings or insulators, and secure attachment to supporting structures.
- Underground switchgear: cabinet condition, paint and corrosion, locks and pentabolts, oil leaks, grounding connections, and accessibility.
- General environment: vegetation encroachment, grading or ground changes that could affect access, and signs of animal nesting or damage.
- Minor deficiencies (e.g., missing hardware, corroded surfaces, stiff mechanisms) are recorded and scheduled for follow-up maintenance. Critical issues are flagged for immediate repair to maintain system safety and reliability.

Maintenance

Routine maintenance includes lubrication of moving parts, repainting or rust treatment, and replacement of minor components such as insulators or bushings. Switches are an

important reliability tool because they allow HPDCL to sectionalize feeders and reroute power during outages, minimizing the number of customers affected. Inspection results and operational experience guide planning decisions for switch renewal and placement, ensuring they remain effective in supporting the overall performance of the distribution system.

3.4.3. Metering

Inspection

HPDCL owns and maintains approximately 2,780 active customer meters, supported by an additional inventory of 436 units. These meters vary by customer class and application, ranging from standard kilowatt-hour (kWh) meters to demand and interval meters capable of recording kilowatt (kW), kilovolt-ampere (kVA), and hourly load data. Customer billing is issued monthly on a calendar cycle, using data captured through these devices.

The utility relies on Sensus/Honeywell meters across its service territory and has contractual arrangements with:

- Smartworks (ODS) for validation, estimation, and editing (VEE) of metered data;
- Sensus/Xylem, acting as HPDCL's Advanced Metering Infrastructure (AMI) Operator; and
- UtiliSmart for settlement services and web-based reporting of Wholesale, Retail, and Embedded Generation interval data.

All smart meter interval data for residential and General Service <50 kW customers is transferred to the provincial Meter Data Management and Repository (MDM/R). The MDM/R processes and stores this data before making it available to HPDCL. With support from UtiliSmart, the utility validates interval usage and ensures data completeness.

In 2021–2022, HPDCL sampled a portion of its smart meter population in compliance with Measurement Canada requirements as the devices approached the end of their initial 10-year seal life. The results confirmed that the meters remained accurate and were recertified for an additional seven years of service.

For larger customer classes, data is managed through tailored processes:

- MicroFIT/FIT meters follow the same validation process as smart meters, except the data is not transmitted to the MDM/R.

- General Service >50 kW meters communicate interval data via telecommunications channels, with each unit dialed and readings downloaded into MV90 for further processing and sharing with UtiliSmart.
- Since 2021, all GS>50 kW accounts are served by MIST meters, ensuring compliance with provincial requirements.

Maintenance

All meter maintenance activities are performed in accordance with Measurement Canada guidelines. HPDCL plans to submit a representative sample of smart meters for recertification testing in 2028–2029, which will extend their seal life by an additional five years.

Complex demand and bi-directional meters are managed individually, with resealing or replacement completed on a case-by-case basis. Currently, HPDCL operates 14 units of the 600V kVc2 (Delta) meter type, which include internal communication modules that have been discontinued by the vendor and are no longer available for purchase. As part of its 2026–2030 capital program, HPDCL has initiated a phase-out of these devices. All affected customers have been notified that cabinet upgrades will be required no later than 2029, at which time the meters will be retired from service and replaced with newer models.

3.5. Fleet

3.5.1. Fleet Summary

HPDCL owns the following heavy equipment:

- 2025 Freightliner chassis (purchased to mount new derrick digger in 2026)
- 2020 Bucket truck
- 2012 Bucket truck
- 2000 Derrick digger truck

HPDCL owns the following light duty equipment:

- 2022 small pickup (Crew cab)
- 2019 pickup (Crew cab)
- 2018 pickup (Crew cab)

The company also owns a walk-behind trencher and a towable woodchipper as well as a pole and a utility trailer.

3.5.2. Fleet Inspection and Maintenance

Inspection

Daily (Driver Pre-Trip / Post-Trip)

- Required under *Ontario Regulation 199/07 – Daily Inspections*.
- Complete Schedule 1 checklist for CMVs (defects in brakes, tires, lights, coupling, safety equipment, etc.).
- Defects must be recorded in inspection reports kept for 6 months (per law).

Bi-Annually (Licensed Mechanic)

- Preventive maintenance including oil/filter service, hydraulic checks, brake inspections, safety system tests.
- Supports compliance with Highway Traffic Act s. 84–85 requiring vehicles be “in proper working order at all times.”

Annual (Certified Mechanic / External Provider)

- Annual Safety Standards Certificate per *O. Reg. 611 – Safety Inspections*.
- Annual CVOR compliance inspection records retained for 2 years.
- Dielectric Testing of insulated booms and buckets per *CSA C225*.

- Load and stability tests for diggers and aerial devices.
- Emissions test for heavy-duty vehicles, as required by Provincial regulations.

