



Greater Sudbury Hydro Inc

Interrogatory Submission

January 28, 2025

School Energy Coalition

EB-2024-0026

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1 1-SEC-1 Materials Provided to BOD

2 **Question:**

3 [Ex.1] Please provide a copy of all materials provided to the Applicant's Board of
4 Directors for their approval of the Application and the underlying budgets.

5

6 **Response:**

7 The process of informing GSHi's current Board of Directors began in February 2023.
8 Following the local municipal election in 2022, GSHi's Board of Directors changed
9 with the replacement of existing members. A new municipal councillor and one new
10 independent member replaced past members in February 2023. GSHi held a Board
11 Orientation for new members on March 2, 2023, existing members were also invited
12 to attend. Part of that orientation focused on the Regulatory process, including the
13 cost of service application, an overview of GSHi's distribution system and the
14 Distribution System Plan. The presentation relating to those topics is included as
15 Attachment 1 (Tab 4, Interrogatory 1, Attachment 1) to this interrogatory response.

16

17 In December of 2023, the BOD approved the 2024 Corporate Scorecard, including a
18 new KPI, O2 - Cost of Service Application Filed on Time. At each regular board
19 meeting in April, June, and October, 2024, the BOD were provided with an update
20 on this KPI for the prior month. These KPI's, taken from their respective Scorecards,
21 are included as Attachment 2 (Tab 4, Interrogatory 1, Attachment 2) to this
22 interrogatory response.

23

24 As part of GSHi's Strategic Planning day, held in February 2024, a portion of the day
25 was focused on the Distribution System Plan (DSP). The VP of Engineering and
26 Operations led the discussion regarding the DSP. The DSP portion of the Strategic



1 Planning Day presentation is included as Attachment 3 (Tab 4, Interrogatory 1,
2 Attachment 3) to this interrogatory response.

3

4 In August of 2024, the Board of Directors met to review the 2025 budget. Materials
5 provided to the BOD at this meeting are included as Attachment 4 to this
6 interrogatory response (Tab 4, Interrogatory 1, Attachment 4). The following is an
7 extract from the minutes of that meeting.

8 ***V. Items of Information and Consideration***

9 *A. Greater Sudbury Hydro Plus Inc. (GSHP) Operating, Maintenance &*
10 *Administration Budget (OM&A) and Capital Budget for the year 2025 - for*
11 *Review and Consideration*

12 *#2024-GSUI-SM-03-02*

13 *The Vice President – Corporate Services and CFO tabled a one-page memorandum*
14 *for information purposes to update the Board on the Cost of Service application*
15 *currently underway and to provide the Board with the opportunity to review and*
16 *comment on the Operations, Maintenance, Administration (OM&A) and Capital*
17 *budgets that management proposes to be filed with the Cost of Service Application*
18 *for rates effective May 1st, 2025. Both budgets are part of the Cost of Service*
19 *application and will come before the Board for approval in the October 28, 2024*
20 *regular board meeting.*

21

22 In September 2024, the Manager of Engineering held a dedicated DSP Information
23 Session. This information session was an opportunity for the BOD to learn more
24 about the DSP and to ask questions relating to the DSP and the Application. The
25 slides for this presentation are provided as Attachment 5 to this interrogatory
26 response (Tab 4, Interrogatory 1, Attachment 5).



1

2 Prior to filing the Application in October, 2024, the GSHi BOD were presented with a
3 memorandum requesting the approval of the Distribution System Plan for 2025 to
4 2029, the OM&A budget for 2025, the 2025 net Capital Budget, and the 2025 to
5 2029 Business Plan (included in the initial application as Ex. 1, Tab 2, Sch 9, Att. 1)
6 The CFO gave a presentation, going over each of the exhibits of the Application.
7 The memorandum, presentation, and resolution are included as attachment 6 (Tab
8 4, Interrogatory 1, Attachment 6) of this interrogatory response respectively.

9

10 These materials collectively provided the GSHi BOD with a thorough understanding
11 of the Application's relevance to GSHI's strategic framework, ensuring informed and
12 effective governance.



Greater Sudbury Hydro Inc.
Filed: January 28, 2025
EB-2024-0026
Interrogatory 1
Attachment 1
Page 1 of 1

Attachment 1 (of 6):

1-SEC-1 Attachment 1: 2023 Board Orientation



Board Orientation

2023



Building Connections for Life
Établir des liens pour la vie

The Regulated Entity

- Greater Sudbury Hydro Inc (GSHi) is our regulated entity licensed to distribute electricity by the Ontario Energy Board.
- GSHi is a monopoly in its distribution area. The distribution area includes the old City of Sudbury boundaries, the Towns of Falconbridge, Capreol and Coniston as well as Sturgeon Falls and Cache Bay.
- Highly scrutinized to protect rate payers

Cost of Service Application

Revenue Requirement

Line No.	Particulars	Application	Application Update	Per Board Decision
1	OM&A Expenses	\$17,388,957	\$17,388,957	\$16,237,777
2	Amortization/Depreciation	\$4,404,633	\$4,375,882	\$4,333,632
3	Property Taxes	\$268,803	\$268,803	\$268,803
5	Income Taxes (Grossed up)	\$409,974	\$316,940	\$300,042
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$2,616,443	\$1,998,550	\$1,974,425
	Return on Deemed Equity	\$3,865,689	\$3,602,210	\$3,590,631
8	Service Revenue Requirement (before Revenues)	<u>\$28,954,499</u>	<u>\$27,951,342</u>	<u>\$26,705,311</u>
9	Revenue Offsets	<u>\$1,558,372</u>	<u>\$1,519,787</u>	<u>\$1,552,787</u>
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$27,396,127</u>	<u>\$26,431,556</u>	<u>\$25,152,524</u>
11	Distribution revenue	\$27,396,127	\$26,431,556	\$25,152,524
12	Other revenue	\$1,558,372	\$1,519,787	\$1,552,787
13	Total revenue	<u>\$28,954,499</u>	<u>\$27,951,342</u>	<u>\$26,705,311</u>

Greater Sudbury Hydro Inc. & the OEB

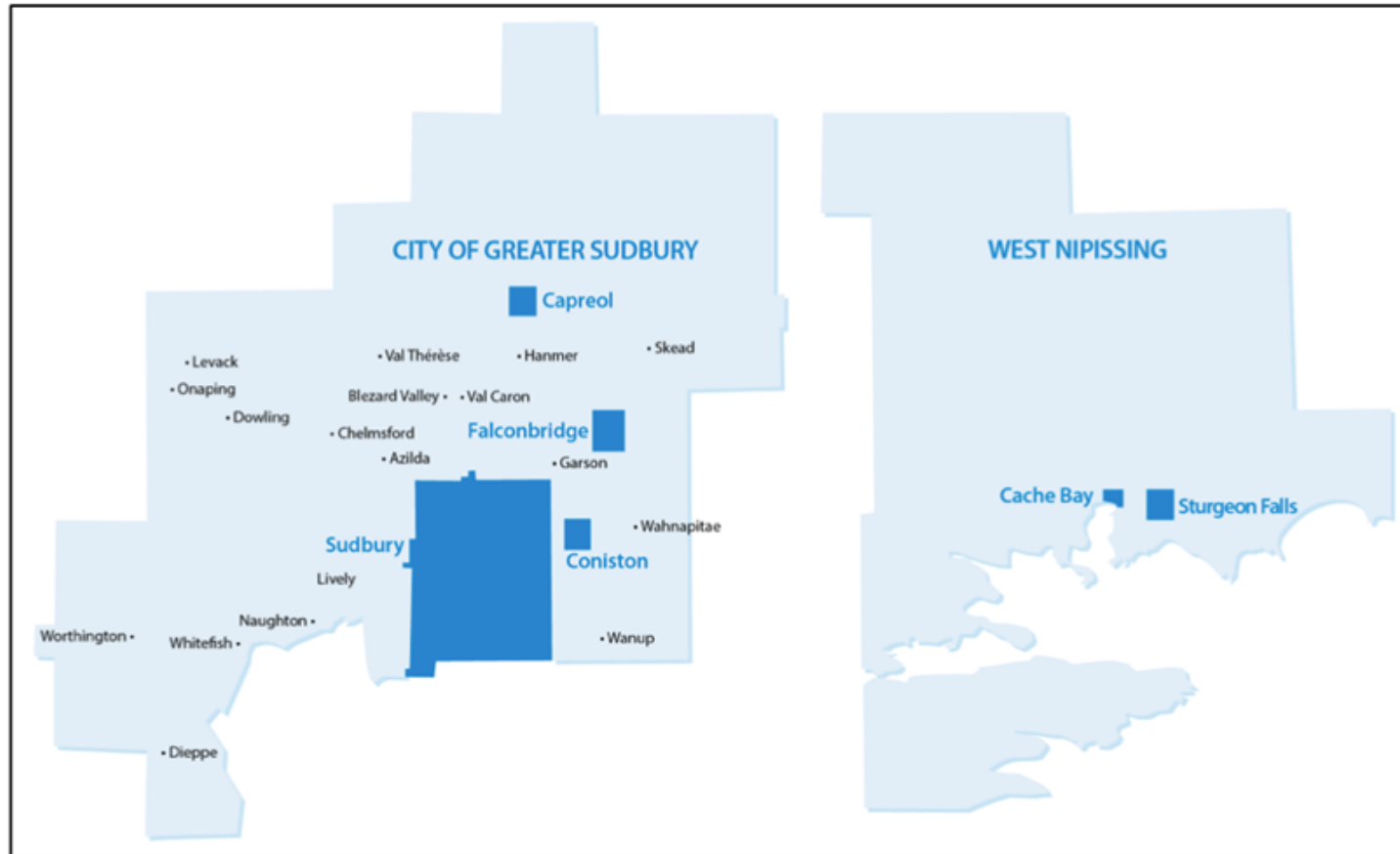
- GSHi applies to the Ontario Energy Board to set the rates to invoice customers through a process called the Cost of Service (CoS) application. 5 Year Cycle
- Incentive Rate Mechanism (IRM). Annual cycle between CoS.
- Affiliate Relationships Codes, Distribution System Code, Record keeping and recording requirements, Retail Settlement Code, Standard Supply Service Code, etc...
- RRR & Annual scorecard

OEB SCORECARD REPORT: Greater Sudbury Hydro Inc.

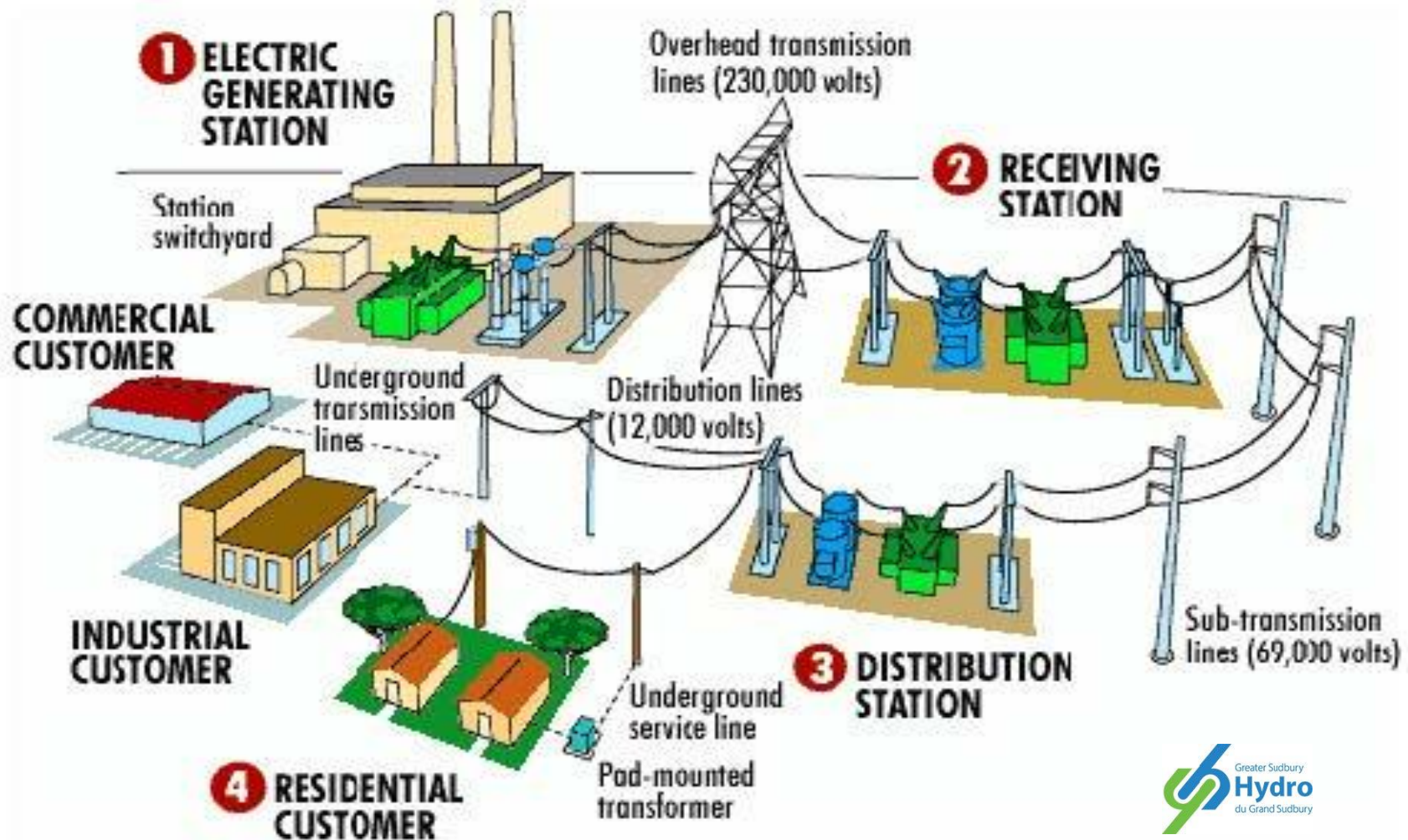
OEB SCORECARD REPORT: Greater Sudbury Hydro Inc.																				
Customer Focus							Operational Effectiveness								Public Policy Responsiveness		Financial Performance			
Service Quality			Customer Satisfaction				Safety		System Reliability		Asset Management		Cost Control		Connection of Renewable		Financial Ratios			
Performance Year	New Residential/Small Business Services Connected on Time (Target: 90%)	Scheduled Appointments Met on Time (Target: 90%)	Telephone Calls Answered on Time (Target: 65%)	Billing Accuracy (Target: 98%)	First Contact Resolution	Customer Satisfaction Survey Results	Level of Public Awareness	Level of Compliance with Ontario Regulation 22/04 (Target: substantially compliant)	Average Number of Times Power to Customer is Interrupted	Average Number of Hours Power to Customer is Interrupted	Distribution System Plan Implementation on Progress	Efficiency Assessment (1 = most efficient 5 = least efficient)	Total Cost (\$) per Customer	Total Cost (\$) per Km of Line	Renewable Generation Connection Impact Assessments Completed on Time	New Micro-Embedded Generation Facilities Connected on Time (Target: 90%)	Liquidity: Current Ratio	Leverage: Total Debt to Equity Ratio	Profitability: Regulatory Return on Equity - Deemed	Profitability: Regulatory Return on Equity - Achieved
2021	98.95%	100%	64.22%	99.97	87.86	93.60%	85%	C	1.16	1.11	90.44%	3	679	31877	%	100	1.3	1.19	8.52%	9.62%
2020	99.63%	100%	67.38%	99.95	87.6	0.89	83%	C	0.99	1.48	1.1	3	670	31590	100%	100	1.13	1.22	8.52%	2.04%
2019	99.38%	99.78%	71.26%	100	82.69	88%	83%	C	1.03	1.89	84.72%	3	679	31938	%	100	1.48	1.76	8.98%	8.62%
2018	99.20%	99.89%	71.25%	100	84.19	90%		C	1.41	1.39	97.47%	3	671	31690	%	100	1.45	1.86	8.98%	7.72%
2017	98.78%	100%	67.16%	100	83.52%	94%		C	1.34	1.65	93.28%	3	629	29706	100%	100	1.53	1.9	8.98%	9.30%

<https://www.oebca/ontarios-energy-sector/performance-assessment/electricity-utility-scorecards>

Service Territory



General Overview of the Electricity System



Transformer Stations



Martindale TS



Clarabelle TS

- Transmission lines feed Transformer Stations (TS)
- Our customers are serviced from 3 different Transformer Stations
 - Martindale TS
 - Clarabelle TS
 - Crystal Falls TS

Transformer Stations

Transformer Station	Region	Number of Customers
Crystal Falls TS	Cache Bay	290
	Sturgeon Falls	3,022
Clarabelle TS	City of Sudbury	16,845
	Copper Cliff	1,245
Martindale TS	Capreol	1,533
	City of Sudbury	23,762
	Coniston	934
	Falconbridge	311
TOTAL		47,942

Sub-transmission

- Sub-transmission lines take power from Transformer Stations to Municipal Substations.
- Sub-transmission lines in Greater Sudbury and West Nipissing operate at 44,000 volts.
- Greater Sudbury Hydro has approximately 122km of sub-transmission lines.

Municipal Substations

Greater Sudbury Hydro owns and operates 29 municipal substations within its service territory.

A failure at one of these stations could potentially leave 500 to 10,000 customers without power.



Distribution - Primary Lines

- Greater Sudbury Hydro operates approximately 1,150 km of primary lines, comprised of:
 - 80% Overhead Primary Conductor and Transformation; and,
 - 20% Underground Primary Cabling and Transformation
- Greater Sudbury Hydro primary distribution lines operate at 12,470 volts and 4,160 volts.
- There are 122 Primary feeders that service the distribution system. When a feeder is unexpectedly forced out of service, 100 to 500 customers are without power.

Distribution - Transformers

Pole mounted and Pad mounted transformers step the voltage down to levels that are useful in our homes and businesses.

When a transformer is forced out of service, anywhere from 1 – 50 customers are without power.



Distribution - Meters

Customer Type	Number of Customers
Residential	43,221
General Service (GS) < 50 kW	4,282
General Service (GS) > 50 kW	486
TOTAL	47,989

Distribution System Plan (DSP)

- Integrated document that supports the cost-effective and efficient planning and operation of the electricity distribution network, with focus on minimizing the total cost of asset ownership.
- The document contains a comprehensive asset management plan, as well as details pertaining to capital and operating expenditures for the next 5 years. It includes a year-by-year breakdown of capital projects that feed our annual capital cycles. The DSP is aligned with our business planning cycle, which means that both documents will be refreshed for 2025.
- In accordance with our asset management plan, our capital expenditures have and will continue to focus on system renewal projects with emphasis on substation refurbishments to ensure that our assets will support the needs of customers for future generations.
- We will continue to monitor activities across the industry to inform future DSP's and ensure that we make the right investments at the right time.

July 9 2018



Mutual Assistance





Attachment 2 (of 6):

***1-SEC-1 Attachment 2: Scorecard KPI Relating to
Application***

Our Purpose

GSU owns infrastructure in the Energy and Telecommunications space that connects customers in a way that improves how they work and live. Our commitment to quality builds physical connections that meet the needs of future generations. Our personal connections with our customers, communities, and our people last a lifetime.

Our Corporate Values

Doing the Right Thing · We do the right thing even when no one's looking.

Ensuring Safety is our Responsibility · We take care of what's most important to us—our people, family, public, communities.

Acting Courageously · See opportunity, innovate, question, and own the result.

Giving More · Exceed expectations, respond with urgency, support the community.

Protecting our Assets · Take care of the important things today and for the future.



Customer Objective

GSU is committed to connecting with customers in a way that improves how they work and live. We build personal connections that last a lifetime.



People Objective

GSU provides a safe, respectful environment for our people where they can achieve their full potential as experts and individuals.



Financial Objective

GSU creates value for our customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth.



Operational/ Organizational Excellence Objective

GSU businesses measure their performance to continuously improve operational excellence. Our commitment to quality builds physical connections that meet the needs of future generations.



Community Objective

GSU contributes daily to the social, cultural and economic fabric of our community.

2024 GSU Corporate Scorecard KPIs

Legend

Purpose of the Scorecard: GSUs Corporate Scorecard translates our strategic objectives into a set of key performance indicators that are measured, monitored, and changed if necessary to ensure our strategic objectives are met, balancing our five focus areas; Customer, People, Financial, Operational/Organizational Excellence, and Community. GSUs strategic objectives are aligned with our vision of *building connections for life* and are supported by our Operational Business Plans and Integrated Management System.

Objectives: GSUs Objectives provide direction and inspire what we want to achieve.

Key Performance Indicator (KPI): GSUs KPIs benchmark and monitor how we get to our Objectives. These KPIs are specific, and time bound, are aggressive yet realistic. Our KPIs are measured monthly against the target and tolerance set for the particular KPI.

Tolerances: Established by the Board, these tolerances are the acceptable thresholds for each KPI and provide enhanced reporting to indicate whether we are surpassing, meeting, approaching or missed our targets.

- **Blue Trellis:** Surpassed Target

Surpassed
Target

- **Solid Green:** Met Target

Met
Target

- **Solid Yellow:** Approaching Target

Approaching
Target

- **Solid Red:** Missed Target

Missed
Target

2024 GSU Corporate Scorecard KPIs

Objective 4: Operational/Organizational Excellence GSU businesses measure their performance to continuously improve operational excellence. Our commitment to quality builds physical connections that meet the needs of future generations.					
KPI #	KPI	Tolerance	Y-T-D Jan 31 Results	Y-T-D Feb 28 Results	Notes
O2	Cost of service application filed on time	<p>Green: Filed by August 31</p> <p>Red: Missed filing deadline</p>			<p>Purpose: GSHi’s cost of service application is the largest and most important “funding” application our organization files. It sets our hydro rates and capital plan for the next 5 years. This application takes a full-time dedicated team of 4-5 (with the participation of many others in the organization from time to time) at least 8 months to complete at a cost of approximately \$500,000. GSHi’s Cost of Service application is to be filed no later than August 31, 2024 for rates effective May 1, 2025.</p> <p>Current (YTD): This will document the year-to-date results.</p> <p>Next Steps: This will document our plan over the months leading into the next reporting period.</p>

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**Operational/
Organizational
Excellence
Objective**

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Objectives: GSUs Objectives provide direction and inspire what we want to achieve.

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2024 GSU Corporate Scorecard KPIs

Objective 4: Operational/Organizational Excellence					
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KPI #	KPI	Tolerance	Y-T-D Feb 29 Results	Y-T-D Mar 31 Results	Notes
02	Cost of service application filed on time	<p>Green: Filed by August 31</p> <p>Red: Missed filing deadline</p>	Approaching target	Approaching target	<p>Current (YTD): We have contacted consultants for quotes to assist us with our cost of service application.</p> <p>Next Steps: The team will begin focusing on the application in early May.</p>

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2024 GSU Corporate Scorecard KPIs

Objective 4: Operational/Organizational Excellence GSU businesses measure their performance to continuously improve operational excellence. Our commitment to quality builds physical connections that meet the needs of future generations.					
KPI #	KPI	Tolerance	Y-T-D Apr 30 Results	Y-T-D May 31 Results	Notes
02	Cost of service application filed on time	<p>Green: Filed by August 31</p> <p>Red: Missed filing deadline</p>	Approaching target	Approaching target	<p>Current (YTD): We have contracted some of the consultants required to assist us with our cost of service application. The team has begun full-time work on the application.</p> <p>Next Steps: Continue to work on the application.</p>

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Organizational
Excellence Objective**

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GSU Corporate Scorecard KPIs – September 30, 2024

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GSU Corporate Scorecard KPIs – September 30, 2024

Objective 4: Operational/Organizational Excellence					
GSU businesses measure their performance to continuously improve operational excellence. Our commitment to quality builds physical connections that meet the needs of future generations.					
KPI #	KPI	Tolerance	Y-T-D Aug 31 Results	Y-T-D Sep 30 Results	Notes
O2	Cost of service application filed on time	<p>Green: Filed by August 31</p> <p>Red: Missed filing deadline</p>	Approaching target	Missed target	<p>Current (YTD): The team is working full time on the application ahead of the October 31st deadline. The Distribution System Plan (DSP) was presented to the Board on September 26.</p> <p>Next Steps: The application will be presented to the Board in October, in advance of filing.</p>



Attachment 3 (of 6):

1-SEC-1 Attachment 3: GSHi Strat Day



GSHi Strat Day

2024



Distribution System Plan “DSP”

- DSP includes:
 - Asset condition assessments
 - Historic analysis of reliability performance (2014-2019)
 - Historic analysis of Capital and OM&A spending
 - Results from customer consultation and satisfaction surveys
 - Details of asset management processes
 - Five year Capital investment plan
 - Detailed breakdown of projects by year.
 - Metrics for tracking performance
 - Customer Focus
 - Operational Effectiveness
 - Public Policy Responsiveness
 - Financial Performance

DSP Focus

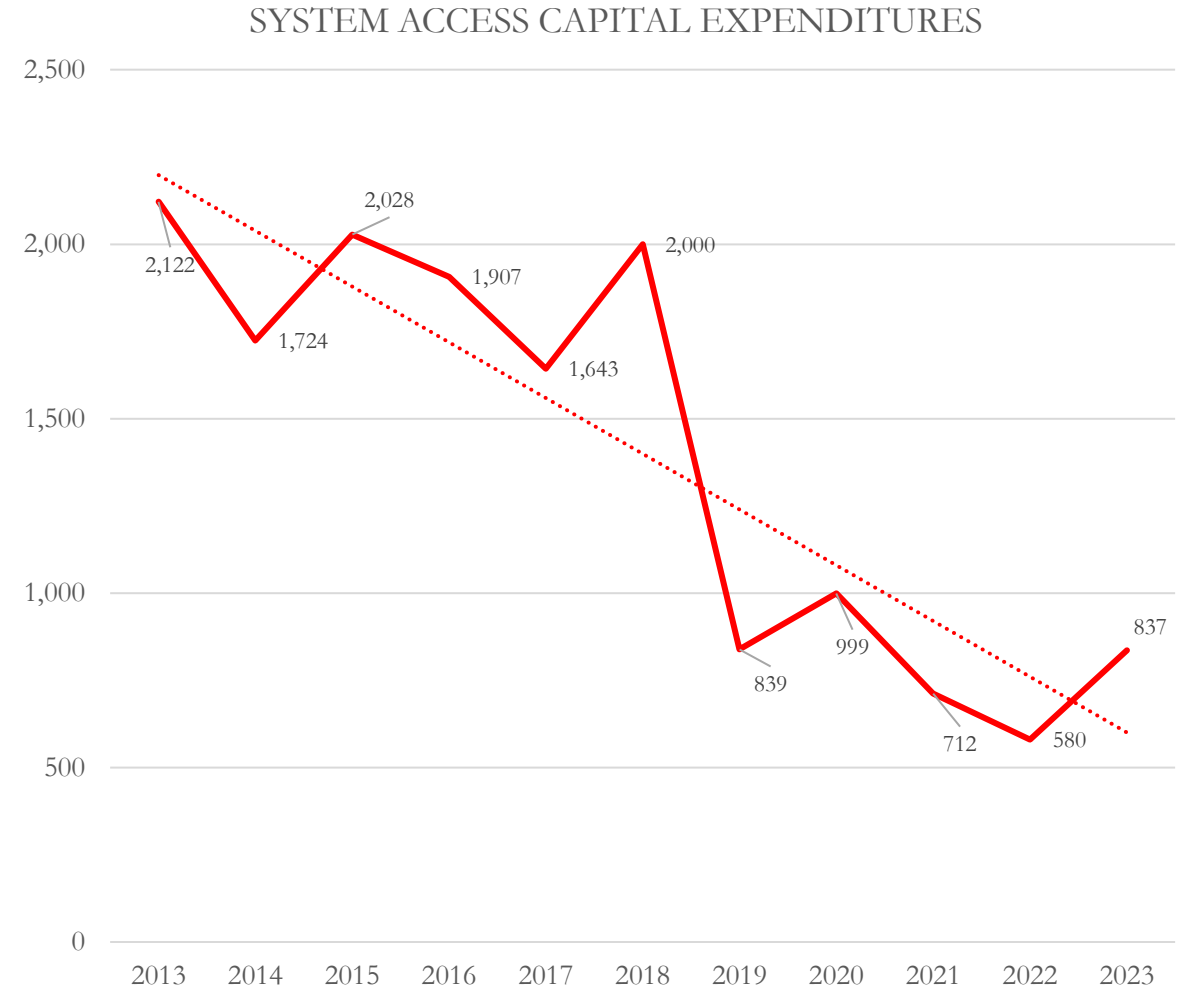
“No Regrets Activities” 

- Implementation of asset management strategy that prioritizes capital projects based on risk and impact.
- Renewal of assets with the goal of maintaining or improving reliability performance metrics by minimizing unplanned outages caused by defective equipment.
- Smooth approach to capital spending to avoid peaks and valleys.
 - Addressing a targeted number of assets annually.
- Focus on customer preference for a balance between rates and reliability.

Bottom Line Up Front

Category	2019		2020		2021		2022		2023	
	PLAN	ACTUAL	PLAN	ACTUAL	PLAN	ACTUAL	PLAN	ACTUAL	PLAN	ACTUAL
	\$ '000		\$ '000		\$ '000		\$ '000		\$ '000	
SYSTEM ACCESS	788	839	838	999	849	712	910	580	944	837
SYSTEM RENEWAL	6,794	5,312	5,702	6,955	8,902	8,733	5,041	4,653	7,655	7,414
SYSTEM SERVICE	751	1,306	1,610	1,265	1,227	879	1,334	968	279	115
GENERAL PLANT	1,205	944	1,265	1,201	892	764	1,584	1,642	1,396	1,584
TOTAL	9,538	8,401	9,415	10,420	11,869	11,088	8,869	7,843	10,273	9,950

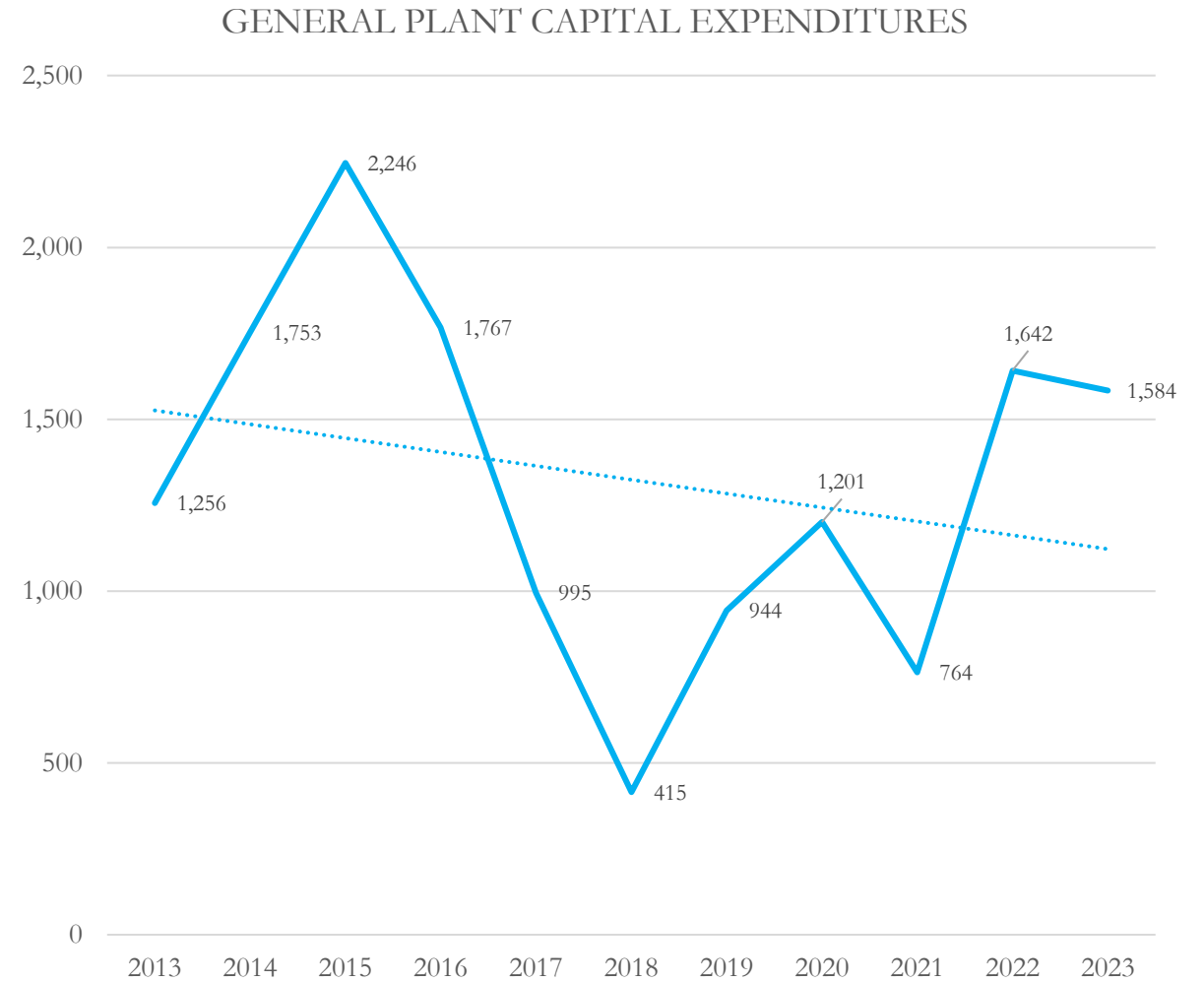
System Access investments are non-discretionary and externally-driven. Investments of this type are typically customer, municipally, regionally, provincially or regulatory-driven and must be met by GSHI to comply with the Utility's *Conditions of Service* and the relevant provisions of the DSC.



General Plant investments are modifications, replacements or additions to a distributor's assets that are not part of its distribution system.

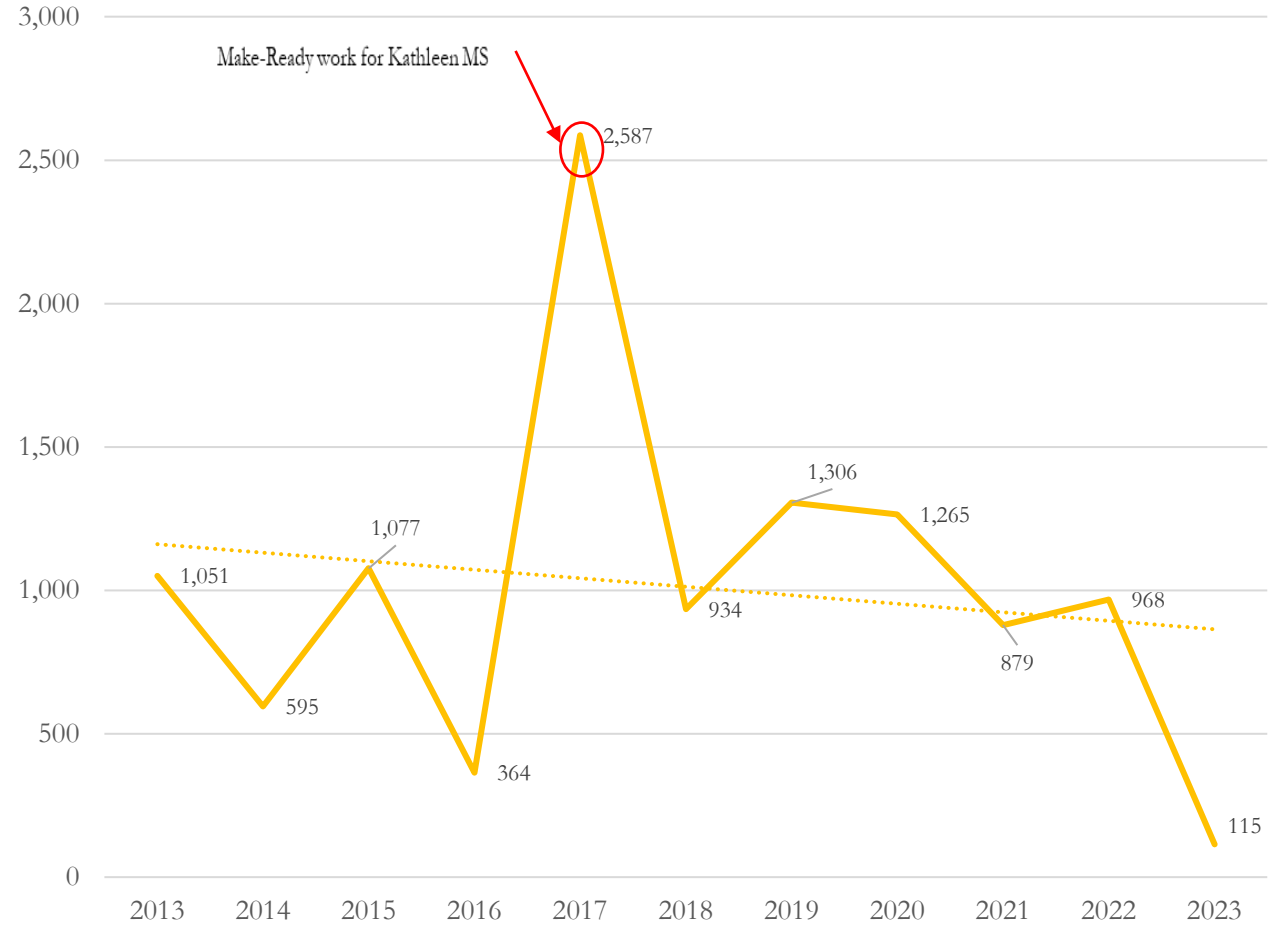
Examples:

- Land and Buildings
- Tools & Equipment
- Rolling Stock (Fleet)
- Software



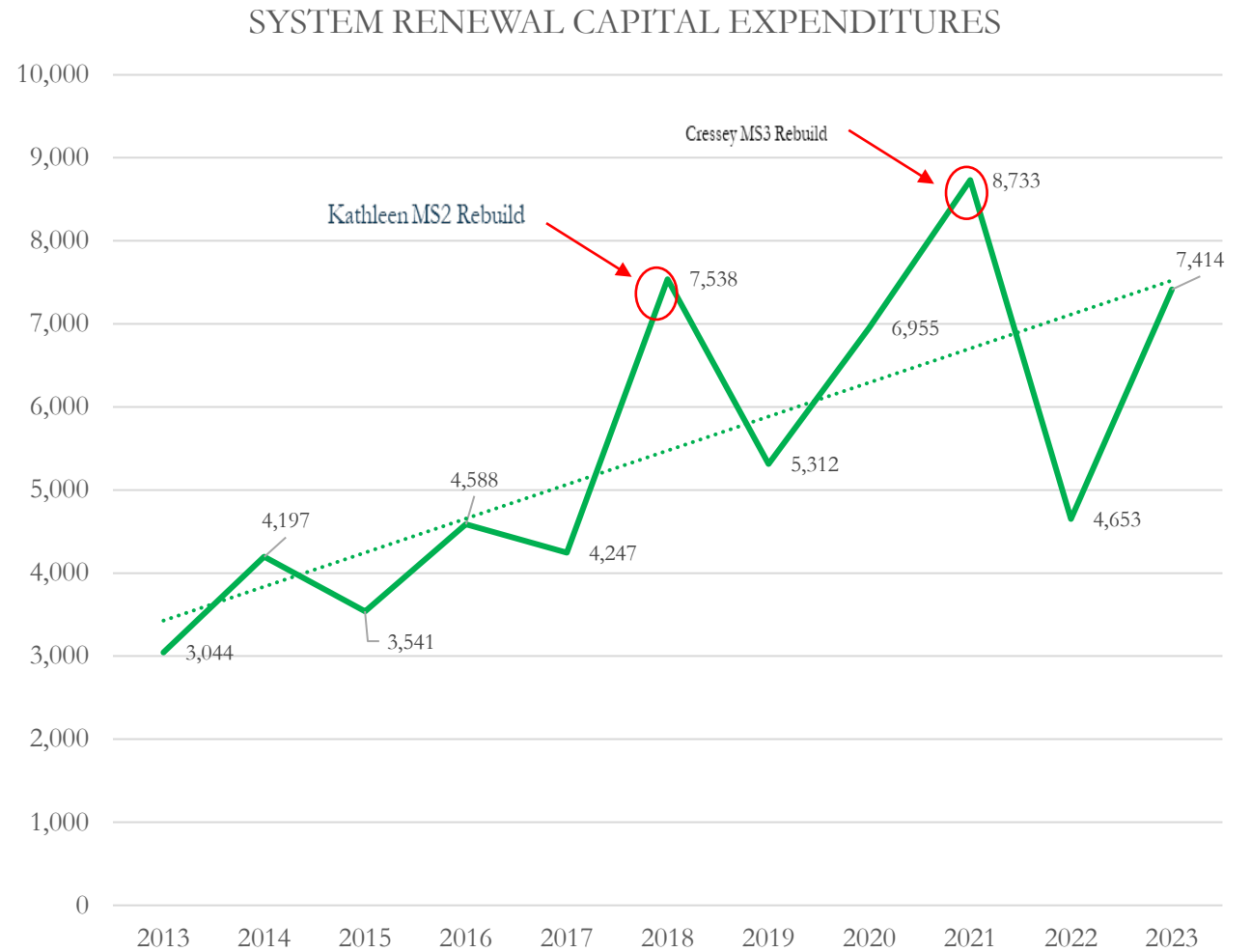
System Service investments are necessary to ensure that GSHI's distribution system continues to meet its operational objectives related to safety, reliability, power quality and system efficiency, while addressing anticipated future customer requirements for electricity service.

