

## **EXHIBIT 4 – OPERATING EXPENSES**

2024 Cost of Service

Orangeville Hydro Limited  
EB-2023-0045

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## 4.0 OPERATING EXPENSES

The operating costs found in this Exhibit represent expenditures that are required to maintain and operate OHL's distribution system assets at the targeted levels of performance, to meet customer expectations, ensure public and employee safety, and provide quality service. OHL's proposed operating costs are also necessary for it to comply with the Distribution System Code, environmental requirements, and government direction.

OM&A expenses consist of, but are not limited to:

- Required expenditures necessary to maintain and operate OHL's distribution system assets.
- Costs associated with metering, billing, and collecting from OHL's customers.
- Costs associated with ensuring the safety of all stakeholders.
- Costs to maintain distribution service quality and reliability.

OHL is proposing recovery of 2024 Test Year OM&A costs, excluding amortization, PILs and Interest totaling \$4,235,523.

## 4.1 OVERVIEW

### 4.1.1 OM&A TEST YEAR LEVELS

The proposed OM&A cost expenditures for the 2024 Test Year of \$4,235,523 is the result of OHL's business planning and work prioritization process that identified the most appropriate, and cost-effective solutions are put in place.

The OEB released the Accounting Procedures Handbook ("APH") in 2012. At OHL in 2018, an in-depth study of the APH prompted a presentation to educate Operations staff. This led to a better understanding by all OHL staff that Operations is mainly planned work and Maintenance is mainly reactive work. In its letter Activity and Program Based Benchmarking Initiative (EB-2018-0278), the OEB launched an initiative to develop Activity and Program-based Benchmarking ("APB") to encourage continuous improvement by its regulated utilities. In 2019, OHL joined a Utility Standards Forum ("USF") working group and reviewed its accounts at the

1 time to determine what improvements could be made to its tracking of costs for it to meet the  
2 guidance of the APH and be consistent with other LDCs. Changes were made effective  
3 January 1, 2021. This will be referred to as the “2018 OHL APH study”.

#### 4.1.2 DEVELOPMENT OF OM&A BUDGET

6 The development of OHL’s annual budget of capital expenditures, expenses, and revenues is a  
7 key management process that is used to plan and execute its short-term and long-term goals.  
8 OHL’s annual budget process entails preparing an updated current year forecast and budget for  
9 the two fiscal years following the current year forecast.

11 OHL employs a zero-based/bottom-up approach to budgeting both OM&A and capital, taking  
12 into account program changes, as well as historical cost and service levels. Department  
13 management works closely with Finance to develop their department’s budgets by determining  
14 their operational needs for the budget periods and building up costs based on those needs. The  
15 capital budgets are prepared with the Distribution System Plan used as a starting point and  
16 adjustments made based on a review of project prioritization and resource availability.

18 Once an initial budget has been prepared, a series of review meetings are held with  
19 departmental and senior management to review the budgets and underlying assumptions.  
20 Questions and queries that arise from the review meetings are addressed by the budget  
21 preparers and the budgets are revised until they are determined to be reasonable.

23 A comprehensive budget presentation is prepared by management and then presented to the  
24 OHL board of directors for approval.

26 As part of its monthly reporting process, OHL compares actual operating results to the approved  
27 budget in order to review and investigate variances so that corrective action can be taken if  
28 needed.

#### 4.1.3 COST DRIVERS AND SIGNIFICANT CHANGES IN OM&A

31 The below table shows the main drivers of change between the 2014 Board Approved to 2024  
32 Test Year OM&A levels.

1

**Table 4-1 - Cost Drivers from 2014 Board Approved to 2024 Test Year**

Cost Driver	2014 Board Approved	2024 Test	2024 Test vs 2014 BA	CAGR %
Labour	1,896,715	2,338,448	441,733	2.1%
Trucks	116,370	78,303	(38,067)	-3.9%
Administration	472,528	360,705	(111,823)	-2.7%
Contract	655,771	1,373,563	717,792	7.7%
Other	113,799	84,504	(29,295)	-2.9%
<b>Total</b>	<b>3,255,183</b>	<b>4,235,523</b>	<b>980,340</b>	<b>2.7%</b>

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4 Inflation rates

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13 Labour Costs

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As part of the OM&A variance explanations, OHL will be referring, from time to time, to the impact of inflation on costs over the period of 2014 to 2024. Canada’s annual inflation rate reached 8.1% in June 2022 and has been slowly reduced to 3.3% in July 2023. These are unprecedented circumstances in recent history and the full impact and duration of this inflationary trend is not fully known. OHL has closely monitored the impacts of inflation on its materials and contract costs. In fact, a core driver of filing this Cost of Service (“CoS”) application was to enable OHL to cope with higher costs resulting from inflation.

OHL’s number of full-time-permanent employees has fluctuated over the 2014 to 2023 historical period. From a high of 21 full-time-permanent positions (slightly different FTE’s due to partial year staff for some positions) in 2014 to a low of 17 full-time-permanent employees in 2017. This low number of staff was due to temporary vacant positions that had not yet been filled. To meet Orangeville Hydro’s legislated and regulatory requirements as well as meet our customers’ expectations, the planned number of full-time-permanent employees for 2024 is 20. In 2022, the Manager of Operations & Engineering position was split into two roles: the Supervisor of Engineering & Metering and Lines Supervisor. From an Engineering & Metering Department perspective, this increased the number of FTE’s within the department from the historical 2.5 to 3. From a lines department perspective, this increased the number of FTE’s within the lines department from 5.5 to 6. The split of the Manager of Operations & Engineering position was required due to the increasing work load from a variety of factors such as an increasing customer base, increasing regulatory and legislative requirements, increasing economic activity, increasing operating and maintenance programs, planning for the electrification of transportation



1 and building heating, as well as a significant increase in the metering work due to the ongoing  
2 seal expiries from OHL's original mass deployment of smart meters.

3 The following listing describes the major labour activity over the course of the period from 2014  
4 to 2024:

- 5 • In 2014 and 2015, three positions moved from non-management to management for  
6 succession planning purposes.
- 7 • The departure of an administrative assistant/CDM coordinator in 2014 caused OHL to  
8 contract out CDM activities to the CHEC group.
- 9 • In 2016, OHL handled the attrition of a meter mechanic and re-prioritized linesmen time  
10 who were completing locates back to construction work by hiring a locate contractor.  
11 The Chief Financial Officer retired in 2016, and this position was filled internally through  
12 succession planning.
- 13 • OHL added a Finance and Regulatory Analyst position in 2017 in order to meet the  
14 needs of increased regulatory requirements on the utility. The Manager of Operations  
15 and Engineering retired in 2017, and this position was also filled internally through  
16 succession planning. This left the Engineering department with only one staff member.  
17 There were also gaps throughout the year with movement in the Lines, Customer  
18 Service and Finance departments with retirements, departures and a maternity leave.  
19 The Lines department had one less lineman than normal, until a replacement was hired  
20 in 2018 because the Working Foreman was promoted to Lines Supervisor.
- 21 • In 2018, the President retired and this position was filled internally through succession  
22 planning. This left a temporary gap in the management of Operations. A new Lineman  
23 as well as an Engineering Technician were hired in this year.
- 24 • In 2020, the Chief Corporate Officer retired, the duties of this position were spread  
25 between several management positions.
- 26 • OHL added a Marketing and Communications Specialist in 2021 to improve  
27 communication with the customers. Late in 2021, one Engineering Technician left the  
28 company. This position was filled in 2022 but became vacant again later in 2022.
- 29 • In 2022, the Manager of Operations and Engineering left the company. A new  
30 Supervisor of Engineering and Metering position was created. This meant there were  
31 two management positions overseeing the Operations and Engineering departments.

1 One new Engineering Technician was hired in 2022, with the other Engineering  
2 Technician position remaining temporarily vacant.

- 3 • With the increased focus on electric vehicle connections and DER's, it was determined  
4 to be necessary to hire another Engineering Technician in 2023 to handle the extra  
5 demand.

6  
7 The 2024 increase in labour costs also takes into account annual collective agreement wage  
8 adjustments, and progressions increases for staff. Benefit costs have also increased over the  
9 past 10 years, which drive this cost increase.

#### 10 11 Administration/Materials

12 There was a reduction in Administration costs for the reasons stated below, as well as an  
13 allocation change from Administration to Contractor for some costs.

- 14 • Postage and Stationary - As a result of outsourcing the printing of bills in 2019, OHL has  
15 spent considerably less on postage, stationery and postage meter rental.
- 16 • Printing Costs - OHL utilizes a file retention software which allows staff to save  
17 documents electronically as opposed to printing them, and as a result of the Covid-19  
18 pandemic, with more staff working from home, OHL saw a reduction in printing and  
19 paper usage, which reduces paper and toner cartridge costs. This efficiency has  
20 continued from 2020 and into 2024.
- 21 • Property taxes were included in the administration costs in 2014 board approved values  
22 but are not included in 2024 in this category.
- 23 • Board and executive conference costs – these costs were less than expected in the  
24 years following 2014, they were very low in 2020 and are slowly returning to normal in  
25 2023 and 2024.
- 26 • Additional payment methods - Providing customers with more methods to pay their bills  
27 by removing user-paid transaction fees increased bank charges slowly from 2014 to  
28 2024, offsetting the administration decrease over this period.

#### 29 30 Contractors

31 OHL has found efficiencies in outsourcing some duties from within the organization, specifically  
32 seasonal or intermittent duties where a full-time staff member approach is sub-optimal. A

1 number of these contracted costs have realized significant inflationary increases, specifically in  
2 the past few years.

- 3
- 4 • Locates - 2024 required a higher locates budget, with the increased number of locates,  
5 as well as the increased costs that will be faced due to regulatory requirements within  
6 the industry. OHL completes underground locates of the existing underground  
7 infrastructure upon request of an excavator that is completing excavation work within the  
8 OHL service area. OHL used internal staff to complete the majority of all underground  
9 cable locates until 2015. Due to the expansion of Ontario One Call in 2013 and the high  
10 volumes of locates that followed, OHL decided to opt for a locate service provider since  
11 that time. More recently, the quantity of locates has significantly increased requiring the  
12 locate service provider to increase the number of FTEs allocated to OHL's service area  
13 to 2.5 FTEs from 1.5 FTEs. Effective January 2023, the contract per unit price of each  
14 locate increased. These changes were made to ensure resources are available to meet  
15 the requirements of the *Ontario Infrastructure Notification System Act*. The costs  
16 associated with underground locates include contract costs which have increased by  
17 31% from 2022 actuals to 2024 Test Year.
  - 18
  - 19 • IT and cyber security costs - in December 2017, the OEB issued its Ontario Cyber  
20 Security Framework with the objective to increase security and privacy in LDC's, with the  
21 overall goal of reducing cyber risk and improving service resilience. Furthermore, in  
22 2018 the OEB issued a Notice of Amendments to the Distribution System Code, which  
23 established regulatory requirements for licensed distributors to provide the OEB with  
24 information on the actions they are taking relative to their cyber security risks. As a  
25 result, OHL has been implementing additional cyber security initiatives since 2014. IT  
26 presents an ongoing challenge in this area as IT and cyber security are always evolving.  
27 There have been significant IT cost increases to implement these ongoing requirements.
  - 28
  - 29 • GIS system - OHL plans to transition from Autodesk AutoCAD Map 3D GIS to a  
30 comprehensive ESRI GIS ("ESRI"). The GIS is used to track individual pieces of  
31 equipment in the field, as well as customer and loading data geographically. All physical  
32 changes to the distribution system are captured in the GIS on an ongoing basis.  
33 Documentation of inspection records is facilitated through the use of a mobile field

1 mapping and data collection software application. OHL's existing GIS has limited  
2 functionality requiring OHL to utilize multiple software applications instead of relying on  
3 one database. This creates versioning issues with data disaggregation. Moving to the  
4 industry standard of ESRI will allow OHL to share and integrate data subsets with other  
5 third parties such as customers, municipalities, road authorities, locate service providers,  
6 Infrastructure Ontario, and dedicated locators. The ESRI system will also be the  
7 foundation for an updated and improved customer facing outage mapping system. The  
8 ESRI GIS is expected to improve asset record accuracy, assist with asset condition  
9 assessments, reduce repeat field visits, assist with pre-engineering design work, and  
10 allow for increase analytics of asset information for future Distribution System Plans,  
11 asset condition assessments, and distribution maintenance programs.

- 12
- 13 • Vegetation Management - as noted in the Programs section of this exhibit, vegetation  
14 management has increased significantly. For reliability purposes, since 2014 OHL has  
15 implemented a more robust vegetation management program to improve reliability and  
16 safety.
  - 17
  - 18 • Insurance costs have increased significantly, again more so within the past two years,  
19 for both liability and property insurance. OHL has increased its insurance options, with  
20 cyber security being a new addition for the added security of the company. Overall  
21 liability insurance increased in one year by 29%.
  - 22
  - 23 • Metering consultant costs - inflationary cost increases have been on a number of  
24 contracts, specifically our Tower Gateway Base stations ("TGB") meter data  
25 transmissions costs which have increased over 50%, as well as OHL's Operational Data  
26 Storage ("ODS") costs, and meter data settlement provider.
  - 27
  - 28 • Bill printing and mailing costs – since 2014 OHL began outsourcing the printing and  
29 mailing of the customer bills. These costs are expected to increase in 2024, as OHL is  
30 changing vendors, to provide customers with an improved bill print that will allow for  
31 better information to be provided to the customers.
  - 32

- 1       • Customer portal – a new customer portal will also be implemented in 2024 to replace the  
2       existing portal. This will provide an improved customer experience, by allowing  
3       customers to manage their electricity usage and bills and send inquiries directly to our  
4       customer service team. The portal will allow OHL to provide our customers with  
5       personalized and informative communication, improving our customer engagement.  
6

#### 7   4.1.4 OVERALL TRENDS AND METRICS

8   An overall trend in costs, including OM&A per customer (and its components) for historical,  
9   bridge, and test years as required in the OEB Filing Requirements section 4.1, is detailed in  
10   section 4.2.4 in this Exhibit in conjunction with Recoverable OM&A Cost per Customer and per  
11   Full Time Equivalent (Appendix 2-L).  
12

#### 13   4.1.5 INFLATION RATE ASSUMPTIONS

14   In its letter Re: 2024 Inflation Parameters dated June 29, 2023, the OEB published the 2024  
15   inflation factor of 4.8% for electricity distributors. The December 15, 2022 Filing Requirements  
16   For Electricity Distribution Rate Applications - 2023 Edition for 2024 Rate Applications published  
17   by the OEB indicates OHL should provide an explanation for using a different rate.  
18

19   Inflation rates used for by OHL for general OM&A expenses were based on a conservative 3%  
20   unless the contract costs were known at the time. OHL's current collective agreement expires  
21   September 30, 2023; and the new agreement has not been finalized. Benefit increases are  
22   based on the first six months of the previous year experiences as presented by MEARIE.  
23

#### 24   4.1.6 BUSINESS ENVIRONMENT CHANGES

25   The main business environment changes affecting OHL's operations since its last approval in  
26   2014 are:

- 27       • Customer counts have increased 12.4% from 11,662 in 2014 to a forecast of 13,109 for  
28       2024, or 1.24% annualized. There was significant residential growth in 2015, 2017 and  
29       2018, with steady growth in the other years from 2014 to 2024.  
30       • Implementation of monthly calendar billing for all customers  
31       • Updating of the Customer Service Rules within the DSC

- 1 • Implementation of Ontario Rebate for Electricity Consumers (“OREC”), and transitioned
- 2 to Ontario Electricity Rebate (“OER”)
- 3 • Implementation of the Customer Choice Initiative allowing RPP customers to choose
- 4 between Time-of-Use (“TOU”), Ultra-Low (“ULO”) and Tiered pricing
- 5 • Net Metering
- 6 • Distributed Energy Resources Connections Review
- 7 • Improved Cyber Security Framework
- 8 • Supporting Broadband and Infrastructure Expansion Act, 2021 (underway)
- 9 • Ontario One Call transitioning from a central call center to an administrative authority
- 10 • Significant inflationary increases on material required complete maintenance and capital
- 11 construction activities.
- 12 • Supply chain issues for critical assets appearing in 2021 and evolving throughout 2022
- 13 and 2023.

14

15 The growth in OHL’s service territory has put increased pressure on the utility to keep up with  
16 increased capital demands to support this growth and to maintain the service levels expected by  
17 stakeholders, as well as increasing demands on appropriate maintenance of the growing  
18 system, all of which has resulted in increases in OM&A costs since 2014 Board Approved  
19 amounts.

20

21 Upcoming regulatory and industry changes include the following items:

- 22 • Green Button
- 23 • Reliability and Power Quality Review
- 24 • Adoption of Electric Vehicles and Heat Pumps, and the potential electrification of public
- 25 transit
- 26 • Distributed Energy Resources
- 27 • Dynamic Pricing Pilot for non-RPP Class B Consumers
- 28 • Implementation of Ultra-Low Overnight TOU Price plan
- 29 • Market Renewal, with anticipated impacts on settlement

30

OHL has been successful at implementing all initiatives on time, and OHL acknowledges that constant regulatory and industry changes are required to continue to improve the electrical industry province wide.

#### 4.1.7 CONVERSION FROM CANADIAN GAAP TO IFRS

Subsequent to OHL’s previous cost of service application for the 2014 year, OHL converted its financial reporting framework from Canadian GAAP (“CGAAP”) to Modified International Financial Reporting Standards (“MIFRS”) with a transition date of January 1, 2014.

As detailed in Appendix 2-Y in Exhibit 2, there are no material differences in the 2024 revenue requirement between CGAAP and MIFRS.

OHL applied the deemed cost election permitted under MIFRS in its transition to MIFRS. The deemed cost election permits rate regulated entities to use the CGAAP carrying amount of items of PP&E and intangible assets as deemed cost at the transition date. There was no impact to retained earnings on opening balances of PP&E and intangible assets at the date of transition.

The costs related to the transition to MIFRS in account 1508 are as follows:

**Table 4-2 - OEB Appendix 2-YA One-Time Incremental IFRS Transition Costs**

**Appendix 2-YA  
One-Time Incremental IFRS Transition Costs**

The following table should be completed based on the information requested below. An explanation should be provided for any blank entries. The entities should include one-time incremental IFRS transition costs that are currently included in Account 1508, Other Regulatory Assets, sub-account Deferred IFRS Transition Costs Account, or Account 1508, Other Regulatory Assets, sub-account IFRS Transition Costs Variance Account.

Nature of One-Time Incremental IFRS Transition Costs <sup>1</sup>	Audited Actual Costs Incurred		Audited Actual Costs Incurred		Audited Actual Costs Incurred		Audited Actual Costs Incurred		Audited Actual Costs Incurred		Audited Carrying Charges	Carrying Charges	Total Costs and Carrying Charges	Reasons why the costs recorded meet the criteria of one-time IFRS administrative incremental costs
	2009	2010	2011	2012	2013	2014	2015	2016 <sup>2</sup>	To December 31, 2022	January 1, 2023 to April 30, 2024				
Professional accounting fees	\$ 3,497	\$ 36,568	\$ 41,845	\$ 24,375	\$ -	\$ 3,524	\$ 25,000	\$ 12,000	\$ 21,843	\$ 10,053	\$ 178,745	Fees associated with the preparation of		
Professional legal fees											\$ -			
Salaries, wages and benefits of staff added to support the transition to IFRS											\$ -			
Associated staff training and development costs											\$ -			
Costs related to system upgrades, or replacements or changes where IFRS was the major reason for conversion											\$ -			
											\$ -			
											\$ -			
											\$ -			
Amounts, if any, included in previous Board approved rates (amounts should be negative) <sup>2</sup>											\$ -			
											\$ -			
Insert description of additional item(s) and new rows if needed											\$ -			
<b>Total</b>	\$ 3,497	\$ 36,568	\$ 41,845	\$ 24,375	\$ -	\$ 3,524	\$ 25,000	\$ 12,000	\$ 21,843	\$ 10,053	\$ 178,745			

#### 4.2 OM&A SUMMARY AND COST DRIVER TABLES

The changes in costs explained in sections 4.2.1 to 4.2.3 are considered to be within the distributor’s control unless otherwise noted.

4.2.1 RECOVERABLE OM&A EXPENSES

Table 4-3 shows an excerpt of Appendix 2-JA from the Chapter 2 filing requirements which breaks down the OM&A envelope into major categories (Operations, Maintenance, etc.). OHL is proposing recovery of 2024 Test Year OM&A costs of \$4,235,523.

**Table 4-3 - OEB Appendix 2-JA Summary of Recoverable OM&A Expenses**

	2014 Last Rebasings Year OEB Approved	2014 Last Rebasings Year Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$ 472,964	\$ 455,612	\$ 460,635	\$ 406,298	\$ 446,425	\$ 388,461	\$ 525,906	\$ 607,287	\$ 857,766	\$ 797,113	\$ 876,770	\$ 1,008,856
Maintenance	\$ 574,086	\$ 463,655	\$ 500,883	\$ 501,001	\$ 543,006	\$ 366,416	\$ 433,085	\$ 200,701	\$ 220,193	\$ 367,349	\$ 372,689	\$ 350,426
<b>SubTotal</b>	<b>\$ 1,047,050</b>	<b>\$ 919,266</b>	<b>\$ 961,518</b>	<b>\$ 907,299</b>	<b>\$ 989,431</b>	<b>\$ 754,878</b>	<b>\$ 958,991</b>	<b>\$ 807,988</b>	<b>\$ 1,077,960</b>	<b>\$ 1,164,462</b>	<b>\$ 1,249,459</b>	<b>\$ 1,359,282</b>
% Change (year over year)		-12.2%	4.6%	-5.6%	9.1%	-23.7%	27.0%	-15.7%	33.4%	6.0%	7.3%	6.8%
% Change (Test Year vs Last Rebasings Year - Actual)												47.9%
Billing and Collecting	\$ 690,788	\$ 672,279	\$ 711,093	\$ 722,310	\$ 779,777	\$ 763,378	\$ 807,700	\$ 774,214	\$ 976,444	\$ 983,094	\$ 1,074,172	\$ 1,191,556
Community Relations	\$ 16,092	\$ 25,135	\$ 16,698	\$ 53,322	\$ 31,171	\$ 32,725	\$ 22,929	\$ 9,004	\$ 14,205	\$ 32,446	\$ 51,171	\$ 61,354
Administrative and General	\$ 1,501,253	\$ 1,608,253	\$ 1,598,272	\$ 1,634,276	\$ 1,523,520	\$ 1,649,290	\$ 1,652,453	\$ 1,606,634	\$ 1,312,250	\$ 1,459,400	\$ 1,437,893	\$ 1,623,330
<b>SubTotal</b>	<b>\$ 2,208,133</b>	<b>\$ 2,305,667</b>	<b>\$ 2,326,064</b>	<b>\$ 2,409,908</b>	<b>\$ 2,334,469</b>	<b>\$ 2,445,393</b>	<b>\$ 2,483,082</b>	<b>\$ 2,389,852</b>	<b>\$ 2,302,898</b>	<b>\$ 2,474,940</b>	<b>\$ 2,563,236</b>	<b>\$ 2,876,241</b>
% Change (year over year)		4.4%	0.9%	3.6%	-3.1%	4.8%	1.5%	-3.8%	-3.6%	7.5%	3.6%	12.2%
% Change (Test Year vs Last Rebasings Year - Actual)												24.7%
<b>Total</b>	<b>\$ 3,255,183</b>	<b>\$ 3,224,934</b>	<b>\$ 3,287,582</b>	<b>\$ 3,317,207</b>	<b>\$ 3,323,900</b>	<b>\$ 3,200,271</b>	<b>\$ 3,442,073</b>	<b>\$ 3,197,840</b>	<b>\$ 3,380,858</b>	<b>\$ 3,639,401</b>	<b>\$ 3,812,695</b>	<b>\$ 4,235,523</b>
% Change (year over year)		-0.9%	1.9%	0.9%	0.2%	-3.7%	7.6%	-7.1%	5.7%	7.6%	4.8%	11.1%

	2014 Last Rebasings Year OEB Approved	2014 Last Rebasings Year Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
Operations <sup>4</sup>	\$ 472,964	\$ 455,612	\$ 460,635	\$ 406,298	\$ 446,425	\$ 388,461	\$ 525,906	\$ 607,287	\$ 857,766	\$ 797,113	\$ 876,770	\$ 1,008,856
Maintenance <sup>5</sup>	\$ 574,086	\$ 463,655	\$ 500,883	\$ 501,001	\$ 543,006	\$ 366,416	\$ 433,085	\$ 200,701	\$ 220,193	\$ 367,349	\$ 372,689	\$ 350,426
Billing and Collecting <sup>6</sup>	\$ 690,788	\$ 672,279	\$ 711,093	\$ 722,310	\$ 779,777	\$ 763,378	\$ 807,700	\$ 774,214	\$ 976,444	\$ 983,094	\$ 1,074,172	\$ 1,191,556
Community Relations <sup>7</sup>	\$ 16,092	\$ 25,135	\$ 16,698	\$ 53,322	\$ 31,171	\$ 32,725	\$ 22,929	\$ 9,004	\$ 14,205	\$ 32,446	\$ 51,171	\$ 61,354
Administrative and General <sup>8</sup>	\$ 1,501,253	\$ 1,608,253	\$ 1,598,272	\$ 1,634,276	\$ 1,523,520	\$ 1,649,290	\$ 1,652,453	\$ 1,606,634	\$ 1,312,250	\$ 1,459,400	\$ 1,437,893	\$ 1,623,330
<b>Total</b>	<b>\$ 3,255,183</b>	<b>\$ 3,224,934</b>	<b>\$ 3,287,582</b>	<b>\$ 3,317,207</b>	<b>\$ 3,323,900</b>	<b>\$ 3,200,271</b>	<b>\$ 3,442,073</b>	<b>\$ 3,197,840</b>	<b>\$ 3,380,858</b>	<b>\$ 3,639,401</b>	<b>\$ 3,812,695</b>	<b>\$ 4,235,523</b>
% Change (year over year)		-0.9%	1.9%	0.9%	0.2%	-3.7%	7.6%	-7.1%	5.7%	7.6%	4.8%	11.1%

Given the long timeframe from the last OEB approved distribution rates (i.e. 2014 OEB Approved), providing cost driver explanations by USoA accounts would not be meaningful. OHL has provided variance explanations by OM&A major category for this purpose instead in order to highlight significant differences in the overall trend from 2014 OEB Approved to 2024 Test Year.