Maintenance

- Preventive Maintenance (PM): Scheduled based on mileage, engine hours, or fixed intervals (e.g., every 5,000–8,000 km or 6–12 months, depending on vehicle type and usage). Covers engine, drivetrain, hydraulics, and aerial components.
- Corrective Maintenance: Immediate repair of defects found during inspections or reported by operators.
- Predictive Maintenance: Use of telematics, diagnostic codes, and trend data to anticipate failures and schedule repairs before breakdowns occur.

Record Keeping

Required by Ontario law:

- Daily inspection reports retained for 6 months (*O. Reg. 199/07, s.8*).
- Maintenance and repair records retained for at least 2 years (*HTA s.85*).
- Annual safety inspection certificates retained for 2 years (*O. Reg. 611*).
- Dielectric and stability test reports retained per utility policy and CSA standards.

4. PERFORMANCE MEASUREMENT FOR CONTINUOUS IMPROVEMENT

This section summarizes HPDCL's annual reliability performance, which helps guide maintenance activities, prioritize capital investments, and ensure the sustainable delivery of electricity services that meet customer needs.

HPDCL operates a small service territory with a long history of community engagement. Its workforce—five field staff and three office staff—has in-depth knowledge of the distribution assets and maintains close relationships with its customers. HPDCL employees manage system construction, maintenance, emergency response, purchasing, finance, billing, and customer service in-house. Third-party contractors are engaged only for specialized services such as IT cybersecurity, billing software support, more complex metering for specific customers, engineering studies, or complex regulatory work (e.g., Cost of Service applications).

This model provides cost efficiency and flexibility, as HPDCL controls the pace of work, sets priorities, and reallocates resources as needed. In the event of a major outage event, HPDCL can rely on a long-standing mutual assistance agreement with Hydro One and neighbouring LDCs. This partnership allows for the sharing of knowledge, equipment, and field support, which strengthens both reliability performance (SAIDI/SAIFI) and community safety. Importantly, HPDCL avoids ongoing fixed costs from other third parties, and well as cost to maintain significantly larger asset inventory, by using their assistance or support only when required.

Customer feedback also guides HPDCL's approach. In the 2023–24 Customer Survey, 81% of respondents reported that the cost of electricity places “a great deal” or “relatively” high strain on their household budget. While customers recognize that most costs on their bill are beyond HPDCL's control, satisfaction with HPDCL remains very high: 98% rated its overall performance as “Good” or “Excellent,” and 94% deemed that HPDCL is a “Respected” or “Very Respected” company in the community.

HPDCL actively monitors system performance and continuously seeks improvements in four key areas: customer service, operational effectiveness, public policy responsiveness, and financial performance. Adjustments are made during the year as needed—for example, installing owl decoys in areas where woodpeckers damage poles or deploying animal protection and TripSaver cutout-mounted reclosers in locations where birds or trees frequently contact overhead lines.

Performance is tracked using Ontario Energy Board (OEB) reporting metrics, including customer satisfaction, service reliability, billing accuracy, bill impacts, power quality, operating costs per customer, and benchmarking against industry peers. Capital expenditures are carefully planned to minimize rate fluctuations. Service reliability is

measured through CAIDI, SAIDI, and SAIFI indices, which guide asset management and investment priorities. Instances where OEB performance targets are not met are reviewed, though in most cases the cause lies beyond HPDCL's control, such as weather events, supply interruptions, or foreign interference.

System safety, efficiency, and cost-effectiveness are monitored continuously, with annual third-party compliance reviews under Ontario Regulation 22/04 by auditors such as ESA and AESI Engineering Consultants.

HPDCL's maintenance program is primarily condition-based, focusing on priority needs and identifying end-of-life assets such as poles and transformers. This approach helps preserve system reliability while supporting rate stability, allowing for gradual increases that align with provincial objectives of keeping electricity affordable and dependable.

4.1.1. Causes of Power Interruption

Reliability Indices

Guidance provided by the OEB in the recently published Report of the Board: Electricity Distribution System Reliability Measures and Expectations (EB-2014-0189), indicates that it would like to use the average or arithmetic mean of the previous five years (or historical period) of data to establish performance expectations for the forecast period. Specifically, the OEB referred to SAIDI and SAIFI as the two reliability indicators that would benefit from using targeted goals.

HPDCL records and reports annually the following Service Reliability Indices:

$$\text{SAIDI} = \text{System Average Interruption Duration Index} = \frac{\text{Total Customer-Hours of Interruptions}}{\text{Total Customers Served}}$$

$$\text{SAIFI} = \text{System Average Interruption Frequency Index} = \frac{\text{Total Customer Interruptions}}{\text{Total Customers Served}}$$

HPDCL uses the above reliability indexes to gauge the system reliability performance and maintain a tight control over their capital and maintenance spending. The Maintenance Program is primarily condition based. The maintenance component addresses statutory requirements such as inspection per the DSC, as well as prudent "testing" of the plant to help identify end of life conditions for poles.