SYSTEM SERVICE CAPITAL EXPENDITURES



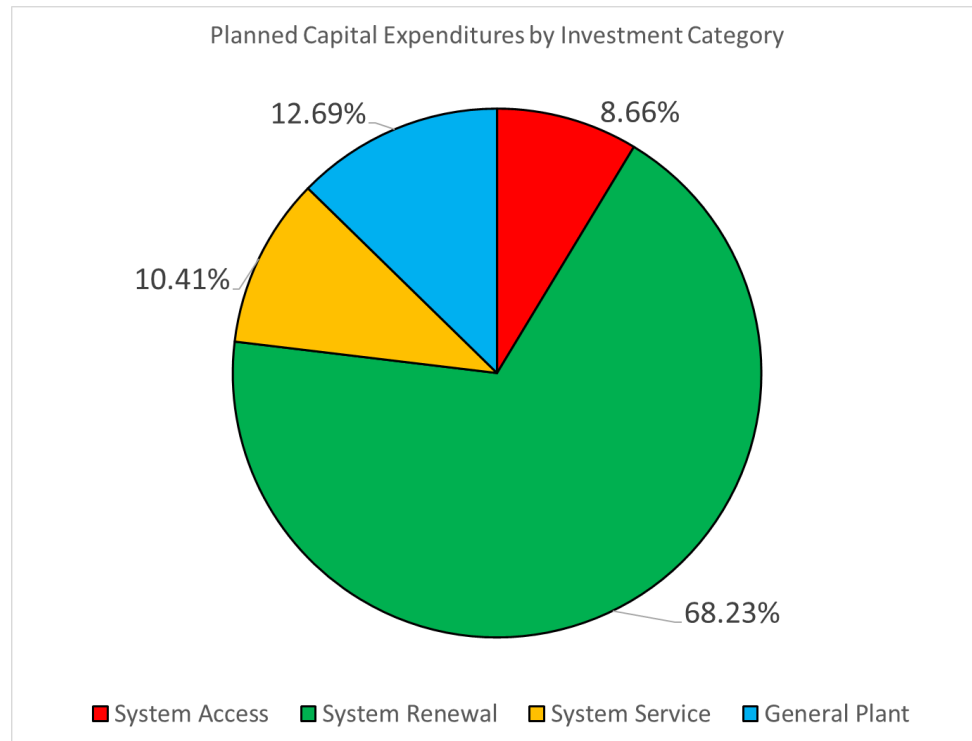
System Renewal investments are derived from the results of studies that are conducted internally by GSHI staff. Examples include:

- Asset Condition Assessment (ACA);
- Feeder Reliability Assessment;
- Customer Satisfaction Surveys/Consultations; and
- Service Territory Load Forecast

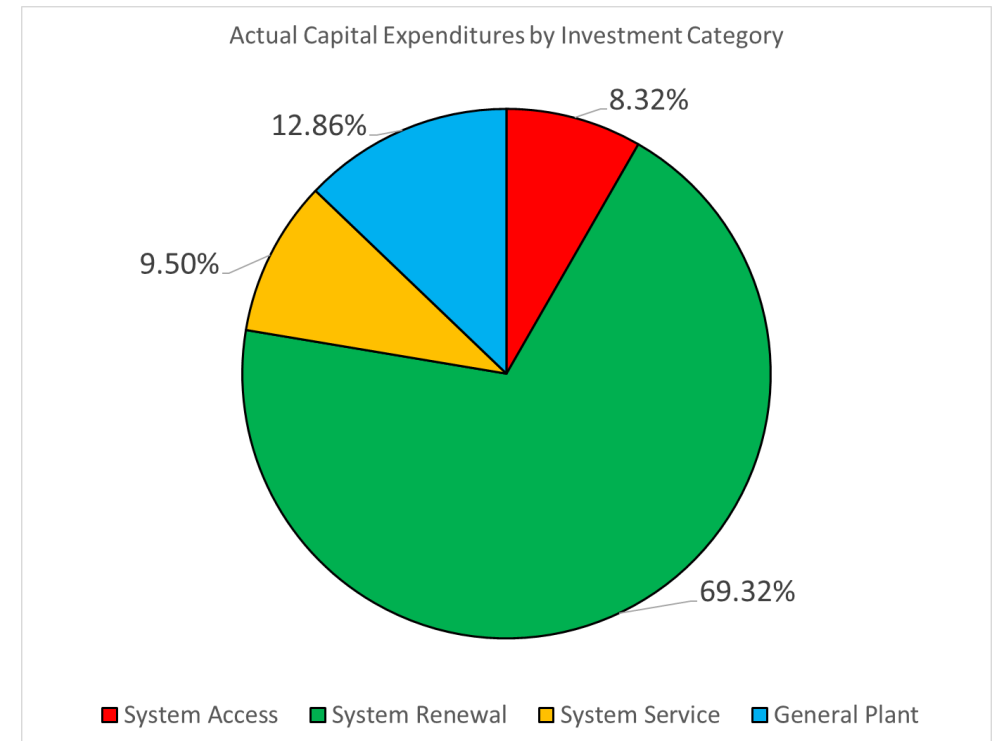


Capital Expenditures

Planned Capital Expenditures by Investment Category (2019-2023)



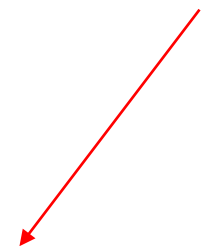
Actual Capital Expenditures by Investment Category (2019-2023)



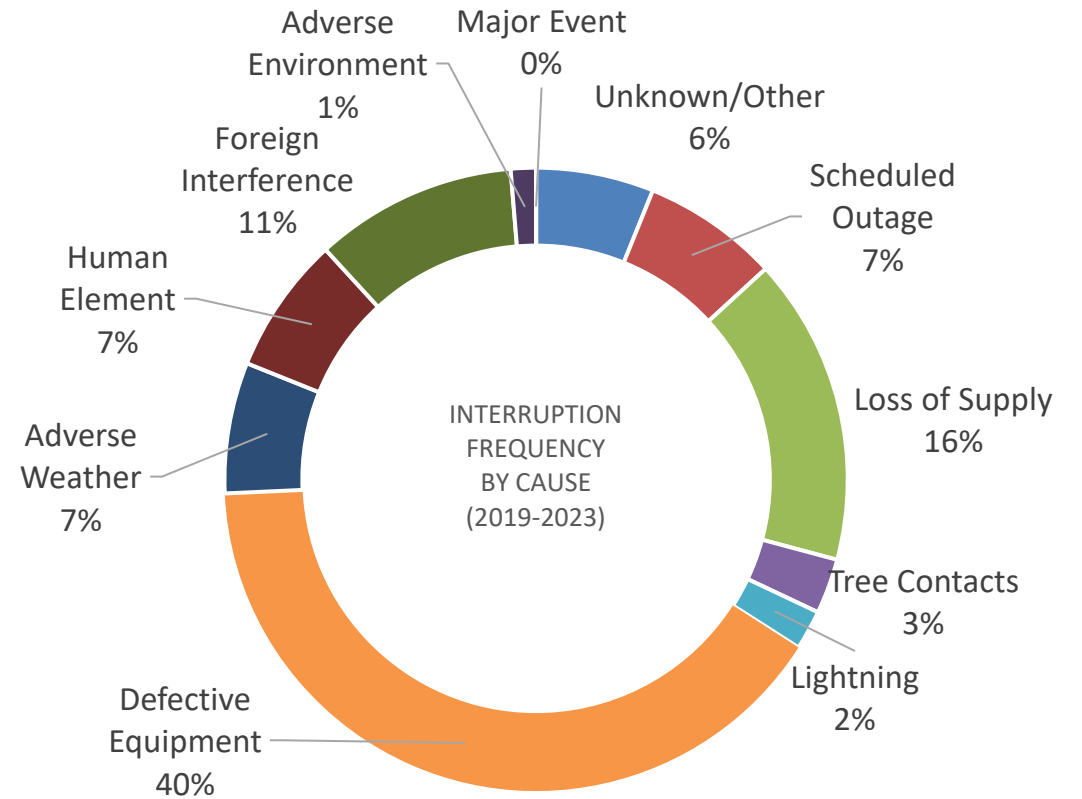
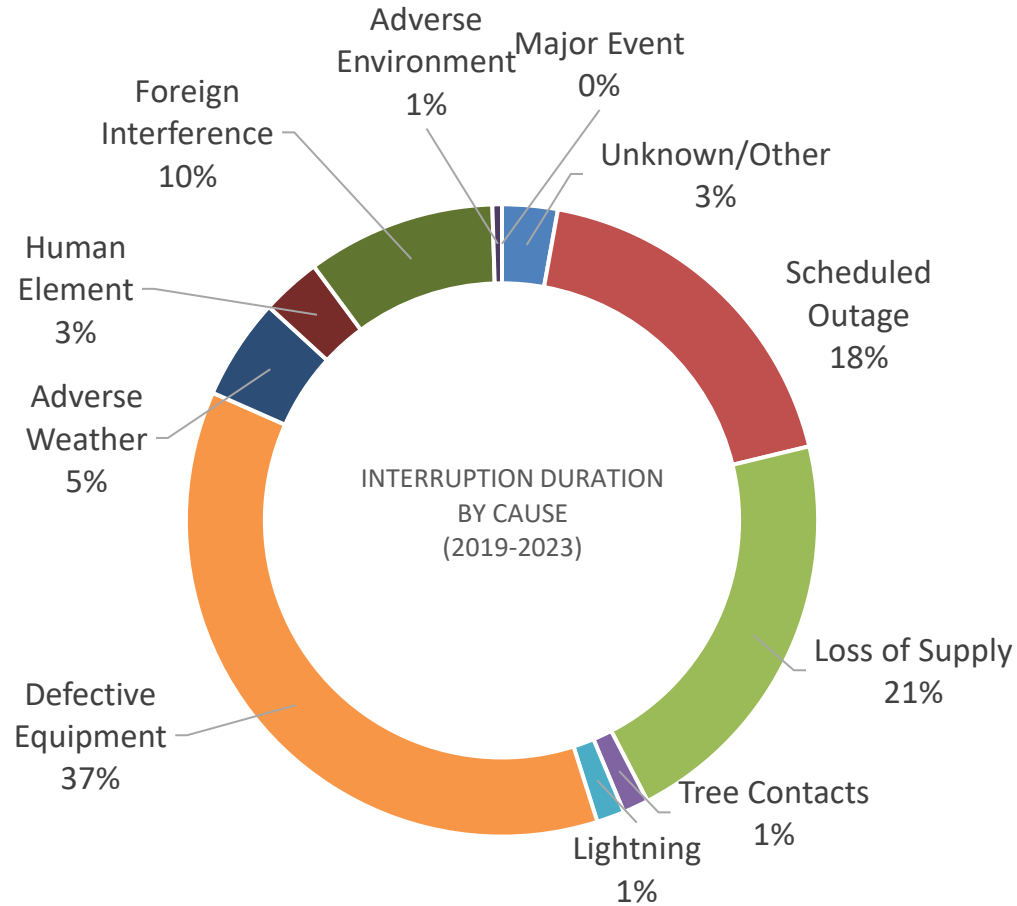
Performance Outcome	Measure	Motivation	Metric	GSHI Target
Customer Oriented Performance	Service Quality	Consumer/Regulatory	New Residential/Small Business Services Connected on Time	≥ 90%
			Scheduled Appointments Met On Time	≥ 90%
			Telephone Calls Answered on Time	≥ 65%
	Customer Satisfaction	Consumer/Regulatory	First Contact Resolution	≥ 80%
			Billing Accuracy	≥ 98%
			Customer Satisfaction Survey Results	≥ 80%
	System Reliability	Consumer/Regulatory	SAIDI	SAIDI ≤ 1.18
			SAIDI5	SAIDI5 ≤ 15%
		Consumer/Regulatory	SAIFI	SAIFI ≤ 1.18
			SAIFI5	SAIFI5 ≤ 20%
Cost Efficiency & Effectiveness	Cost Control	Consumer/Regulatory/Corporate	Total Cost per Customer	Improving trend. Performance is evaluated through OEB benchmarking process
			Total Cost per km of Line	
			Total Cost per MW	
			Total CAPEX per Customer	
			Total CAPEX per km of Line	
			Total O&M per Customer	
			Total O&M per km of Line	
	Distribution System Plan Implementation Progress	Regulatory/Corporate	Actual Spend vs. Planned Spend (Total Budget)	± 10% of total
			Actual Spend vs. Planned Spend (by Project)	± 10% of total
Asset and/or System Operations Performance	Safety	Regulatory/Corporate	Level of Public Awareness	≥ 80%
			Level of Compliance with O.Reg. 22/04	C (compliant)
			O.Reg 22/04 Total Audit Findings	≤ 5
			Serious Electrical Incident Index - Number of General Public Incidents	0
			Serious Electrical Incident Index - Rate per 10, 100, 1000 km of Line	0
	Distribution System Losses	Regulatory/Corporate	Line Losses	≤ 5%
	Distribution System Asset Condition	Corporate	Health Index (all asset populations)	≤ 5% rated "Very Poor" or "Poor"



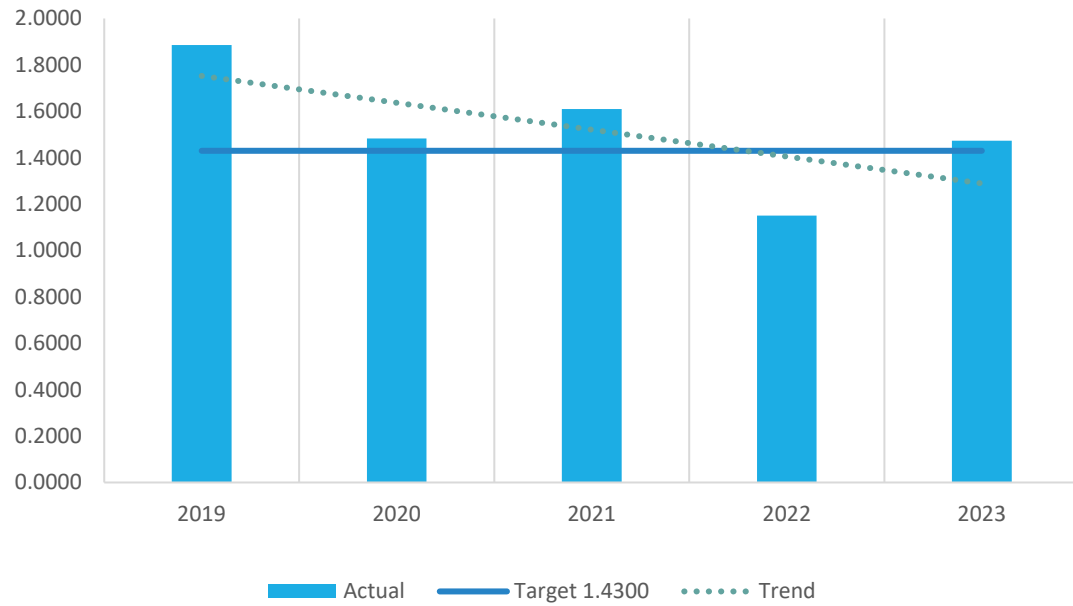
Most important metrics for identifying prospective **System Renewal** investments



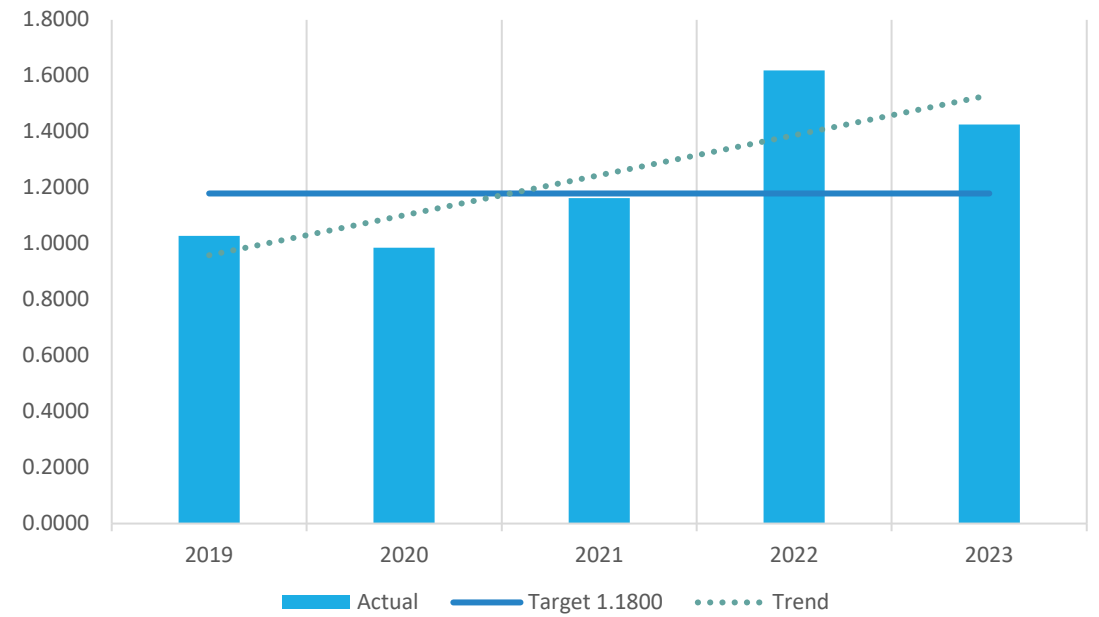
SAIDI/SAIFI Contributors



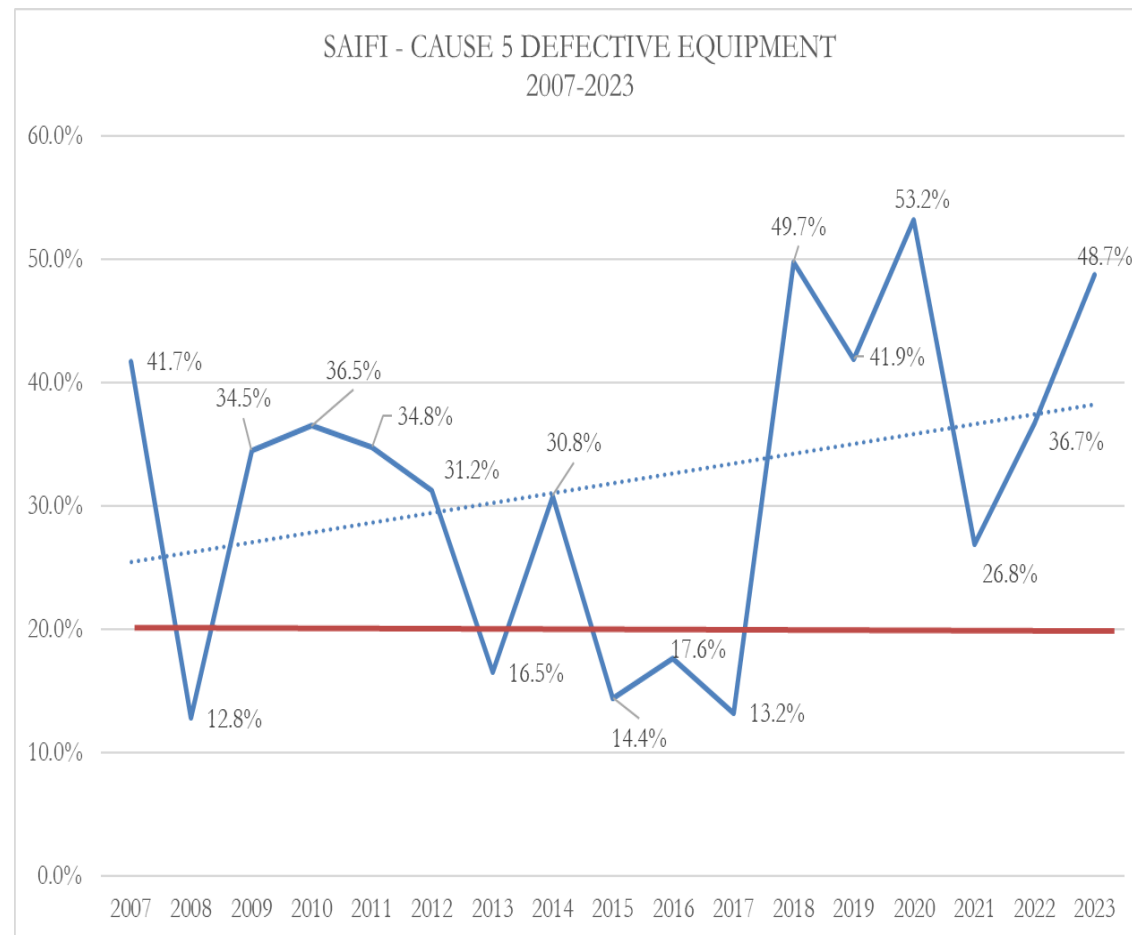
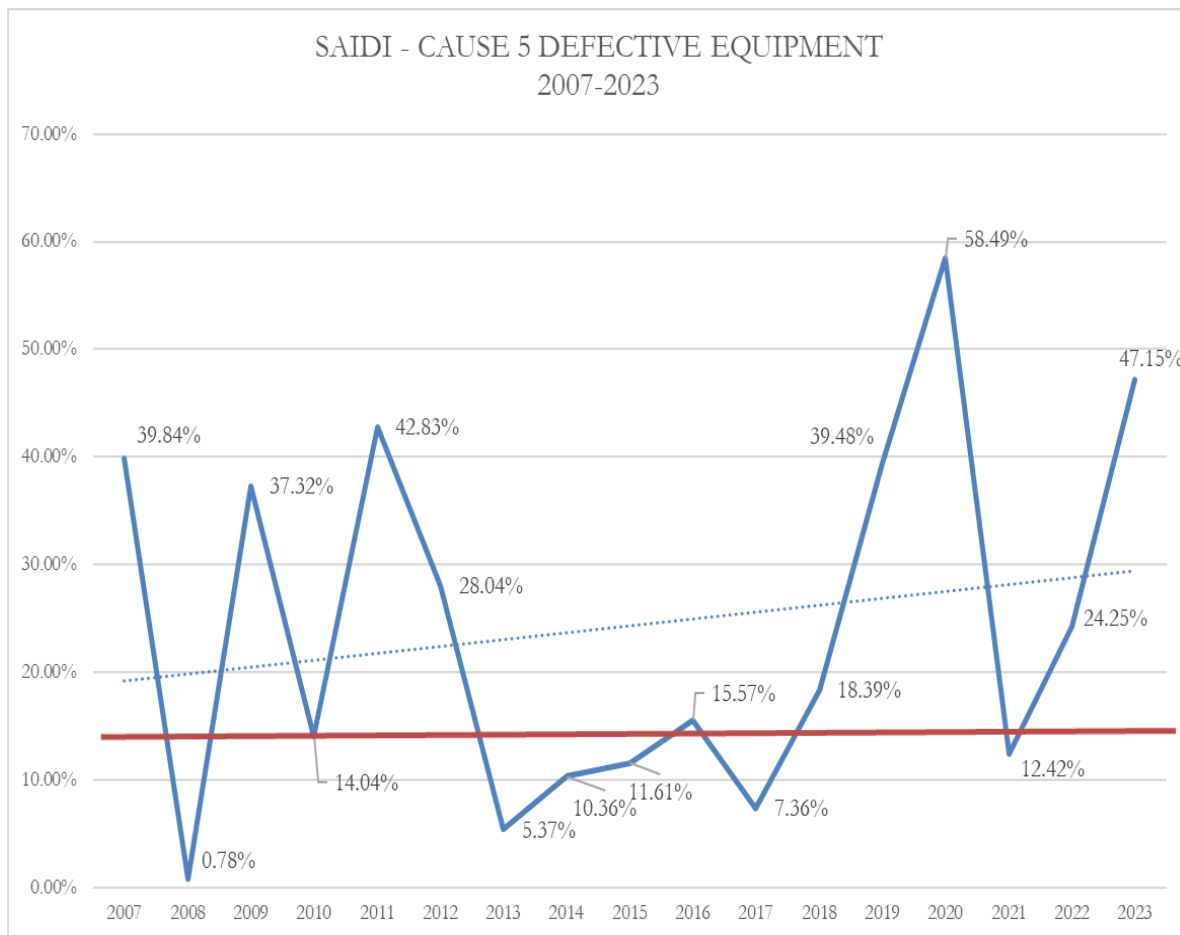
SAIDI YoY Trend



SAIFI YoY Trend



SAIDI5/SAIFI5



Asset Management Strategy

- Smooth approach to capital spending
 - Cannot necessarily address highest impact assets all at once
 - 10 year forecast
 - Targeted number of assets addressed annually
- Assets grouped into projects
- Projects evaluated based on organizational goals which align with OEB performance outcomes

Asset Management Objective	Goal	Weighting
Customer Focus	Customer	50
Operational Effectiveness	Operational/ Organizational Excellence	25
Public Policy Responsiveness	Community	-
Financial Performance	Financial	25
	People	.

Performance

Flagged for Action Plan - Levelized										
Asset Category	2020		2021		2022		2023		Total	
	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
Substation Transformers	5	1	0	6	1	0	0	0	6	7
Pad Mounted Transformers	49	17	49	22	49	21	42	28	189	88
Pole Mounted Transformers	18	98	18	90	18	99	18	104	72	391
Submersible Transformers	2	0	2	0	2	0	1	0	7	0
Vault Transformers	4	0	4	3	4	3	5	3	17	9
Overhead Line Switches	21	8	21	2	21	2	23	1	86	13
Pad Mounted Switchgear	1	0	0	0	0	0	0	0	1	0
Pad Mounted Junction Enclosure	1	0	0	0	0	0	0	0	1	0
GSU Wood Poles	233	219	233	259	233	214	225	293	924	985
GSU Conc. Poles	12	0	12	0	12	0	10	0	46	0
Bell Wood Poles	90	42	90	12	90	13	87	17	357	84
Hydro One Wood Poles	1	0	1	0	1	0	2	0	5	0



Attachment 4 (of 6):

***1-SEC-1 Attachment 4: 2025 Budget Review
Presentation***



Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.

MEMORANDUM TO THE BOARD OF DIRECTORS

2024-08-12

MEMBERS OF THE BOARD OF DIRECTORS:

Cost of Service application update – OM&A and Capital

FOR
INFORMATION
PURPOSES:

To provide the Board with the opportunity to review and comment on the Operations, Maintenance, Administration, and Capital budgets to be used in the Cost of Service Application for rates effective May 1, 2025.

REMARKS:

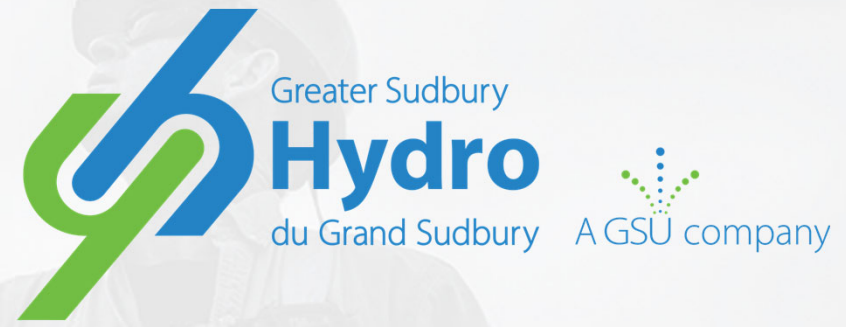
The budget schedules attached are the OM&A budgets that management proposes to be filed with the Ontario Energy Board for rates setting. The capital budget is reflective of the work required based on the Distribution System Plan in 2025.

The OM&A forms a majority of the calculation of the revenue requirement which, along with expected PILs, and return on capital, determine the distribution revenue calculation.

Management requires the 2025 budget to be able to continue completing the Cost of Service application as it provides the information required to insert the Test Year comparatives. The complete budget will be part of the Cost of Service application to be approved in the October meeting.

Respectfully Submitted,

Catherine Huneault
Vice President - Corporate Services and CFO
TO: The Chair, and Board of Directors.



2025 Budget for Cost of Service



Greater Sudbury Hydro Plus Inc (PlusCo)

Schedule 1 - Budget Income Statement (Shared services)

Annual budget compared to prior year budget, YTD actuals (to June 30, 2024), YTD budget and prior year actuals

	2025 Annual Budget	2024 Annual Budget	Budget Change (\$)	Budget Change (%)	2024 YTD Amount	2024 YTD Budget	2023 Actual	Allocation to Hydro Inc	
								%	\$
Income Statement									
Expenses									
Shared services expense (Schedule 1)									
Information Technology	(\$1,861,065)	(\$1,599,403)	(\$261,662)	-16.36%	(\$747,997)	(\$799,702)	(\$1,502,889)	-41.39%	(\$770,203)
Customer Accounts	(\$1,767,656)	(\$1,714,393)	(\$53,263)	-3.11%	(\$818,838)	(\$857,197)	(\$1,617,604)	59.11%	(\$1,044,877)
Billing	(\$1,741,534)	(\$1,697,248)	(\$44,286)	-2.61%	(\$772,262)	(\$848,624)	(\$1,491,073)	72.45%	(\$1,261,775)
Accounting	(\$981,569)	(\$853,563)	(\$128,006)	-15.00%	(\$398,446)	(\$426,782)	(\$798,184)	63.49%	(\$623,220)
Human Resources	(\$777,504)	(\$808,616)	\$31,112	3.85%	(\$407,441)	(\$404,308)	(\$948,730)	71.08%	(\$552,618)
President & CEO	(\$648,260)	(\$613,439)	(\$34,821)	-5.68%	(\$295,034)	(\$306,720)	(\$788,978)	79.13%	(\$512,952)
Innovation	(\$628,477)	(\$599,992)	(\$28,485)	-4.75%	(\$286,269)	(\$299,996)	(\$514,574)	87.27%	(\$548,479)
Streetlight Maintenance	(\$470,671)	(\$386,910)	(\$83,761)	-21.65%	(\$160,378)	(\$193,455)	(\$430,936)	CGS	\$0
Finance	(\$445,158)	(\$419,297)	(\$25,861)	-6.17%	(\$197,683)	(\$209,649)	(\$384,918)	79.32%	(\$353,099)
Risk Management	(\$413,054)	(\$385,072)	(\$27,982)	-7.27%	(\$154,645)	(\$192,536)	(\$319,136)	92.80%	(\$383,332)
General Counsel	(\$363,848)	(\$355,447)	(\$8,401)	-2.36%	(\$84,117)	(\$177,724)		79.13%	(\$287,904)
Communications, Marketing & Corporate Sponsorship	(\$350,075)	(\$325,317)	(\$24,758)	-7.61%	(\$129,992)	(\$162,659)	(\$410,462)	66.75%	(\$233,680)
Regulatory	(\$344,732)	(\$347,525)	\$2,793	0.80%	(\$167,733)	(\$173,763)	(\$290,175)	100.00%	(\$344,732)
Cashiers Mailing	(\$262,738)	(\$229,967)	(\$32,771)	-14.25%	(\$122,118)	(\$114,984)	(\$285,197)	43.00%	(\$112,977)
Board of Directors	(\$204,559)	(\$202,774)	(\$1,785)	-0.88%	(\$77,492)	(\$101,387)	(\$139,348)	50.00%	(\$102,280)
Purchasing	(\$190,617)	(\$184,720)	(\$5,897)	-3.19%	(\$80,389)	(\$92,360)	(\$163,153)	81.50%	(\$155,358)
Meters / Smart Meters	(\$114,246)	(\$109,930)	(\$4,316)	-3.93%	(\$56,883)	(\$54,965)	(\$112,736)	100.00%	(\$114,246)
General Expenses	(\$113,085)	(\$80,697)	(\$32,388)	-40.14%	(\$36,371)	(\$40,349)	(\$56,614)	78.33%	(\$88,580)
OPEB Interest - Retirees Portion	(\$67,900)		(\$67,900)				(\$69,800)	78.33%	(\$53,186)
Market Services Wholesale	(\$47,428)	(\$44,761)	(\$2,667)	-5.96%	(\$21,675)	(\$22,381)	(\$43,339)	100.00%	(\$47,428)
Amortization	(\$36,300)	(\$36,230)	(\$70)	-0.19%	(\$18,115)	(\$18,115)	(\$35,632)	71.08%	(\$25,801)
Collections Activity	(\$3,000)	(\$5,000)	\$2,000	40.00%	(\$578)	(\$2,500)	(\$939)	60.00%	(\$1,800)
Information Technology - Reallocation	(\$1)	(\$1)	\$0	0.00%	(\$0)	(\$1)	(\$0)		
Maintenance General Plant					\$0		\$0		
Business Development		(\$289,132)	\$289,132	100.00%	(\$869)	(\$144,566)	\$0		
NewCo					(\$6,619)				
Operations							\$0		
Recoverable Expenses					(\$2,023)		(\$3,592)		
Engineering					(\$279)				
Shared services expense (Schedule 1) Total	(\$11,833,477)	(\$11,289,434)	(\$544,043)	-4.82%	(\$5,044,247)	(\$5,644,717)	(\$10,408,008)		(\$7,618,528)
Net Income (Loss)	(\$11,833,477)	(\$11,289,434)	(\$544,043)	-4.82%	(\$5,044,247)	(\$5,644,717)	(\$10,408,008)		

Proposed 2025 Discretionary OM&A Budget



Greater Sudbury Hydro Inc (WiresCo)									
Budget Discretionary OM&A Statement									
Annual budget compared to prior year budget, YTD actuals (to June 30, 2024), YTD budget and prior year actuals									
	2025 Annual Budget	2024 Annual Budget	Budget Change (\$)	Budget Change (%)	2024 YTD Amount	2024 YTD Budget	2023 Actual	2022 Actual	
Income Statement									
Expenses									
⊕ Distribution - operations (Schedule 2)	(\$8,980,596)	(\$8,123,164)	(\$857,432)	-10.56%	(\$3,670,853)	(\$4,060,914)	(\$7,318,031)	(\$7,198,363)	
⊕ General administration (Schedule 3)	(\$5,501,211)	(\$5,145,761)	(\$355,450)	-6.91%	(\$2,294,358)	(\$2,572,650)	(\$4,648,251)	(\$4,144,993)	
⊕ Billing and collecting (Schedule 4)	(\$2,904,680)	(\$2,888,438)	(\$16,242)	-0.56%	(\$1,288,616)	(\$1,444,176)	(\$2,623,840)	(\$2,387,702)	
⊕ Distribution - maintenance (Schedule 5)	(\$2,233,944)	(\$2,020,628)	(\$213,316)	-10.56%	(\$954,242)	(\$1,009,956)	(\$1,926,351)	(\$1,590,144)	
⊕ Future pension benefit interest expense	(\$501,187)	(\$335,400)	(\$165,787)	-49.43%	(\$167,700)	(\$167,700)	(\$529,508)	(\$381,749)	
Expenses Total	(\$20,121,618)	(\$18,513,391)	(\$1,608,227)	-8.69%	(\$8,375,770)	(\$9,255,396)	(\$17,045,981)	(\$15,702,951)	
Net Income (Loss)	(\$20,121,618)	(\$18,513,391)	(\$1,608,227)	-8.69%	(\$8,375,770)	(\$9,255,396)	(\$17,045,981)	(\$15,702,951)	

Allowed increases since the last COS



	2020	2021	2022	2023	2024	2025	% Chg (2025 over 2020)
OEB Inflation Factor		2.20%	3.30%	3.70%	4.80%	3.60%	
	\$1.00	\$1.02	\$1.06	\$1.09	\$1.15	\$1.19	18.86%

2025 vs 2020



		OEB Inflation, 2020 to 2025:	18.86%			
	2025 Annual Budget	2020 Rate Application Approved	Budget Change (\$) - 2020 vs. 2025	Budget Change (%) - 2020 vs. 2025	2023 Actual	2022 Actual
Income Statement						
Expenses						
⊕ Distribution - operations (Schedule 2)	(\$8,980,596)	(\$7,566,873)	(\$1,413,723)	-18.68%	(\$7,318,031)	(\$7,198,363)
⊕ General administration (Schedule 3)	(\$5,501,211)	(\$4,402,759)	(\$1,098,452)	-24.95%	(\$4,648,251)	(\$4,144,993)
⊕ Billing and collecting (Schedule 4)	(\$2,904,680)	(\$2,751,369)	(\$153,311)	-5.57%	(\$2,623,840)	(\$2,387,702)
⊕ Distribution - maintenance (Schedule 5)	(\$2,233,944)	(\$1,845,301)	(\$388,643)	-21.06%	(\$1,926,351)	(\$1,590,144)
⊕ Future pension benefit interest expense	(\$501,187)	(\$335,400)	(\$165,787)	-49.43%	(\$529,508)	(\$381,749)
⊕ General expense reduction		\$326,466	(\$326,466)	-100.00%		
Expenses Total	(\$20,121,618)	(\$16,575,236)	(\$3,546,382)	-21.40%	(\$17,045,981)	(\$15,702,951)
Net Income (Loss)	(\$20,121,618)	(\$16,575,236)	(\$3,546,382)	-21.40%	(\$17,045,981)	(\$15,702,951)

Capital Plan for 2025



Greater Sudbury Hydro Inc (WiresCo)

Capital Project Budget Report

2025 capital budget compared to 2024

	A	B	A+B = C	D	D-C = E	E / C
	Capital budget	Capital Contributions Budget	Net Capital Budget	PY Net Capital Budget	Budget Change (\$)	Budget Change (%)
500 - WiresCo						
System Renewal	\$8,734,769		\$8,734,769	\$9,074,321	\$339,551	3.74%
System Access	\$2,175,000	(\$1,187,250)	\$987,750	\$1,198,457	\$210,707	17.58%
General Plant	\$1,555,227		\$1,555,227	\$2,368,390	\$813,163	34.33%
System Service	\$167,535		\$167,535	\$189,651	\$22,116	11.66%
500 - WiresCo Total	\$12,632,532	(\$1,187,250)	\$11,445,282	\$12,830,819	\$1,385,537	10.80%
Grand Total	\$12,632,532	(\$1,187,250)	\$11,445,282	\$12,830,819	\$1,385,537	10.80%

Expected financing of Capital

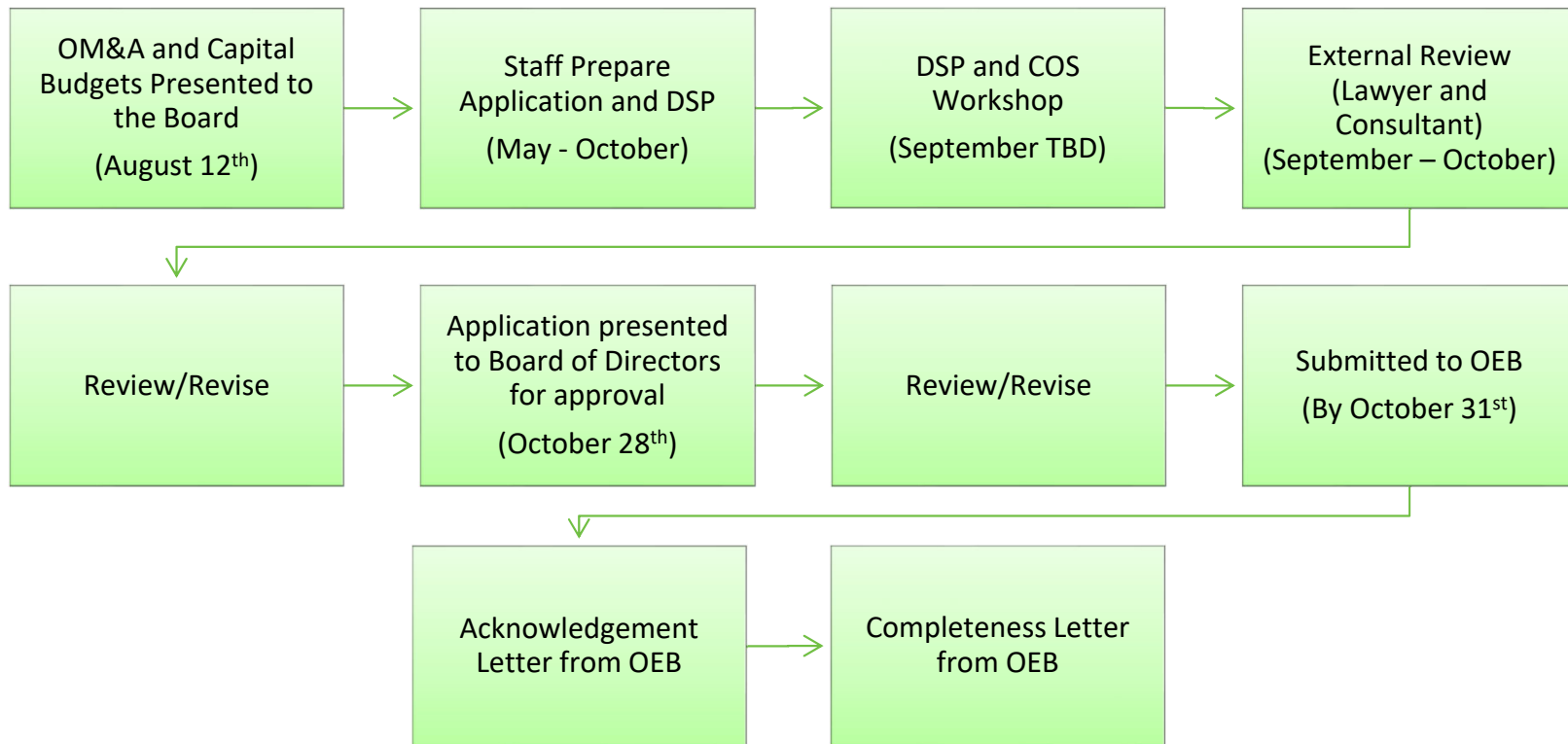


	2025 COS	2026 IRM	2027 IRM	2028 IRM	2029 IRM
	3.30%	2.50%	2.00%	2.00%	2.00%
Total cash for capital (amortization, deemed interest, return on deemed equity)	\$ 13,412,408	\$ 13,747,718	\$ 14,022,672	\$ 14,303,126	\$ 14,589,188
Less: current debt servicing (principal & interest)	\$ (4,392,642)	\$ (4,382,354)	\$ (4,548,605)	\$ (4,781,164)	\$ (4,951,550)
Less: new debt servicing (principal & interest)		\$ (167,111)	\$ (342,833)	\$ (521,859)	\$ (702,971)
Net cash available for capital, before debt	\$ 9,019,765	\$ 9,198,253	\$ 9,131,235	\$ 9,000,102	\$ 8,934,667
Debt available @ 60% debt structure	2,505,409	2,634,523	2,684,059	2,715,314	2,771,622
Total cash available for capital	\$ 11,525,175	\$ 11,832,776	\$ 11,815,293	\$ 11,715,416	\$ 11,706,290