**Table 4-4 - 2014 Board Approved against 2014 Actual Recoverable OM&A Variance**

Recoverable OM&A	2014 Last Rebasing Year Actuals	2014 Last Rebasing Year OEB Approved	Variance
Operations	\$ 455,612	\$ 472,964	-\$ 17,353
Maintenance	\$ 463,655	\$ 574,086	-\$ 110,431
Billing and Collecting	\$ 672,279	\$ 690,788	-\$ 18,509
Community Relations	\$ 25,135	\$ 16,092	\$ 9,043
Administrative and General	\$ 1,608,253	\$ 1,501,253	\$ 107,000
<b>Total</b>	<b>\$ 3,224,934</b>	<b>\$ 3,255,183</b>	<b>-\$ 30,249</b>
%Change (year over year)			0.9%

- Operations was lower due to an engineering technician position which was vacant for a period until a replacement could be found.
- Maintenance was lower as labour was detracted from overhead maintenance due to the locate work that needed to be done, which is not in OHL's control. The high volume of locates due to the April 2013 inception of Ontario One Call was not planned for in OHL's budget.
- Billing and Collecting was lower due to the planned monthly costs of the customer portal not being charged in the first year of installation.
- Administrative and General was higher due to 2014 actual rate application costs as opposed to no rate application costs included in Regulatory in the 2014 Board Approved amount. Outside services was higher in 2014 actuals due to additional legal costs not included in Board Approved amounts.

**Table 4-5 - 2015 Actuals against 2014 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2015 Actuals	2014 Last Rebasing Year Actuals	Variance
Operations	\$ 460,635	\$ 455,612	\$ 5,024
Maintenance	\$ 500,883	\$ 463,655	\$ 37,228
Billing and Collecting	\$ 711,093	\$ 672,279	\$ 38,814
Community Relations	\$ 16,698	\$ 25,135	-\$ 8,436
Administrative and General	\$ 1,598,272	\$ 1,608,253	-\$ 9,981
<b>Total</b>	<b>\$ 3,287,582</b>	<b>\$ 3,224,934</b>	<b>\$ 62,649</b>
%Change (year over year)			1.9%

- Maintenance was higher due to underground services, as there was more work involved in reactive underground burn-offs in 2015.

- Billing and Collecting was higher due to a billing system utilization review done in 2015 in order to streamline and improve processes. 2015 also included additional conference costs, and higher contractor expenses.

**Table 4-6 - 2016 Actuals against 2015 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2016 Actuals	2015 Actuals	Variance
Operations	\$ 406,298	\$ 460,635	-\$ 54,337
Maintenance	\$ 501,001	\$ 500,883	\$ 118
Billing and Collecting	\$ 722,310	\$ 711,093	\$ 11,217
Community Relations	\$ 53,322	\$ 16,698	\$ 36,624
Administrative and General	\$ 1,634,276	\$ 1,598,272	\$ 36,004
<b>Total</b>	<b>\$ 3,317,207</b>	<b>\$ 3,287,582</b>	<b>\$ 29,625</b>
%Change (year over year)			0.9%

- Operations was lower due to the Manager of Operations progressing to Chief Operations Officer in 2015. His salary moved from operations to administrative expense.
- Billing and Collecting was higher in 2016 due to a partial maternity leave during 2015.
- Community Relations was higher due to an unplanned community event for customer engagement and the costs of an ESA customer survey.
- Administrative and General was higher due to leadership coaching contract expenses in 2015 and OEB cost assessment increases.

**Table 4-7 - 2017 Actuals against 2016 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2017 Actuals	2016 Actuals	Variance
Operations	\$ 446,425	\$ 406,298	\$ 40,128
Maintenance	\$ 543,006	\$ 501,001	\$ 42,005
Billing and Collecting	\$ 779,777	\$ 722,310	\$ 57,467
Community Relations	\$ 31,171	\$ 53,322	-\$ 22,151
Administrative and General	\$ 1,523,520	\$ 1,634,276	-\$ 110,756
<b>Total</b>	<b>\$ 3,323,900</b>	<b>\$ 3,317,207</b>	<b>\$ 6,693</b>
%Change (year over year)			0.2%

- Operations was higher due to higher labour costs with the addition of an apprentice powerline technician for succession planning.
- Maintenance was higher due to costs for a tree trimming program for rear-lots which resulted from lessons learned from the 2016 ice storm to improve reliability.
- Billing and Collecting was higher due to higher staff training costs. Postage costs were also higher due to greater volumes of notices and a postage rate increase in 2017.

- 1 • Community Relations was lower as there was no ESA survey in 2017.
- 2 • Administrative and General was lower as the Chief Financial Officer retired in 2016.
- 3 That position was replaced by a Manager of Finance.

4  
5 **Table 4-8 - 2018 Actuals against 2017 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2018 Actuals	2017 Actuals	Variance
Operations	\$ 388,461	\$ 446,425	-\$ 57,964
Maintenance	\$ 366,416	\$ 543,006	-\$ 176,589
Billing and Collecting	\$ 763,378	\$ 779,777	-\$ 16,399
Community Relations	\$ 32,725	\$ 31,171	\$ 1,554
Administrative and General	\$ 1,649,290	\$ 1,523,520	\$ 125,770
<b>Total</b>	<b>\$ 3,200,271</b>	<b>\$ 3,323,900</b>	<b>-\$ 123,629</b>
%Change (year over year)			-3.7%

- 6
- 7 • Operations was lower due to the progression of the Operations and Engineering
- 8 Manager to President, offset by the addition of an engineering technician in May 2018
- 9 and the progression of the Working Foreman to Lines Supervisor.
- 10 • Maintenance was lower due to less overhead and underground reactive maintenance
- 11 costs.
- 12 • Billing and Collecting was lower due to the disconnect moratorium which started in
- 13 November 2017. In a letter from the OEB dated November 2, 2017 re: Decision and
- 14 Order EB-2017-0318 Amending Electricity Distributor Licenses to Prohibit the
- 15 Disconnection of Residential Customers and Related Matters. The OEB's Decision and
- 16 Order bans electricity distributors from disconnecting or threatening to disconnect homes
- 17 for non-payment from November 15 to April 30 every year.
- 18 • Administrative and General was higher due to the contract part-time President position
- 19 retiring, and the new President's costs moving from Operations to Administration, as well
- 20 as the Manager of Finance evolving into Chief Financial Officer.

**Table 4-9 - 2019 Actuals against 2018 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2019 Actuals	2018 Actuals	Variance
Operations	\$ 525,906	\$ 388,461	\$ 137,445
Maintenance	\$ 433,085	\$ 366,416	\$ 66,668
Billing and Collecting	\$ 807,700	\$ 763,378	\$ 44,323
Community Relations	\$ 22,929	\$ 32,725	-\$ 9,797
Administrative and General	\$ 1,652,453	\$ 1,649,290	\$ 3,163
<b>Total</b>	<b>\$ 3,442,073</b>	<b>\$ 3,200,271</b>	<b>\$ 241,802</b>
%Change (year over year)			7.6%

- Operations was higher due to the 2018 OHL APH study, which better allocated costs between planned operations work and reactive maintenance work. Disconnect and reconnect work was transferred from 5125 maintenance to operations in 5070 Customer Premises. The engineering technician hired part way through 2018 was also a contributing factor, as a full year of this salary was included in 2019.
- Maintenance was higher due to higher tree trimming costs and more underground reactive work due to freeze and thaw cycles which is outside of OHL control. Another contributing factor is that the progression of the Working Foreman to Lines Supervisor which meant that less of his time was going to capital work.
- Billing and Collecting was higher due to higher contract costs and wage progression.

**Table 4-10 - 2020 Actuals against 2019 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2020 Actuals	2019 Actuals	Variance
Operations	\$ 607,287	\$ 525,906	\$ 81,381
Maintenance	\$ 200,701	\$ 433,085	-\$ 232,383
Billing and Collecting	\$ 774,214	\$ 807,700	-\$ 33,486
Community Relations	\$ 9,004	\$ 22,929	-\$ 13,924
Administrative and General	\$ 1,606,634	\$ 1,652,453	-\$ 45,820
<b>Total</b>	<b>\$ 3,197,840</b>	<b>\$ 3,442,073</b>	<b>-\$ 244,233</b>
%Change (year over year)			-7.1%

- Overall expenses were lower in 2020 over 2019 due to a strong effort by management and staff to reduce controllable expenses due to the uncertainty of the COVID-19 pandemic.
- Operations was higher due to reallocation of Lines Supervisor costs from Maintenance 5105 to planned Operations 5005 due to the 2018 OHL APH study.

- Maintenance was lower due to a decrease in tree trimming costs as well as less conference, training and consultant costs.
- Billing and Collecting was lower due to less conference, training and consultant costs.
- Community Relations was lower due to less conference, training and consultant costs.
- Administrative and General was lower due to less conference, training and consultant costs. This was offset by an overlap of Inventory Purchasing Clerk for training purposes in order to plan for a retirement for a short period of the year.

**Table 4-11 - 2021 Actuals against 2020 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2021 Actuals	2020 Actuals	Variance
Operations	\$ 857,766	\$ 607,287	\$ 250,479
Maintenance	\$ 220,193	\$ 200,701	\$ 19,492
Billing and Collecting	\$ 976,444	\$ 774,214	\$ 202,230
Community Relations	\$ 14,205	\$ 9,004	\$ 5,201
Administrative and General	\$ 1,312,250	\$ 1,606,634	-\$ 294,384
<b>Total</b>	<b>\$ 3,380,858</b>	<b>\$ 3,197,840</b>	<b>\$ 183,018</b>
%Change (year over year)			5.7%

- Operations was higher as there was an overlap of a Lines Supervisor and Operations Manager for 3 months for training purposes, as well as significant contractor costs to assist in completion of the Distribution System Plan which was required because of the OEB requirement in its April 29, 2020 reply letter to OHL as a result of OHL deferring its CoS for 2021 electricity rates. OHL also completed the MS5 station removal. The 2018 OHL APH study also started allocating more contract IT costs to this category.
- Maintenance was higher due to increased tree trimming activities, offset by lower underground reactive work being done, which is not in OHL's control.
- Billing and Collecting was higher due to the hire of a Marketing and Communications Specialist as well as billing staff turnover. OHL had contracted out its billing services for a portion of the year, and there was also more training costs incurred for new staff. The 2018 OHL APH study also started allocating more contract IT costs to this category.
- Administrative and General was lower due to the 2018 OHL APH study as contract IT costs were allocated to Operations and Billing and Collections. File retention costs and credit insurance was also allocated out to Billing and Collections.

**Table 4-12 - 2022 Actuals against 2021 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2022 Actuals	2021 Actuals	Variance
Operations	\$ 797,113	\$ 857,766	-\$ 60,654
Maintenance	\$ 367,349	\$ 220,193	\$ 147,156
Billing and Collecting	\$ 983,094	\$ 976,444	\$ 6,650
Community Relations	\$ 32,446	\$ 14,205	\$ 18,242
Administrative and General	\$ 1,459,400	\$ 1,312,250	\$ 147,150
<b>Total</b>	<b>\$ 3,639,401</b>	<b>\$ 3,380,858</b>	<b>\$ 258,543</b>
%Change (year over year)			7.6%

- Operations was lower due to lower distribution system plan contractor costs in 2022.
- Maintenance was higher due to increased contractor costs to assist in the completion of the robust tree trimming program to increase the reliability of the system. OHL saw a significant increase in locates with 1,875 locates in 2021 compared to 2,548 in 2022 which was more in line with pre-pandemic levels.
- Community Relations was higher due to the return of in-person customer engagement events.
- Administrative and General was higher due to extra staff to provide training for a maternity leave and wage progressions.

**Table 4-13 - 2023 Bridge against 2022 Actuals Recoverable OM&A Variance**

Recoverable OM&A	2023 Bridge Year	2022 Actuals	Variance
Operations	\$ 876,770	\$ 797,113	\$ 79,657
Maintenance	\$ 372,689	\$ 367,349	\$ 5,340
Billing and Collecting	\$ 1,074,172	\$ 983,094	\$ 91,078
Community Relations	\$ 51,171	\$ 32,446	\$ 18,725
Administrative and General	\$ 1,437,893	\$ 1,459,400	-\$ 21,506
<b>Total</b>	<b>\$ 3,812,695</b>	<b>\$ 3,639,401</b>	<b>\$ 173,294</b>
%Change (year over year)			4.8%

- Operations is forecast to be higher due to the substantial increase in locate contractor costs, additional tree trimming costs, the Q4 hiring of the second engineering technician which brings OHL to a full staff complement, and shared GIS resource costs.
- Billing and Collecting is forecast to be higher due to staff wage progression and reallocation, as well as general inflationary increases affecting contractor and supplies prices.

- Community Relations was higher due to customer engagement activities related to cost of service.
- Administrative and General is forecast to be lower due to the removal of an IESO settlement software program that was determined to not be necessary, after the account 1588/1589 OEB inspection confirmed OHL’s internal processes were accurate.

**Table 4-14 - 2024 Test against 2023 Bridge Recoverable OM&A Variance**

Recoverable OM&A	2024 Test Year	2023 Bridge Year	Variance
Operations	\$ 1,008,856	\$ 876,770	\$ 132,086
Maintenance	\$ 350,426	\$ 372,689	-\$ 22,263
Billing and Collecting	\$ 1,191,556	\$ 1,074,172	\$ 117,384
Community Relations	\$ 61,354	\$ 51,171	\$ 10,183
Administrative and General	\$ 1,623,330	\$ 1,437,893	\$ 185,437
<b>Total</b>	<b>\$ 4,235,523</b>	<b>\$ 3,812,695</b>	<b>\$ 422,827</b>
%Change (year over year)			11.1%

- Operations is projected to be higher due to the substantial increase in locate contractor costs, the inclusion of a full year of salary for the second engineering technician, shared GIS resource costs and increased ESRI GIS operational costs, and distribution station IT spot check as per new IESO requirement. The costs associated with underground locates include contract costs which have increased by 31% from 2022 actuals to 2024 Test Year.
- Maintenance is projected to be lower as OHL is planning on a capital sleeve replacement program which should reduce the amount of reactive work.
- Billing and Collecting is projected to be higher due to maintenance contract costs for a new customer portal, higher costs for the new bill printing and mailing contractor, as well as wage progressions and inflationary increased contract costs.
- Administrative and General is projected to be higher due to the inclusion of 1/5 of Cost of Service costs, higher OEB quarterly cost assessment costs, increased insurance costs and higher human resources contract support.

4.2.2 RECOVERABLE OM&A COST DRIVERS

In accordance with the Filing Requirements, OEB Appendix 2-JB – OM&A Cost Drivers, Table 4-15 presented below outlines the key drivers of OM&A costs over the period of 2014 Board Approved to the 2024 Test Year.

**Table 4-15 - OEB Appendix 2-JB OM&A Cost Drivers**

OM&A	Last Rebasing Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
Opening Balance <sup>2</sup>	\$ 3,296,729	\$3,223,694	\$ 3,287,582	\$ 3,317,207	\$ 3,323,900	\$ 3,200,271	\$ 3,442,073	\$ 3,197,840	\$ 3,380,858	\$ 3,639,401	\$ 3,812,695
CC 1 Total Labour	\$ 12,104	\$39,089	(\$91,606)	(\$107,499)	\$9,190	\$112,818	(\$8,258)	(\$16,916)	\$175,446	\$141,882	\$205,142
CC 2 Total Trucks	\$ 1,580	\$18,694	\$12,394	(\$12,800)	(\$19,819)	\$10,337	(\$46,877)	(\$10,690)	\$100,127	\$13,555	(\$68,153)
CC 3-5 Total Administration	\$ 26,665	\$31,704	(\$11,787)	\$73,265	(\$63,565)	(\$5,434)	(\$152,390)	\$6,862	(\$4,005)	\$51,065	\$42,773
CC 6 Contract	\$ 109,727	\$43,311	\$101,753	\$18,782	\$7,257	\$89,621	(\$1,710)	\$175,655	(\$20,531)	(\$75,280)	\$220,230
CC 0&9 Other	\$ 75,140	(\$66,910)	\$18,873	\$34,945	(\$36,692)	\$34,460	(\$34,996)	\$28,107	\$7,506	\$42,072	\$22,836
<b>Closing Balance<sup>2</sup></b>	<b>\$ 3,224,933</b>	<b>\$ 3,287,582</b>	<b>\$ 3,317,207</b>	<b>\$ 3,323,900</b>	<b>\$ 3,200,271</b>	<b>\$ 3,442,073</b>	<b>\$ 3,197,840</b>	<b>\$ 3,380,858</b>	<b>\$ 3,639,401</b>	<b>\$ 3,812,695</b>	<b>\$ 4,235,523</b>



4.2.3 OM&A PROGRAMS TABLE

In accordance with Chapter 2 filing requirements, OHL has completed Appendix 2-JC, Table below which shows a summary of the 2014 Board Approved to 2024 Test Year.

Table 4-16 – OEB Appendix 2-JC OM&A Programs Table

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS		
<b>Operations and Maintenance</b>														
Lines and Engineering, Supervisi	352,442	331,220	320,221	280,226	363,917	236,969	350,697	347,745	511,332	425,912	535,516	631,106	205,194	278,664
Distribution Stations	69,240	49,806	54,739	58,102	44,469	34,549	45,092	35,691	58,772	38,549	39,571	45,264	6,715	(23,976)
Overhead Operations	25,436	15,124	23,800	21,457	24,055	27,152	68,544	54,094	85,729	59,243	61,935	65,957	6,714	40,521
Underground Operations	9,281	3,403	7,854	1,447	3,215	6,438	11,878	11,991	24,894	23,859	13,846	15,754	(8,105)	6,473
Metering	109,499	93,551	90,668	71,370	66,978	70,548	66,150	44,461	50,780	68,781	64,469	61,374	(7,407)	(48,125)
Customer Premises	72,924	125,413	115,143	129,713	118,648	113,190	128,489	125,481	126,943	182,231	161,433	191,827	9,596	118,903
Overhead Maintenance	154,520	74,223	100,890	142,868	120,144	68,542	63,256	41,622	46,022	60,528	54,023	70,905	10,377	(83,615)
Vegetation Management	92,325	98,313	84,571	108,474	122,680	118,006	143,972	84,471	144,705	217,838	242,604	198,389	(19,449)	106,064
Underground Maintenance	110,464	104,146	148,767	66,286	105,489	61,177	70,138	50,616	22,699	76,050	63,425	54,227	(21,823)	(56,237)
Transformer Maintenance	50,920	24,067	15,065	27,356	18,836	18,307	10,795	11,816	6,084	11,471	12,637	24,479	13,008	(26,441)
Sub-Total	1,047,050	919,266	961,518	907,299	989,431	754,878	958,991	807,988	1,077,960	1,164,462	1,249,459	1,359,282	194,820	312,232
<b>Billing/Collecting/Meter Reading</b>														
Billing/Collecting	522,273	490,290	502,746	529,231	555,256	565,641	553,228	546,867	777,202	764,563	826,365	935,828	171,265	413,555
Meter Reading	135,919	150,916	167,417	157,760	175,011	171,773	202,550	189,959	163,403	202,710	215,069	220,728	18,018	84,899
Bad Debts	32,697	31,073	40,830	35,319	49,510	25,964	51,922	37,389	35,839	15,821	32,738	35,000	19,179	2,403
Sub-Total	690,788	672,279	711,093	722,310	779,777	763,378	807,700	774,214	976,444	983,094	1,074,172	1,191,556	208,462	500,768
<b>Conservation and Community</b>														
Conservation and Community	16,092	25,135	16,698	53,322	31,171	32,725	22,929	9,004	14,205	32,446	51,171	61,354	28,908	45,262
Sub-Total	16,092	25,135	16,698	53,322	31,171	32,725	22,929	9,004	14,205	32,446	51,171	61,354	28,908	45,262
<b>Administrative Expenses</b>														
Administrative Expenses	1,319,476	1,308,761	1,412,358	1,393,790	1,291,903	1,352,999	1,366,606	1,332,937	1,147,555	1,277,191	1,267,701	1,347,967	70,776	28,491
Outside Services Employed	133,542	188,213	134,381	162,453	143,842	209,391	200,139	185,379	65,142	82,631	53,583	132,571	49,940	(971)
Regulatory Expenses	48,236	99,355	45,823	72,323	80,387	80,630	79,449	78,930	93,293	93,319	110,351	134,491	41,172	86,255
LEAP		11,924	5,711	5,711	7,388	6,270	6,259	9,388	6,259	6,259	6,259	8,303	2,044	8,303
Sub-Total	1,501,253	1,608,253	1,598,273	1,634,277	1,525,320	1,649,290	1,652,453	1,606,634	1,312,249	1,459,400	1,437,893	1,623,332	163,932	122,076
<b>Miscellaneous</b>														
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,255,183</b>	<b>3,224,933</b>	<b>3,287,582</b>	<b>3,317,208</b>	<b>3,323,899</b>	<b>3,200,271</b>	<b>3,442,073</b>	<b>3,197,840</b>	<b>3,380,858</b>	<b>3,639,402</b>	<b>3,812,695</b>	<b>4,235,524</b>	<b>596,122</b>	<b>980,341</b>

Section 4.2.2.2 Programs Overview will outline a description of the USoA accounts included in each program. Detailed variance analysis on a program basis is provided in section 4.3 in accordance with the Filing Requirements.

4.2.2.1 PROGRAM DELIVERY COSTS

OPERATIONS & MAINTENANCE

The expenses for this department include all costs relating to the operation (5000-5095) and maintenance (5105-5195) of OHL's electrical system. This includes both direct labour costs and non-capital material spending to support both scheduled and reactive maintenance events. In addition, costs are allocated from support departments to cover the costs of Labour Burden, Engineering and Stores. Commencing in 2013 OHL changed its capitalization policy by excluding any safety costs in the overhead rates. OHL's maintenance strategy is, to the extent possible, to minimize reactive and emergency-type

1 work through an effective planned maintenance program (including predictive and  
2 preventative actions).

3

4 OHL's customer responsiveness and system reliability are monitored continually to ensure  
5 that its maintenance strategy is effective. This effort is coordinated with OHL's capital  
6 project work, so that where maintenance programs have identified matters which require  
7 capital investments, OHL may adjust its capital spending priorities to address those  
8 matters.

9

10 **Predictive Maintenance:**

11 Predictive maintenance activities involve the testing of elements of the OHL distribution  
12 system. These activities include infrared thermography scanning, ultrasonic partial  
13 discharge scanning, station transformer oil analysis, planned visual inspections, and pole  
14 testing. These evaluation tools are all administered with appropriate frequency levels.  
15 Any identified deficiencies found are prioritized and addressed within a suitable time  
16 frame. OHL adheres to Electrical Safety Authority ("ESA") Regulation 22/04 in regard to  
17 maintenance schedules and frequency of inspections.

18

19 **Preventative Maintenance:**

20 Preventative maintenance activities include inspection, servicing and repair of network  
21 components. This includes overhead and pad-mounted load break switch maintenance  
22 and cleaning/inspection of underground vaults. Also included are regular inspection and  
23 repair of substation components and ancillary equipment. The work is performed using a  
24 combination of time and condition-based methodologies. OHL adheres to ESA Regulation  
25 22/04 in regard to maintenance schedules and frequency of inspections.

26

27 **Emergency Maintenance:**

28 This item includes unexpected system repairs to the electrical system that must be  
29 addressed immediately. The costs include those related to repairs caused by storm  
30 damage, emergency tree trimming and on-call premiums. OHL constantly evaluates its  
31 maintenance data to adjust predictive and preventative actions. The ultimate objective is  
32 to reduce this emergency maintenance. An answering service company has been

1 contracted to contact the “on call” lineperson and supervisory staff in the event of service  
2 problems outside of normal business hours.

3  
4 **Service Work:**

5 Many costs related to this work pertain to service upgrades requested by customers, and  
6 requests to provide safety coverage for work (overhead line identification and underground  
7 locates). This includes service disconnections and reconnections by OHL for all service  
8 classes; assisting pre-approved contractors; the making of final connections after ESA  
9 inspection for service upgrades; and changes of service locations.

10  
11 **Network Control Operations:**

12 OHL has utilized the Advanced Metering Infrastructure (“AMI”) system and the Operational Data  
13 Storage (“ODS”) to build an Outage Management System (“OMS”) at no additional cost from  
14 either party. OHL staff can obtain near real time visual notification of all Power Fails, Power  
15 Restores, Voltage Dips and Meter Tamperers that are reported by the smart meters. This has  
16 been utilized to decrease the lag between the start of an outage and OHL’s awareness of the  
17 outage, therefore decreasing the length of the outage that the customer experiences. The OMS  
18 also provides additional information to help determine the scale of the outage as well as if the  
19 problem is on the customer’s side of the demarcation point. With this system OHL has also  
20 been able to restore power to customers prior to the customer being aware of a power  
21 outage. The OMS has deferred further investment in other systems such as other outage  
22 management systems, “smart” technologies, and a SCADA system.

23  
24 **STORES/WAREHOUSE**

25 Stores area includes shared duties of other departments and is accountable for managing  
26 the procurement, control, and movement of materials within OHL’s service centre. This  
27 would include monitoring inventory levels, issuing material receipts, material issues, and  
28 material returns as required. The cost of the stores department is allocated to all  
29 departmental, capital, and Third-Party receivable accounts as an overhead cost based on  
30 direct material costs. A standard overhead percentage is set at the beginning of the year  
31 and adjusted to actual at year end.

32  
33 **GARAGE/TRANSPORTATION FLEET**

1 This area is shared duties of other departments for the maintenance and control of  
2 approximately nine fleet vehicles and various trailers. Its objectives include keeping  
3 maintenance schedules to ensure vehicle reliability and safety, and the minimization of  
4 vehicle down time. Vehicle costs are allocated to operations, maintenance, capital, and  
5 Third-Party receivable accounts based on number of hours used. An hourly cost/hour is  
6 set for all vehicles within the fleet (rates are based on the size of the truck – small,  
7 medium, and large). Costs are reviewed annually to ensure the appropriate rates are  
8 being used and are adjusted to actual at year end.

#### 10 **LABOUR BURDEN**

11 This area collects the cost of all employee benefits and payroll taxes such as EI, CPP, EHT,  
12 WSIB, and group insurances. Costs are allocated to all departments, capital and Third-Party  
13 receivable amounts based on direct labour. An overhead rate is set at the beginning of each  
14 year and adjusted to actual at year end.