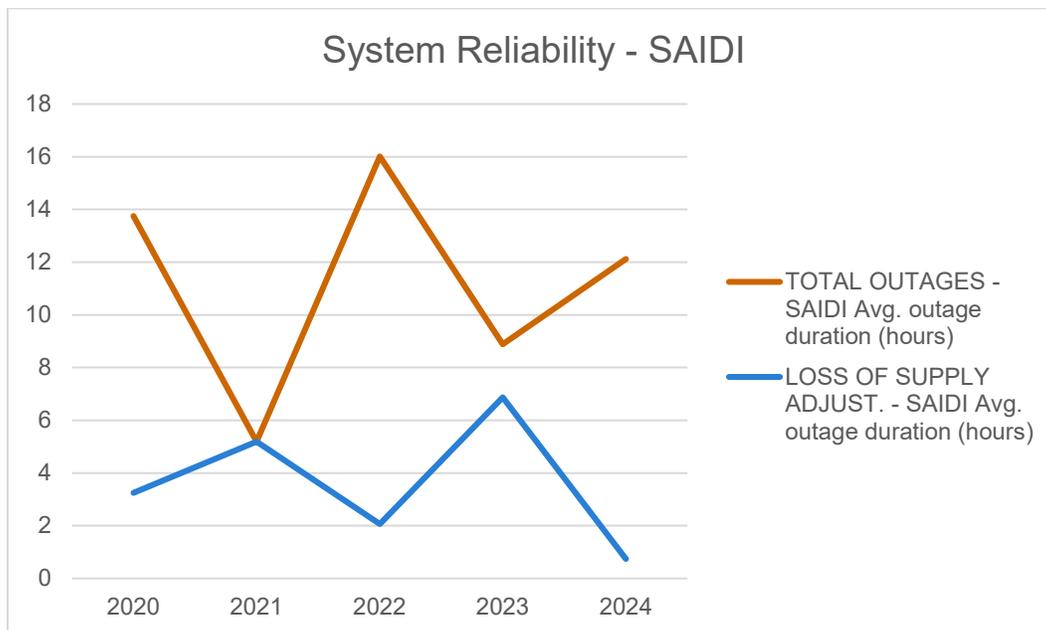
HPDCL collects and analyzes a wide range of statistics to evaluate system performance, support its asset management program, and guide capital investment priorities. This data is also used to improve outage restoration times and inform policy decisions.

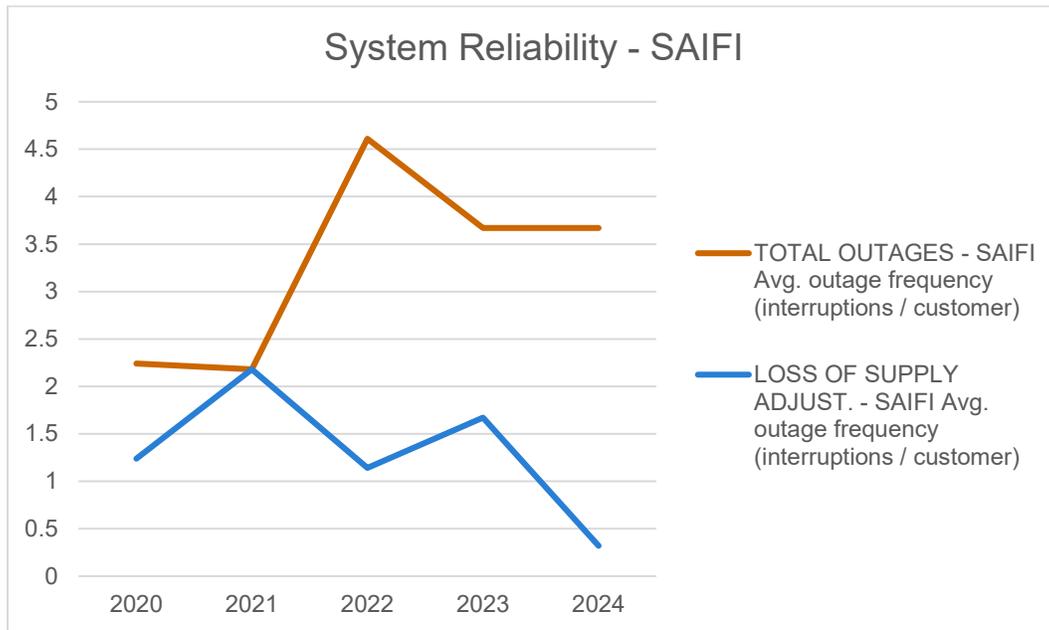
For outage reporting, HPDCL records the start time based on meter data indicating when the interruption actually began, rather than when the first customer report is received. This approach may result in SAIDI and SAIFI ratios that differ from those of other LDCs, but it ensures that HPDCL reports more accurate and consistent data with fewer external variables.

The table 14 below provides the 5-year historical performance average for HPDCL.