Total spend to maintain debt/equity structure in Wiresco \$58.6M

www.sudburyhydro.com

The Road to Here



Are there any questions?



www.sudburyhydro.com

Greater Sudbury Hydro Inc (WiresCo)

Budget Discretionary OM&A Statement

Annual budget compared to prior year budget, YTD actuals (to June 30, 2024), YTD budget and prior year actuals

	2025 Annual Budget	2024 Annual Budget	Budget Change (\$)	Budget Change (%)	2024 YTD Amount	2024 YTD Budget	2023 Actual	2022 Actual
Income Statement								
Expenses								
Distribution - operations (Schedule 2)	(\$8,980,596)	(\$8,123,164)	(\$857,432)	-10.56%	(\$3,670,853)	(\$4,060,914)	(\$7,318,031)	(\$7,198,363)
General administration (Schedule 3)	(\$5,501,211)	(\$5,145,761)	(\$355,450)	-6.91%	(\$2,294,358)	(\$2,572,650)	(\$4,648,251)	(\$4,144,993)
Billing and collecting (Schedule 4)	(\$2,904,680)	(\$2,888,438)	(\$16,242)	-0.56%	(\$1,288,616)	(\$1,444,176)	(\$2,623,840)	(\$2,387,702)
Distribution - maintenance (Schedule 5)	(\$2,233,944)	(\$2,020,628)	(\$213,316)	-10.56%	(\$954,242)	(\$1,009,956)	(\$1,926,351)	(\$1,590,144)
Future pension benefit interest expense	(\$501,187)	(\$335,400)	(\$165,787)	-49.43%	(\$167,700)	(\$167,700)	(\$529,508)	(\$381,749)
Expenses Total	(\$20,121,618)	(\$18,513,391)	(\$1,608,227)	-8.69%	(\$8,375,770)	(\$9,255,396)	(\$17,045,981)	(\$15,702,951)
Net Income (Loss)	(\$20,121,618)	(\$18,513,391)	(\$1,608,227)	-8.69%	(\$8,375,770)	(\$9,255,396)	(\$17,045,981)	(\$15,702,951)

see schedules for variance analysis

Greater Sudbury Hydro Inc (WiresCo)

Schedule 2 - Budget Income Statement (Distribution operations)

Annual budget compared to prior year budget and prior year actuals

	2025 Annual Budget	2024 Annual Budget	Budget Change (\$)	Budget Change (%)	2024 YTD Amount	2024 YTD Budget	2023 Actual	2022 Actual	
Expenses									
Distribution - operations (Schedule 2)									
Engineering	(\$1,564,047)	(\$1,564,319)	\$272	0.02%	(\$523,617)	(\$782,022)	(\$1,093,700)	(\$1,093,717)	
Other Distribution Expense	(\$1,083,630)	(\$1,061,598)	(\$22,032)	-2.08%	(\$520,591)	(\$530,754)	(\$1,008,806)	(\$1,111,666)	
Control Room Operations	(\$990,622)	(\$898,490)	(\$92,132)	-10.25%	(\$378,728)	(\$449,220)	(\$673,498)	(\$681,248)	Note 1
Meters / Smart Meters	(\$883,635)	(\$800,436)	(\$83,199)	-10.39%	(\$319,694)	(\$400,140)	(\$787,035)	(\$654,963)	Note 2
Overhead Distribution Lines and Feeders	(\$757,930)	(\$752,114)	(\$5,816)	-0.77%	(\$491,781)	(\$376,002)	(\$654,472)	(\$760,546)	
Distribution Station Equipment	(\$604,430)	(\$244,192)	(\$360,238)	-147.52%	(\$185,433)	(\$122,064)	(\$422,394)	(\$429,951)	Note 3
Protection and Control	(\$593,551)	(\$581,089)	(\$12,462)	-2.14%	(\$150,854)	(\$290,496)	(\$331,286)	(\$416,718)	
Operations Management	(\$461,099)	(\$455,396)	(\$5,703)	-1.25%	(\$207,005)	(\$227,658)	(\$407,677)	(\$398,543)	
Operations Supervision	(\$449,570)	(\$414,954)	(\$34,616)	-8.34%	(\$189,781)	(\$207,462)	(\$493,910)	(\$423,921)	
Locates General	(\$308,110)	(\$239,571)	(\$68,539)	-28.61%	(\$130,429)	(\$119,748)	(\$323,540)	(\$241,310)	Note 4
Substation Building Fixtures	(\$278,720)	(\$241,076)	(\$37,644)	-15.61%	(\$135,605)	(\$120,516)	(\$281,192)	(\$231,328)	
IT Redistribution	(\$230,154)	(\$182,474)	(\$47,680)	-26.13%	(\$90,900)	(\$91,230)	(\$169,836)	(\$158,165)	
Energy Supply	(\$224,563)	(\$250,099)	\$25,536	10.21%	(\$100,353)	(\$125,022)	(\$209,859)	(\$206,782)	Note 4
Trouble Call-Outs After Hours	(\$207,210)	(\$186,228)	(\$20,982)	-11.27%	(\$101,402)	(\$93,102)	(\$201,262)	(\$186,472)	
Underground Distribution Transformers	(\$89,949)	(\$74,792)	(\$15,157)	-20.27%	(\$45,726)	(\$37,380)	(\$68,005)	(\$58,249)	
Overhead Transformers	(\$87,755)	(\$73,070)	(\$14,685)	-20.10%	(\$24,487)	(\$36,516)	(\$80,109)	(\$65,109)	
Underground Lines & Feeders	(\$68,670)	(\$15,305)	(\$53,365)	-348.68%	(\$19,443)	(\$7,638)	(\$34,826)	(\$22,520)	
Overhead Subtransmission Feeders	(\$50,035)	(\$59,143)	\$9,108	15.40%	(\$39,163)	(\$29,556)	(\$29,466)	(\$28,596)	
Callout Arrears	(\$46,916)	(\$27,193)	(\$19,723)	-72.53%	(\$15,424)	(\$13,584)	(\$47,123)	(\$28,429)	
Miscellaneous Material								(\$130)	
Underground Subtransmission Feeders		(\$1,625)	\$1,625	100.00%	(\$439)	(\$804)	(\$33)	\$0	
Total Expenses	(\$8,980,596)	(\$8,123,164)	(\$857,432)	-10.56%	(\$3,670,853)	(\$4,060,914)	(\$7,318,031)	(\$7,198,363)	

Greater Sudbury Hydro Inc (WiresCo)

Schedule 2 - Budget Income Statement (Distribution operations) Continued

Discussion of variances over \$50,000 and +/- 10%

Note 1 This increase is due to the introduction of a Control Room Supervisor

Note 2 Metering increase due to increase in supervision costs, the budgeting of a student; and an increase in contract labour for meter sampling

Note 3 This increase is due to more time for substation electrician to operations. We are not expected to build a substation in 2025 as per the capital plan, so less substation time is allocated to capital.

Note 4 Locates for West Nipissing are budgeted.
These costs were incorrectly budgeted in Energy Supply in the past.

Greater Sudbury Hydro Inc (WiresCo)

Schedule 3 - Budget Income Statement (General administration)

Annual budget compared to prior year budget and prior year actuals

	2025 Annual Budget	2024 Annual Budget	Budget Change (\$)	Budget Change (%)	2024 YTD Amount	2024 YTD Budget	2023 Actual	2022 Actual	
Expenses									
General administration (Schedule 3)									
Regulatory	(\$953,691)	(\$884,963)	(\$68,728)	-7.77%	(\$380,356)	(\$442,452)	(\$615,390)	(\$718,137)	Note 1
Accounting	(\$712,923)	(\$566,027)	(\$146,896)	-25.95%	(\$273,801)	(\$283,002)	(\$544,989)	(\$483,744)	Note 2
President & CEO	(\$573,981)	(\$538,911)	(\$35,070)	-6.51%	(\$254,696)	(\$269,442)	(\$672,206)	(\$449,578)	
Human Resources	(\$549,051)	(\$598,576)	\$49,525	8.27%	(\$308,521)	(\$299,286)	(\$723,780)	(\$537,312)	Note 3
Innovation	(\$516,008)	(\$472,197)	(\$43,811)	-9.28%	(\$230,590)	(\$236,094)	(\$403,282)	(\$361,994)	
Risk Management	(\$456,209)	(\$449,752)	(\$6,457)	-1.44%	(\$176,947)	(\$224,862)	(\$381,479)	(\$381,065)	
Finance	(\$368,618)	(\$352,643)	(\$15,975)	-4.53%	(\$168,040)	(\$176,310)	(\$327,411)	(\$311,757)	
General Counsel	(\$313,710)	(\$272,290)	(\$41,420)	-15.21%	(\$67,293)	(\$136,140)			Note 4
General Expenses	(\$288,214)	(\$263,371)	(\$24,843)	-9.43%	(\$123,281)	(\$131,676)	(\$240,213)	(\$199,435)	
Communications, Marketing & Corporate Sponsorship	(\$259,041)	(\$240,533)	(\$18,508)	-7.69%	(\$95,181)	(\$120,246)	(\$289,946)	(\$228,214)	
Purchasing	(\$193,495)	(\$198,911)	\$5,416	2.72%	(\$86,629)	(\$99,450)	(\$179,140)	(\$186,591)	
Board of Directors	(\$116,971)	(\$117,217)	\$246	0.21%	(\$38,746)	(\$58,596)	(\$80,757)	(\$77,119)	
QMS/RMS	(\$47,082)	(\$44,612)	(\$2,470)	-5.54%	(\$20,655)	(\$22,296)	(\$38,832)	(\$62,274)	
Audit and legal	(\$44,500)	(\$43,725)	(\$775)	-1.77%	(\$21,863)	(\$21,858)	(\$50,600)	(\$57,075)	
Leases & Rentals (GSHPI)	(\$42,000)	(\$42,000)	\$0	0.00%	(\$21,000)	(\$21,000)	(\$42,000)	(\$42,000)	
Property Management (West Nipissing)	(\$39,916)	(\$31,276)	(\$8,640)	-27.63%	(\$12,993)	(\$15,618)	(\$31,696)	(\$22,327)	
Amortization	(\$25,801)	(\$26,810)	\$1,009	3.76%	(\$13,767)	(\$13,404)	(\$26,501)	(\$26,371)	
Property Management (500 Regent)		(\$1,947)	\$1,947	100.00%	\$0	(\$918)	(\$27)	(\$0)	
Business Development								\$0	
Total Expenses	(\$5,501,211)	(\$5,145,761)	(\$355,450)	-6.91%	(\$2,294,358)	(\$2,572,650)	(\$4,648,251)	(\$4,144,993)	

Greater Sudbury Hydro Inc (WiresCo)

Schedule 3 - Budget Income Statement (General administration) Continued

Discussion of variances over \$50,000 and +/- 10%

Note 1 The increase in this cost centre is mainly due to increase in consultant costs for the work on the Cost of service Application and increase in OEB fees. Costs associated with the Cost of Service application will be moved to the balance sheet and amortized over 5 years.

Note 2 This increase is due to the extra time expected to spend on the COS application. These extra costs will be moved to the balance sheet and amortized over 5 years.

Note 3 Costs reduced due to retirement. See Plusco statement

Note 4 Additional costs for legal consultant and training/networking etc.

Greater Sudbury Hydro Inc (WiresCo)

Schedule 4 - Budget Income Statement (Billing & Collecting)

Annual budget compared to prior year budget and prior year actuals

Row Labels	2025 Annual Budget	2024 Annual Budget	Budget Change (\$)	Budget Change (%)	2024 YTD Amount	2024 YTD Budget	2023 Actual	2022 Actual
Expenses								
Billing and collecting (Schedule 4)								
Customer Accounts	(\$1,457,090)	(\$1,398,270)	(\$58,820)	-4.21%	(\$669,218)	(\$699,120)	(\$1,375,426)	(\$1,100,296)
Billing	(\$1,107,612)	(\$1,072,299)	(\$35,313)	-3.29%	(\$494,227)	(\$536,142)	(\$952,701)	(\$943,745)
Cashiers Mailing	(\$131,444)	(\$114,140)	(\$17,304)	-15.16%	(\$60,409)	(\$57,066)	(\$138,047)	(\$119,078)
Collections Activity	(\$85,946)	(\$82,568)	(\$3,378)	-4.09%	(\$10,059)	(\$41,280)	(\$56,791)	(\$50,051)
Market Services Wholesale	(\$47,428)	(\$44,761)	(\$2,667)	-5.96%	(\$21,675)	(\$22,380)	(\$43,339)	(\$42,839)
Customer Credit	(\$35,000)	(\$35,000)	\$0	0.00%	(\$10,924)	(\$17,496)	(\$30,215)	(\$26,678)
Market Services	(\$29,160)	(\$25,400)	(\$3,760)	-14.80%	(\$22,106)	(\$12,696)	(\$42,322)	(\$36,238)
Meter Reading	(\$11,000)	(\$116,000)	\$105,000	90.52%		(\$57,996)	\$15,000	(\$63,776)
Penalties								(\$5,000)
Total Expenses	(\$2,904,680)	(\$2,888,438)	(\$16,242)	-0.56%	(\$1,288,616)	(\$1,444,176)	(\$2,623,840)	(\$2,387,702)

Cost variances are in the Plus statement but include general wage increase, the addition of a 1/2 position in Cashier's mailing.

Meter reading by a contractor is no longer required as it is being done inhouse. There are only a few customers that require this.

Greater Sudbury Hydro Inc (WiresCo)

Schedule 5 - Budget Income Statement (Distribution maintenance)

Annual budget compared to prior year budget and prior year actuals

Row Labels	2024 Annual		Budget		2024 YTD	2023 YTD	2023 Actual	2022 Actual
	Budget	Budget	Change (\$)	Change (%)				
Expenses								
Distribution - maintenance (Schedule 5)								
Overhead Tree Trimming	(\$649,138)	(\$626,975)	(\$22,163)	-3.53%	(\$199,351)	(\$313,470)	(\$578,757)	(\$392,870)
Overhead Maintenance	(\$280,759)	(\$134,800)	(\$145,959)	-108.28%	(\$168,695)	(\$67,356)	(\$325,571)	(\$91,261) Note 1
IT Redistribution	(\$230,154)	(\$182,474)	(\$47,680)	-26.13%	(\$90,900)	(\$91,230)	(\$169,836)	(\$158,165)
Maintenance of Overhead Services	(\$214,527)	(\$286,704)	\$72,177	25.17%	(\$34,695)	(\$143,328)	(\$115,659)	(\$277,649) Note 1
Information Technology	(\$157,103)	(\$129,174)	(\$27,929)	-21.62%	(\$31,620)	(\$64,578)	(\$39,220)	(\$34,431) Note 2
Maintenance of Underground Services	(\$150,851)	(\$114,771)	(\$36,080)	-31.44%	(\$59,312)	(\$57,366)	(\$164,826)	(\$110,442) Note 3
Pole Maintenance	(\$88,164)	(\$92,777)	\$4,613	4.97%	(\$56,465)	(\$46,362)	(\$65,383)	(\$72,413)
Transformer Maintenance	(\$81,560)	(\$98,751)	\$17,191	17.41%	(\$31,186)	(\$49,350)	(\$61,610)	(\$98,909)
Transformer Maintenance Underground	(\$81,239)	(\$69,140)	(\$12,099)	-17.50%	(\$30,031)	(\$34,542)	(\$61,920)	(\$63,043)
Maintenance of Underground Conduit	(\$77,834)	(\$69,736)	(\$8,098)	-11.61%	(\$27,940)	(\$34,848)	(\$100,784)	(\$40,483)
44 Overhead Lines	(\$64,669)	(\$60,646)	(\$4,023)	-6.63%	(\$135,716)	(\$30,306)	(\$46,875)	(\$39,187)
Maintenance of Underground Conductor/Devices	(\$55,717)	(\$43,452)	(\$12,265)	-28.23%	(\$22,101)	(\$21,708)	(\$50,080)	(\$35,108)
Substation Building Maintenance	(\$53,282)	(\$39,666)	(\$13,616)	-34.33%	(\$14,804)	(\$19,806)	(\$42,562)	(\$59,460)
Substation Equipment	(\$21,944)	(\$48,026)	\$26,082	54.31%	(\$6,867)	(\$23,988)	(\$12,802)	(\$59,236)
Meters / Smart Meters	(\$11,626)	(\$11,801)	\$175	1.48%	(\$42,024)	(\$5,886)	(\$75,085)	(\$51,313)
Sentinel Light Maintenance	(\$7,758)	(\$6,613)	(\$1,145)	-17.31%	(\$876)	(\$3,288)	(\$6,791)	(\$5,717)
44 KV Underground Service	(\$7,619)	(\$2,728)	(\$4,891)	-179.29%	(\$1,660)	(\$1,350)	(\$8,591)	(\$459)
Maintenance Supervision		(\$2,394)	\$2,394	100.00%		(\$1,194)		
Total Expenses	(\$2,233,944)	(\$2,020,628)	(\$213,316)	-10.56%	(\$954,242)	(\$1,009,956)	(\$1,926,351)	(\$1,590,144)

Greater Sudbury Hydro Inc (WiresCo)

Schedule 5 - Budget Income Statement (Distribution maintenance) Continued

Discussion of variances over \$50,000 and +/- 10%

- Note 1** increased material costs more inline with current and recent past actuals
This increase is offset by a decrease in the overhead services materials
- Note 2** New costs include metersense maintenance and Scada monitoring
as well as the move to more subscription based software
- Note 3** Increases due to higher contractor and materials costs more inline with
recent past actuals

Greater Sudbury Hydro Inc (WiresCo)

Capital Project Budget Report
 2025 capital budget compared to 2024

	A	B	A+B = C	D	D-C = E	E / C
	Capital budget	Capital Contributions Budget	Net Capital Budget	PY Net Capital Budget	Budget Change (\$)	Budget Change (%)
500 - WiresCo						
System Renewal	\$8,734,769		\$8,734,769	\$9,074,321	\$339,551	3.74%
System Access	\$2,175,000	(\$1,187,250)	\$987,750	\$1,198,457	\$210,707	17.58%
General Plant	\$1,555,227		\$1,555,227	\$2,368,390	\$813,163	34.33%
System Service	\$167,535		\$167,535	\$189,651	\$22,116	11.66%
500 - WiresCo Total	\$12,632,532	(\$1,187,250)	\$11,445,282	\$12,830,819	\$1,385,537	10.80%
Grand Total	\$12,632,532	(\$1,187,250)	\$11,445,282	\$12,830,819	\$1,385,537	10.80%





Attachment 5 (of 6):

***1-SEC-1 Attachment 5: Distribution System Plan
Information Session***



Greater Sudbury Hydro Inc
Hydro du Grand Sudbury Inc

Distribution System Plan 2024



Agenda



- 1) Genesis of the 'DSP'
- 2) Period Covered
- 3) Bottom Line Up Front
- 4) Performance Measurement
- 5) Asset Management Process
- 6) Capital Expenditure Plan
- 7) Remaining Work

The Genesis of the “DSP”



- Pursuant to the OEB’s 2013 **Renewed Regulatory Framework** for Electricity Distributors (RRFE), LDC’s are required to submit a Distribution System Plan (“DSP”) as part of their next Cost of Service (“COS”) application.
- *“The Board needs to regulate the industry in a way that serves present and future customers and that better aligns the interests of customers and distributors....and that places a greater focus on delivering value for money”.*

Period Covered



- Our upcoming DSP will cover the following time period(s):

Historical Period				Bridge Year	Test Year	Forecast Period			
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029

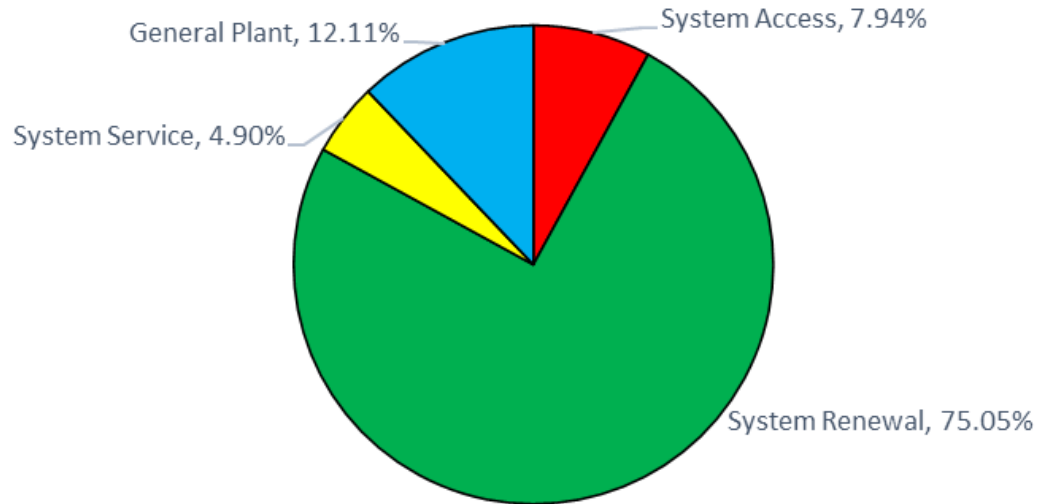
Bottom Line Up Front (Net Capital Expenditures)



CATEGORY	FORECAST PERIOD (PLANNED)				
	2025	2026	2027	2028	2029
	\$				
System Access	987,750	937,150	942,118	947,185	952,354
System Renewal	8,734,771	9,254,341	10,536,121	7,553,081	8,989,792
System Service	167,535	1,420,339	301,644	1,054,296	0
General Plant	1,555,227	1,398,560	1,353,480	1,392,580	1,573,275
Total	11,445,283	13,010,390	13,133,363	10,947,142	11,515,421

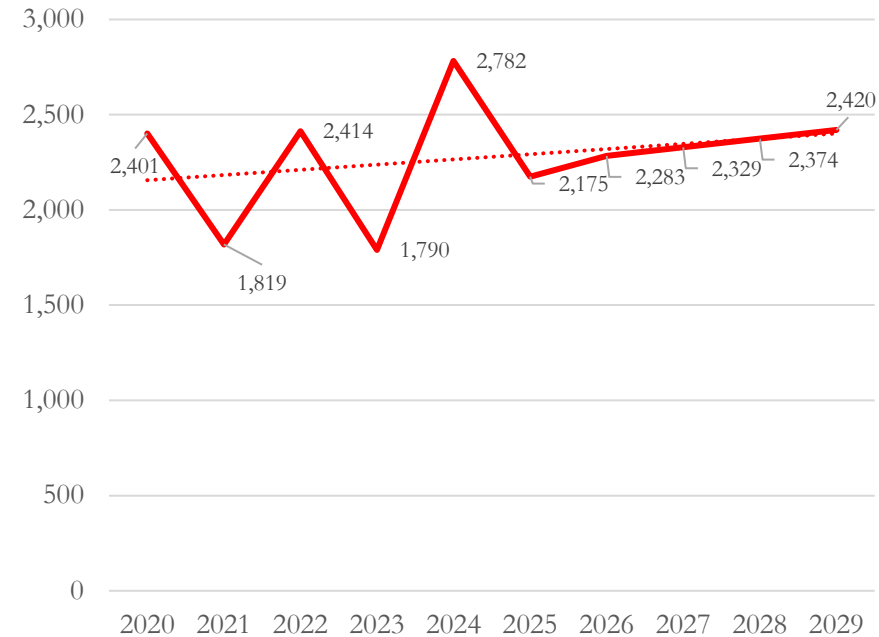


Forecast Capital Expenditures by Investment Category (2025 - 2029)



System Access investments are non-discretionary and externally-driven. Investments of this type are typically customer, municipally, regionally, provincially or regulatory-driven and must be met by GSHI to comply with the Utility's *Conditions of Service* and the relevant provisions of the DSC.

System Access Capital Expenditures - Historical Period and Projected

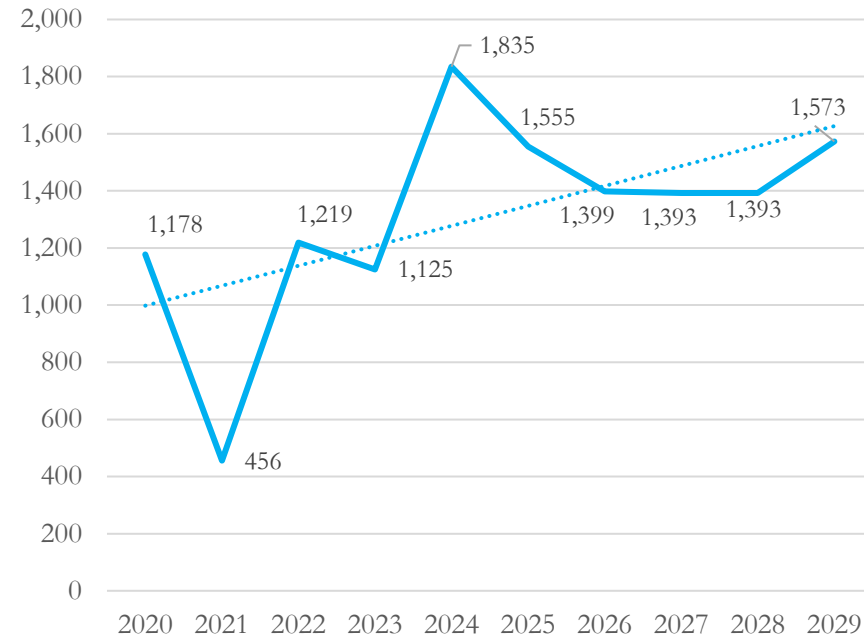


General Plant investments are modifications, replacements or additions to a distributor's assets that are not part of its distribution system.

Examples:

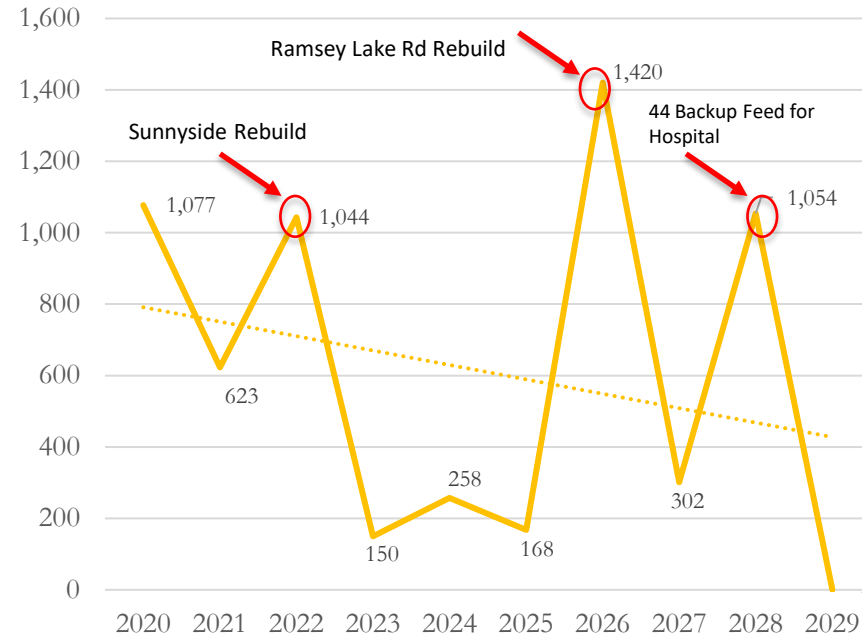
- Land and Buildings
- Tools & Equipment
- Rolling Stock (Fleet)
- Software

General Plant Capital Expenditures - Historical Period and Projected



System Service investments are necessary to ensure that GSHI's distribution system continues to meet its operational objectives related to safety, reliability, power quality and system efficiency, while addressing anticipated future customer requirements for electricity service.

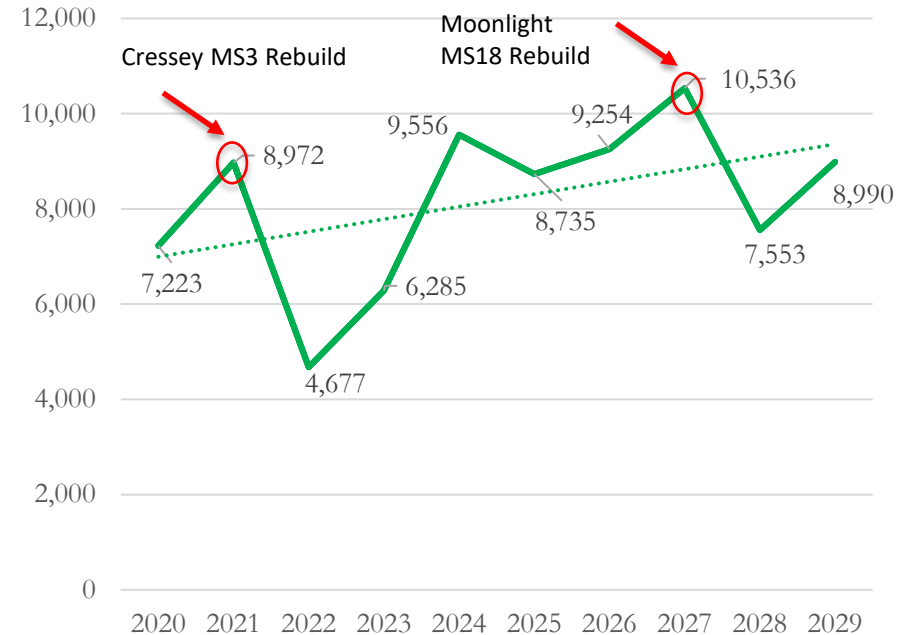
System Service Capital Expenditures - Historical Period and Projected



System Renewal investments are derived from the results of studies that are conducted internally by GSHI staff. Examples include:

- Asset Condition Assessment (ACA);
- Feeder Reliability Assessment;
- Customer Satisfaction Surveys/Consultations; and
- Service Territory Load Forecast

System Renewal Capital Expenditures -
Historical Period and Projected



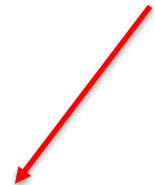
Performance Measurement for Continuous Improvement

- Section describes the **Measures, Metrics** and **Targets** used to monitor distribution system planning and performance.
- At GSHI, these are organized as three specific **Performance Outcomes**. They are:
 1. Customer-Oriented Performance
 2. Cost Efficiency & Effectiveness Performance
 3. Asset and/or System Operations Performance

Performance Outcome	Measure	Motivation	Metric	GSHI Target
Customer Oriented Performance	Service Quality	Consumer/Regulatory	New Residential/ Small Business Services Connected on Time	≥ 90%
			Scheduled Appointments Met On Time	≥ 90%
			Telephone Calls Answered on Time	≥ 65%
	Customer Satisfaction	Consumer/Regulatory	First Contact Resolution	≥ 80%
			Billing Accuracy	≥ 98%
			Customer Satisfaction Survey Results	≥ 80%
	System Reliability	Consumer/Regulatory	SAIDI	SAIDI ≤ 1.18
		Consumer	SAIDI5	SAIDI5 ≤ 15%
		Consumer/Regulatory	SAIFI	SAIFI ≤ 1.18
		Consumer	SAIFI5	SAIFI5 ≤ 20%
Cost Efficiency & Effectiveness	Cost Control	Consumer/Regulatory/Corporate	Total Cost per Customer	Improving trend. Performance is evaluated through OEB benchmarking process
			Total Cost per km of Line	
			Total Cost per MW	
			Total CAPEX per Customer	
			Total CAPEX per km of Line	
			Total O&M per Customer	
			Total O&M per km of Line	
	Distribution System Plan Implementation Progress	Regulatory/Corporate	Actual Spend vs. Planned Spend (Total Budget)	± 10% of total
		Actual Spend vs. Planned Spend (by Project)	± 10% of total	
Asset and/or System Operations Performance	Safety	Regulatory/Corporate	Level of Public Awareness	≥ 80%
			Level of Compliance with O.Reg. 22/04	C (compliant)
			O.Reg 22/04 Total Audit Findings	≤ 5
			Serious Electrical Incident Index - Number of General Public Incidents	0
			Serious Electrical Incident Index - Rate per 10, 100, 1000 km of Line	0
	Distribution System Losses	Regulatory/Corporate	Line Losses	≤ 5%
	Distribution System Asset Condition	Corporate	Health Index (all asset populations)	≤ 5% rated "Very Poor" or "Poor"



Most important metrics for identifying prospective **System Renewal** investments

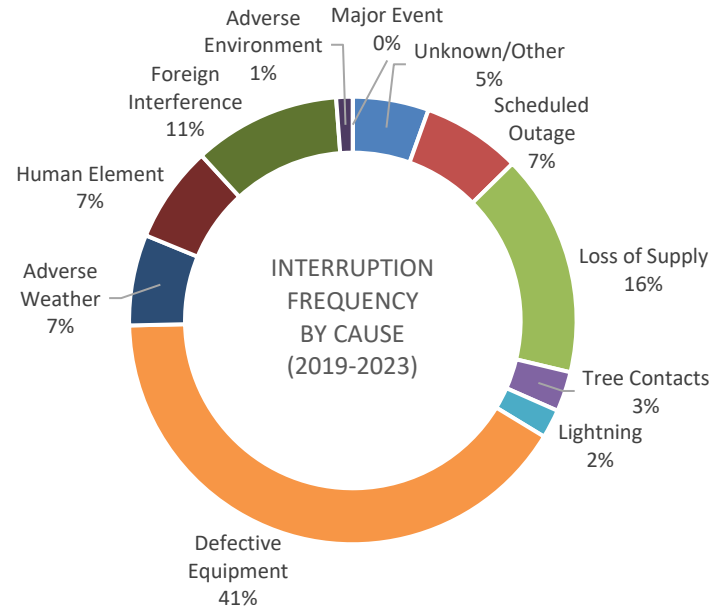
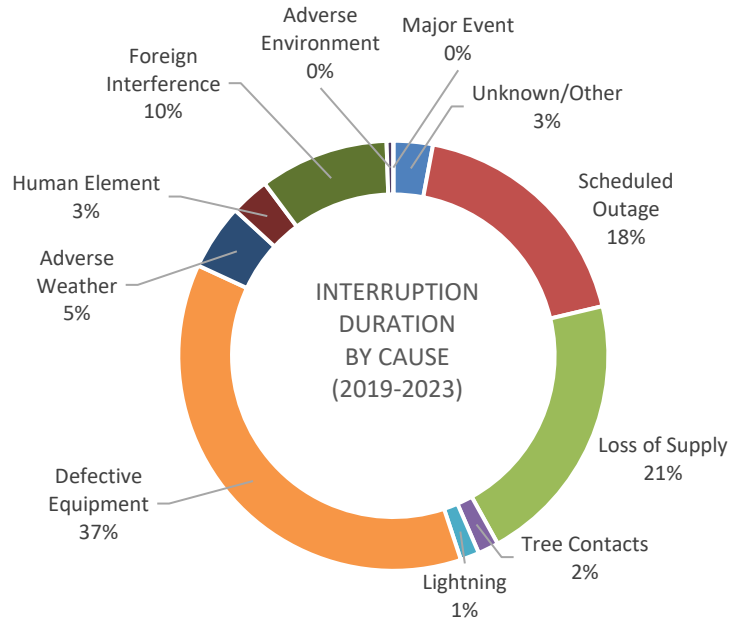


$$\text{SAIDI} = \frac{\text{Total Hours of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

$$\text{SAIFI} = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

Metric	2019	2020	2021	2022	2023	GSHI Target
SAIDI	1.89	1.48	1.11	1.15	1.49	1.43
SAIDI5	39.80%	58.60%	12.40%	26.70%	46.60%	≤ 15%
SAIFI	1.03	0.99	1.16	1.62	1.49	1.18
SAIFI5	43.80%	56.20%	27.10%	36.80%	47.90%	≤ 20%

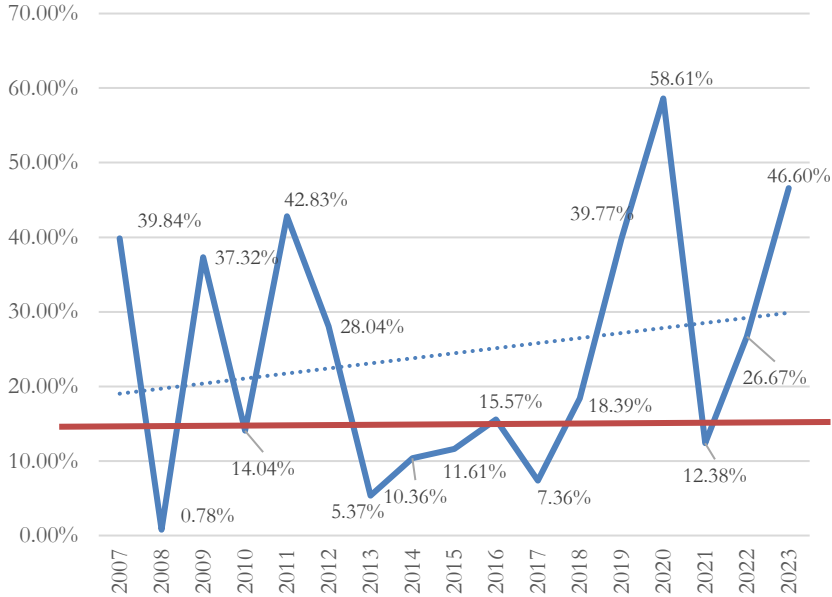
SAIDI/SAIFI (Historical Period)



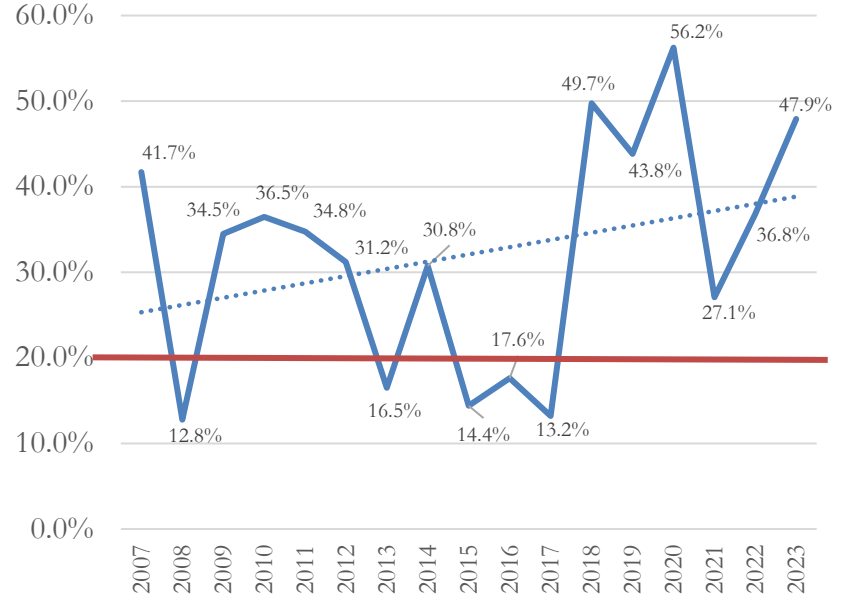
SAIDI₅/SAIFI₅ (Historical Period)



SAIDI - CAUSE 5 DEFECTIVE EQUIPMENT
2007-2023



SAIFI - CAUSE 5 DEFECTIVE EQUIPMENT
2007-2023



Effect of Historical Performance on DSP

- Due to the negative trending that is being observed with respect to the prevalence of Cause 5 outages, GSHI is proposing to focus very heavily on a paced *System Renewal* – type portfolio of investments in this DSP with the aim to bring these reliability indices in line with the expectations of both our customers and the OEB.
- Beginning at the substation level and moving down the risk ladder to the secondary voltage level, GSHI’s investment selection and prioritization process aims to proactively replace and/or refurbish assets whose unplanned failure would lead to increasingly unacceptable levels of risk at a paced and reasonable cost.
- As these proposed plans are implemented, customers on the affected feeders can expect that future Cause 5 “unplanned” outages will immediately be replaced to some extent by Cause 1 ‘scheduled’ outages with improved service reliability in the years immediately following the prospective investments.

Customer Satisfaction



- GSHI has for many years worked with independent contractor OraclePoll Research to glean information on the customer base by means of an “Annual Customer Survey”.
- The goal of the survey is to identify customer preferences covering a broad spectrum of possible interactions with the utility ranging from energy conservation to reliability of service.

Residential Customer Consultation – Critical Finding

RATES VERSUS OUTAGES TRADE OFF

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1-lowest rates – regular outages	2%	4%	4%	3%	2%	1%	2%	4%	5%	6%	6%
2-low rates – occasional outages	15%	3%	8%	7%	5%	6%	10%	11%	12%	15%	12%
3-neutral – a balance between rates and outages	44%	55%	47%	54%	59%	61%	58%	62%	65%	67%	69%
4-high rates – only a few outages	15%	13%	11%	12%	11%	13%	12%	8%	7%	5%	6%
5-highest rates – no outages	3%	5%	6%	5%	8%	7%	4%	6%	5%	3%	2%
Don't know	22%	21%	24%	19%	15%	12%	14%	9%	6%	4%	5%

Commercial Customer Consultation – Critical Finding

RATES VERSUS OUTAGES TRADE OFF

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1-lowest rates – regular outages	3%	4%	3%	3%	1%	1%	1%	2%	3%	4%	2%
2-low rates – occasional outages	6%	3%	5%	4%	2%	1%	1%	17%	11%	16%	14%
3-neutral – a balance between rates and outages	57%	58%	65%	69%	79%	75%	82%	76%	83%	78%	77%
4-high rates – only a few outages	12%	18%	14%	9%	7%	9%	8%	2%	1%	1%	1%
5-highest rates – no outages	9%	3%	2%	1%	2%	3%	2%	1%	1%	1%	1%
Don't know	13%	14%	11%	14%	9%	11%	6%	2%	1%	-	5%

Effect of Customer Consultation on DSP



- It is clear from the results of our residential customer consultations that customers consistently continue to want to see a balance between rates and outages, which supports the deployment of a paced distribution asset renewal strategy. This finding is even stronger amongst Commercial customers.
- A goal of the GSHI capital expenditure plan will be to leverage its' asset management plan to ensure spending levels, particularly in the 'System Renewal' expense category, are appropriately smoothed (levelized), to meet customer expectations with respect to efficiently balancing the risk of unplanned outages with costs.