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#### 16 **4.2.2.2 PROGRAMS OVERVIEW**

##### 17 **Program: Lines and Eng, Supervision**

18 **Accounts:**    **5005** – Operation Supervision and Engineering  
19                    **5105** - Maintenance Supervision and Engineering  
20                    **5085** - Miscellaneous Distribution Expense

21  
22 The Engineering department is responsible for keeping asset related data up to date on  
23 the electronic Geographic Information System (“GIS”). The GIS is used to track individual  
24 pieces of equipment in the field, as well as customer and loading data geographically. All  
25 physical changes to the distribution system are captured in GIS on an ongoing basis.  
26 Documentation of inspection records is facilitated through the use of a mobile field mapping and  
27 data collection software application. Engineering also delivers drafting and design for capital  
28 projects and provides distribution system asset information to many departments within  
29 OHL. All Engineering costs related to the operation and maintenance of the OHL  
30 distribution system were assigned to 5085 up to 2019, then were re-assigned to 5005 due  
31 to the 2018 OHL APH Study. All Lines Supervisor or Manager costs related to the  
32 operation and maintenance of the OHL distribution system were assigned to 5105 up to  
33 2019, then were re-assigned to 5005 due to the 2018 OHL APH Study. A standard

1 overhead percentage is set at the beginning of the year, based on the budget process,  
2 and adjusted to actual at year end. This department tracks their time as direct labour  
3 charged to account 5005 and to specific capital projects.

4  
5 OHL has budgeted less Engineering Expenses from Contractors due to an increased  
6 ability to utilize internal engineering staff as compared to previous years. Most of the  
7 labour, trucking and expenses associated with the Lines Supervisor or Manager of Engineering  
8 and Metering is assigned to 5085 or 5105 up to 2019, then were re-assigned to 5005 due to  
9 the 2018 OHL APH Study.

10  
11 From 2014 to 2019, the costs from Operations Manager or Supervisor of Lines and Engineering  
12 went to 5105 and Engineering staff went to 5085. As a result of the 2018 OHL APH Study, both  
13 types of expenses went to 5005 from 2020 to 2024, as their time would more likely be planned  
14 rather than reactive work. IT costs related to Lines and Engineering was allocated here starting  
15 in 2021 from 5630.

16  
17 **Program: Distribution Stations**

18 **Accounts:** 5015 – Transformer Station Equipment – Operating Supplies and Expenses

19 5016 – Distribution Station Equipment - Operation Labour

20 5017 - Distribution Station Equipment - Operation Supplies and Expenses

21 5114 - Maintenance of Distribution Station Equipment

22 Substation service activities address the maintenance of all equipment at OHL's three  
23 remaining municipal substations. This includes both labour costs and non-capital material  
24 spending to support both scheduled and emergency maintenance events. As with the  
25 maintenance activities, OHL's substation planned maintenance strategy focuses on  
26 minimizing, to the extent possible, emergency-type work by improving the effectiveness of  
27 OHL's planned maintenance program for its substations. Wholesale metering operations  
28 and maintenance activities include reading of the wholesale meters, and the cost of a  
29 meter service provider.

30  
31 From 2014 to 2019, the costs of municipal substation maintenance from OHL's contractor went  
32 to 5114. As a result of the 2018 OHL APH Study, this type of expenses went to 5017 from 2020  
33 to 2024, as this was deemed to be planned rather than reactive work.

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**Program: Overhead Operations**

- Accounts: 5020** – Overhead Distribution Lines and Feeders - Operation Labour
- 5025** - Overhead Distribution Lines and Feeders-Operation Supplies and Expenses
- 5035** – Overhead Distribution Transformers- Operation
- 5096** - Other Rent

OHL is responsible for ensuring the distribution system provides safe and reliable power. The planned costs associated with operating the overhead portion of the distribution system are assigned to the above Accounts. These costs are related to changing line transformer taps, patrolling, and visually inspecting the overhead distribution system, infrared imaging, load and voltage tests and surveys, switching operations, inspecting line testing equipment and associated expenses.

**Program: Underground Operations**

- Accounts: 5040** - Underground Distribution Lines and Feeders - Operation Labour
- 5045** – Underground Distribution Lines and Feeders-Operation Supplies & Expenses
- 5055** - Underground Distribution Transformers – Operation

OHL is responsible for ensuring the distribution system provides safe and reliable power. The planned costs associated with operating the underground portion of the distribution system are assigned to above Accounts.

The costs associated with the above accounts are related to changing line transformer taps, patrolling, and visually inspecting the underground distribution system, infrared imaging, load and voltage tests and surveys, switching operations, inspecting line testing equipment and associated expenses.

**Program: Metering**

- Accounts: 5065** - Meter Expense

The metering department is responsible for the installation, testing, and commissioning of new and existing simple and complex metering installations. Testing of complex metering

1 installations ensures the accuracy of the installation and verifies meter multipliers for  
2 billing purposes. OHL contracts out our transformer rated meter installations.

3  
4 Revenue Protection is another key activity performed by the metering department, by  
5 proactively investigating potential diversion and theft of power through visual inspections  
6 and database monitoring.

7  
8 Costs associated with maintaining the smart meter communication network are also  
9 included as a meter expense. Meters that have failed in the field due to problems such as  
10 communication issues, LCD screen issues or time control issues are replaced once the  
11 problem is identified. Since the deployment of smart meters, OHL engineering and line  
12 staff members are required to maintain the operation of the network and replace or repair  
13 problem meters or communication issues.

14  
15 **Program: Cable Locates**

16 **Accounts: 5070 - Customer Premises - Operation Labour**

17 **5075 - Customer Premises - Materials and Expenses**

18 OHL completes underground locates of the existing underground infrastructure upon request of  
19 a property owner or contractor that is completing excavation work within the OHL service area.  
20 OHL used internal staff to complete most of all underground cable locates until 2015. Due to  
21 the high volumes of locates, OHL decided to opt for a locates contractor. The costs associated  
22 with underground locates include contract costs which have increased by 31% from 2022  
23 actuals to 2024 Test Year.

24  
25 As of April 2013, OHL became an Industry Member of Ontario One Call as required by the  
26 Ontario Underground Infrastructure Notification System Act, 2012. The costs associated with  
27 the Ontario One Call Service Agreement are included in the Cable Locates costs.

28  
29 From 2014 to mid-2019, the costs customer disconnects and reconnects went to 5155. As a  
30 result of the 2018 OHL APH Study, this type of expense went to 5070 and 5075 from 2019 to  
31 2024, as this was deemed to be planned rather than reactive work.

32

33

1 **Program: Overhead Maintenance**

2 **Accounts: 5120 – Maintenance of Poles, Towers and Fixtures**

3 **5125 – Maintenance of Overhead Conductors and Devices**

4 **5130 – Maintenance of Overhead Services**

5 **5170 – Sentinel Lights - Labour**

6 **5172 - Sentinel Lights - Materials and Expenses**

7 OHL is responsible for ensuring the distribution system provides safe and reliable power. The  
8 reactive costs associated with maintaining the overhead portion of the distribution system are  
9 assigned to the above accounts.

10

11 These costs include the labour, trucking and material related to the repair or replacement of  
12 poles, conductor, fuses, switches, and lightning arresters.

13

14 The costs associated with Overhead Maintenance include reactive repairs and replacements.  
15 These accounts may vary year to year due to the reactive work created from uncontrollable  
16 events such as vehicular accidents, extreme weather, and other foreign interference events.

17

18 **Program: Vegetation Management**

19 **Accounts: 5135 – Overhead Distribution Lines and Feeders - Right of Way**

20 The costs in this account relate to labour and overhead, materials and trucking in relation to tree  
21 trimming and clearing right of ways. OHL utilizes internal staff to complete the majority of front-  
22 lot Vegetation Management activities. OHL uses third-party tree trimming contractors and  
23 arborists when required and for most rear-lot Vegetation Management activities.

24

25 **Program: Underground Maintenance**

26 **Accounts: 5145 – Maintenance of Underground Conduit**

27 **5150 – Maintenance of Underground Conductors and Devices**

28 **5155 - Maintenance of Underground Services**

29 OHL is responsible for ensuring the distribution system provides safe and reliable power. The  
30 costs associated with maintaining the underground portion of the distribution system are  
31 assigned to the above Accounts.

32



1 These costs include the labour, trucking and material related to the repair or replacement of  
2 underground conductor, pad mounted equipment, fuses, underground service, and associated  
3 devices.

4  
5 The costs associated with Underground Maintenance include reactive repairs and  
6 replacements. These Accounts may vary year to year due the reactive work created from  
7 uncontrollable events such as vehicular accidents, extreme weather, other foreign interference  
8 events as well as an increase in failure of equipment that is difficult to test or inspect such as the  
9 failure of underground services.

10  
11 From 2014 to mid-2019, the costs customer disconnects and reconnects went to 5155. As a  
12 result of the 2018 OHL APH Study, this type of expense went to 5070 and 5075 from 2019 to  
13 2024, as this was deemed to be planned rather than reactive work.

14  
15 **Program: Transformer Maintenance**

16 **Accounts: 5160 – Maintenance of Line Transformers**

17 OHL is responsible for ensuring the distribution system provides safe and reliable power. The  
18 costs associated with maintaining the transformer portion of the distribution system are  
19 assigned to the above account.

20  
21 These costs include the labour, trucking and material related to the maintenance, repair or  
22 replacement of line transformers and associated equipment such as lightning arresters.

23  
24 The costs associated with line transformers include reactive repairs and replacements. These  
25 Accounts may vary year to year due to the reactive work created by uncontrollable events such  
26 as vehicular accidents, extreme weather and other foreign interference events.

27  
28 **Program: Billing/Collecting/Meter Reading**

29 **Accounts: 5305 – Supervision**

30 **5310 – Meter Reading Expense**

31 **5315 – Customer Billing**

32 **5320 – Collecting**

33 **5325 - Collecting- Cash Over and Short**

1                   **5335 - Bad Debt Expense**

2                   **5340 – Miscellaneous Customer Accounts Expenses**

3  
4                   **CUSTOMER SERVICE**

5                   The Customer Service department is responsible for the customer care activities for the  
6                   approximately 13,000 customers in OHL’s service area. These activities include billing,  
7                   call centre, collections, and other back-office functions. OHL aspires to achieve customer  
8                   service excellence in its processes and customer programs. The costs associated with  
9                   the Customer Service department are collected in accounts 5305, 5315, 5320 and 5340.

10  
11                   **Meter Reading:** Meter reading services were contracted out to a non-affiliated third-party  
12                   under a service contract agreement. With the implementation of smart meters, the  
13                   contractor only read general service greater than 50kW meters until the installation of MIST  
14                   meters in 2021. The costs related to the Operational Data Storage (“ODS”) and reports and  
15                   settlement database are included in this account. This allows the OHL to easily deal with the  
16                   large quantity of data and large number of reports generated from the AMI and MDMR. The  
17                   ODS allows for intelligent drill down capabilities to easily retrieve valuable information from large  
18                   quantities of AMI data to identify specific problem areas and problem meters. From a Billing  
19                   perspective, the ODS assists in closing the gaps between the CIS and the MDMR as well as to  
20                   display the large number of billing related reports generated by the MDMR. From a Metering  
21                   perspective, the ODS assists in ensuring the AMI network is functioning at an acceptable  
22                   level. This account also includes the costs related to the two Tower Gateway Base stations  
23                   (“TGB”) in OHL’s service territory for successful transmission of meter data.

24  
25                   **Customer Billing:** OHL performs monthly billing and issues 156,000 invoices annually to  
26                   customers. On average this total includes 1,600 final bills for customers moving within or  
27                   outside of OHL’s service territory. An annual schedule is created based on calendar  
28                   monthly billing to ensure timely billing of services. The billing functions include requesting  
29                   reads from the MDMR; Electronic Billing Transactions (“EBT”) and retailer settlement  
30                   functions for 250 retailer accounts; account adjustments; processing meter changes; and  
31                   other various account related field service orders and mailing services.

32

1 OHL utilizes the services of a Sync Operator to ensure the CIS, MDMR, AMI and ODS  
2 databases are all in complete synchronization. This is required to ensure effective and efficient  
3 billing as well as to allow for all the other additional benefits for the smart meter network. The  
4 Sync Operator service reduces the OHL labour requirements as well as brings a wealth of  
5 experience from the lessons learned from providing this service to various other Ontario LDCs.  
6 OHL requires an AS2 License to exchange data between our CIS and the MDMR. This is a  
7 requirement of the IESO's MDMR. OHL is required to interact daily with the provincial  
8 MDMR. This is required to ensure effective and efficient billing as well as to allow for all the  
9 other additional benefits for the smart meter network.

10  
11 OHL offers customers several billing and payment options including walk-in counter  
12 service, an on-line payment portal, electronic banking, an equal payment plan and a  
13 preauthorized payment plan.

14  
15 IT costs (from 5630), credit insurance(from 5630) and file retention software costs (from 5675)  
16 related to Billing and Collecting allocated here starting in 2021 from the OHL 2018 APH Study.

17  
18 **Collections:** Collections involve a combination of activities, including the collection of  
19 overdue active accounts, security deposits and final bills for service termination. Credit  
20 risk is always a concern for OHL. In an effort to minimize credit losses, OHL enforces a  
21 prudent credit policy in accordance with the Distribution System Code. Active overdue  
22 accounts are collected by in-house staff through notices, letters, and direct telephone  
23 contact. OHL utilizes an automated calling system called Teleworks, to notify customers  
24 whose accounts are in arrears. Final bill collections are turned over to a collection agency  
25 after collection methods are exhausted. OHL purchases annual credit insurance for large  
26 general service customers to further reduce our risk.

27  
28 **Bad Debt Expense: 5335**

29 Expenses incurred in relation to losses from delinquent customers and uncollectible revenue.

30  
31 **Program: Conservation & Community**

32 **Accounts: 5410 – Community Relations - Sundry**

33 **5415 - Energy Conservation**

1 **Community Relations/Energy Conservation:** OHL is committed to providing consumer  
2 information and responses, in a timely and proactive manner, on electricity distribution and  
3 related issues. OHL maintains a presence in the communities it serves, where OHL staff  
4 are available to answer customer questions in a friendly environment.

5  
6 Since LDCs are the “face-to-the-customer” for the electricity industry, OHL has an  
7 important role to play in educating the public about electricity safety, understanding their  
8 bill and energy conservation.

9  
10 OHL has historically been an active participant in managing and implementing the  
11 provincial  
12 government’s CDM Programs. However, in March 2019, the Minister of Energy, Northern  
13 Development and Mines (“MEDM”) issued directives to the OEB and the IESO with the  
14 effect of concluding the Conservation First Framework (“CFF”) but allowed certain projects  
15 in progress to be completed by August 31, 2022, and if certain conditions were met the  
16 deadline for completion was extended to December 31, 2022.

17  
18 Currently, OHL does not intend to participate in the IESO’s Local Initiatives Program  
19 (“LIP”).

20  
21 **Program: Administrative Expenses**

22 **Accounts:**     **5605** – Executive Salaries and Expenses  
23                    **5610** – Management Salaries and Expenses  
24                    **5615** – General Administrative Salaries and Expenses  
25                    **5620** – Office Supplies and Expenses  
26                    **5635** – Property Insurance  
27                    **5640** – Injuries and Damages  
28                    **5645** – OMERS Pensions and Benefits  
29                    **5665** – Miscellaneous General Expenses  
30                    **5675** - Maintenance of General Plant

31  
32 **ADMINISTRATIVE AND GENERAL EXPENSES**

1 Administrative and general expenses include expenses incurred in connection with the general  
2 administration of the utility's operations.

3  
4 **Executive Salaries and Expenses: 5605**

5 The President & CFO are responsible for all aspects of OHL. Expenses include salaries and all  
6 related expenses for all employees within the above noted functional areas as well as payroll.  
7 Board of Directors costs had been included in this account until 2021 as a result of the 2018  
8 OHL APH Study and have now been moved to from 5665.

9  
10 **Management Salaries and Expenses/Administrative Services: 5610-5615**

11 The Finance department is responsible for the preparation of statutory, management and Board  
12 of Directors financial reporting in accordance with CGAAP/IFRS; all daily accounting functions,  
13 including accounts payable, accounts receivable, and general accounting; treasury functions  
14 including cash management, risk management, accounting systems and internal control  
15 processes; preparation of consolidated budgets and forecasts; and supporting tax compliance.  
16 The department is also responsible for all regulatory reporting, development and preparation of  
17 rate filings, performance reporting, and compliance with applicable codes and legislation  
18 governing OHL. Expenses include salary and related costs associated with the Finance and  
19 Regulatory Analyst, Senior Accountant (formerly Accounting Assistant), Administrative  
20 Assistant/CDM Coordinator (position no longer active) and  
21 Inventory/Purchasing/Operations/Finance Clerk. Previously expenses also included salaries and  
22 all related expenses associated with the Manager of Finance (position no longer active).

23  
24 **Office Supplies and Expenses: 5620**

25 This account includes expenses incurred for office supplies, such as the office telephone  
26 system and internet charges for office use. It also includes utility costs, as well as general bank  
27 charges, and the ongoing costs of office equipment, such as the photocopier and toner costs.  
28 Software costs were included here until 2021 (to 5675) as a result of the 2018 OHL APH Study.

29  
30 **Property Insurance: 5635 and Injuries and Damages – 5640**

31 Included in these accounts are the costs for property insurance for the main office building.  
32 Premiums paid to Insurance companies in relation to Injuries and Damages insurance and  
33 cybersecurity coverage are also included. Credit Insurance, to cover potential losses of larger

1 commercial customers was included up to 2021, then was reallocated to Billing and Collecting  
2 because of the 2018 OHL APH Study.

3  
4 **Employee Post-Retirement Benefits: 5645**

5 Employee Post-Retirement Benefits include annual expenses for post-retirement benefits  
6 provided to eligible OHL employees in accordance with company policy and as provided in the  
7 collective bargaining agreement between OHL and its union. The annual expense and liability  
8 are supported by an actuarial valuation that is completed every three years.

9  
10 **Miscellaneous General Expense: 5665**

11 Memberships, Board expenses and other miscellaneous staff related were are included in this  
12 account. OHL is a member of the Electricity Distributor Association (“EDA”), Cornerstone Hydro  
13 Electric Concepts (“CHEC”), Utility Standards Forum (“USF”). CHEC has a membership of 15  
14 small LDCs. Through our association with the CHEC group we have worked together to reduce  
15 costs. We have worked together on common Conditions of Service, Economic Evaluation  
16 process, Smart meter procurement, RFP for Collection Agency services and Audit services,  
17 CDM programs, IESO and settlement issues, and joint training sessions.

18  
19 As a result of the 2018 OHL APH Study, board expenses were moved from 5605 in 2021.

20  
21 **Maintenance of General Plant: 5675**

22 Expenses include all costs of operating the office building and garage and software and IT costs  
23 related to administration. These include items such as building utility costs, maintenance and  
24 repairs to the building and garage, snow removal and lawn maintenance. An allocated  
25 percentage of the Information Technology consultant costs is also included and is responsible  
26 for the development, operation, maintenance, and security of all business system applications  
27 utilized by the utility in its operations under direction of the President. Other cyber security and  
28 IT related costs are included in this category.

29  
30 **Program: Outside Services Employed**

31 **Accounts: 5630 – Outside Services Employed**

1 Outside Services Employed include, but are not limited to, consulting and professional fees of  
2 accountants and auditors, actuaries, legal services, HR consultants, public relations counsel,  
3 and tax consultants.

4  
5 **Program: Regulatory Expenses**

6 **Accounts: 5655 – Regulatory Expenses**

7 **5680 - Electrical Safety Authority Fees**

8 Regulatory Expenses include those expenses incurred in connection with Decisions and Orders  
9 on Cost Awards for hearings, proceedings, technical sessions, and other matters before the  
10 OEB or other regulatory bodies, including annual assessment fees paid to the regulatory body.  
11 Annual fees assessed by the OEB are included in this expenditure category. Expenses under  
12 Electrical Safety Authority (“ESA”) fees include all annual charges from the ESA.

14 **4.2.4 OM&A COST PER CUSTOMER AND PER FTE**

15 The table below shows an excerpt from Appendix 2-L of the Chapter 2 filing requirements.

16 **Table 4-17 – OEB Appendix 2-L Recoverable OM&A Cost per Customer and per FTE**

	Last Rebasings Year 2014 - OEB Approved	Last Rebasings Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
<b>Reporting Basis</b>												
<b>OM&amp;A Costs</b>												
<b>O&amp;M</b>	\$ 1,047,050	\$ 919,266	\$ 961,518	\$ 907,299	\$ 989,431	\$ 754,878	\$ 958,991	\$ 807,988	\$ 1,077,960	\$ 1,164,462	\$ 1,249,459	\$ 1,359,282
<b>Admin Expenses<sup>6</sup></b>	\$ 2,208,133	\$ 2,305,667	\$ 2,326,064	\$ 2,409,908	\$ 2,334,469	\$ 2,445,393	\$ 2,483,082	\$ 2,389,852	\$ 2,302,898	\$ 2,474,940	\$ 2,563,236	\$ 2,876,241
<b>Total Recoverable OM&amp;A from Appendix 2-JB<sup>5</sup></b>	\$ 3,255,183	\$ 3,224,934	\$ 3,287,582	\$ 3,317,207	\$ 3,323,900	\$ 3,200,271	\$ 3,442,073	\$ 3,197,840	\$ 3,380,858	\$ 3,639,401	\$ 3,812,695	\$ 4,235,523
<b>Number of Customers<sup>2,4</sup></b>	11,662	11,685	11,840	12,000	12,365	12,583	12,652	12,697	12,775	12,846	12,946	13,109
<b>Number of FTEs<sup>3,4</sup></b>	21	21	20	19	17	19	20	20	20	21	22	22
<b>Customers/FTEs</b>	555	547	582	629	708	677	644	646	637	615	581	588
<b>OM&amp;A cost per customer</b>	\$90	\$79	\$81	\$76	\$80	\$60	\$76	\$64	\$84	\$91	\$97	\$104
<b>Admin per customer</b>	\$189	\$197	\$196	\$201	\$189	\$194	\$196	\$188	\$180	\$193	\$198	\$219
<b>Total OM&amp;A per customer</b>	\$279	\$276	\$278	\$276	\$269	\$254	\$272	\$252	\$265	\$283	\$295	\$323
<b>OM&amp;A cost per FTE</b>												
<b>OM&amp;A per FTE</b>	\$49,860	\$43,056	\$47,303	\$47,592	\$56,629	\$40,618	\$48,810	\$41,124	\$53,749	\$55,771	\$56,030	\$60,954
<b>Admin per FTE</b>	\$105,149	\$107,992	\$114,433	\$126,410	\$133,611	\$131,580	\$126,381	\$121,635	\$114,827	\$118,535	\$114,943	\$128,979
<b>Total OM&amp;A per FTE</b>	\$155,009	\$151,048	\$161,735	\$174,002	\$190,240	\$172,198	\$175,191	\$162,759	\$168,576	\$174,305	\$170,973	\$189,934

17  
18  
19 Total OM&A cost per customer has increased from \$279 per customer in 2014 Board Approved  
20 to \$323 per customer in 2024 Test Year, an increase of \$44 per customer or 16%. This  
21 represents a compound annual growth rate of 1.5%, which is well in line with the value of  
22 inflation over the same time period.

24 **4.2.5 IDENTIFICATION OF CHANGE IN OM&A TEST YEAR VS CAPITALIZED  
25 OVERHEAD**

1 As stated in the filing requirements, OHL is required to identify change in OM&A in the test year  
2 in relation to change in capitalized overhead.

3

4 OHL confirms that its auditors have reviewed and accepted OHL's capitalization methods and  
5 there are no changes to the methodology since its 2014 Cost of Service. A detailed description  
6 of OHL's overhead and capitalization policies can be found in Exhibit 2, Appendix 2-A. Further,  
7 changes on a year over year basis are a result of changes in the allocation of labour hours  
8 between OM&A and capital programs due to differing annual demands.

9

10



**4.3 OM&A VARIANCE ANALYSIS BY PROGRAMS**

In accordance with Chapter 2 filing requirements, OHL has completed a variance analysis of Appendix 2-JC below which shows a summary of the variances from 2014 Board to 2024 Test Year. All changes below were within the control of OHL, unless otherwise stated.

**Table 4-18 - OM&A Programs Variances**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))
	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS		
<b>Reporting Basis</b>														
Operations and Maintenance	352,442	331,220	320,221	280,226	363,917	236,969	350,697	347,745	511,332	425,912	535,516	631,106	205,194	278,664
Lines and Engineering, Supervisi	69,240	49,806	54,739	58,102	44,469	34,549	45,092	35,691	58,772	38,549	39,571	45,264	6,715	(23,976)
Distribution Stations	25,436	15,124	23,800	21,457	24,055	27,152	68,544	54,094	85,729	59,243	61,935	65,957	6,714	40,521
Overhead Operations	9,281	3,403	7,654	1,447	3,215	6,438	11,878	11,991	24,894	23,859	13,846	15,754	(8,105)	6,473
Underground Operations	109,499	93,551	90,868	71,370	66,978	70,548	66,150	44,461	50,780	68,781	54,469	61,374	(7,407)	(48,155)
Customer Premises	72,924	125,413	115,143	129,713	118,648	113,190	128,489	125,481	126,943	182,231	161,433	191,827	9,596	118,993
Overhead Maintenance	154,620	74,223	100,890	142,868	120,144	68,542	63,256	41,622	46,022	60,528	54,023	70,905	10,377	(83,615)
Vegetation Management	92,325	98,313	84,671	108,474	122,680	118,006	143,972	84,471	144,705	217,838	242,604	198,389	(19,449)	106,064
Underground Maintenance	110,464	104,146	148,767	66,286	105,489	61,177	70,138	50,616	22,699	76,050	63,425	54,227	(21,823)	(56,237)
Transformer Maintenance	50,920	24,067	15,065	27,356	19,836	18,307	10,795	11,816	6,084	11,471	12,637	24,479	13,008	(26,441)
Sub-Total	1,047,050	919,266	961,518	907,299	989,431	754,878	958,991	807,988	1,077,960	1,164,462	1,249,459	1,359,282	194,820	312,232
Billing/Collecting/Meter Reading														
Billing/Collecting	522,273	490,290	502,746	529,231	555,256	565,641	553,228	546,867	777,202	764,563	826,365	935,828	171,265	413,555
Meter Reading	135,919	150,916	167,417	157,760	175,011	171,773	202,550	189,958	163,403	202,710	215,069	220,728	18,018	84,869
Bad Debts	32,597	31,073	40,930	35,319	49,510	25,964	51,922	37,389	35,639	15,621	32,738	35,000	19,179	2,403
Sub-Total	690,788	672,279	711,093	722,310	779,777	763,378	807,700	774,214	976,444	983,094	1,074,172	1,191,556	208,462	500,788
Conservation and Community														
Conservation and Community	16,082	25,135	16,698	53,322	31,171	32,725	22,929	9,004	14,205	32,446	51,171	61,354	28,908	45,262
Sub-Total	16,082	25,135	16,698	53,322	31,171	32,725	22,929	9,004	14,205	32,446	51,171	61,354	28,908	45,262
Administrative Expenses														
Administrative Expenses	1,319,478	1,308,761	1,412,358	1,393,790	1,291,903	1,352,999	1,366,606	1,332,937	1,147,555	1,277,191	1,267,701	1,347,967	70,776	28,491
Outside Services Employed	133,642	188,213	134,381	162,453	143,842	209,391	200,139	185,379	66,142	82,631	63,583	132,571	49,940	(971)
Regulatory Expenses	48,236	99,355	45,823	72,323	80,387	80,630	79,449	78,930	93,293	93,319	110,351	134,491	41,172	86,255
LEAP		11,924	5,711	5,711	7,388	6,270	9,388	6,259	9,388	6,259	6,259	8,303	2,044	8,303
Sub-Total	1,501,253	1,608,253	1,598,273	1,634,277	1,523,520	1,649,290	1,652,453	1,606,634	1,312,249	1,459,400	1,437,893	1,623,332	163,932	122,078
Miscellaneous														
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous														
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,255,183</b>	<b>3,224,933</b>	<b>3,287,582</b>	<b>3,317,208</b>	<b>3,323,999</b>	<b>3,200,271</b>	<b>3,442,073</b>	<b>3,197,840</b>	<b>3,380,858</b>	<b>3,639,402</b>	<b>3,812,695</b>	<b>4,235,524</b>	<b>596,122</b>	<b>980,341</b>

OHL is providing the following programs variance analysis:

- Test Year vs Historical OEB-Approved
- Historical OEB-Approved vs Historical Actuals
- Test Year vs most recent Historical Actuals

Historical year over year variance analysis has already been provided in section 4.2.1

Recoverable OM&A Expenses.