Table 11 – Reliability Indicators

System Reliability Indicators	2020	2021	2022	2023	2024	Avg
Total Outages						
SAIDI Avg. outage duration (hours)	13.75	5.19	16.01	8.89	12.12	11.19
SAIFI Avg. outage frequency (interruptions / customer)	2.24	2.18	4.61	3.67	3.67	3.27
Loss of Supply Adjusted						
SAIDI Avg. outage duration (hours)	3.25	5.19	2.06	6.87	0.74	3.62
SAIFI Avg. outage frequency (interruptions / customer)	1.24	2.18	1.14	1.67	0.32	1.31
Loss of Supply and Major Events Adjusted						
SAIDI Avg. outage duration (hours)	3.25	5.19	2.06	6.87	0.74	3.62
SAIFI Avg. outage frequency (interruptions / customer)	1.24	2.18	1.14	1.67	0.32	1.31





Total Outages

- TOTAL OUTAGES - SAIDI (System Average Interruption Duration Index – Outage Duration):
 - The average outage duration is 11.19 hours (11 hours, 11 minutes). This measure includes both Hydro One supply outages and HPDCL distribution outages. Because HPDCL is located at the end of a Hydro One transmission line in Northern Ontario, with no alternate power source when the Hearst Transformer Station is offline, this ratio can fluctuate significantly from year to year. It is also heavily influenced by Hydro One response times, with the nearest distribution crew based in Kapuskasing (1 hour away) and transmission crews located in Sudbury (6.5 hours away).
- TOTAL OUTAGES - SAIFI (System Average Interruption Frequency Index – Outage Frequency):
 - The average outage frequency is 3.27 interruptions per customer. As with SAIDI, this measure is strongly affected by Hydro One supply interruptions.

Loss of Supply Adjusted

- SAIDI (System Average Interruption Duration Index – Outage Duration):
 - The average outage duration is 3.62 hours (3 hours, 37 minutes). This measure varies annually, primarily due to two factors: foreign interference and Hydro One planned outages, which HPDCL often coordinates with to complete its own capital

projects simultaneously. In 2024, SAIDI was unusually low at 0.74 hours (44.4 minutes) due to minimal foreign interference and the opportunity to align capital work with Hydro One's scheduled supply interruptions, thereby avoiding additional outages.

- SAIFI (System Average Interruption Frequency Index – Outage Frequency):
 - The average frequency is 1.31 interruptions per customer. Like SAIDI, this measure is heavily influenced by foreign interference and Hydro One supply outages. In 2024, SAIFI was also lower than average for the same reasons. However, this level of performance is not expected to continue, as uncontrollable incidents typically occur each year.

Major Events Adjusted

- SAIDI: There are no Major Events to report from 2020 to 2024.
- SAIFI: There are no Major Events to report from 2020 to 2024.

4.1.2. Cause Codes for Power Interruptions

Outages are categorized using cause codes, with data recorded on both the number of customers affected and the duration of each event. Through capital replacement projects, infrastructure upgrades, and the installation of in-circuit switches, HPDCL has reduced outages caused by equipment failures and vegetation, while also minimizing the number of customers impacted by each outage through strategically placed switching points. HPDCL expects this positive trend to continue as further system improvements are implemented.

The table below summarizes the causes of power interruptions experienced by HPDCL customers from 2020 to 2024:

Table 12 - Count of All Causes of Power Interruptions – By Month (2020-2024)

Month	2020	2021	2022	2023	2024
January	0	1	0	0	0
February	1	0	2	2	2
March	1	1	7	4	1
April	2	3	4	4	5
May	5	10	7	7	10
June	9	5	4	13	8
July	11	8	9	12	9
August	5	6	5	6	3
September	10	5	2	6	2
October	8	7	2	2	8
November	1	3	1	0	8
December	4	8	1	2	2
Total	57	57	44	58	58

Table 13 - Count of All Causes of Power Interruptions – By Code (2020-2024)

Code	Descr.	2020	2021	2022	2023	2024
0	Unknown	0	1	1	1	1
1	Scheduled	26	29	12	33	35
2	Loss of Supply	1	0	6	2	6
3	Tree Contact	1	2	0	1	2
4	Lightning	1	0	0	0	0
5	Defective Equipment	9	10	8	9	7
6	Weather	1	0	0	1	1
7	Adverse Environment	2	2	0	1	0
8	Human Element	0	0	0	0	0
9	Foreign Interference	16	13	17	10	6
	Total	57	57	44	58	58

The majority of outages during the historical period have been caused by scheduled outage or by foreign interference (such as animal contact, vehicle contact, etc).

Unknown:

Occasionally, HPDCL employees arrive on-site to find a tripped fuse with no visible signs of interference or a clear cause. These incidents are classified as unknown.

Scheduled Outages:

These interruptions are typically required for pole or transformer replacements. Over the years, the number of customers affected has been significantly reduced through the addition of switches and tie-points, allowing outages to be isolated to smaller sections of the circuit. Scheduled outages usually last a few hours and are planned for days with moderate weather conditions.

Loss of Supply:

Loss of Supply outages originate from Hydro One, either at the transmission or distribution level, since HPDCL is connected to the Hearst Transformer Station and shares feeders and distribution lines. A transmission outage affects all 2,780 HPDCL customers, while a distribution outage may impact only one feeder or section. Restoration times are often longer than two hours because Hydro One crews are located far from Hearst (distribution crews in Kapuskasing, ~1 hour away; transmission crews in Sudbury, ~6.5 hours away). Although these outages are outside HPDCL's control, under the mutual assistance agreement HPDCL employees may take preliminary actions on Hydro One assets to ensure safety—such as cutting down trees on lines, disconnecting power in case of fire, setting up traffic control, or delivering replacement poles for collision damage.