Asset Management Process



Overview



- GSHI's AM objectives serve to deliver on the promise of safe, reliable electricity service at a reasonable cost to its customers:
 - The AM strategy should seek opportunity for continuous improvement and be risk-based;
 - High-quality service delivery to all classes of customer;
 - Adherence to all statutory and regulatory requirements;
 - Minimized impact to the environment;
 - Supportive of local economic development in all operating districts; and
 - Planned investment should be consistent with good utility practice while respecting the needs of the customer.

GSHI Asset Management Objectives/Goals

Asset Management Objective	Goal	Weighting
Customer Focus	Customer	50
Operational Effectiveness	Operational/ Organizational Excellence	25
Public Policy Responsiveness	Community	-
Financial Performance	Financial	25
	People	.

Customer Focus Sub Criterion

Criteria	1	2	3	4	5	Weight
Safety and Environment	Project does not focus on stakeholder safety and/or the environment	Project involves construction that addresses stakeholder safety and/or environmental risks in its design, however it is not the primary driver	Project involves construction that upgrades existing infrastructure to be compliant with O.Reg 22/04	Project involves removal/replacement/refurbishment/relocation of distribution system assets to make ready for an affected third party or account for technological obsolescence	Project is specifically designed to address a stakeholder safety or environmental concern	15%
Paced Asset Replacement	Asset/group of assets has an HI score that is better than "poor" or "very poor"	Asset/group of assets has an HI score of "poor" or "very poor" and; - if wood pole; highest voltage level is < 750V - if underground transformer; padmounted < 150kva - if overhead transformer; 5kVA - 167kVA	Asset/group of assets has an HI score of "poor" or "very poor" and; - if wood pole; highest voltage level is 4/12kV - if underground transformer; padmounted between 150kva and 500kva - is a junction enclosure	Asset/group of assets has an HI score of "poor" or "very poor" and; - if wood pole; highest voltage level is 44kV - if transformer; padmounted > 750kva - is a switchgear - is a major substation asset other than a power transformer e.g. - circuit breaker	Asset/group of assets has an HI score of "poor" or "very poor" and is also a power transformer asset OR asset obsolescence is encountered	20%
System Capacity	Project has no impact on system LINES/SUBSTATION capacity e.g. - General Plant	Project is not specifically chosen to address a standing LINES/SUBSTATION capacity issue, however the investment would result in a minor net capacity gain e.g. - <i>System Renewal</i>	Project is not specifically chosen to address a standing LINES/SUBSTATION capacity issue, however the investment would result in a substantial net capacity gain e.g. - Voltage Conversion	Project is specifically chosen to address a LINES capacity shortfall in the distribution system from both a - load perspective, or - REG perspective	Project is specifically chosen to address a SUBSTATION capacity shortfall in the distribution system from both a - load perspective, or - REG perspective	15%

**Operational/
Organizational
Effectiveness
Sub Criterion**

Criteria	1	2	3	4	5	Weight
Reliability Performance	Project does not focus on improving reliability in any meaningful way e.g. - <i>General Plant</i>	Project is expected to have a minor impact on - SAIFI/SAIDI metrics - OEB service quality indices - customer satisfaction	Project is expected to have a major impact on - SAIFI/SAIDI metrics - OEB service quality indices - customer satisfaction; and - not "normally" fed by a feeder on the "Worst Performing Feeders" listing	Project is expected to have a major impact on - SAIFI/SAIDI metrics - OEB service quality indices - customer satisfaction; and - Project is identified as being "normally" fed by one of the feeders on the "Worst Performing Feeders" listing	Project specifically addresses a known, critical reliability issue e.g. - strategic backup for critical substations - backup feed for large users/ critical customers/load centers	20%
Operational Flexibility	Project has no impact on operational flexibility e.g. - <i>System Access</i>	Project is not specifically chosen to improve operational flexibility but includes, in its design, construction or technologies that result in a minor benefit to the distribution system	Project is not specifically chosen to improve operational flexibility but includes, in its design, construction or technologies that result in a major benefit to the distribution system - <i>System Renewal</i>	Project specifically addresses known operational flexibility issues e.g. - strategic backup for 4/12kV feeders	Project specifically addresses a known, critical operational flexibility issue e.g. - strategic backup for substations/44kV feeders	5%

**Financial
Performance
Sub Criterion**

Criteria	1	2	3	4	5	Weight
Financial	Project not expected to negatively impact GSHI's net income	Project is proactively addressing distribution system assets whose criticality (risk) collectively yield an acceptably low consequence cost in the event of an unplanned failure e.g. - poles with voltages less than 750V - overhead distribution transformer	Project is proactively addressing distribution system assets whose criticality (risk) collectively yield an average, acceptable consequence cost in the event of an unplanned failure e.g. - motor-operated gang switches - padmounted transformers - underground cabling (looped system)	Project is proactively addressing distribution system assets whose criticality (risk) collectively yield an elevated, unacceptable consequence cost in the event of an unplanned failure e.g. - 4/12kV circuit - switchgear - relays, circuit breakers	Project is proactively addressing distribution system assets whose high criticality (risk) collectively yield an unacceptable consequence cost in the event of an unplanned failure e.g. - substation power transformer - 44kV feeder	15%
Business Efficiency	Project has no impact on business efficiency	Project has one primary investment driver	Project incorporates several different drivers to justify investment	Project incorporates several different drivers to justify investment; reduced crew mobilization costs	Project incorporates several different drivers to justify investment; reduced crew mobilization costs; capital deferral	10%

	Description	CRITERION								Project Total
		SAFETY AND ENVIRONMENT	FINANCIAL	BUSINESS EFFICIENCY	PACED ASSET REPLACEMENT	RELIABILITY PERFORMANCE	SYSTEM CAPACITY	OPERATIONAL FLEXIBILITY		
N1	Meter Installations									
N2	Emergency Plant Replacement									
N3	Failed Transformers									
N4	System Betterment	3	4	2	3	2	2	2	0.45	
N5a	Overhead Services									
N5b	Underground Services									
N6	City Road Work									
N7a	Subdivision									
N7b	Commercial									
N8	Intangible Assets (Hydro-Driven Easements)									
N9	Capital Site Restoration	3	4	2	3	2	2	2	0.45	
A1	Dash MS19T1 Installation New Transformer	3	5	3	5	5	3	5	0.74	
A2	Upper Coniston MS31; Detailed Design, Preliminary Studies, Tenders	3	5	3	5	5	3	5	0.74	
A3	Broder MS24 Relay Upgrade	4	4	3	4	3	1	3	0.55	
A4	SCADA UPGRADE	4	5	1	1	4	3	5	0.53	
A5	Power Transformer Costs (Long Lead Items); MS18 and MS31	3	5	3	5	5	3	5	0.74	
A6	Blyth/Colby 24F3	3	4	2	3	2	2	2	0.45	
A7	Catalina Crt 15F3	3	4	2	3	2	2	2	0.45	
A8	Cambrian College Vaults Electrical V089 16F6	3	4	2	4	3	2	2	0.54	
A9	MS11T2 44kV Feeder Replacement	3	5	2	4	5	2	2	0.66	
A10	MS24 44kV Feeder Replacement	3	5	2	4	5	2	2	0.66	
A11	Moonglo Phase 1 UG Renewal 20F1	3	4	2	3	5	2	3	0.60	
A12	Moonglo Phase 2 Rebuild	3	4	2	3	5	2	3	0.60	
A13	Papineau/Frontenac 7F3	3	4	2	3	4	2	2	0.55	
A14	Desloges (S8424 to S8444) 21F1	3	4	2	3	3	2	2	0.50	
A15	William Ave (Gemmell to Hawthorne) 11F2	3	4	2	3	3	2	2	0.50	
A16	675 William Ave (Adanac Village) UG Renewal 11F2	3	4	2	3	3	2	2	0.50	
A17	Drummond St 17F3	3	4	2	3	4	2	2	0.55	
A18	Rideau St (Lavoie to Grandview) 17F3	3	4	2	3	4	2	2	0.55	
A19	Drummond/Village Cres UG Renewal 17F3	3	4	2	3	4	2	2	0.55	
A20	1950 Lasalle (Place Hurtubise) UG Renewal 7F3	3	4	2	3	3	2	2	0.50	
A21	Latimer S689 to S31366 14F1	3	4	2	3	4	2	2	0.55	
A22	Grenoble Village UG Renewal 7F2	3	5	2	3	4	2	2	0.57	
A23	CBC Hill, Kingsway (S30649 to S6128) 17F5	3	5	2	3	4	2	2	0.57	
A24	Peter St @ Church St, Copper Cliff 25F3	3	4	2	3	3	2	2	0.50	
A25	West Nipissing Voltage Conversion; Transformer Upgrades	3	5	3	3	3	3	3	0.56	
A26	West Nipissing; 35F2 Cache Bay St Rebuild	3	4	2	3	3	2	2	0.50	
A27	Utility Network Migration/GIS Modernization	1	1	3	5	1	1	1	0.35	
A28	Building	1	2	1	1	1	1	1	0.19	
A29	Vehicles	2	4	2	3	1	1	1	0.35	
A30	Tools and Equipment	2	2	1	1	1	1	1	0.22	
A31	Asset Security	5	1	1	1	1	1	1	0.26	

Asset Lifecycle Optimization Policies and Practices

- GSHI's practices for asset lifecycle optimization are focused on minimizing the total cost of ownership through effective investment in infrastructure and management of corporate risk while providing excellence in service delivery. This is achieved by employing leading AM practices, which include:
 - Enhancing asset performance through implementation of effective maintenance practices that meet current regulatory requirements;
 - Optimizing the balance between capital and maintenance expenditures;
 - Pacing annual investments to avoid expenditure "peaks" and "troughs";
 - Applying appropriate replacement strategies (i.e. reactive/proactive) based on risk assessments; and
 - Establishing optimal replacement timing for assets replaced proactively.

Asset Action Strategy



- GSHI's assets are managed on a proactive or reactive basis depending on their risk.
- *Risk* is the product of a unit's **probability** of failure and its **consequence** of failure. The probability of failure is determined by an asset's Health Index whereas the metric used to measure consequence of failure at GSHI is referred to as *Criticality*.
- GSHI institutes proactive capital and maintenance intervention projects where it is determined that the impact of a potential downgrading condition or risk exceeds the company's risk tolerance.
- Maintenance activities are designed to ensure asset performance is within acceptable operational standards where practicable. Knowledge of asset condition, typical useful life, failure modes and impact of failure are parameters that are examined to determine whether an asset should be maintained or replaced.

Table 3-3 Flagged for Action Plan – Levelized

Asset Category	Ten Year Flagged for Action Plan (years from now)											Year 0 (Now)		Years 0 - 5 Inclusive		Action Strategy
	0	1	2	3	4	5	6	7	8	9	10	Number of Units	% of Population	Total Number of Units	Yearly Average	
Pad Mounted Transformers	39	39	39	36	36	36	31	31	31	31	31	39	3%	225	<38	reactive
Pole Mounted Transformers	32	32	32	32	32	32	32	32	33	33	33	32	1%	192	<33	reactive
Submersible Transformers	2	2	2	1	1	1	1	1	1	1	1	2	14%	9	<2	reactive
Vault Transformers	14	14	14	13	13	13	11	11	10	10	10	14	6%	81	<14	reactive
Overhead Line Switches 44 kV	1	1	1	1	1	1	1	1	1	1	1	1	2%	6	<2	reactive
Overhead Line Switches 12 kV	6	6	6	5	5	5	4	4	4	4	4	6	4%	33	<6	reactive
Overhead Line Switches 4 kV	0	0	0	0	0	0	1	1	0	0	0	0	0%	0	0	reactive
Pad Mounted Switchgear	2	1	1	1	1	1	2	2	2	2	2	2	2%	7	<2	reactive
Pad Mounted Junction Enclosures	2	2	2	2	2	2	2	2	2	2	2	2	3%	12	<3	reactive
GSU Wood Poles	278	278	278	254	254	254	204	204	187	187	187	278	2%	1596	<267	proactive
GSU Concrete Poles	1	1	1	1	1	1	1	1	2	2	2	1	1%	6	<2	proactive
Bell Wood Poles	119	119	119	106	106	106	81	81	72	72	72	119	4%	675	<113	proactive
Hydro One Wood Poles	6	6	6	6	6	6	6	6	5	5	5	6	2%	36	<7	proactive
Undereground Cables 44 kV*	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.1	0.1	0.9	7%	4.4	<1	proactive
Undereground Cables 12 kV*	28	22	20	20	20	20	20	20	20	20	20	28	7%	130	<22	proactive
Undereground Cables 4 kV*	1.2	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.2	0.2	1.2	6%	5.7	<1	proactive

* in km

Maintenance Practices



- Maintenance activities are planned and executed to ensure that asset lifecycle cost is optimized. GSHI's cyclical inspection programs align with the requirements of the *Distribution System Code* and provide an input to the Asset Condition Assessment (ACA) evaluations.
- Deficiencies that require immediate corrective action are remedied through issuance of a work order. Remaining deficiencies are prioritized based on a determination of the likelihood of asset failure coupled with an assessment of potential consequence (risk) cost of a failure.

Maintenance Practices (cont)



- Inspection programs currently underway at GSHI:
 - Pole and Overhead Equipment Inspections – 3 year cycle
 - Pad-mounted equipment Inspections – 3 year cycle
 - Monthly Municipal Station Inspections
 - Breaker Maintenance and Testing – 4 year cycle
 - Yearly Distribution System Infrared Scanning
 - Yearly Power Transformer Dissolved Gas in Oil Testing
 - Vegetation Management – 4 year cycle + “spot” improvements

MAINTENANCE	QUANTITY	CYCLE	Qty Per Year	Crew Size	Activity Duration	Total Crew Hours	Description	TIME PERIOD
	1600							
Infrared Inspection	1	1	1	2	800	1600	Vaults, Switches, run-offs, transformers (polemounted)	January January
Vegetation		4					*rotate every 4 years or as amended for fast growth areas	January January
Substation Maintenance	936							
Breaker/Recloser Inspection and Maintenance	152	4	38	2	4	304	Breakers (clean, lubricate, operate, inspect, test) and Reclosers	August November
Substation Inspection	26	1	26	1	16	416		June June
Regulator Inspection	2	4	0.5	2	16	16		June June
Battery Maintenance	17	1	17	2	4	136		October November
Tap Changer Maintenance	8	4	2	2	16	64		April April
Dissolved Gas Analysis	35	1	35					October October
Power Transformer Testing	35	4	9				(Doble Test, Megger Test, Ratiometer)	January January
	7315							
Gang Switch Inspection and Maintenance	1376							June June
Gang-Operated, 44kV	48	3	16	3	16	768	(clean, lubricate, operate, inspect, test)	
Gang-Operated, 12kV	152	3	51	3	4	608	(clean, lubricate, operate, inspect, test)	
Padmount Switch Inspection	968							April November
Padmounted Switchgear	84	3	28	3	8	672	(Open Cubicles, Check Connections, Clean Cubicles); Dry Ice	
Junction Enclosures	74	3	25	3	4	296	(Open Cubicles, Check Connections, Clean Cubicles); Dry Ice	
Submersible Transformer Inspection	14	3	5	3	4	56		May May
Padmount Transformer Inspection	1403	3	468	1	4	37		April November
Vault Inspection	66	1	66	2	1.5	198	Inspect, clean vault; Operate switches, lubricate/replace as required; inspect/maintain transformers; inspect/maintain cable terminations and load break elbows	May May
Manhole Inspection								May May
Hydro-owned Pole Inspections	11941	3	3980	3	4	955		April November
Hydro-owned Pole Condition Testing	11639	3	3880	3	16	3724		April October
Cable Condition Testing (QDep)								*on selected candidate sites April October
	9851							

Capital Expenditure Plan



Capital Expenditure Planning Process – Objectives

- GSHI's CEP Objectives:
 - Invest and maintain assets to achieve the lowest long-term cost of ownership while meeting prescribed codes, statutory requirements, standards and performance targets.
 - Meet customer expectations by improving existing infrastructure to manage growth in support of new and existing customers as well as renewable energy generation connection requests.
 - To support the outcomes of the Asset Management process balancing **cost, reliability** and **risk**.
 - To meet or exceed all requirements with respect to distribution system **safety** such that no undue hazards exist for workers or the public.

Investment Prioritization – Tools and Methods

- System Access - first come, first served; non-discretionary; based on resource availability
- System Renewal – derived from the results of:
 - ▶ Asset Condition Assessment (ACA);
 - ▶ Feeder Reliability Assessment;
 - ▶ Customer Satisfaction Surveys/Consultations;
 - ▶ Service Territory Load Forecast
- System Service – same as System Renewal
- General Plant – derived from results of:
 - ▶ Fleet Management Strategy
 - ▶ Building Condition Assessment (recommended); otherwise “Historical” funding
 - ▶ Subject Matter Experts/“Historical” funding for Tools and Equipment

Pacing Investments



- The vast majority of capital investments related to optimizing asset lifecycle cost belong to the “System Renewal” category and represent annual programs required to sustain the asset base.
- Asset Condition Assessments incorporate a 10 year “Flagged-for-Action” strategy for each assessed asset category (Optimal).
- As it would not be feasible or practical to address all assets immediately, a *levelized* “Flagged-for-Action” Plan is a tool that spreads out (levelizes) the number of assets to be addressed over a greater period of time.

FFA - Optimal vs Levelized



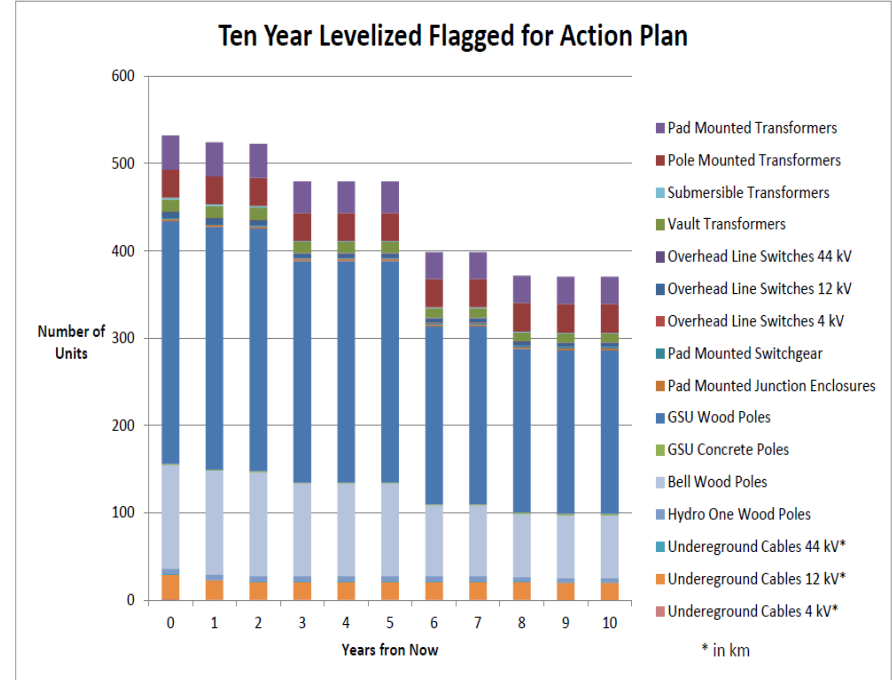
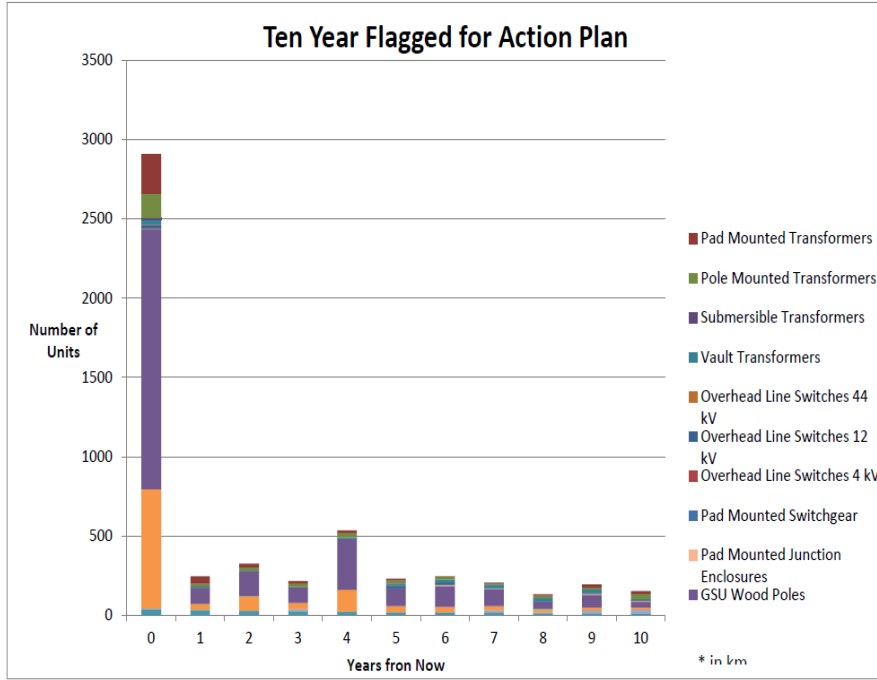
Asset Category	Ten Year Flagged for Action Plan (years from now)										
	0	1	2	3	4	5	6	7	8	9	10
Pad Mounted Transformers	251	47	23	14	15	12	1	4	9	21	18
Pole Mounted Transformers	153	18	21	23	30	20	19	9	17	11	32
Submersible Transformers	14	0	0	0	0	0	0	0	0	0	0
Vault Transformers	28	7	3	0	6	13	21	20	18	25	9
Overhead Line Switches 44 kV	2	0	0	0	0	1	1	0	0	1	1
Overhead Line Switches 12 kV	20	3	1	3	3	9	10	4	3	3	2
Overhead Line Switches 4 kV	2	0	0	0	0	0	0	0	0	0	1
Pad Mounted Switchgear	1	0	0	0	1	8	3	3	3	0	2
Pad Mounted Junction Enclosures	2	0	0	0	0	0	5	3	0	6	1
GSU Wood Poles	1641	100	156	97	320	111	131	105	44	77	36
GSU Concrete Poles	0	0	2	0	0	0	0	0	6	0	2
Bell Wood Poles	750	37	89	39	136	36	33	27	16	21	14
Hydro One Wood Poles	5	1	1	13	2	1	2	15	3	17	23
Underground Cables 44 kV*	1.4	1.2	0.8	0.7	0.6	0.6	0.5	0.3	0.2	0.2	0.1
Underground Cables 12 kV*	35.7	31.3	27.5	24.3	21.7	19.3	17.4	15.5	13.9	12.8	11.6
Underground Cables 4 kV*	1.7	1.4	1.2	1	0.8	0.7	0.8	0.5	0.5	0.5	0.2

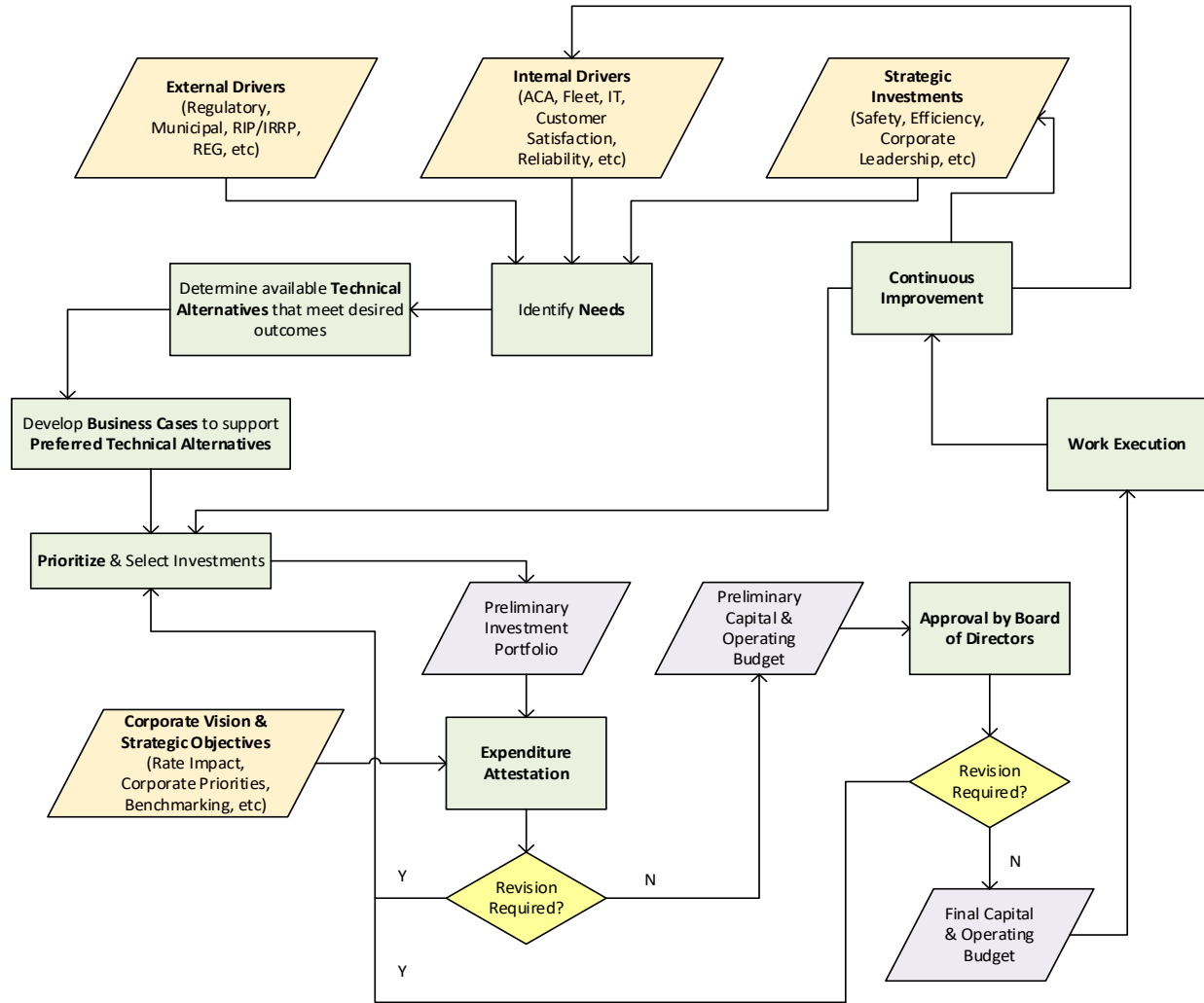
* in km

Asset Category	Ten Year Flagged for Action Plan (years from now)										
	0	1	2	3	4	5	6	7	8	9	10
Pad Mounted Transformers	39	39	39	36	36	36	31	31	31	31	31
Pole Mounted Transformers	32	32	32	32	32	32	32	32	33	33	33
Submersible Transformers	2	2	2	1	1	1	1	1	1	1	1
Vault Transformers	14	14	14	13	13	13	11	11	10	10	10
Overhead Line Switches 44 kV	1	1	1	1	1	1	1	1	1	1	1
Overhead Line Switches 12 kV	6	6	6	5	5	5	4	4	4	4	4
Overhead Line Switches 4 kV	0	0	0	0	0	0	1	1	0	0	0
Pad Mounted Switchgear	2	1	1	1	1	1	2	2	2	2	2
Pad Mounted Junction Enclosures	2	2	2	2	2	2	2	2	2	2	2
GSU Wood Poles	278	78	278	254	254	254	204	204	187	187	187
GSU Concrete Poles	1	1	1	1	1	1	1	1	2	2	2
Bell Wood Poles	119	119	119	106	106	106	81	81	72	72	72
Hydro One Wood Poles	6	6	6	6	6	6	6	6	5	5	5
Underground Cables 44 kV*	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.1	0.1
Underground Cables 12 kV*	28	22	20	20	20	20	20	20	20	20	20
Underground Cables 4 kV*	1.2	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.2	0.2

* in km

10 Year "Flagged for Action" Plan





Remaining Work



- “Lock-in” Capital spending requirements
- Complete required Project Narratives corresponding to “locked-in” capital spending requirements



Attachment 6 (of 6):

***1-SEC-1 Attachment 6: Final Application Presentation
and Approval***



Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.

MEMORANDUM TO THE BOARD OF DIRECTORS

MEMBERS OF THE BOARD OF DIRECTORS:

2024-10-28

2025 Cost of Service Filing - Revenue Requirement

APPROVAL REQUESTED: That the Board approve the 2025 Cost of Service Application (the Application) which contains an overall revenue requirement of \$34,757,403 and that the approval of the 2025 Cost of Service Application constitutes approval of the following included elements:

1. The Distribution System Plan for 2025 to 2029;
2. The OM&A budget of \$20,224,828 plus amortization of \$5,354,146 and deemed interest on debt of \$3,316,123;
3. The 2025 Net Capital budget of \$11,445,282;
4. The GSHI 2025-2029 Business Plan.

REMARKS: The 2025 OM&A and Capital budget was presented at the August 12th board meeting for review and comment to be approved along with the Application. The Distribution System Plan was presented in September with opportunity for questions and clarifications.

The 2025 Application seeks approval for a service revenue of \$34,757,403.

The Application is based on an OEB Board deemed debt to equity ratio of 60% debt to 40% equity which applies to all utilities in the province despite actual structures. The debt rates that apply to the application are 4.21% for long term debt, 6.23% for short term debt and 9.21% return on common equity. These figures are impacted by the OEB's deemed rates for these items, which are due to be updated prior to finalization of the rate application.

If approved, this figure reflects a \$3,316,123 allowable deemed debt interest cost and a return on deemed equity of \$4,686,435. Our actual interest cost (excluding future pension benefit interest) in the 2025 budget is \$3,939,311.

In addition to applying for an overall revenue requirement, the Application includes a request for approval for disposition of regulatory balances which includes cost differentials between the buying and selling of power. GSHi is also proposing to dispose of the balances in its OPEB deferral accounts, established as part of the 2020 Settlement Agreement to track the transition from cash to accrual accounting for OPEB costs and to capture actuarial gains and losses. Specifically, GSHi seeks approval to clear the balance of \$26,089,910 in its OPEB Transitional Account and the credit balance of \$7,218,181 in its OPEB Gains and Losses Account, resulting in a net debit disposition balance of \$18,871,729. Given the

**REMARKS
CONT'D:**

materiality of this amount, GSHi proposes to recover the net balance over a 10-year period, resulting in an annual recovery of \$1,887,173.

The bill impact for a residential customer consuming 750 kwh's as a result of this application is \$3.34 or 2.5% and for general service less than 50 customer consuming 2,000 kwh's it is \$3.12 or 0.9%.

Recommended for approval,

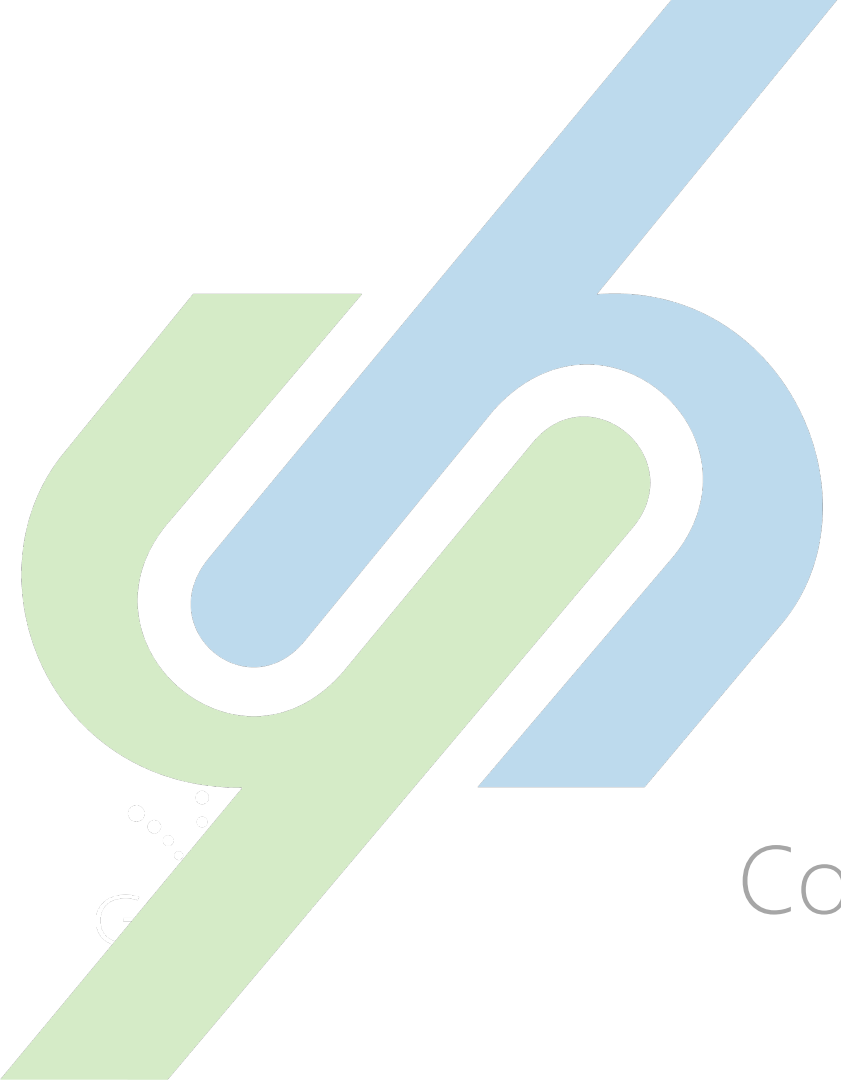
Respectfully submitted,



Frank Kallonen
President & CEO

Catherine Huneault
Vice President – Corporate Services and CFO

TO: The Chair, and
Board of Directors



Cost of Service Application 2025

Cost of Service details:



- Exhibit 1 – Overview, Business Plan, OEB Scorecard discussion, PEG model forecasting, APB
- Exhibit 2 – Rate Base and Capital (DSP)
- Exhibit 5 – Cost of Capital and Capital Structure
- Exhibit 3 – Customer and Load forecast
- Exhibit 4 – Operating Expenses
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
- Exhibit 7 – Cost Allocation
- Exhibit 9 – Deferral and Variance Accounts
- Exhibit 8 – Rate Design

Exhibit 1: Administrative Documents



- Our Story
- Application Summary
- Governance
- Customer Engagement
- Financial Information
- Business Plan

Exhibit 2 – Rate Base and the DSP



- System Access - first come, first served; non-discretionary; based on resource availability
- System Renewal – derived from the results of:
 - ▶ Asset Condition Assessment (ACA);
 - ▶ Feeder Reliability Assessment;
 - ▶ Customer Satisfaction Surveys/Consultations;
 - ▶ Service Territory Load Forecast
- System Service – same as System Renewal
- General Plant – derived from results of:
 - ▶ Fleet Management Strategy
 - ▶ Building Condition Assessment (recommended); otherwise “Historical” funding
 - ▶ Subject Matter Experts/“Historical” funding for Tools and Equipment

Exhibit 2 – Rate Base and the DSP



Capital Expenditures 2020-2029 (\$000's)

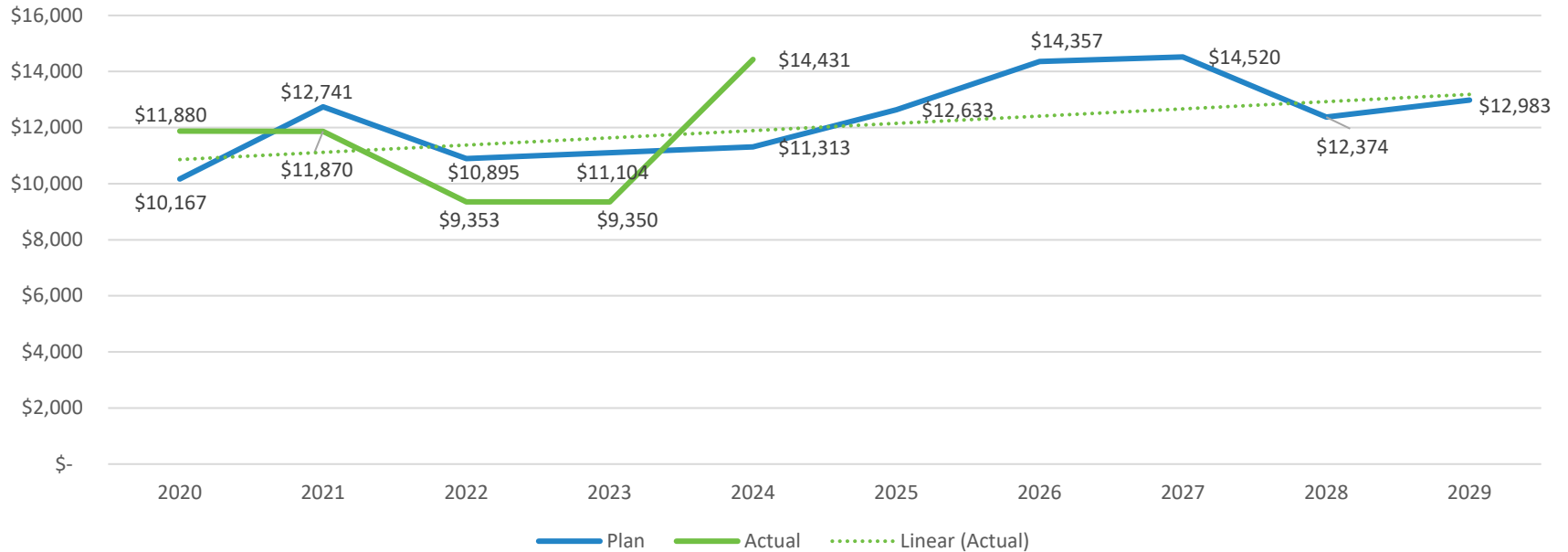


Exhibit 2 – Rate Base and the DSP



	Forecast Period (Planned)				
Category	2025	2026	2027	2028	2029
	\$	\$	\$	\$	\$
System Access	2,175,000	2,283,000	2,329,000	2,374,000	2,420,000
System Renewal	8,734,771	9,254,341	10,536,121	7,553,081	8,989,792
System Service	167,535	1,420,339	301,644	1,054,296	-
General Plant	1,555,227	1,398,560	1,353,480	1,392,580	1,573,275
Total Gross Spend	12,632,533	14,356,240	14,520,245	12,373,957	12,983,067
Less expected Contributions	(1,187,252)	(1,345,850)	(1,386,882)	(1,426,815)	(1,467,646)
Net Capital Spend	11,445,281	13,010,390	13,133,363	10,947,142	11,515,421

Exhibit 2: Rate Base



- Rate base components....