**Table 4-19 - Lines & Engineering, Supervision Variance**

Programs	Last Rebasement Year (2014 OEB Approved)	Last Rebasement Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasement Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Base	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Operations and Maintenance															
Lines and Engineering, Supervision	352,442	331,220	320,221	280,226	363,917	236,969	350,697	347,745	511,332	425,912	535,516	631,106	205,194	278,664	(21,222)

**Variance 2024 Test Year to 2014 Historical OEB Approved: +\$278,664**

2024 Lines and Engineering supervision labour is higher than 2014 OEB approved due to wage increases and due to the inclusion of full salary and benefits for both Operations/Engineering supervisors. In 2014 only one supervisor was included in these program costs. The reason for this additional staff member in the engineering department is to meet customers' expectations for service connections and upgrades as well as planning for capital and maintenance programs. This variance also includes a third of the overall IT contractor costs, and additional GIS monthly costs.

**Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$21,222**

2014 Actuals were lower as the actual PWU wage increase in 2014 was less than budgeted in the 2014 OEB-Approved.

**Variance 2024 Test Year to 2022 Actuals: +\$205,194**

2024 Lines and Engineering supervision labour is higher than 2022 OEB approved due to wage increases and due to the inclusion of full salary and benefits for both Operations/Engineering supervisors. In 2014 only one supervisor was included in these program costs. This variance also includes a third of the overall IT contractor costs, and increased GIS monthly costs.

**Table 4-20 - Program: Distribution Stations Variance**

Programs	Last Rebasement Year (2014 OEB Approved)	Last Rebasement Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasement Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
Distribution Stations	69,240	49,806	54,739	68,102	44,469	34,549	45,092	35,691	58,772	38,549	39,571	45,264	6,715	(23,976)	(19,434)

Variance 2024 Test Year to 2014 Historical OEB Approved: -\$23,976

The portion of property taxes that used to be attributed to stations is now included in account 6105 in accordance with APH guidance because of the 2018 OHL APH Study.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$19,434

The portion of property taxes that used to be attributed to stations is now included in account 6105 in accordance with APH guidance because of the 2018 OHL APH Study.

Variance 2024 Test Year to 2022 Actuals: +\$6,715

No material changes.

**Table 4-21 - Program: Overhead Operations Variance**

Programs	Last Rebasement Year (2014 OEB Approved)	Last Rebasement Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasement Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
Operations and Maintenance	25,436	15,124	23,800	21,457	24,055	27,152	68,544	54,094	85,729	59,243	61,935	65,957	6,714	40,521	(10,312)

Variance 2024 Test Year to 2014 Historical OEB Approved: +\$40,521

2024 Overhead Operations is higher due to more resistograph pole testing and more labour hours and contractor costs for OHL to complete proactive hotspot testing. There are also more contractor costs due to dielectric calibration and tool testing.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$10,312

Lower labour than budgeted contributed to this variance.

Variance 2024 Test Year to 2022 Actuals: +\$6,714

No material changes.

**Table 4-22 - Program: Underground Operations Variance**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Operations and Maintenance															
Underground Operations	9,281	3,403	7,654	1,447	3,215	6,438	11,878	11,991	24,894	23,859	13,846	15,754	(8,105)	6,473	(5,878)

Variance 2024 Test Year to 2014 Historical OEB Approved: +\$6,473

No material changes.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$5,878

No material changes.

Variance 2024 Test Year to 2022 Actuals: -\$8,105

No material changes.

**Table 4-23 - Program: Metering Variance**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Operations and Maintenance															
Metering	108,499	93,551	90,668	71,370	66,978	70,548	66,150	44,461	50,780	68,781	64,469	61,374	(7,407)	(48,125)	(15,948)

Variance 2024 Test Year to 2014 Historical OEB Approved: -\$48,125

Labour decreased \$29K due to reduced hours spent by field staff tuning the now-mature AMI network, as well as a change in the allocation of lines and engineering supervisory staff from Metering to Supervision.

Contractor costs decreased \$17K, as OHL has been endeavoring to train internal staff to increase internal expertise as opposed to utilizing external contractors.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$15,948

Labour, vehicles and contractors were all slightly lower in 2014 actuals vs 2014 budget.

Variance 2024 Test Year to 2022 Actuals: -\$7,407

No material changes.

1

**Table 4-24 - Program: Customer Premises Variance**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Base	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Operations and Maintenance															
Customer Premises	72,924	125,413	115,143	129,713	118,648	113,190	128,469	125,481	126,943	182,231	161,433	191,827	9,596	118,903	52,489

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3 Variance 2024 Test Year to 2014 Historical OEB Approved: +\$118,903

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The 2024 budget includes higher contractor costs to complete underground locates, to try and ensure OHL remains in compliance with Ontario One Call regulations as well as customer requested Disconnect/Reconnects. In 2014, OHL was planning on using its own staff to complete locates. As the number of locates increased, it was apparent that internal staff could not complete the primarily seasonal work effectively. Prior to 2018, Customer premise work like disconnects and reconnects used to be allocated to the overhead or underground maintenance program.

Variance 2014 Actuals to 2014 Historical OEB-Approved: +\$52,489

In 2014, OHL saw a significant increase in required customer requested locates, as opposed to what was planned in its 2014 OEB Approved budget. Lines staff had to be pulled from doing capital work. This led OHL to contract out this service so that OHL staff could better concentrate on required operations and maintenance activities as well as capital work.

Variance 2024 Test Year to 2022 Actuals: +\$9,596

No material changes.

**Table 4-25 - Program: Overhead Maintenance Variance**

Programs	Last Rebasing Year (2014 OEB Approved)	Last Rebasing Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasing Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Operations and Maintenance															
Overhead Maintenance	154,520	74,223	100,890	142,868	120,144	68,542	63,256	41,622	46,022	60,528	54,023	70,905	10,377	(83,615)	(80,297)

Variance 2024 Test Year to 2014 Historical OEB Approved: -\$83,615

Prior to 2018, Customer premise work like disconnects and reconnects on overhead services used to be allocated to the overhead maintenance program. This explains the decrease in 2024.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$80,297

Labour was detracted from overhead maintenance due to the locate work needed to be done, which is not in OHL's control.

Variance 2024 Test Year to 2022 Actuals: +\$10,377

Labour in 2022 was lower than budgeted in 2024 for the overhead maintenance program.

**Table 4-26 - Program: Vegetation Management Variance**

Programs	Last Rebasing Year (2014 OEB Approved)	Last Rebasing Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasing Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Operations and Maintenance															
Vegetation Management	92,325	98,313	84,571	108,474	122,680	118,006	143,972	84,471	144,705	217,838	242,604	198,389	(19,449)	106,064	5,988

Variance 2024 Test Year to 2014 Historical OEB Approved: +\$106,064

Vegetation management has been a priority for OHL since its last CoS application. The drivers of cost increases from 2014 to 2024 are listed below:

- 1) Inflationary: Internal Labour costs are higher. Therefore, when OHL lines staff are completing vegetation management activities, each hour costs more in 2024 vs 2014 because of 10 years of wage increases.
- 2) Increased internal staff spent on tree trimming for reliability: After the 2013 and 2016 ice storms, OHL increased tree trimming activities with internal staff. In order to maintain reliability and reduce the risk of significant outages during storms, increased labour hours were spent on tree trimming activities (where internal crews could access).
- 3) Increased internal staff spent on tree trimming for safety: Compared to 2014, OHL spends more time/focus on vegetation management for non-reliability concerns. Trees

1 that are a safety concern are cleared from the lines to reduce the risk of fires or electrical  
2 contacts when children are climbing.

3  
4 4) Creation of a rear-lot vegetation management program: In 2016, OHL began a formal  
5 rear-lot line clearing program. OHL's rear-lot infrastructure that was inaccessible for  
6 OHL trucks was divided into seven Zones. An Arborist Contractor is utilized each year  
7 to complete the line clearing activities within one or two of the seven zones. This  
8 program did not exist in 2014, therefore, this is a net-new program with new costs. This  
9 program is required to maintain reliability, reduce the risk of challenging outages during  
10 ice/windstorms, reduce fire concerns, and reduce the risk of electrical contact from  
11 children climbing trees. This program is further justified through the requirements of the  
12 IHSA Safe Practice Guide for Line Clearing Operations and Regulation 22/04: Electrical  
13 Distribution Safety.

14  
15 5) All of the above are further justified with the April 2023 release/update of the ESA's  
16 Bulletin DB-12-09-v2 which reminds LDC's of their obligation to clear vegetation around  
17 LDC-owned primary, secondary, and service wires. OHL's line clearing program has  
18 been created to comply with our mandatory obligations, maintain reliability, reduce the  
19 risk of fires, and reduce the risk of electrical contacts from children climbing trees near  
20 overhead wires.

21  
22 Variance 2014 Actuals to 2014 Historical OEB-Approved: +\$5,988

23 No material changes.

24  
25 Variance 2024 Test Year to 2022 Actuals: -\$19,449

26 As per point 4 above, an Arborist Contractor is utilized each year to complete the line clearing  
27 activities within one or two zones. The zones are not perfectly equal, so the year over year  
28 expenditures are not always equal.

29  
30

**Table 4-27 - Program: Underground Maintenance Variance**

Programs	Last Rebasement Year (2014 OEB Approved)	Last Rebasement Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasement Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Operations and Maintenance															
Underground Maintenance	110,464	104,146	148,767	66,286	105,489	61,177	70,138	50,616	22,699	76,050	63,425	54,227	(21,823)	(56,237)	(6,318)

Variance 2024 Test Year to 2014 Historical OEB Approved: -\$56,237

After the 2018 OHL APH review, it was determined that the Disconnect/Reconnects for service upgrades should all go to 5070. In 2014, the underground disconnects and holds for upgrades were all included within this program.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$6,318

No material changes.

Variance 2024 Test Year to 2022 Actuals: -\$21,823

Less underground reactive work was included in the budget as compared to actuals.

**Table 4-28 - Program: Transformer Maintenance Variance**

Programs	Last Rebasement Year (2014 OEB Approved)	Last Rebasement Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasement Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Operations and Maintenance															
Transformer Maintenance	50,920	24,067	15,065	27,396	19,836	18,307	10,795	11,816	6,084	11,471	12,637	24,479	13,008	(26,441)	(26,853)

Variance 2024 Test Year to 2014 Historical OEB Approved: -\$26,441

Labour that was included in the budget for overhead and underground transformer maintenance was higher than was incurred in any year 2014-2024.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$26,853

Labour that was included in the budget for overhead and underground transformer maintenance was higher than was incurred in 2014.

Variance 2024 Test Year to 2022 Actuals: +\$13,008

Labour in transformer maintenance was higher in 2024 budget to account for potential reactive work.



**Table 4-29 - Program: Billing/Collecting Variance**

Programs	Last Rebasement Year (2014 OEB Approved)	Last Rebasement Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasement Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Billing/Collecting	522,273	490,290	502,746	529,231	555,259	565,641	583,228	546,867	777,202	784,563	826,365	935,828	171,265	413,555	(31,983)

**Variance 2024 Test Year to 2014 Historical OEB Approved: +\$413,555**

The 2018 OHL APH study aligned contract costs that related to Billing and Collecting to this program, such as cyber security IT costs, bill printing and mailing, documentation retention software, credit risk insurance and postage machine rental within this area.

Labour has also increased significantly due to the addition of the Marketing and Communications Coordinator (of which a portion of this position’s salary costs are included in these accounts), ten years’ worth of salary increases, salary progressions and the movement of the Customer Service Manager’s time from Administration to Billing and Collecting.

**Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$31,983**

There was a reduction in actual vs budgeted costs for contractor costs related to the CIS system, as well as lower labour costs as compared to budget in both Billing and Collecting.

**Variance 2024 Test Year to 2022 Actuals: +\$171,265**

2024 includes an increase in labour costs due to a combination of position progression for newer staff, wage increases, and a higher percentage of Customer Service Manager and Marketing and Communications Coordinator being allocated here. 2024 also includes increased training and conference costs.

Additionally, there has been an increase in many of the contract costs, such as sync operator, bill printing and Customer Information System (“CIS”) monthly costs. The monthly maintenance costs of the improved customer portal have increased significantly, and OHL is changing vendors for bill printing and mailing, to provide customers with an improved bill print that will allow for better information to be provided to the customers, which has a higher cost, as compared to 2022 actuals.

**Table 4-30 Program: Meter Reading Variance**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Meter Readings	135,919	150,916	167,417	157,760	175,011	171,773	202,550	189,958	163,403	202,710	215,069	220,728	18,018	84,809	14,997

Variance 2024 Test Year to 2014 Historical OEB Approved: +\$84,809

The costs for the TGB tower that is used to transmit smart meter reads have seen significant inflationary increases since 2014, along with increases for the meter settlement provider.

Variance 2014 Actuals to 2014 Historical OEB-Approved: +\$14,997

The costs for the TGB tower were higher by \$10k over 2014 budget. Included in 2014 actuals was a smart meter system audit that was not included in 2014 OEB approved.

Variance 2024 Test Year to 2022 Actuals: +\$18,018

2024 test year included inflationary increases for the contractor costs included in this account.

**Table 4-31 - Program: Bad Debts Variance**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Billing/Collecting/Meter Reading															
Bad Debts	32,597	31,073	40,930	35,319	49,510	25,964	51,922	37,389	35,839	15,821	32,738	35,000	19,179	2,403	(1,524)

Variance 2024 Test Year to 2014 Historical OEB Approved: +\$2,403

No material changes.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$1,524

No material changes.

Variance 2024 Test Year to 2022 Actuals: +\$19,179

2022 bad debts were significantly lower than recent years. 2024 Test Year was budgeted to be more in line with historical averages.

1

**Table 4-32 - Program: Conservation & Community Variance**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Conservation and Community	16,092	25,135	16,698	53,322	31,171	32,725	22,929	9,004	14,205	32,446	51,171	61,354	28,908	45,262	9,043

2

3 Variance 2024 Test Year to 2014 Historical OEB Approved: +\$45,262

4 The budget includes four planned community engagement events, as well as a percentage of  
5 the Marketing and Communications Coordinators' time.

6

7 Variance 2014 Actuals to 2014 Historical OEB-Approved: +\$9,043

8 No material changes.

9

10 Variance 2024 Test Year to 2022 Actuals: +\$28,908

11 The 2024 Community Relations Budget is higher than the 2022 Actuals by \$28,908. The budget  
12 includes four planned community engagement events, as well as an increase in the percentage  
13 of the Marketing and Communications Coordinators' time, which accounts for most of the  
14 increase over 2022 actuals.

15

16

**Table 4-33 - Program: Administrative Expenses Variance**

Programs	Last Rebasement Year (2014 OEB Approved)	Last Rebasement Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasement Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Base	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Administrative Expenses	1,319,476	1,308,781	1,412,358	1,393,790	1,291,903	1,352,999	1,366,606	1,332,937	1,147,555	1,277,191	1,267,701	1,347,966	70,775	28,490	(10,715)

Variance 2024 Test Year to 2014 Historical OEB Approved: +\$28,490

Labour Administrative Expenses are higher in 2024 due to the addition of a Finance and Regulatory Analyst, and 10 years of wage increases. Contracts are higher due to increased IT costs and insurance costs.

This is offset by the 2018 OHL APH study which moved property tax to account 6105, IT costs to both operations and billing and collection, as well as file retention software to billing and collecting. There were also two positions that ended throughout this period and were not replaced.

Variance 2014 Actuals to 2014 Historical OEB-Approved: -\$10,715

Labour costs were slightly lower in 2014 actuals as compared to 2014 budget.

Variance 2024 Test Year to 2022 Actuals: +\$70,775

This program includes an increase in insurance expenses, as well as training and conference costs for the executive staff, finance, and board members.

**Table 4-34 - Program: Outside Services Employed Variance**

	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Programs</b>															
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Administrative Expenses															
Outside Services Employed	133,542	188,213	134,381	162,453	143,842	209,391	200,139	185,379	65,142	82,631	53,583	132,571	49,940	(971)	54,671

Variance 2024 Test Year to 2014 Historical OEB Approved: -\$971

No material changes.

Variance 2014 Actuals to 2014 Historical OEB-Approved: +\$54,671

2014 actual costs included higher HR consulting costs, as well as increased legal costs, and consultant costs for assistance in the preparation of a Scientific Research and Experimental Development (“SRED”) tax credit claim that were not included in the 2014 budget.

Variance 2024 Test Year to 2022 Actuals: +\$49,940

There is an increase in HR assistance costs, as well as net zero consultant costs to move OHL closer to its net zero goals included within its strategic plan.

**Table 4-35 - Program: Regulatory Expenses Variance**

	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
<b>Programs</b>															
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Administrative Expenses															
Regulatory Expenses	48,236	99,355	45,823	72,323	80,387	80,630	79,449	78,930	93,293	93,319	110,351	134,491	41,172	86,255	51,119

Variance 2024 Test Year to 2014 Historical OEB Approved: +\$86,255

2024 budgeted values includes a fifth of the legal and consulting cost of service expenses, which were higher than what was included in the Board approved amount. Additionally, OEB cost assessments, which are included in the 2024 total, have significantly increased year over year since 2014.

Variance 2014 Actuals to 2014 Historical OEB-Approved: +\$51,119

2014 Actuals included higher OEB cost assessment costs over OEB approved, including a portion of the CoS expenses.

Variance 2024 Test Year to 2022 Actuals: +\$41,172

A fifth of the estimated expenses that will be incurred to complete the CoS application for the OEB are included in the 2024 budget. OEB cost assessment expenses have also increased over 2022.

**Table 4-36 - Program: LEAP Variance**

Programs	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year	Variance (Test Year vs. 2022 Actuals)	Variance (Test Year vs. Last Rebasng Year (2014 OEB-Approved))	2014 Actuals vs 2014 Approved
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
LEAP		11,924	5,711	5,711	7,388	6,270	6,259	9,388	6,259	6,259	6,259	8,303	2,044	8,303	11,924

**Variance 2024 Test Year to 2014 Historical OEB Approved: +\$8,303**

In the 2014 CoS, LEAP expenses were included in Billing and Collecting.

**Variance 2014 Actuals to 2014 Historical OEB-Approved: +\$11,924**

In the 2014 CoS, LEAP expenses were included in Billing and Collecting.

**Variance 2024 Test Year to 2022 Actuals: +\$2,044**

No material changes.

### 4.3.1 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION

#### 4.3.1.1 EMPLOYEE COMPENSATION

OEB Appendix 2-K presented below details OHL’s employee compensation.

**Table 4-37 - OEB Appendix 2-K Employee Costs**

	Last Rebasng Year (2014 OEB Approved)	Last Rebasng Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>												
Management (including executive)	4	4	6	6	6	5	5	5	4	6	5	5
Non-Management (union and non-union)	17	17	15	13	12	14	15	15	16	15	17	17
<b>Total</b>	<b>21</b>	<b>21</b>	<b>20</b>	<b>19</b>	<b>17</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>22</b>
<b>Total Salary and Wages including overtime and incentive pay</b>												
Management (including executive)	\$ 528,987	\$ 541,254	\$ 824,626	\$ 717,204	\$ 681,363	\$ 712,565	\$ 631,885	\$ 630,131	\$ 545,172	\$ 771,040	\$ 657,177	\$ 695,350
Non-Management (union and non-union)	\$ 1,247,414	\$ 1,292,373	\$ 1,042,637	\$ 1,014,225	\$ 954,855	\$ 992,481	\$ 1,190,031	\$ 1,241,876	\$ 1,379,298	\$ 1,171,313	\$ 1,302,247	\$ 1,363,309
<b>Total</b>	<b>\$ 1,776,401</b>	<b>\$ 1,833,628</b>	<b>\$ 1,867,264</b>	<b>\$ 1,731,429</b>	<b>\$ 1,636,218</b>	<b>\$ 1,705,046</b>	<b>\$ 1,821,916</b>	<b>\$ 1,872,007</b>	<b>\$ 1,924,469</b>	<b>\$ 1,942,352</b>	<b>\$ 1,959,425</b>	<b>\$ 2,058,660</b>
<b>Total Benefits (Current + Accrued)</b>												
Management (including executive)	\$ 124,470	\$ 126,902	\$ 186,902	\$ 149,896	\$ 143,785	\$ 159,638	\$ 150,590	\$ 145,183	\$ 132,388	\$ 184,984	\$ 163,073	\$ 175,754
Non-Management (union and non-union)	\$ 344,120	\$ 325,168	\$ 268,583	\$ 245,780	\$ 220,883	\$ 244,549	\$ 289,099	\$ 306,819	\$ 309,994	\$ 285,912	\$ 292,007	\$ 398,118
<b>Total</b>	<b>\$ 468,590</b>	<b>\$ 452,069</b>	<b>\$ 455,485</b>	<b>\$ 395,676</b>	<b>\$ 364,668</b>	<b>\$ 404,187</b>	<b>\$ 439,689</b>	<b>\$ 452,102</b>	<b>\$ 442,382</b>	<b>\$ 470,876</b>	<b>\$ 525,080</b>	<b>\$ 561,871</b>
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>												
Management (including executive)	\$ 653,456	\$ 668,156	\$ 1,011,528	\$ 866,599	\$ 825,148	\$ 872,203	\$ 782,475	\$ 775,314	\$ 677,560	\$ 956,024	\$ 820,250	\$ 871,104
Non-Management (union and non-union)	\$ 1,591,534	\$ 1,617,541	\$ 1,309,220	\$ 1,260,005	\$ 1,175,739	\$ 1,237,030	\$ 1,479,129	\$ 1,548,793	\$ 1,689,292	\$ 1,457,225	\$ 1,664,254	\$ 1,749,427
<b>Total</b>	<b>\$ 2,244,990</b>	<b>\$ 2,285,697</b>	<b>\$ 2,320,748</b>	<b>\$ 2,126,604</b>	<b>\$ 2,000,887</b>	<b>\$ 2,109,533</b>	<b>\$ 2,261,603</b>	<b>\$ 2,324,107</b>	<b>\$ 2,366,851</b>	<b>\$ 2,413,249</b>	<b>\$ 2,484,504</b>	<b>\$ 2,620,531</b>
<b>Total Compensation Breakdown (Capital, OM&amp;A)</b>												
OM&A	\$ 2,008,098	\$ 2,048,805	\$ 2,117,313	\$ 1,922,529	\$ 1,759,619	\$ 1,842,687	\$ 1,989,597	\$ 2,027,621	\$ 2,018,860	\$ 2,214,874	\$ 2,214,013	\$ 2,345,168
Capital	\$ 236,893	\$ 236,893	\$ 203,435	\$ 204,075	\$ 241,268	\$ 266,846	\$ 272,008	\$ 296,486	\$ 347,991	\$ 198,374	\$ 270,491	\$ 275,363
<b>Total</b>	<b>\$ 2,244,990</b>	<b>\$ 2,285,697</b>	<b>\$ 2,320,748</b>	<b>\$ 2,126,604</b>	<b>\$ 2,000,887</b>	<b>\$ 2,109,533</b>	<b>\$ 2,261,603</b>	<b>\$ 2,324,107</b>	<b>\$ 2,366,851</b>	<b>\$ 2,413,249</b>	<b>\$ 2,484,504</b>	<b>\$ 2,620,531</b>

In accordance with Board policy which states that: “Where there are three, or fewer, full-time equivalents (“FTEs”) in any category, OHL may aggregate this category with the category to which it is most closely related. This higher level of aggregation may be continued, if required, to ensure that no category contains three, or fewer, FTEs”, OHL does not have any category with less than three FTEs, as executive and management employees were aggregated for the purposes of this table.

#### 4.3.1.2 WORKFORCE PLANS AND COMPENSATION STRATEGY

1 This section of Exhibit 4 provides an overview of OHL’s previous and proposed workforce plans,  
2 including compensation strategy.

3  
4 OHL’s overall compensation philosophy for all employees is designed to be competitive and  
5 equitable in order to attract and retain qualified personnel in an industry that is facing an aging  
6 workforce and is very competitive for skilled resources. The compensation package includes a  
7 base wage and benefits package. OHL’s workforce is comprised of both unionized and non-  
8 unionized employees.

9  
10 The number of employees is based on the calculation of the number of full-time equivalent  
11 (“FTE”) positions throughout each of the fiscal years. A position that was added in a particular  
12 year is counted as a portion of an FTE in the calendar year based on the start date of the  
13 position. The salaries and wage amounts include all salaries and wages paid, inclusive of  
14 overtime, vacations, float holidays, sick leave, bereavement leave and other miscellaneous paid  
15 leave.

16  
17 The number of staff at OHL has fluctuated significantly over the past 10 years. In 2014 OHL had  
18 over 21 FTEs (21 full time positions). Through succession planning and attrition, along with  
19 maternity leaves, by 2017 the FTE count had dropped to just over 17 FTEs. At this point,  
20 management reviewed the needs of the company and determined strategically where staff were  
21 needed to ensure all work was completed accurately and efficiently. There was some movement  
22 from union to non-union to ensure there was a sufficient management to non-management ratio.  
23 Slowly the FTE count was brought back to just over 21 in 2022, and just over 22 in 2023 (20 full  
24 time positions). The increase from 2022 to 2023 was creation of the Supervisor of Engineering  
25 and Metering position, and the subsequent hiring of a second Engineering Technician to  
26 complete the strategic labour planning that began in prior years.