Tree Contacts:

Tree-related outages are rare due to HPDCL's regular trimming program. However, given Hearst's location in the Northern Boreal Forest and the many kilometers of lines running through concessions and wooded easements, occasional tree contacts are unavoidable.

Lightning:

Between January 1, 2020, and December 31, 2025, HPDCL recorded only one outage caused by lightning.

Defective Equipment:

HPDCL continuously upgrades and renews its infrastructure to limit failures from aging equipment. While defects can still occur even in new assets, outages from equipment failure have shown a slight downward trend from 2020 to 2025.

Adverse Weather:

Northern Ontario winters can be severe, with snowstorms, ice buildup, and extreme cold. Outages in this category are primarily caused by ice accumulation on equipment, heavy snowstorms, or prolonged periods of very low temperatures.

Adverse Environment:

This category includes outages caused by environmental conditions such as salt corrosion on roadside transformers along the TransCanada Highway or nearby fires. These events are uncontrollable and occur infrequently, averaging about one per year from 2020 to 2024.

Foreign Interference:

Outages in this category are mainly caused by wildlife and traffic incidents. Birds and squirrels do come into contact with power lines from time to time, while vehicle and truck collisions with poles or overhead wires occur occasionally due to HPDCL's location along the busy TransCanada Highway. These incidents are beyond HPDCL's control, though a slight decline in such events has been noted in recent years, especially with the continued installation of animal protective devices in areas where incidents occur more often.

4.1.3. Major Events

There was no major event to declare for the period of 2020 to 2025.

5. COORDINATED PLANNING WITH THIRD PARTIES

This DSP has been prepared through a coordinated planning process with the following stakeholders:

- a) Customer Engagement
- b) Regionally interconnected Transmitters and Distributors – Hydro One.
- c) Regional and municipal governments.
- d) Telecommunication Entities.

5.1.1. Customer Focus - Customer Engagement Survey Results

Hearst Power Distribution Company Limited (HPDCL) engages with its customers to ensure that distribution system planning reflects local needs and priorities. Engagement typically includes direct interaction through the customer service office, telephone inquiries, and feedback received during billing or service requests. HPDCL also responds to individual concerns about vegetation management, outages, and equipment in proximity to customer property. In recent years, HPDCL has undertaken customer satisfaction surveys to collect input on billing, conservation programs, service levels, and overall satisfaction. Surveys have been streamlined to reduce fatigue and encourage participation. The findings from these surveys help HPDCL ensure that its operations and priorities remain aligned with the expectations of its customers.

5.1.2. Commercial Customers

As of the latest discussions, commercial customers within HPDCL's service area are not planning any immediate, significant, or material modifications within the forecast period.

HPDCL values its customers and regularly seeks feedback to ensure that their needs are understood and addressed. Engagement methods have included person-to-person communication, bill inserts, and periodic customer surveys. HPDCL maintains an accessible office where customers can open accounts, relocate services, make payments, or resolve concerns directly with local representatives. These in-person and telephone interactions ensure that customer issues are managed quickly and with attention.

5.1.3. IESO & Regional Planning

HPDCL actively participates in regional planning for the North/East of Sudbury Region, which includes its service territory. This process involves collaboration with Hydro One Networks Inc., the Independent Electricity System Operator (IESO), and other regional distributors. HPDCL contributed to the Scoping Assessment in August 2021, the Integrated Regional Resource Plan (IRRP) completed in April 2023, and the Regional Infrastructure Plan (RIP) published by Hydro One in November 2023 (Checklist Ref: #21, #24).

These consultations ensure that local system sustainment, renewal, and capacity needs are aligned with regional priorities. The outcome of the most recent planning cycle confirmed that no regionally recommended investments directly affect HPDCL's system.

5.1.4. Hydro One

HPDCL is an embedded utility within Hydro One's transmission and distribution system. HPDCL receives its supply and distributes electricity at a primary distribution voltage of 14.4 kV only. Coordination with Hydro One includes notice of planned outages, switching plans, and operational updates to ensure that safe and reliable service is maintained for customers.

5.1.5. Municipal Government

HPDCL maintains relationships with the Town of Hearst and other local authorities. Coordination occurs regarding road relocations, municipal development, and construction scheduling. While growth in the service territory has been modest, HPDCL monitors new residential developments and works with municipal planners to ensure distribution infrastructure aligns with community needs.

5.1.6. Telecommunication Entities.

Telecommunication entities, and other providers, operate in HPDCL's service area. Between 2015 and 2020, a major Fiber-to-the-Home deployment was carried out by a telecom provider in HPDCL geographical area. Currently, most of HPDCL's poles now host third-party attachments. Given this existing infrastructure, HPDCL did not receive and does not expect new broadband expansion requests or projects requiring capital investment from the utility during the current DSP period.