Component	2025 COS	2020 COS
Average Net Fixed Assets	\$117,612,268	\$96,576,285
Allowance for Working Capital	<u>\$9,598,233</u>	<u>\$8,782,592</u>
Total Rate Base	\$127,210,501	\$105,358,878

COS – Exhibit 2: Rate Base



- Net Fixed Assets & the DSP

	2025 COS	2020 COS
Opening Balance	\$114,942,358	\$94,610,633
Ending Balance	\$120,282,179	\$98,541,938
Average Balance	\$117,612,268	\$96,576,285

- Simple calculation driven by Capex and asset disposals
- Increase of 22% since 2020 application

COS – Exhibit 2: Rate Base



- Working Capital Allowance

	2025 Test	2020 Board Approved
Controllable Expenses	\$ 20,566,002	\$ 16,506,580
Cost of Pwer	107,410,437	100,594,652
Working Capital Base	\$ 127,976,439	\$ 117,101,232
Working Capital Rate %	7.50%	7.50%
Working Capital allowance	\$ 9,598,233	\$ 8,782,592

Exhibit 2: Rate Base



Component	2025 COS	2020 COS
Average Net Fixed Assets	\$117,612,268	\$96,576,285
Allowance for Working Capital	\$9,598,233	\$8,782,592
Total Rate Base	\$127,210,501	\$105,358,878

Exhibit 2 & 5: Rate Base becomes Cost of Capital



- The Return

	Proportion %	Proportion \$	Rate of Return	Interest/Return
Long-Term Debt	56%	\$71,237,881	4.21%	\$2,999,115
Short-Term Debt	4%	<u>\$5,088,420</u>	6.23%	<u>\$317,009</u>
Total Debt	60%	\$76,326,301		\$3,316,123
Equity	40%	<u>\$50,884,201</u>	9.21%	<u>\$4,686,435</u>
Total Rate Base:	100%	\$127,210,501	6.29%	\$8,002,558

Exhibit 3 – Customer and Load Forecast



Where do we get our revenue?:

Two types of revenue:

- Distribution Revenue from our Load Forecast
- Other revenue – total other revenue reduces the amount of distribution revenue needed

Exhibit 3: Revenue – Load Forecast Consumption

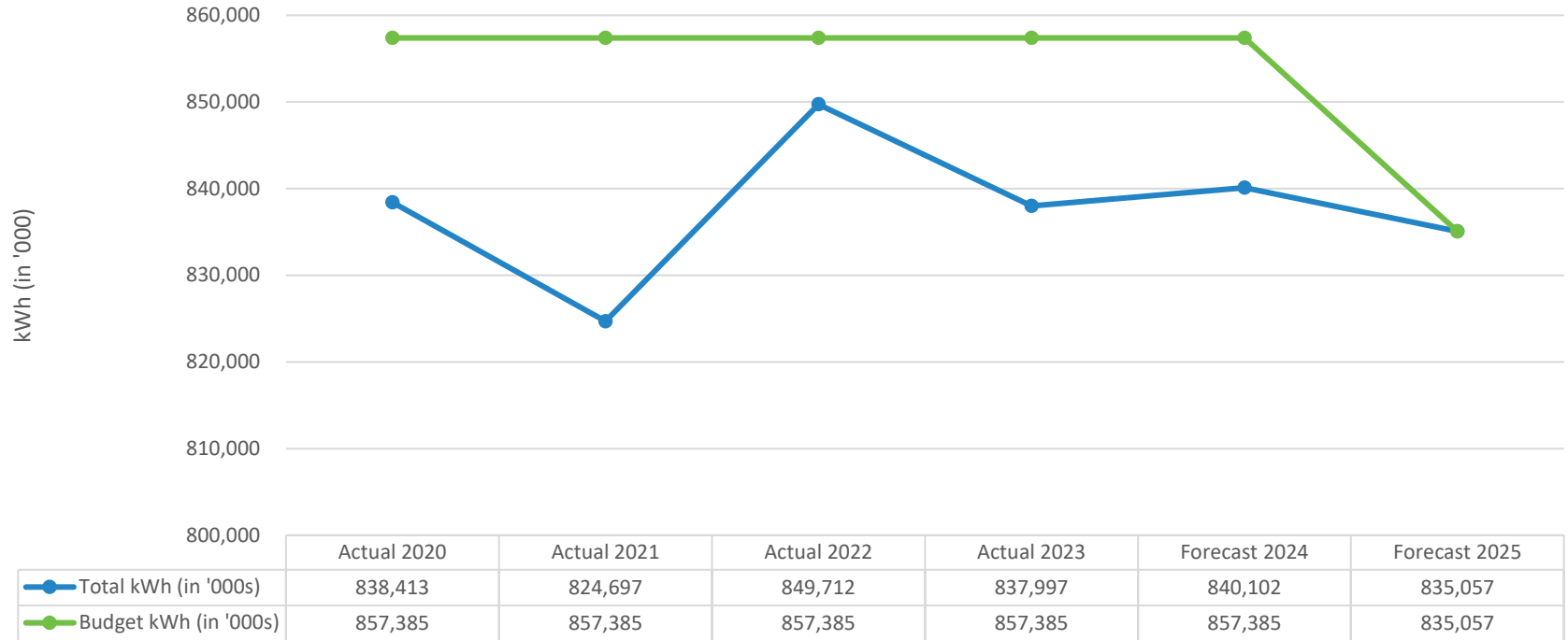
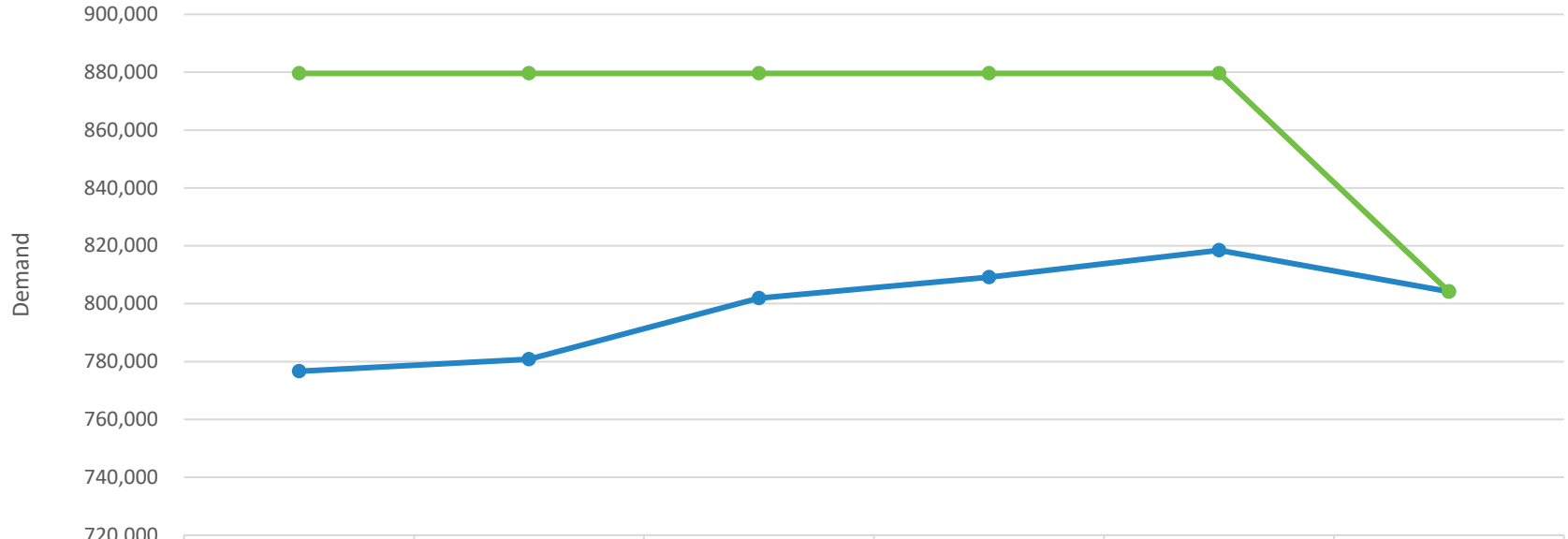


Exhibit 3: Revenue – Load Forecast Demand



	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Forecast 2024	Forecast 2025
● Total kW	776,645	780,750	801,902	809,193	818,458	804,194
● Budget kW	879,590	879,590	879,590	879,590	879,590	804,194

Exhibit 4 – OM&A



	2020 Board Approved	2025 Test Year	Difference	% of Total Change	% Increase over 2020 BA
Shared Services Corporate Cost Allocation	5,410,450	7,186,525	1,776,075	44.5%	32.8%
Labour & Burden	5,507,393	6,320,575	813,182	20.4%	14.8%
Future Pension Benefit Interest Expense	169,297	448,000	278,703	7.0%	164.6%
Contract Labour	400,320	631,276	230,956	5.8%	57.7%
Vegetation Management Contract Labour	489,851	700,000	210,149	5.3%	42.9%
Building Expenses	587,969	770,595	182,626	4.6%	31.1%
IT Costs Allocated from Affiliate	645,035	770,203	125,168	3.1%	19.4%
Memberships	310,845	432,655	121,810	3.1%	39.2%
Insurance	141,473	232,721	91,248	2.3%	64.5%
Software, Licences, Maintenance and Support Costs	328,661	403,320	74,659	1.9%	22.7%
Rate Application Costs	99,860	155,960	56,100	1.4%	56.2%
Stores Material	360,720	406,736	46,016	1.2%	12.8%
Vehicle Expenses	400,078	408,792	8,714	0.2%	2.2%
Bad Debt Expense	250,000	250,000	-	0.0%	0.0%
Miscellaneous Tools and Supplies	183,300	147,965	- 35,335	-0.9%	-19.3%
Leases, Rentals and Pole Attachment Expense	353,429	313,634	- 39,795	-1.0%	-11.3%
Training, Development and Networking	246,477	206,267	- 40,210	-1.0%	-16.3%
Other Miscellaneous Items	352,619	439,604	86,985	2.2%	24.7%
Total	16,237,777	20,224,828	3,987,051	100%	24.6%

Exhibit 4 OM&A Shared Services



Row Labels	2025 Annual Budget	2020 Rate Application Approved	Variance (\$)	Variance (%)	2023 Actual	2022 Actual
Income Statement						
OM&A expenses						
Shared Services Corporate Cost Allocation						
Customer Accounts	\$ 1,221,570	\$ 1,350,800	-\$129,230	-9.57%	\$ 1,042,585	\$ 1,029,584
Billing	\$ 1,107,440	\$ 503,980	\$603,460	119.74%	\$ 951,118	\$ 943,745
Accounting	\$ 694,692	\$ 471,184	\$223,508	47.44%	\$ 544,001	\$ 485,414
President & CEO	\$ 563,298	\$ 446,609	\$116,689	26.13%	\$ 666,123	\$ 447,337
Human Resources	\$ 548,949	\$ 378,556	\$170,393	45.01%	\$ 720,568	\$ 534,040
Innovation	\$ 467,223	\$ 183,478	\$283,745	154.65%	\$ 371,092	\$ 319,636
Risk Management	\$ 441,308	\$ 323,743	\$117,565	36.31%	\$ 361,725	\$ 355,951
Finance	\$ 364,492	\$ 355,764	\$8,728	2.45%	\$ 321,623	\$ 309,306
Regulatory	\$ 314,602	\$ 285,986	\$28,616	10.01%	\$ 290,175	\$ 304,479
General Counsel	\$ 307,411		\$307,411			
Communications, Marketing & Corporate Sponsorship	\$ 246,776	\$ 271,673	-\$24,897	-9.16%	\$ 280,563	\$ 222,211
Purchasing	\$ 155,299	\$ 144,667	\$10,632	7.35%	\$ 137,049	\$ 151,886
Cashiers Mailing	\$ 151,399	\$ 95,322	\$56,077	58.83%	\$ 138,047	\$ 119,078
Engineering	\$ 121,728		\$121,728		\$ 104,164	\$ 9,974
Meters / Smart Meters	\$ 114,201	\$ 113,902	\$299	0.26%	\$ 105,052	\$ 100,022
Board of Directors	\$ 102,280	\$ 109,675	-\$7,395	-6.74%	\$ 69,674	\$ 64,870
General Expenses	\$ 88,580	\$ 49,610	\$38,970	78.55%	\$ 44,850	\$ 30,064
OPEB Interest - Retirees Portion	\$ 53,187	\$ 22,400	\$30,787	137.44%	\$ 53,048	\$ 34,995
Market Services Wholesale	\$ 47,409	\$ 43,751	\$3,658	8.36%	\$ 43,339	\$ 42,839
QMS/RMS	\$ 47,080	\$ 62,669	-\$15,589	-24.88%	\$ 38,832	\$ 62,274
Amortization	\$ 25,801	\$ 28,630	-\$2,829	-9.88%	\$ 26,501	\$ 26,371
Collections Activity	\$ 1,800	\$ 33,603	-\$31,803	-94.64%	\$ 563	\$ 1,167
Business Development		\$ 15,215	-\$15,215	-100.00%		\$ (0)
Meter Reading		\$ 16,875	-\$16,875	-100.00%		
Customer Credit		\$ 21,000	-\$21,000	-100.00%		
Market Services		\$ 20,000	-\$20,000	-100.00%		
Information Technology		\$ 34,340	-\$34,340	-100.00%		
AMI Option C		\$ 27,018	-\$27,018	-100.00%		
Overhead Maintenance					\$ 7,684	
Shared Services Corporate Cost Allocation Total	\$ 7,186,525	\$ 5,410,450	1,776,075	32.83%	\$ 6,318,375	\$ 5,595,243

Exhibit 6 – Revenue Requirement



Particulars	Application
OM&A Expenses	\$20,224,828
Amortization/Depreciation	\$5,354,146
Property Taxes	\$341,174
Income Taxes (Grossed up)	\$834,697
Other Expenses	\$ -
Return	
Deemed Interest Expense	\$3,316,123
Return on Deemed Equity	\$4,686,435
Service Revenue Requirement (before Revenues)	\$34,757,403
Revenue Offsets	\$2,069,704
Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	\$32,687,699
Distribution revenue	\$32,687,699
Other revenue	\$2,069,704
Total revenue	\$34,757,403

Exhibit 7 – Cost Allocation



Customer Class	<u>2020 Approved</u>		<u>2023 Actual</u>		<u>2025 Proposed</u>	
Residential	\$ 15,166,518	60.3%	\$ 16,695,172	62.1%	\$ 20,344,742	65.0%
GS < 50 kW	\$ 4,074,669	16.2%	\$ 4,428,514	16.5%	\$ 5,509,674	14.0%
GS > 50 kW	\$ 5,117,483	20.3%	\$ 5,070,984	18.9%	\$ 6,143,710	20.0%
Street Lighting	\$ 718,039	2.9%	\$ 624,731	2.3%	\$ 602,011	2.0%
Sentinel Lighting	\$ 34,881	0.1%	\$ 38,357	0.1%	\$ 52,541	0.2%
USL	<u>\$ 40,853</u>	0.2%	<u>\$ 38,847</u>	0.1%	<u>\$ 44,089</u>	<u>0.2%</u>
Total	\$ 25,152,442	100%	\$ 26,896,605	100%	\$ 32,696,767	100%

Exhibit 9 – Deferral & Variance Accounts



- Balances we're disposing of

Account	Amount
Group 1	\$(380,143)
Group 2	\$29,417
Other Post Employment Benefits	\$18,871,729
Total to be recovered	\$18,521,003

Exhibit 8 – Rate Design & Bill Impact

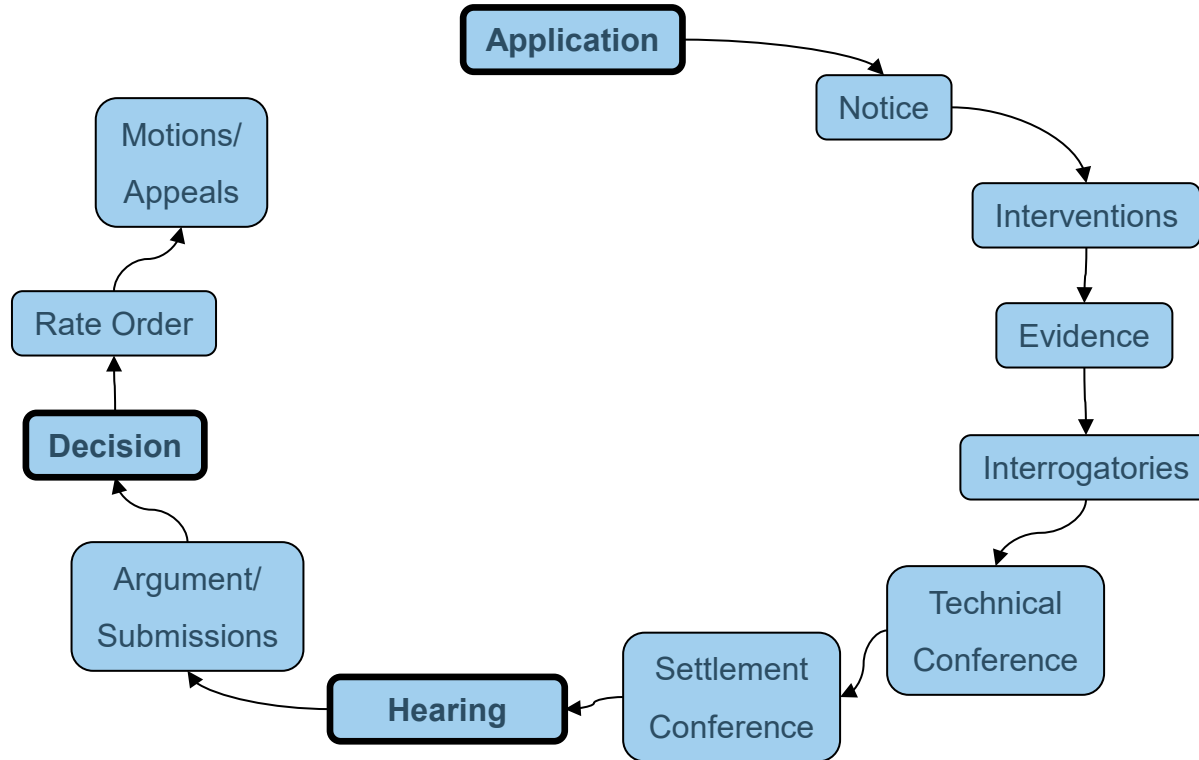


RATE CLASSES / CATEGORIES	Consumption (kWh)	Demand (kW)	Total	
			Total Bill	
			\$	%
Residential - RPP	750		\$ 3.34	2.5%
General Service Less Than 50 kW - RPP	2,000		\$ 3.12	0.9%
General Service 50 to 4,999 kW - Non-RPP (Other)	60,000	150	\$ 302.63	3.2%
Unmetered Scattered Load - RPP	289		\$ 1.34	2.7%
Sentinel Lighting Service - RPP	78	0.20	\$ 2.63	13.1%
Street Lighting - Non-RPP (Other)	340,920	855	\$ 13,704.82	15.0%
Residential - RPP (Low Volume)	220		\$ 5.42	8.6%
Residential - Non-RPP (Retailer)	750		\$ 7.79	6.8%
General Service Less than 50 kW - RPP (Low Volume)	500		\$ 0.31	0.3%
General Service Less than 50 kW - RPP (Retailer)	2,000		\$ 15.00	5.3%

The Road to Here



The Road from Here



Approval Summary



- GSHi 2025-2029 Business Plan
- OM&A Budget: \$20,224,828
- 2025-2029 Distribution System Plan
- 2025 Net Capital Budget: \$11,445,281
- Service Revenue Requirement: \$34,757,403
- Results in a Monthly Bill Impact of:
 - 750 kWh Residential: \$3.34
 - 2,000 kWh GS<50: \$3.12

Questions?





Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.

RESOLUTION

MOVED BY

KMTT

No.: #2024-GSHI-IC-0405

SECONDED BY

Alene

Date: October 28, 2024

Resolution for Approval of Cost of Service Application (2025-2029)

WHEREAS GSH has prepared a comprehensive cost of service application for distribution rates effective May 1, 2025, which includes the Distribution System Plan, an assessment of required funding, net capital budget, operating, maintenance, and administrative (OM&A) budgets, and a business plan to support its strategic objectives and operational needs for the fiscal year 2025 to 2029;

AND WHEREAS the Board of Directors has reviewed and analyzed the proposed application to ensure alignment with regulatory requirements, financial prudence, and the long-term objectives of the organization;

AND WHEREAS the Board of Directors has determined that the budgets and business plan as outlined in the cost of service application are essential for maintaining infrastructure, improving service quality, and meeting anticipated growth and demand in a sustainable and efficient manner;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors hereby approves the cost of service application for May 1, 2025 rates, which includes:
 - **Distribution System Plan for 2025-2029;**
 - **2025 Net Capital Budget:** \$11,445,282;
 - **2025 OM&A Budget:** \$20,224,828 plus amortization of \$5,354,146 and deemed interest on debt of \$3,316,123;
 - **Greater Sudbury Hydro Business Plan for 2025 to 2029.**
2. The CEO AND CFO are authorized to file the cost of service application with Ontario Energy Board and take necessary actions to negotiate an appropriate settlement in the spirit of the approved filed application.
3. The management team is directed to periodically review the budgetary allocations and business plan outcomes throughout the 2025 period and to report back to the Board on any material deviations, adjustments, or improvements as needed to ensure fiscal responsibility and alignment with strategic objectives.
4. This resolution is effective immediately upon adoption.

Adopted this 28th of October 2024.

Mark Signoretti
Chairperson of the Board
Greater Sudbury Hydro Inc.



1 1-SEC-2 Corporate Scorecard 2020-2024

2 **Question:**

3 **[Ex.1, Attach 1, p.44]** Please provide a copy of the Applicant's corporate
4 scorecard for each year since 2020.

5

6 **Response:**

7 As requested, please see the GSU Corporate Scorecards, included as Tab 4,
8 Interrogatory 2, Attachment 1, inclusive of KPIs that are either specific to GSHi or
9 that include GSHi, for the requested period. Note that KPIs unrelated to GSHi
10 have not been included.



Attachment 1 (of 1):

***1-SEC-2 Attachment 1: GSU Corporate Scorecards 2020-
2024***

2020 GSU Corporate Scorecard



GSU empowers people and communities to connect and prosper through innovation and infrastructure.

Our Values

*Honesty and Integrity – we do the right thing even when no one’s looking.
Acting Courageously. See opportunity, innovate, question and own the result
Giving More- exceed expectations, respond with urgency, support the community
Protecting our Assets – take care of the important things today and for the future.
The Power of Us – Sharpen our expertise, let our talent shine, collaborate respectfully, build trust.*



Customer Goal

GSU will recognize that service to customers is core to our purpose

People Goal

GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals

Financial

GSU creates value for our Customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth

Operational/ Organizational Excellence Goal

GSU businesses measure their performance to continuously improve operational excellence

Community Goal

GSU will contribute daily to the social, cultural and economic fabric of our community

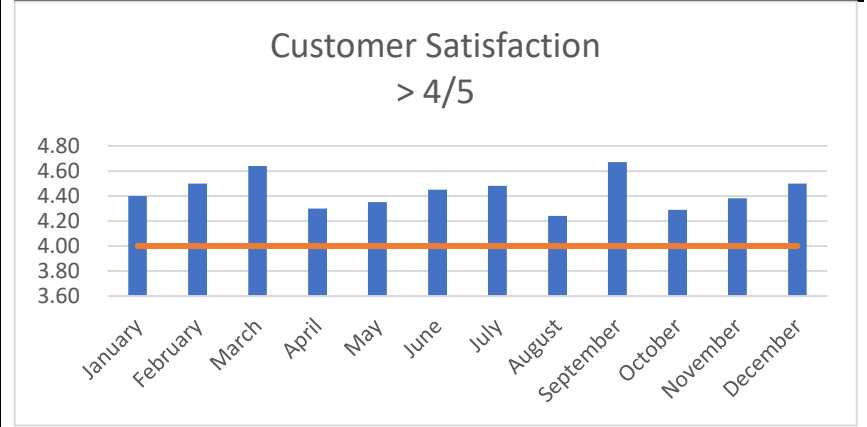
Goal 1: Customer - GSU will recognize that service to customers is core to our purpose

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
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GSU will provide electricity (through GSHi)	C1	Customer satisfaction survey results	> 4 of 5 rating for satisfied and totally satisfied	Met	Met
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Current:
Averaging 4.43 at December 31.

Month	Jan	Feb	Mar	Apr	May	Jun	Average (Nov 30)
Result (%)	4.40	4.50	4.64	4.30	4.35	4.45	
Sample Size	43	41	41	37	44	32	
Month	Jul	Aug	Sep	Oct	Nov	Dec	
Result (%)	4.48	4.24	4.67	4.29	4.38	4.5	
Sample Size	35	30	19	20	42	48	



KPI	2020	2019	Improvement
Call Answer Time (65% within 30 seconds)	69.4%	78.4%	-11.4%
Contact Resolution (80% questions answered upon 1 st contact)	4.43	4.29	3.5%
Billing Accuracy (98%)	99.95%	99.72%	0.2%

COVID-19 Impacts:
With the introduction of Customer Choice (Time of Use pricing vs. Tiered pricing), our call stats have seen a decrease. This is because our calls are taking more time than normal. We have met our OEB customer service metrics for the year ended December 31, 2020.

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
GSU will provide electricity (through GSHi)	C2	Complete & implement Customer Experience Enhancement Plan ("CEEP")	<p>Create plan by June 30, 2020</p> <p>Implement strategies in second half of 2020</p>	Not Met	Not Met	<p>Current: Note: At the October 16, 2020 BOD meeting, the Board made the decision to remove this objective from the Corporate Scorecard as it is operational in nature.</p> <p>No Change since previous report. Project deferred with completion date TBD.</p> <p><i>Previous report:</i> The development of this plan/report has taken a back seat since the state of Emergency was declared back in March. The Provincial government has mandated and continues to mandate changes to billing electricity for customers as well as offering relief plans. These changes have affected the configuration of our billing system. To ensure accuracy of billing and a thorough understanding and roll out of the relief programs, resources have been focused on these areas. Moreover, the Customer Service department has been short staffed. The hiring of new employees has been halted until the fall. There has been some focus on figuring out how to train new Customer Service employees virtually which has some challenges in terms of the way we have typically trained in this department. The meter reading contractor for the City which also completed our collections/disconnections has had difficulty attracting and maintaining staff which has forced us to reconsider our approach to collections bringing it back in house. Finally, resources have also been busy with the City's Water AMI project. System configuration and testing for the smart water meters has been underway.</p> <p>Next Steps: The Executive team has deliberated over this goal. Due to COVID and the number of staff changes in the Customer Service Department, this goal will be revisited at a future date.</p> <p>COVID-19 Impacts: This project has been delayed partly due to impacts as a result of the pandemic.</p>

Goal 2: People - GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
<p>GSU will be an employer of choice – Talent Management System</p>	<p>P1</p>	<p>Formalize Recruitment, Selection & Onboarding phase of GSU’s Talent Management Plan</p>	<p>Recruitment, selection & onboarding completed by December 31, 2020</p>	<p>Met</p>	<p>Met</p>	<p>Current: <i>Note: At the October 16, 2020 BOD meeting, the Board made the decision to remove this objective from the Corporate Scorecard as it is operational in nature.</i></p> <p>We have finished scanning all files into our HRIS system and continue to work on inputting historical information in HR Director.</p> <p>Next Steps: Continue with remote onboarding of new employees and updating the onboarding checklist to ensure alignment with this new process. Continue to work on our onboarding videos; Safety Orientation is almost complete, and we will begin working on the HR Orientation.</p> <p>As we select new leaders in our organization, we are updating the job descriptions for those position with the new leadership format.</p> <p>COVID-19 Impacts: None</p>
<p>GSU will be a safe place to work</p>	<p>P2</p>	<p>Maintain OHSAS registration</p>	<p>Pass Audit FY 2020</p>	<p>Met</p>	<p>Met</p>	<p>Current: Following regulations. We are working towards our re-certification, unification, and integration with our management system.</p> <p>Safety & Risk Officer creating training videos for staff on our COVID-19 Guidelines.</p> <p>Next Steps: We will update our OHSAS program as required with changes due to COVID-19 and develop our training materials for our inside office staff.</p> <p>We are looking at integrating our safety orientation online with interactive modules, which will include key safety policies, quizzes and access to all of our safety information at an employee’s fingertips.</p> <p>Our audit will occur in June 2021 and re-certification will happen in September 2021. This will be measured through our 2021 OKRs.</p> <p>COVID-19 Impacts: GSU COVID-19 Guidelines Extra training for all staff and contractors</p>

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
GSU will be a safe place to work	P3	No lost time injuries	FY 2020	Met	Met	<p>Current: No lost time injuries Y-T-D 2020</p> <p>COVID-19 Impacts: None</p>
	P4	Completion of multiyear safety communications plan	June 30, 2020	Not Met	Not Met	<p>Current: <i>Note: At the October 16, 2020 BOD meeting, the Board made the decision to remove this objective from the Corporate Scorecard as it is operational in nature.</i></p> <p>No change since previous report.</p> <p>Next Steps: Continue to update our GSU COVID-19 Guidelines as our current situation unfolds.</p> <p>Continue to ensure the safety of our staff, contractors and community through continuous training, communications, and safety reminders.</p> <p>COVID-19 Impacts: COVID has delayed this project. It is still in progress. Completion date TBD.</p>
GSU will develop its people	P5	Data literacy/ comprehension	Train 20 employees in data literacy relating to their roles	Not Met	Not Met	<p>Current: <i>Note: At the October 16, 2020 BOD meeting, the Board made the decision to remove this objective from the Corporate Scorecard as it is operational in nature.</i></p> <p>Development of the Data Literacy Training Program complete with project wrap up Oct. 29th.</p> <p>Next Steps: Implementation will take place at a time TBD. This will include:</p> <ul style="list-style-type: none"> • learning how to use and administer the learning management system (LMS-Moodle) • making minor adjustments to the content and onboarding • organization schedules and rolling out access at a time TBD <p>Although the project was delayed due to the pandemic, the program has been completed and delivered to GSU from Cambrian College. GSU will use the program in in the future to train staff on data literacy as it relates to their roles.</p> <p>COVID-19 Impacts: COVID has delayed this progress. Implementation date is still TBD.</p>

Goal 3: Financial – GSU creates value for our Customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
GSU will enjoy financial strength and stability in GSHi	F1	GSHi % rate increase	=< rate of inflation averaged over 5 years	Met	Met	<p>Current: No change since previous report</p> <p>This target has been met</p> <p>Next Steps: None</p> <p>COVID-19 Impacts: GSHi requested permission to defer the increase in distribution, low voltage, retail transmission and service revenues (RTSR) rates to November 1st to lessen the financial impacts on customers during the COVID-19 pandemic crisis. Any lost revenue between the effective date determined by the OEB and implementation date would be tracked in a deferral account and recovered in the future from rate payers. GSHi requested that the implementation date for the rate riders resulting from the disposal of the deferral and variance accounts and the change in loss factor remain as May 1st as they resulted in decreases on the customers’ bills. GSHi’s request to modify the implementation dates to lessen the financial impacts on customers was approved by the OEB.</p> <p>The bill impact on May 1st, as a result of the modified implementation date due to COVID-19 will be as follows:</p> <ul style="list-style-type: none"> • 0.15% increase or \$0.17 to the average residential customer bill • (0.21)% decrease or \$(0.61) to the average general service <50 (small business) customer bill
	F1.1		Maintain position in top one third of Ontario LDC’s for lowest residential electricity bill	N/A	N/A	<p>Current: No change since previous report</p> <p>Next Steps: Follow up with the OEB and continue to check the OEB’s website for an updated list</p> <p>COVID-19 Impacts: None</p>

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																														
GSU will enjoy financial strength and stability in GSHi	F2	GSHi net income	+/- 300 basis points of OEB deemed ROE	Met	Not Met	<p>Current: We are currently within outside of the OEBs deemed ROE</p> <p>We are under earning due to:</p> <ul style="list-style-type: none"> • Reduced load due to the pandemic • Load forecast was too optimistic • We did not bill interest on customers overdue accounts for 4 months <p><u>OEB Regulated</u> ROE: The OEB allows a distributor to earn within +/- 3% of the target return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.</p> <p>GSH target in 2020 is 8.52% ROE; The below is prorated based on current month-end reported.</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>2020</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Regulated net income (\$)</td> <td>E</td> <td>\$ 1,799,116</td> <td>\$ 3,745,483</td> <td>\$ 3,193,913</td> </tr> <tr> <td>Regulated deemed equity (\$)</td> <td>F</td> <td>\$ 42,965,126</td> <td>\$ 43,426,462</td> <td>\$ 41,348,881</td> </tr> <tr> <td>Regulated ROE (%)</td> <td>E / F = G</td> <td>4.19%</td> <td>8.62%</td> <td>7.72%</td> </tr> <tr> <td>Target (%)</td> <td>H</td> <td>8.52%</td> <td>8.98%</td> <td>8.98%</td> </tr> <tr> <td>Difference (%) over/under)</td> <td>G - H</td> <td>-4.33%</td> <td>-0.36%</td> <td>-1.26%</td> </tr> </tbody> </table> <p>Next Steps: Continue to monitor our ROE as well as budget vs. actual results.</p> <p>COVID-19 Impacts: Reduced load due to shutdowns. Delays in capital and O&M expenses due to the pandemic. Certain budget items will be underspent like travel, meals, training.</p>			2020	2019	2018	Regulated net income (\$)	E	\$ 1,799,116	\$ 3,745,483	\$ 3,193,913	Regulated deemed equity (\$)	F	\$ 42,965,126	\$ 43,426,462	\$ 41,348,881	Regulated ROE (%)	E / F = G	4.19%	8.62%	7.72%	Target (%)	H	8.52%	8.98%	8.98%	Difference (%) over/under)	G - H	-4.33%	-0.36%	-1.26%
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Goal 4: Operational/Organizational Excellence - GSU businesses measure their performance to continuously improve operational excellence.

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
GSU will ensure operational excellence	O1	Using the same platform/system for audits, NCRs and document storage	Unification December 31, 2020	NA	NA	<p>Current: Please see 2021 Corporate Scorecard for progress on this objective.</p>
	O2	Implement Ontario Cyber Security Framework	Compliance with Ontario Cyber Security Framework by December 31, 2020	Not Met	Not Met	<p>Current: Note: At the October 16, 2020 BOD meeting, the Board made the decision to remove this objective from the Corporate Scorecard as it is operational in nature.</p> <p>At December 31, we have 48/83 controls in place. Our data inventory is complete. We are assigning owners to the inventory and those owners will classify the data. We have completed our risk registry and have moved onto incident management. This section will cover off a significant amount of the remaining controls. The controls we are putting in place will become part of our IMS and will be auditable.</p> <p>We are involved with a USF group who are working on the initiatives we have identified in our next steps. Since the USF group is already working on these initiatives and will share the outcomes, plans, forms etc with members, we have decided to wait for these to come out, instead of using our own internal resources to do the exact same work. Making this decision has not put our organization in any additional risk. We have all of the safeguards in place that we need to ensure our systems are secure.</p> <p>Next Steps: Improving incident response (plan and documentation) and developing forms for processes we have in place which will make the processes flow smoother.</p> <p>COVID-19 Impacts: No impacts to note.</p>

Goal 5: Community – GSU will contribute daily to the social, cultural and economic fabric of our community

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
<p>SU will contribute to our community in tangible ways</p>	CO2	CGS continue Interest Payment	\$3.8M	Met	Met	<p>Current: Q1, Q2, Q3 and Q4 payments have been submitted. We have paid \$3.8M in interest payments to the CGS.</p> <p>Next Steps: Objective met</p> <p>COVID-19 Impacts: None</p>
	CO5	CGS streetlight maintenance and capital	Within budget monthly	Met	Met	<p>Current: Providing service and under budget in streetlight maintenance. There will be a refund issued to the CGS of \$15,000.</p> <p>Next Steps: Continue to provide service within budget in 2021</p> <p>COVID-19 Impacts: None</p>

Strategy	Obj. #	Objective	Target	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
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GSU will contribute to our community in tangible ways	CO8	Continue leadership role in Festival of Lights	Lighting display ready and on time December 2020	Met (Nov 6)	Met	<p>Current: Lighting display completed November 6, 2020.</p> <p>Next Steps: None</p> <p>COVID-19 Impacts: None</p>

2021 GSU Corporate Scorecard



Building Connections for Life

Our Values

*Doing the right thing – We do the right thing even when no one’s looking.
Acting Courageously - See opportunity, innovate, question and own the result
Giving More - Exceed expectations, respond with urgency, support the community
Protecting our Assets – Take care of the important things today and for the future.
The Power of Us – Sharpen our expertise, let our talent shine, collaborate respectfully, build trust.*



Customer Objective
GSU will recognize that service to customers is core to our purpose

People Objective
GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals

Financial Objective
GSU creates value for our Customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth

Operational/ Organizational Excellence Objective
GSU businesses measure their performance to continuously improve operational excellence

Community Objective
GSU will contribute daily to the social, cultural and economic fabric of our community

Overview of Changes to our Corporate Scorecard for 2021

1. Two Sections of our Scorecard: Protect the Core & Stimulate Growth

- **Protect the core (Core KPIs):** These are the KPIs that we need to hit to make sure our organizations are operating in a healthy state. These KPIs do not typically change year over year.
- **Stimulate Growth (OKRs):** These are the Objectives and Key Results (KRs) we have decided are the most important stretch initiatives for the utility to undertake in the year. These OKRs are what is going to push our companies forward towards our Vision. They affect more than one of our five Corporate Objectives and require significant investment in the form of time and cash.

2. OKR

- **Objective:** The goal, 1 or more years. Takes us towards our vision.
- **Key Result or KR:** Measurable, time bound, outcome based.

3. Tolerance: Added acceptable tolerances to our KPI & KR targets for enhanced reporting to the BOD on whether we are surpassing our targets, hitting our targets or missing our targets.

- **Blue Trellis:** Surpassed Target

Surpassed
Target

- **Solid Green:** Met Target

Met
Target

- **Solid Yellow:** Approaching Target

Approaching
Target

- **Solid Red:** Missed Target

Missed
Target

Protect the core

Customer: 2021 GSU Corporate Scorecard KPIs

Obj 1: Customer - GSU will recognize that service to customers is core to our purpose

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																																												
C1	GSHi Customer satisfaction survey results 4 of 5 average annually	Blue: >4 Green: 4 Yellow: 3.5-3.9 Red: 0-3.4	Surpassed target	Surpassed target	<p>Current (YTD): Satisfaction rating of 4.4 at December 31.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Result</td> <td>4.5</td> <td>4.4</td> <td>5.0</td> <td>4.2</td> <td>4.4</td> <td>4.3</td> <td rowspan="6">4.4</td> </tr> <tr> <td>Sample</td> <td>26</td> <td>29</td> <td>41</td> <td>35</td> <td>37</td> <td>40</td> </tr> <tr> <th>Month</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> <tr> <td>Result</td> <td>4.6</td> <td>4.3</td> <td>4.3</td> <td>4.3</td> <td>4.4</td> <td>4.5</td> </tr> <tr> <td>Sample</td> <td>42</td> <td>38</td> <td>41</td> <td>40</td> <td>38</td> <td>35</td> </tr> </tbody> </table> <p>GSHi Customer Satisfaction Results Target 4/5</p>	Month	Jan	Feb	Mar	Apr	May	Jun	Average	Result	4.5	4.4	5.0	4.2	4.4	4.3	4.4	Sample	26	29	41	35	37	40	Month	Jul	Aug	Sep	Oct	Nov	Dec	Result	4.6	4.3	4.3	4.3	4.4	4.5	Sample	42	38	41	40	38	35
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Continued on next page

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																				
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People: 2021 GSU Corporate Scorecard KPIs

Objective 2: People - GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals					
KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
P1	Maintain OHSAS registration by passing audit June 30, 2021	Green: Pass Red: Fail	Met target	Met target	<p>Current (YTD): ISO 45001 certified.</p> <p>Next Steps: Continue following regulations.</p> <p>COVID-19 Impacts: GSU COVID-19 Guidelines Extra training for all staff and contractors</p>
P2	No lost time injuries in FY 2021	Green: = 0 Red: 1+	Met target	Met target	<p>Current (YTD): No lost time injuries YTD.</p> <p>COVID-19 Impacts: None to date.</p>
P3	Every leader trained in Developing and Implementing an Outward Mindset (DIOM) and Outward Leadership from the Arbinger Institute by December 31, 2021	Green: All leaders trained on time Red: Missed deadline	Met target	Met target	<p>Current (YTD): On track to meeting this target. All leaders, with the exception of new leaders have gone through the DIOM training.</p> <ul style="list-style-type: none"> • 35 leaders have participated in DIOM • 35 leaders have participated in Outward Leadership. <p>Next Steps: Continue to enroll leaders in the Outward Leadership module and enroll any new leaders in the DIOM training.</p> <p>COVID-19 Impacts: None to date.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
P4	4 trainers trained in “Train the Trainer” from the Arbinger Institute by December 31, 2021	<p>Green: All trainers trained on time</p> <p>Yellow: Approaching target</p> <p>Red: Missed deadline</p>	Missed target	Missed target	<p>Current (YTD): No trainers are expected to be trained by year end. We have heard feedback from those that have taken DIOM and they have suggested that instead of having GSU staff being trained by our own internal trainers, that each GSU staff member initially takes the training thorough the Arbinger Institute. We will be sending all our staff through this training over the next few years through the Institute.</p> <p>Next Steps: We will revisit “Train the Trainer” training for 4 GSU staff so that they can hold refresher training courses internally once all GSU staff have done the initial training through Arbinger.</p> <p>COVID-19 Impacts: None to date.</p>

Financial: 2021 GSU Corporate Scorecard KPIs

Objective 3: Financial – GSU creates value for our Customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth					
KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
F1	Rate increase =< rate of inflation averaged over 5 years	<p>Green: within the range</p> <p>Yellow: 101-150% over inflation</p> <p>Red: 151% over inflation</p>	Approaching target	Missed target	<p>Current (YTD): With our rate increases from our COS application, we are 187% over the average rate of inflation.</p> <p>Rate increase averaged over the last 5 years (2016-2021) = 3.25% Average rate of inflation* (2016-2021) = 1.74%</p> <p>*per the Bank of Canada</p> <p>COVID-19 Impacts: Part of the 2021 IRM \$4.95/month increase on a typical residential electricity bill is the deferred revenue balance recovery which stemmed from deferring our rate increases from May 1, 2020 to November 1, 2020 as a result of the pandemic. We will be recovering this over 1 year.</p>
F2	Maintain position in top one third of Ontario LDC's for lowest residential electricity bill annually	<p>Green: within 1/3 lowest bill</p> <p>Yellow: >1/3 to =/<1/2 lowest bill</p> <p>Red: >1/2 lowest bill</p>	N/A	N/A	<p>Current (YTD): The OEB website has not been updated for our 2020 rates as of April 7, 2021. We still don't know where we rank with respect to other Ontario LDCs for lowest residential electricity bill. We inquired with the OEB with regards to the availability of this information and their response was: <i>"The rate comparison charts were removed from our website in Fall 2020. The ongoing changes to both electricity pricing methods and rate-relief subsidies made total bill comparisons across years potentially misleading. It was decided to take them down and reassess at a future date."</i></p> <p>Next Steps: We will look into an alternative KPI that will track GSHi's competitive advantage as compared to other Ontario LDCs.</p> <p>COVID-19 Impacts: None to date.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																														
F3	GSHi net income is +/- 300 basis points of OEB deemed ROE annually	<p>Green: within 300 basis points</p> <p>Yellow: 301-500 basis points</p> <p>Red: > 500 basis points</p>	NA	Met target	<p>Current (YTD):</p> <p>The OEB allows a distributor to earn within +/- 3% of the target return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.</p> <p>GSH target in 2021 is 8.52% ROE; The below is prorated based on current month-end reported.</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>2021</th> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Regulated net income (\$)</td> <td>E</td> <td>\$ 3,868,393</td> <td>\$ 875,968</td> <td>\$ 3,745,483</td> </tr> <tr> <td>Regulated deemed equity (\$)</td> <td>F</td> <td>\$ 43,603,035</td> <td>\$ 42,933,987</td> <td>\$ 43,426,462</td> </tr> <tr> <td>Regulated ROE (%)</td> <td>E / F = G</td> <td>8.87%</td> <td>2.04%</td> <td>8.62%</td> </tr> <tr> <td>Target (%)</td> <td>H</td> <td>8.52%</td> <td>8.52%</td> <td>8.98%</td> </tr> <tr> <td>Difference (% over/under)</td> <td>G - H</td> <td>0.35%</td> <td>-6.48%</td> <td>-0.36%</td> </tr> </tbody> </table> <p>Next Steps: We have met the target.</p> <p>COVID-19 Impacts: None to date.</p>			2021	2020	2019	Regulated net income (\$)	E	\$ 3,868,393	\$ 875,968	\$ 3,745,483	Regulated deemed equity (\$)	F	\$ 43,603,035	\$ 42,933,987	\$ 43,426,462	Regulated ROE (%)	E / F = G	8.87%	2.04%	8.62%	Target (%)	H	8.52%	8.52%	8.98%	Difference (% over/under)	G - H	0.35%	-6.48%	-0.36%
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Difference (% over/under)	G - H	0.35%	-6.48%	-0.36%																															
F9	GSU Consolidated net income \$2,310,861	<p>Blue Trellis: >10% over budget</p> <p>Green: (+/-) 10%</p> <p>Yellow: Inside range of (-) 11% - 15% of budget</p> <p>Red: > (-) 15% of budget</p>	Surpassed target	Surpassed target	<p>Current (YTD): Consolidated net income is \$4,202,595.</p> <p>Next Steps: GSU has exceeded the target.</p> <p>COVID-19 Impacts: None to date.</p>																														

Organizational Excellence: 2021 GSU Corporate Scorecard KPIs

Objective 4: Operational/Organizational Excellence - GSU businesses measure their performance to continuously improve operational excellence.					
<i>KPI #</i>	<i>KPI</i>	<i>Tolerance</i>	<i>Y-T-D Nov 30 Results</i>	<i>Y-T-D Dec 31 Results</i>	<i>Notes</i>
O1	Pass ISO Audit June 30, 2021	Green: Pass audit Yellow: Approaching audit Red: Fail audit	Met target	Met target	<p>Current (YTD): Passed ISO audit. We are ISO 9001 and ISO 45001 certified.</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Continuous improvement of our IMS system <p>COVID-19 Impacts: External audit was remote due to COVID-19.</p>

Community: 2021 GSU Corporate Scorecard KPIs

Objective 5: Community – GSU will contribute daily to the social, cultural and economic fabric of our community					
KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
CO2	CGS continue Interest Payment of \$3.8M annually (quarterly installments)	<p>Green: Paid quarterly interest</p> <p>Yellow: Information not available until next quarter</p> <p>Red: Not Paid</p>	Approaching target	Met target	<p>Current (YTD): Q4 payment made in the amount of \$944,709. Total payments YTD of \$3,794,709.</p> <p>Next Steps: Target met.</p> <p>COVID-19 Impacts: None to date.</p>
CO5	CGS streetlight maintenance and capital within budget	<p>Green: (+/-) 10%</p> <p>Yellow: Inside range of (+/-) 11% - 15% of budget</p> <p>Red: > (+/-) 15% of budget</p>	Met target	Met target	<p>Current (YTD): Providing service within budget.</p> <p>Next Steps: Continue to provide service within budget.</p> <p>COVID-19 Impacts: None to date.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
CO8	Continue leadership role in Festival of Lights - Lighting display ready and on time December	Green: On Time Yellow: Information not available until November Red: Late	Met target	Met target	Current (YTD): The Festival of Lights runs until January 2 nd , 2022. Next Steps: Assist with take down of Festival of Lights. COVID-19 Impacts: None to date.