27  
28 The benefit amounts include the employer’s portion of statutory benefits (CPP and EI), employer  
29 contributions to EHT, WSIB, OMERS, and OHL’s costs for providing extended health care,  
30 dental, long-term disability, and life insurance.

31

32

**1 Compensation – Union**

2 Compensation for unionized employees is negotiated through the collective bargaining process.  
3 When negotiating wage levels, consideration is given to the skill sets required to work within  
4 OHL’s distribution system, as well as the competitive wage levels of its geographic market. They  
5 are represented by the Canadian Union of Public Employees (“CUPE”) Local 1000 of the Power  
6 Workers Union.

7  
8 OHL’s Collective Agreement with unionized staff provides for annual pay increases and  
9 employee set progressions. Labour rates and benefits are adjusted annually based on  
10 negotiated percentages as per the collective agreement. The current collective agreement  
11 commenced October 1, 2018, and will expire September 30, 2023. OHL negotiated annual  
12 wage increases for 2018 to 2023 ranging between 2.25% and 3.25%. OHL’s current collective  
13 agreement is included in Appendix 4-A Collective Agreement October 1, 2018 – September 30,  
14 2023.

15 A summary of the annual wage union increase is presented below.

**19 Table 4-38 – PWU Salary increases**

	1-Oct-14	1-Oct-15	1-Oct-16	1-Oct-17	1-Oct-18	1-Oct-19	1-Oct-20	1-Oct-21	1-Apr-22	1-Oct-22	1-Apr-23
PWU salary increases	2.50%	2.60%	1.90%	2.90%	3.25%	2.25%	2.25%	1.25%	1.25%	1.25%	1.25%

**24 Compensation – Non-Union**

25 OHL uses a Management Performance & Compensation Plan for all salaried employees. The  
26 plan was developed with the assistance of an outside consulting firm, Pearson & Associates.  
27 Finalized job descriptions were evaluated using a proprietary Plan similar to the Hay Evaluation  
28 Plan and placed in pay bands ensuring internal equity. Pay market data was collected from  
29 Ontario’s LDCs. A draft pay grid was developed from the available information and approved by  
30 the Board of Directors.



1 Individual job performance is aligned with the OHL's vision, mission, goals and strategic plan. A  
2 Management Performance Plan with annual targets is developed as part of the annual business  
3 plan. Management achievements are performance rated in four categories: exceptional,  
4 commendable, developing, and satisfactory. Each category has a range for a percentage  
5 increase plus cost of living with the exception of an unsatisfactory performance. Once the job  
6 rate is achieved each category is compensated with an increase in the cost of living and  
7 depending on the category rating a bonus for performance recognition may be granted. Actual  
8 performance compared to target is reviewed by the President and senior management and the  
9 Board of Directors on an annual basis for management and non-union compensation.

10  
11 The inflation rate used for forecasts was 3%. OHL does not forecast any new employees for  
12 2024.

#### 13 14 **Year over Year Variance**

15 The variances from Table 4-37 - OEB Appendix 2-K Employee Costs are shown below.

#### 16 17 **Change In Workforce Year Over Year:**

#### 18 19 **2014 Board Approved to 2014 Actual**

#### 20 **Management:**

21 **Change in FTE: 0**

22 **Change in Wages: \$12,268**

23 2014 Actual costs included slightly higher wages than budgeted for the President at the time.

#### 24 **Non-Management:**

25 **Change in FTE: .35**

26 **Change in Wages: \$44,959**

27 There was a duplication in staff for the Accounting Assistant position, as overlap took place to  
28 train in preparation for a maternity leave within 2014. This was offset by the departure and  
29 culmination of the administrative assistant/conservation coordinator position.

30

31

1 **2015 Actual to 2014 Actual**

2 **Management:**

3 **Change in FTE: 1.7**

4 **Change in Wages: \$283,372**

5 There was a movement of three non-union positions from Non-management to Management  
6 positions, the Engineering position, the Accountant and Customer Service Supervisor. This was  
7 for succession planning, in preparation for the future retirement of three management positions:  
8 the Manager of Operations and Engineering, the Chief Financial Officer and the Chief Corporate  
9 Officer. Offsetting this increase was partial year reductions for two of these new management  
10 positions for maternity leaves throughout part of the year.

11 **Non-Management:**

12 **Change in FTE: -2.72**

13 **Change in Wages: \$-249,736**

14 The reduction in the number of FTE was due to the movement as noted above between  
15 management and non-management positions, offset by the departure of one Lineman for the  
16 majority of the year.

17

18 **2016 Actual to 2015 Actual**

19 **Management:**

20 **Change in FTE: .5**

21 **Change in Wages: \$-107,423**

22 The Chief Financial Officer retired within 2016, offset by the return of two management staff  
23 members from maternity leave for a portion of the year.

24 **Non-Management:**

25 **Change in FTE: -1.76**

26 **Change in Wages: \$-28,413**

27 Two union staff departed from OHL in 2016, a meter mechanic, as well as a cashier. This was  
28 offset by the hiring of a new cashier position.

29

30

1 **2017 Actual to 2016 Actual**

2 **Management:**

3 **Change in FTE: -.7**

4 **Change in Wages: \$-35,841**

5 The Manager of Operations and Engineering retired within 2017. Due to succession planning that  
6 had taken place, the Engineer was promoted to Manager of Operations and Engineering.

7 **Non-Management:**

8 **Change in FTE: -.89**

9 **Change in Wages: \$-59,369**

10 The lead hand retired from OHL within 2017. This was offset by the hiring of a lineman and a  
11 customer service representative.

12

13 **2018 Actual to 2017 Actual**

14 **Management:**

15 **Change in FTE: -.7**

16 **Change in Wages: \$-31,202**

17 The President retired within 2018. The Manager of Operations and Engineering was promoted to  
18 President. The Working Foreman was promoted to Lines Supervisor.

19 **Non-Management:**

20 **Change in FTE: 1.81**

21 **Change in Wages: \$37,625**

22 A new apprentice lineman was hired in 2018, as well as an Engineering technician.

23

24

1 **2019 Actual to 2018 Actual**

2 **Management:**

3 **Change in FTE: .2**

4 **Change in Wages: \$-80,680**

5 The reduction in salary had to do with the lower number of management employees, now that the  
6 previous President had retired.

7 **Non-Management:**

8 **Change in FTE: .86**

9 **Change in Wages: \$197,550**

10 In 2019, the senior clerk retired, a customer service representative was promoted to the senior  
11 clerk position, and a new customer service representative was hired. Additionally, close to the  
12 end of the year, an Operations clerk was hired in preparation for the current Operations clerk to  
13 retire early in 2020.

14

15 **2020 Actual to 2019 Actual**

16 **Management:**

17 **Change in FTE: -.30**

18 **Change in Wages: \$-1,754**

19 The Chief Corporate Officer retired in 2020. Other than the customer service supervisory work  
20 that the Manager of Customer Service was already completing, the remainder of their duties were  
21 distributed throughout multiple management positions.

22 **Non-Management:**

23 **Change in FTE: .30**

24 **Change in Wages: \$51,846**

25 The Operations Clerk retired in 2020. A temporary employee was hired to allow for cross  
26 training to cover a maternity leave for the Finance and Regulatory Analyst position, for a portion  
27 of the year.

28

29

1 **2021 Actual to 2020 Actual**

2 **Management:**

3 **Change in FTE: -.74**

4 **Change in Wages: \$-84,959**

5 The Chief Corporate Officer position was not replaced after retirement in 2020. The Lines  
6 Supervisor retired, with a replacement being hired two months prior to the retirement taking place.

7 **Non-Management:**

8 **Change in FTE: 1.15**

9 **Change in Wages: \$137,422**

10 There was a departure of two customer service representatives, and replacements were hired  
11 shortly after their departure. There was a new Communications and Marketing Coordinator  
12 position hired in 2021, as well as the departure of the Senior Engineering technician late in the  
13 year.

14

15 **2022 Actual to 2021 Actual**

16 **Management:**

17 **Change in FTE: 1.74**

18 **Change in Wages: \$225,868**

19 2022 saw a promotion of the Engineering Technician to Supervisor of Engineering and Metering.  
20 There was a departure of the Manager of Operations and Engineering, with a new Lines  
21 Supervisor promoted from Working Foreman to replace the Manager of Operations and  
22 Engineering.

23 **Non-Management:**

24 **Change in FTE: -.92**

25 **Change in Wages: \$-207,985**

26 As noted above, there were two positions that moved from Non-management to Management.  
27 There was also a hiring of an Engineering Technician for a portion of 2022, prior to their  
28 departure within the same year.

29

30

1 **2023 Bridge to 2022 Actual**

2 **Management:**

3 **Change in FTE: -.70**

4 **Change in Wages: \$-113,862**

5 2023 included 5 full year management positions, with no movement between categories.

6 **Non-Management:**

7 **Change in FTE: 2.12**

8 **Change in Wages: \$130,935**

9 2023 included the hiring of an Apprentice Lineperson, as well as the hiring of an Engineering  
10 Technician to replace the previously departed Engineering Technician and the hiring of the  
11 second Engineering Technician position.

12

13 **2024 Test to 2023 Bridge**

14 **Management:**

15 **Change in FTE: 0**

16 **Change in Wages: \$38,173**

17 There are no planned changes in staffing from 2023 to 2024.

18 **Non-Management:**

19 **Change in FTE: 0**

20 **Change in Wages: \$61,062**

21 There are no planned changes in staffing from 2023 to 2024.

22

23 **Basis for Performance Pay**

24 OHL's basis for performance pay, eligible employee groups, goals, measures, and review  
25 process for pay-for-performance plans is documented above under "Description of Workforce  
26 Plans".

27

28 **Relevant Studies**

29 OHL participates in the MEARIE Group's annual Management Salary Survey of Local  
30 Distribution Companies prepared by Korn Ferry/Eckler and uses this information in setting  
31 salary ranges that are market competitive with other utilities.

32

33

### 4.3.1.3 SECTION FOR VIRTUAL UTILITIES

OHL confirms that it is not a virtual distributor.

### 4.3.1.4 EMPLOYEE BENEFIT PROGRAMS

The following section includes details of employee benefit programs including pensions, other post-employment retirement benefits (“OPEBs”), and other costs charged to OM&A. A detailed summary of benefit program costs is presented in the table below which includes a breakdown of the benefit expenses for 2014 to 2022 Actual, 2023 Bridge Year and 2024 Test Year.

#### Benefits

A comprehensive and competitive benefits package exists which includes health and dental insurance, life insurance, vacation and leave policies. The plans are designed to address the health and wellness needs of the employees, with similar plans for both union, non-union and management employees. OHL pays 100% of employee premiums for benefits.

The table below includes a breakdown of the benefit expenses for 2014 to 2022 Actual, 2023 Bridge Year and 2024 Test Year.

**Table 4-39 – Benefit Expenses**

Benefit Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CPP	54,284	54,571	49,485	46,495	50,385	54,416	58,438	64,043	68,877	75,198	82,305
EI	20,677	20,635	18,701	15,360	16,932	17,303	17,436	18,384	19,121	23,261	25,226
EHT	37,086	37,503	36,824	32,773	33,646	36,696	38,082	38,259	39,182	38,228	40,111
WSIB	15,648	18,219	14,862	16,830	20,917	20,997	19,858	20,557	20,107	21,282	22,058
<b>Total Statutory Deductions</b>	<b>127,695</b>	<b>130,928</b>	<b>119,872</b>	<b>111,459</b>	<b>121,881</b>	<b>129,411</b>	<b>133,813</b>	<b>141,243</b>	<b>147,286</b>	<b>157,970</b>	<b>169,700</b>
OMERS	193,633	195,058	164,218	150,736	172,108	192,810	192,886	188,253	196,157	206,053	215,168
Health Benefits	123,506	120,427	104,890	97,309	105,560	112,434	120,329	107,991	122,304	155,614	171,296
Life Insurance	7,236	7,071	6,196	5,165	4,939	5,033	5,074	4,894	5,129	5,444	5,708
<b>Total Company</b>	<b>324,374</b>	<b>322,557</b>	<b>275,304</b>	<b>253,209</b>	<b>282,507</b>	<b>310,278</b>	<b>318,289</b>	<b>301,139</b>	<b>323,590</b>	<b>367,111</b>	<b>392,171</b>
<b>Total Benefit Costs</b>	<b>452,069</b>	<b>453,485</b>	<b>395,176</b>	<b>364,668</b>	<b>404,487</b>	<b>439,689</b>	<b>452,102</b>	<b>442,382</b>	<b>470,876</b>	<b>525,080</b>	<b>561,871</b>

#### OMERS Pension Plan

OHL’s employees are members of the Ontario Municipal Employees Retirement System (“OMERS”). OMERS is a multi-employer pension plan that most LDCs participate in, therefore the pension benefit provided to OHL’s employees is consistent with that of other LDCs. The plan is a contributory defined benefit pension plan which is financed by equal contributions from the employer and employee based on the employee’s contributory earnings. OHL’s pension premium information is detailed in Table 4-39 above.

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**4.3.1.5 MOST RECENT ACTUARIAL REPORT**

OHL’s latest Actuarial Report is found in Appendix 4-B OHL Actuarial Report as at December 31, 2021.

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**4.3.1.6 ACCOUNTING METHOD FOR PENSION AND OPEB’S**

OHL uses the accrual accounting in rate setting for pension and OPEB amounts. This is not a change in the basis in which pension and OPEB costs are included in OM&A from OHL’s last rebasing application. The accrued benefit obligations and current service cost are calculated using the projected benefit method prorated on service and based on assumptions that reflect Management’s best estimates.

RSM Canada Consulting LP performed the last actuarial valuation of the post-retirement non-pension benefits sponsored by OHL to determine the accounting results for those benefits. OHL completes an actuarial valuation every three years.

Employees with a minimum of fifteen (15) years of service and who were hired before September 30, 2018 have the option to participate in Post-Retirement Health and Dental Benefits. All employees who retire from OHL will continue to be insured for a reduced Retirement Life Insurance benefit based on years of service in the plan. The accrued expense is based on an actuarial valuation.

A breakdown of OPEB expenses that are charged to OM&A are shown below in Table 4-40.

**Table 4-40 – OPEB expenses charged to OM&A**

Post Retirement Benefits	2014 BA	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge	2024 Test
OM&A	36,559	36,905	4,718	34,285	23,064	17,656	18,884	31,306	10,548	40,333	44,705	46,995
Capital	0	0	0	0	0	0	0	0	0	0	0	0

The accrual actuarial costs are directly from the Actuarial report provided in Appendix 4-B OHL Actuarial Report as at December 31, 2021.



## 4.3.2 SHARED SERVICES AND CORPORATE COST ALLOCATION

### 4.3.2.1 SHARED SERVICES AMONG AFFILIATES AND PARENT COMPANY

This section documents OHL’s shared services with its affiliated entities. OHL provides water and sewer billing and street light maintenance to the Town of Orangeville, and water and sewer billing to the Town of Grand Valley.

The Services Agreement for water and sewer billing between OHL and the Town of Orangeville was signed in 2002. Updated processes take place periodically with mutual agreement between parties, along with updated pricing which is determined on an annual basis. These services include all associated clerical, labour and administrative services for meter reading, bill preparation and presentment, payment processing, collections, bad debt management, and customer care.

OHL has been providing water and sewer billing to the Town of Grand Valley since 2009, when Orangeville Hydro merged with Grand Valley Energy. In 2022, a services agreement was signed with the Town of Grand Valley. The services provided to both affiliates are essentially the same.

As a result of OHL providing water and sewer billing services to the Town of Orangeville and the Town of Grand Valley, all corporations end up with a greater return on each dollar spent. Costs related to the water billing are divided as per number of customers being billed between the two entities or on the actual cost. In accordance with Article 340 of the APH, the utility confirms that there is no cross-subsidization between regulated and non-regulated or non-rate-regulated distributor lines of business. OHL confirms that pricing for these services is based on a transfer pricing methodology that adheres to the ARC’s transfer pricing rules.

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#### 1 4.3.2.2 ALLOCATION METHODOLOGY FOR CORPORATE AND SHARED 2 SERVICES

3 The allocation methodology is cost based, as demonstrated in Appendix 2-N and any specific  
4 services were allocated to the appropriate affiliates.

5  
6 On an annual basis, when the budget is being completed, the CFO and the Manager of  
7 Customer Service review the relevant shared expenses to determine whether the allocation  
8 methodology is appropriate or requires revision.

9  
10 Actual costs, where easily identified, are charged directly to the water/sewer sub-account of  
11 4380-Expenses for Non-Rate-Regulated Utility Operations. However, shared expenses that  
12 apply to both electric, water and sewer billing are split based on a pre-determined percentage,  
13 as explained below. OHL believes this methodology is most appropriate as it ensures that  
14 electric customers are not subsidizing the water and sewer billing. By providing water and sewer  
15 billing the costs that would have been borne totally by the electricity customers are now being  
16 split with the Municipalities, with both entities benefiting from the cost sharing arrangement. This  
17 cost allocation and shared services methodology does not result in any additional costs being  
18 allocated to OHL than if OHL was a stand-alone entity, there is actually a cost savings to OHL  
19 by sharing some costs through the water and sewer billing services. OHL asserts that this cost-  
20 base method conforms to the ARC. There has been no third-party review of this methodology.  
21 OHL was part of a working group with USF to review the ARC and how costs are being  
22 allocated.

23  
24 OHL's allocation methodology is as follows:

- 25  
26 • Customer service salary, benefits and burden costs are separated between electric and  
27 water/sewer based on time spent for billing and collecting, ranging between 35% and  
28 45% of their total salary, benefits and burden costs.
- 29 • General office maintenance expenses such as utility costs, property taxes, office  
30 cleaning, lawn maintenance, and other general office contractors are split between 60%  
31 electric and 40% water.
- 32 • Almost all billing and collecting related costs are split between 60% electric and 40%  
33 water.

- 1 • Directly allocated costs to water billing are expenses that are incurred only for the  
2 purposes of billing water and sewer. These costs are charged to 100% water billing.  
3 These include water meter reading costs and IVR calling to customers specifically for  
4 overdue water and sewer bills. Any other costs that are specifically related to water  
5 billing would be allocated 100% to water when incurred.  
6

7 When the annual budget is completed, the allocators are reviewed to determine if a change  
8 needs to be made. For salary expenses, the Manager of Customer Service works with the  
9 customer service staff to determine the amount of time spent on electric bills versus  
10 water/sewer bills and adjusts the allocation accordingly. The other expense allocation  
11 percentages are based on how directly related the expenses are to the billing and collecting  
12 process. Many of these expenses are incurred whether water billing and collecting takes place,  
13 therefore there is a significant savings to electric customers. All expenses are coded at the GL  
14 level, when the expense is paid, directly to the non-utility expense account of 4380.

15 In 2019, the property taxes allocation was changed from 25% to 40% to be more in line with  
16 other allocated expenses.  
17  
18

1 4.3.2.3 SERVICE PROVIDED OR RECEIVED FOR HISTORICAL, BRIDGE AND  
2 TEST YEARS

3  
4 OEB Appendix 2-N Shared Services/Corporate Cost Allocation are presented below:

5 **Table 4-41 – Appendix 2-N - Shared Services/Corporate Cost Allocation**

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	Labour	Cost Based		\$ 26,596
OHL	Town of Orangeville	Vehicles	Cost Based		\$ 8,898
OHL	Town of Orangeville	Materials	Cost Based		\$ 14,403
OHL	Town of Orangeville	Contractor	Cost Based		\$ 1,669
OHL	Town of Orangeville	Revenue	10% of Cost	\$ 57,286	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	Labour	Cost Based		\$ 114,422
OHL	Town of Orangeville/Grar	Office Supplies	Cost Based		\$ 21,969
OHL	Town of Orangeville/Grar	Building Maintenance	Cost Based		\$ 14,706
OHL	Town of Orangeville/Grar	Contractors	Cost Based		\$ 50,501
OHL	Town of Orangeville/Grar	Utilities/Property Taxes	Cost Based		\$ 27,351
OHL	Town of Orangeville/Grar	Postage/Stationary	Cost Based		\$ 44,053
OHL	Town of Orangeville/Grar	Meter Reading	# of reads		\$ 51,687
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$ 375,133	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$ 20,000	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$33,552
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$8,470
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$14,767
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$699
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$63,697	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$106,044
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$986
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$110,569
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$111,967
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$401,072	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$24,617	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$27,554
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$7,795
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$4,268
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$783
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$42,975	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$102,962
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$485
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$107,019
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$111,143
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$376,186	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$25,093	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$12,464
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$3,335
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$11,863
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$1,295
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$31,613	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$106,148
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$20
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$102,304
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$118,519
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$383,389	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$15,527	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$12,867
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$4,065
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$2,391
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$1,314
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$22,557	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$102,227
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$0
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$117,744
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$124,362
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$392,883	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$21,118	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$14,617
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$4,360
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$8,545
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$2,533
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$30,495	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$113,903
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$60
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$113,823
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$128,442
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$403,924	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$26,916	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$15,026
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$4,640
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$2,199
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$4,598
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$25,810	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$157,584
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$1,300
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$113,418
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$153,478
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$414,227	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$36,161	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$21,083
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$9,468
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$6,351
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$1,069
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$34,862	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$170,213
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$60
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$69,863
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$177,723
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$421,736	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$7,705	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$16,032
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$5,115
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$3,413
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$1,180
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$81,291	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$131,650
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$429
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$76,140
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$205,712
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$430,058	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$24,437	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		<b>Streetlight Maintenance</b>			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$20,110
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$4,095
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$8,288
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$1,664
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$28,775	
		<b>Water Billing</b>			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$143,120
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$3,530
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$83,015
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$224,081
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$443,251	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$36,121	



Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		Streetlight Maintenance			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$17,156
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$3,494
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$7,071
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$1,420
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$36,486	
		Water Billing			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$141,944
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$3,501
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$82,333
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$222,240
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$469,459	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$37,927	

Year:

**Shared Services**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
		Streetlight Maintenance			
OHL	Town of Orangeville	CC 0-1 Labour	Cost Based		\$17,499
OHL	Town of Orangeville	CC 2 Trucks	Cost Based		\$3,563
OHL	Town of Orangeville	CC 3-5 Materials	Cost Based		\$7,212
OHL	Town of Orangeville	CC 6-9 Contract	Cost Based		\$1,448
OHL	Town of Orangeville	Revenue	10%-15% of costs	\$37,216	
		Water Billing			
OHL	Town of Orangeville/Grar	CC 0-1 Labour	Cost Based		\$155,512
OHL	Town of Orangeville/Grar	CC 2 Trucks	Cost Based		\$3,836
OHL	Town of Orangeville/Grar	CC 3-5 Administration	Cost Based		\$90,203
OHL	Town of Orangeville/Grar	CC 6-9 Contract	Cost Based		\$243,483
OHL	Town of Orangeville/Grar	Revenue-Water Billing	Market Rate x # of customers	\$502,233	
OHL	Town of Orangeville/Grar	Revenue-late Penalties	# of Late Penalties	\$39,823	

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4.3.2.4 RECONCILIATION BETWEEN 2-N SHARED SERVICES AND OTHER REVENUE

The table below provides a reconciliation between Appendix 2-N Shared Services / Corporate Cost Allocation and the Other Revenue breakdown for affiliated revenues and expenses.

**Table 4-42 – Reconciliation between Appendix 2-N and Other Revenue**

Section	USoA #	USoA Description	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Other Revenue	4375	Revenue Non-Utility/Water	\$ (401,072)	\$ (376,186)	\$ (383,389)	\$ (392,883)	\$ (403,924)	\$ (414,227)	\$ (421,736)	\$ (430,058)	\$ (443,251)	\$ (469,459)	\$ (502,233)
	4375	Water/Sewer Penalties	\$ (24,617)	\$ (25,093)	\$ (15,527)	\$ (21,118)	\$ (26,916)	\$ (36,161)	\$ (7,705)	\$ (24,437)	\$ (36,121)	\$ (37,927)	\$ (39,823)
	4375	Revenue Non-Utility/Streetlights	\$ (63,697)	\$ (42,975)	\$ (31,613)	\$ (22,557)	\$ (30,495)	\$ (25,810)	\$ (34,862)	\$ (61,291)	\$ (28,775)	\$ (36,486)	\$ (37,216)
Appendix 2-N	4375	Revenue Non-Utility/Water	\$ (401,072)	\$ (376,186)	\$ (383,389)	\$ (392,883)	\$ (403,924)	\$ (414,227)	\$ (421,736)	\$ (430,058)	\$ (443,251)	\$ (469,459)	\$ (502,233)
	4375	Water/Sewer Penalties	\$ (24,617)	\$ (25,093)	\$ (15,527)	\$ (21,118)	\$ (26,916)	\$ (36,161)	\$ (7,705)	\$ (24,437)	\$ (36,121)	\$ (37,927)	\$ (39,823)
	4375	Revenue Non-Utility/Streetlights	\$ (63,697)	\$ (42,975)	\$ (31,613)	\$ (22,557)	\$ (30,495)	\$ (25,810)	\$ (34,862)	\$ (61,291)	\$ (28,775)	\$ (36,486)	\$ (37,216)
	Variance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Section	USoA #	USoA Description	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Bridge Year	2024 Test Year
Other Revenue	4380	Expenses Non-Utility Water	\$ 329,565	\$ 321,610	\$ 326,991	\$ 344,333	\$ 356,228	\$ 425,780	\$ 417,859	\$ 413,930	\$ 453,746	\$ 449,944	\$ 492,959
	4380	Expenses Non-Utility Streetlights	\$ 57,487	\$ 40,400	\$ 28,957	\$ 20,637	\$ 30,055	\$ 26,463	\$ 37,971	\$ 25,740	\$ 34,157	\$ 29,214	\$ 29,798
Appendix 2-N	4380	Expenses Non-Utility Water	\$ 329,566	\$ 321,609	\$ 326,991	\$ 344,333	\$ 356,228	\$ 425,780	\$ 417,859	\$ 413,931	\$ 453,746	\$ 450,018	\$ 493,034
	4380	Expenses Non-Utility Streetlights	\$ 57,488	\$ 40,400	\$ 28,957	\$ 20,637	\$ 30,055	\$ 26,463	\$ 37,971	\$ 25,740	\$ 34,157	\$ 29,140	\$ 29,723
	Variance		\$ (1)	\$ 1	\$ 0	\$ 0	\$ 1	\$ (0)	\$ (0)	\$ (1)	\$ (0)	\$ (0)	\$ 0

4.3.2.5 SHARED SERVICES AND CORPORATE COST VARIANCE ANALYSIS

Appendix 2-N has been completed for 2014 Board Approved to 2024 Test Year as part of the Chapter 2 Appendices. Table 4-43 shown below details the variances from the 2014 Board Approved to the 2024 Test Year.