6. CAPITAL EXPENDITURE PLAN

6.1. 2020 → 2021

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Distribution Overhead (Poles)	137,753	140,631	+2,878
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	22,218	15,346	-6,872
Subtotal	159,972	155,977	-3,995

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

37 poles as well as 8 transformers were replaced in 2020

52 poles as well as 4 transformers were replaced in 2021

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	1,353	1,148	-205
1860 – Meters	0	7,788	+7,788
1835 – Overhead Devices & Switches	1,379	0	-1,379
Subtotal	2,731	8,936	+6,205

Explanation / Need / Justification (System Service):

All variances are not material, but to provide more context:

A few animal guards were added to the distribution system in 2020

15 Demand (kW) transformer-type smart meters were purchased in 2021

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer software	0	0	0
1908 – Building & Fixtures	18,163	0	-18,163
1915 – Office Equipment	2,402	0	-2,402
1920 – Computer Hardware	0	0	0
1930 – Transportation	0	248,300	+248,300
1940 – Tools & Equipment	5,331	2,856	-2,475
1955 – Communication Equipment	3,191	0	-3,191
Subtotal	29,087	251,156	+222,069

Explanation / Need / Justification (System Access):

2020 Building & Fixtures: Replacement of a larger overhead garage to accommodate for entry of new and higher 2020 bucket truck in garage

2020 Office Equipment: New laptop and setup

2020 Communication Equipment: Purchase of a new telephone system with IVR

2021 Transportation: Purchase of a new bucket truck

6.2. 2021 → 2022

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	140,631	156,403	+15,772
1840/1845 – UG Conductors & Devices	0	452	+452
1850 – Line Transformers	15,346	22,811	+7,465
Subtotal	155,997	179,666	+23,669

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

52 poles as well as 4 transformers were replaced in 2021

48 poles as well as 6 transformers were replaced in 2022

Note: Following the COVID-19 crisis, pole prices increased significantly, and transformer prices also increased but not as significantly.

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	1,148	0	-1,148
1860 – Meters	7,788	9,536	+1,748
1835 – Overhead Devices & Switches	0	5,238	+5,238
Subtotal	8,936	14,774	+5,838

Explanation / Need / Justification (System Service):

All variances are not material, but to provide more context:

15 Demand (kW) transformer-type smart meters were purchased in 2021

33 Smart meters were purchased in 2022

1 solid blade switch and a few animal guards were added to the distribution system in 2022

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	0	5,273	+5,273
1908 – Building & Fixtures	0	144,900	+144,900
1915 – Office Equipment	0	0	0
1920 – Computer Hardware	0	0	0
1930 – Transportation	248,300	0	-248,300
1940 – Tools & Equipment	2,856	2,165	-691
1955 – Communication Equipment	0	0	0
Subtotal	251,156	152,338	-98,818

Explanation / Need / Justification (General Plant):

2021 Transportation: Purchase of a new bucket truck

2022 Computer Software: New Hearst Power website (part 1)

2022 Building & Fixtures: Purchase of a large shelter / exterior steel storage area

6.3. 2022 → 2023

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	156,403	155,611	-792
1840/1845 – UG Conductors & Devices	452	0	-452
1850 – Line Transformers	22,811	19,660	-3,151
Subtotal	179,666	175,271	-4,395

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

48 poles as well as 6 transformers were replaced in 2022

49 poles as well as 4 transformers were replaced in 2023

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	9,536	0	-9,536
1835 – Overhead Devices & Switches	5,238	1,306	-3,932
Subtotal	14,774	1,306	-13,468

Explanation / Need / Justification (System Service):

All variances are not material, but to provide more context:

33 Smart meters were purchased in 2022

1 solid blade switch and a few animal guards were added to the distribution system in 2022

A few animal guards were added to the distribution system in 2023

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	5,273	5,923	+650
1908 – Building & Fixtures	144,900	0	-144,900
1915 – Office Equipment	0	10,324	+10,324
1920 – Computer Hardware	0	18,301	+18,301
1930 – Transportation	0	38,780	+38,780
1940 – Tools & Equipment	2,165	1,107	-1,058
1955 – Communication Equipment	0	0	0
Subtotal	152,338	74,435	-77,903

Explanation / Need / Justification (General Plant):

2022 Computer Software: New Hearst Power website (part 1)

2022 Building & Fixtures: Purchase of a large shelter / exterior steel storage area

2023 Computer Software: New Hearst Power website (part 2)

2023 Office Equipment: Purchase of new operations room conference table, chairs and desks

2023 Computer Hardware: Purchase and installation of 5 new computers in operations room and 1 new server in administrative office

2023 Transportation: Purchase of a new light duty pickup truck

6.4. 2023 → 2024

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	155,611	171,224	+15,613
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	19,660	34,693	+15,033
Subtotal	175,271	205,917	+30,646

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

49 poles as well as 4 transformers were replaced in 2023

50 poles as well as 12 transformers were replaced in 2024

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	0	922	+922
1835 – Overhead Devices & Switches	1,306	0	-1,306
Subtotal	1,306	922	-384