Stimulate Growth: 2021 GSU Corporate Scorecard OKRs

Stimulate Growth							
Objective	Objective Pillar	Key Result #	Key Result	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
Continuously improve operational excellence	Operational Excellence	SG1	Unify our ISO system by June 2021	<p>Green: On track</p> <p>Yellow: In danger of not meeting deadline</p> <p>Red: Will not meet deadline</p>	Met target	Met target	<p>Current (YTD): We are ISO 9001 and ISO 45001 certified with no non-conformances noted from the recertification audit.</p> <p>Next Steps: Continuous improvement of our IMS system.</p> <p>COVID-19 Impacts: None to date.</p>

Objective	Objective Pillar	Key Result #	Key Result	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
Transform GSU with enterprise platforms	Operational Excellence	SG2	Complete a corporate wide layered adoption of Microsoft Online	<p>Green: On track</p> <p>Yellow: In danger of not meeting deadline</p> <p>Red: Will not meet deadline</p>	Met target	Met target	<p>Current (YTD):</p> <ul style="list-style-type: none"> We have executed our champions program 1-2 employees from each department form our champions program and they are becoming our 365 experts Our champions are continuing to brainstorm ideas on how they can use 365 in their departments Champions continue to educate their peers throughout the deployment of 365 corporate wide Office 365 has been deployed to all GSU staff <p>Next Steps:</p> <ul style="list-style-type: none"> Champions team has undergone many training sessions together and after final review of the training and deployment plan, champions will assist their peers in their adoption of Office 365. <p>COVID-19 Impacts: Accelerated migration onto the cloud.</p>
	People	SG3	Develop a comprehensive "people and culture" change and engagement program	<p>Green: On track</p> <p>Yellow: In danger of not meeting deadline</p> <p>Red: Will not meet deadline</p>	Approaching target	Not met	<p>Current (YTD): Deferred TBD.</p> <p>Next Steps: Next steps to be discussed in 2022 and OKR's added to The Workshop's project/task management software for continued development.</p> <p>COVID-19 Impacts: None to date.</p>

Objective	Objective Pillar	Key Result #	Key Result	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
Transform GSU with enterprise platforms	Operational Excellence	SG4	Advance "1 business transformation" on each platform	Green: On track Yellow: Approaching Red: Will not meet deadline	Met target	Met target	Current (YTD): With two business transformations undertaken on each platform, this objective has been met. Next Steps: Target met. COVID-19 Impacts: None to date.
	People	SG5	Deliver and socialize The Workshop's digital transformation strategy (required to guide longer term agility, maturity/capability and mindset")	Green: On track Yellow: In danger of not meeting deadline Red: Will not meet deadline	Met target	Met target	Current (YTD): Learning management system in place and Data Literacy Training program modules loaded. Next Steps: OKRs for EDT being operationalized and moved into The Workshop's project/task management software for continued development. COVID-19 Impacts: None to date.

Objective	Objective Pillar	Key Result #	Key Result	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
Build Cressey to provide superior reliability for the next 50 years	Financial	SG8	Complete Cressey by December 31, 2021	Green: (+/-) 10% Yellow: Inside range of (+/-) 10% - 15% of Schedule Red: > (+/-) 15% of schedule	Met target	Met target	Current (YTD): Cressey was energized on Friday, December 17. Next Steps: Target has been met. COVID-19 Impacts: None.
	Financial	SG9	Complete Cressey within budget \$4,409,289	Green: (+/-) 10% Yellow: Inside range of (+/-) 10% - 15% of budget Red: > (+/-) 15% of budget	Met target	Met target	Current (YTD): The Cressey project was substantially completed on December 17 and was within 10% of budget at year end. At year end, the project was \$52,716 under budget, however, some minor cleanup will remain for 2022. \$24,000 of the \$52,716 is being carried over to complete the installation of Agilis communications equipment, as well as cover costs to close out the site building permit. The project is expected to be completed \$28,716 under budget. Next Steps: Target has been met. COVID-19 Impacts: None.

2022 GSU Corporate Scorecard

Our Corporate Values

Doing the Right Thing · We do the right thing even when no one's looking.

Acting Courageously · See opportunity, innovate, question, and own the result.

Giving More · Exceed expectations, respond with urgency, support the community.

Protecting our Assets · Take care of the important things today and for the future.

The Power of Us · Sharpen our expertise, let our talent shine, collaborate respectfully, build trust.



Customer Objective

GSU will recognize that service to customers is core to our purpose.



People Objective

GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals.



Financial Objective

GSU creates value for our Customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth.



Operational/ Organizational Excellence Objective

GSU businesses measure their performance to continuously improve operational excellence.



Community Objective

GSU will contribute daily to the social, cultural and economic fabric of our community

Objective 1: Customer
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KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																																												
C1	GSHi Customer satisfaction survey results 4 of 5 average annually	Blue Trellis: >4 Green: 4 Yellow: 3.5-3.9 Red: 0-3.4	Surpassed target	Surpassed target	<p>Current (YTD): Averaging 4.3 at year end.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Result</td> <td>4.2</td> <td>4.5</td> <td>4.1</td> <td>4.4</td> <td>4.3</td> <td>4.3</td> <td rowspan="6">4.3</td> </tr> <tr> <td>Target</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> </tr> <tr> <th>Month</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> <tr> <td>Result</td> <td>4.3</td> <td>4.3</td> <td>4.1</td> <td>4.4</td> <td>4.3</td> <td>4.4</td> </tr> <tr> <td>Target</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> </tr> </tbody> </table> <p>Continued on next page</p>	Month	Jan	Feb	Mar	Apr	May	Jun	Average	Result	4.2	4.5	4.1	4.4	4.3	4.3	4.3	Target	4.0	4.0	4.0	4.0	4.0	4.0	Month	Jul	Aug	Sep	Oct	Nov	Dec	Result	4.3	4.3	4.1	4.4	4.3	4.4	Target	4.0	4.0	4.0	4.0	4.0	4.0
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					<p>Next Steps: Continue ensuring Customer Service stats are monitored and being met. Continue to train the new employees for greater autonomy in managing customer requests. A strategy has been developed and budgeted in 2023 for the enhancement of the customer's experience.</p>																								

Objective 2: People

GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																																																			
P1	Maintain ISO 45001 Certification	<p>Green: Maintained Certification</p> <p>Red: Lost Certification</p>	Met target	Met target	<p>Current (YTD): Ongoing improvements to the system continue as we prepare for the internal audit in March.</p> <p>Next Steps: Continuously improve and promote the management system. The next surveillance audit is scheduled for Q2 2023.</p>																																																			
P2	No lost time injuries	<p>Green: =0</p> <p>Red: 1+</p>	Missed target	Missed target	<p>Current (YTD): 2 lost time injuries at year end.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #D9E1F2;"> <th style="width: 10%;">Month</th> <th style="width: 10%;">Jan</th> <th style="width: 10%;">Feb</th> <th style="width: 10%;">Mar</th> <th style="width: 10%;">Apr</th> <th style="width: 10%;">May</th> <th style="width: 10%;">Jun</th> <th style="width: 10%;">Total</th> </tr> </thead> <tbody> <tr> <td>Result</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td rowspan="6" style="text-align: center; background-color: #F4CCCC;">2</td> </tr> <tr> <td>Target</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr style="background-color: #D9E1F2;"> <th>Month</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> <tr> <td>Result</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Target</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>In February of 2019 the employee was investigating a low wire call when they slipped and fell on a patch of ice (there had been freezing rain the night before). This resulted in an injury to their right shoulder which required surgery. Surgery was conducted on May 3rd of this year whereby the employee was off for approximately 8 weeks.</p> <p>Continued on next page</p>	Month	Jan	Feb	Mar	Apr	May	Jun	Total	Result	0	0	1	0	1	0	2	Target	0	0	0	0	0	0	Month	Jul	Aug	Sep	Oct	Nov	Dec	Result	0	0	0	0	0	0	Target	0	0	0	0	0	0							
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KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
					<p><u>Remedial Action</u> Awareness blitz was conducted throughout the organization on slips, trips, and falls- posters, handouts, safety meeting discussions and videos were used.</p> <p>Ice cleats were handed out to all employees and are now a regular stock item in stores</p> <p>On October 20, 2020 the employee came to the HR office to inform us they had received a medical report from their physician diagnosing carpal tunnel syndrome in both arms. The employee required surgery to correct the issue which was performed March 4th of this year. The employee returned to light duty work after 5 weeks. *Note: The employer did apply for the Second Injury Enhancement Fund (SIEF) in the belief the injury originated from the previous employer, however this was denied by the WSIB</p> <p><u>Remedial Action</u> Ongoing messaging promoting the use of power tools Continued to pursue innovative tool designs to limit exposure to musculoskeletal disorders (MSD's) Regular training provided on the causes, hazards, risks and prevention of MSD's</p> <p>Next Steps: Continue to promote health and safety in the workplace.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																																																										
P3	Voluntary employee exits of no more than 5%	Green: </= 0-5% Yellow: 6-10% Red: > 11%	Met target	Met target	<p>Current (YTD): 2 voluntary employee exits at year end.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td># of Voluntary Exits</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td rowspan="7">2%</td> </tr> <tr> <td># of Regular Full Time Employees</td> <td>127</td> <td>128</td> <td>128</td> <td>129</td> <td>132</td> <td>131</td> </tr> <tr> <td>%</td> <td>0%</td> <td>1%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <th>Month</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> <tr> <td># of Voluntary Exits</td> <td>0</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td># of Full Time Employees</td> <td>130</td> <td>130</td> <td>132</td> <td>131</td> <td>133</td> <td>132</td> </tr> <tr> <td>%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>1%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table> <p>Next Steps: Continue to monitor voluntary employee exits.</p>	Month	Jan	Feb	Mar	Apr	May	Jun	Total	# of Voluntary Exits	0	1	0	0	0	0	2%	# of Regular Full Time Employees	127	128	128	129	132	131	%	0%	1%	0%	0%	0%	0%	Month	Jul	Aug	Sep	Oct	Nov	Dec	# of Voluntary Exits	0	0	0	1	0	0	# of Full Time Employees	130	130	132	131	133	132	%	0%	0%	0%	1%	0%	0%
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Objective 3: Financial

GSU creates value for our customers and provides profit from each company.
Our innovative and entrepreneurial spirit drives our growth.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
F1	Rate increase =< rate of inflation averaged over previous 5 years	<p>Green: within the range</p> <p>Yellow: 101-150% over inflation</p> <p>Red: 151% over inflation</p>	Approaching target	Approaching target	<p>Current (YTD): The average distribution rate over the last 5 years increased by 3.27% whereas the average inflation over the last 5 years has been 2.51%. The inflationary factor (GDP-IPI) published by the Ontario Energy Board for 2023 IRM increases was 3.7% which has produced a 3.4% rate increase due to a 0.3% stretch factor.</p>
F2	GSHi net income is +/- 300 basis points of OEB deemed ROE annually	<p>Green: within 300 basis points</p> <p>Yellow: 301-500 basis points</p> <p>Red: > 500 basis points</p>	N/A	Approaching target	<p>Current (YTD): GSHi achieved an ROE of 13.42% which is 1.9% outside the target. Calculating the regulated ROE is a complex formula that attempts to measure Ontario Utilities' performances in a standardized way. There are some extraordinary items affecting GSHi's ROE that may be pushing this calculation higher for 2022. This includes the regulatory movement on the deferral of the actuarial gain and its tax impact.</p> <p>Next Steps: Continue to monitor our budget vs. actual results.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
F10	GSU Consolidated net income \$2,364,774	Blue Trellis: >10% over budget Green: (+/-)10% Yellow: Inside range of (-)11% - 15% of budget Red: > (-)15% of budget	Surpassed target	Surpassed target	Current (YTD): At year end, the consolidated Net income is \$3,438,171, which has surpassed our year end target of \$2,364,774. Next Steps: Continue to monitor budget to actual in all companies.
F11	GSHi Debt to Equity Ratio of 60/40	Green: move towards Red: move away from	N/A	Met target	GSHI's debt equity ratio was 65/35 down from 68/32 in 2021.
F12	Consolidated Debt to Equity Ratio of 60/40	Green: move towards Red: move away from	N/A	Met target	GSU met its target of 60/40.
F13	GSHi Current Ratio	Green: >/=1.25 Red: <1.25	Met target	Missed target	Current (YTD): Current ratio at year end is 1.14. Next Steps: Continue monitoring ratio.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
F14	Consolidated Current Ratio	Green: ≥ 1.3 Red: < 1.3	Met target	Met target	<p>Current (YTD): Current ratio at year end is 1.42.</p> <p>Next Steps: Continue monitoring ratio.</p>

Objective 4: Operational/Organizational Excellence
 GSU businesses measure their performance to continuously improve operational excellence.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
O01	Maintain ISO 9001 Certification	<p>Green: Maintained Certification</p> <p>Red: Lost Certification</p>	Met target	Met target	<p>Current (YTD) GSU completed the surveillance audit in June. There were two nonconformances noted by the auditors. Staff implemented the appropriate corrective action plans which were accepted by the auditors in August.</p> <p>Next Steps: Continuously improve and promote the management system. The next surveillance audit is scheduled for Q2 2023.</p>

Objective 5: Community

GSU will contribute daily to the social, cultural and economic fabric of our community

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
CO2	CGS continue Interest Payment of \$3.8M annually (quarterly installments)	<p>Green: Paid quarterly interest</p> <p>Yellow: Information N/A until next quarter</p> <p>Red: Not Paid</p>	Met target	Met target	<p>Current (YTD): Q4 payment of \$944,709.37 was made December 20, 2022.</p> <p>Next Steps: Q1 payment to be made by March 31, 2023.</p>
CO5	CGS streetlight maintenance and capital within budget	<p>Green: (+/-) 10%</p> <p>Yellow: Inside range of (+/-) 11% - 15% of budget</p> <p>Red: > (+/-) 15% of budget</p>	Met target	Met target	<p>Current (YTD): At year end we are within budget, we will be refunding a surplus to the City.</p> <p>Next Steps: Continue to provide service within budget.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
CO8	Continue leadership role in Festival of Lights - Lighting display ready and on time	<p>Green: On Time</p> <p>Yellow: Information not available until November</p> <p>Red: Late</p>	Met target	Met target	<p>Current (YTD): Crews will return in January to take down the lights.</p> <p>Next Steps: The Festival of Lights runs until early January.</p>

Stimulate Growth: Objectives and Key Results

Objective	Objective Pillar	Key Result #	Key Result	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
Renew our infrastructure to meet the needs of future generations	Customer/Operational Excellence	SG1	Outage Management System Phase 1 substantially completed by December 31, 2022	Green: (+/-) 10% of schedule Yellow: Inside range of (+/-) 10% - 15% of Schedule Red: > (+/-) 15% of schedule	Missed target	Missed target	<p>Current (YTD): Phase 1 implementation of the Outage Management System (OMS) continues to progress towards our revised target completion date of March 31, 2023. The system architecture has been finalized and major equipment has been ordered. At present, the OMS team is working with Survalent to import our GIS data into the OMS system.</p> <p>Next Steps: Once the GIS import is complete, the focus will be on making the required modifications to our SCADA system to support the OMS rollout. The OMS integration of our smart metering (AMI) network will also commence before year-end.</p>

2023 GSU Corporate Scorecard

Our Purpose

GSU owns infrastructure in the Energy and Telecommunications space that connects customers in a way that improves how they work and live. Our commitment to quality builds physical connections that meet the needs of future generations. Our personal connections with our customers, communities, and our people last a lifetime.

Our Corporate Values

Doing the Right Thing · We do the right thing even when no one's looking.

Acting Courageously · See opportunity, innovate, question, and own the result.

Ensuring Safety is our Responsibility · We take care of what's most important to us—our people, family, public, communities.

Giving More · Exceed expectations, respond with urgency, support the community.

Protecting our Assets · Take care of the important things today and for the future.

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Customer Objective

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People Objective

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Operational/ Organizational Excellence Objective

GSU businesses measure their performance to continuously improve operational excellence. Our commitment to quality builds physical connections that meet the needs of future generations.

Community Objective

GSU contributes daily to the social, cultural and economic fabric of our community.

Legend

Purpose of the Scorecard: GSUs Corporate Scorecard translates our strategic objectives into a set of key performance indicators that are measured, monitored, and changed if necessary to ensure our strategic objectives are met, balancing our five focus areas; Customer, People, Financial, Operational/Organizational Excellence, and Community. GSUs strategic objectives are aligned with our vision of *building connections for life* and are supported by our Operational Business Plans and Integrated Management System.

Objectives: GSUs Objectives provide direction and inspire what we want to achieve.

Key Performance Indicator (KPI): GSUs KPIs benchmark and monitor how we get to our Objectives. These KPIs are specific, and time bound, are aggressive yet realistic. Our KPIs are measured monthly against the target and tolerance set for the particular KPI.

Tolerances: Established by the Board, these tolerances are the acceptable thresholds for each KPI and provide enhanced reporting to indicate whether we are surpassing, meeting, approaching or missed our targets.

- **Blue Trellis:** Surpassed Target

Surpassed
Target

- **Solid Green:** Met Target

Met
Target

- **Solid Yellow:** Approaching Target

Approaching
Target

- **Solid Red:** Missed Target

Missed
Target

Objective 1: Customer

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We build personal connections that last a lifetime.

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C1	GSHi Customer satisfaction survey results 4 of 5 average annually	Blue Trellis: >4 Green: 4 Yellow: 3.5-3.9 Red: 0-3.4	Surpassed target	Surpassed target	<p>Current (YTD): Average of 4.4 at December 31.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #d9e1f2;"> <th>Month</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Result</td> <td style="background-color: #e8f5e9;">4.2</td> <td style="background-color: #e8f5e9;">4.2</td> <td style="background-color: #e8f5e9;">4.5</td> <td style="background-color: #e8f5e9;">4.4</td> <td style="background-color: #e8f5e9;">4.5</td> <td style="background-color: #e8f5e9;">4.5</td> <td rowspan="4" style="background-color: #e8f5e9; vertical-align: middle;">4.4</td> </tr> <tr> <td>Target</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> </tr> <tr style="background-color: #d9e1f2;"> <th>Month</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> <tr> <td>Result</td> <td style="background-color: #e8f5e9;">4.4</td> <td style="background-color: #e8f5e9;">4.4</td> <td style="background-color: #e8f5e9;">4.4</td> <td style="background-color: #e8f5e9;">4.6</td> <td style="background-color: #e8f5e9;">4.6</td> <td style="background-color: #e8f5e9;">4.4</td> </tr> <tr> <td>Target</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> </tr> </tbody> </table> <div style="text-align: center; margin-top: 20px;"> <p>GSHi Customer Satisfaction Results Target 4/5</p> <p>Legend: Actual (Blue), Target (Orange)</p> </div> <p style="margin-top: 20px;">Continued on next page</p>	Month	Jan	Feb	Mar	Apr	May	Jun	Average	Result	4.2	4.2	4.5	4.4	4.5	4.5	4.4	Target	4.0	4.0	4.0	4.0	4.0	4.0	Month	Jul	Aug	Sep	Oct	Nov	Dec	Result	4.4	4.4	4.4	4.6	4.6	4.4	Target	4.0	4.0	4.0	4.0	4.0	4.0
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KPI	2023 YTD	2022 Jan-Dec	Improvement	Target Met/Not Met																					
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Objective 2: People

GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
P1	Maintain ISO 45001 Certification	<p>Green: Maintained Certification</p> <p>Red: Lost Certification</p>	Met target	Met target	<p>Current (YTD) We had a successful surveillance audit at the beginning of June. One minor nonconformance was noted in the report with respect to calibration and has since been addressed by staff.</p> <p>Next Steps: Continue to improve the management system.</p>
P2	No lost time injuries	<p>Green: =0</p> <p>Red: 1+</p>	Missed Target	Missed Target	<p>Current (YTD): 1 lost time injury in 2023.</p> <p>Next Steps: An action plan has been developed to mitigate further incidents of this nature. Continue to promote health and safety in the workplace.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes																																																										
P3	Voluntary employee exits of no more than 5%	Green: <=5% Yellow: 6-10% Red: > 11%	Met target	Met target	<p>Current (YTD): There were 6 voluntary employee exits in 2023.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td># of Voluntary Exits</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>1</td> <td rowspan="6">4.6%</td> </tr> <tr> <td># of Regular Full Time Employees</td> <td>131</td> <td>131</td> <td>132</td> <td>133</td> <td>132</td> <td>132</td> </tr> <tr> <td>%</td> <td>0.0%</td> <td>0.8%</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> <td>0.8%</td> </tr> <tr> <th>Month</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> <tr> <td># of Voluntary Exits</td> <td>0</td> <td>2</td> <td>0</td> <td>0</td> <td>2</td> <td>0</td> </tr> <tr> <td># of Full Time Employees</td> <td>133</td> <td>130</td> <td>129</td> <td>131</td> <td>131</td> <td>130</td> </tr> <tr> <td>%</td> <td>0.0%</td> <td>1.5%</td> <td>0.0%</td> <td>0.0%</td> <td>1.5%</td> <td>0.0%</td> </tr> </tbody> </table> <p>Next Steps: Continue to track and monitor voluntary employee exits.</p>	Month	Jan	Feb	Mar	Apr	May	Jun	Total	# of Voluntary Exits	0	1	0	0	0	1	4.6%	# of Regular Full Time Employees	131	131	132	133	132	132	%	0.0%	0.8%	0.0%	0.0%	0.0%	0.8%	Month	Jul	Aug	Sep	Oct	Nov	Dec	# of Voluntary Exits	0	2	0	0	2	0	# of Full Time Employees	133	130	129	131	131	130	%	0.0%	1.5%	0.0%	0.0%	1.5%	0.0%
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Objective 3: Financial

GSU creates value for our customers and provides profit from each company.
Our innovative and entrepreneurial spirit drives our growth.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
F1	Rate increase =< rate of inflation averaged over previous 5 years	<p>Green: within the range</p> <p>Yellow: 101-150% over inflation</p> <p>Red: 151% over inflation</p>	Approaching target	Approaching target	<p>Current (YTD): The average distribution rate increase over the last 5 years was 4.02% and the average inflation rate over the last 5 years was 3.41%.</p>
F2	GSHi regulated ROE is +/- 300 basis points of OEB deemed ROE annually	<p>Green: within 300 basis points</p> <p>Yellow: 301-500 basis points</p> <p>Red: > 500 basis points</p>	N/A	Met Target	<p>Current (YTD): GSHi achieved an ROE of 8.27%, which is .25% of the target and is within the +-300 basis points deadband. Calculating the regulated ROE is a complex formula that attempts to measure Ontario Utilities' performances in a standardized way.</p> <p>Next Steps: Continue to monitor our budget vs. actual results.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
F9	GSU Consolidated net income \$2,763,363	Blue Trellis: >110% of budget Green: 110% to 90% of budget Yellow: 89% to 85% of budget Red: < 85% of budget	Surpassed target	Surpassed target	Current (YTD): At year end, the consolidated net income is \$4,274,273, surpassing our target of \$2,673,363. Next Steps: Continue to monitor budget to actual in all companies.
F10	GSHi Debt to Equity Ratio of 60/40	Green: move towards Red: move away from	N/A	Met target	Current (YTD): GSHi's debt to equity ratio was 65/35 at year end. This is a slight improvement from 2022 at 66/34. We continue to work towards a debt/equity structure of 60/40.
F11	Consolidated Debt to Equity Ratio of 60/40	Green: move towards Red: move away from	N/A	Met target	Current (YTD): GSU's consolidated debt to equity ratio was 59/41 at year end.
F12	GSHi Current Ratio	Green: >/=1.25 Red: <1.25	Missed Target	Missed Target	Current (YTD): At year end, the GSHi current ratio is 1.07. Next Steps: Continue monitoring ratio.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
F13	Consolidated Current Ratio		Missed Target	Met target	<p>Current (YTD): At year end, the consolidated current ratio is 1.39.</p> <p>Next Steps: Continue to monitor ratio.</p>

Objective 4: Operational/Organizational Excellence
GSU businesses measure their performance to continuously improve operational excellence.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
O1	Maintain ISO 9001 Certification	Green: Maintained Certification Red: Lost Certification	Met target	Met target	<p>Current (YTD) We had a successful surveillance audit at the beginning of June. One minor nonconformance was noted in the report with respect to calibration and has since been addressed by staff.</p> <p>Next Steps: Continue to improve the management system.</p>
O2	Select Asset Management software & award contract by December 31, 2023	Green: <110% of schedule Yellow: 115%-111% of schedule Red: > 115% of schedule	Missed Target	Missed Target	<p>Current (YTD): The asset management software project has been deferred to a later date. Team members that were assigned to this project were unavailable due to their involvement in other projects or were re-assigned to higher priority projects. Delays with the implementation of our Outage Management System (OMS) resulting from the loss of key GSH team members, as well as challenges faced with system integrations, have caused project delays, and have required that the OMS team dedicate more time to the project in 2023 than originally anticipated.</p> <p>Resources in our GIS department that were intended to work on asset management, were also required to support the OMS project. Subsequently, required team members from the engineering department were re-assigned to work on completing economic evaluations dating back to 2001. The economic evaluations have since been completed, however, with our upcoming cost of service application, these resources must now focus on supporting our rate application.</p> <p>Although the decision to defer the procurement and implementation of our asset management software was made in September of 2023, we did explore the</p>

Objective 4: Operational/Organizational Excellence

GSU businesses measure their performance to continuously improve operational excellence.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
					<p>opportunity to procure a software called ENGIN collaboratively with other Ontario LDC's through USF (Utilities Standards Forum). Unfortunately, there wasn't sufficient interest from other LDC's to make a group procurement feasible, and there was no financial benefit for us to procure the software prior to 2025. We will re-engage with ENGIN and other possible software providers at that time.</p> <p>Next Steps:</p> <p>Revisit in 2025.</p>

Objective 5: Community

GSU will contribute daily to the social, cultural, and economic fabric of our community.

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
CO2	CGS continue Interest Payment of \$3.8M annually (quarterly installments)	<p>Green: Paid quarterly interest</p> <p>Yellow: Information N/A until next quarter</p> <p>Red: Not Paid</p>	Approaching target	Met target	<p>Current (YTD): Q4 payment made December 19.</p> <p>Next Steps: Make Q1 payment by March 31.</p>

KPI #	KPI	Tolerance	Y-T-D Nov 30 Results	Y-T-D Dec 31 Results	Notes
CO5	CGS streetlight maintenance within budget	<p>Green: 110% to 90% of Budget</p> <p>Yellow: 115%-111% over budget/ 89%-85% under budget</p> <p>Red: >115% over budget, <85% under budget</p>	Met target	Missed Target	<p>Current (YTD): We were over budget this year due to changes made resulting from the value audit which weren't budgeted, and more maintenance done than expected.</p> <p>Next Steps: Continue to provide service within budget.</p>
CO8	Continue leadership role in Festival of Lights - Lighting display ready and on time	<p>Green: On Time</p> <p>Yellow: Information not available until November</p> <p>Red: Late</p>	Met target	Met target	<p>Comments: Crews returned in January to take down the lights, for a total "in-kind" cost of \$21,877.</p> <p>Next Steps: The Festival of Lights runs until early January.</p>

2024 GSU Corporate Scorecard

Our Vision

Building Connections for Life

Our Purpose

GSU owns infrastructure in the Energy and Telecommunications space that connects customers in a way that improves how they work and live. Our commitment to quality builds physical connections that meet the needs of future generations. Our personal connections with our customers, communities, and our people last a lifetime.

Our Corporate Values

Doing the Right Thing · We do the right thing even when no one's looking.

Ensuring Safety is our Responsibility · We take care of what's most important to us—our people, family, public, communities.

Acting Courageously · See opportunity, innovate, question, and own the result.

Giving More · Exceed expectations, respond with urgency, support the community.

Protecting our Assets · Take care of the important things today and for the future.



Customer Objective

GSU is committed to connecting with customers in a way that improves how they work and live. We build personal connections that last a lifetime.



People Objective

GSU provides a safe, respectful environment for our people where they can achieve their full potential as experts and individuals.



Financial Objective

GSU creates value for our customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth.



Operational/ Organizational Excellence Objective

GSU businesses measure their performance to continuously improve operational excellence. Our commitment to quality builds physical connections that meet the needs of future generations.



Community Objective

GSU contributes daily to the social, cultural and economic fabric of our community.

Legend

Purpose of the Scorecard: GSUs Corporate Scorecard translates our strategic objectives into a set of key performance indicators that are measured, monitored, and changed if necessary to ensure our strategic objectives are met, balancing our five focus areas; Customer, People, Financial, Operational/Organizational Excellence, and Community. GSUs strategic objectives are aligned with our vision of *building connections for life* and are supported by our Operational Business Plans and Integrated Management System.

Objectives: GSUs Objectives provide direction and inspire what we want to achieve.

Key Performance Indicator (KPI): GSUs KPIs benchmark and monitor how we get to our Objectives. These KPIs are specific, and time bound, are aggressive yet realistic. Our KPIs are measured monthly against the target and tolerance set for the particular KPI.

Tolerances: Established by the Board, these tolerances are the acceptable thresholds for each KPI and provide enhanced reporting to indicate whether we are surpassing, meeting, approaching or missed our targets.

- **Blue Trellis:** Surpassed Target

Surpassed
Target

- **Solid Green:** Met Target

Met
Target

- **Solid Yellow:** Approaching Target

Approaching
Target

- **Solid Red:** Missed Target

Missed
Target

GSU Corporate Scorecard KPIs – October 31, 2024

Objective 1: Customer

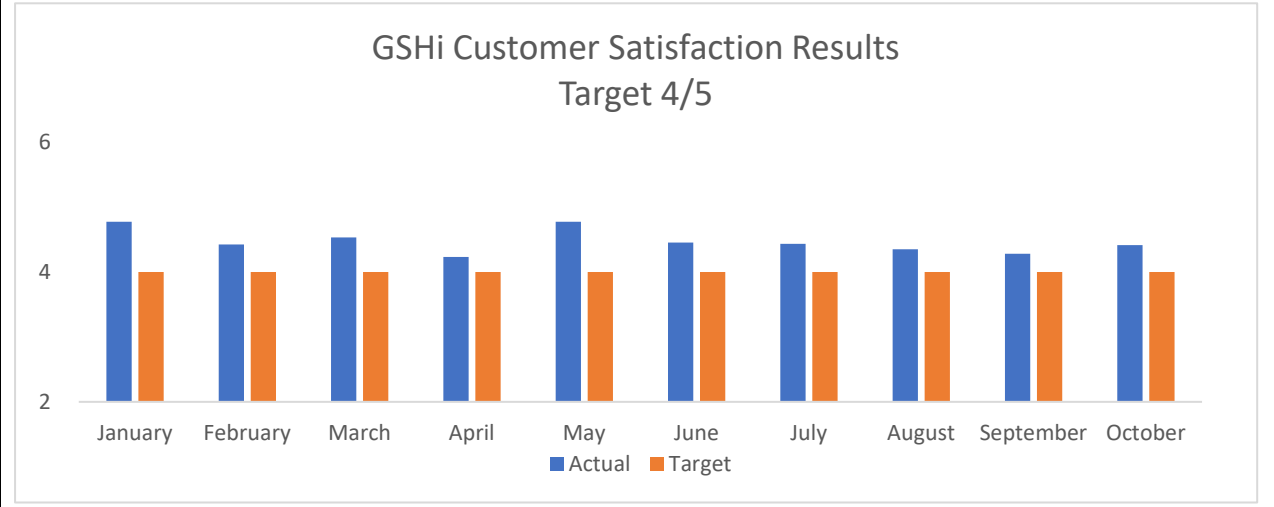
GSU is committed to connecting with customers in a way that improves how they work and live. We build personal connections that last a lifetime.

KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes
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C1	GSHi Customer satisfaction survey results 4 of 5 average annually	<p>Blue Trellis: >4 Green: 4 Yellow: 3.5-3.9 Red: 0-3.4</p>	Surpassed target	Surpassed target
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Current (YTD):
Averaging 4.5 YTD October 31.

Month	Jan	Feb	Mar	Apr	May	Jun	Average
Result	4.8	4.4	4.5	4.2	4.8	4.5	4.5
Sample	30	26	32	19	14	25	
Month	Jul	Aug	Sep	Oct	Nov	Dec	
Result	4.4	4.4	4.3	4.4			
Sample	23	36	25	14			



Continued on next page

GSU Corporate Scorecard KPIs – October 31, 2024

Objective 1: Customer

GSU is committed to connecting with customers in a way that improves how they work and live. We build personal connections that last a lifetime.

KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes																				
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GSU Corporate Scorecard KPIs – October 31, 2024

Objective 2: People GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals.					
KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes
P1	Maintain ISO 45001 Certification	Green: Maintained Certification Red: Lost Certification	Missed target	Missed target	<p>Current (YTD): Staff are committed to maintaining an integrated management system and following the standards set out in ISO 45001.</p> <p>Next Steps: GSU will continue to operate under, and continuously improve our integrated management system and adhere to ISO standards.</p>
P2	No lost time injuries	Green: =0 Red: 1+	Missed target	Missed target	<p>Current (YTD): There have been no new lost time injuries since Q1.</p> <p>There have been 2 lost time injuries YTD, one in January and one in February.</p> <ol style="list-style-type: none"> One employee slipped and fell at our front entrance causing a fracture to their wrist. An employee slipped and fell at an event offsite and sustained minor injury to their lower right leg. <p>Both incidents were investigated internally and were reported to WSIB. Corrective actions were established and implemented.</p> <p>Next Steps: A quote was requested to design and install heat trace and to regrade the front entrance, the quote received was determined to be cost prohibitive. Management and Safety are looking at other options at this time.</p> <p>We continue to promote health and safety in the workplace, including monthly safety talks for all staff.</p>

GSU Corporate Scorecard KPIs – October 31, 2024

Objective 2: People
 GSU will provide a safe, respectful environment for our people where they can achieve their full potential as experts and individuals.

KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes																																																										
P3	Voluntary employee exits of no more than 5%	Green: ≤5% Yellow: 6 - 8% Red: > 8%	Met target	Met target	<p>Current (YTD): There have been 3 voluntary employee exits year to date.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td># of Voluntary Exits</td> <td>0</td> <td>1</td> <td>0</td> <td>2</td> <td>0</td> <td>0</td> <td rowspan="6">2.3%</td> </tr> <tr> <td># of Regular Full Time Employees</td> <td>131</td> <td>131</td> <td>131</td> <td>130</td> <td>132</td> <td>135</td> </tr> <tr> <td>%</td> <td>0.0%</td> <td>0.8%</td> <td>0.0%</td> <td>1.5%</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <th>Month</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> <tr> <td># of Voluntary Exits</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td># of Full Time Employees</td> <td>136</td> <td>135</td> <td>135</td> <td>135</td> <td></td> <td></td> </tr> <tr> <td>%</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> <td></td> <td></td> </tr> </tbody> </table> <p>Next Steps: Continue to monitor voluntary employee exits.</p>	Month	Jan	Feb	Mar	Apr	May	Jun	Total	# of Voluntary Exits	0	1	0	2	0	0	2.3%	# of Regular Full Time Employees	131	131	131	130	132	135	%	0.0%	0.8%	0.0%	1.5%	0.0%	0.0%	Month	Jul	Aug	Sep	Oct	Nov	Dec	# of Voluntary Exits	0	0	0	0			# of Full Time Employees	136	135	135	135			%	0.0%	0.0%	0.0%	0.0%		
Month	Jan	Feb	Mar	Apr	May	Jun	Total																																																								
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GSU Corporate Scorecard KPIs – October 31, 2024

Objective 3: Financial					
GSU creates value for our customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth.					
KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes
F1	Rate increase =< rate of inflation averaged over previous 5 years	<p>Green: within the range</p> <p>Yellow: 101-150% over inflation</p> <p>Red: 151% over inflation</p>	Approaching target	Approaching target	<p>Current (YTD): The average distribution rate increase over the last 5 years was 4.67% and the average inflation rate over the last 5 years was 4.30%.</p>
F2	GSHi regulated ROE is +/- 300 basis points of OEB deemed ROE annually	<p>Green: within 300 basis points</p> <p>Yellow: 301-500 basis points</p> <p>Red: > 500 basis points</p>	N/A	N/A	<p>Current (YTD): We will be reporting our ROE on an annual basis. Monthly snapshots on the ROE do not paint a true depiction of whether we are trending towards an ROE within the dead band. Monitoring our Budget to Actual variance on the financial statements is the best measure in monitoring our likelihood of achieving this target. This will be a lagging indicator at year end.</p> <p>Next Steps: Continue to monitor our budget vs. actual results.</p>

GSU Corporate Scorecard KPIs – October 31, 2024

Objective 3: Financial					
GSU creates value for our customers and provides profit from each company. Our innovative and entrepreneurial spirit drives our growth.					
KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes
F9	GSU Consolidated net income with a target of \$2,368,888	Blue Trellis: >110% of target Green: 110% to 90% of target Yellow: 89% to 85% of target Red: < 85% of target	Met target	Met target	Current (YTD): At the end of October, the consolidated net income is \$1,850,724, which has met our YTD target of \$1,835,032. Next Steps: Continue to monitor budget to actual in all companies.
F10	GSHi Debt to Equity Ratio of 60/40	Green: move towards Red: move away from	N/A	N/A	This is reported annually.
F11	Consolidated Debt to Equity Ratio of 60/40	Green: maintain Red: move away from	N/A	N/A	This is reported annually.
F12	GSHi Current Ratio	Green: >/=1.25 Red: <1.25	Missed target	Missed target	Current (YTD): The current ratio for GSH at the end of October is 1.16. Next Steps: Continue monitoring ratio.
F13	Consolidated Current Ratio	Green: >/=1.3 Red: <1.3	Met target	Met target	Current (YTD): The consolidated current ratio at the end of October is 1.54. Next Steps: Continue monitoring ratio.