**Table 4-43 – Shared Services Variance Analysis – 2024 Test Year vs 2014 Board Approved**

Name of Company		Service Offered	Pricing Methodology	2014 Board Approved	2024 Test Year	Variance
From	To					
OHL	Town of Orangeville	<b>Streetlight Maintenance</b>				
OHL	Town of Orangeville	Labour	Cost Based	\$ 26,596	\$ 17,499	\$ (9,097)
OHL	Town of Orangeville	Vehicles	Cost Based	\$ 8,898	\$ 3,563	\$ (5,334)
OHL	Town of Orangeville	Materials	Cost Based	\$ 14,403	\$ 7,212	\$ (7,191)
OHL	Town of Orangeville	Contractor	Cost Based	\$ 1,669	\$ 1,448	\$ (221)
OHL	Town of Orangeville/Grand Valley	<b>Water Billing</b>				
OHL	Town of Orangeville/Grand Valley	Labour	Cost Based	\$ 114,422	\$ 155,512	\$ 41,090
OHL	Town of Orangeville/Grand Valley	Vehicles	Cost Based		\$ 3,836	\$ 3,836
OHL	Town of Orangeville/Grand Valley	Administration	Cost Based	\$ 93,372	\$ 90,203	\$ (3,170)
OHL	Town of Orangeville/Grand Valley	Contractor	Cost Based	\$ 116,894	\$ 243,483	\$ 126,589

The material variances are summarized as follows:

- Street light maintenance costs have reduced since 2014, as most of the streetlights were converted to LED lights within this historical period, and therefore less maintenance is required.
- Labour costs are allocated based on the amount of time expected to be spent on water and sewer billing and collecting. The labour rates have increased year over year based on the collective agreement, along with a higher allocation of time spent is being used in 2024 over 2014.
- Contractor costs have more than doubled. This is mainly due to an increase in costs related to the CIS, as well as the printing and mailing costs for distribution of paper bills to the customers. The cost of meter reading, which is entirely outsourced, has also increased since 2014.

Table 4-44 shown below details the variances from the 2024 Test Year to 2022 Actuals.

**Table 4-44 – Shared Services Variance Analysis – 2024 Test Year vs 2022 Actuals**

Name of Company		Service Offered	Pricing Methodology	2022 Board Approved	2024 Test Year	Variance
From	To					
OHL	Town of Orangeville	<b>Streetlight Maintenance</b>				
OHL	Town of Orangeville	Labour	Cost Based	\$ 20,110	\$ 17,499	\$ (2,611)
OHL	Town of Orangeville	Vehicles	Cost Based	\$ 4,095	\$ 3,563	\$ (532)
OHL	Town of Orangeville	Materials	Cost Based	\$ 8,288	\$ 7,212	\$ (1,076)
OHL	Town of Orangeville	Contractor	Cost Based	\$ 1,664	\$ 1,448	\$ (216)
OHL	Town of Orangeville/Grand Valley	<b>Water Billing</b>				
OHL	Town of Orangeville/Grand Valley	Labour	Cost Based	\$ 143,120	\$ 155,512	\$ 12,392
OHL	Town of Orangeville/Grand Valley	Vehicles	Cost Based	\$ 3,530	\$ 3,836	\$ 306
OHL	Town of Orangeville/Grand Valley	Administration	Cost Based	\$ 83,015	\$ 90,203	\$ 7,188
OHL	Town of Orangeville/Grand Valley	Contractor	Cost Based	\$ 224,081	\$ 243,483	\$ 19,402

The material variances are summarized as follows:

- For water and sewer billing and collecting, labour costs have increased in accordance with the collective agreement. Contractor costs are expected to increase, with many costs from suppliers including inflationary increases.

#### 4.3.2.6 BOARD OF DIRECTOR COSTS FOR AFFILIATES INCLUDED IN LDC COSTS

OHL confirms that it has not included any Board of Director costs for affiliates in the LDC costs.

#### 4.3.3 PURCHASES OF NON-AFFILIATE SERVICES

##### 4.3.3.1 PURCHASES OF NON-AFFILIATE SERVICES

OHL's Purchasing Policy is attached as Appendix 4-C Purchasing Policy. OHL purchases equipment, materials, and services in a cost-effective manner with full consideration given to price as well as product quality, the ability to deliver on time, reliability, compliance with engineering specifications and quality of service. Vendors are screened to ensure knowledge, reputation, and the capability to meet OHL's needs. The procurement of goods and/or services for OHL is carried out with the highest ethical standards and consideration to the public nature of the expenditures.

1 The policy details the following:

- 2 • When the total expenditure for goods or services is above \$10,000, quotations will be  
3 solicited from at least three suppliers.  
4
- 5 • Tenders and Requests for Proposals (“RFP”) are required when determined by the  
6 Board of Directors or the President. Depending on the nature of the work and estimated  
7 expense, this could be a formal or an informal process.  
8
- 9 • The quotation process may be omitted (ie: single/sole source) in an emergency declared  
10 by the President or their designate. The sole source purchase must be approved by the  
11 President and a Department Manager.  
12

13 OHL’s procurement methods are subject to the rules and internal controls that OHL has built  
14 into their system. The purpose being to provide visibility on the acquisition and to have an  
15 authorized approval for all goods and services purchased. Approval authorizations are tied to  
16 specific positions within OHL with specific dollar limitations and varies depending on if the  
17 purchases were budgeted.  
18

19 OHL’s 2022 vendor list over the materiality threshold of \$10,000 is presented in Table 4-45.

1

**Table 4-45 – Products and Services from Non-Affiliates**

Supplier Name	Service Product	Procurement Method	Amount
I.M.O.	Electricity	Single Source	24,948,464
Hydro One Networks Inc.	Distributor	Single Source	4,965,714
AVERTEX Utility Solutions	Maintenance/capital work	Quote/tender	1,829,102
Hydro One Networks Inc	Distributor	Single Source	886,048
OMERS	Pension benefits	Industry	391,427
Canadian Electrical Services	Transformers	RFQ	306,824
UCS	Billing Services	Contract	234,152
BackSpace Computer	IT Services	Contract	199,506
Noramco Electrical	Wire/Cable	RFQ	196,900
MEARIE	Insurance Benefits	Industry	170,883
CAM TRAN CO LTD	Transformers	RFQ	168,144
KUBRA	Mailing Services	Contract	166,363
Sensus	TGB Service Fee	Contract	124,306
Utilismart Corporation	Wholesale and Interval Meter Reading Services	Contract	112,184
Metis Nation of Ontario Brightrigh	Generation	Industry	100,541
OLAMETER	Meter Reading Services	Contract	99,113
Quality Tree Service	Tree Trimming Services	RFQ	95,598
Cable Control Systems Inc	Locate Services	Contract	95,048
Anixter Power Solutions	Line Hardware	RFQ	93,954
Ontario Energy Board	Regulatory	Single Source	67,241
Orangeville Insurance	Insurance	RFQ	52,741
Hood Excavac Services Inc	Hydro Vac Services	RFQ	48,711
RODAN Energy Solutions Inc	Metering Consultant	Market Rate	47,049
Ideal Supply Company Limited	Misc Hardware/Supplies	Market Rate	45,510
STELLA-JONES INC	Wood poles	RFQ	45,240
KPMG LLP	Legal Services	Contract	42,211
Util-Assist	Billing Services	Contract	39,120
Candura Instruments	Metering Equipment	RFQ	38,647
The StressCrete Group	Concrete Poles	RFQ	38,220
Bryans Fuel	Fuel	Contract	35,963
Savage Data Systems Ltd	Billing Services	Contract	30,406
Pearson & Associates Inc	HR Consulting	Contract	29,428
HARRIS COMPUTER SYSTEMS	Support Services	Contract	26,552
Rayburn Construction Ltd	Snow Removal	RFQ	25,754
PAYMENTUS CANADA CORP	Payment Processing	Contract	25,506
Brooklin Concrete Products Ltd	Concrete Vaults/Lids	RFQ	25,178
Intact Insurance Company	Insurance	RFQ	24,303
Professional Services Cleaning Cor	Office Cleaning	RFQ	21,696
Workplace Safety and Insurance	Insurance	Market Rate	20,168
ERTH ( Holdings) Inc	Training	Contract	19,236
BDO Canada LLP	System Support	Contract	17,192
Jubb Utility Supply Ltd	Line Hardware	RFQ	16,650
Bel Volt Sales Ltd	Line Hardware	RFQ	16,617
Barkley Technologies	GIS Server	RFQ	15,865
NAK Cabinetry	Renovations	RFQ	15,860
Borden Ladner Gervais LLP	Legal Services	Market Rate	15,009
Enbridge Consumers Gas	Natural Gas	Single Source	14,804
Brink's Canada Ltd	Bank Deposits	Contract	13,474
Loris Technologies Inc	Software Support	RFQ	13,292
Best Practice & Safety Compliance	Safety Training	Contract	13,165
Tradium Mechanical Inc	HVAC Services	Contract	12,384
Whispering Pines Landscaping	Lawn & Snow Maintenance	RFQ	11,841
On Call Postage	Postage	Market Rate	11,300
Westburne Ruddy Ontario	Line Hardware	RFQ	11,281

2

3

1 All of the above transactions were in compliance with OHL’s procurement policy.  
2 For 2023 Bridge Year and 2024 Test Year, OHL anticipates that many of the same vendors will  
3 be used as in prior years. It should be noted, OHL will continually search for new suppliers and  
4 materials to maintain cost efficiency, address supply chain issues, and maintain quality  
5 standards.

#### 6 7 4.3.4 ONE-TIME COSTS

8 In compliance with OEB policy and the Filing Requirements, certain costs associated with a  
9 CoS application are being amortized over a five-year period.

10  
11 Regulatory costs are being amortized over a period of five years, by including one-fifth of the  
12 total cost in the 2024 Test Year. These regulatory costs, which are explained in detail in the next  
13 section, include costs related to consultants, legal representation, and intervenor costs awards.  
14 In accordance with the Filing Requirements, OHL commits to updating these forecasted costs in  
15 OEB Appendix 2-M at the Draft Rate Order stage of the proceeding.

16  
17 With the exception of the regulatory costs noted above, all other costs presented in the  
18 proposed 2024 Test Year OM&A budget are considered regular year over year expenses.

#### 19 20 4.3.5 REGULATORY COSTS

21 Regulatory costs for OHL include the OEB’s cost assessments and license fees, intervenor and  
22 other cost awards, professional services (legal and consulting) and cost of service applications.

23  
24 OHL’s regulatory costs are the one-time costs associated with the CoS application. These costs  
25 total \$197,362 or \$39,472 per year amortized over the period 2024 to 2028.

26

1

**Table 4-46 – 2024 Regulatory Costs (One-Time)**

Regulatory Costs (One-Time)		2024 Test Year
1	Expert Witness costs	
2	Legal costs	40,000
3	Consultants' costs	88,000
4	Incremental operating expenses associated with staff resources allocated to this application.	
5	Incremental operating expenses associated with other resources allocated to this application. <sup>1</sup>	
6	Intervenor costs	69,362

2

3

4 The total costs above include intervenor costs awards, assuming no oral hearing. As an  
5 effort to keep OM&A costs to a minimum, and as noted at Exhibit 1, the utility wishes to proceed  
6 with the review of the application by way of written hearing. However, if the OEB requires the  
7 utility to go to an oral hearing, the utility reserves the right to increase its Regulatory Costs  
8 accordingly. Further, the intervenor costs assume four intervenors (three of which are cost  
9 eligible) which is consistent with OHL's 2014 CoS. OHL reserves the right to increase the  
10 intervenor costs if additional intervenors apply for cost eligible status in the 2024 CoS  
11 Application.

12

13 OHL's internal labour costs to prepare the CoS applications have not been included in the USoA  
14 5655. Instead, labour costs for regulatory employees, as well as personnel from other  
15 departments have been reflected in the budgeted general operations, maintenance, and  
16 administrative expense accounts.

17

18 OHL incurred an administrative penalty in 2022 related to an Assurance of Voluntary  
19 Compliance ("AVC") issued by the OEB on November 25, 2022, for over-billing customers more  
20 than the OEB-approved fixed charges. OHL will not be seeking recovery of these AVC  
21 expenses in the 2024 rates.

22

23 Table 4-47 includes Appendix 2-M which details regulatory costs for the last rebasing year  
24 (Board Approved and Actuals), one historical year, bridge, and test year. All regulatory costs  
25 listed are tracked in account 5655 – Regulatory Expenses. All one-time costs identified in the  
26 2024 Test Year are amortized over a period of five years (2024 – 2028) such that one-fifth of  
27 these costs are included in OHL's 2024 revenue requirement.



**Table 4-47 – Regulatory Costs**

Regulatory Cost Category	USoA Account	USoA Account Balance	Last Rebasing Year (2014 OEB Approved)	Last Rebasing Year (2014 Actual)	Most Current Actuals Year 2022	2023 Bridge Year	Annual % Change	2024 Test Year	Annual % Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)=[(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
<b>Regulatory Costs (Ongoing)</b>									
1	OEB Annual Assessment	5655	33,660	38,189	74,600	100,207	34.33%	81,241	-18.93%
2	OEB Section 30 Costs (OEB-initiated)	5655	1,994	924	5,604	1,000	-82.15%	4,500	350.00%
3	Expert Witness costs for regulatory matters								
4	Legal costs for regulatory matters		11,600		3,232	11,510	256.13%	8,000	-30.50%
5	Consultants' costs for regulatory matters	5630	10,400					17,600	
6	Operating expenses associated with staff resources allocated to regulatory matters	5615	102,130						
7	Operating expenses associated with other resources allocated to regulatory matters <sup>1</sup>	5655							
8	Other regulatory agency fees or assessments	5655							
9	Any other costs for regulatory matters (please define)	5610	27,543						
10	Intervenor costs	5655	8,000					13,872	

The table below itemizes the One-Time costs that were incurred historically, as well as forecasted 2024 One-time costs.

**Table 4-48 – One-Time Regulatory Costs**

Regulatory Costs (One-Time)	Last Rebasing Year (2014 OEB Approved)	Last Rebasing Year (2014 Actual)	Most Current Actuals Year 2022	2023 Bridge Year	2024 Test Year
1	Expert Witness costs				
2	Legal costs	19,840	20,507		40,000
3	Consultants' costs	36,845	20,507	25,000	88,000
4	Incremental operating expenses associated with staff resources allocated to this application.	1,998	4,046		
5	Incremental operating expenses associated with other resources allocated to this application. <sup>1</sup>				
6	Intervenor costs	40,000	53,355		69,362
7	OEB Section 30 Costs (application-related)				
8	AVC administrative penalty			5,000	

**4.3.6 LOW-INCOME ENERGY ASSISTANCE PROGRAMS (“LEAP”)**

As set out in the March 2009, OEB issued Report of the Board: Low Income Energy Assistance (LEAP Report), OHL has allocated at least 0.12% of its OEB-approved distribution revenue requirement to provide consumers assistance in response to affordability issues. OHL had included LEAP funding under Community Relations in its 2014 CoS application.

In 2020, pursuant to an OEB letter of July 20, 2020, titled Enhanced Funding for LEAP Emergency Financial Assistance for 2020, OHL made a one-time 50% increase to their fiscal year funding amount.

In 2021, pursuant to an OEB letter of July 20, 2021, titled July 2021 Cost Assessment Invoice and Temporary Changes to the Screening Guidelines for the Low-income Energy Assistance Program – Emergency Financial Assistance, the OEB decided that it was in the public interest to use a portion of the funds to offset the July 2021 cost assessment invoice amounts for Distributors. It was the OEB’s expectation that utilities like OHL would supplement their LEAP EFA budget for 2021 by the same amount, to assist consumers that needed it most.

**Table 4-49 – LEAP Contributions**

LEAP	2014 Board Approved	2014 Actuals MIFRS	2015 Actuals MIFRS	2016 Actuals MIFRS	2017 Actuals MIFRS	2018 Actuals MIFRS	2019 Actuals MIFRS	2020 Actuals MIFRS	2021 Actuals MIFRS	2022 Actuals MIFRS	2023 Bridge MIFRS	2024 Test MIFRS
6205 - LEAP Contributions		11,924	5,711	5,711	7,388	6,270	6,259	9,388	6,259	6,259	6,259	8,303
<b>Total LEAP</b>	<b>\$0</b>	<b>\$11,924</b>	<b>\$5,711</b>	<b>\$5,711</b>	<b>\$7,388</b>	<b>\$6,270</b>	<b>\$6,259</b>	<b>\$9,388</b>	<b>\$6,259</b>	<b>\$6,259</b>	<b>\$6,259</b>	<b>\$8,303</b>

The 2024 LEAP contribution of \$8,303 is a placeholder. OHL acknowledges that the LEAP amount will be adjusted to account for changes resulting from the Board’s decision on the final service revenue requirement.

OHL has partnered with County of Dufferin to assist in the LEAP program intended to provide emergency relief to eligible low-income customers who may be having trouble paying current arrears to OHL.

In compliance with OEB policy, OHL:

- Collects money from ratepayers for LEAP EFA in the amount approved by the OEB.
- Transfers program funds to the County of Dufferin.
- Determines funding allocations within their service territory by geography.
- Establishes partnerships, contracts, and operational procedures with the Help Centre.
- Receives, records, and takes appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) that an assessment of eligibility is being undertaken.
- Receives, records, and takes appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) of decision on applications.
- Confirms customer and account information used in determining program eligibility, including information on payment history.

- Reports to the OEB in accordance with OEB reporting requirements through filings 2.1.16.

#### 4.3.7 CHARITABLE AND POLITICAL DONATIONS

OHL confirms that no charitable or political donations have been included in OM&A expenses for the 2024 Test Year, other than the noted LEAP funding.

#### 4.4 CONSERVATION AND DEMAND MANAGEMENT

OHL has historically been an active participant in managing and implementing the provincial government's CDM Programs. However, in March 2019, the Minister of Energy, Northern Development and Mines ("MEDM") issued directives to the OEB and the IESO with the effect of concluding the Conservation First Framework ("CFF") but allowing certain projects in progress to be completed by August 31, 2022, and if certain conditions are met the deadline for completion may be extended to December 31, 2022.

Currently, CDM activity under the provincial 2021-2024 CDM Framework is centralized under the IESO and funded through the Global Adjustment ("GA") mechanism. The 2021 CDM Guidelines indicate that any efforts by LDCs to support these IESO programs should be limited in nature and non-duplicative of the IESO's activities, and that LDCs should not request funding through distribution rates for dedicated CDM staff to support IESO programs.

As a result, OHL confirms that there are no capital nor OM&A costs included in 2024 related to the 2021-2024 CDM Framework, nor any future CDM framework. Furthermore, currently OHL does not intend to participate in the IESO's Local Initiatives Program ("LIP").

APPENDIX 4-A COLLECTIVE AGREEMENT OCTOBER 1, 2018 – SEPTEMBER 30,  
2023

ORANGEVILLE HYDRO LIMITED

Hereinafter referred to as

“the Board”

and

POWER WORKERS' UNION (CUPE Local 1000)

Hereinafter referred to as

“the Union”

OCTOBER 1, 2018 TO SEPTEMBER 30, 2023

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## **ARTICLE 1 - PURPOSE AND COVERAGE**

- 1.01 The purpose of this Agreement is to maintain a harmonious relationship between the Board and its employees, and to provide an orderly and amicable method of settling differences or grievances which might possibly arise.

## **ARTICLE 2 - MANAGEMENT'S RIGHTS**

- 2.01 The Union agrees that the Board has the exclusive right to manage the Board's affairs, to direct staff, and to hire, promote, transfer, layoff, suspend, discharge or discipline employees for just cause.
- 2.02 The Board also has the right to make and alter from time to time, rules and regulations to be observed by the employees, provided that no change shall be made by the Board in such rules and regulations without prior notice to, and discussion with the Union at Labour Relations meetings.
- 2.03 The Board agrees that these functions will be exercised in a manner consistent with the provisions of this Agreement and a claim that the Board has exercised any of these rights in a manner inconsistent with any of the provisions of this Agreement, may be treated as a grievance and processed in accordance with Article 4.

## **ARTICLE 3 - UNION RECOGNITION AND SECURITY**

- 3.01 The Board agrees to recognize the Union as the exclusive collective bargaining agent for all employees (including part-time) of Orangeville Hydro Limited, save and except supervisors, persons above the rank of supervisor and cooperative/students employed during the school vacation period, in respect to hours of work, wages and working conditions.
- 3.02 It is agreed that all employees eligible to become members of this Union will pay an amount equal to the current monthly dues as a condition of employment.
- 3.03 Each week, the Board shall deduct an amount (or amounts) equivalent to regular weekly union dues from each employee in the bargaining unit. The monies deducted shall be remitted to the Union's Financial Officer prior to the end of each following calendar month. The President or the Financial Officer of the Union shall notify the Board, in writing, of the amount of such weekly dues to be deducted under this section and, from time to time, of any changes in the amount thereof. Payroll deductions will not include any fines. Union dues will be included on the employee's T4 slip. Deductions to commence from date of hire.
- 3.04 In consideration of the deduction and forwarding service by the Board, the Union agrees to indemnify and save the Board harmless against any claim or liability arising out of, or resulting from the collection and forwarding of these dues.
- 3.05 The Board and the Union agree that there shall be no discrimination, interference, restriction, coercion, harassment, intimidation or stronger disciplinary action, exercised or practiced with respect to an employee by reason of age, race, creed, colour, national origin, political or religious affiliation, sex, sexual orientation or handicap.

## **ARTICLE 4 - GRIEVANCE PROCEDURE**

- 4.01 Complaints and grievances with respect to the interpretation, application, administration or alleged violation of the provisions of this agreement shall be dealt with in the following manner, and all grievances must be in writing and submitted to Management within fifteen (15) calendar days of the alleged grievance. Replies to grievances will also be in writing at all stages.
- 4.02 Step 1:  
The employee, with the assistance of a steward, will take the grievance up with the immediate Management supervisor. Failing settlement at this level within one (1) calendar week, the employee, within two (2) calendar weeks from Management's reply, may then proceed to Step 2.
- 4.03 Step 2:  
The employee, with the assistance of a steward, will take the grievance up with the Department Head. Failing settlement at this level within one (1) calendar week, the employee, within two (2) calendar weeks from Management's reply, may proceed to Step 3.
- 4.04 Step 3:  
The employee, with the assistance of a steward and/or a Union representative, will take the grievance up with the President, at which time any or all of the people concerned may be present. Failing settlement at this level within thirty (30) calendar days, the matter may then be referred to arbitration.
- 4.05 Policy Grievance  
It is agreed that a grievance arising directly between the Board and the Union shall be originated in writing either directly to the Union Steward, or the Business Representative of the Union or the President and Secretary of the Board within fifteen (15) working days of the incident giving rise to the grievance. The grievances shall be processed commencing at Article 4.04, Step 3. However, it is understood that the provisions of this section may not be used with respect to a grievance that could have been filed by an employee or a group of employees and that the regular grievance procedure shall not be thereby bypassed except by consent of both the Board and the Union.
- 4.06 Arbitration  
It is agreed by the parties hereto that any grievance relating to the interpretation, application, administration or alleged violation of this Agreement which cannot be settled after exhausting the grievance procedure will be settled by arbitration as defined in the Ontario Labour Relations Act. No Board of Arbitration shall have the power to alter the provisions of this Agreement or to substitute any new provisions for any existing provisions. Each party to this Agreement will bear the expenses and fee of its arbitrator and the parties will share equally the expenses and fees of the Chairman.
- 4.07 As an alternative to Board of Arbitration a sole arbitrator may be used if there is a mutual Agreement between both parties.



#### **ARTICLE 4 - GRIEVANCE PROCEDURE CONT'D**

- 4.08 It is understood that the time limits as provided may be extended by mutual written Agreement of the parties. If the time limits provided above and mutually agreed upon time extensions are not observed by the Union, the grievance will be considered abandoned. If such time limits and any agreed upon time extensions are not observed by the Board, then the grievance will be considered to have advanced to the next stage of the Grievance Procedure.
- 4.09 If a grievance involves suspension or discharge of an employee, the grievance shall commence at Step 3.
- 4.10 As an alternative to Article 4.06 the parties may, by mutual agreement, agree to refer a grievance to a Mediator/Arbitrator as a means of settlement. The Mediator/Arbitrator shall be mutually agreed to by the parties and each party shall pay for one half (1/2) of the expenses and remuneration of the Mediator/Arbitrator.

#### **ARTICLE 5 - NO STRIKES OR LOCKOUTS**

- 5.01 The Union and the Board agree that, for the duration of this Agreement there will be no strike or lockout as defined in the Labour Relations Act.

#### **ARTICLE 6 - HOURS OF WORK AND OVERTIME RATES**

- 6.01 The hours of work as follows shall be considered normal working hours and paid at the regular straight time rate of pay as shown on Schedule "A" and Schedule "B".
- 6.02 (a) Operations Department Employees  
The regular work week of Operations Department employees covered by this Agreement shall be forty (40) hours of work per week consisting of five (5) consecutive days of eight (8) hours each, Monday to Friday, between the hours of 07:30 and 16:30 with a thirty (30) minute unpaid lunch (not to be in conflict with the Employment Standards Act of Ontario).
- (b) Administration Department Employees  
The regular work week of Administration Department Employees covered by this Agreement shall be thirty-seven and one-half (37.5) hours per week consisting of five consecutive days of seven and one-half (7.5) hours each, Monday to Friday, between the hours of 07:30 and 16:45 with a thirty (30) minute unpaid lunch (not to conflict with the Employment Standards Act of Ontario)
- (c) Any changes of hours of work for Operations and Administration employees shall be discussed at Labour Relations Committee meetings.
- 6.03 (a) All work performed at other than the regular working hours shall be considered as overtime and payment shall be at the rate of two (2) times the employee's regular straight time rate of pay.
- (b) All work performed on a paid holiday as defined in Article 7, shall be paid at the rate of two (2) times the employee's regular straight time.