Explanation / Need / Justification (System Service):

All variances are not material, but to provide more context:

A few animal guards were added to the distribution system in 2023

4 Smart meters were purchased in 2024

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	5,923	0	-5,923
1908 – Building & Fixtures	0	16,440	+16,440
1915 – Office Equipment	10,324	0	-10,324
1920 – Computer Hardware	18,301	0	-18,301
1930 – Transportation	38,780	0	-38,780
1940 – Tools & Equipment	1,107	1,924	+807
1955 – Communication Equipment	0	0	0
Subtotal	74,435	18,364	-56,071

Explanation / Need / Justification (General Plant):

2023 Computer Software: New Hearst Power website (part 2)

2023 Office Equipment: Purchase of new operations room conference table, chairs and desks

2023 Computer Hardware: Purchase and installation of 5 new computers in operations room and 1 new server in administrative office

2023 Transportation: Purchase of a new light duty pickup truck

2024 Building & Fixtures: Garage/shop floor repairs (concrete resurfacing)

6.5. 2024 → 2025 (Budget)

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	171,663	150,000	-21,663
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	34,254	35,000	+746
Subtotal	205,917	185,000	-22,409

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

50 poles as well as 12 transformers were replaced in 2024

Budget 45 poles as well as 10 transformers to be replaced in 2025

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	922	10,000	+9,078
1835 – Overhead Devices & Switches	0	15,000	+15,000
Subtotal	922	25,000	+24,078

Explanation / Need / Justification (System Service):

All variances are not material, but to provide more context:

4 Smart meters were purchased in 2024

Budget allocation of \$10,000 for the purchase of new smart meters in 2025

Budget allocation of \$15,000 for the purchase and install of a Tripsaver® II recloser as well as a solid blade switch and 18 overhead fault indicators in 2025

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	0	0	0
1908 – Building & Fixtures	16,440	0	-16,440
1915 – Office Equipment	0	2,500	+2,500
1920 – Computer Hardware	0	0	0
1930 – Transportation	0	127,300	+127,300
1940 – Tools & Equipment	1,924	5,000	+3,076
1955 – Communication Equipment	0	0	0
Subtotal	18,364	134,800	+116,436

Explanation / Need / Justification (General Plant):

2024 Building & Fixtures: Garage/shop floor repairs (concrete resurfacing)

2025 Office Equipment: \$2,500 budget allocation for new employee in training office

2025 Transportation: \$127,300 budget allocation for new derrick digger truck chassis purchase

6.6. 2025 (Budget) → 2026 (DSP)

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	150,000	155,250	+5,250
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	35,000	36,250	+1,250
Subtotal	185,000	191,500	+6,500

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

Budget 45 poles as well as 10 transformers to be replaced in 2025

Budget 45 poles as well as 10 transformers to be replaced in 2026

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	10,000	10,000	0
1835 – Overhead Devices & Switches	15,000	0	-15,000
Subtotal	25,000	10,000	-15,000

Explanation / Need / Justification (System Service):

Budget allocation of \$10,000 for the purchase of new smart meters in 2025 and 2026

Budget allocation of \$15,000 for the purchase and install of a Tripsaver® II recloser as well as a solid blade switch and 18 overhead fault indicators in 2025

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	0	0	0
1908 – Building & Fixtures	0	0	0
1915 – Office Equipment	2,500	0	-2,500
1920 – Computer Hardware	0	0	0
1930 – Transportation	127,300	373,175	+245,875
1940 – Tools & Equipment	5,000	5,000	0
1955 – Communication Equipment	0	0	0
Subtotal	134,800	378,175	+243,375

Explanation / Need / Justification (General Plant):

2025 Office Equipment: \$2,500 budget allocation for new employee in training office

2025 Transportation: \$127,300 budget allocation for new derrick digger truck chassis purchase

2026 Transportation: \$373,175 budget allocation for purchase and install of a Terex RBD utility body on 2025 new derrick digger chassis

6.7. 2026(DSP) → 2027(DSP)

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	155,250	160,500	+5,250
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	36,250	37,500	+1,250
Subtotal	191,500	198,000	+6,500

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

Budget 45 poles as well as 10 transformers to be replaced in 2026 and 2027

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	10,000	25,000	+15,000
1835 – Overhead Devices & Switches	0	5,000	+5,000
Subtotal	10,000	30,000	+20,000

Explanation / Need / Justification (System Service):

Budget allocation of \$10,000 for the purchase of new smart meters in 2026

Budget allocation of \$25,000 for the purchase of new smart meters in 2027

Budget allocation of \$5,000 for the purchase and install of 1 solid blade switch and some animal protection guards in 2027

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	0	0	0
1908 – Building & Fixtures	0	0	0
1915 – Office Equipment	0	0	0
1920 – Computer Hardware	0	15,000	+15,000
1930 – Transportation	373,175	0	-373,175
1940 – Tools & Equipment	5,000	5,000	0
1955 – Communication Equipment	0	0	0
Subtotal	378,175	20,000	-358,175

Explanation / Need / Justification (General Plant):