GSU Corporate Scorecard KPIs – October 31, 2024

Objective 4: Operational/Organizational Excellence					
GSU businesses measure their performance to continuously improve operational excellence. Our commitment to quality builds physical connections that meet the needs of future generations.					
KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes
O1	Maintain ISO 9001 Certification	<p>Green: Maintained Certification</p> <p>Red: Lost Certification</p>	Missed target	Missed target	<p>Current (YTD): Staff are committed to maintaining an integrated management system and following the standards set out in ISO 9001.</p> <p>Next Steps: GSU will continue to operate under, and continuously improve our integrated management system and adhere to ISO standards.</p>
O2	Cost of service application filed on time	<p>Green: Filed by August 31</p> <p>Red: Missed filing deadline</p>	Missed target	Missed target	<p>Current (YTD): The 2025 Cost of Service application was submitted to the Ontario Energy Board on October 30, 2024.</p> <p>Next Steps: A letter of completeness was received on November 13. We have posted notice and advised our customers of our application before the Ontario Energy Board as instructed in the Letter of Direction received November 19. Our first procedural order is expected in mid-December.</p>

GSU Corporate Scorecard KPIs – October 31, 2024

Objective 5: Community					
GSU will contribute daily to the social, cultural, and economic fabric of our community.					
KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes
CO2	CGS continue Interest Payment of \$3.8M annually (quarterly installments)	Green: Paid quarterly interest Yellow: Information N/A until next quarter Red: Not Paid	Met target	Approaching target	Current (YTD): The third quarter interest payment was made September 24. Next Steps: The third quarter interest payment is due by December 31.
CO5	Continue to provide streetlight services to CGS as requested	No tolerance: Success here is our responsiveness to their requests (for 2024).	Met target	Met target	Current (YTD): We continue to maintain CGS streetlight assets. Next Steps: Continue to respond to streetlight maintenance requests.

GSU Corporate Scorecard KPIs – October 31, 2024

Objective 5: Community					
GSU will contribute daily to the social, cultural, and economic fabric of our community.					
KPI #	KPI	Tolerance	Y-T-D Sep 30 Results	Y-T-D Oct 31 Results	Notes
CO8	Continue “in kind” involvement in community events	Green: Within budget Red: Over budget	Met target	N/A	Current (YTD): There was no “in kind” community involvement in October. Next Steps: Crews will assist with the lighting installation for the Festival of Lights in early November.

1 1-SEC-3 Shift in Rates v Outages

2 **Question:**

3 [Ex.1, Attach 1, Appendix 1, p.7, 22] Both the residential and business responses
4 as part of the customer engagement evidence show a shift in rates vs. outages
5 trade-off question, away from high rates with only a few outages. Please explain
6 how the Applicant has reflected this in its application, planning and underlying
7 budgets. Please also explain how, if at all, this resulted in a change in the
8 Applicant's planning and budgeting.

9

10 **Response:**

11 GSHi has worked with independent contractor OraclePoll for several years to
12 conduct customer satisfaction surveys. The results of these surveys, taken
13 across a broad spectrum of the service territory including both residential and
14 commercial customers, are disseminated to understand customer preferences as
15 it pertains to the capital expenditure program. GSHi's DSP was developed in
16 part by considering the aspirations of our customers communicated to GSHi
17 through these consultations. In each of the surveys conducted since 2013,
18 customers were also asked to provide feedback on the trade-off they expect with
19 respect to outages and rates. **Overwhelmingly, survey respondents have**
20 **indicated that they prefer a balance between outages and rates.**

21

22 Subsequent consultations specific to the formulation of the DSP in 2024 further
23 reinforced GSHi's understanding of customer expectations in relation to the
24 identification, selection, and prioritization/pacing of prospective investments.

25 For purposes of capital asset management planning, the three tables below
26 demonstrate valuable information which have assisted in the development of
27 prospective *System Renewal* investments contemplated in GSHi's DSP. The



1 question(s) asked of our customers were as follows with the results in tabular
 2 form:

3

4 ***“I am going to ask your opinion on the issue of balancing the price you pay for***
 5 ***maintenance and renewal of your local electricity infrastructure with the security***
 6 ***of your electricity service delivery or “keeping the lights on”. Please respond on a***
 7 ***scale from one having the lowest rates possible with regular outages to five***
 8 ***having the highest rates possible with no outages – 3 would be a balance between***
 9 ***rates and outages.”***

RATES VERSUS OUTAGES TRADE
 OFF

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1-lowest rates – regular outages	2%	4%	4%	3%	2%	1%	2%	4%	5%	6%	6%
2-low rates – occasional outages	15%	3%	8%	7%	5%	6%	10%	11%	12%	15%	12%
3-neutral – a balance between rates and outages	44%	55%	47%	54%	59%	61%	58%	62%	65%	67%	69%
4-high rates – only a few outages	15%	13%	11%	12%	11%	13%	12%	8%	7%	5%	6%
5-highest rates – no outages	3%	5%	6%	5%	8%	7%	4%	6%	5%	3%	2%
Don't know	22%	21%	24%	19%	15%	12%	14%	9%	6%	4%	5%

10

11

12 On the ‘Residential’ side, there is a continued increase and clear upward trend in
 13 the percentage of customers that want “a balance between rates and outages” at
 14 69%, +2% higher compared to 2022.

15

16 Eighteen percent of customers are now willing to tolerate some form of outages
 17 compared to a lower 21% in 2022. This includes 12% that answered, “low rates
 18 with occasional outages” and 6% the “lowest rates and regular outages”.

19 Only 8% prefer “higher rates with only a few outages”, which is the same as
 20 2022, but is noticeably trending downward historically.

21

RATES VERSUS OUTAGES

TRADE OFF	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1-lowest rates – regular outages	3%	4%	3%	3%	1%	1%	1%	2%	3%	4%	2%
2-low rates – occasional outages	6%	3%	5%	4%	2%	1%	1%	17%	11%	16%	14%
3-neutral – a balance between rates and outages	57%	58%	65%	69%	79%	75%	82%	76%	83%	78%	77%
4-high rates – only a few outages	12%	18%	14%	9%	7%	9%	8%	2%	1%	1%	1%
5-highest rates – no outages	9%	3%	2%	1%	2%	3%	2%	1%	1%	1%	1%
Don't know	13%	14%	11%	14%	9%	11%	6%	2%	1%	-	5%

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Rates vs Outages – Commercial Customers

On the ‘Commercial’ side, most (77%) customers still want “a balance between rates and outages”. There was a -4% decrease over 2022 to 16% in the number of customers that want either “low rates with occasional outages” (14%) or the “lowest rates with regular outages” (2%). There was no change in the percentage of customers willing to accept “high rates for a few outages”, or the “highest rates and no outages”.

Prior to the commencement of the questionnaire, respondents were presented with a historical overview of Greater Sudbury Hydro. They were then shown three of the major cost components of the monthly bill and then information about Greater Sudbury Hydro’s Distribution System Plan or DSP. This described how the utility will manage and invest in all facets of the distribution system over the 5-year period from 2025-2029, from repairing, replacing, and upgrading parts of the existing system, to building out the system to connect new customers.

“Please rate each priority, on a scale of 1 (Low Priority) to 5 (High Priority), in ensuring that Greater Sudbury Hydro continues to be a Responsible, Responsive and Reliable distributor of electricity.”

1

	1-Low	2	3	4	5-High	Unsure	MEAN
Q1a. Maintaining and upgrading our distribution infrastructure	1%	2%	10%	25%	58%	4%	4.4
Q1b. Ensuring continued reliability of our service	2%	1%	4%	15%	78%	1%	4.7
Q1c. Being prepared for green energy initiatives, renewable energy	6%	7%	25%	25%	36%	2%	3.8
Q1d. Controlling distribution costs and limiting rate increases	1%	2%	8%	13%	75%	1%	4.6
Q1e. Being prepared for Electrification and Energy Transition)	3%	6%	23%	28%	34%	6%	3.9

2

DSP Importance Indicators

3

4 It is clear from these survey results that customers consistently continue to want
 5 to see “a balance between rates and outages”, which supports the deployment of
 6 a paced distribution asset renewal strategy. Undertaking such a strategy is
 7 further supported by the data which shows that customers have a strong opinion
 8 that “ensuring continued reliability of our service” is a top priority. With these
 9 results, a goal of the GSHi capital expenditure plan is to leverage its’ asset
 10 management plan to ensure spending levels, particularly in the *System Renewal*
 11 expense category, are appropriately smoothed, or “levelized”, to respect
 12 customer expectations with respect to efficiently balancing the risk of unplanned
 13 outages with costs.

14

15 In the first draft of the 2024 DSP, prospective capital investments to address the
 16 OEB’s four key investment areas (*System Access, System Renewal, System*
 17 *Service & General Plant*) were proposed to be about 16%, or \$65M, higher as
 18 compared to the prior five years plan (\$56.2M). The proposed level of investment
 19 in the 2024 DSP is now lower than our initial budget estimates, which responds
 20 to customer priorities for keeping distribution-related costs as low as possible
 21 while maintaining overall system reliability. As such, the overall prospective level
 22 of investment in the next five years (2025-2029) was decreased by approximately



Greater Sudbury Hydro Inc.

Filed: January 28, 2025

EB-2024-0026

Tab 4

Interrogatory 3

Page 5 of 5

- 1 9% from the first proposal of \$65M to \$60M and now represents an approximate
- 2 7% increase as compared to GSHi's 2020-2024 Planned Capital Expenditures.

1 1-SEC-4 Assumptions for PEG Benchmarking

2 **Question:**

3 **[Ex.1, p.17]** For the purposes of PEG Benchmarking forecasts between 2026
4 and 2029, please provide all the assumptions the Applicant is using for its total
5 costs.

6

7 **Response:**

8 GSHi assumes that forecasted costs for 2026 to 2029 will increase by an
9 estimated inflation rate of 2%, compounded annually. This inflation estimate
10 aligns with the Bank of Canada's targeted inflation rate, which GSHi considers
11 the best available basis for projecting future costs. Specifically, the 2026
12 projected costs are calculated by applying a 2% increase to the 2025 test year
13 costs submitted in this rate application. Similarly, the 2027 costs are based on a
14 2% increase from the 2026 costs, and this pattern continues for subsequent
15 years.

16

17 In terms of operational costs, GSHi does not have any more specific information
18 or projections for this period. As a result, we believe the most reasonable
19 approach is to use the 2025 test year costs as the baseline and adjust them
20 annually by the inflation estimate.

1 1-SEC-5 Productivity and Efficiency Measures Undertaken 2025

2 **Question:**

3 [Ex.1] Please provide details of all productivity and efficiency measures the
4 Applicant plans to undertake in the test year. Please quantify the savings and
5 explain how they were calculated.

6

7 **Response:**

8 Although no specific productivity or efficiency measures were quantified in the
9 budgeting process for the Test Year, GSHi continues to operate as outlined in
10 response to 1-SEC-6. As highlighted in GSHi's business plan, the Customer
11 Service department remains focused on enhancing the customer experience.

12

13 In 2025, GSHi plans to initiate research into a more advanced customer portal,
14 offering improved self-service options and enhanced mobile capabilities. This
15 initiative is expected to drive future operational efficiencies while further
16 improving service delivery for ratepayers.

17

1 1-SEC-6 Productivity and Efficiency Measures Undertaken 2020-
2 2024

3 **Question:**

4 [Ex.1] Please provide details of all productivity and efficiency measures the
5 Applicant has undertaken since its last rebasing application in 2020. Please
6 quantify the savings and explain how they were calculated.

7

8 **Response:**

9 GSHi is dedicated to continuous improvement through its Integrated
10 Management System, adhering to the ISO 9001 standard for quality
11 management and ISO 45001 for health and safety. By standardizing procedures,
12 identifying and documenting errors or process failures, and analyzing root causes
13 of issues, GSHi enhances efficiency and productivity. Since 2020, GSHi and its
14 affiliate, GSHPi, have tracked non-conformances to address process
15 improvements, vendor relationships, and customer interactions. Staff are
16 encouraged to log non-conformances, even for minor missteps, to determine
17 whether process adjustments are necessary.

18

19 In addition to the above, GSHi has undertaken various productivity and efficiency
20 measures in operations, capital planning, and long-term partnerships. The table
21 below provides specific examples of these initiatives, where available, with
22 quantification of savings and explanations of how they were calculated:

23

Efficiency/ Improvement	Comments	Date	One-time or persistent cost savings or avoided costs
4kV conversion Program – Capital Plan	This program was ongoing over the last 10 years. Completion of the	Completed in 2024	Avoidance of one-time capital costs to rebuild four substations, similar in size and type to the Marttila

	program resulted the retirement of a total of four substations		Substation (Projected 2024 year end cost: \$3.57 M)
4kV conversion – OM&A Costs – Stations Maintenance	The completion of the 4 kV conversion allowed for GSHI to permanently retire three substation sites (MS03T3, MS09T1, MS14T1) since 2020	Completed in 2024	Avoided persistent stations maintenance activities at these sites provides the opportunity for crews to focus on other activities.
4kV conversion – OM&A Costs – Property Lease	Completion of the 4 kV conversion will allow for the decommissioning of the MS14 site	Planned in 2025	Avoidance of annual \$2000 lease payment.
Paperless billing Current enrolled to date: 37% of customers	We have actively been promoting paperless billing to reduce postage and stationary costs	Ongoing since 2019	While the avoided costs from enrolled customers help reduce expenses, these savings are currently offset by the continued costs of paper and postage for customers who have not yet switched to paperless billing. However, as more customers transition to paperless billing, we anticipate greater overall cost savings in the future.
Ontario Mutual Assistance Group (OnMAG) membership	Participating in OnMAG enables utilities to quickly access skilled resources and equipment during emergencies, minimizing service disruptions.	2022	Avoided costs by reducing the need to manage multiple mutual service contracts with local distribution companies (LDCs).

Introduction of market rate rent to affiliate for shared services	As recommended by KPMG in their report on Cost allocation, GSHI began charging market-rate rent for space occupied in GSHI owned buildings.	2023	Net revenue of \$113,169 to GSHI after accounting for additional shared services expense
Membership in GridSmartCity, a consortium of LDCs developing a Distributed System Operator (DSO) model	As part of its strategic initiatives, GSHI participates in GridSmartCity,. This collaboration mitigates costs and risks associated with pursuing this work independently.	2024	Mitigating risk in pursuing a DSO model. Membership in this consortium does not necessarily provide cost savings but it does reduce the risk of future unnecessary spending

1 1-SEC-7 Benchmarking Studies, Reports and Analyses Since
2 Rebasing

3 **Question:**

4 [Ex.1] Please provide copies of all benchmarking studies, reports, and analyses
5 that the Applicant has undertaken or participated in since its last rebasing
6 application, that are not already included in the Application.

7

8 **Response:**

9 GSHi utilized the OEB's 2023 PEG Benchmarking Update, released in July 2024,
10 along with OEB scorecards and other comparative data from Ontario LDCs. Peer
11 comparisons were further supported by the KPMG report on Cost Allocation. All
12 benchmarking studies, surveys, reports, and analyses conducted since 2020
13 have been included as part of this Application.

14

1 2-SEC-8 Cressey Substation ACM True-Up

2 **Question:**

3 **[Ex.2-6-1, p.2-3] With respect to the Cressey Substation ACM True-Up:**

- 4 a. The Applicant states that “The project was substantially completed in
5 2021”. Please provide details, including the specifics costs, for aspects
6 completed in each year between 2021 and 2024.
- 7 b. Please revise Table 2 to include the following adjustments to ‘Revised
8 Revenue Requirement’ line:
- 9 i. Revenue requirement reflecting only in-service additions for
10 aspects of the project used or useful in 2021, as opposed to work
11 completed in subsequent years.
- 12 ii. Application of the half-year rule to 2021 in-service additions.

13
14 **Response:**

- 15 a) With respect to the costs included in the ACM for the Cressey
16 Substation, all costs were incurred in either 2020 or 2021, amounting
17 to \$4,750,995. The scope of work included the decommissioning and
18 preparation of the T1 and T2 yard, detailed design and engineering,
19 including condition assessments and studies, installation of key
20 substation components, such as; power transformers, 44 kV
21 switchgear, 15 kV arc-resistant switchgear, protection and control
22 relays, station service transformers and equipment, DC Plant, a
23 renewed grounding system, new fencing, and transformer firewall.
24 Additional work completed during this period encompassed civil works,
25 such as equipment foundations, duct banks, fencing, oil containment
26 systems, as well as the commissioning and energization of the station.

27

28 Costs incurred for the Station but not included in the ACM include:



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In 2022, GSHi added MPLS (Multiprotocol Label Switching) redundancy at a cost of \$13,000 to provide redundancy to the network at this site.

In 2023, further improvements were made to the building, including the replacement of windows for \$43,000.

In 2024, Cressey T3 was decommissioned at a cost of \$66,000, this work included removal of the T3 overhead tower, power transformer, switchgear, and feeder cables. This completed the site remediation and cleanup.

b) GSHi has reproduced Table 2 referenced in this question below:

Table 2: Cressey MS3 Revenue Requirement Reconciliation (NO REVISION)

<i>Calendar Year</i>	2021 (May 1st – December 31st)	2022	2023	2024	2025 (January 1st – April 30th)	Total
Approved Revenue Requirement (\$4.66M) (A)	214,653 *Note 1	321,980	321,980	321,980	107,327 *Note 2	1,287,921
Revised Revenue Requirement (\$4.75M) (B)	218,878 *Note 1	328,318	328,318	328,318	\$109,439 *Note 2	1,313,270
Collected – Actual Revenue	209,745	316,870	313,015	313,118 *Projected	104,373 *Projected	1,257,121

Collection (C)						
Approved vs. Collected – Refund (-) or Collection					(A – C)	\$30,800
Revised Rider vs. Collected – Refund (-) or Collection					(B – C)	\$56,149

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- i. GSHi confirms that Table 2, as referenced in the question and reproduced above, already reflects the inclusion of in-service additions for aspects of the project that were used or useful in 2021.
- ii. GSHi has revised the “Revised Revenue Requirement” row in Table 2 to incorporate the application of the half-year rule for 2021 in-service additions. The revised table demonstrates the persistent impact of applying the half-year rule from the inception of the rate rider in 2021, rather than a hybrid approach where the first-year collection rate differed from subsequent years.

Table 2: Cressey MS3 Revenue Requirement Reconciliation (REVISED)

<i>Calendar Year</i>	2021 (May 1st – December 31st)	2022	2023	2024	2025 (January 1st – April 30th)	Total
Approved Revenue Requirement (\$4.66M) (A)	214,653	321,980	321,980	321,980	107,327	1,287,921
Revised Revenue Requirement (\$4.75M) (B)	109,439	164,159	164,159	164,159	54,720	656,635



Collected	–	209,745	316,870	313,015	313,118	104,373	1,257,121
Actual Revenue Collection (C)					*Projected	*Projected	
Approved vs. Collected – Refund (-) or Collection						(A – C)	\$30,800
Revised Rider vs. Collected – Refund (-) or Collection						(B – C)	(\$600,486)



1 2-SEC-9 Updated Tables & Figures - Appendix 2-AA, 2-AB, 2-BA

2 **Question:**

3 **[Ex.2-9]** Please provide updated versions of the following tables, figures and
4 appendices, to include 2024 actuals:

- 5 a. Tables 17, 18
- 6 b. Figures 18 and 19
- 7 c. Appendix 2-AA, 2-AB, 2-BA

8

9 **Response:**

10

11 **Response to this interrogatory requires 2024 figures. The response will be**
12 **filed by February 4, 2025.**

1 2-SEC-10 2025 Capital Project Scoring Matrix

2 **Question:**

3 [Ex. 2-9-1, DSP, p.91] In describing its project prioritization process, the
4 Applicant states: “Projects that provide the greatest benefits and highest levels of
5 risk mitigation will receive a higher prioritization ranking and preference for
6 inclusion in the proposed capital expenditure plan. The output of this approach is
7 demonstrated in the next table and is known as the ‘Capital Project Scoring
8 Matrix.’” Are all projects included in the 2025 Capital Project Scoring Matrix
9 (Table 27) included in the 2025 budget? If so, then isn’t it just prioritization of
10 projects that the company plans to be undertaken in a given year?

11

12 **Response:**

13 Yes, all projects listed in Table 27 are included in the 2025 Budget.

14

15 The capital project scoring matrix, as demonstrated in Table 27, serves as a tool
16 for Sudbury Hydro to assess how well prospective investments align with the
17 organization’s asset management objectives and goals. The prioritization
18 process does not directly factor in project costs; the matrix is intentionally
19 designed to be cost agnostic to focus on how well the investments align with the
20 organization's strategic objectives. Once prospective investments have been
21 evaluated, project costs become relevant during the selection process. The
22 resulting capital expenditure plan developed by GSHi will integrate the evaluation
23 outcomes, ensuring that each investment aligns with the asset management
24 goals, while also considering the financial feasibility of the overall plan.

1 2-SEC-11 Asset Condition Assessment and Health Index Information

2 **Question:**

3 [Ex.2-9, DSP, p.142; Appendix A] With respect to the Asset Condition
4 Assessment and Health Index information:

- 5 a. Please provide a revised version of the Health Index, in a format shown in
6 Table 37 and Figure 42, that does not include the age limiter as part of the
7 calculation.
8 b. Has the Applicant previously completed an Asset Condition Assessment
9 using similar methodology? If so, please provide the results on a similar
10 basis as Table 37 for all instances going back to 2018.

11

12 **Response:**

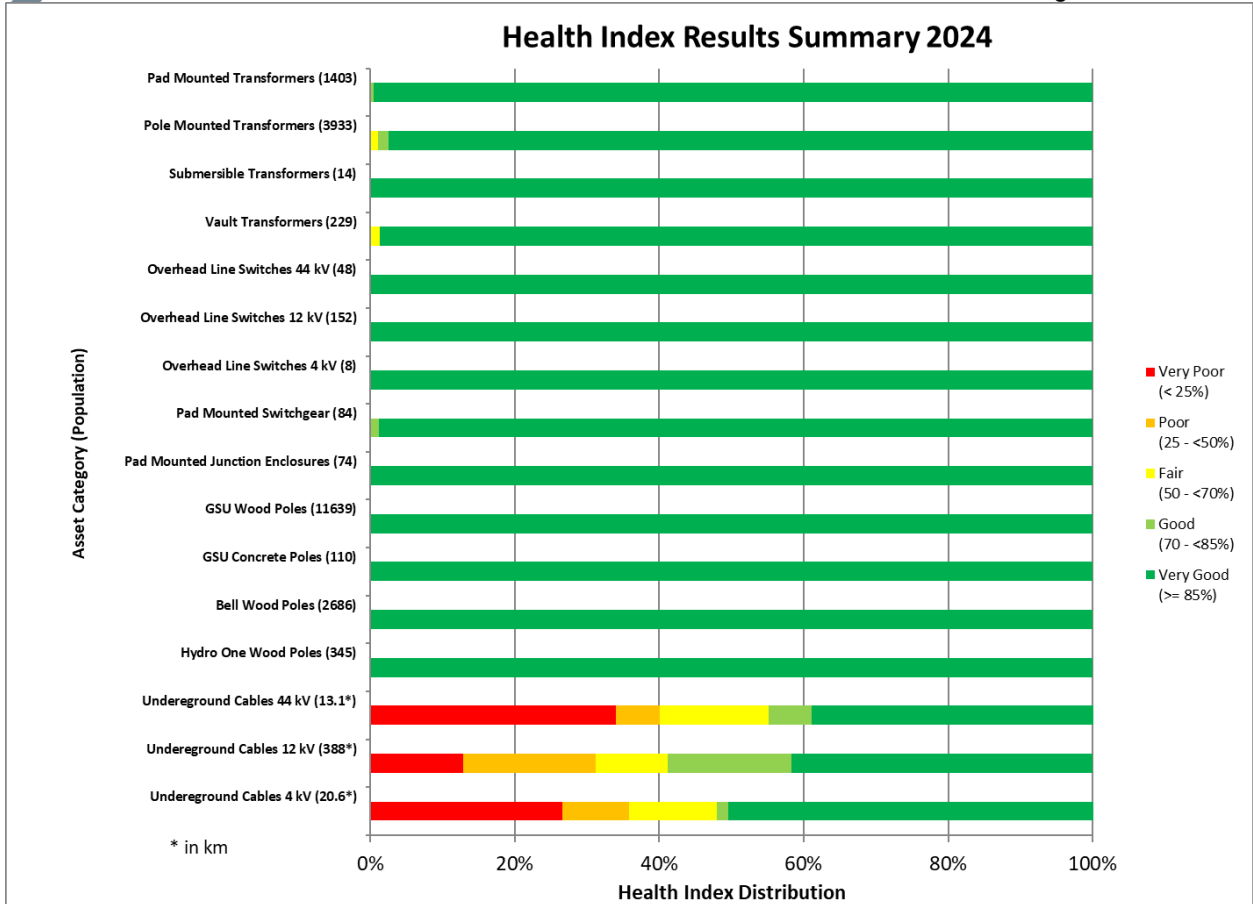
- 13 a) Please see below a revised version of Table 37 and Figure 52 (Health
14 Index Results Summary 2024), each without the 'Age Limiter' function:

15

Asset Category	Population	Sample Size	Average Health Index	Health Index Distribution					Average Age	% of Population with Age	Average DAI
				Very Poor (< 25%)	Poor (25 - <50%)	Fair (50 - <70%)	Good (70 - <85%)	Very Good (>= 85%)			
Pad Mounted Transformers	1403	1403	99%	0%	0%	< 1%	< 1%	100%	19	100%	94%
Pole Mounted Transformers	3933	3933	99%	0%	0%	1%	1%	97%	15	100%	100%
Submersible Transformers	14	14	100%	0%	0%	0%	0%	100%	48	100%	92%
Vault Transformers	229	229	100%	0%	0%	1%	0%	99%	33	100%	95%
Overhead Line Switches 44 kV	48	48	100%	0%	0%	0%	0%	100%	17	100%	100%
Overhead Line Switches 12 kV	152	152	100%	0%	0%	0%	0%	100%	21	100%	100%
Overhead Line Switches 4 kV	8	8	100%	0%	0%	0%	0%	100%	26	100%	100%
Pad Mounted Switchgear	84	84	99%	0%	0%	0%	1%	99%	21	100%	82%
Pad Mounted Junction Enclosures	74	74	99%	0%	0%	0%	0%	100%	21	100%	83%
GSU Wood Poles	11639	11639	100%	0%	0%	0%	< 1%	100%	31	100%	80%
GSU Concrete Poles	110	110	100%	0%	0%	0%	0%	100%	51	100%	74%
Bell Wood Poles	2686	2686	100%	0%	0%	0%	0%	100%	41	100%	80%
Hydro One Wood Poles	345	345	100%	0%	0%	0%	0%	100%	24	100%	79%
Underegound Cables 44 kV*	13.1	13.1	56%	34%	6%	15%	6%	39%	30	100%	Age Only
Underegound Cables 12 kV*	388	388	68%	13%	18%	10%	17%	42%	24	100%	Age Only
Underegound Cables 4 kV*	20.6	20.6	66%	27%	9%	12%	2%	51%	25	100%	Age Only

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Health Index Results Summary (2024) – Without ‘Age Limiter Function’

There are different ways to incorporate an asset’s age into a Health Index (HI) assessment. One way incorporates age as a “parameter” in the HI formula (as in the 2011 Asset Condition Assessment). Another method - which was used in both the 2024 and the 2019 assessment - is to use age to limit the maximum HI of an asset (the “Age Limiter”). By discounting asset age, as would be done by removing the “Age Limiter” function from both the 2024 and the 2019 evaluation, the result will be an incomplete, inaccurate assessment and an over-optimistic, unrealistic representation of asset condition. This is particularly true for assets that have limited input condition data or for assets that are predominantly visually



1 assessed, as the “Age Limiter” function reflects the expected probabilistic
 2 degradation or ageing of assets.

3
 4 b) GSHi’s previous 2019 ACA, also completed by Kinectrics, included the
 5 ‘Age Limiter’ methodology.

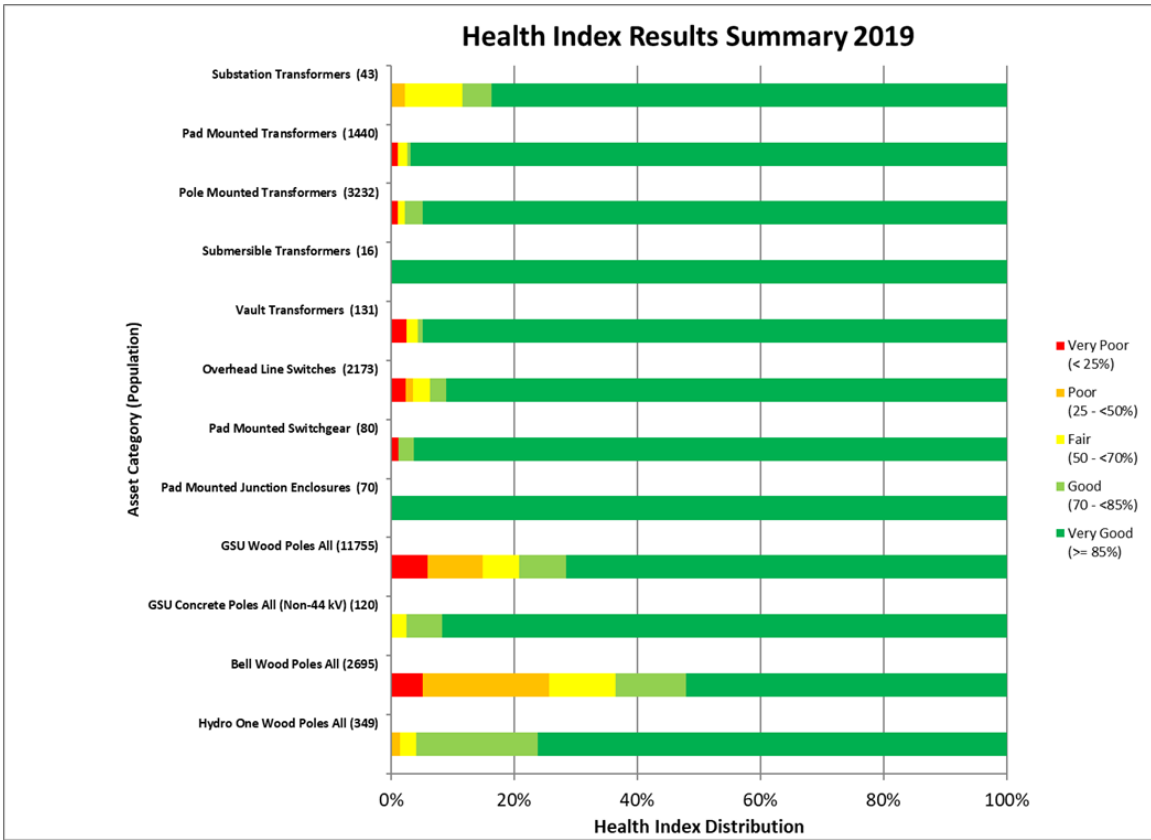
6
 7 Please see below a revised version of Table 37 and Figure 52 (Health
 8 Index Results Summary 2019), each without the ‘Age Limiter’ function:

9

Asset Category	Population	Sample Size	Average Health Index	Health Index Distribution					Average Age	% of Population with Age > 20% Survival	Average DAI
				Very Poor (< 25%)	Poor (25 - <50%)	Fair (50 - <70%)	Good (70 - <85%)	Very Good (>= 85%)			
Substation Transformers	43	43	90%	0%	2%	9%	5%	84%	40	100%	44%
Pad Mounted Transformers	1440	1418	97%	1%	< 1%	1%	< 1%	97%	18	100%	51%
Pole Mounted Transformers	3232	3132	98%	1%	< 1%	1%	3%	95%	14	100%	34%
Submersible Transformers	16	16	100%	0%	0%	0%	0%	100%	43	100%	34%
Vault Transformers	131	116	96%	3%	0%	2%	< 1%	95%	30	100%	28%
Overhead Line Switches	2173	2016	95%	2%	1%	3%	3%	91%	19	100%	10%
Pad Mounted Switchgear	80	80	96%	1%	0%	0%	3%	96%	18	100%	42%
Pad Mounted Junction Enclosures	70	70	98%	0%	0%	0%	0%	100%	17	100%	51%
GSU Wood Poles	11755	11755	84%	6%	9%	6%	8%	72%	31	100%	37%
GSU Concrete Poles	120	120	96%	0%	0%	3%	6%	92%	46	100%	36%
Bell Wood Poles	2695	2693	74%	5%	20%	11%	11%	52%	40	100%	36%
Hydro One Wood Poles	349	339	94%	0%	1%	3%	20%	76%	19	100%	34%

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Health Index Results Summary (2019) – Without ‘Age Limiter’ Function



1 2-SEC-12 Table for Each Asset Type Included in Table 37

2 **Question:**

3 **[Ex.2-9, DSP, p.142]** Please provide a table that shows, for each asset type
4 included in Table 37, the actual/forecast number of assets replaced and their
5 costs, for each year between 2020 and 2029.

6

7 **Response:**

8

9 **Response to this interrogatory requires 2024 figures. The response will be**
10 **filed by February 4, 2025.**



1 2-SEC-13 Revised Appendix 2-AB on an In-Service Additions Basis

2 **Question:**

3 **[Ex.2-9, DSP, p.174]** Please provide a revised version of Appendix 2-AB that is
4 on an in-service additions basis.

5

6 **Response:**

7

8 **Response to this interrogatory requires 2024 figures. The response will be**
9 **filed by February 4, 2025.**

1 2-SEC-14 Moonlight MS 18 Rebuild ACM

2 **Question:**

3 **[Ex.2-5-1; Ex.2-9, p.263] With respect to the Moonlight MS 18 Station**
4 **Rebuild ACM project:**

- 5 a. Please provide a copy of any internal business case created for the
6 purposes of this project.
7 b. Please provide a detailed breakdown of the forecast budget.
8 c. Please provide the basis of the budget and its AACE (or equivalent)
9 estimate class.

10

11 **Response:**

12 a) GSHi has not created an internal business case for this project, rather the
13 details are contained in Section 5.4.2.1 Material Investments of the DSP,
14 specifically Section 5.4.2.1.3.1 'System Renewal – Moonlight MS18
15 Station Rebuild'.

16

17 b) Please see Attachment 1 (Tab 4, Interrogatory 14, Attachment 1) and
18 Attachment 2 (Tab 4, Interrogatory 14, Attachment 2) to this interrogatory
19 response.

20

21 c) No site work or preliminary engineering has been completed to date. This
22 budget is conceptual and has a Class D accuracy of -30% to +50%.



Attachment 1 (of 2):

***2-SEC-14 Attachment 1: Costello Associates Estimates
from ACA***

Lakeside Power Consulting Inc.

Greater Sudbury Hydro - 44 kV 10/13.3 MVA Substation Concept Budget
 S.Costello August 2024

Greater Sudbury Hydro - 44 kV 0/13.3 MVA Substation Concept Budget		
Design	Outdoor 44 kV Padmounted Switchgear, Underground Construction 15kV Padmounted Switchgear, Padmounted Reclosers and Isolating Switches Underground 15 kV Risers x 4	
Voltage	44 - 12.47/7.2 kV	
Installed Capacity	10/13.3 MVA	
Switchgear Type	Padmount	
Main Breaker	none	
Feeder Breakers	Medium Voltage Arc Resistant Switchgear/E-house	
Schedule	Budget only	
Component	Cost Detail	Summary
1) Property Costs		
1.1) Sale price	\$ -	
1.2) Legal and Surveying costs		\$ -
2) Engineering & Design		
2.1) Preliminary engineering	\$ 70,000	
2.2) Environmental Screening	\$ 5,000	
2.3) Geotechnical Investigation	\$ 35,000	
2.4) Grounding	\$ 50,000	
2.5) Detailed engineering & Design	\$ 160,000	
2.6) Site Meetings	-	
2.7) Site Supervision & Project Management	\$ 30,000	
2.8) Protection Study	\$ 15,000	
		\$ 365,000
3) Major equipment		
3.1) Power Transformer 10/13.3 MVA w/ LTC	\$ 1,200,000	
3.2) 15 kV Switchgear	\$ 1,300,000	
3.3) 44 kV PM Switches/Fuses	\$ 300,000	
3.4) E-House	\$ 850,000	
3.5) Station Service	\$ 7,500	
3.6) 44 kV Cables/Terminators est. 120m	\$ 42,000	
3.7) 15 kV 500 MCM Cables/Terminators est. 750m	\$ 262,500	
3.8) Solid Blade Riser Switches (9)	\$ 15,000	
3.9) Scada/P&C Integration	\$ 75,000	
		\$ 4,052,000
4) Civil Construction		
4.1) Construction Power	\$ 15,000	
4.2) Clearing, Grubbing, Grading, compacting, fill	\$ 90,000	
4.3) Road entrance/paving	\$ 75,000	
4.4) Oil Containment	\$ 125,000	
4.5) Duct Banks	\$ 350,000	
4.6) Concrete Foundations	\$ 350,000	
4.7) Fence & Stone	\$ 150,000	
		\$ 1,155,000
5) Electrical		
5.1) Grounding	\$ 50,000	
5.2) 44 kV Dip Pole	\$ 4,000	
5.3) 4.16 kV Riser Poles	\$ 10,000	
5.4) Installation of Transformer	\$ 25,000	
5.5) Installation of Switchgear/E-House	\$ 35,000	
5.6) Power & Control Cabling	\$ 15,000	
5.7) Station Service Panel	\$ 6,000	
5.8) Commissioning	\$ 35,000	
		\$ 180,000
6) Miscellaneous		
6.1) Mobilization, Bonding, Insurance	\$ 80,000	
6.2) Fees & Permits	\$ 20,000	
		\$ 55,000
7) GSH Staff Costs		
7.1) Lines	\$ 20,000	
7.2) Stations	\$ 50,000	
7.3) Engineering	\$ 15,000	
		\$ 85,000
Total		\$ 5,892,000
Contingency 10%		\$ 589,200
Budget Total		\$ 6,481,200



Attachment 2 (of 2):

***2-SEC-14 Attachment 2: Costello Associates Further
Budget Details***

4 Budgets

The cost of station components, civil development, and station construction contractors has sharply escalated post-pandemic. Equipment deliveries have also been hampered by unusually high demand. Contractors are having challenges in attracting and retaining qualified staff. All of these factors are increasing the cost and timelines for building new or replacing existing substations.

The following are budgetary costs for new green-field station projects and for major station components. These budgets are based on a Class D accuracy of -30/+50% accuracy, and based on conceptual/high-level estimates only.

Details of these budget costs are found in Appendix C.

4.1 Greenfield 44-12.47 kV 7.5/10 MVA Station with Three Feeders:

Project Timeline: 24-30 months
Project Cost: \$5.5 Million CAD

4.2 Greenfield 44-12.47 kV 10/13.3 MVA Station with Three Feeders:

Project Timeline: 24-30 months
Project Cost: \$6.5 Million CAD

4.3 Replacement Transformer 7.5/10 MVA *

Timeline: 12-24 months
Cost: \$650-900K DETC
\$800 – 1100K LTC

4.4 Replacement Transformer 10/13.3 MVA *

Timeline: 12-24 months
Cost: \$900 – 1200K DETC
\$1100 – 1400K LTC

4.5 15 kV Medium Voltage Air Insulated Air Resistant Switchgear

Timeline: 52-78 weeks
Cost: \$150k per cell

4.6 15 kV Medium Voltage Gas Insulated Air Resistant Switchgear

Timeline: 52-78 weeks
Cost: \$120k per cell

4.7 46 kV Outdoor Padmount Fuse/Switch Combination:

Timeline: 80-96 weeks
Cost: \$350k

4.8 15 kV Outdoor Padmount Switchgear (6 bays) :

Timeline: 80-96 weeks
Cost: \$375k

4.9 15 kV Three Phase Recloser w/ SEL 651R Controller

Timeline: 30-52 weeks
Cost: \$55k padmount
\$45k pole top

4.10 SEL RTAC / Integration with Station SEL Relays

Timeline: 8-12 weeks
Cost: \$65k



1 3-SEC-15 Update and Rerun Load forecast to year end 2024

2 **Question:**

3 [Ex.3, Load Forecast Model] Please update and rerun the Load Forecast with
4 actual customer numbers and billing determinants to year-end 2024.

5

6 **Response:**

7 An updated load forecast is provided with responses to interrogatories. The
8 forecast has been updated with consumption and demand volumes to November
9 2024 and customer/connection counts to December 2024. For the updated load
10 forecast please see the Excel document titled
11 "GSHI_IRR_2025_Load_Forecast_20250128.xlsx".

1 3-SEC-16 EV Load Allocations

2 **Question:**

3 [Ex. 3-1-1, Attachment 1 - Load Forecast Report, Table 41]

4

5 a. Please explain the rationale behind the allocations for Electric Vehicle
6 (EV) Load to the classes.

7 b. How has the Applicant distinguished between EV load related to charging
8 of an individual vehicle versus fleet charging or employee parking lot
9 charging?

10

11 **Response:**

12 a) GSHi does not have sufficient information to determine the amount of EV
13 charging within each rate class so the allocations of forecast EV loads to
14 rate classes is based on judgement.

15

16 b) The judgement used to allocate EV load to classes considers that a
17 portion of EV charging for individual vehicles owned by Residential
18 customers will be done at workplaces, parking lots with EV chargers, and
19 public charging stations.



1 4-SEC-17 Updated Appendices 2-D, 2-H, 2-JA, 2-JB, 2-JC, 2-K, 2-M,
2 2-N

3 **Question:**

4 **[Ex.4]** Please provide updated versions of the following appendices, to include
5 2024 actuals: Appendices 2-D, 2-H, 2-JA, 2-JB, 2-JC, 2-K, 2-M and 2-N.

6

7 **Response:**

8

9 **Response to this interrogatory requires 2024 figures. The response will be**
10 **filed by February 4, 2025.**

1 4-SEC-18 Cost Driver Tables

2 **Question:**

3 **[Ex. 4-2-1, Tables 4a, 6, 8 and 9]**

- 4 a. Please explain what is included in each column of the table, i.e. OM&A,
5 Capital, Burdened, Recoverable and how the total reconciles to the figures
6 in Appendix 2-K, e.g. total for 2025 in Table 4a is \$10,719,165 versus the
7 \$15,262,021 shown in Appendix 2-K.
- 8 b. Please explain how the total Burden Costs in Table 6 relate to the figures
9 in the Burdened column in Table 4a.
- 10 c. Please explain the \$140k increase for vegetation management in 2025
11 from 2024 shown in Table 1.
- 12 d. Please explain why Contract Labour, which increased from 2020 to 2025,
13 and was used to replace vacant FTEs, has not reduced with the addition
14 of FTEs in 2024 and 2025.