## **ARTICLE 6 - HOURS OF WORK AND OVERTIME RATES CONT'D**

- 6.04 (a) Overtime Cancellation Payments - All overtime cancelled within eighteen (18) hours of its scheduled commencement shall result in a cancellation payment of two (2) hours at straight time rate except in the following circumstances:
1. Overtime arranged during normal scheduled hours as an extension to those normal scheduled hours requires no cancellation payments.
  2. Overtime arranged as an extension before the normal hours of work requires no cancellation payment if cancelled with more than sixteen (16) hours' notice prior to its commencement.
- (b) Overtime Minimum Payments  
All scheduled overtime performed, or reported for due to lack of notice of cancellation, shall result in a minimum payment of the greater of two (2) hours at straight time pay or the actual time worked at the appropriate premium rate.
- (c) When employees are called out for emergency work at other than the normal hours of work, a minimum call-out of two (2) hours at the prevailing overtime rate will be paid, except where two (2) or more calls fall within the two (2) hour period, in which case time will be continuous.
- 6.05 (a) On-Call  
It is agreed that two hundred and thirty dollars (\$230.00) effective October 1, 2018, two hundred and thirty five dollars (\$235.00) effective October 1, 2019, two hundred and forty dollars (\$240.00) effective October 1, 2020, two hundred and forty five dollars (\$245.00) effective October 1, 2021, and two hundred and fifty dollars (\$250.00) effective October 1, 2022 per week shall be paid to employees required to be on on-call duty on an alternating basis, which shall not be affected by call-outs, as set forth in this Article.
- (b) Should a holiday (as defined in Article 7) fall during an employee's on-call period, the employee shall be paid an additional sixty dollars (\$60.00) effective October 1, 2018, sixty five dollars (\$65.00) effective October 1, 2020, and seventy dollars (\$70.00) effective October 1, 2022 for that holiday.
- (c) The Board shall supply a communication device to employees who are on call.
- (d) The Board shall provide a vehicle for the person on call for use on Board business only and for travel to and from work.
- 6.06 Employees on on-call duty shall remain available by direct telephone contact within the community from which they shall be ready to proceed to their work location immediately upon notification of trouble from any source. It shall be the responsibility of the employee on-call to keep the answering service informed of the phone number at which they can be reached.
- 6.07 The Board and the Union agree that while employees are on on-call duty they will not perform work for any other authority than the Board.

**ARTICLE 6 - HOURS OF WORK AND OVERTIME RATES CONT'D**

- 6.08 An employee shall receive a meal allowance of fifteen dollars (\$15.00) when working unscheduled overtime for one (1) hour or more prior to normal starting time, two (2) hours past normal quitting time or four (4) consecutive hours.
- 6.09 Break periods of fifteen (15) minutes each are permitted twice each day at a time mutually agreed. There will be no loss of pay during these periods.

**ARTICLE 7 - PAID HOLIDAYS**

- 7.01 (a) The following holidays shall be observed with pay:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Canada Day
Christmas Day	Civic Holiday
Boxing Day	Family Day

Dates observed as holidays shall be posted by January 30 for the calendar year.
  - (b) Three (3) floater days to be taken at a mutually agreeable time between the employee and the Board shall also be granted with pay.
  - (c) In addition the one- half (1/2) working day prior to Christmas Day and the one- half (1/2) working day prior to New Year's Day shall be observed with pay.
- 7.02 Whenever a holiday falls on a Saturday or Sunday, it shall be observed on the following Monday, or the day set aside by the Federal or Provincial Government or local council.
  - 7.03 Regular and probationary employees who are not required to work on a day observed as a holiday, shall receive eight (8) hours regular straight time rate of pay for employees listed on Appendix "A" Operations and seven and one-half (7.5) hours regular straight time rate of pay for employees on Appendix "B" Administration.

**ARTICLE 8 - ANNUAL VACATIONS**

- 8.01 Vacation pay shall mean the normal basic earnings of the employee immediately prior to the date on which vacations monies become payable. In any event, and in the case of probationary employees, vacation payments will be made in accordance with the Employment Standards Act.
- 8.02 For the first two (2) years of employment an employee will be entitled to one (1) day vacation per month to a maximum of ten (10) days per year.
- 8.03 During the first six (6) months of employment no vacation can be taken.
- 8.04 The year in which the employee completes their third year of employment and annually thereafter, fifteen (15) days' vacation with pay shall be granted.

## **ARTICLE 8 - ANNUAL VACATIONS CONT'D**

- 8.05 The year in which the employee completes their eighth year of employment and annually thereafter, twenty (20) days' vacation with pay shall be granted.
- 8.06 The year in which the employee completes their eighteenth year of employment and annually thereafter, twenty five days (25) vacation with pay shall be granted.
- 8.07 The year in which the employee completes their twenty-fifth year of employment and annually thereafter, thirty days (30) vacation with pay shall be granted.
- 8.08 The year in which the employee completes their thirtieth year of employment and annually thereafter, thirty (30) days plus two (2) extra days' vacation with pay shall be granted.
- 8.09 When vacations are in excess of two (2) weeks, only two (2) weeks may be taken between June 15 and Labour Day. Requests to take in excess of two (2) weeks' vacation during this period will be considered on an individual basis and may be granted solely at the discretion of Management.
- 8.10 Under special circumstances, requests to carry over up to one-week (5 days) vacation to the next year may be considered on an individual basis and may be granted solely at the discretion of the Management. Such carry-over days must be taken prior to March 31.
- 8.11 If during vacation an employee is confined to hospital, the employee shall have the right to cease vacation and utilize sick leave credits. Any such displaced vacation shall be taken at a mutually agreeable time between Management and the employee. The employee shall promptly on their return to work and at their own expense furnish Management with a statement from the attending physician certifying the employee's capability to return to work. The cost of this medical certificate/statement shall be at the expense of the Board.
- 8.12 Employees leaving the employ of the Board during the vacation year shall be paid for their earned vacation and unused vacation for which they have not been paid.

## **ARTICLE 9 - SICK LEAVE (SHORT & LONG TERM DISABILITY)**

- 9.01 Short Term Disability (0 to 15 weeks)  
Employees will be granted twelve (12) days per year (one (1) day per month) as one hundred percent (100%) paid sick leave, to a maximum of seventy five (75) working days (fifteen (15) weeks). Illness will require a doctor's certificate if requested by Management. Monthly accumulation of one hundred percent (100%) paid sick days will accrue provided the employee has worked at least seventy five percent (75%) of the working days in the month, excluding vacations, paid holidays and paid leave of absence.
- 9.02 (a) Where an employee has not accumulated seventy-five (75) days of one hundred percent (100%) sick leave, the difference between the accumulated one hundred percent (100%) days and the maximum of seventy-five (75) days, shall be paid at sixty-seven percent (67%) of earnings.

## **ARTICLE 9 - SICK LEAVE (SHORT & LONG TERM DISABILITY) CONT'D**

- (b) If an employee runs out of one hundred percent (100%) paid sick leave, there will still be up to seventy five (75) days (fifteen (15) weeks) of disability coverage at sixty-seven percent (67%) of earnings for any unrelated disability, due to accident or injury.
- 9.03 Exclusions:  
The Short Term Disability plan in 9.01 and 9.02 does not cover disabilities or claims resulting from:
1. While on Pregnancy and/or Parental Leave
  2. Intentionally self-inflicted injuries while sane or insane.
  3. War service in the armed forces, or participation in a criminal act.
  4. Accidental injuries arising out of or in the course of your employment, or disease covered by the Workplace Safety and Insurance Act or similar legislation.
- 9.04 Attendance Bonus  
An employee who has been absent less than five (5) days due to accident, or illness or medical appointments within a calendar year shall receive a cash bonus equal to fifty percent (50%) of the value of the unused time less than five (5) days.
- 9.05 Long Term Disability  
The Board agrees to pay the cost of premiums to provide a long term disability plan, to commence after one hundred and five (105) days (fifteen (15) weeks) from the date of disability which includes the period of payment under the terms of the Short Term Disability coverage, providing sixty-six and two-thirds percent (66 2/3%) of monthly earnings to a maximum of three thousand dollars (\$3,000.00). While an employee is in receipt of this benefit the Board shall continue to pay its share of the cost of premiums for employee benefit plans for a period of up to twelve (12) months, which includes the one hundred and five (105) day (fifteen (15) week) waiting period.
- 9.06 Where an employee finds it necessary to visit a doctor's or dentist's office during working hours, the Board will allow paid time off. Such time off will be charged against the employee's sick leave credit.
- 9.07 If the Board requires a medical note from a qualified physician indicating that the employee is fit to return to work and any work restrictions, the cost of this medical note shall be at the expense of the Board.

## **ARTICLE 10 - HEALTH INSURANCE**

- 10.01 The Board agrees to pay one hundred percent (100%) of the cost of premiums of the MEARIE Extended Health Care Plan or its equivalent. The Board agrees to provide and contribute to the cost of premiums of the plan while the employee is in receipt of normal base wages, or on sick leave, Worker's Safety and Insurance Board payments, or paid leave of absence.
- 10.02 The Board agrees to pay one hundred percent (100%) of the cost of premiums of the MEARIE Dental Plan or equivalent. Current Ontario Dental Association (ODA) fee schedule to be maintained during this Agreement.

## **ARTICLE 10 - HEALTH INSURANCE CONT'D**

- 10.03 The Board agrees to pay one hundred percent (100%) of the cost of premiums of the MEARIE Vision Care, or equivalent, which allows up to three hundred and fifty dollars (\$350.00) towards the purchase of prescription eye wear every twenty-four (24) months.
- 10.04 The Board to pay fifty percent (50%) of cost of premium for Extended Health Care Plan, Dental Plan, and Vision care as outlined in Articles 10.01, 10.02 and 10.03 for retirees who were hired before September 30, 2018 and who have a minimum of fifteen (15) years of service with the Board. To remain in effect until the retiree reaches the age of sixty-five (65) years old or accepts benefits from another provider.

## **ARTICLE 11 - PENSION AND LIFE INSURANCE**

- 11.01 The Board and the employees shall participate in the Ontario Municipal Employees Retirement System, the Canada Pension Plan and the Group Life Insurance Plan as established.

## **ARTICLE 12 - SENIORITY, JOB POSTING, LAYOFF AND RECALL**

- 12.01 Seniority
- (a) Seniority is defined to mean the relative status of employees in the bargaining unit as measured by the length of service with the Board, excluding any period exceeding three (3) months, in which the employee is not at work due to illness, injury, leave of absence or layoff.

This article is not to be in conflict with the Employment Standards Act of Ontario or any other government legislation.

- (b) An employee shall lose seniority and have their name removed from the records if they:
- 1) Quit voluntarily;
  - 2) Are discharged and not reinstated through the grievance procedure;
  - 3) Retire;
  - 4) Are laid off for a period exceeding twelve (12) calendar months;
  - 5) Fail to report to work after a layoff within ten (10) working days of recall, notice of which has been sent by registered mail by the Board to the last address which the employee left with the Board;
  - 6) Are absent from work for three (3) working days or more without leave, unless it is not physically possible to notify Management.
  - 7) Are absent from work for any reason for twenty four (24) consecutive months.

The provisions of this article not to be in conflict with the Employment Standards Act of Ontario for pregnancy and parental leave.

- 12.02 (a) When vacancies occur or new jobs above the rank of beginner are created, these positions will be posted on a bulletin board accessible to all employees for a period of five (5) working days during which time present employees will have an opportunity to apply before outsiders are considered.

## **ARTICLE 12 - SENIORITY, JOB POSTING, LAYOFF AND RECALL CONT'D**

(b) When promoting, demoting or transferring employees covered by this Agreement, qualifications and ability to perform the job satisfactorily shall be the primary consideration. In cases where qualifications and ability are equal among the applicants, seniority shall govern.

(c) Seniority in the Event of a Promotion Outside the Bargaining Unit

If an employee accepts a promotion outside of the bargaining unit and does not return to the bargaining unit within twelve (12) months of the date of the promotion, seniority within the bargaining unit will be lost for the purposes of layoff and recall only. If the employee returns on or before twelve (12) months, their seniority will continue to accrue from the date of promotion.

12.03 (a) Layoff and Recall

Both parties recognize that job security should increase in proportion to length of service. Therefore, in the event of layoff, employees shall be laid off in the reverse order of their seniority. Employees shall be recalled in the order of their seniority provided they are qualified to do the work. An employee will remain eligible for recall for a period of one (1) year from the date of layoff. An employee laid off in one classification will be given the opportunity of displacing an employee with less seniority in a similar or lower classification within the bargaining unit, provided the senior employee has the ability and qualifications to perform the job in a manner which will not affect the efficiency of the department beyond a twenty (20) working day familiarization period.

12.04 (b) No new employees will be hired until those laid off have been given an opportunity of re-employment.

## **ARTICLE 13 - LEAVE OF ABSENCE**

13.01 (a) In the event of death in the immediate family of an employee, the employee will be granted leave of absence with pay for regularly scheduled work days for a period of up to five (5) consecutive working days to make arrangements for or to attend the funeral or to an estate settlement. Immediate family to mean: spouse, son or daughter

(b) In the event of death in the immediate family of an employee, the employee will be granted leave of absence with pay for regularly scheduled work days for a period of up to three (3) consecutive working days to make arrangements for or to attend the funeral or to an estate settlement. Immediate family to mean: father, mother, brother, sister, father-in-law, mother-in-law, daughter-in-law, son-in-law, grandparent, grandchild or any relative living with the employee.

(c) In the event of the death of a sister-in-law, brother-in-law, niece, nephew, aunt or uncle of an employee, the employee will be granted a leave of absence with pay on the day of the funeral in order to attend the funeral.

## **ARTICLE 13 - LEAVE OF ABSENCE CONT'D**

- 13.02 A leave of absence with pay will be granted upon reasonable notice to the Board insofar as the regular operation of the department will permit. These leaves will be granted to persons delegated to represent the membership at Union functions, provided such leave does not exceed five (5) working days, in any one instance. The union will compensate the Board in the following manner:
- (i) Combined absences up to and including fifteen (15) person days - normal rate of pay plus forty-five percent (45%) payroll burden will be reimbursed. Any absences in excess of the fifteen (15) person days - normal rate of pay will be paid plus the Board's normal operating overheads.
  - (ii) The Board agrees to maintain the rate of pay for time spent by employees at grievance meetings if held during regular working hours. No payment shall be made for arbitration or mediation.
- 13.03 The Board shall grant leave of absence without loss of seniority or benefits to an employee who serves as a juror or witness in any court. The Board shall pay such an employee regular earnings at regular rate of pay, excluding payment for travelling, meals, or other expenses. The employee will present proof of service and endorse payment received for jury service or court witness to the Board.
- 13.04 Any employee desiring a leave of absence without pay may be granted such leave on reasonable notice to the Board insofar as the regular operation of the department in which they are employed will permit. Any such leave of absence shall not exceed an amount, which in the opinion of the Board, is reasonable.
- 13.05 Pregnancy/Adoption/Parental Leave(s)  
Any employee of the Board that has completed thirteen (13) weeks of employment will be eligible for the above provisions as outlined in the Employment Standards Act.
- 13.06 Pregnancy/Adoption/Parental Leave  
An employee who is pregnant and who started employment with the Board at least thirteen (13) weeks before the expected birth date is entitled to a leave of absence without pay in accordance with the Employment Standards Act of Ontario.
- An employee who has completed at least thirteen (13) weeks of employment with the Board and who is the parent of a child is entitled to a leave of absence without pay following either the birth of the child, or the coming of the child into the custody, care and control of the parent for the first time, in accordance with the provisions of the Employment Standards Act of Ontario.
- The provisions of the Employment Standards Act will apply with respect to seniority and benefit plans. Details regarding both pregnancy leave and parental leave will be made available.



## **ARTICLE 14 - ALLOWANCES**

### 14.01 Clothing

The Board will supply to regular and probationary employees engaged in line work or other rough work, leather gloves which must be worn by the employees engaged in this type of work. These gloves will be replaced free of charge, when worn out gloves are turned in to the Management.

14.02 (a) Regular employees required to work in a potential flash area must wear fire retardant clothing and each of these regular employees will **initially** be provided with the following:

- Five (5) long-sleeve rugby shirts
- Three (3) pairs of pants
- One (1) summer jacket
- One (1) winter jacket
- One (1) pair of coveralls
- Rain gear

Worn, damaged or unsafe fitting fire retardant clothing will be replaced **October 1<sup>st</sup> of each year with management approval.**

(b) An allowance of two hundred dollars (\$200.00) per contract year shall be paid to regular employees classified as Line Technician, Engineering Technician, Utility Person, and Ground man towards the purchase of approved **work** clothing. Payment to be made upon an **itemized** receipt of purchase.

14.03 An allowance of two hundred and fifty five dollars (\$255.00) effective October 1, 2018, two hundred and sixty dollars (\$260.00) effective October 1, 2019, two hundred and sixty five dollars (\$265.00) effective October 1, 2020, two hundred and seventy dollars (\$270.00) effective October 1, 2021, and two hundred and seventy five dollars (\$275.00) effective October 1, 2022 shall be paid per contract year towards the purchase of CSA approved safety boots for all employees required to wear them, upon surrender of a receipt of purchase or repair.

14.04 Employees required to use their own automobiles on Board business shall be paid the composite rate set by the Canada Revenue Agency annually.

### 14.05 Tools and Equipment

The Board agrees to provide such tools and equipment which are, in the Board's opinion, necessary to carry out the work involved in maintaining service. An employee must return worn out or broken articles in order to receive replacement. An employee will be responsible for replacement of lost tools and equipment for which they have signed for.

### 14.06 Worker's Compensation

Where a regular employee is unable to work due to a compensable injury suffered in the performance of their duties with the Board, pending a settlement of the insurable claim, the Board shall continue to pay the cost of premiums for employee benefits plans for a period of up to twenty-four (24) months.

## **ARTICLE 15 - COMMITTEES AND STEWARDS**

- 15.01 The Board acknowledges the right of the Union to appoint or otherwise select committees and stewards in accordance with the sections of this article. The Union shall advise the Board of the names of personnel serving on these committees and as stewards, it being agreed to limit stewards to one and one alternate steward to act only in the absence from work of the regular steward.
- 15.02 It is acknowledged by the Union that stewards and committee members have regular duties to perform on behalf of the Board and that such persons will not unduly absent themselves from their duties without the expressed permission of the Board and that with this understanding, the Board will not make any pay deductions for attending such meetings during working hours.
- 15.03 Labour Relations Committee  
Consisting of a maximum of two (2) stewards and Representative(s) of the Union and Board representatives with the responsibility of dealing with matters of Labour Relations. The Board will consult with the Union prior to implementing, altering, or deleting Board Policies, procedures and directives. Regular scheduled meetings will be held bi-monthly if required, at a time mutually agreeable to the Union and the Board representatives. An agenda outlining the matters for discussion will be submitted by each party to the other not less than two (2) working days prior to the scheduled meeting, except in cases of emergency.
- 15.04 Union Negotiating Committee  
Consisting of two (2) regular employees of the Board and/or a PWU Representative(s), for the purpose of collective bargaining. Two (2) employees of the Board who are designated by the Union to attend negotiating meetings during regular working hours with the representatives of the Board shall not suffer any loss of regular pay by reason of such attendance with the Board representatives, up to a maximum of three (3) days, but not including Conciliation.
- 15.05 Joint Health and Safety Committee  
Both parties are committed to the health and safety of all employees as demonstrated in the Orangeville Hydro Joint Health and Safety Policy. The Board will provide Core Certification Training for the bargaining unit member. Certified Health and Safety Representatives have the unilateral right to stop unsafe work.

## **ARTICLE 16 - GENERAL**

- 16.01 Inclement Weather  
Where in the opinion of Management, normal work of non-emergency nature cannot be continued during regular working hours by the reason of unduly adverse weather conditions, all reasonable steps will be taken to provide alternative work.

## **ARTICLE 16 - GENERAL CONT'D**

### 16.02 Training School

When an employee has been selected by the Board to attend a training school, the Board agrees to maintain the employee's normal earnings, exclusive of overtime, for the period the employee is attending such training school. The Board further agrees to pay for the employee's meals and lodging if applicable. An employee shall not receive any compensation for travelling time or study periods outside normal working hours.

### 16.03 Gender and Number

Whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if plural, feminine or masculine has been used where the context of the party hereto so requires.

### 16.04 Employee Definitions

#### (a) Temporary

Temporary employees are persons hired for periods of limited duration of up to six (6) months to perform work in positions which are not likely to become part of the Board's continuing organization. Such positions may be extended for an additional six (6) months, by mutual agreement with the Union. Any temporary employee who is hired into a full-time position, and who successfully completes the probationary period, shall have their continuous service recognized as seniority and credited back to the most recent date of hire.

#### (b) Temporary Part-Time and Temporary Employees

Temporary part-time and temporary employees shall not be entitled to the benefits of Articles 7, 8,9,10,11,12,13 and 14. This article not to be in conflict with the Employment Standards Act of Ontario, Ontario Municipal Retirement System (OMERS) or any other government legislation.

#### (c) Part -Time Employees

The establishment of a regular part-time position is a joint decision of local management and the utility steward made in the spirit of trust and co-operation. The parties will ensure that regular part-time positions are appropriately used to maintain corporate effectiveness, not split a regular full-time position.

Regular part-time employees are regularly employed on an average of twenty-four (24) hours or less per week calculated on a monthly basis. They are employed for a minimum of sixteen (16) hours per month. Regular part-time employees are treated as regular employees except where noted otherwise.

Pro-Ration Formula: Benefit for regular part-time employees are optional based on a pro-ration formula to a maximum of fifty percent (50%) paid by the Board.

## **ARTICLE 16 - GENERAL CONT'D**

- (d) When a new employee is hired they shall serve a probationary period of six (6) months. During this period the employee shall receive all benefits of this collective Agreement, unless otherwise specified. Probationary employees shall not be permitted to lodge a grievance on discharge. Employees retained past the six (6) month probationary period shall be deemed satisfactory placed on the seniority list, and credited with seniority and sick leave accumulation from the most recent date of hire.
- (e) A full-time regular employee is an employee who has successfully completed the probationary period.

### 16.05 Copies of Agreement

The Union and the Board desire every employee to be familiar with the provisions of this Agreement and their rights and duties under it. For this reason, the Board shall arrange for the printing of sufficient copies of this Agreement with the cost of such printing to be borne equally by the Board and the Union.

### 16.06 Access to Personnel File

Employees shall have reasonable time to access their personnel file during regular working hours. Permission shall be granted by the employee's immediate supervisor, at a mutually agreed upon time.

### 16.07 Bulletin Board

The Board will make available a bulletin area for the posting of Union notices, meetings, social and recreational activities. This information will be posted and removed by the Steward.

### 16.08 Job Sharing

Job sharing arrangements shall be as per Appendix A entitled Job Sharing at Orangeville Hydro.

### 16.09 Purchased Services Agreement

During the term of this Agreement, no regular employee will be declared surplus in their position as a result of the use of purchased services to perform the work performed by bargaining unit employees.

Any employee displaced to a classification at a lower hourly rate of pay due to the use of purchased services shall maintain their earnings at the pre displacement level for the duration of this Collective Agreement.

## **ARTICLE 17 - WAGE RATES AND JOB CLASSIFICATIONS**

17.01 Rates of pay and job classifications, for pay purposes only, shall be shown on Schedule "A" (forty (40) hour week) and Schedule "B" (thirty-seven and one half (37.5) hour week) attached to and forming part of this Agreement.

17.02 When a full time employee is detailed to perform the principle duties of a higher paid position for a period of one day or more, the employee shall receive an additional five percent (5%), or the starting rate of the higher paid position, whichever is greater, for all time worked.

**ARTICLE 17 - WAGE RATES AND JOB CLASSIFICATIONS CONT'D**

- 17.03 When a full time regular employee is temporarily assigned or detailed to relieve in a classification with a lower wage rate they shall be paid at their regular straight time hourly rate of their regular classification.
- 17.04 The Board agrees to the payment of wages by direct deposit on Friday morning of each week. The pay period shall consist of the period ending at the end of the employee's normal working hours Friday of the previous week. A statement of deposit will be made available to each employee by Thursday, no later than 4:00p.m.

**ARTICLE 18 - DURATION**

18.01 This Agreement shall become effective from the 1st day of October 2018 and remain in effect until the 30th day of September 2023. It is agreed however, that this Agreement shall continue in force from year to year from the 1st day of October to and including the 30th day of September in each year unless either of the parties hereto shall within the period of not more than ninety (90) days and not less than thirty (30) days prior to the expiration in any year give notice in writing to the other party that this Agreement shall cease to operate at the end of the then current year or that it desires to bargain with a view to the renewal with or without modification of the Agreement then in operation. In the event of notice given in accordance with the above, the parties shall exchange proposals within thirty (30) day at a time which shall be mutually agreeable.

18.02 Letters of Intent  
Working conditions during the term of this Agreement shall be outlined in this Agreement and any Letters of Intent Document\*.

\*A letter of intent is a modification of the Agreement executed by the parties in the following format during the term of the Agreement.