2026 Transportation: \$373,175 budget allocation for purchase and install of a Terex RBD utility body on 2025 new derrick digger chassis

2027 Computer Hardware: \$15,000 budget for purchase and install of new office desktops

6.8. 2027(DSP) → 2028(DSP)

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	160,500	166,000	+5,500
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	37,500	38,750	+1,250
Subtotal	198,000	204,750	+6,750

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

Budget 45 poles as well as 10 transformers to be replaced in 2027 and 2028

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	25,000	26,000	+1,000
1835 – Overhead Devices & Switches	5,000	6,000	+1,000
Subtotal	30,000	32,000	+2,000

Explanation / Need / Justification (System Service):

Budget allocation of \$25,000 for the purchase of new smart meters in 2027

Budget allocation of \$5,000 for the purchase and install of 1 solid blade switch and some animal protection guards in 2027

Budget allocation of \$26,000 for the purchase of new smart meters in 2028

Budget allocation of \$6,000 for the purchase and install of 1 Tripsaver® II recloser in 2028

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	0	0	0
1908 – Building & Fixtures	0	0	0
1915 – Office Equipment	0	0	0
1920 – Computer Hardware	15,000	2,000	-13,000
1930 – Transportation	0	75,000	+75,000
1940 – Tools & Equipment	5,000	5,000	0
1955 – Communication Equipment	0	0	0
Subtotal	20,000	82,000	+62,000

Explanation / Need / Justification (General Plant):

2027 Computer Hardware: \$15,000 budget for purchase and install of new office desktops

2028 Computer Hardware: \$2,000 budget for purchase of a new office laser printer

2028 Transportation: \$75,000 budget allocation for purchase crew cab pickup truck

6.9. 2028(DSP) → 2029(DSP)

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	166,000	172,000	+6,000
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	38,750	40,000	+1,250
Subtotal	204,750	212,000	+7,250

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

Budget 45 poles as well as 10 transformers to be replaced in 2028 and 2029

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	26,000	27,000	+1,000
1835 – Overhead Devices & Switches	6,000	7,000	+1,000
Subtotal	32,000	34,000	+2,000

Explanation / Need / Justification (System Service):

Budget allocation of \$26,000 for the purchase of new smart meters in 2028

Budget allocation of \$6,000 for the purchase and install of a Tripsaver® II recloser in 2028

Budget allocation of \$27,000 for the purchase of new smart meters in 2029

Budget allocation of \$7,000 for the purchase and install of a Tripsaver® II recloser and some animal protection guards in 2029

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	0	0	0
1908 – Building & Fixtures	0	0	0
1915 – Office Equipment	0	0	0
1920 – Computer Hardware	2,000	0	-2,000
1930 – Transportation	75,000	75,000	0
1940 – Tools & Equipment	5,000	5,000	0
1955 – Communication Equipment	0	0	0
Subtotal	82,000	80,000	-2,000

Explanation / Need / Justification (General Plant):

2028 Computer Hardware: \$2,000 budget for purchase of a new office laser printer

2028 Transportation: \$75,000 budget allocation for purchase crew cab pickup truck

2029 Transportation: \$75,000 budget allocation for purchase crew cab pickup truck

6.10. 2029(DSP) → 2030(DSP)

System Access

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
New construction/service	0	0	0
Subtotal	0	0	0

Explanation / Need / Justification (System Access):

N/A

System Renewal

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1830 – Replace Poles	172,000	178,000	+6,000
1840/1845 – UG Conductors & Devices	0	0	0
1850 – Line Transformers	40,000	41,500	+1,500
Subtotal	212,000	219,500	+7,500

Explanation / Need / Justification (System Renewal):

All variances are not material, but to provide more context:

Budget 45 poles as well as 10 transformers to be replaced in 2029 and 2030

System Service

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1855 – Services	0	0	0
1860 – Meters	27,000	28,000	+1,000
1835 – Overhead Devices & Switches	7,000	8,000	+1,000
Subtotal	34,000	36,000	+2,000

Explanation / Need / Justification (System Service):

Budget allocation of \$27,000 for the purchase of new smart meters in 2029

Budget allocation of \$7,000 for the purchase and install of a Tripsaver® II recloser and some animal protection guards in 2029

Budget allocation of \$28,000 for the purchase of new smart meters in 2030

Budget allocation of \$8,000 for the purchase and install of a Tripsaver® II recloser and in-line switches in 2030

General Plant

Project	Previous Year (\$)	Current Year (\$)	Variance (\$)
1611 – Computer Software	0	0	0
1908 – Building & Fixtures	0	0	0
1915 – Office Equipment	0	0	0
1920 – Computer Hardware	0	7,500	+7,500
1930 – Transportation	75,000	0	-75,000
1940 – Tools & Equipment	5,000	5,000	0
1955 – Communication Equipment	0	0	0
Subtotal	80,000	12,500	-67,500

Explanation / Need / Justification (General Plant):

2029 Transportation: \$75,000 budget allocation for purchase crew cab pickup truck

2030 Computer Hardware: \$7,500 budget for purchase of a new desktops at the operations room