15
16 **Response:**

- 17 a) The table would be more appropriately titled *Raw Labour by Category*, as
18 it does not include payroll burden costs, contrary to what the current title
19 might suggest.

20
21 **OM&A:** Represents raw labour costs allocated to OM&A expenses.

22 **Capital:** Represents raw labour costs allocated to capital projects.

23 **Burdened:** Includes raw labour costs that are charged as part of the
24 burden across OM&A and Capital. This category captures costs for
25 Garage Mechanics, Operations Supervisors, and labour related to non-
26 project-specific activities like safety meetings, vacation, and inclement
27 weather.



1 **Recoverable:** Includes raw labour costs associated with fully recoverable
2 jobs, such as streetlight maintenance or services provided to customers
3 (e.g., isolations) for which GSHi recovers the full cost.

4

5 This table does not reconcile directly with Appendix 2-K from the original
6 application because it reflects raw wages for GSHi only. While it aligns
7 more closely now that Appendix 2-K has been prepared on a company-
8 specific basis, discrepancies remain for two reasons:

9 **Exclusion of non-labour burden costs:** This table does not include the
10 burden amounts for non-labour items, which are captured in Appendix 2-
11 K.

12 **Timing differences:** Appendix 2-K data is sourced from GSHi's payroll
13 system and is based on T4 reporting years, which do not perfectly align
14 with the accounting year.

15 This approach was the best option available for preparing Appendix 2-K in
16 the required format. Since Appendix 2-K is not directly tied to the budgets
17 underpinning rates, it is considered a reasonable approximation.

18

19 b) This table was originally intended to represent only non-labour costs
20 included in the payroll burden. However, it mistakenly includes operations-
21 related burdened labour costs, such as those for inclement weather,
22 safety meetings, and vacation. GSHi has restated the table below to
23 accurately reflect only non-labour costs included in the payroll burden.



	Burden Costs	Variance (over prior year)
2020 Board Approved	\$ 2,095,722	
2020 Actuals	\$ 1,596,692	-\$ 499,030
2021 Actuals	\$ 1,808,467	\$ 211,775
2022 Actuals	\$ 1,804,223	-\$ 4,244
2023 Actuals	\$ 1,656,210	-\$ 148,013
2024 Projection	\$ 1,997,835	\$ 341,625
2025 Budget	\$ 2,048,596	\$ 50,761
2025 Budget vs 2020 Board Approved		-\$ 47,126

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- c) The \$140,000 increase for vegetation management in the 2025 Budget compared to the 2024 Projection is aimed at ensuring the continued reliability and safety of the distribution system. This additional funding will help GSHi address critical vegetation management needs, which are essential for reducing power outages caused by overgrown vegetation. By investing in this area, GSHi can improve operational efficiency, minimize the risk of service interruptions, and ultimately provide a higher level of service to customers. The increased budget will allow GSHi to deploy more resources and accelerate necessary work, ensuring compliance with regulatory requirements and maintaining the integrity of system infrastructure.
- d) Certain tasks and functions continue to require outsourcing, even with the addition of FTEs. These persistent outsourced services have also become more expensive over time. To provide additional context to the cost driver contract labour line, the following table prepared for 4-AMPCO-31 offers further insight into the contract labour situation.



Contract Labour Activities	2020	2025
Answering Service	18,000.00	21,000.00
Station Building Maintenance (Grass cutting, snow removal, pest control etc)	71,920.00	96,170.00
Oil Testing	29,600.00	27,500.00
Transformer Maintenance	27,500.00	28,000.00
Meter Sampling	8,000.00	44,000.00
Locates	10,000.00	12,000.00
Meter Reading	-	10,000.00
Collections	-	83,546.00
Meter Service Provider Services	12,800.00	13,560.00
General Assistance (Moving handholes, etc)	65,000.00	55,000.00
Power System Inspection and Miscellaneous Inspections	-	64,000.00
Overhead and Underground Maintenance (burn offs, lines and feeders, snow removal, etc)	129,000.00	110,000.00
Cable Removal Assistance		39,000.00
Miscellaneous	28,500.00	27,500.00
Total	400,320.00	631,276.00

1

1 4-SEC-19 Increase in Stations Operations

2 **Question:**

3 [Ex. 4-3-1, p.4 and Appendix 2-JC]

4

5 a. The increase between 2024 and 2025 for Station Operations is \$407k.

6 Please provide a breakdown of this increase by each of the cost drivers
7 mentioned, e.g., reallocation from capital to operating, general wage
8 increases, etc.

9 b. The Applicant attributes an increase between 2023 and 2025 Stations
10 Operations as being driven by 'a shift between OM&A and capital
11 allocation as there are no significant station projects budgeted in 2025, the
12 focus will be on decommissioning sites that have been replaced by
13 recently upgraded substations.' Please explain why decommission of a
14 site is considered an OM&A cost, as normally decommissioning a site is
15 attributed to the capital cost of the site.

16 c. Please provide the total capital expenditures on Stations for 2020 to 2024
17 and the forecast for 2025.

18

19 **Response:**

20

21 **Response to this interrogatory requires 2024 figures. The response will be**
22 **filed by February 4, 2025.**

1 4-SEC-20 New Memberships and the Benefits they Provide

2 **Question:**

3 **[Ex. 4-3-1, Table 13]** One of the explanations for the increase in Administration
4 Costs is new Memberships. Please provide details of the new Memberships for
5 2023, 2024 and 2025 and the benefits they provide The Applicant.

6

7 **Response:**

8 The only notable new membership in the 2023 – 2025 period is Grid Smart City.
9 GSHi joined the Grid Smart City Cooperative (GSC) in 2024. GSC is a
10 cooperative of 16 Ontario Local Distribution Companies. As GSHi considered the
11 many significant projects that it will face in the next decade including AMI 2.0,
12 Asset Management and the potential development of Distribution System
13 Operator systems and processes, large project risk became a concern. Joining
14 GSC is a key tactic in managing this risk.

15

16 GSC provides a forum for its members to pool talent and resources and to cost
17 share. GSC has projects active in AMI 2.0, Cyber Security, the development of
18 systems and processes to support Distribution System Operations, materials
19 management and more. Participation in GSC creates capacity for GSHi by
20 connecting staff to other industry experts and consultants that would otherwise
21 be unaffordable.

22

1 4-SEC-21 Appendix 2-K

2 **Question:**

3 **[Ex. 4-4-1, Attachment 1 - Appendix 2-K]**

4

- 5 a. Please separate the information provided in 2-K between FTEs directly
6 employed by the regulated distribution company and those allocated
7 through shared services and corporate cost allocations.
- 8 b. Please explain why the allocation of wages and benefits to capital has
9 dropped to 20% in 2025 from a historical average of 23%.
- 10 c. Please provide details on the historical vacancy rates and the forecasted
11 vacancy rate used for 2025.

12

13 **Response:**

14 a) Please see attachment 1 to this interrogatory for an updated version of
15 Appendix 2K by company. Please note: GSHi has corrected for a small
16 error in the 2020 – 2023 actual FTE's submitted in the initial application.

17

18 b) The allocation of wages and benefits to capital has dropped to 20% in
19 2025 from a historical average of 23%, primarily due to the absence of
20 large capital projects such as station rebuilds or significant initiatives like
21 the OMS project which was capital labour intensive.

22

23 Historically, the percentage of labour allocated to OM&A has varied
24 depending on the scope of major projects:

25 2020: 22.66% (Gemmell Station rebuild)

26 2021: 24.33% (Cressey Station rebuild)

27 2022: 21.59% (no station rebuild)

1 2023: 23.34% (beginnings of the Martilla Station rebuild and the OMS
2 project)
3 2024: 23.98% (Martilla Station rebuild)
4 2025: 20.22% (no station rebuild or other additional significant capital
5 project).

6
7 The lower percentage in 2025 reflects a shift in labour allocation toward
8 OM&A activities, as no additional large-scale capital projects requiring
9 significant internal labour are planned. Many of the 2025 projects, such as
10 the Dash T1 transformer replacement and the procurement of two station
11 transformers for future projects, do not rely heavily on internal labour. This
12 allocation aligns with how resources were structured to meet the
13 objectives of GSHi's five-year DSP, ensuring the plan remains achievable
14 and within budget constraints.

15
16 c) GSHi has conducted an analysis comparing its budgeted labor costs to
17 actual labor costs incurred for each year from 2020 to 2024. This analysis
18 serves as a proxy for calculating the vacancy rate experienced during this
19 period. The results of this analysis are presented in Table 1 below.

20
21 For a schedule that sets out the position status for 2020 and 2025 FTEs,
22 please refer to 3-VECC-29. Note that this schedule provides position
23 counts but does not include associated dollars.

24



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Table 1: Vacancy Rate Analysis

	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual
Vacancy Rate	1.36%	5.82%	5.12%	4.03%	5.02%

Note: Vacancy rate is calculated as (Budgeted Labor Cost – Actual Labor Cost Incurred) ÷ Total Budgeted Labor Cost.

GSHi has filled most vacancies and budgeted for a full staff complement in 2025, consistent with expectations at the time of budget preparation. For further details on current vacancies and the anticipated timeline for filling these positions, please refer to 3-VECC-29.



Greater Sudbury Hydro Inc.
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Attachment 1 (of 1):

4-SEC-21 Attachment 1: Appendix 2-K by Company

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

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**Appendix 2-K
 Employee Costs - Combined GSHi & GSHPi**

	Last Rebasing Year 2020 - OEB Approved	Last Rebasing Year (2020 Actuals)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Bridge Year	2025 Test Year
Number of Employees (FTEs including Part-Time)¹							
Management (including executive)	17.5	17.6	18.1	17.4	18.0	19.6	19.8
Non-Management (union and non-union)	85.4	78.6	79.4	79.9	77.8	77.1	87.9
Total	102.9	96.1	97.5	97.3	95.8	96.7	107.7
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	\$ 2,398,316	\$ 2,481,824	\$ 2,550,294	\$ 2,546,584	\$ 2,792,157	\$ 3,157,522	\$ 3,181,226
Non-Management (union and non-union)	\$ 7,403,141	\$ 7,269,645	\$ 7,270,989	\$ 7,447,174	\$ 7,440,082	\$ 7,735,340	\$ 8,820,921
Total	\$ 9,801,457	\$ 9,751,469	\$ 9,821,283	\$ 9,993,758	\$ 10,232,239	\$ 10,892,862	\$ 12,002,146
Total Benefits (Current + Accrued)							
Management (including executive)	\$ 735,220	\$ 634,402	\$ 736,709	\$ 742,278	\$ 767,437	\$ 871,470	\$ 894,408
Non-Management (union and non-union)	\$ 2,259,846	\$ 1,784,452	\$ 2,325,505	\$ 2,382,475	\$ 2,239,559	\$ 2,010,627	\$ 2,365,467
Total	\$ 2,995,066	\$ 2,418,855	\$ 3,062,214	\$ 3,124,753	\$ 3,006,995	\$ 2,882,098	\$ 3,259,875
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	\$ 3,133,536	\$ 3,116,226	\$ 3,287,003	\$ 3,288,862	\$ 3,559,594	\$ 4,028,992	\$ 4,075,633
Non-Management (union and non-union)	\$ 9,662,986	\$ 9,054,098	\$ 9,596,494	\$ 9,829,649	\$ 9,679,641	\$ 9,745,967	\$ 11,186,388
Total	\$ 12,796,523	\$ 12,170,324	\$ 12,883,497	\$ 13,118,511	\$ 13,239,235	\$ 13,774,959	\$ 15,262,021
Total Compensation Breakdown (Capital, OM&A)							
OM&A	\$ 10,067,874	\$ 9,412,507	\$ 9,749,070	\$ 10,286,633	\$ 10,148,841	\$ 10,471,741	\$ 12,176,241
Capital	\$ 2,728,649	\$ 2,757,817	\$ 3,134,427	\$ 2,831,878	\$ 3,090,393	\$ 3,303,219	\$ 3,085,780
Total	\$ 12,796,523	\$ 12,170,324	\$ 12,883,497	\$ 13,118,511	\$ 13,239,235	\$ 13,774,959	\$ 15,262,021

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

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Appendix 2-K
 Employee Costs - GSHi

	Last Rebasing Year 2020 - OEB Approved	Last Rebasing Year (2020 Actuals)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Bridge Year	2025 Test Year
Number of Employees (FTEs including Part-Time)¹							
Management (including executive)	8.0	7.7	7.1	7.0	7.4	8.8	9.0
Non-Management (union and non-union)	58.7	52.5	51.9	52.2	49.0	47.9	55.9
Total	66.7	60.2	59.0	59.2	56.4	56.7	64.9
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	\$ 1,074,732	\$ 1,037,174	\$ 962,129	\$ 983,961	\$ 1,104,990	\$ 1,382,112	\$ 1,380,814
Non-Management (union and non-union)	\$ 5,396,915	\$ 5,382,631	\$ 5,362,832	\$ 5,467,975	\$ 5,293,335	\$ 5,495,467	\$ 6,217,736
Total	\$ 6,471,647	\$ 6,419,805	\$ 6,324,961	\$ 6,451,936	\$ 6,398,324	\$ 6,877,579	\$ 7,598,550
Total Benefits (Current + Accrued)							
Management (including executive)	\$ 329,587	\$ 258,814	\$ 279,945	\$ 285,396	\$ 299,252	\$ 355,316	\$ 390,256
Non-Management (union and non-union)	\$ 1,645,169	\$ 1,291,763	\$ 1,492,597	\$ 1,520,351	\$ 1,364,871	\$ 1,393,055	\$ 1,635,161
Total	\$ 1,974,756	\$ 1,550,577	\$ 1,772,541	\$ 1,805,747	\$ 1,664,123	\$ 1,748,371	\$ 2,025,417
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	\$ 1,404,318	\$ 1,295,987	\$ 1,242,073	\$ 1,269,357	\$ 1,404,242	\$ 1,737,428	\$ 1,771,070
Non-Management (union and non-union)	\$ 7,042,084	\$ 6,674,395	\$ 6,855,428	\$ 6,988,326	\$ 6,658,205	\$ 6,888,522	\$ 7,852,897
Total	\$ 8,446,403	\$ 7,970,382	\$ 8,097,502	\$ 8,257,683	\$ 8,062,447	\$ 8,625,950	\$ 9,623,967
Total Compensation Breakdown (Capital, OM&A)							
OM&A	\$ 5,820,976	\$ 5,345,901	\$ 5,108,024	\$ 5,598,637	\$ 5,184,087	\$ 5,491,595	\$ 6,698,631
Capital	\$ 2,625,426	\$ 2,624,481	\$ 2,989,478	\$ 2,659,046	\$ 2,878,360	\$ 3,134,355	\$ 2,925,336
Total	\$ 8,446,403	\$ 7,970,382	\$ 8,097,502	\$ 8,257,683	\$ 8,062,447	\$ 8,625,950	\$ 9,623,967

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

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Appendix 2-K
 Employee Costs - GSHPi

	Last Rebasing Year 2020 - OEB Approved	Last Rebasing Year (2020 Actuals)	2021 Actuals	2022 Actuals	2023 Actuals	2024 Bridge Year	2025 Test Year
Number of Employees (FTEs including Part-Time)¹							
Management (including executive)	9.5	9.9	10.9	10.5	10.6	10.9	10.8
Non-Management (union and non-union)	26.8	26.1	27.5	27.6	28.8	29.2	32.0
Total	36.2	35.9	38.5	38.1	39.5	40.0	42.7
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	\$ 1,323,585	\$ 1,444,650	\$ 1,588,165	\$ 1,562,622	\$ 1,687,168	\$ 1,775,409	\$ 1,800,412
Non-Management (union and non-union)	\$ 2,006,225	\$ 1,887,014	\$ 1,908,157	\$ 1,979,199	\$ 2,146,748	\$ 2,239,873	\$ 2,603,185
Total	\$ 3,329,810	\$ 3,331,664	\$ 3,496,322	\$ 3,541,822	\$ 3,833,915	\$ 4,015,282	\$ 4,403,596
Total Benefits (Current + Accrued)							
Management (including executive)	\$ 405,633	\$ 375,589	\$ 456,764	\$ 456,882	\$ 468,184	\$ 516,155	\$ 504,151
Non-Management (union and non-union)	\$ 614,677	\$ 492,689	\$ 832,909	\$ 862,124	\$ 874,688	\$ 617,572	\$ 730,306
Total	\$ 1,020,310	\$ 868,278	\$ 1,289,673	\$ 1,319,006	\$ 1,342,872	\$ 1,133,727	\$ 1,234,458
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	\$ 1,729,218	\$ 1,820,239	\$ 2,044,929	\$ 2,019,505	\$ 2,155,352	\$ 2,291,564	\$ 2,304,563
Non-Management (union and non-union)	\$ 2,620,902	\$ 2,379,703	\$ 2,741,066	\$ 2,841,324	\$ 3,021,436	\$ 2,857,445	\$ 3,333,491
Total	\$ 4,350,120	\$ 4,199,942	\$ 4,785,995	\$ 4,860,828	\$ 5,176,787	\$ 5,149,009	\$ 5,638,054
Total Compensation Breakdown (Capital, OM&A)							
OM&A	\$ 4,246,897	\$ 4,066,606	\$ 4,641,046	\$ 4,687,996	\$ 4,964,754	\$ 4,980,146	\$ 5,477,610
Capital	\$ 103,223	\$ 133,336	\$ 144,949	\$ 172,832	\$ 212,033	\$ 168,863	\$ 160,444
Total	\$ 4,350,120	\$ 4,199,942	\$ 4,785,995	\$ 4,860,828	\$ 5,176,787	\$ 5,149,009	\$ 5,638,054

1 4-SEC-22 Breakdown of \$2,414,866 Variance Described in Evidence

2 **Question:**

3 **[Ex. 4-4-2, Table 5]**

4

5 a. Please break down the \$2,414,866 variance into the various drivers
6 described in the evidence:

7 i. General wage and progression increases across all corporate
8 service departments, except Customer billing

9 ii. Additional FTEs: General Counsel, assistant to General Counsel,
10 senior accountant, IT help desk, minus the retiring VP of HR

11 iii. Cybersecurity

12 iv. Subscription based software as a service

13 v. Customer billing increases in stationary and postage

14 vi. Customer billing software support

15 vii. Customer Billing general wage and progression increase

16 viii. Introduction of fair market rent

17 b. Please detail the savings in contract costs as a result of replacing external
18 legal services with an in-house General Counsel and assistant.

19

20 **Response:**

21 a) GSHi has provided the requested information below. GSHi would like to
22 note the following:

23 1) The figure of \$2,414,866 is the difference between the 2025
24 and 2020 budget.

25 2) The figures requested in parts i and vii cannot be provided
26 exactly as requested because GSHi does not have the level
27 of granularity available to break down the details with
28 complete confidence. Instead, GSHi has provided the

1 change in payroll budgets from 2020 to 2025 (adjusted for
2 the FTE isolation as requested in part ii). While this figure
3 includes general wage and progression increases, it also
4 includes changes in service-level agreement allocations.

5 3) The figures for part ii have been divided into two sections, a
6 and b, for clarity.

- 7 • The figure presented in **ii(a)** reflects the requested
8 information, with the exception of an adjustment for
9 the VP of HR, as discussed below.
- 10 • The figure presented in **ii(b)** accounts for additional
11 net FTEs not explicitly identified in the question. This
12 includes the allocation of the Billing Supervisor, GIS
13 department (which was part of GSHi in 2020 but is
14 now in GSHPi), and the Data Integration and Platform
15 Specialist. While the Data Integration and Platform
16 Specialist was hired in 2020, the associated costs are
17 not reflected in the 2020 budget as they were
18 removed during the settlement process.

19 4) The figure in **ii(a)** does not account for the retirement of the
20 VP of HR. In both the 2020 and 2025 budgets, there was
21 only one HR Management position accounted for. The
22 variance related to the VP of HR's retirement, as referenced
23 in the evidence, reflects the difference between the 2023
24 actuals and the 2025 budget, rather than between 2020 and
25 2025.

26 However, **ii(b)** does include the elimination of payroll costs
27 that were part of the 2020 budget but are not included in the
28 2025 budget. These include \$30,771 associated with the
29 Grant Writer position and an allocation for Business
30 Development.



1 5) Although not specifically requested, GSHi has added a line
2 for the increase in insurance costs between the 2020 Board
3 Approved and 2025 Budgets as it is also a major driver in
4 the cost increase.
5

Item	Amount
i) Change in payroll costs (includes burden)	858,335
ii) Net Additional FTE's (includes burden) - as requested	393,967
ii) Net Additional FTE's (includes burden) - in addition	286,189
iii) Cybersecurity	129,810
iv) Subscription Based Software	39,286
v) Stationery and Postage	5,100
vi) CIS Software Support	41,275
vii) Customer Billing change in payroll	9,234
viii) Fair Market Rent	334,016
ix) Insurance	141,475
Other	176,179
Total	2,414,866

6
7
8 b) GSHi has not quantified specific cost savings associated with replacing
9 external legal services with an in-house General Counsel and General
10 Counsel Assistant. While some savings are expected, cost reduction was
11 not the primary driver behind this decision. Instead, the establishment of
12 the General Counsel's office was motivated by the growing complexities in
13 corporate dealings, the need to proactively manage liability risks, and to
14 ensure compliance with best practices in corporate governance and
15 workplace culture.

16
17 For a detailed discussion of the benefits of implementing a General
18 Counsel's office, please refer to the response to **4-Staff-38**.

1 4-SEC-23 KPMG Report on Shared Services

2 **Question:**

3 [Ex. 4-4-2, Attachment 2 –] With respect to the KPMG, *Report on Shared*
4 *Services and Cost Allocations Review:*

5

6 a. [Section 3.2.1] Please confirm whether the 14 employees listed are with
7 the regulated company or the affiliated company.

8 b. [Exhibit 9] Please explain what is meant by ‘Number of Bills’ being the
9 allocator for Administrative Services.

10 c. [Exhibit 9-Building] Is there any unoccupied space in the buildings owned
11 by the Applicant and if so, how is this space allocated?

12 d. [Section 5.2.1] What has been the experience with respect to the true up
13 required at the end of the year? Please provide the adjustments made for
14 2023 and 2024.

15 e. [Section 6.2] The section compares administrative costs as a percentage
16 of total OM&A across a number of utilities to show that the Applicant is
17 consistent with its peers. How did KPMG confirm that the Administration
18 bucket for each utility included comparable charges?

19 f. [Exhibit 13] has this comparison been done since the changes from the
20 report were implemented? If so, please provide. If not, please calculate
21 and provide.

22

23 **Response:**

24 a) GSHi confirms that two of the employees listed are employed directly by
25 the regulated company (GSHi), eleven are employed by the corporate
26 services company (GSHPi) and one is employed directly by another
27 affiliate who is allocated corporate service costs.

1 b) The term "Total Number of Bills" refers to the annual total of invoices
2 generated for customers across all companies. This is calculated as the
3 number of customers multiplied by the number of invoices issued per
4 customer.

5

6 c) Common areas of the building, for example, hallways and washroom
7 facilities, are allocated based on the square footage of all the occupants
8 of the building. Other than common areas, there is no unoccupied space
9 in the building.

10

11 d) The excerpt from the KPMG report referenced in this question states: "...
12 *GSHP Finance personnel review whether the allocation drivers calculated*
13 *using actual figures reflected during the fiscal year were consistent with*
14 *the budgeted figures established at the beginning of the year. In the case*
15 *of material variances, true-up or true-down adjustments may be booked by*
16 *GSU Management.*"

17

18 The adjustments referred to are as follows:

19

- 20 • For 2023, an approximate \$27,000 increase in total allocated costs
21 to GSHi was recorded, representing 1.41% of the adjusted cost
22 centers.
- 23 • For 2024, an approximate \$48,000 increase in total allocated costs
24 is anticipated, representing 0.98% of the adjusted cost centers.

25

26 e) KPMG acquired the data for their comparison using the OEB Yearbook
27 data which is sorted by the Uniform System of Accounts as required to
28 use by LDCs when filing their annual RRRs. The Administrative expenses
29 include the account ranges of 5205-5215, 5305-5695, 6105,6505-
30 6225,6310-6415.



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f) GSHI continues to have lower than average administrative costs as compared to its cohorts. GSHI has calculated the following administrative cost ratios for 2022 and 2023:

Administrative Cost Ratio	2022	2023
Bluewater Power Distribution Corporation	44.35%	43.01%
Entegrus Powerlines Inc.	41.26%	41.08%
Greater Sudbury Hydro Inc.	34.00%	34.65%
Milton Hydro Distribution Inc.	45.74%	39.77%
Newmarket-Tay Power Distribution Ltd.	68.39%	41.07%
Oshawa PUC Networks Inc.	50.54%	49.99%
Synergy North Corporation	32.10%	34.35%
Average	45.20%	40.56%
Greater Sudbury Hydro Inc.	34.00%	34.65%

6

1 4-SEC-24 2025 Cost of Service Consultant Cost Increase

2 **Question:**

3 [Ex. 4-4-5, Appendix 2-M] Please explain why consultant costs for the 2025 Cost
 4 of Service Application (\$367k) have almost doubled from the costs of the 2020
 5 Cost of Service Application (\$188k).

6

7 **Response:**

8 GSHi presents the following two tables. The first table provides details about the
 9 consultants engaged for the 2025 application, including the work performed and
 10 the costs incurred or expected to be incurred in 2025. The second table offers a
 11 comparison of similar activities and associated costs between the 2020 and 2025
 12 applications.

Consultant	Work Performed	2022	2023	2024 (Projection)	2025 (Budget)	Total 2025 COS
KPMG	Report on Shared Services and Cost Allocations Review	50,000	20,000	-	-	70,000
Utilis	OPEB Research and related evidence preparation	-	-	11,350	-	11,350
Kinetrics	Distribution System Asset Condition Assessment	-	-	29,962	-	29,962
Lakeside Power	Substation Asset Condition Assessment	-	-	55,000	-	55,000
YULA PLT	DSP Review	-	-	7,000	-	7,000
UTS Consultants	Polux Pole Condition Testing	-	-	63,231	-	63,231
Oracle Poll	DSP Survey	-	-	6,500	-	6,500
Elenchus	Prepare Load Forecast, Cost Allocation, Rate Design, Training and Evidence Review	-	-	50,506	27,500	78,006
Totals		50,000	20,000	223,549	27,500	321,049

13

Type of Work Performed	Total 2020 COS	Total 2025 COS
Transfer Pricing (2020)/Report on Shared Services (2025)	8,700	70,000
OPEB Research and related evidence preparation	-	11,350
Distribution System Asset Condition Assessment	30,000	29,962
Substation Asset Condition Assessment	-	55,000
DSP Assistance (2020)/Review (2020 and 2025)	45,000	7,000
Polux Pole Condition Testing	-	63,231
Customer Consultation (2020)/DSP Survey (2025)	36,352	6,500
Prepare Load Forecast, Cost Allocation, Rate Design, Training and Evidence Review	68,324	78,006
Total	188,377	321,049

14

1 **Transfer Pricing/Report on Shared Services:** The costs incurred in 2020 were
2 related to updating a Transfer Pricing Study initially conducted for the 2013 COS
3 application. The scope of work required for this update was significantly less than
4 the work outlined in the 2020 COS Settlement Agreement. GSHi issued a tender
5 for the Report on Shared Services, based on the description provided in the 2020
6 Settlement Agreement. KPMG was the sole respondent to this tender.

7

8 **OPEB Research:** GSHi engaged Utilis to conduct research and compile
9 evidence on precedents related to OPEBs and regulatory rate setting in Ontario.
10 Utilis supported this section of the application by drafting preliminary evidence,
11 which GSHi reviewed and amended as necessary.

12

13 **Distribution System Asset Condition Assessment:** The costs associated with
14 the asset condition assessment were consistent across applications.

15

16 **Substation Asset Condition Assessment:** For the 2025 COS, as part of its
17 undertaking to make a long-term plan for capital investment and develop a
18 comprehensive maintenance program, GSHi sought the services of an
19 independent third-party contractor to assess its station assets. Lakeside Power
20 Consulting was retained by GSHi to perform this work on twenty-five municipal
21 substations (note: the review did not include municipal substation Marttila MS8
22 because the station was being rebuilt in 2024, concurrent to the work by
23 Lakeside Power Consulting). A similar condition assessment report of GSHi's
24 stations was not filed as part of GSHi's 2020 COS.

25

26 **DSP Assistance/DSP Review:** For both the 2020 COS and 2025 COS, as part
27 of the drafting of its DSP, GSHi sought to obtain a review for completeness by an
28 independent third-party contractor. In both cases, the review for completeness
29 did not provide conclusions or recommendations, but rather general comments to
30 assist with clarity and depth of the document. GSHi was successful in lowering



1 the cost of this review from \$45,000 for the 2020 COS to \$7,000 for the 2025
2 COS.

3

4 **Polux Pole Condition Testing:**

5 For the 2025 COS, GSHI partnered with consulting firm UTS to perform POLUX
6 testing on its distribution system assets. This work helped to close an existing
7 data gap that existed in the available condition data for Sudbury Hydro-owned
8 wood poles, which was identified by Kinectrics in the 2020 COS. Sudbury
9 Hydro-owned wood poles in the Town of Coniston, Capreol, Falconbridge and
10 Sturgeon Falls/Cache Bay were tested. Additionally, any Sudbury Hydro-owned
11 pole, regardless of location, that carried a 44kV sub-transmission circuit was also
12 tested.

13 The boost in available condition data provided by the testing results is expected
14 to drastically improve the selection and prioritization of prospective *System*
15 *Renewal*-type investments moving forward.

16

17 **Customer Consultation:** For its 2025 application, GSHI engaged a different
18 provider for customer consultation, focusing exclusively on the Distribution
19 System Plan (DSP) for application-specific efforts. The 2025 consultation
20 process was streamlined compared to previous years while still delivering the
21 same level of value. GSHI also leveraged insights from its ongoing customer
22 consultation initiatives to inform other aspects of the application as necessary.

23

24 **Prepare Load Forecast, Cost Allocation, Rate Design, Training and**
25 **Evidence Review:** The costs associated with this category were consistent
26 across applications.

1 6-SEC-25 Appendix 2-H

2 **Question:**

3 [Ex. 6-4-2, p.5 and Appendix 2-H]

4

- 5 a. Please explain the decrease in the forecast for Recoverable work from an
6 average of \$693k to \$491k. If 2022 is not included as per the explanation
7 on page 5, the average is still \$632k.
- 8 b. Please explain why there is no change between 2024 and 2025 for the
9 Rent received from affiliates and recorded in account 4210, when General
10 Plant Costs have gone up 20% (Appendix 2-JC, line 50).
- 11 c. Please restate Other Revenue to exclude amounts in Account 4310
12 Regulatory Credit, in order to be comparable to 2020 approved Other
13 Revenue of \$1,552,787.
- 14 d. Please explain the forecasted increase to \$520k in Loss on Disposal of
15 Assets, from the historical average of \$489k.

16

17 **Response:**

- 18 a) The decrease in the forecast for recoverable work, from an average of
19 \$693k to \$491k, is primarily due to the nature of how this budget line is
20 developed. Recoverable work is not budgeted with the same precision as
21 other accounts because it has an offsetting equal expense, resulting in no
22 bottom-line impact or implications for rate-setting purposes.

23

24 The primary account that was not fully budgeted in this forecast is contract
25 labor, which, on average, amounts to \$170k. If GSHi were to include this
26 in the expense side of the budget, the revenue side would increase
27 correspondingly, bringing the forecasted recoverable work revenue closer
28 to \$661k—more in line with historical averages and expectations.



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The main rate-setting impact of this account lies in the amount of operations-related labor allocated to recoverable work. From 2020 to 2023, the average raw labor allocated to this account was \$72k. For 2025, GSHi has budgeted \$95k for raw labor, reflecting a higher allocation compared to historical trends.

b) The reason there is no change between 2024 and 2025 for the rent received from affiliates recorded in account 4210, despite a 20% increase in General Plant Costs, is that affiliates are charged not only Fair Market Value (FMV) rent but also a proportional share of building costs based on their allocated square footage.

The FMV rent charged to affiliates is the only component recorded as revenue in account 4210. The impact of the increase in General Plant Costs would be reflected across each individual cost centre.

c) GSHi provides the following table which omits amounts that should be included in account 4310 and has also added a column for the 2020 Board Approved amount for comparison purposes. The Gain (4355) and Loss (4360) on Disposition amounts have also been updated in this table as discussed in response d) below.

USoA#	USoA Description	2020 Board Approved	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
4082	Retail Services Revenues	- 35,915	- 34,335	- 30,658	- 31,708	- 28,458	- 31,126	- 33,284
4084	Service Transaction Requests (STR) Revenues	- 930	- 475	- 366	- 448	- 562	- 350	- 510
4086	SSS Administration Revenue	- 140,473	- 141,076	- 143,292	- 144,052	- 144,354	- 146,018	- 145,977
4210	Rent from Electric Property	- 1,110,955	- 985,757	- 1,120,440	- 1,176,024	- 1,529,292	- 1,538,071	- 1,420,910
4225	Late Payment Charges	- 156,800	- 197,952	- 167,461	- 203,680	- 188,377	- 195,000	- 200,000
4235	Miscellaneous Service Revenues	- 218,602	- 100,145	- 246,213	- 261,174	- 238,437	- 228,749	- 225,087
4245	Government and Other Assistance Directly Credited to Income	- 207,802	- 241,985	- 223,657	- 259,063	- 80,605	- 117,187	- 368,155
4310	Regulatory Credits	-	-	-	-	-	-	-
4355	Gain on Disposition of Utility and Other Property	-	-	- 50,455	- 72,211	- 40,191	-	- 16,480
4360	Loss on Disposition of Utility and Other Property	531,690	566,700	489,729	449,350	475,681	465,071	536,799
4375	Revenues from Non Rate-Regulated Utility Operations	- 2,495,805	- 2,452,794	- 1,414,446	- 1,211,297	- 954,320	- 850,657	- 825,173
4380	Expenses of Non Rate-Regulated Utility Operations	2,495,805	2,452,196	1,414,168	1,211,297	954,320	850,657	825,173
4385	Non Rate-Regulated Utility Rental Income	- 20,000	- 39,445	- 38,774	- 28,800	- 59,220	- 28,568	- 28,500
4390	Miscellaneous Non-Operating Income	- 133,000	- 54,712	- 313,708	- 202,916	- 190,548	- 100,000	- 122,600
4405	Interest and Dividend Income	- 60,000	- 73,013	- 37,710	- 80,908	- 225,228	- 80,000	- 45,000
Total		- 1,552,787	- 1,302,794	- 1,883,281	- 2,011,634	- 2,249,592	- 1,999,998	- 2,069,704

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d) The budget for the Loss on Disposal of Assets is determined using two calculations. The first involves analyzing the average loss over the most recent three years of available data at the time of budgeting. The second calculates the loss on disposal as a percentage of total capital spending for five years. For the second calculation, adjustments are made to exclude projects where the assets being removed are fully amortized (e.g., the Martilla rebuild and vehicles in 2025) or do not involve asset retirements (e.g., pre-orders of transformers and GIS modernization in 2025). GSHi then averages the results of these two calculations to determine the annual budget for this line item.

While preparing this response, GSHi identified that it has historically budgeted this line net of gains. To enhance transparency, GSHi has now separated losses and gains into two distinct accounts (4355 and 4360), as reflected in the table above.

1 7-SEC-26 Billing Weighting Factors

2 **Question:**

3 **[Ex. 7-1-1, p.5, 6 and Table 3]**

4

5 a. Please provide the background calculations which resulted in the 1.5
6 Billing Department Weighting Factor for the GS > 50 kW class.

7 b. The Applicant states that meter reading costs are allocated only to the GS
8 > 50 kW rate class, as the only cost allocated using this weighting is
9 Sensus costs related to GS > 50 kW billing. Please explain how meter
10 reading costs for the other classes are allocated.

11 c. Please explain why only two years of data was used to update the load
12 profiles and whether that is a true representation of the loads for each
13 class.

14

15 **Response:**

16 a) There are no specific calculations available for the 1.5 Billing
17 Department Weighting Factor, as it is based on anecdotal evidence
18 and the experience of the billing team in handling different customer
19 classes. GSHi employs one biller dedicated to managing GS > 50 kW
20 and streetlight accounts, while two other billers handle all remaining
21 customer accounts.

22

23 Billing the GS > 50 kW class presents unique challenges compared to
24 other classes. These include ensuring the accuracy and completeness
25 of data, manually verifying and calculating bills, and following
26 additional steps and processes required for this customer class. There
27 are also more complex meter changes associated with the GS > 50 kW



1 class, which involve significant time updating and reviewing meter
2 records.

3
4 Moreover, since the introduction of MIST meters, there have been
5 recurring communication issues. The biller is responsible for ensuring
6 all interval data is complete, maintaining records for meters with
7 inconsistent reporting, and working with meter technicians to resolve
8 missing reads. These additional complexities make billing the GS > 50
9 kW class significantly more time-consuming and challenging compared
10 to other customer classes.

11
12 b) Meter reading costs for other classes, including the fee paid to Sensus
13 to interrogate and return meter reads are recorded in Meter Expense
14 5065, which is allocated to rate classes in the same proportions as
15 meter capital.

16
17 c) The hourly data by customer and by rate class required to aggregate
18 and produce the inputs for the load profiles was only available to GSHi
19 for the two-year period referenced. GSHi began accumulating this data
20 specifically for the purpose of updating the load profiles, and this
21 represents the extent of the data available for analysis.

22
23 GSHi believes that two full years of data is sufficient to represent the
24 loads of each class for the purposes of the load profile updates. This
25 data captures seasonal variations across all classes and provides a
26 comprehensive view of usage patterns over time. While a longer period
27 might offer additional insights, GSHi considers the two-year dataset to
28 be both robust and representative for the purpose of this analysis.

1 8-SEC-27 30 Day Rate Justification

2 **Question:**

3 Please explain why the Applicant believes that changing the way it charges its
4 fixed charge, MicroFIT charge and the Smart Meter Entity charge from a monthly
5 charge to a 30 day charge is preferable, to just fixing the billing system to prorate
6 correctly, as all but one other distributor does.

7
8 **Response:**

9 GSHi further detailed the benefits of transitioning to 30-day rates in its response
10 to interrogatory question 8-Staff-49. The three key benefits are as follows:

11
12 **Charges Better Aligned with Service**

13 By transitioning to 30-day rates, customers are billed based on the actual
14 number of days for which service is provided. Under a monthly rate structure,
15 customers are charged proportionately more during shorter months (e.g.,
16 February with 28 days) compared to longer months (e.g., March with 31
17 days). This discrepancy occurs despite the cost to GSHi for providing service
18 being more closely aligned with the number of days service is provided rather
19 than the number of days in the month. GSHi's proposal ensures that
20 customers are charged in proportion to the actual number of days they
21 receive service, promoting a fairer and more equitable approach for both
22 GSHi and its customers.

23
24 **Simplified Customer Bill Calculation**

25 Transitioning to 30-day rates simplifies the calculation of customer bills. A 30-
26 day rate effectively functions as a daily rate, as it can be calculated by
27 dividing the proposed rates by 30. This simplicity allows customers and
28 stakeholders, even those without advanced knowledge of billing calculations,

1 to easily determine how much of GSHi's tariffs apply to any given bill. For
2 instance, they can multiply the daily rate by the number of days in the billing
3 period, whether for a standard bill or a first/final bill with a different number of
4 days than a typical billing period.

5

6 **Transparency in Leap Years**

7 Using a daily rate provides greater transparency regarding billing during a
8 leap year. GSHi's proposal explicitly accounts for the impact of a leap year on
9 its distribution revenue. GSHi can see how an LDC converting monthly rates
10 into their billing systems could inadvertently collect additional revenue in leap
11 years if they do not account for the extra day during their conversion
12 calculations, without explicitly indicating that this is intentional. For reference,
13 GSHi's explanation of the impact of a leap year on 30-day fixed charges, as
14 detailed in Exhibit 8, Tab 2, Schedule 1, Page 3 of its initial submission, is
15 copied below:

16

17 **Impact of Leap Year on 30-Day Fixed Charges**

18 *In a leap year, which occurs every **four years**, GSHi will bill customers for*
19 ***366 days**, as the billing system calculates fixed charges based on the number*
20 *of days in the billing period. This results in GSHi collecting one extra day of*
21 ***Monthly Service Charge (MSC) revenue**, equivalent to **1/365 of the total***
22 ***annual MSC revenue**. Based on total MSC revenues of **\$23,265,220** (see*
23 ***Revenue Requirement Workform**, Tab 13 "Rate Design", total of column*
24 *"AK"), this additional revenue amounts to approximately **\$63,740**.*
25 *Conceptually, GSHi considers this outcome reasonable, and no correction*
26 *mechanism is proposed. In a leap year, GSHi operates for an additional day,*
27 *incurring extra costs, and the mechanics of billing based on the actual*
28 *number of days fairly reflect these costs. The next leap year will occur in*
29 ***2028**, which falls within this five-year rate-setting cycle from **2025 to 2029**.*
30 *Furthermore, the additional revenue of **\$63,740** is well below the materiality*



1 *threshold of **\$163,439** for this rate application, representing only **39%** of*
2 *materiality, demonstrating that this amount is immaterial.*

1 9-SEC-28 Support Calculations for CCA, AIIP and CCA with no AIIP

2 **Question:**

3 **[Ex.9-1-6, p.2]** Please provide the support calculations for the 'CCA, AIIP' and
4 'CCA with no AIIP' amounts.

5

6 **Response:**

7 Please refer to responses to OEB 9-Staff-57 and OEB 9-Staff-58, which address
8 the calculations for CCA with and without AIIP and their impact on deferral
9 account balances. As part of these interrogatory responses, GSHi has submitted
10 an updated spreadsheet titled "Accelerated CCA Deferral Support." This
11 spreadsheet includes three tabs with detailed supporting calculations for all
12 differences related to AIIP.