Letter of Intent

Title \_\_\_\_\_  
Number \_\_\_\_\_  
Date \_\_\_\_\_

It is jointly agreed that the following Letter of Intent shall form part of the Agreement between the parties:

**(TEXT PORTION OF LETTER OF INTENT)**

ORANGEVILLE HYDRO LIMITED

THE POWER WORKERS' UNION  
(CUPE LOCAL 1000)

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

**SCHEDULE "A"****HOURLY WAGE RATES – OPERATIONS DEPARTMENT**

			<u>1-10-18</u>	<u>1-10-19</u>	<u>1-10-20</u>	<u>1-10-21</u>	<u>1-04-22</u>	<u>1-10-22</u>	<u>1-04-23</u>
<b>Foreman</b>			48.74	49.84	50.96	51.60	52.24	52.90	53.56
<b>Leadhand</b>			44.98	45.99	47.03	47.61	48.21	48.81	49.42
<b>Journeyman Lineman</b>		(100%)							
		(12 months after completion of Level 4)	42.87	43.84	44.82	45.38	45.95	46.53	47.11
<b>Learner</b>	Level 4	(95%)	40.73	41.64	42.58	43.11	43.65	44.20	44.75
	Level 3	(90%)	38.60	39.47	40.36	40.86	41.37	41.89	42.41
	Level 2	(80%)	34.29	35.07	35.86	36.30	36.76	37.22	37.68
	Level 1	(70%)	30.02	30.70	31.39	31.78	32.18	32.58	32.99
	Start	(60%)	25.72	26.29	26.89	27.22	27.56	27.91	28.26
<b>Meter Mechanic</b>	Level 4	(100%)	40.50	41.41	42.34	42.87	43.41	43.95	44.50
	Level 3	(95%)	38.46	39.32	40.21	40.71	41.22	41.73	42.25
	Level 2	(90%)	36.44	37.26	38.10	38.58	39.06	39.55	40.04
	Level 1	(80%)	32.40	33.13	33.88	34.30	34.73	35.16	35.60
	Start	(60%)	24.32	24.86	25.42	25.74	26.06	26.39	26.72
<b>Senior Technician</b>			47.31	48.38	49.46	50.08	50.71	51.34	51.98
<b>Eng. Tech</b>	48 Months	(100%)	45.10	46.12	47.15	47.74	48.34	48.95	49.56
	36 Months	(95%)	42.83	43.80	44.78	45.34	45.91	46.48	47.06
	24 Months	(90%)	40.58	41.50	42.43	42.96	43.50	44.04	44.59
	12 Months	(80%)	36.07	36.89	37.72	38.19	38.66	39.15	39.64
	Start	(60%)	27.05	27.65	28.28	28.63	28.99	29.35	29.72
<b>Line Technician</b>	48 Months	(100%)	38.43	39.29	40.17	40.68	41.18	41.70	42.22
	36 Months	(95%)	36.50	37.32	38.16	38.64	39.12	39.61	40.11
	24 Months	(90%)	34.61	35.39	36.19	36.64	37.10	37.56	38.03
	12 Months	(80%)	30.77	31.46	32.17	32.57	32.98	33.39	33.81
	Start	(60%)	23.07	23.59	24.12	24.42	24.72	25.03	25.35
						0.00	0.00	0.00	0.00
<b>Utility Person</b>	36 Months	(100%)	28.52	29.16	29.82	30.19	30.57	30.95	31.33
	24 Months	(95%)	27.08	27.69	28.31	28.66	29.02	29.38	29.75
	12 Months	(90%)	25.65	26.23	26.82	27.16	27.50	27.84	28.19
	6 Months	(80%)	22.79	23.30	23.83	24.13	24.43	24.73	25.04
	Start	(60%)	19.96	20.41	20.87	21.13	21.39	21.66	21.93
<b>Ground man</b>	18 Months		20.86	21.33	21.81	22.08	22.36	22.64	22.92
	6 Months		18.78	19.21	19.64	19.88	20.13	20.38	20.64
	Start		16.78	17.16	17.54	17.76	17.98	18.21	18.44
<b>Meter Reader</b>	18 Months		20.86	21.33	21.81	22.08	22.36	22.64	22.92
	6 Months		18.78	19.21	19.64	19.88	20.13	20.38	20.64
	Start		16.78	17.16	17.54	17.76	17.98	18.21	18.44

**SCHEDULE "B"**

**HOURLY WAGE RATES – ADMINISTRATION DEPARTMENT**

			<u>1-10-18</u>	<u>1-10-19</u>	<u>1-10-20</u>	<u>1-10-21</u>	<u>1-04-22</u>	<u>1-10-22</u>	<u>1-04-23</u>
<b>Assistant to Office Supervisor</b>	36 Months (100%)		31.91	32.63	33.36	33.78	34.20	34.63	35.06
	24 Months (95%)		30.32	31.00	31.70	32.10	32.50	32.90	33.32
	12 Months (90%)		28.71	29.36	30.02	30.40	30.78	31.16	31.55
	6 Months (80%)		25.53	26.10	26.69	27.02	27.36	27.70	28.05
	Start (60%)		22.34	22.84	23.35	23.64	23.94	24.24	24.54
<b>Senior Clerk</b>	24 Months (100%)		38.61	39.48	40.37	40.87	41.38	41.90	42.42
	12 Months (95%)		36.70	37.53	38.37	38.85	39.34	39.83	40.33
	Start (90%)		34.75	35.53	36.33	36.78	37.25	37.71	38.18
<b>Inventory/Purch Finance Clerk</b>	36 Months (100%)		36.64	37.46	38.30	38.78	39.26	39.75	40.25
	24 Months (95%)		34.82	35.60	36.40	36.86	37.32	37.79	38.26
	12 Months (90%)		32.99	33.73	34.49	34.92	35.36	35.80	36.25
	6 Months (80%)		29.32	29.98	30.65	31.03	31.42	31.81	32.21
	Start (70%)		25.65	26.23	26.82	27.16	27.50	27.84	28.19
<b>Customer Service Representative</b>	36 Months (100%)		31.33	32.03	32.75	33.16	33.58	33.99	34.41
	24 Months (95%)		29.76	30.43	31.11	31.50	31.89	32.29	32.69
	12 Months (90%)		28.20	28.83	29.48	29.85	30.22	30.60	30.98
	6 Months (80%)		25.07	25.63	26.21	26.54	26.87	27.21	27.55
	Start (70%)		21.94	22.43	22.93	23.22	23.51	23.80	24.10
<b>Cashier Clerk</b>	36 Months (100%)		26.14	26.73	27.33	27.67	28.02	28.37	28.72
	24 Months (95%)		24.84	25.40	25.97	26.29	26.62	26.95	27.29
	12 Months (90%)		23.53	24.06	24.60	24.91	25.22	25.54	25.86
	6 Months (80%)		20.92	21.39	21.87	22.14	22.42	22.70	22.98
	Start (70%)		18.30	18.71	19.13	19.37	19.61	19.86	20.11

**Dated at ORANGEVILLE, Ontario this 1<sup>st</sup> day of October 2018.**

**Orangeville Hydro Limited**

**Power Workers' Union (CUPE Local 1000)**

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## APPENDIX "A"

### JOB SHARING AT ORANGEVILLE HYDRO

October 1, 1996

Job sharing is a unique arrangement that requires a high level of cooperation and compatibility between two individuals.

Because of these dynamics, the Board and the Union feel that it is best left to individual employees to find an appropriate partner and establish an acceptable arrangement between them before approaching Management. The arrangements should be formalized in a Job Share Agreement which would cover issues such as hours of work, vacation coverage, etc.

1. Any action related to the concept of "Job Sharing" is intended to be mutually beneficial for all those involved. Although the words "Job Sharing" commonly describe the intent of this program, it is understood that officially the Board is agreeing to employ regular Job Share Employees subject to the principles and guidelines noted below and the most current Collective Agreement.
2. Participants in the Job Share Program are responsible to management, not to each other.
3. Job Share Employees shall be granted  $\frac{1}{2}$  of the equivalent full-time seniority, statutory holidays, sick leave allowance, attendance bonus and vacation entitlement regardless of actual hours worked in any year. Proration of time based benefits will only be considered if the ratio of hours worked exceeds 40:60 in any calendar year and resulting change must be accepted by all parties involved including the Union, Management, Job Share Participants. This practice is considered reasonable because time based benefits are not adjusted for full-time employees who work more or less than the regular hours in any year. Employees may still belong to OMERS Pension Plan as per the OMERS Pension Plan rules.
4. Any additional costs (*i.e.* union dues, or fringe benefits) created by the Job Share Program shall be paid by those employees participating in the program who created the extra cost. All premium based benefits shall be available to Job Share Employees on a basis equal to regular employees subject to the Job Share Employees paying any added costs and subject to any restrictions which may be imposed by the carriers.

It is intended that the Job Share Participants will each pay 50% of the premium based benefits, such as extended health, dental, vision and LTD plans, regardless of the actual hours worked. The intent is to avoid using hours worked to prorate the employee's share of the premium costs as this could result in the Board paying more than the equivalent of one full-time employee. The 50% of the premium costs will be deducted from the Job Share Participants pay. If the employee elects not to pay the 50% cost of the premium based benefits, such as extended health, dental, vision, and LTD plans, no coverage is provided. If the employee elects coverage they are entitled to 100% of the coverage offered by the carrier. The employee has the option to opt back into the plan as per the "regular" full-time employees provided the carrier allows it. **Note: There will be no Long Term Disability coverage as the current Long Term Disability Plan provided by the employer does not apply to persons working less than 20 hours per week for the employer.**



## APPENDIX "A"

### JOB SHARING AT ORANGEVILLE HYDRO

October 1, 1996

**Example:**

Employee works 20 hours per week (2.5 x 8 hours in a 40 hour week) 50% of the premium cost of the health plan will be deducted from the employee's pay.

Employee works 18.75 hours per week (2.5 x 7.5 hours in a 37.5 hour week) 50% of the premium cost of the health plan will be deducted from the employee's pay.

5. The intent of the Job Share Program is to have two employees share equally in a single full-time job. It is intended that participating employees will work  $\frac{1}{2}$  of the normal hours and the sum of hours is equal to a full-time job. It is recognized, however, that this may not be practical during short term periods. Therefore, the minimum job split shall be:

40%   -   60%   during the first or second 6 months of the  
calendar year

50%   -   50%   over the calendar year (+/- 5 complete  
regular working days (e.g. 7.5 or 8 hours))

6. As a principle, overtime and pay shall be allocated in the same manner as if only one person was in the job. Therefore, an employee participating in the job share program may be required to work more than the normal working hours in a day with overtime hours paid at the overtime rate. No different treatment than full-time employee.

**Example:**

In a 40 hour work week where the job split is 50/50, each employee would work 20 hours. Any hours worked beyond the 20 hours would require overtime payment.

In a 37.5 hour work week where the job split is 50/50, each employee would work 18.75 hours. Any hours worked beyond the 10.75 hours would require overtime payment.

When a statutory holiday falls in a 37.5 hour work week, 7.5 hours will be deducted from 37.5 hours. Job Share will split the balance of the time for the week. 3.75 hours of Stat holiday pay will be paid to each Job Share Employee.

$$37.5 - 7.5 = 30 \text{ hrs} / 2 = 15 \text{ hrs/Job Share Employee}$$

7. Job Share Employees who do not meet the time worked requirements shall be treated the same as a regular employee who was absent from the job.
8. To obtain a full-time position in the future, a Job Share Employee would have to be the successful applicant to an advertised position in compliance with the selection process of the Collective Agreement.
9. Each participant in the Job Share Program is entitled to union membership and voting privileges and must pay union dues.

APPENDIX "A"

**JOB SHARING AT ORANGEVILLE HYDRO**

October 1, 1996

- 10. Due to the dynamics of Job Share, the parties consider it appropriate to set a maximum of 6 months as the initial length of the Job Share Arrangements to allow all concerned an opportunity for a trial period. Before the end of that period an agreement amongst all parties must be made as to the course of the Job Share Arrangement.

In cases of permanent Job Share, the Job Share Partners are locked into their decision until they successfully apply to another position, leave the employ of the Board, etc. At that time, the remaining partner is required to undertake the Job Share position on a full-time basis, with 30 days' notice. Other attempts to find a Job Share Partner may allow a continuance of the Job Share Arrangement but every Job Share Partner should recognize the possibility of being required to work full-time as outlined. If another Job Share Partner is found this new arrangement is subject to a trial period.

- 11. Backfilling arrangements are to be discussed in advance and included in the Job Share Agreement. It is appropriate to have Job Share Partners backfill behind one another when on vacation and not appropriate to insist on backfilling in sick leave situations, etc., thereby creating a form of on call.

**For any long term absences the employer will give the first consideration to the other partner for an increased work week up to and including regular full-time. Remuneration will be on a regular time basis not overtime. Otherwise, the employer may fill the vacancy as they deem appropriate. When a partner agrees to work full-time they are entitled to all rights and privileges of the Collective Agreement during the full-time period.**

- 12. Job Share Employees shall schedule appointments during their own time when possible.

**Orangeville Hydro Limited**

**Power Workers' Union (CUPE LOCAL 1000)**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ORANGEVILLE HYDRO JOB SHARING AGREEMENT**

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PARTNER 1

Name:  
Employee No:  
Job Title:  
Rate:

PARTNER 2

Name:  
Employee No.  
Job Title:  
Rate:

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Job Share Start Date: \_\_\_\_\_

**Days/Hours of Work Coverage:**

Partner 1 \_\_\_\_\_

Partner 2 \_\_\_\_\_

Vacation Coverage Arrangement (if Applicable):

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Other Comments: \_\_\_\_\_

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**Health, Vision and Dental Benefits:**

Indicate, by circling the appropriate 'yes' or 'no', whether or not you are exercising the option of receiving full benefit coverage for extended health benefits, long term disability, vision and dental benefits, using payroll deductions to reimburse the Commission for 50% of the premium cost. Should you elect coverage of these benefits, the monthly cost will be as follows:

	<u>PARTNER 1</u>		<u>PARTNER 2</u>	
Elected Coverage:				
Extended Health Benefits	\$ _____	Yes No	\$ _____	Yes No
LTD*	\$ _____	Yes No	\$ _____	Yes No
Dental	\$ _____	Yes No	\$ _____	Yes No
Vision	\$ _____	Yes No	\$ _____	Yes No

**NOTE\*: FOR THE PURPOSE OF THIS AGREEMENT, THERE WILL NO LONG TERM DISABILITY COVERAGE. THE CURRENT LONG TERM DISABILITY PLAN PROVIDED BY THE EMPLOYER DOES NOT APPLY TO PERSONS WORKING LESS THAN 20 HOURS PER WEEK FOR THE EMPLOYER.**

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**ORANGEVILLE HYDRO JOB SHARING AGREEMENT**

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The above employees wish to job share. They have read and agreed to the attached Job Share Agreement dated October 1, 1996. They understand there is no coverage for Long Term Disability.

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Signature (Partner 1)

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Signature (Partner 2)

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Chief Steward

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Management Concurrence

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ .

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**Review Date:** \_\_\_\_\_ (six months from Job Share Start Date)

The above parties agree to:  **Permanent Arrangement**  
 **Discontinue Arrangement**

APPENDIX 4-B OHL ACTUARIAL REPORT AS AT DECEMBER 31, 2021

OHL has filed the 2021 Actuarial report as a separate PDF document.

APPENDIX 4-C PURCHASING POLICY



Policy No: FN-004  
Motion: 1157

Date Issued: November 16, 1994  
Date Revised: September 21,  
2023

## Purchasing Policy

### **PURCHASING POLICY**

The Purchasing Policy is intended to acquaint employees and suppliers with Orangeville Hydro Limited (OHL)'s purchasing policy and to assist the Finance Department in the performance of their duties.

It provides information relative to the policies governing practices and contains guidelines to be followed with respect to various purchasing activities.

### **OHL'S PURCHASING POLICY**

The Finance Department is responsible for all purchasing activities for OHL and shall:

- (a) Purchase, without favouritism of the vendor, at the lowest total cost consistent with satisfactory quality, delivery and service reliability. Preference for certain brands of products is not considered favouritism of the vendor - for example – certain makes of vehicles.
- (b) Purchase goods of Canadian origin when possible and from local suppliers provided that a suitable product is available at a competitive cost.
- (c) Allow any person capable of supplying a satisfactory product or service the opportunity of bidding on OHL's requirements. In order to ensure business continuity there may be exceptions where OHL obtains services for certain professional expertise. Senior management will consider the best-suited professional that is knowledgeable of our business at the best possible cost. Another exception is receiving better pricing through a buying group.
- (d) Liase with all department personnel involved in purchasing and, in co-operation therewith, select and obtain materials, supplies and services.

All departments prior to the purchase of materials, supplies and services shall consult the Finance Department. The Finance Department shall give advice and shall recommend suppliers and price and issue a numbered Purchase Order form except for discretionary purchasing in cases of emergency or petty cash transactions as defined in the procedures.

## Purchasing Policy

### RELATIONS WITH SUPPLIERS

OHL adopts the policy of purchasing Canadian products from local suppliers as a first preference.

The Finance Department constitutes the main link in communications between OHL and its suppliers and therefore, this department shall develop and maintain good supplier relations.

To achieve this end, the following standards shall be maintained to the best of its ability:

- (a) Consider first the interest of OHL in all transactions and carry out established policies.
- (b) Buy without prejudice, seeking to obtain maximum value for each dollar of expenditure.
- (c) Know the material and manufacturing processes of the products OHL purchases to maintain quality control and to meet appropriate engineering standards (see procedure on page 8 - Purchase of Major and Non Major Equipment.
- (d) Establish practical methods for the conduct of OHL business.
- (e) Subscribe to honesty in buying and selling and avoid all forms of commercial bribery, keeping free from obligation to any supplier.
- (f) Report unethical practices on the part of the supplier to the Management Team and any association related to the purchase of those goods.
- (g) Give all salespersons a full, fair, prompt and courteous hearing on any subject that is justified by the nature of their products and our needs.
- (h) Respect OHL's obligations and require that obligations to OHL be respected, consistent with good business practice.
- (i) Do not put the supplier to any unnecessary expense if it can be avoided.
- (j) Do not take advantage of a supplier's errors, showing consideration for his/her difficulties and co-operating with him/her when possible.



## Purchasing Policy

- (k) Rotate business where material or services can be purchased from more than one reliable supplier at equal price and quality.
- (l) Promote the reputation of OHL for fair dealing.

### **PUBLIC TENDERS**

As an incorporated entity under the Ontario Business Corporation Act; OHL is not required to purchase goods and/or services using the public tender process. At the direction of the Board of Directors or the President, the public tender process will be used. In the event that there is a discrepancy between this policy and the tender documents, the statements in the tender documents will prevail.

The Finance Department is responsible for preparing the documentation in co-operation with the Department concerned.

Due to their technical nature, the responsible Department will prepare certain tender/quote specifications. The Finance department shall be advised of these and shall participate as appropriate.

The Finance Department shall invite tenders by public advertisement online, or by direct invitation to selected bidders.

Tenders shall be opened by the Finance Department, or designates, as soon as possible following the stipulated closing time. At least one officer or director of OHL will be present for the opening of tenders. Tenders received without the specified requirements as contained in the tender sections shall not be accepted.

Tenders shall be forwarded to the Finance Department or the responsible Department, as appropriate, for tabulation.

A recommendation from the Finance Department and/or the Manager of the participating Department shall be submitted to the Management Team. OHL shall make the award after receiving a recommendation from the Management Team.

### **LATE RECEIPT OF PUBLIC TENDERS**

Tenders, which are received after the time, set for closing shall be returned unopened, to the bidder, regardless of the reason for their lateness. However, in the event of a postal strike, transportation strike, or any other event which, in the opinion of the Secretary or someone authorized by him/her, unreasonably restricts the ability of bidders to deliver within the prescribed time limit, facsimile total sum bids received within the prescribed



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## Purchasing Policy

time may be accepted provided that proper sections for the same total bid are delivered to OHL within two working days of the closing date.

Subject to the foregoing, late tenders shall be returned with a covering letter indicating the reason for non-acceptance.

### **WITHDRAWAL OF PUBLIC TENDERS**

All invitations to tender shall specify the time within which tenders are to remain open for acceptance. Consequently, tenders cannot be withdrawn after the closing time unless the specified period allowed for tender evaluation has elapsed without an award being made.

A tender may be withdrawn up until the stipulated closing time. Withdrawal of a tender takes effect from the time that the withdrawal is communicated to OHL. Such notification shall be made by mail, email, facsimile or in person.

If a tender contains an obvious and serious error, the tender may be withdrawn without penalty on the recommendation of the Management Team.

### **INVITATION TO BID**

Quotations shall be solicited and received by the Finance Department for minor facilities operational supplies, consultants and services.

Consistent with the Purchasing Policy, all companies capable of supplying a satisfactory product or service may have an opportunity to compete for business, except when the tender is sent as a direct invitation to selected bidders. Purchases are to be awarded on the basis of quality, delivery, service reliability, engineering preference and price.

At the discretion of the Finance Department or President, for certain purchases under \$10,000 in value, competition need not be sought for each purchasing transaction, provided that the supplier awarded the business has a proven reputation of quality, delivery and service reliability. The market shall be surveyed yearly, at budget time or upon renewal of a contract in order to confirm that all suppliers are providing competitive prices.

A minimum of three vendors or consultants, if not possible, no less than two shall be given an opportunity to bid for all requirements estimated to cost in excess of \$10,000. Whenever a requirement arises for which only a single source of supply can be identified, the Finance Department in co-operation with the appropriate Department shall determine whether an acceptable substitute is available or take positive action to secure additional



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sources. If no other source is available, then the requirement for three vendors or consultants is waived.

The finance department shall prepare a purchase order after the acceptance of a quotation and - email a copy to the vendor. Purchase orders shall be signed by the CFO or designate.

### **PRICE CHANGES**

This section outlines the policy regarding the acceptance of a price change to a tender/quote where the change is received after the closing date.

A price revision received after the closing date will be considered only under the following circumstances:

- (a) the revision is considered to be a bona fide change rising out of an acknowledged change in circumstances; or
- (b) the revision arises from technical clarification of a tender.

The following guidelines should be used in applying this policy.

#### **Price Increases**

Acceptance of a price increase from the lowest evaluated bidder/quote may be approved by the Management Team where the increase does not otherwise affect the competitive standing.

Acceptance of a price increase from other than the lowest evaluated bidder/quote, or from the lowest evaluated bidder/quote when such increase removes it from this classification, may be approved by the Management Team. Any such price increase shall be taken into account in the evaluation process.

#### **Price Reductions**

Acceptance of a price reduction resulting from changes to the specifications shall require approval from the CFO.

Any proposed price reduction following opening of tenders shall not be considered in the evaluation process. Tenders may be withdrawn in accordance with "Withdrawal of Tenders."



Policy No: FN-004  
Motion: 1157

Date Issued: November 16, 1994  
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## Purchasing Policy

### **EMERGENCY AND INCIDENTAL PURCHASING**

In the event of an emergency affecting public or worker safety or compromising the delivery of electricity to customers immediate purchases are necessary in order to maintain business continuity.

The Finance Department and/or the Department manager, or higher are authorized to secure goods and services as required, with subsequent approval to be secured by the President in accordance with the authority as outlined.

### **PURCHASE AUTHORITY**

#### **Inventory Replenishment**

Upon signature of a manager, the Purchasing Clerk shall have full authority to purchase approved inventory items as required.

#### **Budgeted Items**

Once the Board of Directors has approved a budget, the Management Team has the authority to approve all budgeted purchases within budgeted amounts. The President has the authority to substitute a budgeted item for an unbudgeted item if the item has more of a priority than the item budgeted. The Board of Directors must be informed of this change.

#### **Limits of Authority on Unbudgeted Items**

Items up to \$5,000 – Senior Managers

Items up to \$10,000 – President

Items above \$10,000 – Board of Directors

#### **Note:**

Article 6.3 (f) of the Shareholder's Agreement gives the Board of Directors authority to make capital expenditures that have not been included in the current Business Plan adopted pursuant to Section 6.1 of the Shareholder's Agreement up to an amount of Five Hundred Thousand Dollars (\$500,000.00).

### **INVOICES**

Payments can only be made when receipt of goods and services and correct pricing have been acknowledged. If an invoice is received without a purchase order, the invoice must be approved by the Manager that made the requisition. Proper signing authority must be completed before any payments are processed or issued.



Policy No: FN-004  
Motion: 1157

Date Issued: November 16, 1994  
Date Revised: September 21, 2023

## Purchasing Policy

### **DISPOSAL OF EQUIPMENT AND PROPERTY**

The Finance Department may dispose of equipment or furniture that is obsolete in a manner that is in the best interest of OHL. Disposal may take form of a trade in, public sale or public tender.

### **RECORDS**

Copies of bids and purchase orders that document the procedures must be kept in accordance with OHL's records management retention.

### **PURCHASE ORDERS**

A purchase order is issued by the Purchasing Department for the purchase of all materials, supplies and services over \$500.00. Purchase orders are used for two purposes;

- to replenish inventory stock as requested by stores department as authorized by a manager.
- to purchase materials, supplies or services for the operation and maintenance of departments and individual projects.

#### **Blanket Orders**

Blanket orders generally specify prices, terms, conditions and the period covered (not to exceed 1 year), but do not specify quantity. Shipments are made against releases. Blanket orders will be issued to vendors for materials and supplies that are not normally stocked or service maintained.

#### **Petty Cash**

No purchase order is required for purchase up to \$50.00 unless deemed necessary by one of the Management Team. All appropriate receipts must be attached and together with management approval. A purchase over \$50.00 may be done from petty cash at the discretion of the CFO or designate.

#### **Visa Purchases**

No purchase order is required for purchases up to \$500.00. Senior management do not require a purchase order for amounts up to their limits of authority and the statements must be reviewed by another senior staff member. There may be occasions that other staff must make a purchase on their visa over \$500, this must be pre-approved by a senior manager.



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## Purchasing Policy

### Exemptions

The following purchases do not require a purchase order.

- Small purchases and miscellaneous expenses under \$500.00
- IESO Invoice
- Hydro One Invoice
- Debt Retirement Charge Remittance
- ESA Inspection Charges
- OEB Fixed Costs
- Insurance
- Employee benefits (Pension, Health Insurance, etc)
- Postage
- Taxes
- Telephone, utilities, expenses
- Customer refunds
- External Audit Invoices
- Memberships
- Subscriptions
- Freight and courier charges
- Legal expenses
- Travel, training and conference expenses

### **PURCHASE OF MAJOR AND NON-MAJOR EQUIPMENT – CONFORMANCE WITH REGULATION 22/04**

#### **Overall Procedure**

Throughout the procedures for OHL for the approval of new major equipment under Regulation 22/04, the following steps exist:

- Identify the need for the new major equipment
- Forward our requirements and application to the manufacturer/supplier.
- Request the manufacturer/supplier return an equipment specification, listing relevant standards and test data associated with the construction of the required equipment.



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- The specification is then reviewed and approved by the OHL Lines Supervisor or Manager of Engineering and Metering or equivalent.

### Purchasing Procedure

The purchasing procedure for Major and Non-Major New Equipment under Regulation 22/04 is as follows:

#### Major Equipment

- The purchase order is prepared.
- The purchase order references either the specifications, as defined in the procedure for approval of new major equipment, or the applicable approved specification from OHL's stock code that references the vendors material and specifications as per OHL's annual request for quotation.
- The purchase order will be stamped "Please send certified test report" when required. (Eg; transformer test report upon completion of build)
- The purchase order is emailed to the supplier.
- The purchase order is reviewed and approved by the CFO, Lines Supervisor or Manager of Engineering and Metering or equivalent.
- Once the equipment is received, it is reviewed, and compared with the purchase order.

#### Non-Major Equipment

- The purchase order is prepared.
- The purchase order references the applicable approved specification from OHL's stock code that references the vendors material and specifications as per OHL's annual request for quotation.
- The purchase order will be stamped "Please send certified test report" when required.



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- The purchase order is emailed to the supplier.
- The purchase order is reviewed and approved by the CFO, Lines Supervisor or Manager of Engineering and Metering or equivalent.

### Procedure for Certified Test Data – Acquiring and Record Keeping

The procedure for acquiring and record keeping of Certified Test Data under Regulation 22/04 is as follows:

- For every major and non-major equipment purchase order created, OHL requests the applicable certified test data to be included for every item purchased.
- Upon receiving the certified test data it will be filed for easy access in the Engineering Office.

### Procedure for Standards – Acquiring and Record Keeping

The procedure for acquiring and record keeping of Standards under Regulation 22/04 is as follows:

- Upon the creation of an OHL specification or the receipt of certified test data from a supplier/manufacture it is required to be able to access the standard documents applicable to the data received. This will allow us to be able to confirm equipment conformance.
- Access to these standard documents is made accessible by purchasing the standards or via the USF website.

Orangeville Hydro Policy and Procedures			
Topic	<b>Purchasing Policy</b>	Number	FN-004
Category	Finance	Revision Number	3
Revised by	Suzanne Presseault, Senior Accountant	Issued and Effective	November 16, 1994
Reviewed by	Amy Long, CFO	Revision Issued and Effective	September 21, 2023
Approved by	Rob Koekkoek, President		